

# PERFORMANCE MEASUREMENT AND EVALUATION

## **EFFICIENCY AND EFFECTIVENESS REVIEW**

Establishing clear performance metrics and evaluation frameworks helps to track project progress, assess outcomes, and identify opportunities for improvement. Effective and robust evaluation frameworks can enhance transparency and accountability, encourage best practices, and provide a method through which good performance may be recognised and rewarded.

Moreover, utilising data from these frameworks offers significant opportunities for enhancing performance and optimising outcomes. Data-driven insights can underpin informed decision-making and provide a deeper understanding of trends and performance metrics, thereby maximising the value and impact of projects.

This paper identifies key enablers and methods that Australasian Procurement and Construction Council members utilise to measure and evaluate performance of government construction and infrastructure projects.

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## **KEY ENABLERS**

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### **1. Performance Metrics**

Performance metrics are specific measurements used to track progress and outcomes, and to identify areas for improvement. Establishing metrics that are specific, quantifiable, and tied to established criteria enables the assessment of project progress, outcomes, and areas for improvement. For example, some jurisdictions utilise Key Performance Indicators (KPIs) or Key Result Areas (KRAs) to track performance.

### **2. Evaluation Frameworks**

Evaluation frameworks can strengthen transparency and accountability within government projects. These frameworks provide structure to which project progress, adherence to budgets, and realisation of intended benefits may be tracked. By integrating evaluation frameworks into policy and budget development processes, governments can ensure that projects meet defined goals and objectives.

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### 3. Reporting

Regular reporting by the contractor and contract manager forms an integral part of the evaluation process. This often includes factors such as safety, quality of output, and engagement of local contractors. The frequency of reporting can vary, with some jurisdictions opting for regular monthly updates, while others prefer a final report upon project completion.

### 4. Feedback

Providing and receiving feedback allows contractors and government to review project delivery, identify ways to address key opportunities and challenges. Feedback can be used to measure performance and may include activities such as completing feedback templates at project completion, or informal feedback given throughout the project.



## **METHODS FOR PERFORMANCE MEASUREMENT AND EVALUATION**

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### **1. Measuring Project Delivery Performance and Benefits Realisation**

Evaluating project delivery performance, including whether projects are on time, on budget, and within scope, can provide valuable insights. Measures of project delivery allows for the identification and resolution of key opportunities and challenges for delivery agencies. Evaluating benefits realisation involves assessing whether the project has achieved its intended outcomes and benefits, and how these have contributed to broader objectives or policy outcomes such as environmental sustainability. The method may involve post-project reviews or the application of benefits realisation management tools. Regular re-assessment may also be used where benefits may not be fully realised until well after project completion.

### **2. Development of Data Performance Evaluation Tools**

The development of consistent, user-friendly performance measurement tools can be a powerful aid in simplifying the evaluation process. Effective tools not only facilitate tracking of benefits in alignment with the evaluation framework, but they can also capture a wealth of data that can drive further project improvement. Jurisdictions developing these tools can centralise and standardise performance data, to enable more efficient data analysis, better benchmarking of performance across projects, and easier identification of trends and issues. This can drive faster, more accurate decision-making, enabling early identification and correction of potential issues, improving project outcomes, and enhancing the efficiency of the procurement process.

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### 3. Centralising Reporting

Establishment of a centralised area for following up on contract reporting and evaluation can improve consistency and provide improved opportunities to analyse and understand collected project evaluation data. Jurisdictions with centralised reporting may be better placed to overcome challenges in reporting when aided with effective metrics, evaluation frameworks, and data tools. Centralised evaluation can also contribute to develop insights to inform decision-making and develop a more comprehensive understanding of projects and trends.

### 4. Utilising Past Performance Measurement in Tender Evaluation

Completed projects offer a wealth of information about past performance. Factoring these reviews into future tender evaluations can enhance competition and encourage the selection of experienced, high-performing contractors. Recognition schemes can incentivise excellence, while demerit systems can ensure contractor quality by penalising unsatisfactory performance.



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