

Approach to Performance Evaluation Process Improvement

MnDOT/ACEC

White Paper

January 3, 2013

BACKGROUND

Strategy 6D: Improve the processes for project performance evaluation (from original MnDOT/ACEC study)

MnDOT and ACEC have identified the need to revise the P/T Contract Evaluation process due to a number of factors (e.g.: lack of valuable information, subjectivity, lack of consistency, timing of evaluations, etc.). A workgroup has been formed and consists of 5 MnDOT (1 as facilitator) and 4 ACEC representatives. MnDOT and ACEC each have 1 co-chair on the workgroup. This workgroup's main goal is to develop tools and processes for performance evaluations that benefit MnDOT and the Consultant Community.

This whitepaper will be a living document, updated after every meeting, and will include the final recommendations of the workgroup.

DISCUSSION

As stated above, the main goal is to develop tools and processes for performance evaluations that benefit MnDOT and the consultant community. In addition, four more goals have been identified with supporting criteria to improve on the existing evaluation process.

❖ Develop tools and processes for performance evaluations that benefit MnDOT and the Consultant Community

- Provide specific useful feedback
- Improve mechanics of feedback process
- Utilize existing processes to the extent possible
- Develop user friendly tool
- Provide a tool to assist in all levels of consultant selection
- Clarify how MnDOT and consultants can use data to improve
- Develop a flexible process that can be adapted to different types of work including size/complexity, etc.
- Evaluate firms based on scope/contract requirements– but find a way to address individuals
- Develop some form of 360 degree evaluation or lay the groundwork for future inclusion
- Require check-ins at basic intervals but include flexibility for MnDOT and/or the consultant to add more
- Develop communication framework/tool as part of this process (ladder of communication for firms and MnDOT)
- Develop or recommend training to accompany the new process
- Ensure consistency between work types
- Develop criteria definitions to identify what each score actually means
- Require comments be added for extreme scores
- Incorporate contractor plan evaluations in the process (from Strategy 6D)
- Allow MnDOT the ability to eliminate “poor performers”

❖ Transparency and Consistency should be included in the evaluation process

- Incorporate more than just a back and forth paper evaluation – success of project is dependent on the collaboration and communication of MnDOT and the consultant
- Remove individual bias's from the evaluation process

❖ **Define expectations of both sides up front. Establish and define criteria by which the consultant and MnDOT will be measured/evaluated**

- Integrate the performance evaluation process with overall project performance/success
- Provide recommendations for construction and post-construction component
- Deal with issues proactively as they occur
- Encourage effective and timely communications amongst all members

❖ **Include the Department of Administration's evaluation requirements and incorporate into the process**

These goals were identified during the first two meetings along with the goal to present the workgroup's findings at the MnDOT/ACEC Transportation Conference in March of 2013.

The workgroup has developed and implemented the following schedule to keep the tasks on track and ultimately meet their goals.

Activity	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Meetings - June 01 and 28, 2012	X	X								
Work Group develop draft process		X								
Work Group agreement in principle re: draft process			X							
Finalize draft process recommendations										
Work Group concurrence & submit draft for MnDOT Staff and ACEC/MN review					X					
MnDOT Staff and ACEC/MN review										
Receive review comments & collaborative revisions (w/MnDOT Staff)						X				
Work Group concurrence & Submit Final Recommendations							X			
Present to MnDOT Division Management Meeting							X			
Pilot Test										
Fine-tune per Pilot Test comments										
MnDOT Division Director Endorsement										
Present at ACEC/MnDOT Transportation Conf - March 2013										X

Even though the schedule shows the workgroup about a month behind, the workgroup feels there is still adequate time to finalize the new evaluation process, seek out comments, perform pilot tests, and get final endorsement prior to March of 2013.

APPROACH

At the June and July meetings, the workgroup has been studying evaluations from other states and determining what should be included in Minnesota's evaluation. The workgroup has identified the following as important to include in the improved evaluations (in addition to the goals specified above):

1. Include global criteria for each contract evaluation no matter what the work type. Develop contract-specific criteria that will be evaluated for different work types.
2. Define the scoring system to minimize subjectivity and promote consistency.

3. Include the ability to give positive feedback, not just areas for improvement.
4. Need to include the Department of Administration's questions in the evaluations.
5. Incorporate risk management of the contract.
6. Automate evaluations if at all possible.
7. Have at least one interim review prior to final check-in point (may be more reviews depending on the contract).

For the August meeting, a draft master evaluation form was developed (which took into account the above important aspects) to include rating criteria for every type of contract. The next steps in this development process include: fine-tuning the rating criteria, developing the method for scoring, and finalizing the master evaluation form for comment distribution by the end of September/beginning of October to MnDOT staff and ACEC. Also developed for this meeting was a graphic that clearly defined the workgroup's global understanding of evaluation for the entire project.

Consultant contract evaluation is one element of the overall evaluation of project performance.

Projects have four primary process improvement evaluation points which continuously interact in a typical improvement cycle. Operational needs lead to planning for design and construction improvements which in turn lead back to operational efficiencies. Project evaluations should be continuous and provide feedback to the other modes.

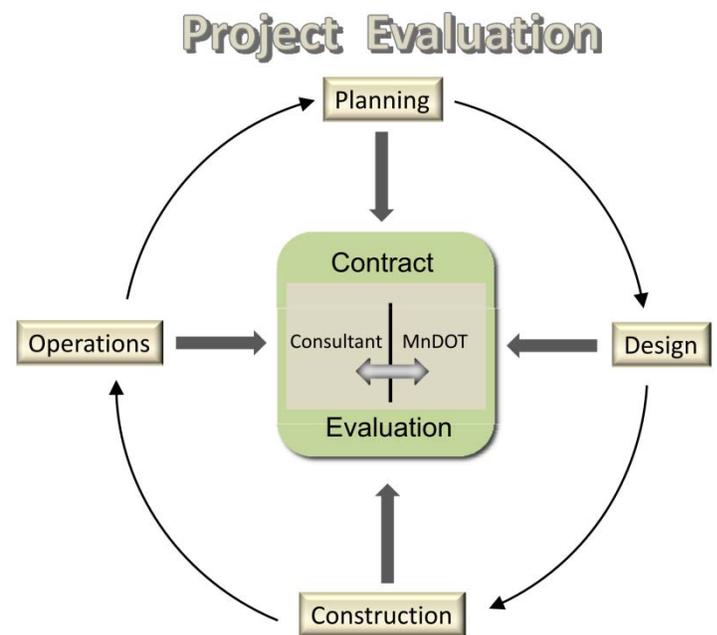
Consultant contracts directly connect to one element of the project cycle. Contract evaluations should be timely and address the respective contract requirements. Feedback from the contract should be given to the prior project cycle element. As an example feedback from a construction contract should be given to the design element of the project. Furthermore, feedback from the next cycle element should be provided to the contract at a later date. The example would be construction feedback given to a design contract.

MnDOT should also be evaluated as part of the consultant contract. MnDOT generally works in partnership with consultants to deliver the scope of a contract and should be evaluated in the overall performance of the contract.

The workgroup will use this understanding moving forward in the development of the evaluation process.

The September meeting included review and comment from the workgroup on a revised version of the master evaluation form (main content of meeting), an option for weighted scoring, the use of the master evaluation form and MnDOT's current evaluation form for use on rating the consultants under contract for the bridge design work on the Cayuga project, and some discussion of what if scenarios for helping consultants improve after receiving low ratings.

The meeting in November focused on finalizing the master evaluation form, discussing the process of how the ratings are used in the future, and getting comments from ACEC and MnDOT on the master evaluation form. The ratings may be used for information for the direct select process based on the prequalified list, but not for RFP/LOI ratings as those proposals will stand on their own. If consulting firms receive low scores (below 3) on ratings, an improvement plan will be put into place to help improve scores.





The December meeting focused on process discussions, including concurrence between the project managers from both the consultant and MnDOT on the final evaluation, dispute resolution, and eligibility for remaining prequalified. The meeting also touched on finalizing the master evaluation form, work type templates, investigation of electronic/automated evaluations, and weighted rating spreadsheet.

The next steps are to finish all work related to the development of the evaluation templates and process, begin working on the presentation for the ACEC/MnDOT Conference in March, and get final approval from MnDOT management and ACEC.

RECOMMENDATIONS

Not all of the issues with the consultant evaluations can be addressed with this workgroup. Therefore, the workgroup has developed some recommendations to be implemented at a future date.

1. Include a post-construction evaluation to review lessons learned (e.g.: Was the design constructible? What can be improved?) and ultimately improve the performance of all involved in the project.