

REWARDING GOOD PERFORMANCE

EFFICIENCY AND EFFECTIVENESS REVIEW

Identifying and rewarding the good performance of contractors encourages continual improvement and growth within the construction industry, to meet and exceed expectations for project outcomes and performance. Rewarding the performance of contractors on public infrastructure and construction works helps to drive best practice and may improve accountability on commitments and measurables. There are several methods which government agencies utilise to encourage good performance.

This paper identifies key enablers and methods that Australasian Procurement and Construction Council members utilise to reward good performance of contractors involved in construction procurement. The following methods are drawn from practices APCC members utilise for government construction and infrastructure projects.

KEY ENABLERS

Communication and Meetings

Running regular meetings and establishing effective forms of communication across parties is a key enabler for recognition of good performance. Agencies that attend regular meetings with contractors consider them to be important opportunities for identifying and addressing project challenges and opportunities as they arise, and work collaboratively to find solutions.

Reporting

Reporting on project stages and outcomes is an important enabler in identifying the performance of contractors. Performance reviews can detail project outcomes and facilitate the review and evaluation of contractor performance in relation to project criteria. This often includes factors such as safety, quality of output and engagement of local contractors etc.

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METHODS FOR REWARDING PERFORMANCE

1. Feedback & Review

Providing feedback on contractor performance provides contractors with an understanding of their performance in achieving project outcomes. Opportunities and methods for feedback may include completing feedback templates at project completion, or informal feedback given throughout the project.

Receiving feedback allows contractors and government to review project delivery, identify ways to address key opportunities and challenges, and encourage good performance.

2. Scoring

Centralised performance management guidelines can be used to evaluate, score, and reward good contractor performance. Relative scoring provides contractors with the opportunity to understand where they sit in relation to other contractors and motivate competition to achieve top performance scores.

3. Recognition

Recognition of top contractors provides incentive to perform well. Methods such as award ceremonies help recognise categories of contractor performance including best project, best contractor, best consultant best quantity, surveyor, best indigenous new business etc.

4. Past Performance in Tender Evaluation

Upon completion of projects, past performance reviews and documentation can be weighted into tender evaluations.

Incorporating past performance into tender evaluation enhances competition, and encourages the selection of experienced, and well performing contractors. Weighting performance in tender evaluation may help to facilitate positive project outcomes, where strong performing contractors are recognised for their past performance.

Different values for past performance can be assigned. *e.g., Weighting safety assessments and work-safe history into tender evaluation.*

5. Pre-qualification Schemes

Prequalification schemes that incorporate past contractor performance can be used to reward high performing contractors. Opportunities provided by pre-qualification schemes encourage contractors to maintain performance to bid for relevant works.

6. Demerit Schemes

Agencies may also utilise demerit schemes to maintain the quality of contractors. In the instance of poor performance, demerit points may be used and pre-qualification may be suspended for underperforming contractors.