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# 1.0 Introduction

## 1.1 Purpose

In accordance with Queensland Government policy, agency officers administering building project commissions through the whole-of-Government Prequalification (PQC) System are required to monitor and ensure that reports are undertaken on the performance of building industry consultants. At the same time, the Conditions of Prequalification require prequalified building industry consultants to contribute to the completion of performance reports on the services they provide. A proforma performance report is available for this purpose and is provided at Attachment 1.

Performance reports are used to review a consultant's technical and management performance as well as compliance with contractual, statutory and prequalification requirements.

The reports provide the opportunity to monitor the progress of the commission and if necessary take preventative or corrective action to achieve agreed project outcomes.

The reports also provide the PQC Registrar with valuable information and feedback on a consultant's performance. Where a performance report identifies superior performance by a consultant, there is a mechanism for the consultant to be rewarded through increased opportunities to submit proposals for other commissions (refer *Consultant PQC: Invitation and Selection* guideline). Similarly, unsatisfactory performance will result in sanctions being applied, thereby reducing the consultant's invitations to submit proposals for other commissions.

## 1.2 Definitions

|                             |  |
|-----------------------------|--|
| Agency                      | A Queensland 'government department' as that expression is defined in the <i>Financial Administration and Audit Act 1977</i> .   |
| Consultant                  | An organisation or individual contracted directly to the Principal to provide particular services (defined in Attachment 1 of the <i>Consultant PQC: Invitation and Selection Process</i> guideline) in relation to a government building project. The terms 'building industry consultant' and 'consultant' are used interchangeably in this guideline. |
| Government building project | This term as defined in the <i>Capital Works Management Framework</i> .  |
| Principal                   | The State of Queensland acting through a particular agency nominated in the consultant invitation documents.   |
| Commission                  | The contractual relationship between 'consultant' and 'principal'.   |
| Consultant representative   | An authorised representative of the consultant appointed by management of the consultant entity to be the primary contact during the delivery of the service.  |

|                                  |  |
|----------------------------------|--|
| <b>Agency management officer</b> | The officer authorised to sign-off a performance report prior to the report being issued to the consultant and the PQC Registrar. This officer may be the Project Director, Portfolio Director, a senior manager from the client organisation (principal), or the agency officer appointed to manage the commission. |
| <b>Agency officer</b>            | The agency officer appointed to manage a commission associated with a government building project and to ensure that performance reporting is undertaken for the commission.   |
| <b>Terms of Reference</b>        | The document issued by the ‘principal’ to the ‘consultant’ for the purpose of describing the scope of the project and the scope of the services to be provided by the consultant.  |

### 1.3 Who should read this guideline?

This guideline is specifically intended for:

- government officers or their agents involved in the procurement and/or management and maintenance of government building projects; and
- building industry consultants seeking to provide services associated with government building projects.

### 1.4 Related documents

This guideline should be read and used in conjunction with the following PQC System documents:

- the *Consultant PQC: Invitation and Selection Process* guideline;
- the *Consultant PQC: Review Processes* guideline;
- the *Consultant PQC: Service Risk Assessment* guideline; and
- the *Conditions of Prequalification* (version for consultants).

## 2.0 Performance criteria

|                                   |   |
|-----------------------------------|---|
| <b>Consultant performance</b>     | is assessed against ten key criteria. Each of the criteria is briefly described below. A more detailed guide is provided at Attachment 2.   |
| <b>Compliance</b>                 | This criterion assesses the extent to which the consultant complied with government policy and statutory requirements.  |
| <b>Support for local industry</b> | This criterion assesses the extent to which local industry is provided with full, fair and reasonable access to government building work as evidenced in the consultant’s activities and deliverables. This criterion is particularly relevant in regional areas. |

|   |  |
|---|--|
| <b>Resources Management</b>             | This criterion assesses the consultant's capacity to manage human, technical and other resources in accordance with the strategies outlined in the initial proposal.   |
| <b>Function</b>                         | This criterion assesses the consultant's delivery of the commission requirements as reflected in the alignment between the commission's deliverables and the intended operation and requirements of the building project.  |
| <b>Time Management</b>                  | This criterion assesses the consultant's performance with respect to managing the commission timeline and adhering to agreed milestones and deliverables.  |
| <b>Cost Management</b>                  | This criterion assesses the consultant's performance with respect to managing costs associated with the commission and, where applicable, the overall project cost, including whole-of-life costs.   |
| <b>Quality of documentation</b>         | This criterion assesses the consultant's performance with respect to producing complete, accurate, appropriate and compliant documentation that employs sound version control, co-ordination and distribution methods.   |
| <b>Value-adding</b>                     | This criterion assesses the consultant's performance with respect to understanding and meeting project objectives; handling of unforeseen challenges and/or known complexities; and, where applicable, the effectiveness of research and/or development undertaken by the consultant specifically for the commission. It also recognises value for money considerations as evidenced by the alignment between the Terms of Reference, the consultant's proposal and what was actually delivered. |
| <b>Communication</b>                    | This criterion assesses the extent and quality of consultation with the client, other consultants, participants in the supply chain and key stakeholders, including, where appropriate, the general community.   |
| <b>Management Processes and Systems</b> | Where a particular management system and/or a project specific management plan (i.e. quality, environmental or workplace health and safety management plan) is a specified requirement of the commission, this criterion measures the extent to which the management system resulted in enhanced performance.  |

## 2.1 Performance assessment

The adequacy of each consultant's performance is assessed against each of the ten criteria mentioned in the previous section on the basis that it is:

- unsatisfactory
  - the consultant's work had significant errors and/or omissions; and/or
  - the consultant's work attracted many and/or serious complaints related to the relevant aspect of commission outputs; and/or
  - the consultant demonstrated an inability to interpret the Terms of Reference; and/or
  - the consultant was behind schedule; and/or
  - the consultant was generally not available/responsive in regard to issues relating to the commission; or
- adequate
  - the consultant's work had no significant errors and/or omissions; and/or
  - the consultant's work attracted few/minor complaints related to the relevant aspect of commission outputs; and/or
  - the consultant demonstrated an adequate ability to interpret the Terms of Reference; and/or
  - the consultant met agreed milestones; and/or
  - the consultant was generally available/responsive in regard to issues relating to the commission; or
- superior
  - the consultant's work was exemplary; and/or
  - the consultant's work attracted considerable praise with no/inconsequential complaints related to the relevant aspect of the commission; and/or
  - the consultant demonstrated an exceptional ability to interpret the Terms of Reference and add value through their outputs; and/or
  - the consultant was ahead of schedule; and/or
  - the consultant was proactive in regard to issues relating to the commission and the consultant's availability/responsiveness was exemplary.

### **3.0 Reporting frequency**

The frequency of reporting should be determined by the agency officer appointed to manage the commission and will require, as a minimum, a report at the completion of each commission. The agency officer is to advise the PQC Registrar of the anticipated frequency of reporting at the commencement of the commission.

Notwithstanding the advice provided to the PQC Registrar with respect to frequency of performance reporting, completion of additional performance reports may be required if the agency officer, in consultation with the agency management officer, determines that the consultant's performance is unsatisfactory, that the consultant appears to be under financial or managerial stress, or if required by the PQC Registrar or Principal. In each case, there would need to be a particular and reasonable concern in relation to the consultant's performance.

The agency officer would usually identify such concerns while monitoring the performance of the consultant and, in particular, the adequacy of key deliverables required by the Terms of Reference at significant milestones. These milestones typically coincide with the conclusion of a project phase (for example, pre-design, schematic design, developed design, tender documentation and practical completion of construction).

The preferred method of accessing the proforma performance report shown at Attachment 1 is via the PQC System database. Alternatively, copies of performance reports in Adobe Acrobat format can be downloaded from the Building Division website at [www.build.qld.gov.au](http://www.build.qld.gov.au).

### **4.0 Completing performance reports**

Reporting on the performance of building industry consultants is a Government policy requirement.

Ensuring that each performance report is completed is the responsibility of the agency officer appointed to manage the commission. However, the *Conditions of Prequalification* (PQC) also require the consultant to be involved in the process.

The agency officer would normally complete the performance report and obtain sign-off by the agency management officer. The performance report is then issued to the consultant representative by the agency officer to allow the consultant the opportunity to endorse or contest the assessment. The consultant should be given ten working days in which to respond. At the same time, the agency officer should notify the PQC Registrar that a performance report has been prepared and issued to the consultant.

If the consultant contests the assessment, the agency management officer that signed the report should review the assessment, seek to address any points of difference with the consultant and then ensure that the performance report is forwarded (amended or otherwise) together with any comments and/or sign-off from the consultant to the PQC Registrar for processing.

If the consultant accepts the assessment, the agency officer should ensure that the performance report is signed-off by the consultant and forwarded by the agency officer, together with any comments from the consultant, to the PQC Registrar for processing.

The roles of the agency management officer, the consultant and the PQC Registrar in reviewing performance reports are discussed further in section 4.1.

Ten performance criteria are scored using a rating scale with some items supplemented with yes/no questions and text entries. For each criterion, there is provision for both the agency officer and the consultant representative to record comments. A list of the key considerations for each criterion is included at Attachment 2.

## **4.1 Review process**

### **Agency management officer review**

The agency management officer has primary responsibility for ensuring the fairness and accuracy of consultant performance reports and for signing-off reports before they are released to the consultant representative. Notwithstanding, an agency, at its discretion, may delegate this role to the agency officer administering the commission.

The agency management officer may make reasonable requests for supplementary information or points of clarification as part of the review process. This is particularly relevant where the views of the agency officer on the consultant's performance are in conflict with those of the consultant representative. If this is the case, the agency management officer should seek to quickly resolve points of disagreement with the consultant representative and/or management of the consultant entity and adjust the performance report if necessary. However, if agreement cannot be achieved, the agency management officer should determine a position and notify the PQC Registrar and the consultant accordingly.

### **Consultant review**

The *Conditions of Prequalification* (PQC) require the consultant to contribute to the assessment of their performance on government building projects. Such participation also ensures that natural justice requirements are met.

The consultant representative is issued with a copy of each performance report after it has been signed off by the agency management officer.

The consultant has ten working days in which to review and either endorse or contest the assessment.

Following the period of consultant review, the completed performance report must be forwarded promptly to the PQC Registrar by the agency officer or the agency management officer, as appropriate, for processing.

## PQC Registrar review

Completed performance reports should only be issued to the PQC Registrar after the consultant review period has lapsed and should preferably include the consultant's sign-off.

The PQC Registrar reviews performance reports as they are received and may also make reasonable requests for supplementary information, or points of clarification, as part of the review process. This will include contacting the consultant in cases where the consultant has not signed-off the performance report.

When the PQC Registrar is satisfied that a report covers all required aspects of the consultant's performance and is not being contested by the consultant, the outcome of the assessment is recorded on the PQC System database and used to determine any actions that may be required and the impacts on future opportunities for the consultant.

If the consultant contests the performance report, and the agency management officer has indicated that it is not proposed to amend the report, the PQC Registrar will need to clarify whether the consultant plans to appeal the assessment and advise the consultant, as necessary, on the appeal process. Further information on the appeal process is available in the *Consultant PQC: Review Processes* guideline.

## 5.0 Actions arising from completed performance reports

When the performance report has been reviewed and comments received from all relevant parties, the PQC Registrar determines what, if any, actions should arise from the reports.

In general terms, unsatisfactory performance is likely to result in the consultant having reduced future opportunities to offer services, while superior performance is likely to result in a consultant having increased future opportunities to offer services. The overall performance outcome may also be a trigger for determining the priority for review of a consultant's capability to undertake future work at a particular PQC Service Risk Rating (refer *Consultant PQC: Service Risk Assessment* guideline for further information on Service Risk Ratings).

Where overall performance on a commission during a reporting period is unsatisfactory, a review will be undertaken and sanctions may be applied. The guideline *Consultant PQC: Review Processes* outlines the approach used in these circumstances.

Where overall performance on a commission during a reporting period is adequate, this will be recorded and no further action will be required.

Where overall performance on a commission at completion has been assessed as superior based on scoring for all of the criteria, together with weightings where applicable, the PQC System provides a mechanism for the consultant to be offered increased opportunities to submit proposals for future commissions for as long as that status is maintained.

## **6.0 Retention of performance reports**

Copies of performance reports are held by the PQC Registrar, Department of Public Works and the results of the performance reports, whether adequate, unsatisfactory or superior, are retained in the PQC System for a three year period and used as the basis for decision making with respect to each consultant's access to opportunities for future commissions associated with government building projects.

However, if the consultant completes more than five government building project commissions before the three year period has elapsed, the consultant's access to opportunities for future commissions will be based on the performance reports of the previous five commissions only.

## **7.0 Privacy of Information**

All personal information held by the Department of Public Works is subject to Queensland Government Information Standard 42 (IS42), which aims to establish a framework for the responsible collection and handling of personal information in the Queensland Government public sector.

The Department of Public Works manages prequalification information on a whole-of-Government basis. Under the Conditions of Prequalification, it is deemed that the consultant has given consent for their name, title and work contact information to be collected and used for whole-of-Government activities without specific authorisation.

# Attachment 1—Consultant PQC System Release 2: Performance Report

|  |   |
|--|---|
| Consultant:  |   |
| Project name:  |   |
| Project number:                                      |   |
| Commission type:                                     | <input type="checkbox"/> Design and documentation <input type="checkbox"/> Project management <input type="checkbox"/> Cost management <input type="checkbox"/> Compliance <input type="checkbox"/> |
| Service activity (e.g. building design, structural): |   |
| Consultant representative:                           | .....% complete as at .....   |
| Review date:   | Status  |
| Commission commencement date:                        | ...../...../.....   |
| Original agreed commission completion:               | ...../...../.....   |
| Original agreed fee:                                 | \$  |

|  |  |
|--|--|
| <p><b>Unsatisfactory</b> – e.g. during this reporting period the consultant's work had significant errors, omissions or attracted many/serious complaints related to this aspect of commission outputs, or the consultant demonstrated an inability to interpret the Terms of Reference, was behind schedule, or was generally not available/responsive in regard to issues relating to the commission (attach supporting documentation). (Note – use of this column may adversely impact the consultant's future opportunities to submit proposals.)</p> <p><b>Adequate</b> – e.g. during this reporting period the consultant's work had no significant errors or omissions and attracted few/minor complaints related to this aspect of commission outputs, and the consultant demonstrated an adequate ability to interpret the Terms of Reference, met agreed milestones and was generally available/responsive in regard to issues relating to the commission.</p> <p><b>Superior</b> – e.g. during this reporting period the consultant's work was exemplary and attracted considerable praise with no/inconsequential complaints related to this aspect of the commission, and the consultant demonstrated an exceptional ability to interpret the Terms of Reference, was ahead of schedule, proactive in regard to issues relating to the commission, and the consultant's availability/responsiveness was exemplary.</p> <p>If considered 'Superior' provide comments here or as a separate attachment.</p> |  |
| Compliance   |  |
| Support for local industry   |  |
| Resources  |  |
| Function   |  |
| Time   |  |
| Cost   |  |
| Quality of documentation   |  |
| Value Adding   |  |
| Communication  |  |
| Management systems   | <input type="checkbox"/> if not applicable |

|   |  |
|---|--|
| <p><b>Yes</b> (Attach supporting documentation outlining details, status, final outcome, and/or dollar amounts where known.)</p> <p><b>No</b></p> |  |
| During this reporting period, has the consultant demonstrated any signs of managerial stress?   |  |
| Are you aware of any adverse contractual, legal, administrative or similar issues involving this consultant on this or any other commission?      |  |

|   |   |
|---|---|
| Consultant:   |   |
| Project name:   |   |
| Sign-off by agency officer administering this consultant commission (required unless officer has been delegated the authority to sign-off report as the agency management officer). | Comments (optional)   |
|   | Name / / /<br>Signature   |
| Sign-off by the agency management officer (required).   | Comments (optional)   |
|   | Name / / /<br>Signature   |
| Has the report been issued to the consultant?   | Yes <input type="checkbox"/> No <input type="checkbox"/> Date of issue: ...../...../.....   |
| Sign-off by consultant (usually consultant Representative) (sign-off preferred but optional).   | Comments (optional)   |
|   | Name / / /<br>Signature   |
| Forward completed report, signed as appropriate, to:  | PQC Registrar or PQC Registrar<br>Building Division Fax 07 3224 5498<br>Department of Public Works (with follow-up original in mail)<br>GPO Box 2457, BRISBANE 4001 |
|   | Phone 07 3224 5241<br>or 1800 072 621   |

# Attachment 2: Key criteria explained

## 1. Compliance

This criterion focuses on the extent to which the consultant complies with relevant:

- government policies, in particular, *The Queensland Code of Practice for the Building and Construction Industry*; and
- statutory requirements applicable to the consultant's professional practice, for example, the *Architects Act 2002 (Qld)*, the *Professional Engineers Act 2002 (Qld)*, the *Building Act 1975 (Qld)*, the *Environmental Protection Act 1994 (Qld)*, the *Workplace Health and Safety Act 1995 (Qld)* and the *Integrated Planning Act 1997 (Qld)*.

### Notes

- These requirements may be explicitly stated in the Terms of Reference or may be implicit.
- This criterion is not concerned with the technical compliance of the consultant's outputs. Technical compliance issues are addressed by the *Function and Quality of Documentation* criteria.

## 2. Support for local industry

All government building commissions are required to address the issue of local content and local industry participation. This criterion focuses on the extent to which the consultant has:

- used local sub-consultants and/or other local service providers/suppliers;
- used a priority order for specifying building industry products and materials, which gives precedence to functional, performance and technical specifications and does not unreasonably disadvantage local manufacturers and suppliers;
- prepared and/or implemented strategies for training/transfer of technology/skills to local consultants, companies or suppliers; and
- demonstrated support for local industry relative to the level prescribed in the consultant's proposal (i.e. the extent of alignment between what was offered and what has been delivered).

### Note

- This criterion is especially applicable in regional settings.
- Consultants can meet local content requirements by going no further geographically than is necessary to secure competitive supply.
- The use of performance and functional specifications, rather than technical specifications, allows for flexibility while avoiding being too prescriptive. When technical specifications are required, it is recommended that local alternatives be encouraged e.g., the use of equivalent or similar local products and materials. Specifiers should avoid descriptions based on known overseas products as this may have the effect of limiting or excluding local industry participation.

- At practical completion of construction, it may be possible to assess the effectiveness and practicality of the overall strategy for supporting local industry.

### **3. Resource management**

In the context of consultant PQC performance reporting, resources refer to people and the technology they utilise. This criterion focuses on the extent:

- of alignment of the number and the professional/technical expertise and skills of personnel nominated in the consultant's proposal and the personnel actually involved (with the focus being on impacts to service delivery). For example, is the team working on the project the same as the team nominated in the proposal? If not, are the experience and qualifications of the alternate team suitable?;
- of the consultant's effectiveness in managing and coordinating the work of its own team;
- of the consultant's coordination with other consultants/participants involved in the project;
- of the consultant's coordination of other consultants/participants involved in the project where the consultant is the principal consultant; and
- to which the consultant provided services without drawing on agency resources and/or generating a requirement for others to undertake additional or remedial work (that is, was the consultant effective in dealing with issues or was there a need for others to have to perform the work on the consultant's behalf?).

#### **Note**

- The issue of responsiveness to Requests for Information (RFIs) is dealt with in the practical completion performance report under the 'Documentation' criterion.
- The management of time and budgetary resources are addressed respectively under the 'Time Management and Cost Management' criteria.

### **4. Function**

The function criterion is concerned with assessing the alignment between the commission deliverables and the intended operation and requirements of the building project. This criterion focuses on the extent:

- of alignment of project deliverables identified in the Terms of Reference and the commission output;
- to which the consultant is effective in interpreting the Terms of Reference;
- to which the consultant has designed in accordance with the principles of sustainability (that is, where the commission is a design commission and the consultant was specifically required to address sustainability issues in the design); and
- to which commission outputs are coordinated with the outputs of other consultants.

## 5. Time management

This criterion focuses on:

- the extent to which the consultant adhered to agreed timelines;
- the impact of any consultant-caused delays to commission outputs on critical path/program;
- the availability/responsiveness of the consultant with respect to issues relating to the commission; and
- where applicable, the consultant's responsiveness to Requests For Information (RFIs).

## 6. Cost management

Original commission fee budgets may be exceeded due to 'client side' issues or may be related to poor planning on the part of the consultant. The reasons for any variation in the commission fee need to be explained.

This criterion focuses on:

- control of cost within agreed fees; and
- value for money (that is, the extent of alignment of agreed services to be provided, including whole-of-life considerations and those actually provided).

### Note

The following points are only applicable to cost management commissions.

- Achieved value for money in terms of the overall project (that is, at practical completion was there alignment between the project deliverables and the approach nominated in the Terms of Reference?); and
- Achieved alignment of overall cost planning with those costs nominated in the tender estimates and where applicable to the costs identified in the Bill of Quantities. (This is only applicable to cost planning commissions and is assessed at practical completion of construction.)

## 7. Quality of documentation

Documentation refers to all written communications produced by the consultant such as reports, plans, working drawings, tender and contract documents and specifications. This criterion focuses on:

- completeness, accuracy and clarity of consultant's documentation;
- consultant's compliance with required protocols, formats or specifications such as AS1100 - Technical Drawing, AutoCAD standards and the NATSPEC specification;
- effectiveness and efficiency of control, co-ordination and distribution of documentation by the consultant; and
- number of valid and substantive Request For Information (RFIs) directed to the consultant, where applicable.

## **8. Value-adding**

As much as possible, value adding should be itemised in the Terms of Reference. In assessing consultant performance, reference should be made to these identified issues. This criterion focuses on:

- the consultant's level of understanding of project objectives and other issues relevant to the project;
- the consultant's handling of known complexities and/or unforeseen challenges (aligns with problem-solving and innovation skills); and
- the effectiveness of research and/or development undertaken by the consultant in relation to the commission.

It also recognises value for money considerations as evidenced by the alignment between the Terms of Reference, the consultant's proposal and what was actually delivered.

## **9. Communication**

This criterion focuses on:

- communication and cooperation with client;
- community consultation where applicable;
- communication and cooperation with participants in the project and supply chain, for example, other consultants, the contractor and suppliers; and
- communication with other relevant stakeholders.

This criterion also takes into consideration the extent to which the agency team administering the commission has been readily contactable and open to discussion or comment on matters relevant to the commission.

## **10. Management processes and systems**

This criterion assesses the extent to which performance in the areas of quality management, environmental management and workplace health and safety management was enhanced by the relevant management processes and systems when specified in the Terms of Reference. This criterion focuses on:

- where a management process or system is required for the commission, the effectiveness of the process or system in identifying issues or aspect of service delivery that would have adversely affected the quality of outputs of the consultancy;
- where a Project Quality Management Plan is required:
  - evidence of internal Quality Management System audit(s) of the Plan; and
  - evidence of issues or aspects of services delivery that would have adversely affected the quality of outputs of the consultancy had they not been addressed following identification during audit(s) of the Plan.

# Notes