CPM Key Performance Indicators (KPIs)

September 17, 2013
David Wood, PMO

Agenda

• CPM Performance Evaluation
• How KPIs are Measured
• Details of each KPI
• KPI Roll-out Schedule
Key Performance Indicators: An Overview

- Data driven process to measure CPM performance against a standardized, objective list of principles and procedures.
- Alert CPM and PMO of issues in real-time.
- Trigger to correct new and reoccurring issues.

CPM Performance Evaluation

- Identify the performance of each CPM team using the criteria established by the KPIs.
- There are three possible scores:
  - **Green**: performance meets or exceeds the established standard to achieve green; the District expects the CPM firm to perform at this level for the duration of the agreement.
  - **Yellow**: performance is below the established green standard.
  - **Red**: performance is below the established yellow standard.
CPM Performance Evaluation

- KPIs assessed as meeting or exceeding the acceptable standard (green) will be:
  - Reviewed for best practices
  - Analyzed for sharing with other CPMs
  - Looked at for CPM commendation

CPM Performance Evaluation

- KPIs assessed as unfavorable (yellow or red) could trigger corrective actions by the PMO to closely monitor/resolve the issue, including:
  - Corrective Action Report (CAR).
  - Deploy Tiger Team to assist in correcting performance issues.
  - Notice of first termination of staff.
Corrective Actions

• The CPM will work with the responsible PMO Manager to implement corrective actions under the following guidelines:
  – PMO or CPM can identify potential issues of concern and resolution methodology.
  – Expect CPM to provide early notification of potential concerns to the assigned Regional Project Liaison if expected to negatively impact performance evaluation.

Corrective Action Report

1. Significant and/or recurring issue identified
2. Corrective Action Report (CAR) issued to CPM in PMIS
3. CPM has 15-30 days to submit corrective action plan to PMO for approval
4. CPM has 60-90 days to implement plan
5. CPM Quality Point of Contact reports progress to RPL and PMO Quality Manager
6. CPM uploads evidence in PMIS to demonstrate implementation of plan
7. PMO Quality Manager reviews evidence and, if acceptable, closes CAR
### Corrective Action Workflow in PMIS

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<thead>
<tr>
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</table>

PMO QA Manager can suspend or cancel CAR from their states.

### Tiger Teams

- Tiger Teams will operate under the following guidelines:
  - Deploy to work on significant issues on specific performance areas that are not meeting standards.
  - Team of experts selected by the PMO and directed by the PMO.
  - Report to the RPLs and PMO Program Director on progress.
Measuring KPIs

• 13 different KPIs
  – Measure budgets, schedules, PBAs, quality, invoices paid, safety, risk and coming soon close-out.
  – Each KPI has its own objective metrics.
  – Assess CPM performance at the project level, rolling up to report performance at the College level.

GOOD
Noted and reviewed for best practices; the minimum level at which the client expects the CPMs to perform.

POOR
Performing below standard; PMO will closely monitor the issue, requiring CPMs to describe the condition and method of observation.

FAILING
Performing significantly below standard; PMO will assign corrective actions, deploy Tiger Teams, schedule additional internal audits, or initiate recommendation for termination.
# KPI Dashboard Sample (mock data)

## CPM KPI Monthly Dashboard – College Level

The following report summarizes KPIs at the college level.

<table>
<thead>
<tr>
<th>College Name / ZIP</th>
<th>Budget</th>
<th>Change</th>
<th>Change</th>
<th>Operations</th>
<th>Complete</th>
<th>Report</th>
<th>ATE Is</th>
<th>Compliance</th>
<th>Risk</th>
<th>Core Gun</th>
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<td>Yes</td>
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<td>Yes</td>
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</table>

*Legend: Yes = Green; No = Red; N/A = Yellow*

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## CPM KPI Monthly Dashboard – Project Level

The following report summarizes KPIs at the project level for East Los Angeles College.

<table>
<thead>
<tr>
<th>Project Area</th>
<th>Budget</th>
<th>Change</th>
<th>Change</th>
<th>Operations</th>
<th>Complete</th>
<th>Report</th>
<th>ATE Is</th>
<th>Compliance</th>
<th>Risk</th>
<th>Core Gun</th>
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</thead>
<tbody>
<tr>
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<td>East Los Angeles College – West Campus</td>
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</tbody>
</table>

*Legend: Yes = Green; No = Red; N/A = Yellow*
KPI Dashboard Sample (mock data)

List of KPIs

<table>
<thead>
<tr>
<th>1. Balanced Budget</th>
<th>8. QMS Compliance</th>
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</thead>
<tbody>
<tr>
<td>2. Open Change Orders</td>
<td>9. Reportable Incident Rate</td>
</tr>
<tr>
<td>3. Change Order Percentages</td>
<td>10. Schedule vs. Baseline</td>
</tr>
<tr>
<td>4. Invoices Paid</td>
<td>11. PBA Compliance</td>
</tr>
<tr>
<td>5. Number of Open Deviations</td>
<td>12. Risk</td>
</tr>
<tr>
<td>6. Audit Non-conformance Reports</td>
<td>13. Closeout</td>
</tr>
<tr>
<td>7. Corrective Action Reports</td>
<td>- Coming soon</td>
</tr>
<tr>
<td></td>
<td>- Would like your input</td>
</tr>
</tbody>
</table>
KPI #1: Balanced Budget

Functional Lead: David Wood
Status: Phase 1

Description: Measures ability to complete a project within the approved budget. Compares the Estimate at Completion (EAC) with the current Uii budget at Project level. Data source is currently Uii, will be Proliance in the future.

- GOOD - EAC less than 95% of approved budget
- POOR - EAC greater than 95% but less than approved budget
- FAILING - EAC greater than approved budget

KPI #2: Open Change Orders (COs)

Functional Lead: Steve Galloway/Larry Hubler
Status: Phase 2

Description: Measures timeliness to convert CPM issued Field Orders and Contractor issued Change Order Proposals to an approved Change Order.

- GOOD - No open COs over 90 days
- POOR - 1 or more open COs over 90 days but less than 120 days
- FAILING - 1 or more open COs over 120 days
KPI #3: Change Order Percentages

**Functional Lead:** Steve Galloway/Larry Hubler  
**Status:** Phase 2

**Description:** Measures management over controllable change for construction contracts. Measured as a percentage of change against Original Contract value. Change Orders tagged with the following reason code will be used in the calculation:
- Unforeseen conditions - Existing conditions that should have been discovered
- Design - errors & omissions
- Owner – scope changes

- **GOOD**
  - Total CO is 5% or less than Original Contract Value

- **POOR**
  - Total CO is greater than 5% but less than 10% of Original Contract Value

- **FAILING**
  - Total CO is 10% or greater than Original Contract Value

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KPI #4: Invoices

**Functional Lead:** Ray Loving  
**Status:** Phase 1

**Description:** Measures number of calendar days to review, approve and forward invoices to the PMO for payment. **Assessment period will be 90 days.**

- **GOOD**
  - All invoices in assessment period processed ≤20 days

- **POOR**
  - Any invoice in assessment period >20 days, but <30 days

- **FAILING**
  - Any invoice in assessment period ≥30 days
KPI #5: Open Deviations

Functional Lead: Daynard Tullis  
Status: Phase 2

Description: Measures timeliness to resolve construction related Deviations issued from the inspection agencies. Uses total number of Open Deviations issued from IOR/PI and DSA Field Inspector and compares that to the number of days open. Any deviation open over 30 days counts against you.

- **GOOD**
  - Greater than 90% of all open deviations closed in less than 30 days
- **POOR**
  - Between 75% to 90% of all open deviations closed in less than 30 days
- **FAILING**
  - Less than 75% of all open deviations closed in less than 30 days

KPI #6: Audit Nonconformance Reports (ANRs) Timeliness

Functional Lead: Kathleen Copus  
Status: Phase 1

Description: Measures timeliness to resolve findings identified during an internal quality audit. Closed ANRs report until next audit.

- **GOOD**
  - Level I (major) ANR closed within 60 days;  
  - Level II (minor) ANR closed within 90 days.
- **POOR**
  - Level I ANR closed between 61 and 75 days;  
  - Level II ANR closed between 91 and 105 days.
- **FAILING**
  - Level I ANR closed greater than 75 days;  
  - Level II ANR closed greater than 105 days.
KPI #7: Corrective Action Reports (CARs) Timeliness

Functional Lead: Kathleen Copus

Description: Measures timeliness to resolve issues or findings identified outside of an internal quality audit (from external performance audits, process review, poor performance on a KPI). Closed ANRs report until next audit.

Status: Phase 1

- Level I (major) CAR closed within 60 days;
- Level II (minor) CAR closed within 90 days.

- Level I CAR closed between 61 and 75 days;
- Level II CAR closed between 91 and 105 days.

- Level I CAR closed greater than 75 days;
- Level II CAR closed greater than 105 days.

KPI #8: QMS Compliance

Functional Lead: Kathleen Copus

Description: Measures compliance with quality and risk audits through calculated audit score. Internal audits will consider three attributes:
- Commitment to the quality management system;
- Compliance to the quality management system procedures (SOPs); and
- Risk management compliance for risk register and mitigation action maintenance and subcontractor management.

Status: Phase 1

- ≥90% compliance with procedures
- Between 75% and 89% compliance with procedures
- <75% compliance with procedures
KPI #9: Recordable Incident Rate (RIR)

**Functional Lead:** Charbel Sfeir/Brian Beltz  
**Status:** Phase 1

**Description:** College RIR compared to Bureau of Labor Statistics (BLS).  
RIR = Number of injuries and illnesses $\times$ 200,000/ Employee hours worked  
RIR calculated monthly for an assessment period of thirty days. **The current 2011 BLS construction RIR = 3.9.**

- **GOOD**  
  - RIR less than 3.5 (10% less than the current BLS rate)

- **POOR**  
  - RIR greater than 3.5 but less than or equal to 4.4

- **FAILING**  
  - RIR greater than 4.4, and/or any incident which was not reported timely.

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KPI #10: Construction Schedule

**Functional Lead:** David Wood  
**Status:** Phase 1

**Description:** Measures current milestones against baseline milestones for all active construction projects. Starts with Notice to Proceed though Substantial Completion. Compares for each milestone, a baseline against planned dates. **Variance Calculation = (Baseline Date – Current Planned Date). Baseline is set at award of contract.**

- **GOOD**  
  - No milestones slipped more than 15 days.

- **POOR**  
  - Up to 2 milestones slipped more than 15 days but less than 30.

- **FAILING**  
  - One or more milestone(s) slipped more than 30 days – or – 3 or more milestones slipped 15 to 30 days.
KPI #11: PBA Compliance

Functional Lead: Brent Hurwitz

Status: Phase 2

Description: PBAs will be evaluated using objective criteria. Metrics include: Timely draft and final PBA submissions, intensity of revisions, spelling/grammatical errors.

- GOOD - >80% compliance with PBA metrics
- POOR - >60% but <80% compliance with PBA metrics
- FAILING - <60% compliance with PBA metrics

KPI #11: PBA Compliance, cont.

Functional Lead: Brent Hurwitz

Status: Phase 2

Metric

1. On-time Submittal of Draft PBA
2. Back-up Documentation Submitted with Draft PBA
3. Research Needed for PBA
4. Pre-approval obtained for any Ratify component
5. Funding is available
6. Correct Project Name and Correct Project Number
7. Spelling/Grammar/Punctuation
8. Late Addition PBA requested after Draft II
9. Final, Signed PBA Submitted On Time
10. Change Made to PBA on Published Report
KPI #12: Risk

Functional Lead: Kelly Cauvel
Status: Phase 2

Description: Compliance with Risk Management Program by measuring the CPM’s level of activity in updating and maintaining the risk register. The level of activity is measured against a “baseline” risk register approved by the PMO.

- **GOOD**
  - 100% of risk register entries have been updated with relevant info in the last 30 days
  - Less than 100% but greater than 50% of risk register entries have been updated with relevant information in the last 30 days

- **POOR**
  - Less than 50% of risk register entries have been updated with relevant info in the last 30 days

- **FAILING**

KPI ‘Roll-Out’ Schedule

- **September/October**
  - Used to accurately collect data
  - Orient / Train CPMs with the process
  - Mock audits

- **Starting in November**
  - CPM Performance Evaluation Report created and reported to District and Presidents monthly
  - Live audits with corrective action reports and Tiger Teams utilized, as needed, to improve performance
  - Recognize high achievement at CPM Roundtable monthly
  - Discuss common areas of poor performance at CPM roundtable
Who’s Involved

- CPM
  - Lead
  - Quality Point of Contact
    - Ensures accurate and timely data, and receives reports
- PMO
  - KPI Lead
    - Collects and verifies data
    - Ensures timely reports
    - Works with KPI owners

Who’s Involved, cont.

- District
  - Receives reports – and provides comments and guidance
- College Presidents
  - Receives reports – and provides comments and insight
## CPM KPI Owners

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Phone</th>
<th>KPIs</th>
</tr>
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<tbody>
<tr>
<td>Brian Beltz</td>
<td><a href="mailto:brian.beltz@build-laccd.org">brian.beltz@build-laccd.org</a></td>
<td>213-593-8793</td>
<td>• KPI #9 (Safety)</td>
</tr>
<tr>
<td>Kelly Cauvel</td>
<td><a href="mailto:kelly.cauel@build-laccd.org">kelly.cauel@build-laccd.org</a></td>
<td>213-593-8219</td>
<td>• KPI #12 (Risk)</td>
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<tr>
<td>Kathleen Copus</td>
<td><a href="mailto:kathleen.Copus@aecom.com">kathleen.Copus@aecom.com</a></td>
<td>213-593-8518</td>
<td>• KPI #6 (ANR)</td>
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<td></td>
<td></td>
<td>• KPI #7 (CAR)</td>
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<td>• KPI #8 (QMS)</td>
</tr>
<tr>
<td>Steve Galloway</td>
<td><a href="mailto:steve.galloway@aecom.com">steve.galloway@aecom.com</a></td>
<td>213-593-8721</td>
<td>• KPI #2 (OCO's)</td>
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<td>• KPI #3 (CO's)</td>
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<tr>
<td>Larry Hubler</td>
<td><a href="mailto:lhubler@pacificaservices.com">lhubler@pacificaservices.com</a></td>
<td>213-593-8395</td>
<td>• KPI #2 (OCO's)</td>
</tr>
<tr>
<td></td>
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<td>• KPI #3 (CO's)</td>
</tr>
<tr>
<td>Brent Hurwitz</td>
<td><a href="mailto:brent.hurwitz@build-laccd.org">brent.hurwitz@build-laccd.org</a></td>
<td>213-593-8161</td>
<td>• KPI #11 (PBA)</td>
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<td>Ray Loving</td>
<td><a href="mailto:ray.loving@aecom.com">ray.loving@aecom.com</a></td>
<td>213-593-8455</td>
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<td>213-593-8095</td>
<td>• KPI #9 (Safety)</td>
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<td>Daynard Tullis</td>
<td><a href="mailto:daynard.tullis@build-laccd.org">daynard.tullis@build-laccd.org</a></td>
<td>213-593-8470</td>
<td>• KPI #5 (Deviations)</td>
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<tr>
<td>David Wood</td>
<td><a href="mailto:david.wood@aecom.com">david.wood@aecom.com</a></td>
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<td>• KPI #10 (Schedule)</td>
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Thank You!

Questions?