



GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office



**VIRGIN ISLANDS
RECOVERY AND
DEVELOPMENT AGENCY**

Jost Van Dyke Administration Building

Evaluating Value for Money

Project Number: SEC.01.21.183

Jost Van Dyke Administration Building

Value for Money (VfM) Assessment Report

1) INTRODUCTION

One of the core roles of the Recovery and Development Agency (RDA) is ensuring Value for Money (VfM) in the delivery of programmes and projects aimed toward recovery and development of the Virgin Islands. Section 5(2)(c) and (d) of the Virgin Islands Recovery and Development Regulations outline the value for money mandate of the RDA, specifying that:

The Agency shall be responsible for implementing the Government’s Recovery and Development Plan in partnership with the Ministries and in so doing shall:

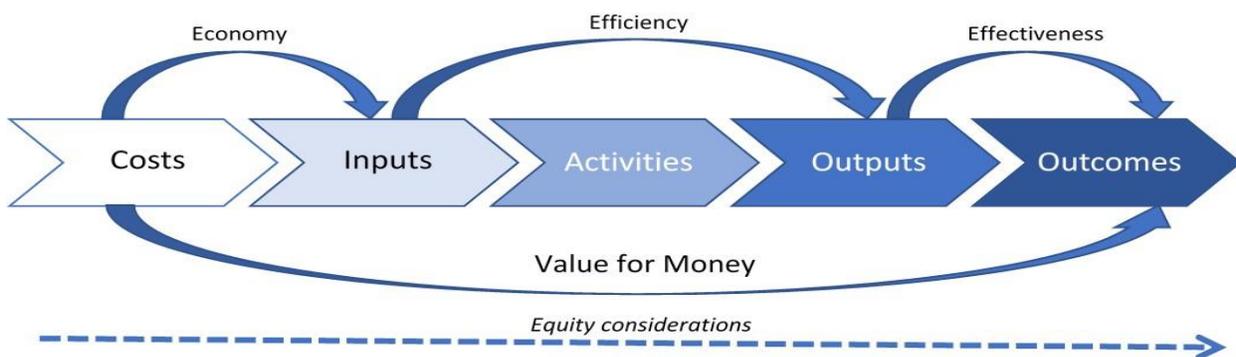
- (c) deliver the intended benefits; [and]
- (d) ensure that each project represents value for money.

To this end, the RDA has developed a Value for Money Framework and Methodology, which uses specific criteria to assess projects’ Value for Money and assigns an overall VfM score for each project.

The VfM score is made up of eight indicators (listed in Table 1) within the four outlined areas of Value for Money, namely Economy, Efficiency, Effectiveness and Equity.

Table 1: Value for Money Areas within the 4Es

VALUE FOR MONEY AREA	
Economy	Economy
Efficiency	Output Cost, Output Time, Schedule
Effectiveness	Output Effectiveness, Outcome Effectiveness, Quality
Equity	Equity



The Jost Van Dyke (JVD) Administration Building project started at the end of July 2018, aimed at reconstructing the Administration Building in Jost Van Dyke which houses the Police Station, Customs, Immigration and the District Officer on the sister island. This project involved extensive repairs to the roof, walls, windows, electrical and plumbing systems, and installation of required interior furnishings. The project was able to deliver on its planned outputs, using a projected \$733,912 over a time period of 369 days¹.

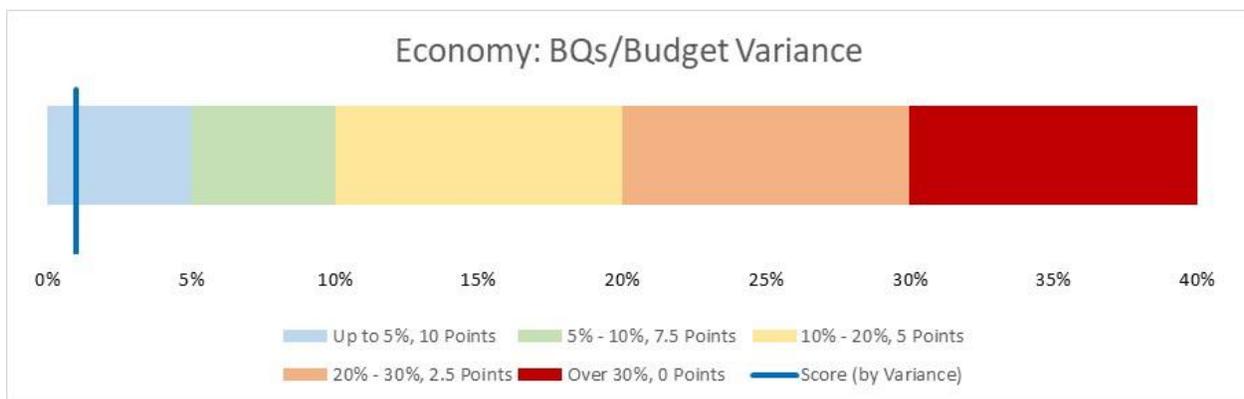
The following sections of this report assess the overall Value for Money of the JVD Administration Building project, using the methodology outlined in the RDA’s VfM Framework Guidelines for Economy, Efficiency, Effectiveness and Equity.

2) ECONOMY (10 out of max 10 points)

The economy of the JVD Admin Building project is assessed based on the budget for the Project. Within the Phase One Programme, this project was budgeted at \$800,000. The total projected spend to the end of the project is \$733,912 which is approximately 8.26% below the initial budget. This indicates that this project was executed under-budget and has thus been assigned a full economy score of 10 points (Table 2). While the original budget from the Phase One Programme is used for this assessment, it should be noted that the project budget was revised after more detailed planning was conducted, with a revised budget of \$920,004 handed over to Operations/Delivery for project execution.

Table 2: Assessment of Economy

ECONOMY ASSESSMENT: 10/10 POINTS	
Original Budget	\$800,000
Actual Spend	\$733,912
Variance (\$)	\$66,088
Variance (%)	8.26%
ECONOMY SCORE	10



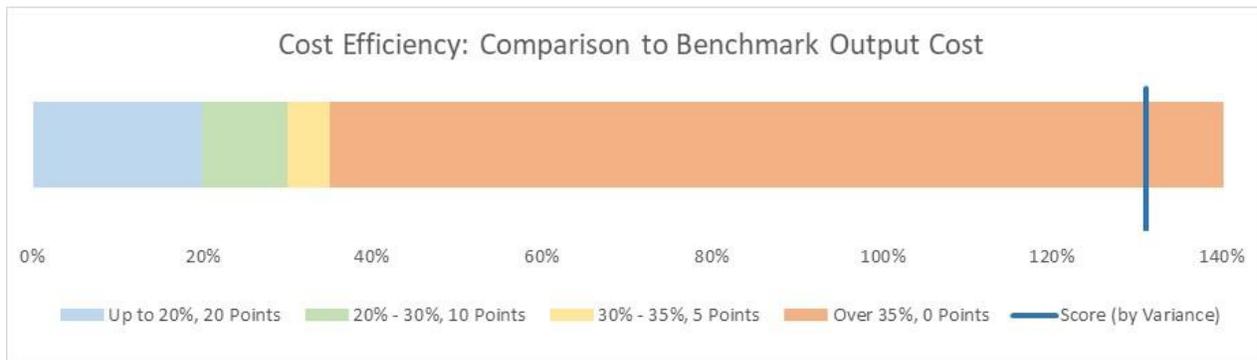
¹ Total number of project days calculated as 369 days, between 28 July 2018 and 1 August 2019.

3) EFFICIENCY (5 out of max 40 points)

The efficiency of an intervention considers Output Cost (Cost Efficiency), Output Time and Schedule (Time Efficiency). In terms of output cost, the project repaired the JVD Admin building, which is a total of 2,644 square feet for a total projected cost of \$733,912. This indicates an approximate rate of \$277.58 paid for each square foot rehabilitated. Based on research conducted, a benchmark cost of \$120.00 per square foot has been used.² In this way, the cost of each output for this project was 131.3% above the benchmark cost of rehabilitation per square foot, and as such the variance between the output cost benchmark and the project’s actual output cost was too high to be assigned any points for cost efficiency (Table 3).

Table 3: Cost Efficiency Assessment

COST EFFICIENCY ASSESSMENT: 0/20 POINTS	
Output Unit Cost	\$277.58 per square foot
Benchmark Output Unit Cost	\$120.00 per square foot
Variance (\$)	(\$157.58)
Variance (%)	(131.3%)
COST EFFICIENCY SCORE	0



Having started on 28 July 2018, the JVD Admin Building project was initially slated to be completed by the beginning of May 2019, that is, within 279 days (to 3 May 2019). The project was finally completed on 1 August 2019, with a total recorded number of project days therefore at 369. In terms of assessment of time efficiency, the calculated output unit time was an average of 7.17 square feet rehabilitated per day, whereas the benchmark output unit time was an average of 30 square feet³ rehabilitated per day. This meant that the actual output unit time far exceeded the benchmark, resulting in no points being assigned for Time Efficiency.

² The benchmark cost per square foot is evidenced from BCQS International Latin American and Caribbean Construction 2016 MarketTrend Report.

³ The benchmark for square feet rehabilitated per day is evidenced at:

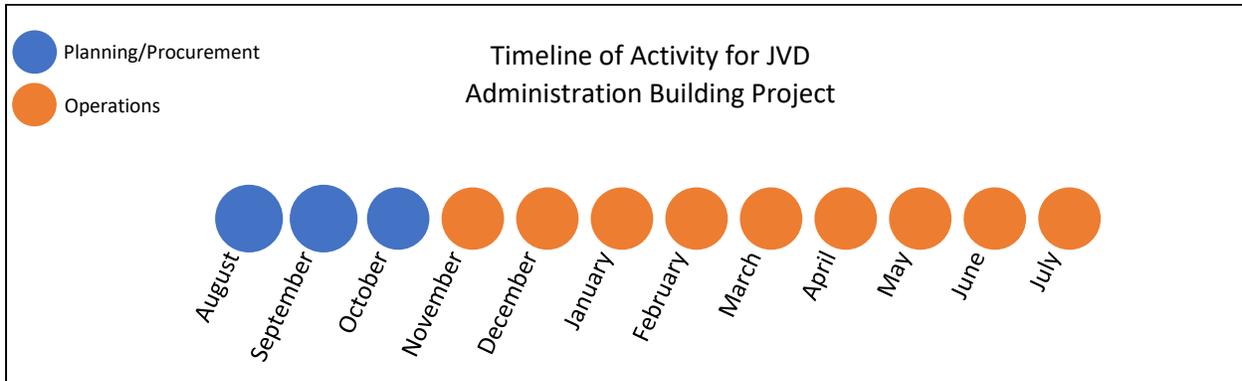
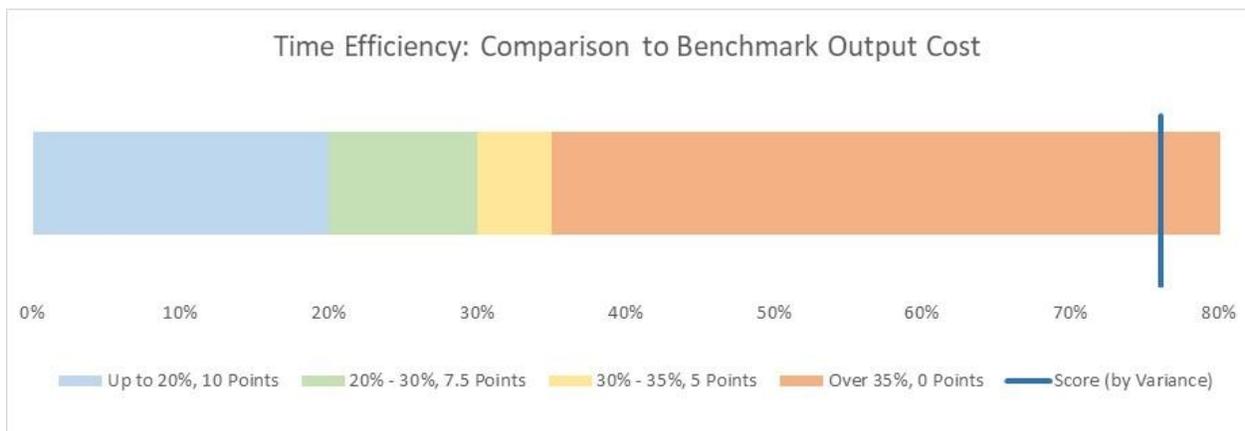


Table 4: Time Efficiency Assessment

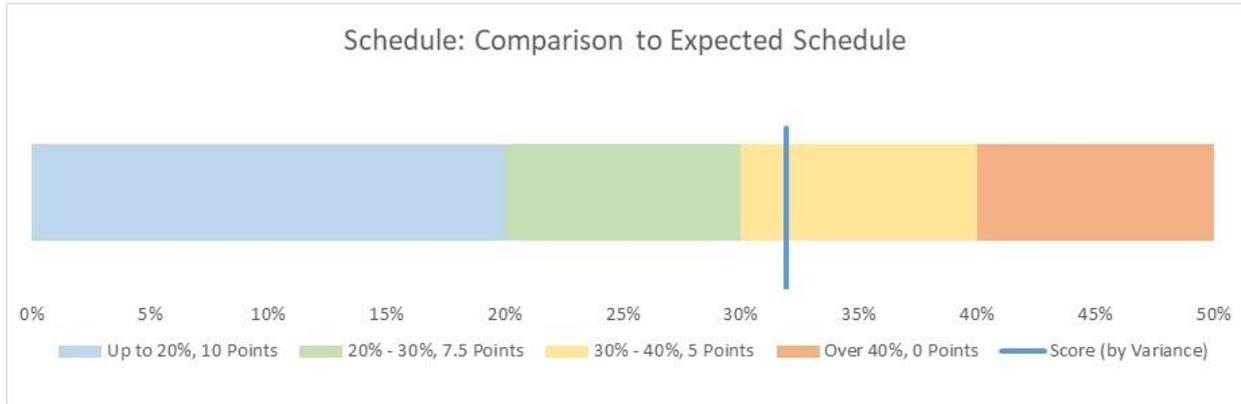
TIME EFFICIENCY ASSESSMENT: 0/10 POINTS	
Output Unit Time	Avg. 7.17 square feet reconstructed per day
Benchmark Output Unit Time	Avg. 30 square feet reconstructed per day
Variance (days)	(22.83)
Variance (%)	(76.1%)
TIME EFFICIENCY SCORE	0



In terms of schedule performance, given that there were 279 planned project days compared to a total number of actual project days at 369, this variance of 90 days meant that the project was 32.3% over its scheduled timeline, indicating that 5 points were awarded for the Schedule assessment (Table 5).

Table 5: Schedule Assessment

SCHEDULE ASSESSMENT: 5/10 POINTS	
Planned Project Days	279 days
Actual Project Days	369 days
Variance (days)	(90 days)
Variance (%)	(32.3%)
SCHEDULE SCORE	5

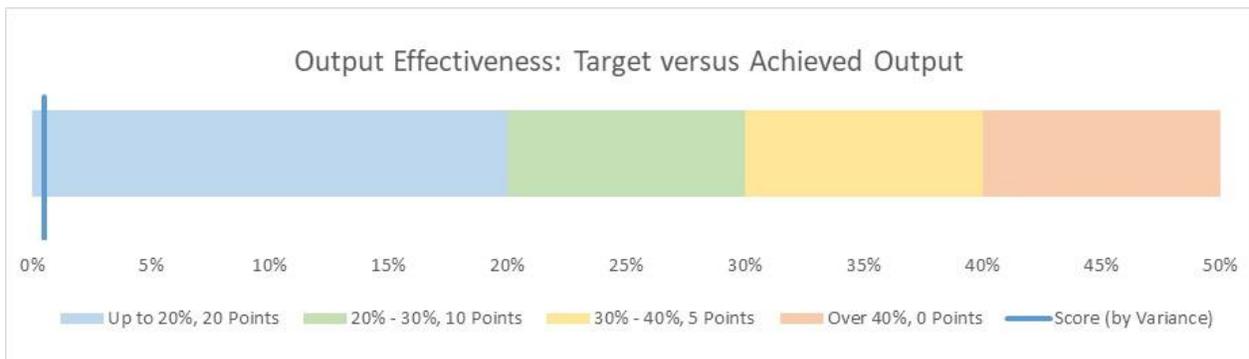


4) EFFECTIVENESS (35 out of max 35 points)

Output effectiveness is a measure which compares targeted output indicators to achieved output indicators. In the case of the JVD Admin Building project, the total targeted number of square feet to be rehabilitated was 2,644⁴. Given that the full targeted square footage was rehabilitated, this represented 100% of the target, with a variance percentage therefore of 0%. As such, a full 20 points has been assigned for Output Effectiveness (Table 6). It is important to note that as well as rehabilitation of the targeted square footage, the project also yielded improved fire safety through installation of smoke detectors, fire alarms and extinguishers.

Table 6: Target versus Achieved Output

OUTPUT EFFECTIVENESS ASSESSMENT: 20/20	
Targeted Outputs	2,644 square feet
Achieved Outputs	2,644 square feet
Variance (cubic yards)	(0)
Variance (%)	(0.0%)
OUTPUT EFFECTIVENESS SCORE	20



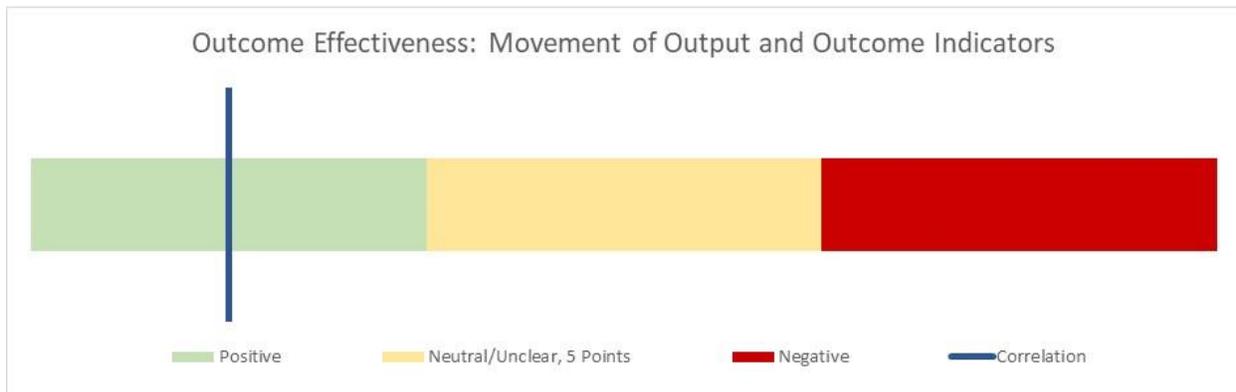
⁴ 2,644 square feet rehabilitated based on roof drawings indication of square footage *2 floors for usable square footage.

In terms of outcome effectiveness, the change relationship between the observed output and outcome has been used as a simple measure of outcome effectiveness. The directional change in output is compared to the directional change in outcome. In the case of the JVD Admin Building project, both the output: square feet rehabilitated; as well as the outcome: police facilities fully equipped with modern facilities to meet needs; increased in the assessment period.

The change relationship between output and outcome has thus been deemed a positive correlation, and the maximum score of 15 points has been assigned (Table 7).

Table 7: Relationship between Outputs and Outcomes

OUTCOME EFFECTIVENESS ASSESSMENT: 15/15	
Output Change: square feet rehabilitated	+2,644
Outcome Change: equipped police facilities	+1
Assessment of Change Relationship	Positive correlation
OUTCOME EFFECTIVENESS SCORE	15



In terms of quality measurement, user interviews were conducted with 50%, namely four (4) of the approximately eight (8) public officers who use the Administration Building in Jost van Dyke, including representatives of Immigration, Customs and Treasury Departments. Based on these interviews, the overall Quality score assessed for the building was “Met”, in that the majority of respondents indicated that they were “Very Satisfied” with the work done on the building and its functionality (Table 8). Respondents noted that problems with leakage, mold, broken tiles, mosquito infestation, nonfunctional bathroom facilities and flooding (many of which were present prior to the passage of 2017’s storms) have all been rectified through the project intervention. Some of the feedback given from users of the building included: “Awesome” “Comfortable” “Thank God for Irma” and “Damn good job was done”.

Table 8: Quality, User Satisfaction

QUALITY ASSESSMENT: 10/10	
User Satisfaction Rating	Very Satisfied
Assessment of Quality	Met
QUALITY SCORE	10

One issue that was identified through user interviews though, was inadequate consideration of security concerns. Going forward, it will be important to ensure that user requirements are adequately captured as part of the planning process. Overall though, it was clear that user satisfaction was overwhelmingly positive, especially in comparison to the dilapidated state of the building and facilities even prior to the storms.

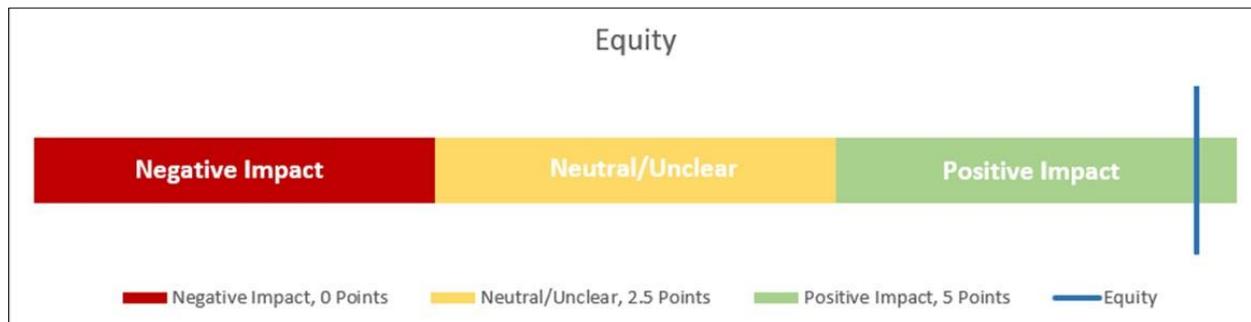
A full score being assigned to effectiveness demonstrates that the project was able to achieve its targeted outputs, contribute to the related outcome of improving police facilities, and largely meet user expectations of quality.

5) EQUITY (5 out of max 5 points)

Measurement of equity involves assessing whether a project has realised the equity goals it aimed at achieving. For the JVD Admin Building project, the rehabilitation of the building has put in place gender segregated facilities, facilitating overnight accommodation for male and female police officers, thereby advancing gender equality goals for the Police service. Achievement of this result which advances gender equity resulted in assignment of full equity points for the project (Table 9).

Table 9: Achievement of Equity goals

EQUITY ASSESSMENT: 5/5	
Gender segregated facilities facilitating female officer deployment	In place
Assessment of Impact on Equity	Positive impact
OUTCOME EFFECTIVENESS SCORE	5



6) Overview of Overall VfM Score (65 out of max 100 points)

The main challenge to a more successful overall VfM score for this project was the failure of the project to be within relevant benchmarks on spending and timelines which negatively affected the Cost Efficiency, Time Efficiency and Schedule scores. Staying within budget, achieving its targeted outputs and contributing to a broader outcome, while achieving quality targets and progressing gender equity goals, the project was able to get full scores on Economy, Output Effectiveness, Outcome Effectiveness, Quality, and Equity.

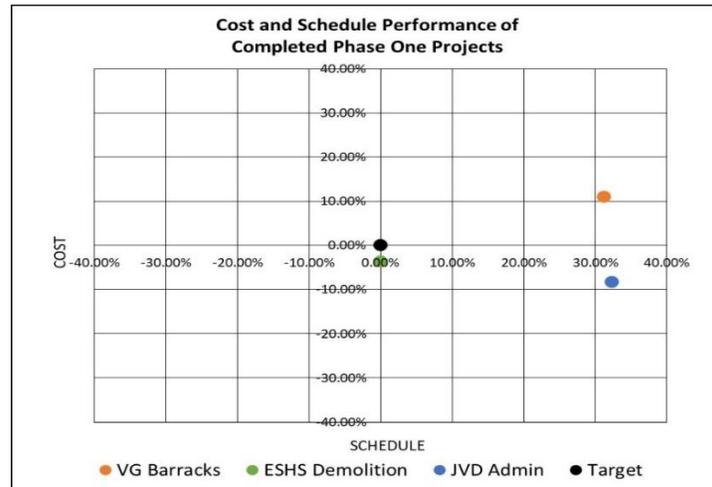
JVD Admin Building Project – VfM Scoring			
Economy	Economy	10/10	10/10
Efficiency	Cost Efficiency	0/20	5/40
	Time Efficiency	0/10	
	Schedule	5/10	
Effectiveness	Output Effectiveness	20/20	45/45
	Outcome Effectiveness	15/15	
	Quality	10/10	
Equity	Equity Goals	5/5	5/5
Overall VfM Score		65/100	

The overall VfM score was 65.0 out of 100. While this indicates scope for improving overall Value for Money, with full scores for Economy, Effectiveness and Equity, it is clear that the Efficiency scores were the area with scope for improvement. Some delays in project completion, as well as areas where both costs and timelines exceeded relevant benchmarks affected the efficiency score.

Following planning and execution of this project, the RDA has since implemented cost containment strategies through creation of Agency-produced BQs, and more detailed planning efforts as well as improved time management to help propel efficiency gains and more adequately capture user requirements.

Overall, the project was able to rehabilitate the targeted square footage below budget though with a schedule overrun (Figure 1). The performance of the project by expected cost and schedule (and comparison to other completed projects) is demonstrated in Figure 1 below, demonstrating that the budget target was achieved while the schedule target was not.

Figure 1: Cost and Schedule Performance



Lessons identified coming out of the JVD Admin Building project include:

- 1) Creating BQs during the planning process prior to procurement as a cost containment measure;
- 2) Strengthening detailed planning efforts in order to ensure needs are captured and accounted for in project design; and
- 3) Collaboratively working with contractors and the lead Ministry to foresee issues and thus minimise delays.

Figure 2: Overall Value for Money Scoring – Radar Chart



The overall Value for Money Scoring Chart (Figure 2) demonstrates the excellent scores received for Economy, Output Effectiveness, Outcome Effectiveness, Quality, and Equity; while Schedule received a middling score, and Time and Cost Efficiency which compares actual performance to benchmark costs and timeframes received no points.

7) Conclusions

This report has been prepared using the RDA's Value for Money Framework in assigning a VfM Score to the JVD Admin Building project based on Economy, Efficiency, Effectiveness and Equity. The importance of keeping accurate, up-to-date, readily-accessible information on project budgets, schedules, spending and results has once again been underlined in the process of conducting this VfM assessment. The Monitoring and Evaluation Team continues to play an important role in reviewing the quality of this information, and collating data for calculation of projects' VfM scores.

Achieving 65.0 points out of 100, the JVD Admin Building project's VfM could have been enhanced through improved cost containment and time management. That said, the project coming in below budget, achieving its target outputs, contributing to a larger outcome, and meeting quality expectations while advancing equity goals, meant perfect scores for Economy, Effectiveness and Equity.