



GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office



VIRGIN ISLANDS
**RECOVERY AND
DEVELOPMENT AGENCY**

ANEGADA (THEODOLPH FAULKNER) ADMINISTRATION COMPLEX



EVALUATING VALUE FOR MONEY

PROJECT NUMBER: MGG.14.21.163

Anegada (Theodolph Faulkner) Administration Complex

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:

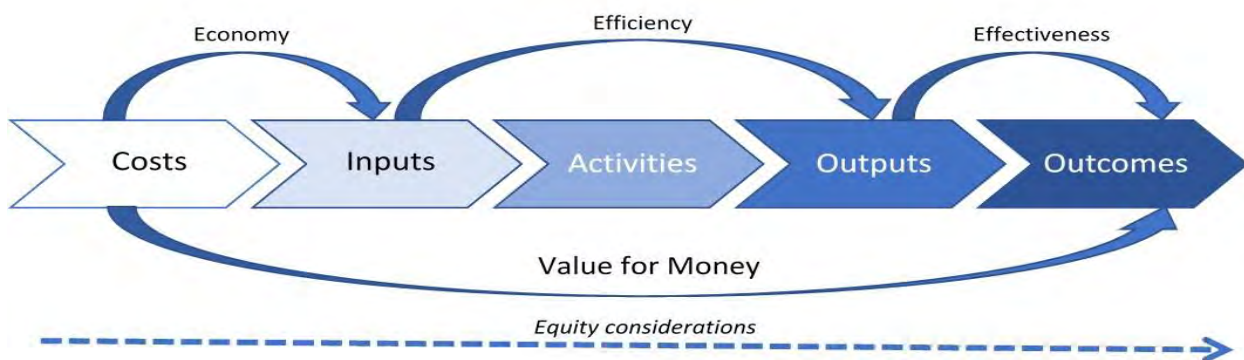
- (c) deliver the intended benefits; [and]
- (d) ensure that each project represents value for money.

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 Anegada (Theodolph Faulkner) Administration Complex project began in September 2020, aimed at repairing external and internal structures of the Anegada Administration Complex, which had been damaged from passage of 2017's storms. The Complex housed the Anegada Police Station as well as the District Officer's Office, responsible for administering several Government services to the residents of Anegada.

This project forms part of the Model Good Governance sector and involved renovation of office spaces and detention cells to facilitate provision of services to the Anegada community from a safe, acceptable facility. Specifically, works on the Complex included roof repairs, plumbing and electrical works, tiling, internal and external painting, and work on landscaping and the parking area. Renovation of the Anegada Administration Complex has helped to halt the rapid deterioration of the spaces, including observed water damage and consequent mold growth. Over a period of 308 days, using \$247,550, this project was able to deliver on its outputs, and provide better working and service provision conditions for civil servants and the general community in Anegada.

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

2) Overview of Overall VfM Score (84.21 out of max 100 points)

This project scored well in most categories of Value for Money, receiving perfect scores for Economy, Cost Efficiency, Schedule, Output and Outcome Effectiveness. Assessment of Time Efficiency based on benchmark timeline, resulted in no points being assigned for this aspect of VfM, and assessment of Quality resulted in a middling score. The project came in within its estimated budget and schedule as well as the relevant benchmark for cost used, resulting in full scores for Economy, Cost Efficiency and Schedule. The project was also able to achieve its targeted outputs and contribute to a broader outcome resulting in full scores for Output and Outcome Effectiveness.

Anegada Administration Complex – VfM Scoring			
Economy	Economy	10/10	10/10
Efficiency	Cost Efficiency	20/20	30/40
	Time Efficiency	0/10	
	Schedule	10/10	
Effectiveness	Output Effectiveness	20/20	40/45
	Outcome Effectiveness	15/15	
	Quality	5/10	
Equity	Equity Goals	NA/5	NA/5
Overall VfM Score			80/95
Total Adjusted VfM Score			84.21/100

The overall VfM score was 84.21 out of 100. This indicates some scope for improving Value for Money of this project, specifically as it relates to time efficiency. Timelines exceeding relevant benchmarks affected the time efficiency scoring, and overall quality received a middling score.

As part of an effort to continuously improve, the RDA has implemented improved time management to help propel efficiency gains and enhances its planning activities to more adequately capture user requirements.

Figure 1: Overall Value for Money Scoring – Radar Chart



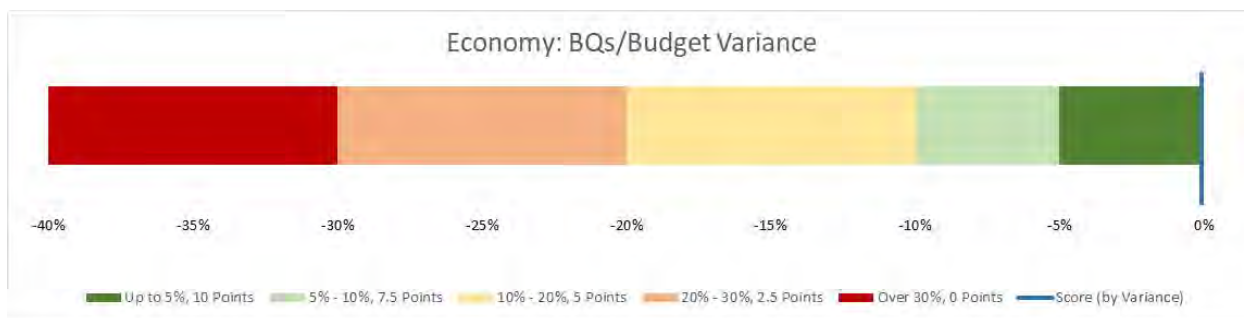
The overall Value for Money Scoring Chart (Figure 1) demonstrates the excellent scores received for Economy, Cost Efficiency, Schedule, Output Effectiveness and Outcome Effectiveness; while assessment of Quality received a middling score, and assessment of Time Efficiency resulted in no points being assigned for this aspect of Value for Money. Equity was not scored for this project.

3) ECONOMY (10 out of max 10 points)

The economy of the Anegada Administration Complex project has been assessed based on the original budget for the project which was set at \$250,000. The total spend for this project as at end of November 2021 was \$247,550 which fell within the original budget. As such, this project was assigned full points in assessment of its Economy (Table 2).

Table 2: Assessment of Economy

ECONOMY ASSESSMENT: 10/10 POINTS	
Original Budget	\$250,000.00
Actual Spend	\$247,550.28
Variance (\$)	\$2,449.72
Variance (%)	0.98%
ECONOMY SCORE	10



4) ON BENCHMARKS USED

In calculating VfM Scores for both Cost and Time Efficiency, consideration has been given to performance against relevant benchmarks established for the production of specific outputs. Giving a background of the benchmarks used and why, provides necessary context for comparisons made.

In the case of the Anegada (Theodolph Faulkner) Administration Complex project, the following benchmarks for cost and time have been used to assess cost and time efficiency:

Type	Benchmark	Sources	Considerations
Cost	\$215 per square foot rehabilitated	BCQS Market Trend Report 2020 https://bcqs.com/bcqs-market-trend-report-2020/	Average reconstruction cost per square foot of 1-3 storey commercial building
Time	30 square feet reconstructed per day	https://aquilacommercial.com/learning-center/how-long-build-out-renovate-office-space/	Average time to renovate office space

Cost Benchmark

The cost benchmark has been determined based on the average reconstruction cost per square foot recorded in the BCQS Market Trend Report 2020 (See Table above for details). Based on the Report, the average reconstruction cost of a 1-3 storey commercial building is \$215 per square foot.

Time Benchmark

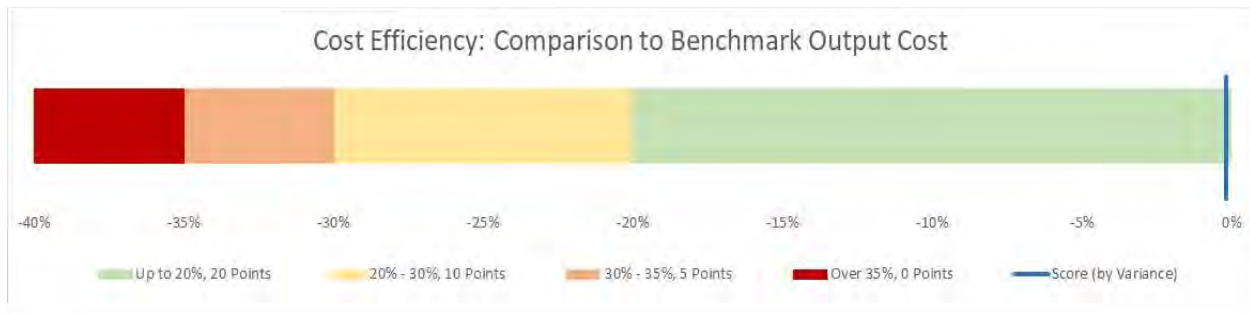
The time benchmark used was determined based on the average time to reconstruct office space, quoted by Aquila Commercial Construction. It should be noted that this average reconstruction or renovation timeline is based on the US market, and that reconstruction timelines in the context of the Virgin Islands may be longer due to material shipping and labour considerations.

5) EFFICIENCY (30 out of max 40 points)

The efficiency of an intervention considers Output Cost (Cost Efficiency), Output Time (Time Efficiency) and Schedule. In terms of output cost, the Anegada Admin Complex project involved renovation of 1,378 square feet of both office and detention cell space in Anegada. This translates to an average of \$170.52 per square foot reconstructed/renovated to improve conditions in the building. Based on research conducted, a benchmark cost for commercial renovation of \$215 per square foot in the Virgin Islands has been used.¹ The cost of each output for this project was thus well within the benchmark cost used, therefore full points have been assigned for this project’s cost efficiency (Table 3).

Table 3: Cost Efficiency Assessment

COST EFFICIENCY ASSESSMENT: 20/20 POINTS	
Benchmark Output Unit Cost	\$215.00 per square foot
Output Unit Cost	\$179.64 per square foot
Variance (\$)	\$35.36
Variance (%)	16.44%
COST EFFICIENCY SCORE	20



Having started on 17 September 2020, the project was initially slated to be completed by the 6 June 2021, that is within 286 days. The project was actually completed on 22 July 2021, with a total recorded number of project days therefore at 308. In considering the direct impacts of the COVID-19 pandemic on the project schedule, an adjustment of 28 days has been used to reflect the period of lockdown in the Territory in April 2020. As such, the total adjusted number of project days used for assessment of time efficiency and schedule is 280 days.

In terms of assessment of time efficiency, the calculated output unit time was an average of 5 square feet reconstructed/renovated per day, whereas the benchmark output unit time was an average of 30 square feet reconstructed/renovated per day², based on Aquila Commercial quoting. This resulted in no points being assigned for Time Efficiency, as the actual outputs - square feet reconstructed/renovated - produced within the timeframe (5 square feet reconstructed or renovated per day) was significantly less than the benchmark output unit time of 30 square feet reconstructed/renovated per day (Table 4). This was so even after an adjustment was made for COVID-19 impacts of 28 days.

¹ Cost per square foot from BCQS Market Trend Report: <https://bcqs.com/bcqs-market-trend-report-2020/>.

² Average time to renovate office space <https://aquilacommercial.com/learning-center/how-long-build-out-reno-ate-office-space/>.

It should be noted that changes to the project scope were made following contract signature and commencement of execution, resulting in a longer time period taken for project completion than originally envisioned. By extending the actual project schedule, this belated shift in project scope negatively affected the time efficiency score for the project, and underlines the importance of comprehensive planning prior to procurement, in order to better anticipate and provide for requirements before tendering, contract award, and execution. Changes in scope may require contract variations and budget uplifts, processes which require administrative processing and have implications for extensions of time requirements.

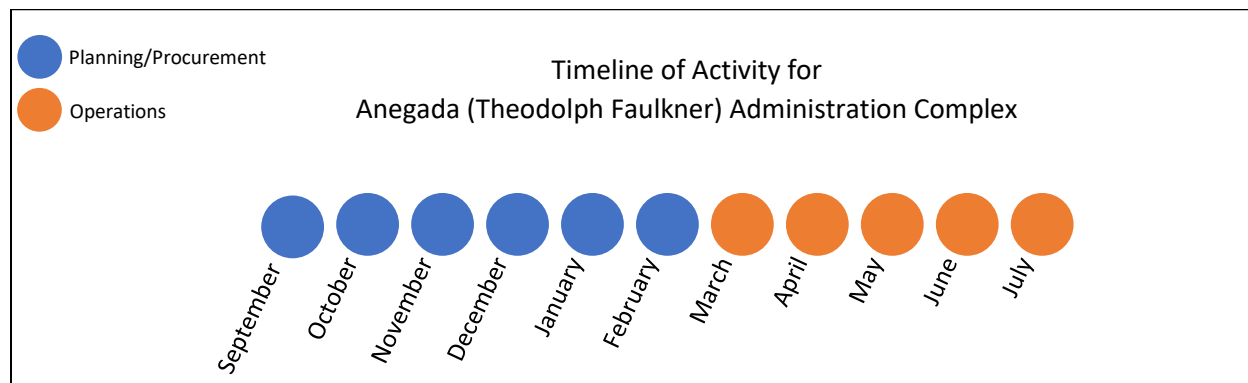
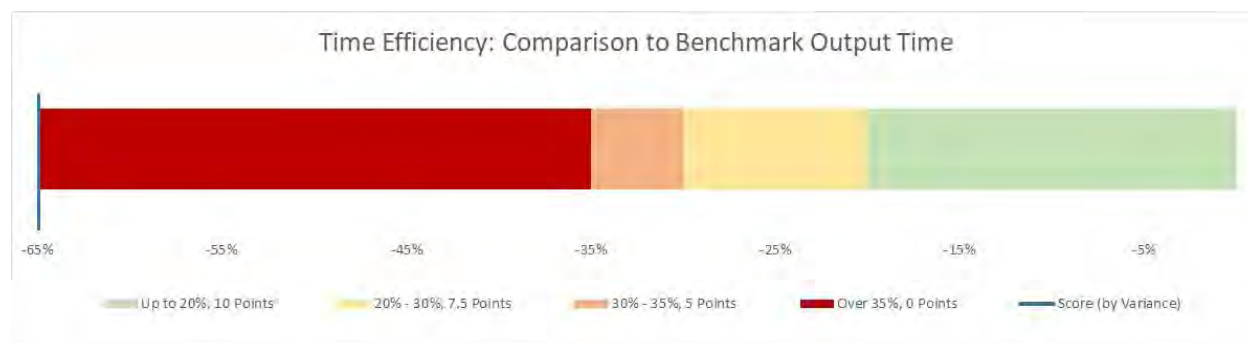


Table 4: Time Efficiency Assessment

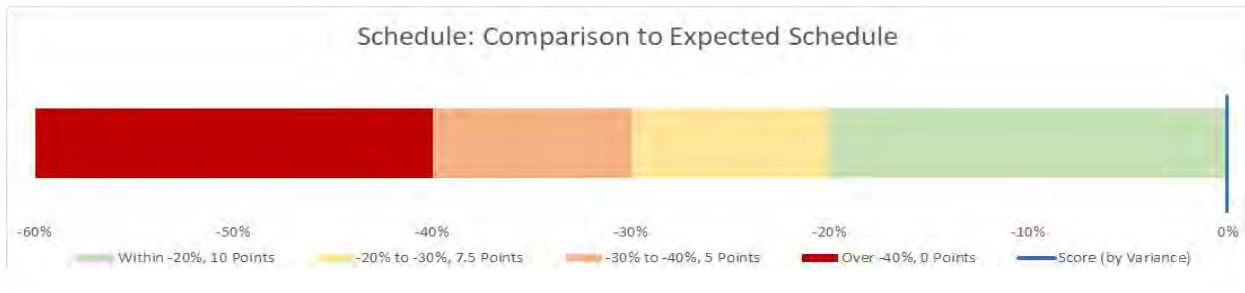
TIME EFFICIENCY ASSESSMENT: 0/10 POINTS	
Benchmark Output Unit Time	Avg. 30 square feet rehabilitated per day
Output Unit Time	Avg. 4 square feet rehabilitated per day
Adjusted Output Unit Time	Avg. 5 square feet rehabilitated per day
Variance (days)	(25.53)
Adjusted Variance (days)	(25.08)
Variance (%)	(85.1%)
Adjusted Variance (%)	(83.6%)
TIME EFFICIENCY SCORE	0



In terms of schedule performance, given that there were 286 planned project days compared to a total number of actual project days at 308, and the number of actual project days was adjusted by 28 days to 280 days in order to account for COVID-19 impacts, the project was completed within the adjusted project schedule. As such, a full 10 points were thus awarded for the Schedule assessment (Table 5), as the actual adjusted schedule was well-within the threshold for full points to be awarded.

Table 5: Schedule Assessment

SCHEDULE ASSESSMENT: 10/10 POINTS	
Planned Project Days	286 days
Actual Project Days	280 days
Variance (days)	6 days
Variance (%)	2.1%
SCHEDULE SCORE	10

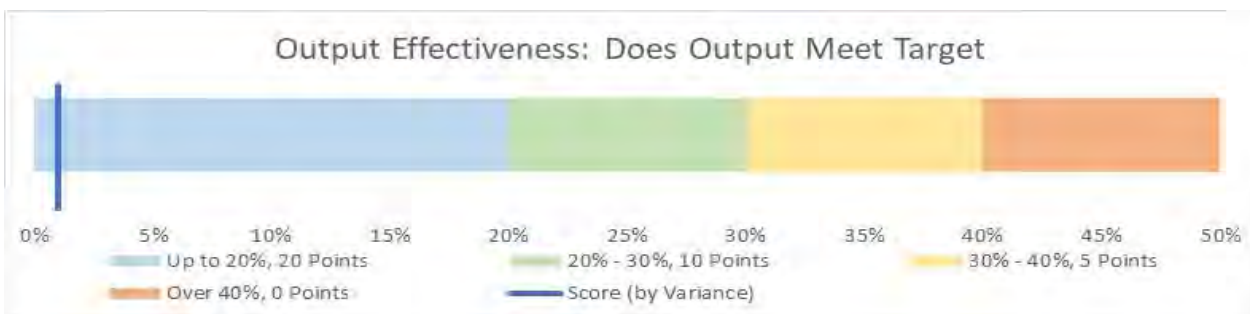


6) EFFECTIVENESS (40 out of max 45 points)

Output effectiveness is a measure which compares targeted output indicators to achieved output indicators. In the case of the Anegada (Theodolph Faulkner) Administration Complex project, the total square footage targeted for rehabilitation to improve working conditions was 1,378 square feet. The project was able to rehabilitate the targeted square footage, and hence a full 20 points has been assigned for Output Effectiveness (Table 6).

Table 6: Target versus Achieved Output

OUTPUT EFFECTIVENESS ASSESSMENT: 20/20	
Targeted Outputs Rehabilitated	1,378 square feet
Achieved Outputs Rehabilitated	1,378 square feet
Variance	(0)
Variance (%)	(0%)
OUTPUT EFFECTIVENESS SCORE	20

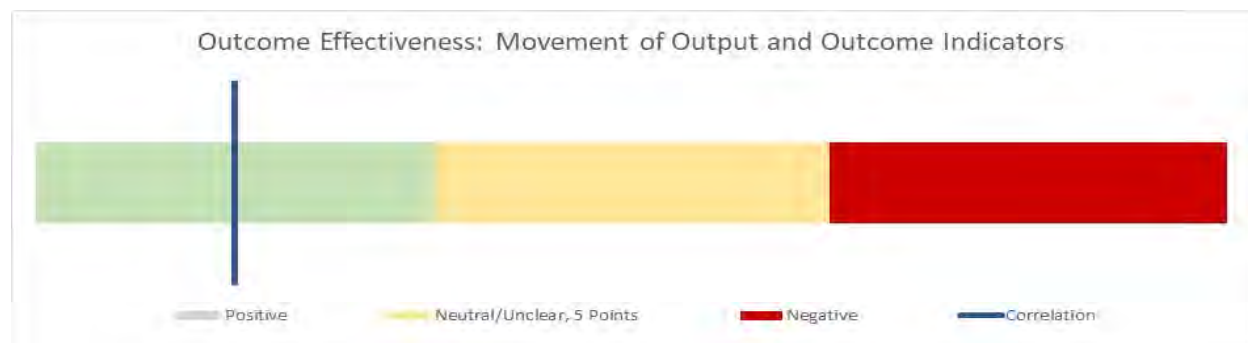


In terms of outcome effectiveness, the change relationship between the observed output and outcome has been used as a simple measure of outcome effectiveness. Using this methodology, the directional change in output is compared to the directional change in outcome. In the case of the Anegada (Theodolph Faulkner) Administration Complex project, both the output: square feet of building rehabilitated; as well as the outcome: number of administrative services offered within clean/acceptable space in Anegada; moved positively due to the execution of this project, i.e. as more square feet of the building were rehabilitated, more administrative services could be and were offered within a clean/acceptable space in Anegada. Specifically, two (2) services, namely the District Officer and Police services, including on-island detention, were able to be offered from a clean/acceptable space in Anegada due to this project intervention.

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 of building rehabilitated	+1,378
Outcome Change: administrative services offered within clean/acceptable space in Anegada	+2
Assessment of Change Relationship	Positive correlation
OUTCOME EFFECTIVENESS SCORE	15



Quality

The assessment of quality for the Anegada (Theodolph Faulkner) Admin Complex project involves an assessment of the number of valid defects reported for this project, and how these have been addressed. As at the end of January 2022, approximately six (6) months following completion of the project, all three (3) of the valid defects reported within the Client Handover Certificate had been addressed. These included fittings to be installed in the male restroom, latch to be installed on the electrical panel box, and required painting above the District Officer's office door.

Additionally, prevailing industry standards were met in completion of this project, with the installation of several measures to improve resiliency of the building including replacement of hurricane shutters, installation of a storage container, and refurbishment of the parking lot. As such, a partial five (5) out of ten points have been assigned for Quality of this project, recognizing the existence of valid defects, but also recognizing that these were addressed and that the level of building resiliency has been improved.

Table 8: Quality Assessment

QUALITY ASSESSMENT: 5/10	
Valid Defects Reported	3
Industry Standards	Met
Assessment of Quality	Partially Met
QUALITY SCORE	5



Figure 2: VfM Score Comparison with Other Completed Projects



Lessons identified coming out of the Anegada (Theodolph Faulkner) Administration Complex include:

- 1) Ensuring adequate planning occurs which includes full inspection of existing damaged facilities, such that required refurbishment is adequately anticipated, recorded, costed and contracted, and variations and delays are minimised; and
- 2) Indicating firm deadlines by when snag issues must be rectified so that delays in project completion are minimised.

7) Conclusions

This report has been prepared using the RDA's Value for Money Framework in assigning a VfM Score to the Anegada (Theodolph Faulkner) Administration Complex project based on Economy, Efficiency and Effectiveness (Equity was not scored for this project). 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 84.21 points out of 100, the Anegada (Theodolph Faulkner) Administration Complex project's VfM could have been enhanced through improved time management and measures to ensure quality. That said, the project was able to achieve its targeted outputs within the budget and cost benchmark and also within its planned schedule, while contributing to a broader outcome. The Anegada (Theodolph Faulkner) Administration Complex project thus demonstrated perfect scores in Economy, Cost Efficiency, Schedule, and Output and Outcome Effectiveness.