



GOVERNMENT OF THE  
**VIRGIN ISLANDS**  
Premier's Office



VIRGIN ISLANDS  
**RECOVERY AND  
DEVELOPMENT AGENCY**

# VIRGIN GORDA BATHS



# EVALUATING VALUE FOR MONEY

PROJECT NUMBER: EDU.01.25.103

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**Virgin Gorda Baths**  
*Value for Money (VfM) Report, March 2022*

## 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:

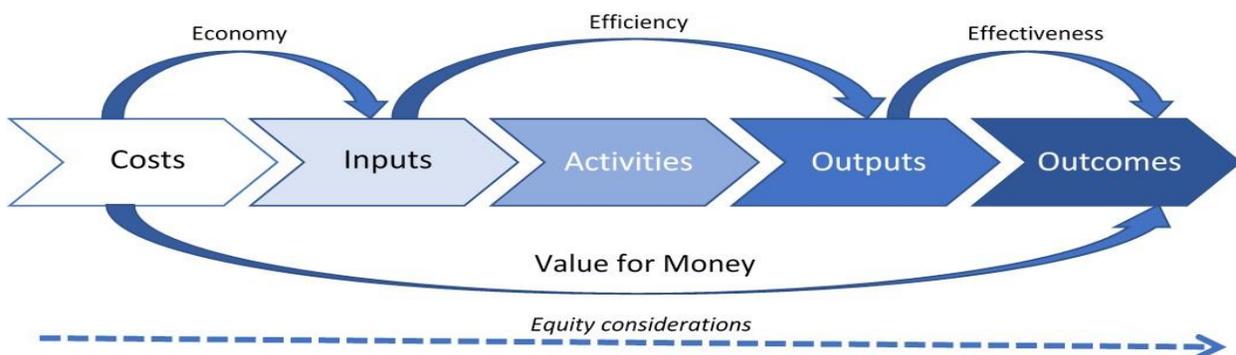
- (c) deliver the intended benefits; [and]
- (d) ensure that each project represents value for money.

To this end, the RDA has developed this 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 |  |
|----------------------|--|
| <b>Economy</b>       | Economy  |
| <b>Efficiency</b>    | Output Cost, Output Time, Schedule                   |
| <b>Effectiveness</b> | Output Effectiveness, Outcome Effectiveness, Quality |
| <b>Equity</b>        | Equity   |



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

## Overview of Overall VfM Score (60.53 out of max 100 points)

The Virgin Gorda Baths is one of the central tourist hubs for the Virgin Islands, attracting a significant number of visitors annually. The Baths National Park suffered damage to the entry ticket booth, restroom facility at the car park, and the shaded area of the “Poor Man’s Bar” concession on the beach due to the passage of 2017’s hurricanes. The extent of this damage was mostly roof related.

This project was a priority of the Recovery to Development Plan’s Phase One Programme due to its strategic importance as a tourist site and an important National Park.

Changes to The Baths National Park aimed to recover the Baths from the effects of the hurricanes, cope with increased footfall, generate revenue, and reduce tourism’s long-term impact on the National Park environment.

In terms of Value for Money, evaluated using the RDA’s VfM Framework, the Virgin Gorda Baths project exceeded its budget and received a score of 0 in Economy, however, increases in tourism and the timely manner with which it was executed contributed to higher scoring in terms of Time Efficiency and Schedule, and Output and Outcome Effectiveness.

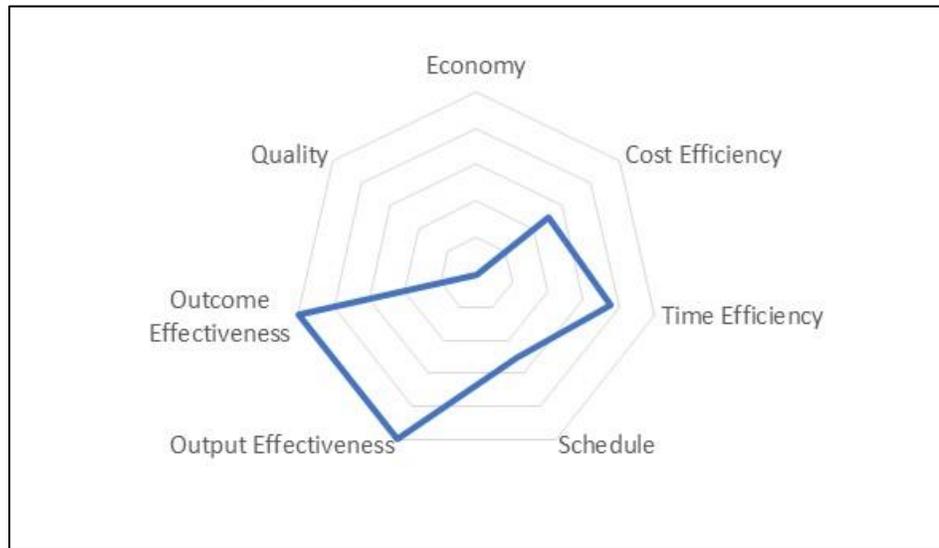
The outcome of the project focused on the return of tourists to the Virgin Islands (VI) and positioning the VI as a premier tourist destination in the region. 2019 saw an increase in tourism which extended into the early months of 2020, prior to the onset of the COVID-19 pandemic and resulting travel and border restrictions which effectively shut down the Virgin Islands tourism industry for the remainder of 2020.

In terms of Quality, several concerns including safety have been expressed by staff of the Baths (National Parks Trust) about the facilities installed at the Baths. As such, no points have been awarded for Quality on this project.

With an overall score of 60.5 out of 100, the changes made to The Baths National Park are expected to contribute to the Territory’s rebounding tourism sector and also help in reducing long-term environmental impacts to the site. Improved coordination with Central Government and the statutory body, National Parks Trust, from defining the requirement and planning stages would have likely improved Time Efficiency, Schedule, and Quality scoring of this project’s VfM.

| Virgin Gorda Baths – VfM Scoring |                       |                  |         |
|----------------------------------|-----------------------|------------------|---------|
| <b>Economy</b>                   | Economy               | 0/10             | 0/10    |
| <b>Efficiency</b>                | Cost Efficiency       | 10/20            | 22.5/40 |
|                                  | Time Efficiency       | 7.5/10           |         |
|                                  | Schedule              | 5/10             |         |
| <b>Effectiveness</b>             | Output Effectiveness  | 20/20            | 35/45   |
|                                  | Outcome Effectiveness | 15/15            |         |
|                                  | Quality               | 0/10             |         |
| <b>Equity</b>                    | Equity Goals          | NA               | NA      |
| <b>VfM Score</b>                 |                       | <b>57.5/95</b>   |         |
| <b>Overall VfM Score</b>         |                       | <b>60.53/100</b> |         |

**Figure 1: Overall Value for Money Scoring – Radar Chart**



The overall VfM score was 60.5 points out of a total possible 100 points based on an evaluation of the project’s Economy, Efficiency and Effectiveness using the RDA’s VfM Framework. The overall Value for Money Scoring Chart (Figure 1) demonstrates the excellent scores received for Output and Outcome Effectiveness. Cost Efficiency, Time Efficiency and Schedule all received middling scores, while Economy and Quality assessments resulted in no points being assigned given that the project spend was well over the original budget estimated, and user feedback indicated overall dissatisfaction, and that users’ expectations were unmet.

Recognising an increased focus on the importance of timeliness in execution of the RDA’s projects, a decision has been made to include Time-Focused VfM Scoring alongside the original VfM Scoring Framework going forward. This Framework increases the scoring for Time Efficiency and Schedule to a total of 30 rather than 20 points (15 points each for Time Efficiency and for Schedule). When assessed based on the Time-Focused VfM Framework, this project achieved an overall time-focused score of 56.6 out of 100 points, demonstrating significant scope for improvement across the elements of VfM.

| Virgin Gorda Baths – Time-Focused VfM Scoring |                       |          |                 |
|---|-----------------------|----------|-----------------|
| <b>Economy</b>                                | Economy               | 0/10     | 0/10            |
| <b>Efficiency</b>                             | Cost Efficiency       | 10/20    | 28.75/50        |
|   | Time Efficiency       | 11.25/15 |                 |
|   | Schedule              | 7.5/15   |                 |
| <b>Effectiveness</b>                          | Output Effectiveness  | 20/20    | 25/35           |
|   | Outcome Effectiveness | 5/5      |                 |
|   | Quality               | 0/10     |                 |
| <b>Equity</b>                                 | Equity Goals          | NA       | NA              |
| <b>Time-Focused VfM Score</b>                 |                       |          | <b>53.75/95</b> |
| <b>Overall Time-Focused VfM Score</b>         |                       |          | <b>56.6/100</b> |

## Economy (0 out of max 10 points)

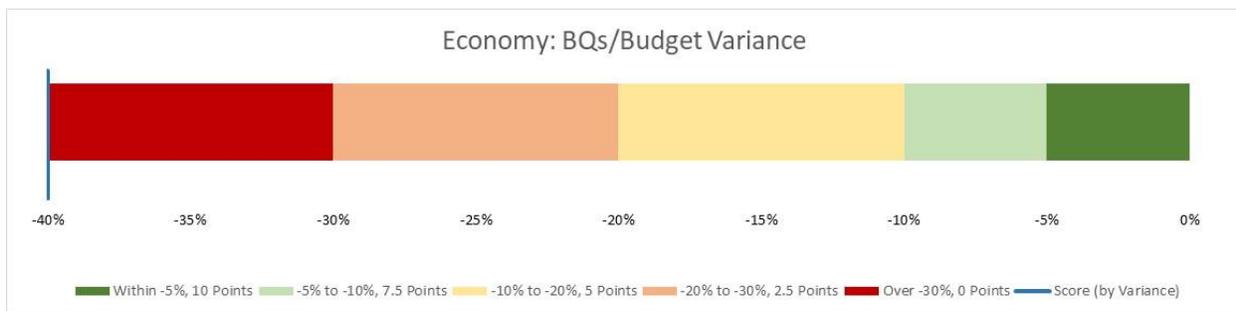
The economy of the Virgin Gorda Baths project is assessed based on the original budget for the project. This project was initially budgeted at \$25,000 within the Phase One Programme. At the time, it was expected only minor repairs to roofs would be made, as well as some bathroom repairs.

Variations were made to the contract, including decking to Devil's Bay and a revised design for the Beach Bar. These modifications increased the overall cost of the project.

The total spend at project closure was \$214,341 which is approximately 757% above the initial budget. This indicates that this project was executed significantly above the variance range used for scoring of the project's economy, and as such, the project has been assigned an economy score of 0 points (Table 2).

Table 2: Assessment of Economy

| ECONOMY ASSESSMENT: 0/10 POINTS |             |
|---------------------------------|-------------|
| Original Budget                 | \$25,000    |
| Actual Spend                    | \$214,341   |
| Variance (\$)                   | (\$189,341) |
| Variance (%)                    | -757%       |
| <b>ECONOMY SCORE</b>            | <b>0</b>    |



## 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 the necessary context for comparisons made.

In the case of the Virgin Gorda Baths project, the following benchmarks for cost and time have been used to assess cost and time efficiency:

| Type | Benchmark                                 | Sources   | Considerations  |
|------|---|---|---|
| Cost | \$160 per square foot repaired/ installed | BCQS 2016 Market Trend Report, p.10:<br><a href="https://bcqs.com/wp-content/uploads/2017/10/2016-BCQS-Market-Trend-Report_RV-11-10-17.pdf">https://bcqs.com/wp-content/uploads/2017/10/2016-BCQS-Market-Trend-Report_RV-11-10-17.pdf</a> | Average cost of construction for one story shell office used; It should be noted that this project did not involve full construction/reconstruction but repair and installation of flooring and roof coverings. |

|             |   |  |   |
|-------------|---|--|---|
| <b>Time</b> | 4.05 square feet repaired/installed per day | Total square feet repaired/installed divided by number of planned project days | Given difficulty in acquiring a relevant benchmark for time taken to clean, planned outputs divided by planned project days has been used as a proxy benchmark. |
|-------------|---|--|---|

**Cost Benchmark**

The cost benchmark has been determined based on the average cost of construction for a one-story shell office, sourced from the 2016 BCQS Market Trend Report. It should be noted that this project did not involve full construction/reconstruction but involved repair of restroom facilities and installation of rest stop flooring and coverings.

**Time Benchmark**

The time benchmark used was determined based on the planned outputs (square feet of restrooms and rest stops repaired/installed) divided by the planned project days. This methodology for determining a time benchmark has been used routinely where an external benchmark is unobtainable or impractical to determine.

**Efficiency (22.5 out of max 40 points)**

The efficiency of an intervention considers Output Cost (Cost Efficiency), Output Time (Time Efficiency) and Schedule.

Due to variations, the project was completed after its planned time, however, still within a variance percentage to earn points for the schedule score.

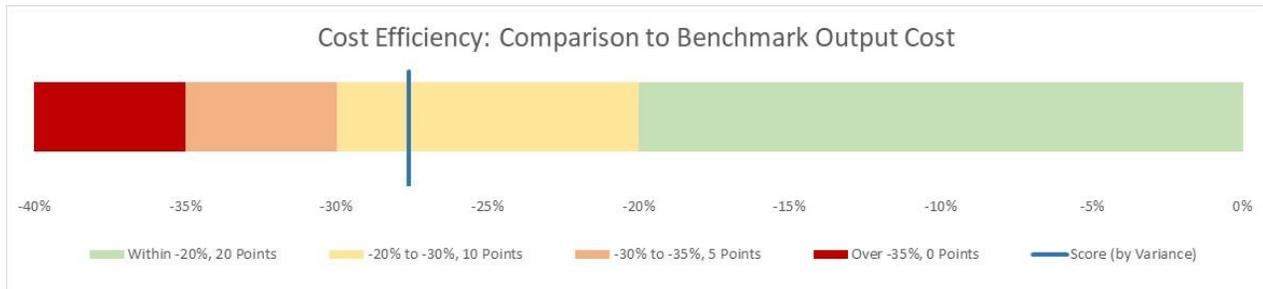
The Virgin Gorda Baths project had a range of smaller construction and design elements. This made it difficult to focus on one item to measure its efficiency across the whole project. Ultimately it was decided that the project’s focus was to create a safe and friendly space for tourists. The number of tourists visiting the Baths was used, as well as the number of rest stops and restroom facilities installed and repaired. These outputs were tracked as part of the RDA’s Monitoring and Evaluation Framework.

**Cost Efficiency**

For cost efficiency, the framework looks at the number of square feet of bathrooms and reststops (1,050 square feet) installed for the project spend and compares this to the sourced construction benchmark. The benchmark used which is the average cost of installing and building a one story shell of a building in the VI at \$160 per square foot was sourced from the BCQS Market Trend Report 2016. Given that the actual output unit cost was 27.6% above the sourced benchmark, this assessment resulted in 10 out of 20 points being assigned for the assessed Cost Efficiency of the VG Baths project.

Table 3: Cost Efficiency Assessment

| <b>COST EFFICIENCY ASSESSMENT: 10/20 POINTS</b> |                                    |
|---|------------------------------------|
| Output Unit Cost                                | \$204.13 per square foot installed |
| Benchmark Output Unit Cost                      | \$160.00 per square foot installed |
| Variance (\$)                                   | (\$44.13)                          |
| Variance (%)                                    | -27.6%                             |
| <b>COST EFFICIENCY SCORE</b>                    | <b>10</b>                          |



### Time Efficiency and Schedule

The Statement of Requirement for the project was signed on 14 February 2019, which is considered the project start date, used for assessment of time efficiency and schedule. The project was planned to be completed on 31 October 2019, which translates to 259 total planned project days.

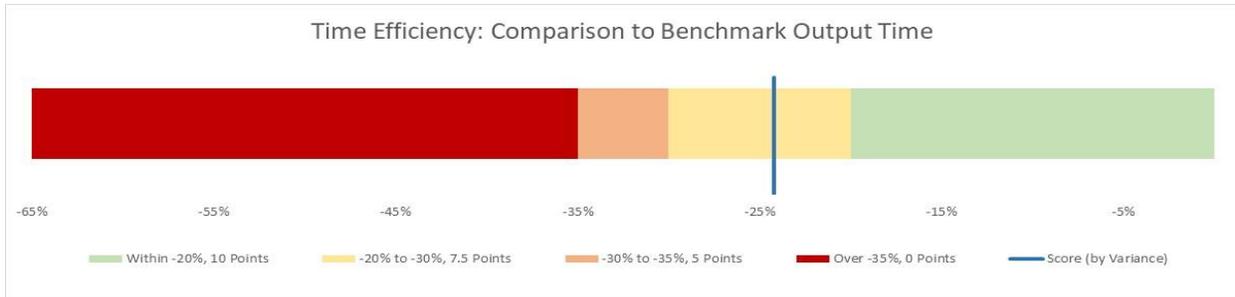
The Virgin Gorda Baths project was actually completed on 22 January 2020. There was therefore a total of 342 actual project days.

When considering the output of 1,050 square feet of rest stops and restrooms repaired or installed over the course of the project, there was an average of 3.07 square feet of structure repaired or installed per day. The output time benchmark is derived by dividing the number structures installed by the number of planned project days, thus calculated as a benchmark of 4.05 square feet of structure installed per day.

Using this benchmark, the actual output time was 24.2% over the benchmark, resulting in 7.5 points assigned for time efficiency (Table 4).

Table 4: Time Efficiency Assessment

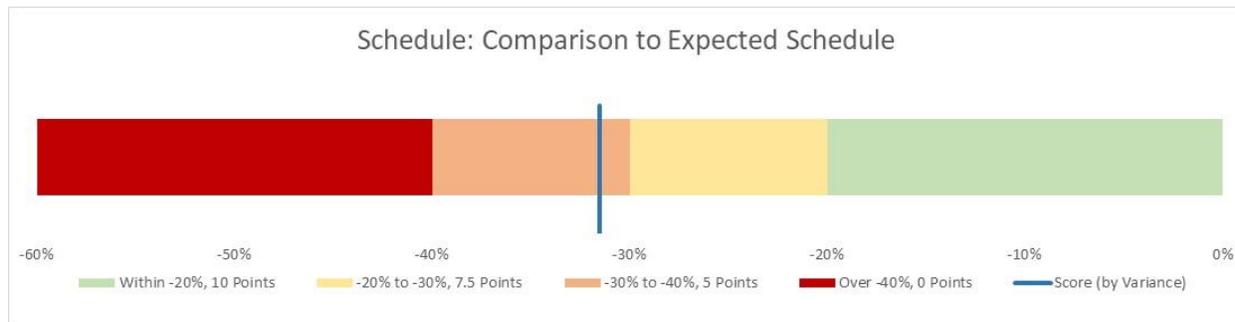
| <b>TIME EFFICIENCY ASSESSMENT: 7.5/10 POINTS</b> |                                    |
|--|------------------------------------|
| Output Unit Time                                 | 3.07 square feet installed per day |
| Benchmark Output Unit Time                       | 4.05 square feet installed per day |
| Variance   | (0.98)                             |
| Variance (%)                                     | -24.2%                             |
| <b>TIME EFFICIENCY SCORE</b>                     | <b>7.5</b>                         |



Given that the actual number of project days at 342 days is 83 days or 32% past the planned number of project days of 259, 5 points were assigned for schedule of this project.

Table 5: Schedule Assessment

| SCHEDULE ASSESSMENT: 5/10 POINTS |          |
|----------------------------------|----------|
| Planned Project Days             | 259 days |
| Actual Project Days              | 342 days |
| Variance (days)                  | -83 days |
| Variance (%)                     | -32%     |
| <b>SCHEDULE SCORE</b>            | <b>5</b> |



## Effectiveness (35 out of max 45 points)

### Output Effectiveness

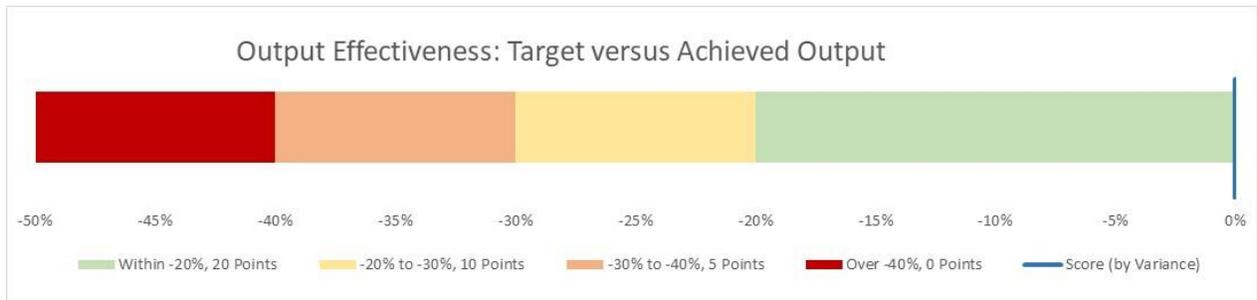
Output effectiveness is a measure which compares targeted output indicators to achieved output indicators. The output indicator which this project is measured against is the number of restrooms and rest stop facilities repaired/built at the Baths, at a total of four (4).

The project met this goal by building or repairing two restrooms and two rest stop facilities at the Baths. With the output variance percentage therefore at 0%, the project has been assigned a full score of 20 out of 20 points (Table 6) for output effectiveness.

It should also be noted that in addition to the restrooms and rest stops repaired and built, there were contract variations which included a revised design for the Beach Bar covering.

Table 6: Target versus Achieved Output

| OUTPUT EFFECTIVENESS ASSESSMENT: 20/20 |  |
|--|--|
| Targeted Outputs                       | 4 tourist facilities (rest stops or restrooms) repaired or installed |
| Achieved Outputs                       | 4 tourist facilities (rest stops or restrooms) repaired or installed |
| Variance                               | 0  |
| Variance (%)                           | 0%   |
| <b>OUTPUT EFFECTIVENESS SCORE</b>      | <b>20</b>  |



### Outcome Effectiveness

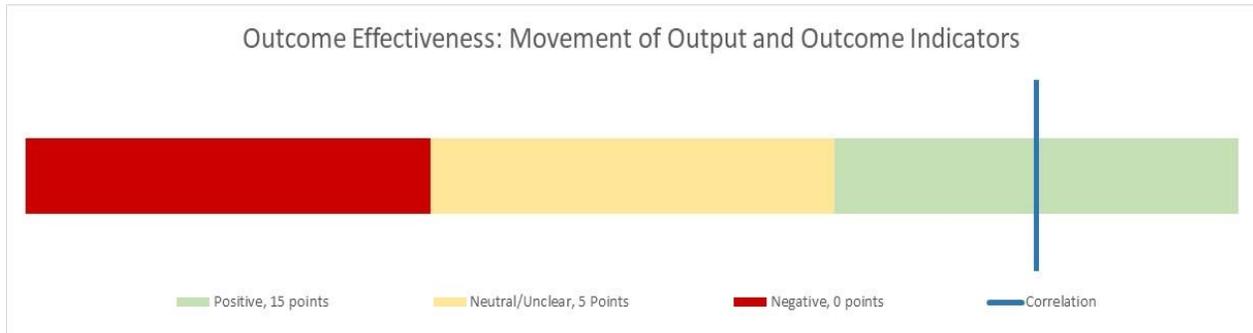
In terms of outcome effectiveness, the change relationship between the observed output and outcome has been used as a simple measure of outcome effectiveness. The goal of repairing and renewing The Baths National Park aimed at buttressing tourist arrivals and thus the economic contribution of tourism in the Virgin Islands.

Given the Baths status as one of the main tourist attractions in the Territory, a positive relationship has been assumed between improvements to the Virgin Gorda Baths project and the outcome of increased visitors to the Baths, and an increase in overnight tourist arrivals.

The five-year, pre-hurricanes average of visitors to the Baths was 100,737 tourists annually. In 2019, a total of 114,770 tourists visited the Baths National Park, representing an increase of 14,033 from the pre-hurricane average. These visitors to the Baths are a portion of overall tourist arrivals to the Territory. Similarly, the outcome indicator of total number of overnight tourist arrivals moved from 192,312 in 2018 to 302,499 in 2019 as the repairs to the Baths were implemented. Annual tourist arrivals from 2020 and 2021 have not been used due to the significant impacts of COVID-19 on tourism in the Territory.

Table 7: Relationship between Outputs and Outcomes

| OUTCOME EFFECTIVENESS ASSESSMENT: 15/15  |                      |
|--|----------------------|
| Output Change: Increase in number of visitors to the Baths (from pre-hurricanes average) | +14,033              |
| Output Change: Increase in number of tourist facilities at the Baths repaired/installed  | +4                   |
| Baseline Outcome – Overnight tourist arrivals (2018)                                     | 192,312              |
| Actual Outcome – Overnight tourist arrivals (2019)                                       | 302,499              |
| Assessment of Change Relationship  | Positive correlation |
| <b>OUTCOME EFFECTIVENESS SCORE</b>   | <b>15</b>            |



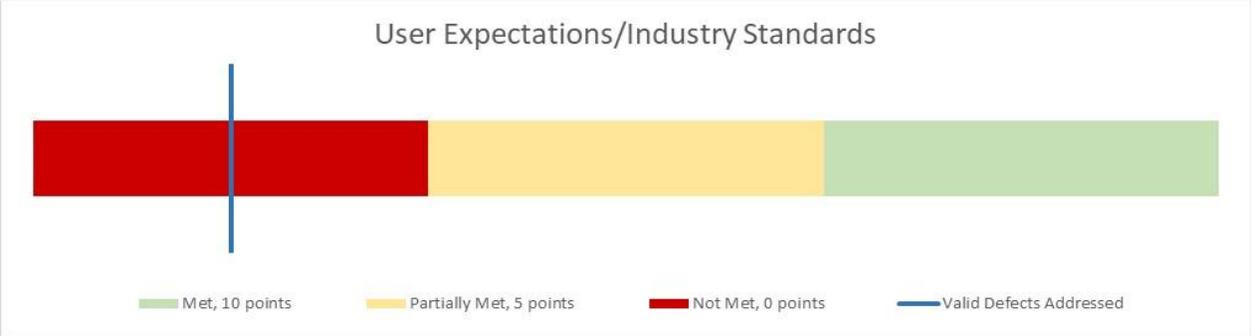
## Quality

To assess quality for the Baths project, a survey questionnaire was disseminated to employees of the Baths (National Parks Trust) for completion. Based on responses, it was noted that the quality of the work on the bathrooms and rest stops did not meet expectations, and concerns were raised about the safety of the facilities installed. As such, the quality of this project has been rated as unsatisfactory which resulted in no points awarded for this aspect of the project’s VfM.

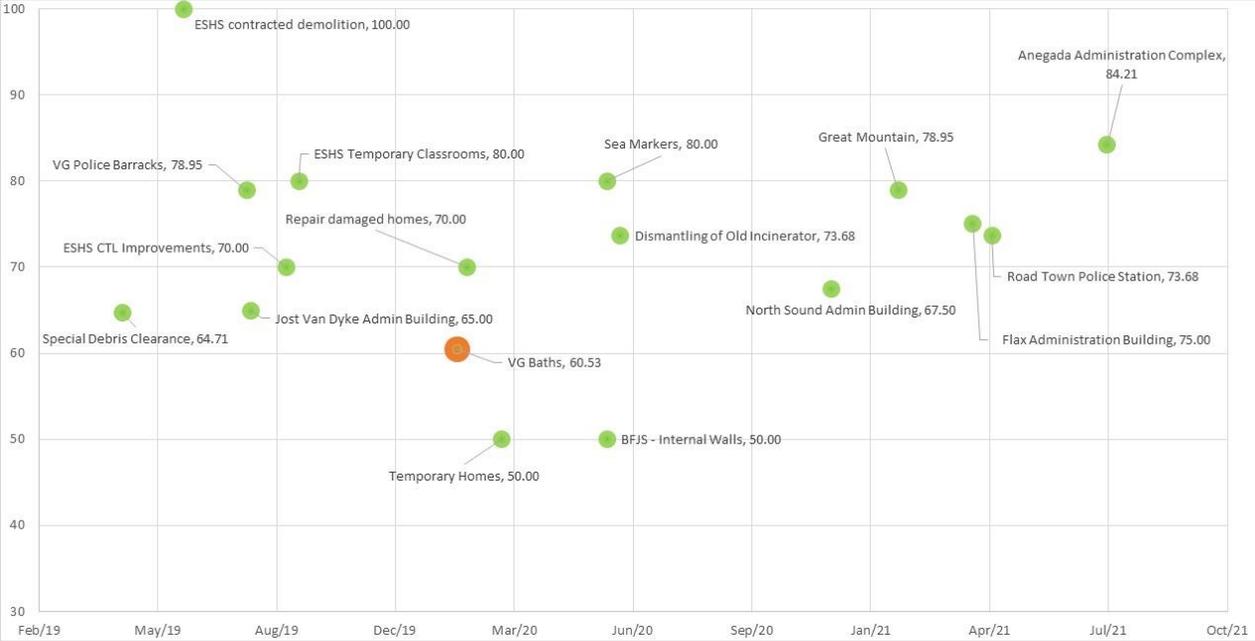
Specific quotes from respondents on the quality of the rest stops installed at the Baths project included: “Not pleased at all with the quality of work completed by the contractor for any of the features constructed”, “The facilities that were built will have to be torn down and redone”, and “What was built presents several safety issues that the Trust now has to rectify”.

Table 8: Assessment of Quality

| QUALITY ASSESSMENT: 0/10   |                        |
|--|------------------------|
| Survey responses on change in quality of facilities from before- to after-project implementation | Same rating; No change |
| Assessment of User Expectations  | Unmet                  |
| <b>QUALITY SCORE</b>   | <b>0</b>               |



*Comparison of Value for Money (VfM) Scores Over Time*



### Lessons Identified

Specific lessons identified from implementation of the VG Baths project involved more effective coordination and communication with stakeholders across Central Government and its statutory body, namely the National Parks Trust in this case, in terms of determining user requirements and ensuring that expectations were appropriately set from the early planning stage.

Specifically, the following lessons were identified:

1. Improved quality and suitability of design work can be ensured by providing an appropriate level of technical review and stakeholder engagement prior to payment of designers and issuing of tender;
2. Estimations of scheduling for projects should take into consideration lead time required for shipment and receipt of imported resources; and
3. Improved communication with contractor would assist in flagging issues early towards effective resolution, and allow for maximum use of technical input from the RDA.

## Conclusions

The scoring methodology of the RDA's VfM Framework has been used in assessing Value for Money and assigning a VfM Score to the Virgin Gorda Baths project.

Given that this project has been completed over budget and over schedule but has achieved its targeted outputs leading to achievement of its broader outcome, and that the project also met quality and equity expectations, the overall VfM score for the VG Baths project is 72.5 out of 100.

Overall, the scores for the various VfM areas were: Economy: 0/10; Efficiency: 22.5/40; and Effectiveness: 35/45; Equity was not scored for this project. It is clear from these scores that the areas of Economy and Efficiency received less than perfect scores, specifically related to performance against cost and time expectations and benchmarks. The project was able though to achieve its targeted outputs and contribute to the broader outcome. The quality of the project based on user feedback also failed to meet expectations.

The importance of keeping accurate, up-to-date, readily accessible information on project budgets, schedules, spending and results is continuously underlined in the process of conducting VfM assessments. 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.