

Questions and Discussion Topics re Performance Measurement and Contracting

The World Bank defines performance-based contracting as “a form of contracting that explicitly includes three characteristics:

- Clear definition of a series of objectives and indicators by which to measure contractor performance;
- Collection of data on performance indicators to assess the extent to which the contractors are successfully implementing the defined services; and
- Performance leading to consequences for the contractor, such as provision of rewards or imposition of sanctions.”¹

Using the above definition, please think about the following questions:

- 1. Does the Office of Homeless Youth have a clear definition of objectives and indicators by which to measure performance for each program and as a whole?**
- 2. If performance measures are not yet established, how should they be established?**
 - OHY data dashboard
 - JLARC sample measures
 - Federal measures
- 3. Do you think the collection of data to report on the performance indicators is a regular practice by contractors? What can be done to help contractors use data more regularly to understand and improve performance?**
- 4. Many communities begin by establishing performance measures and targets and then tracking for a year or more before introducing contracting consequences. Some offer special technical assistance to low-performing programs.**
 - For how long do you think it would be good to track performance and report on performance before it leads to consequences?
 - Some communities have established interim benchmarks or “safe-harbors” where if a program needs to make significant improvement to meet the targets, a 10% increase or other increase in performance is considered hitting the benchmark. What do you think of this idea?
- 5. What kind of consequences do you think should eventually be tied to performance?**
 - required performance improvements plans?
 - higher awards or supplemental funding for good performance?
 - sanctions or funding cuts for poor performance?
 - pay for performance (pay only for outcomes achieved)?

¹ <http://siteresources.worldbank.org/INTHSD/Resources/topics/415176-1216235459918/ContractingEbookSection2.pdf>