

Work Flow Design of Equipment Acquisition Contracts' Implementation Performance Evaluation

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ABSTRACT: Equipment acquisition contracts' implementation performance evaluation has just started. To study work flow design issues of the implementation evaluation, from the beginning to develop a scientific, complete and feasible performance evaluation program has great significance. It helps enhance the quality of contracts' implementation. Performance evaluation is not only to ensure the smooth conduct of the evaluation is to assess, but also the results of a fair, impartial, objective and effective guarantee.

KEYWORD: Contract Performance; Performance Evaluation; Work Flow

1 GENERAL INSTRUCTIONS

As an organizational performance, the role of contracts' implementation performance, by analyzed feedback of contract management behaviors and outcomes, identifies the key factors affecting contracts' implementation performance, lessons learned, finds inadequate, constantly updates and improves contracts' management ideas, theories and methods, to enhance the efficiency of contracts' management, and guide contracts' management behavior, provide reference for future contracts' management, to further promote and improve the overall management level [1]. Performance evaluation is a complete process system composed of multiple crucial steps. Program performance evaluation, which is the detailed provisions about activities of various stages of implementation steps from preparing an evaluation to submitting the results of evaluation, are described in detail to carry out evaluation of basic path. It is not easy to evaluate the order, but as an important part of the performance evaluation system, evaluation procedures should be carefully designed and reasonable arrangement. To contact between both aspects of the evaluation of each other and independent of each other, constitute an organic whole process [2].

2 EQUIPMENT ACQUISITION CONTRACTS' IMPLEMENTATION PERFORMANCE EVALUATION MAIN CONTENT

Equipment acquisition contracts' implementation

performance evaluation divide into contracts' important node and contracts' implementation completed. The main difference is evaluation objects and content. Therefore, this article only designs and analyses contracts' implementation performance evaluation after contracts' implementation completed, important nodes of the work-flow of contracts' implementation performance evaluation reference to this program.

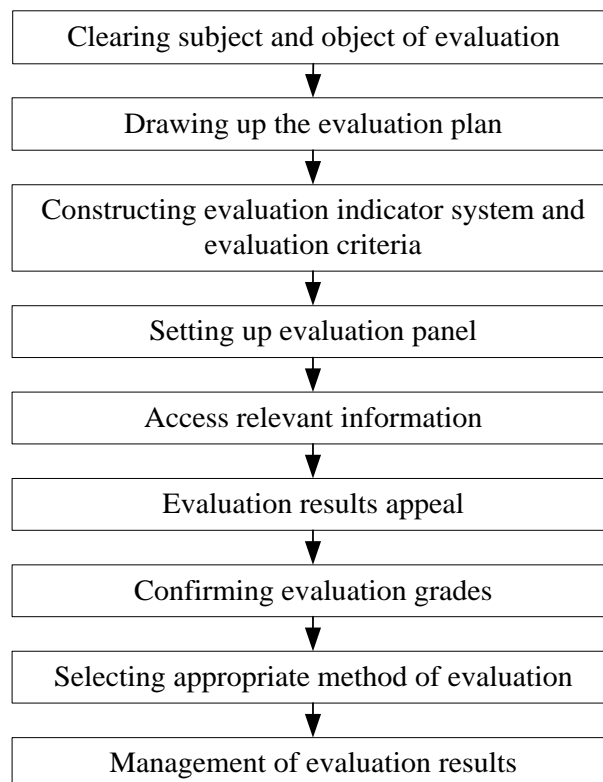


Figure 1. Main content of equipment acquisition contracts' implementation performance evaluation

The main content of contracts' implementation performance evaluation is shown in Figure.1.

3 WORK FLOW DESIGN OF EQUIPMENT ACQUISITION CONTRACTS' IMPLEMENTATION EVALUATION

3.1 *Clearing subject and object of evaluation*

Equipment acquisition contracts' implementation performance evaluation carried out must first define "who evaluate" and "evaluate what" question, namely to clear the subject and object.

The object of evaluation is the key-point of evaluation. When the performance of the contracts is completed, the research and manufacturing units should submit the application about contracts' acceptance (node inspection), and provide related materials of contracts' acceptance as required to the military representative offices who are responsible for supervision of contracts' implementation. Those materials should include the related content of contracts' implementation performance evaluation. Military representative offices examine and verify application about contracts' acceptance which research and manufacturing units submitted, summarize the contracts' project that have the conditions of contracts' acceptance as the evaluation object of contracts' acceptance and contracts' implementation performance evaluation.

3.2 *Drawing up the evaluation plan*

The evaluation plan is a comprehensive planning document, as well as a summary description of the evaluation. Equipment acquisition contracts' implementation performance evaluation must be conducted in an orderly way under the planning. Drawing up the evaluation plan intends to evaluate the objectives clearly, drafting evaluation plan scientifically, so as to ensure the evaluation conduct smoothly. Military representative offices examine and verify application about contracts' acceptance, summarize the contracts' project which have the conditions of contracts' acceptance, report the plan of contracts' acceptance which should contain the plan of contracts' implementation performance evaluation, to contracts' supervision and management departments.

3.3 *Constructing evaluation indicator system and evaluation criteria*

In order to ensure the feasibility and reasonable of evaluation indicator system and evaluation criteria, contracts' supervision and management departments should be responsible for organizing prior to lay down indicator system and criteria of equipment acquisition contracts' implementation performance

evaluation. The important node of contracts' implementation performance evaluation indicator system and contracts' implementation completed performance evaluation indicator system in the structure is the same. The main difference is that the requirements of the node completed and the contract completed are differently, the evaluation criteria will be different. Thus the supervision and management departments should pay attention to distinguish these whiling evaluating. Selection and refinement of indicators should be combined with need of realistic evaluation work, fully consider the demand of the evaluation subject and research and manufacturing units, take a combination way of changeless quantity indicators and changeless property indicators^[3]. Moreover, evaluation indicator system and evaluation criteria need to go through contracts' supervision and management departments to organize each evaluation subject to conduct several rounds, brainstorm, research discussion, opinion feedback and repeated constantly adjustment and amendment, to ensure that the definitive evaluation indicator system and evaluation criteria is scientific and practical. After actual evaluation trying, adjusting and amending for many times, indicator system and criteria of contracts' implementation performance evaluation would be issued by contracts' supervision and management departments in the form of contract provisions and implementation measures, combined with the workflow of equipment acquisition contracts' implementation performance evaluation, to relevant departments and units as the standard for carrying out implementation performance evaluation.

The indicator system of equipment acquisition contracts' implementation performance evaluation was composed of four parts by the "quality", "schedule", "costs" and "service" which are the basic elements of the contract. Among them, the element of the "quality" can be subdivided into two secondary indicators of "product quality" and "quality of management"; the element of the "schedule" can be subdivided into three secondary indicators of "schedule plan", "node schedule" and "outsourcing schedule"; the element of the "costs" can be subdivided into three secondary indicators of "price to pay", "cost control" and "cost-collecting"; the element of the "Service" can be set secondary indicators based on services content required by the contract.

3.4 *Setting up evaluation panel*

Conducting equipment acquisition contracts' implementation performance evaluation needs to set up a special organization which is responsible for the implementation of the entire contracts' implementation performance evaluation. The usual

practice is to set up an equipment acquisition contracts' implementation performance evaluation panel to arrange specifically evaluation work. For different specific contracts, the evaluation panel's staffing and organizational structure will be different, and the size of the contract project determines the scale of the evaluation panel. This is an important condition for conducting evaluation work. The members of the evaluation panel should have good communication skills and the ability to understand the information, with a strong induction and judgment. They should also be familiar with the contents of the evaluation, evaluation procedures and evaluation methods, and understand the basic situation of the contracts and the main provision, that will facilitate a deeper understanding of the contents of the evaluation, strict compliance the evaluation methods which has been given, to carry out the evaluation work and improve the accuracy of the evaluation results. Panel member who are determined by the military representative offices, will be established with the members of contracts' acceptance after reporting together to supervision and management departments to approval.

3.4.1 *Personnel-in-charge of authority*

It mainly refers to personnel in charge of related professional contract project in the contracts' supervision and management departments, business department and other authorities, who have been decided by participating in equipment acquisition contracts' implementation performance evaluation as appropriate, mainly depending on whether they participate in the contracts' acceptance.

3.4.2 *Relevant personnel of military representative offices*

The relevant personnel of military representative offices is responsible for contracts' implementation supervision, who have been generally recommended according to the personnel list of evaluation panel which is provided by military representatives in charge of the contract, and decided by the approval of chief representative.

3.4.3 *Specialists*

Specialists can be selected from various departments and units. The ideal situation is that the evaluation panel members come from different areas, with different skills, and have some experience in performance evaluation. They can also be selected from specialists participating in the contracts' acceptance. It is requested that these specialists can be competent for the business knowledge, have stronger sense of responsibility, and be not affected by their sector benefit, to devote itself to the evaluation work.

3.5 *Access to relevant information*

According to the equipment acquisition contracts' implementation performance evaluation requirements, the evaluation panel should adopt various methods to obtain the relevant information which required to be evaluated. This information mainly reflects the specific data and information in the various indicators of evaluation indicator system, including information on the project quality, schedule, cost, service and so on in the contract implementation period. During the contracts' implementation performance evaluation, in addition to the research and manufacturing units submit the relevant contracts' acceptance data in the previous period, the evaluation panel can require the research and manufacturing units provide the required information, according to the evaluation needs with full cooperation. The research and manufacturing units must guarantee the authenticity, completeness, sufficiency, relevance and timeliness of the information they provided. It can't resort to deceit for higher scores, once found the evaluation panel can directly give unqualified score.

3.6 *Selecting appropriate method of evaluation*

Implementation of the evaluation is one of the key links in the equipment acquisition contracts' implementation performance evaluation program. The main task is that the evaluation panel refers to evaluation indicator system and evaluation criteria, use variety of effective means to collect comprehensively information on performance evaluation, select and apply appropriate evaluation methods to sort, process and handle the relevant information of performance evaluation obtained, by scoring to make the evaluation conclusion. Currently, there are lots of evaluation methods. Different evaluation methods give their own characteristics and suitability requirements^[4]. More scientific approach is widely used a variety of effective evaluation methods to evaluate, and then conduct comprehensive analysis and judgment^[5]. But now the work environment of contracts' implementation performance evaluation has not yet been established, that should first select the simple, practical, workable approach methods, in order to guarantee that contracts' implementation performance evaluation can be carried out. The specific methods by contracts' supervision and management departments can be clearly explained in the equipment acquisition contracts' implementation performance evaluation measures issued to the relevant departments and units.

3.7 *Confirming evaluation grades*

After the evaluation, the evaluation panel gave contracts' implementation situation the appropriate

level based on the evaluation results.

The U.S. military, when they are carrying out contractor contracts' implementation performance evaluation, adopt the methods to give the contractor contracts' implementation completion different grades with different standards and different colors. The practice of the U.S. military can be reference as we carry out giving research and manufacturing unit contracts' implementation performance evaluation grades. General rating method which is based on the corresponding scores of evaluation, are given grades like "excellent" (outstanding), "good" (very good), "moderate" (satisfactory), "qualified" (qualified), "do not qualified" (unsatisfactory).

3.8 *Evaluation results appeal*

In the performance evaluation process, the evaluation subject is always influenced and restricted by the certain subjective and objective conditions, evaluation deviation is really difficult to avoid, so evaluation results appeal is an important remedial measures and link. Once happening the deviation, or for the difference on the understanding of the research and manufacturing units to disapproval evaluation conclusion, the research and manufacturing units can submit evaluation appeal to contracts' supervision and management departments according to relevant procedures. Contracts' supervision and management departments, review the results of evaluation or reevaluation.

3.9 *Management of the evaluation results*

Management and use of the evaluation results is not only the continuation of contracts' implementation performance evaluation, but also the purpose of performance evaluation. Through the rational use of the evaluation results, it can strengthen attention of the departments and units and enhance the validity of the contracts' implementation. Military representative offices report contracts' acceptance and the results of contracts' implementation performance evaluation to contracts' supervision and management departments, send a copy to the comprehensive planning department, conclusion of the contract management department and each contract Party B, and urge contract Party B to

write rectification report according to the evaluation results. The evaluation results can take the forms by compiling equipment acquisition contracts' implementation performance evaluation report to submit. Further, the military can reward and punish research and manufacturing units according to the results of the performance evaluation, ask research and manufacturing units to rectify the problem, or provide reference for research and manufacturing units undertaking subsequent military contract task.

4 CONCLUSIONS

This paper designs initially a set of complete equipment acquisition contracts' implementation performance evaluation process and analyses its specific content, but in the actual evaluation work application, it also need to adjust and perfect further according to the specific situation. With the gradual advance of equipment acquisition contracts' implementation performance evaluation, it will urge the contract Party A and Party B to pay more attention to contracts' restraint effect and positive effects, strengthen gradually normalization and executor effect of equipment acquisition contracts, thus helping carry out smoothly contract implementation and contract supervision work, and improve efficiency of contract completion.

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