

Australian Government

Department of Defence Capability Acquisition and Sustainment Group

FACTSHEET 003 – CALCULATION OF A WEIGHTED PERFORMANCE SCORE (WPS)

One of the ways Performance Management Frameworks are managed is through the calculation of a Weighted Performance Score (WPS). For example here are two sets of data recorded for two example KPIs, Spares Availability and Bandwidth:







Adjusted Payment = 80%

Achieved Bandwidth Performance (%) Week 1 – 90% Week 2 – 86% Week 3 – 85% Week 4 – 87% Average = 87% Bandwidth

Achieved Performance

90%

100%

Achieved Performance = 87%

Adjusted Payment = 85%

• If we assume the Spares Availability KPI and Bandwidth KPI are unequally weighted with 60%/40% respectively, then the calculation of WPS is as follows:

Weighted Performance Score (WPS) = (60% x Adjusted Payment for Spares Availability) + (40% x Adjusted Payment for Bandwidth)

0%

70%

 $= (0.6 \times 0.8) + (0.4 \times 0.85)$

= 0.82 or 82%

- Therefore, the WPS is equivalent to 82% of the "At Risk Margin", or a permanent withhold of 18% of the Performance Payment.
- For a project with a \$100,000 a year "At Risk Margin", the adjusted Performance Payment would be \$82,000.

Provided by the PBC Centre of Excellence

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