



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Performance Measurement Process

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Performance Measurement Process

Reference Number: MTAS-643

The performance measurement process involves three phases. If you are measuring a complicated program, you will use all the steps discussed below. When measuring a discrete, narrowly defined program, you may not use all the steps. The steps are not necessarily in sequential order.

- The Pre-performance Measure Phase involves:
 - Identify the program or service;
 - Identify vision, mission and objective;
 - Identify program activities; and
 - Determine program targets.
- The Performance Measures Phase involves:
 - Determine program inputs;
 - Determine program outputs; and
 - Determine program efficiency measures.
- The Performance Measures Reporting Phase. This provides an explanation to help the reader analyze and understand the results.

Here's an example.

Pre-Performance Measurement Steps

Step 1—Identify the program or service. (*State the program or service you are going to measure.*) The (*your city's name*) Sanitation Department.

Step 2—Identify the vision, mission, or objective. To provide the residents of (*your city's name*) with timely, cost effective collection of household refuse.

Step 3—Identify program activities. (*List or describe the program service or activities.*)

- Provide once-per-week curbside collection of household refuse
- Leave carts upright and undamaged
- Keep automated trucks in good operating condition
- Provide one person crew

Step 4—Determine program targets (*criteria against which to measure success*).

- Provide service without overtime
- Reduce customer cart-related complaints by 10 percent
- Keep equipment operational (ready for service) 85 percent of work week (34 out of 40 hours)

Performance Measurement Steps

Step 5—Determine program inputs (*resources your government will spend to operate or implement the program or service*).

- \$850,000 budget
- Two crews
- Two automated loaders

Step 6—Determine program outputs (*the amount of program activity or workload*).

- 6,500 households

Step 7—Determine program efficiency measures (*costs per unit of output*).

- Cost per ton
- Cost per household

- Cost per 1,000 population
- Number of complaint calls related to cart damage
- Percentage of time each truck is out of service

Performance Measurement Reporting

The last step is reporting on the process. As with any major initiative, communication is vital to success. The manager needs to report performance measures results internally to staff, upward to city management and elected officials, and outward to the public. The information learned from the performance measurement process should be used to manage. It should help determine which services to deliver, how to prioritize, how to allocate resources, and how to reward performance.

Additional Resources

For those who want to know more, there are many resources on performance measurement. An MTAS consultant would be happy to provide technical assistance to your department. A few informational sources are listed below. Other resources are available on the Internet.

- The American Public Works Association. See www.apwa.net [1].
- The International City/County Management Association. See www.icma.org [2].
- David N. Ammons, *Municipal Benchmarks*, 2nd Ed., Sage Publications, Thousand Oaks, London, New Delhi, 2001.
- MTAS Municipal Benchmarking Project. See www.mtas.tennessee.edu [3].

Links:

[1] <http://www.apwa.net>

[2] <http://www.icma.org>

[3] <http://www.mtas.tennessee.edu/tennessee-municipal-benchmarking-project>

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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