Vendor Performance Management

Industry Process & Technical Briefing
January 30, 2015
Objectives

- Improve overall vendor (consultants and contractors) performance on City Contracts
- Improve communication between staff that manage vendors (e.g., Project managers) and vendors
- Improve the overall performance of vendors over time (in a measurable way)
- Build a history of vendor performance over time, allowing future vendor selection decisions to include a historical performance perspective
Agenda

1) Introductions
2) Objectives and Background
3) Evaluation Templates and Scorekeeping
4) Evaluation Process
5) Process Questions
6) MERX Technical Training
Introductions – The Project Team

Project Sponsors
- Jeff Byrne
- Wayne Newell

Infrastructure Services
- Andre Lessard
- Ziad Ghadban
- Linda Carkner
- Carina Duclos
- Paul Hussar
- Diana Knight

Environmental Services
- Heather Freeman

Transit Services
- Jason Staniforth

Supply Branch
- David Baird
- Chris Xu
- Loralie Johns
Objectives and Background

- The City procures over $500 million yearly in construction.

- VPM evaluation process is launching as a result of:
  - Council Direction.
  - Auditor General recommendation in Construction Services Audit.
  - Best practices.

- Evaluations and scores stored in online database.
Development Considerations

- Explored and learned from other evaluation systems in use:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL:</td>
<td>PWGSC, Defence Construction Canada</td>
</tr>
<tr>
<td>PROVINCIAL:</td>
<td>MTO, Infrastructure Ontario</td>
</tr>
<tr>
<td>MUNICIPAL:</td>
<td>Calgary, Toronto, Hamilton, Oakville, Mississauga</td>
</tr>
</tbody>
</table>

Additional:
- Office of the Procurement Ombudsman 2010/14 Reports
- CMC Canada 2012 VPM Study
Industry Consultations

- Consulted with numerous industry organizations:

<table>
<thead>
<tr>
<th>CONTRACTORS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ottawa Construction Association</td>
<td></td>
</tr>
<tr>
<td>/ Canadian Construction Association</td>
<td></td>
</tr>
<tr>
<td>General Contractors Association of Ottawa</td>
<td></td>
</tr>
<tr>
<td>National Capital Heavy Construction Association</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSULTANTS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Engineers of Ontario</td>
<td></td>
</tr>
<tr>
<td>Ontario Association of Architects / Ottawa Regional Society of Architects</td>
<td></td>
</tr>
<tr>
<td>Ontario Association of Landscape Architects</td>
<td></td>
</tr>
</tbody>
</table>

- Construction industry has been very supportive of an evaluation system.
Industry Feedback Incorporated

The design has incorporated key industry feedback:

1.) The Industry requested a better defined scoring criteria.
   - Standardized templates that describe every criteria and performance level.
   - A start-up meeting will further clarify the criteria as it relates to project specific expectations.
The Industry wanted multiple controls to ensure consistency and fairness.

- Project Managers will receive training.
- All evaluations are reviewed and approved by higher level managers.
- Evaluations with outlier scores will have supporting comments and documentation.
- Scoring trends will be monitored.
3.) The Industry requested the ability to provide formal feedback within the system.
   • Systems allows vendor comments and attachments.

4.) The Industry requested that an opportunity be provided to review and discuss the evaluation prior to it being published.
   • Performance evaluations will be a regular topic at monthly update meetings. The evaluation will be presented and discussed at the final debrief prior to being published.
Industry Feedback Incorporated

5.) The Industry requested that when change orders are required they are only penalized for events within their control.
   • Vendors are not penalized for events outside their control
   • Regular communication and documentation ensures these issues are addressed when they happen.

6.) The Industry requested an appeals process.
   • Appeals incorporated into evaluation process.
   • Vendors given 15 calendar days to appeal.
   • Evaluation score suspended until final decision rendered.
Applicability

- Consultants providing engineering and architectural services and contract administration services.

- Standing offer call ups for engineering services.

- Evaluations of the prime contractor/consultant based on contract value.
  - Consultants: $15,000  Contractors: $100,000
Overall Vendor Score

- Individual evaluations and OVS scores fall into 5 performance levels:

<table>
<thead>
<tr>
<th>Performance Level</th>
<th>Score Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>90-100%</td>
</tr>
<tr>
<td>Commendable</td>
<td>80-89%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>70-79%</td>
</tr>
<tr>
<td>Needs Improvement</td>
<td>50-69%</td>
</tr>
<tr>
<td>Not Satisfactory</td>
<td>&lt;50%</td>
</tr>
</tbody>
</table>

- Those with an OVS below Satisfactory (in yellow) will be monitored more closely.
Overall Vendor Score

- Individual evaluation scores and overall Vendor Score (OVS) will be tracked.

- OVS is a weighted-average over the last 3 years:

\[
\text{Overall Vendor Score (OVS)} = \frac{3(\text{Avg. Year 3 Scores}) + 2(\text{Avg. Year 2 Scores}) + 1(\text{Avg. Year 1 Scores})}{6}
\]

(Year 3 refers to the most recent year, also used by MTO and IO)
Templates – KPI Scoring

- Templates for General Contractor, Design, and Contract Administration

- Rating guide describes each KPI with 5 performance levels/ratings:

<table>
<thead>
<tr>
<th>Performance Level (Highest to Lowest)</th>
<th>KPI Rating (% of total possible Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>100%</td>
</tr>
<tr>
<td>Commendable</td>
<td>85%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>70%</td>
</tr>
<tr>
<td>Needs Improvement</td>
<td>50%</td>
</tr>
<tr>
<td>Not Satisfactory</td>
<td>25%</td>
</tr>
</tbody>
</table>
Evaluation Criteria - Consultants

- 6 KPI for Consultants with the following point weightings:

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Project Management</td>
<td>20</td>
</tr>
<tr>
<td>Schedule</td>
<td>15</td>
</tr>
<tr>
<td>Budget Management</td>
<td>20</td>
</tr>
<tr>
<td>Quality of Design, Reports, and Deliverables</td>
<td>20</td>
</tr>
<tr>
<td>Issue and Risk Management</td>
<td>15</td>
</tr>
<tr>
<td>Communication and Cooperation</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
**Evaluation Criteria - Consultants**

**OVERALL PROJECT MANAGEMENT**  How well the Consultant managed the project in regards to scope, schedule, budget, and risk. Overall project objectives met, management of team and sub-consultants, staffing as per proposal, organization, work plan, facilitation and management of project meetings.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Project Management - above normal standard.</td>
<td>100%</td>
</tr>
<tr>
<td>Appropriate Project Management that exceeds normal standard in some areas, project delivered on time, on budget and within scope.</td>
<td>85%</td>
</tr>
<tr>
<td>Satisfactory Project Management. Acceptable understanding of project objectives and requirements.</td>
<td>70%</td>
</tr>
<tr>
<td>Many issues with Project Management that impacted scope, schedule and/or budget.</td>
<td>50%</td>
</tr>
<tr>
<td>Serious Project Management problems that negatively affected the overall Project.</td>
<td>25%</td>
</tr>
</tbody>
</table>
# Evaluation Criteria - Consultants

**SCHEDULE**  Interim target dates and overall project schedule met.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivered ahead of schedule.</td>
<td>100%</td>
</tr>
<tr>
<td>Delivered on schedule.</td>
<td>85%</td>
</tr>
<tr>
<td>Delivered on schedule with significant effort required by Consultant to achieve timelines.</td>
<td>70%</td>
</tr>
<tr>
<td>Schedule slippage but some effort made by Consultant to achieve timelines.</td>
<td>50%</td>
</tr>
<tr>
<td>Schedule slippage; little to no effort made by Consultant to achieve project timelines.</td>
<td>25%</td>
</tr>
</tbody>
</table>
## Evaluation Criteria - Consultants

### BUDGET MANAGEMENT
The degree to which the consultant was able to design within budget. Design is realistic and achievable within project budget.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding cost control. Reasonable pricing on Scope Changes and processed in an expedited manner.</td>
<td>100%</td>
</tr>
<tr>
<td>Design within budget and exceeds expectations on some occasions. Scope Changes were priced fairly and processed efficiently.</td>
<td>85%</td>
</tr>
<tr>
<td>Design within budget. Consistent and fair pricing on Scope Changes.</td>
<td>70%</td>
</tr>
<tr>
<td>Design was not within budget. Scope Changes were inconsistently processed and/or unfairly priced.</td>
<td>50%</td>
</tr>
<tr>
<td>Design significantly over budget. Scope Changes processed slowly (please provide specific examples), with multiple occasions of inconsistent and/or unfair pricing.</td>
<td>25%</td>
</tr>
</tbody>
</table>
# Evaluation Criteria - Consultants

## QUALITY OF DESIGN, REPORTS AND DELIVERABLES

Presentation material, preliminary design, detailed design, design development, tender documents, site plan, utility circulation, submissions, monthly progress reports, constructability review.

<table>
<thead>
<tr>
<th>Quality Level</th>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary</td>
<td>Extraordinary quality that exceeds normal standard and finished product presents a degree of innovation in work.</td>
<td>100%</td>
</tr>
<tr>
<td>Good</td>
<td>Some areas exceed normal standard and expectations; remainder of items delivered are high quality.</td>
<td>85%</td>
</tr>
<tr>
<td>Acceptable</td>
<td>Acceptable quality; Average number of issues on reports and deliverables.</td>
<td>70%</td>
</tr>
<tr>
<td>Below Average</td>
<td>Below average quality. Above average number of issues with deliverables; re-submission of reports and/or deliverables may have been necessary.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor</td>
<td>Poor quality of reports and deliverables. Numerous issues and/or errors.</td>
<td>25%</td>
</tr>
</tbody>
</table>
# Evaluation Criteria - Consultants

## ISSUE AND RISK MANAGEMENT

Project risks identified, mitigated, and managed; Appropriate communication with the City Project Manager. Acceptance of feedback and comment from expert review.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive approach to significant and unique risks. Issues communicated immediately with innovative mitigation approaches to City Project Manager.</td>
<td>100%</td>
</tr>
<tr>
<td>Project risks managed and in some areas, proactive approach to risk management. Issues communicated in a timely manner with City Project Manager with thoughtful mitigation approaches.</td>
<td>85%</td>
</tr>
<tr>
<td>Project risks managed appropriately. City Project Manager informed of issues with recommended mitigation approach in a timely manner.</td>
<td>70%</td>
</tr>
<tr>
<td>Project issue management needs improvement. At times, City Project Manager is not fully informed on all project issues and/or is informed late.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor risk management - Risks were not managed and/or communicated to City Project Manager.</td>
<td>25%</td>
</tr>
</tbody>
</table>
## Evaluation Criteria - Consultants

### COMMUNICATION AND COOPERATION

Communication and cooperation with the City Project Manager, Stakeholders, and the General Public, Utilities, and City Operations. Attentiveness to Client and City’s requests and changes.

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operative and proactive response to City and resident concerns. Innovative communications with public and City staff.</td>
<td>100%</td>
</tr>
<tr>
<td>Co-operative and timely response to City and resident concerns. At times, communication exceeds expected standard.</td>
<td>85%</td>
</tr>
<tr>
<td>Satisfactory response to City’s requests and changes; Consultant involved in developing solutions and ensures prompt and appropriate action.</td>
<td>70%</td>
</tr>
<tr>
<td>Communication and Co-operation needs improvement; slow response to City's requests and changes. Communications with public and City have issues that are inconsistently actioned.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor Communication and Cooperation; Consultant responses to City are slow, inconsistent, uncooperative. Communication(s) with the public and City are strained.</td>
<td>25%</td>
</tr>
</tbody>
</table>
Evaluation Criteria – Contract Administration

- 8 KPI for Contract Administration with the following point weightings:

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Construction Project Management</td>
<td>15</td>
</tr>
<tr>
<td>Schedule Monitoring</td>
<td>15</td>
</tr>
<tr>
<td>Cost Control</td>
<td>15</td>
</tr>
<tr>
<td>Technical Support During Construction</td>
<td>10</td>
</tr>
<tr>
<td>Oversight of Contract Compliance with Contract Documents</td>
<td>15</td>
</tr>
<tr>
<td>Issue and Risk Management</td>
<td>10</td>
</tr>
<tr>
<td>Communication and Cooperation</td>
<td>10</td>
</tr>
<tr>
<td>Records Management</td>
<td>10</td>
</tr>
</tbody>
</table>

**Total** 100
## Evaluation Criteria – Contract Administration

### OVERALL CONSTRUCTION PROJECT MANAGEMENT
How well the Consultant managed the project in regards to scope, schedule, budget, and risk. Overall project objectives met, management of team and sub-consultants, staffing as per proposal, organization, work plan, facilitation and management of project meetings.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Project Management - above normal standard.</td>
<td>100%</td>
</tr>
<tr>
<td>Appropriate Project Management that exceeds normal standard in some areas, project delivered on time, on budget and within scope.</td>
<td>85%</td>
</tr>
<tr>
<td>Satisfactory Project Management. Acceptable understanding of project objectives and requirements.</td>
<td>70%</td>
</tr>
<tr>
<td>Many issues with Project Management that impacted scope, schedule and/or budget.</td>
<td>50%</td>
</tr>
<tr>
<td>Serious Project Management problems that negatively affected the overall Project.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
## Evaluation Criteria – Contract Administration

**SCHEDULE MONITORING**  Manage and assist Contractor in achieving project timelines.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding schedule management.</td>
<td>100%</td>
</tr>
<tr>
<td>Significant effort by Consultant to get Contractor to meet project timelines.</td>
<td>85%</td>
</tr>
<tr>
<td>Managed schedule appropriately.</td>
<td>70%</td>
</tr>
<tr>
<td>Schedule Management needs improvement; some effort by Consultant to get Contractor to achieve project timelines.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor Schedule management; Project schedule impacted.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated.</td>
<td>NA</td>
</tr>
</tbody>
</table>
## Evaluation Criteria – Contract Administration

### COST CONTROL

- Quantity of over/under runs were acceptable within tolerances.
- Number of change orders, reason for change orders, processing of change orders.

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding cost control. Exceptional representation of the Owner in negotiations.</td>
<td>100%</td>
</tr>
<tr>
<td>Cost Control was consistent and exceeded expectations on some occasions. Change Orders, Contractor claims and quantity control were priced fairly and processed efficiently.</td>
<td>85%</td>
</tr>
<tr>
<td>Consistent and fair quantity control, prompt processing and negotiation of Contractor claims.</td>
<td>70%</td>
</tr>
<tr>
<td>Cost Control needs improvement. Inconsistent and/or unfair pricing on Change Orders, Contractor claims and quantity control. At times, claims processed slowly.</td>
<td>50%</td>
</tr>
<tr>
<td>Multiple occasions of inconsistent and/or unfair pricing on Change Orders and Extra Work. Change Orders processed slowly (please provide specific examples).</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
**Evaluation Criteria – Contract Administration**

**TECHNICAL SUPPORT DURING CONSTRUCTION**  Submissions are complete, reviewed for discrepancies and if required corrections made in a timely manner.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedited and thorough review of Contractor submissions; submissions are complete and provided at expected milestones. Contract Administrator provides additional feedback and suggestions.</td>
<td>100%</td>
</tr>
<tr>
<td>Contractor submissions reviewed in a timely manner with thoughtful feedback and suggestions. Submissions are complete and are sometimes provided ahead of schedule.</td>
<td>85%</td>
</tr>
<tr>
<td>Prompt and thorough review of Contractor submissions; submissions are complete and provided at expected milestones.</td>
<td>70%</td>
</tr>
<tr>
<td>Review of Contractor submissions is inconsistent and/or rushed. Effort required to track down incomplete and missing submissions.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor review of Contractor submissions; incomplete or missing submissions. Provide specific examples.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
## Evaluation Criteria – Contract Administration

### OVERSIGHT OF CONTRACTOR COMPLIANCE WITH CONTRACT DOCUMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding oversight of the Contractor and ability to bring the Contractor into compliance in an expedited manner.</td>
<td>100%</td>
</tr>
<tr>
<td>Proactive approach to oversight of Contract compliance. Compliance issues are resolved in a timely manner to the City's satisfaction and exceeds expectations in some areas.</td>
<td>85%</td>
</tr>
<tr>
<td>Oversight of Contractor meets expectations. Issues of compliance with Contract documents were resolved in a timely manner to the City's satisfaction.</td>
<td>70%</td>
</tr>
<tr>
<td>Oversight of Contractor needs improvement. Minor issues with compliance took a long time to resolve and/or required multiple interventions to resolve the issue to the City's satisfaction.</td>
<td>50%</td>
</tr>
<tr>
<td>Oversight of Contractor was lacking to the point of impacting the overall project. Issues with compliance were not resolved to the City's satisfaction. City infrastructure at risk.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated                                                                ---------------------------------------------------------------------------------------------------------</td>
<td>NA</td>
</tr>
</tbody>
</table>
## Evaluation Criteria – Contract Administration

### ISSUES AND RISK MANAGEMENT

Issues escalated to City Project Manager in an accurate and timely manner.

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive approach to significant and unique risks. Issues communicated immediately with innovative mitigation approaches to City Project Manager.</td>
<td>100%</td>
</tr>
<tr>
<td>Project risks managed and in some areas, proactive approach to risk management. Issues communicated in a timely manner with City Project Manager with thoughtful mitigation approaches.</td>
<td>85%</td>
</tr>
<tr>
<td>Project risks managed appropriately. City Project Manager informed of issues with recommended mitigation approach in a timely manner.</td>
<td>70%</td>
</tr>
<tr>
<td>Project issue management needs improvement. At times, City Project Manager is not fully informed on all project issues and/or is informed late.</td>
<td>50%</td>
</tr>
<tr>
<td>Poor issue management - Risks were not managed and/or communicated to City Project Manager.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
Evaluation Criteria – Contract Administration

<table>
<thead>
<tr>
<th>COMMUNICATION AND COOPERATION</th>
<th>Liaison with City Project Manager and Stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding and proactive management of the project Communication Plan. Expedited response to City and resident concerns. Stakeholders fully involved and informed.</td>
<td>100%</td>
</tr>
<tr>
<td>Commendable Communication planning and at times, exceeds expected standard. Co-operative and timely response to City and client concerns. Stakeholders informed.</td>
<td>85%</td>
</tr>
<tr>
<td>Manages the project Communication Plan in an acceptable manner. Timely response to City and resident concerns. Appropriate stakeholders informed.</td>
<td>70%</td>
</tr>
<tr>
<td>Communication needs improvement. Management of issues slow and inconsistent. Communications with public and City have minor issues.</td>
<td>50%</td>
</tr>
<tr>
<td>Unacceptable Public/City Relations; Issue Management is slow, inconsistent, uncooperative. Communication(s) with stakeholders and City are strained.</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
**Evaluation Criteria – Contract Administration**

<table>
<thead>
<tr>
<th>RECORDS MANAGEMENT</th>
<th>As built drawings, O&amp;M manuals, project files, correspondence e.g. Inspection diaries and daily communications, provided as expected in a timely manner at project completion.</th>
</tr>
</thead>
<tbody>
<tr>
<td>All components of the project file are complete and delivered in an expedited manner to the City Project Manager.</td>
<td>100%</td>
</tr>
<tr>
<td>Project file is complete and delivered on time. Exceeds expectations in some areas.</td>
<td>85%</td>
</tr>
<tr>
<td>Project records meet expectations, are accurate, complete and are delivered on time.</td>
<td>70%</td>
</tr>
<tr>
<td>Minor components of the project file are missing and/or incomplete and/or were never delivered to the City.</td>
<td>50%</td>
</tr>
<tr>
<td>Major components (ex: as-built, O&amp;M Manuals) of project file are incomplete and/or were never delivered to the City (please provide specific examples).</td>
<td>25%</td>
</tr>
<tr>
<td>This criteria has not been evaluated</td>
<td>NA</td>
</tr>
</tbody>
</table>
Evaluation Process

- Notification
  - Vendor is notified of eligibility for the performance evaluation in the tender documents.

- Start Up or Kick off Meeting
  - Define and agree to the criteria during the start up meeting.
  - Document your agreement in the meeting minutes.
  - If the criteria change throughout the life cycle of the project discuss and update.
Evaluation Process

- Progress Meetings
  - Discuss performance to date and identify areas for improvement.

- Debrief
  - Discuss final evaluation rating. “No surprises” approach after regular communication.

- Appeal
  - Vendors have 15 days to appeal the final rating. Departments have a standard response time to resolve.
Interim Evaluations

- Interim Evaluations
  - Provide feedback and highlight any areas that require improvement.
  - Put a plan in place with timelines to rectify any areas of concerns.
  - Interim evaluations are not calculated in the Project score.
  - For multi-year projects, minimum of 1 interim evaluation will be required per year.
    - Interims should occur at a significant milestone.
Approval and Requirement Flow

- Evaluation Approval Flow
  - All evaluations are reviewed by the Program Manager.
  - All evaluations with a outlier score (<70% or >90 %) will be reviewed by the Program Manager and the Branch Manager.
  - Evaluations with a project score <70% require proof of non-performance attached.

- Approval Requirements
  - A KPI with a outlier score (<70% or >90 %) must contain evidence of performance.
Appeals Process

- Majority of appeals will be responded to within 15 business days.
- The evaluation can be maintained, and or withdrawn and republished.
- The evaluation score is suspended until the appeal is finalized.
- Identify the substantive issues and specific criteria ratings challenged as well as a clear and detailed statement of the technical/factual grounds upon which the challenges are based.
- The formal appeal is the sole opportunity to present your case, and should therefore be drafted accordingly.
Consistency in the Process

- Training
  - All City Project Managers, Program Managers, and Branch Managers involved in construction are required to attend training.

  - Project Manager Policy and Procedure updated January 2014.

  - New Project Management training module is launching through the learning centre in January 2015.

  - VPM Guide Book.
    - Reference guide to assist Project Managers working through the Vendor Management and Contract Administration process.
Next Steps

- Rationale for Using Past Performance

  - City mandate is to get “Best Value” on purchases. Best value is the *optimal balance* of performance and cost.

  - Evaluations reflect the vendor’s *ability to perform* - deliver good quality/service, meet deadlines, control costs etc.
Next Steps

- Continue to meet with the Industry associations on a quarterly basis to review what is working well and what we could do better.

- Monitor trends and identify areas for improvement.

- A formal system review at the end of 2015.
Available Resource Material

- Online tutorial available at [www.merx.ca](http://www.merx.ca) starting January 30th.


Final Thoughts

- Communication on performance will be continuous and open.

- If issues cannot be resolved with the Project Managers.
  - Don’t let the issues sit until the end of the Project.
  - Address the issue and move forward.
  - No Surprise commitment.

- Commitment to improve communication and relationships will equate to more successful projects.
QUESTIONS?
MERX Technical Review