

VENDOR PERFORMANCE EVALUATION PROCEDURE

Revision date: January 10, 2017

Table of Contents

1. DEFINITION3

2. PURPOSE.....3

3. PROJECT EVALUATORS3

4. PROJECT EVALUATION FORMS3

5. FREQUENCY OF PERFORMANCE EVALUATIONS3

6. RECOMMENDED STEPS TO RESOLVING VENDOR PERFORMANCE4

7. RECORD RETENTION4

8. PERFORMANCE EVALUATION SYSTEM.....4

9. IMPACT OF FINAL PERFORMANCE EVALUATIONS.....5

10. VENDOR RESPONSE PROCESS7

11. APPEAL PROCESS.....7

12. AWARD OF EXTENSION YEAR(S)7

1. DEFINITION

“**Performance Evaluation Form**” has the meaning set out in Section 4.1 of this procedure document, as amended.

“**Project Evaluator(s)**” means one or more person(s) from the County’s user department(s) and/or a consultant to the County, that will be evaluating the Vendor’s performance by completing Performance Evaluation Forms in accordance with this procedural document, as amended.

“**Disqualification**” means the action that results when a Vendor receives a rating of “**UNACCEPTABLE**” on a Final Performance Evaluation form, subject to the terms and conditions of this document.

All other initially capitalized terms not defined above shall have the meanings given to such terms in the County’s Purchasing Bylaw #37-11, as amended.

2. PURPOSE

This procedure provides a framework for the County to evaluate and improve the performance of all Suppliers, Vendors and Contractors that are sourced by the County by;

- (i) pro-actively managing the performance of Vendors per the County of Northumberland Supplier Barring Protocol, during the term of awarded Contracts; and
- (ii) creating a record of past performance for use by the Purchasing Department, in determining the award for future solicitations and contracts.

Project Evaluator(s) may utilize this Vendor Performance Procedure for all contracts including but not limited to; invitational bids, single or sole source purchases, emergency purchases and wherever it is in the best interest of the County.

3. PROJECT EVALUATORS

- 3.1 Each Project Evaluator along with a Purchasing staff member, shall confirm by signing off on the evaluation, that he or she does not have a Conflict of Interest.
- 3.2 Project Evaluators and Purchasing staff shall at all times abide by the County’s Code of Conduct Policy 4.3.1, as amended.

4. PROJECT EVALUATION FORMS

- 4.1 Project Evaluators are to use the Vendor Performance Evaluation Form, as provided in Schedule “A” of this procedural document.

5. FREQUENCY OF PERFORMANCE EVALUATIONS

- 5.1 The Purchasing Department strongly recommends that Project Evaluators perform an **Interim Performance Evaluation** using the applicable form in Schedule “A” of this procedural document, at least every twelve (12) months for all Contracts with a term longer than one (1) year. Additional Performance Evaluation Forms may be completed and discussed with the Vendor at any time throughout the term of the Contract, as needed, based on the Vendor’s performance.
- 5.2 It is good practice to keep the Purchasing department informed throughout the course of a Contract of any performance concerns with the Vendor. Departmental managers should not hesitate to contact the Purchasing department for advice or assistance regardless of the significance of the problem or to attend a meeting with the Vendor.
- 5.3 Project Evaluators shall ensure that each completed Performance Evaluation Form is clearly marked as either “**Interim**” or “**Final**”.
- 5.4 Project Evaluators should complete a **Final Performance Evaluation Form** for all Contracts using the applicable form in Schedule “A” of this procedural document, as amended, in a timely manner, preferably **within two (2) weeks** of the following occurrences, depending on the type of good, service or construction:
 - (i) for Construction contracts; upon the issuance of a Certificate of Final Completion;
 - (ii) for Consulting contracts; upon completion of the Contract;
 - (iii) for Goods; upon delivery and inspection of goods and/or after the expiry of any applicable deficiency;

- (iv) for Services, upon completion of services and/or after the completion of deficiencies;
- (v) for Vehicles and Equipment; upon delivery and inspection and/or after the expiration of the warranty period;
- (vi) upon termination of a Contract for any reason prior to the Contract end date.

- 5.5 Vendor's receiving an Interim Performance Evaluation Form with a rating of **CAUTIONARY OR BELOW**, in any category, should be requested in writing, to provide, a written response and appropriate corrective action within an acceptable timeframe, in accordance with the Terms and Conditions of the solicitation, or at the discretion of the County. Failure of the Vendor do so, in the sole opinion of the County, may lead to termination of the Contract.
- 5.6 Project Evaluators are not obligated to complete Performance Evaluation Forms for Contracts established through a non-competitive Purchasing process, but may do so at their discretion.
- 5.7 Evaluations forms, approved by the Project Evaluator and Purchasing Department will be sent to the Vendor. Where the Vendor has received a rating of **less than 50%** on a **Final** Performance Evaluation Form, the County will form a committee to review and consider its options as stated in this procedural document.

6. RECOMMENDED STEPS TO RESOLVING VENDOR PERFORMANCE

- 6.1 It is important to have open communication with the Vendor throughout the project and to inform the Vendor in writing when their performance is a concern and to request appropriate corrective action within an acceptable timeframe, in accordance with the Solicitation's terms and conditions. It is equally important to keep a written record of all correspondence with the Vendor.
- 6.2 If the Vendor's response or corrective action is still a concern, departmental staff should involve the Purchasing Department. Where it is deemed appropriate an Interim Performance Evaluation should be performed by the Project Evaluator(s) and provided to the Vendor by the Purchasing department. The Vendor will be held responsible for the performance of its sub-contractors.
- 6.3 If the Vendor's response or corrective action continues to be a concern, the terms and conditions of the contract regarding non-performance may be enforced by the Purchasing & Risk Manager.

7. RECORD RETENTION

- i) Project Evaluators shall maintain the following documents and Bid records for seven (7) years or in accordance with the County's record retention procedures, as amended, following the completion of the Project warranty or maintenance period as supporting rationale to augment the Performance Evaluation Form:
 - i. internal and external correspondence (e.g. emails, letters, telephone logs describing the issues discussed, copies of faxes, etc.);
 - ii. meeting minutes describing all issues discussed, decisions made, issues unresolved, and action items assigned;
 - iii. progress reports;
 - iv. project diaries which record significant daily events;
 - v. inspection and laboratory reports;
 - vi. photographs and video recordings;
 - vii. rejected project deliverables;
 - viii. any other type of correspondence or record not listed above.

8. PERFORMANCE EVALUATION SYSTEM

- 8.1 Project Evaluators shall assign Vendors one of the following ratings to each category set out on the Performance Evaluation Form. A critical aspect of the assessment rating system described below is the **second sentence** of each rating that recognizes the Vendor's resourcefulness in overcoming challenges that arise in the context of Contract performance.

Rating Description of Rating

10	Exceptional	Performance <i>significantly exceeds</i> Contract requirements to the County's benefit, for example, the Vendor implemented innovative or business process reengineering techniques, which resulted in added
----	-------------	--

		value to the County. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the Vendor were highly effective.
8-9	Good	Performance meets contractual requirements and <i>exceeds in some area(s)</i> to the County's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the Vendor were effective.
6-7	Satisfactory	Performance <i>meets</i> contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which proposed corrective actions taken by the Vendor appear satisfactory, or completed corrective actions were satisfactory.
5	Cautionary	Performance <i>did not quite meet</i> contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which proposed corrective actions taken by the Vendor appear to be a continued minor concern, or completed corrective actions were slightly below satisfactory.
3-4	Not Satisfactory	Performance <i>does not meet some</i> contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the Vendor has submitted minimal corrective actions, if any. The Vendor's proposed actions appear only marginally effective or were not fully implemented.
0-2	Unacceptable	Performance <i>does not meet</i> contractual requirements and/or recovery is <i>not likely</i> in a timely or cost effective manner. The contractual performance of the element or sub-element contains serious problem(s) for which the Vendor's corrective actions appear to be or were ineffective.

9. IMPACT OF FINAL PERFORMANCE EVALUATIONS

9.1 In addition to the provisions set out in Item 9 Impact of Final Performance Evaluation, the County, at its sole discretion, may;

- terminate a Contract prior to completion of a project or prior to the expiration of a Contract period term due to Vendor performance issues or
- take other action, in the County's best interest.

9.2 Final Performance Evaluation Forms shall be used by the County for consideration of award of Solicitations. If a Final evaluation has **not** been completed at the time that a Solicitation award is under review, an Interim evaluation, if available, may be used by the County to:

- i. determine if a Bidder submitting a Bid is a Responsible Bidder, and/or
- ii. to evaluate past performance in Proposal Solicitations.

9.3 A Vendor that has received a **TOTAL** rating of **90-100%** on the Contract's **Final** Performance Evaluation Form:

- a) will be considered a Responsible Bidder for future similar Bid submissions to the County,
- b) for a multi-year term Contract, the Contract may be extended for up to additional two (2) one (1) year terms, at the discretion of both the County and Vendor. Price adjustments for the extension shall be based on one of the following:
 - i. any inflationary contract annual increase either stated in the original solicitation document or stated by the Vendor in their original bid submission; or
 - ii. the same costs as stated in a firm fixed price multi-year Contract.

Where a solicitation document did not state or request any inflationary annual Contract increase or where the Vendor is not agreeable to continuing the contract at their prices within a firm fixed price multi-year Contract, the contract extension will not apply and the Purchasing Department will move forward with a public solicitation to receive new bids.

9.4 A Vendor that has received a **TOTAL** rating of **80-89%** on the **Final** Performance Evaluation Form;

- a) will be considered a Responsible Bidder for future similar Bid submissions to the County; and

- c) for a multi-year term Contract, the Contract may be extended for an additional one (1) year term, at the discretion of both the County and Vendor. Costs for the extension shall be based on either:
 - i. any inflationary contract annual increase either stated in the original solicitation document or stated by the Vendor in their original bid submission; or
 - ii. the same costs as stated in a firm fixed price multi-year Contract.

Where a solicitation document did not state or request any inflationary annual Contract increase or where the Vendor is not agreeable to continuing the contract at their prices within a firm fixed price multi-year Contract, the contract extension will not apply and the Purchasing Department will move forward with a public solicitation to receive new bids.

9.5 A Vendor that has received a **TOTAL** rating of **65-79%** on the **FINAL** Performance Evaluation Form;

- a) may be considered a Responsible Bidder for future similar Bid submissions to the County; and)
- b) for multi-year Contracts, is not eligible for any additional extensions outside of the terms of the) current Contract.

9.6 A Vendor that has received a **TOTAL** rating of **(50-64%)** on the **Final** Performance Evaluation Form;

- a) may or may not be considered a Responsible Bidder for future similar Bid submissions to the County; and
- b) for multi-year Contracts, is not eligible for any extension terms within the current Contract.
- c) may be asked to demonstrate in writing or by other acceptable means to the Purchasing & Risk Manager, that they have corrected all previously documented areas of **"CAUTIONARY" OR LESS** performance concerns to a standard satisfactory to the County, prior to awarding any future Contracts. In addition, a list of new references may be requested by the County for work completed by the Vendor since the date of the Performance Evaluation Form where a rating of **"CAUTIONARY" OR LESS** was given in any category. The County reserves the right, at its sole discretion not to award a Contract to any Vendor, for an indefinite period, that fails to provide satisfactory evidence of correcting any documented past performance concerns by the County.

9.7 A Vendor that has received a **TOTAL** rating of **less than 50%** on the **Final** Performance Evaluation Form;

- a) shall not be considered a Responsible Bidder and shall be disqualified (barred) for a minimum two (2) year period, to a maximum of five (5) years, at the discretion of the County; and
- b) for a multi-year Contract, is **not** eligible for an extension term to the current Contract; and
- c) may have their current Contract with the County terminated at any time, due to poor performance; and
- d) will receive a letter issued by the County, approved by the Chief Administrative Officer, confirming the Disqualification Period and setting out the requirements for reinstatement.

9.8 Any Bidder that refuses or fails to execute a Contract awarded to that Bidder by the County may be subject to a Disqualification Period, at the sole discretion of the County.

9.7 The County may apply the Disqualification period, where it is in the best interest of the County, based on:

- i. **Commodity:** this will be specific to the commodity of good(s) and/or service or construction evaluated on the applicable Final Performance Evaluation; or
- ii. **All Contracts:** this will cover all contracts regardless of the type of good, service or construction evaluated on the applicable Final Performance Evaluation.

9.8 If a Bidder has multiple Performance Evaluation Forms on record with the County, the County will consider the most recent Final Performance Evaluation completed for similar contracted goods, services or construction.

Where a Bidder has a Performance Evaluation for an unrelated good/service/construction, the County

reserves the right to consider this Evaluation amongst other sources in determining if a Bidder is Responsible.

Furthermore, the County reserves the right to consider Interim Performance Evaluation(s), in determining if a Bidder is Responsible, where a **Final** Performance Evaluation has not yet been completed, OR in addition to a completed Final Performance Evaluation.

Where a Contract has multiple departments or agencies completing an Evaluation (either Interim or Final), the Vendor's overall performance rating for either an Interim Evaluation or Final Evaluation shall be based on the lowest evaluation rating received by a department or facility.

10. VENDOR RESPONSE PROCESS

The Vendor shall have ten (10) business days to:

- i. Submit a written response to an Interim or Final Performance Evaluation, utilizing the County's response form and /or
- ii. Submit a written request to appeal a **Final** Performance Evaluation rating, utilizing the County's response form.

If no response is received within the above noted timeframe the Evaluation rating shall be considered final.

11. APPEAL PROCESS

- 11.1 Within ten (10) business days) of receiving an appeal response form in respect to a Final Performance Evaluation Form, the County will conduct a full review of the appeal and render a final decision based on the appeal information. The County may request additional information from the Vendor in order to conduct a full review. Any Disqualification Period in place, shall be upheld during an appeal under review by the County. The County's decision shall be final and binding on all parties.

12. AWARD OF EXTENSION YEAR(S)

The Purchasing Department, with the approval of the authorized person(s) that originally approved the Contract shall have authority to award up to two (2) extension year(s) (as per Item 9.3 or 9.4 of this procedural document) to a multi-year Contract in compliance with this Vendor Performance Evaluation Procedure document, as amended.

VENDOR PERFORMANCE EVALUATION FORM

Contract No. _____ Description: _____

Purchasing Representative: _____ Department Representative: _____

Vendor Name: _____ Address: _____

Contact Name: _____ Email: _____

Check One: Final Evaluation Interim Evaluation

Contract Completion Date: _____ Date of Evaluation: _____

Evaluation Criteria (including but not limited to)	Evaluation Assessment		Evaluator Comments
	Rating Category (see chart on this form)	Score out of 10	
Administration: <ul style="list-style-type: none"> • Invoice accuracy • Customer Service • Communication (public & staff) 	Exceptional		
	Good		
	Satisfactory		
	Cautionary		
	Not Satisfactory		
	Unacceptable		
Quality of Project/Project Management: <ul style="list-style-type: none"> • Project Delivery • Quality of workmanship • Project Management • Communication 	Exceptional		
	Good		
	Satisfactory		
	Cautionary		
	Not Satisfactory		
	Unacceptable		
Timelines: <ul style="list-style-type: none"> • Adherence to project schedule 	Exceptional		
	Good		
	Satisfactory		
	Cautionary		
	Not Satisfactory		
	Unacceptable		
Cost Control: <ul style="list-style-type: none"> • Number of Change Orders • Cost of Additional Service and/or Work • Compliance with Original Contract Price 	Exceptional		
	Good		
	Satisfactory		
	Cautionary		
	Not Satisfactory		
	Unacceptable		
Health & Safety: <ul style="list-style-type: none"> • Adherence to Health & Safety Act • Injuries or "close calls" 	Exceptional		
	Good		
	Satisfactory		
	Cautionary		
	Not Satisfactory		
	Unacceptable		
TOTAL SCORE:		/50	= _____ %

VENDOR PERFORMANCE EVALUATION FORM

Overall Comments:	
-------------------	--

Evaluator Name: _____ Signature: _____

Supervisor Name: _____ Signature: _____

Purchasing Rep: _____ Signature: _____

Staff Acknowledgment:

I declare that I have completed this evaluation in a fair and honest manner. I further confirm that my judgement in completing this evaluation has not been influenced by any actual or potential "Conflict of Interest", as outlined in the County of Northumberland Conflict of Interest Policy 4.3.5.

Rating	Description of Rating	Description of Rating
10	Exceptional	Performance <i>significantly exceeds</i> Contract requirements to the County's benefit, for example, the Contractor implemented innovative or business process reengineering techniques, which resulted in added value to the County. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor were highly effective.
8-9	Good	Performance meets contractual requirements and <i>exceeds in some area(s)</i> to the County's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor were effective.
6-7	Satisfactory	Performance <i>meets</i> contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which proposed corrective actions taken by the Contractor appear satisfactory, or completed corrective actions were satisfactory.
5	Cautionary	Performance <i>did not quite meet</i> contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which proposed corrective actions taken by the Contractor appear to be a continued minor concern, or completed corrective actions were slightly below satisfactory.
3-4	Not Satisfactory	Performance <i>does not meet some</i> contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the Contractor has submitted minimal corrective actions, if any. The Contractor's proposed actions appear only marginally effective or were not fully implemented.
0-2	Unacceptable	Performance <i>does not meet</i> contractual requirements and/or recovery is <i>not likely</i> in a timely or cost effective manner. The contractual performance of the element or sub-element contains serious problem(s) for which the Contractor's corrective actions appear to be or were ineffective.

VENDOR PERFORMANCE EVALUATION FORM

VENDOR REPLY TO NORTHUMBERLAND COUNTY

The Vendor has ten (10) business days to:

1. Accept the evaluation rating by signing and returning this form; or
2. Appeal this evaluation by checking the appropriate box below, signing and returning with an attached written response.

If no response is received within the ten (10) business day timeframe the evaluation will be deemed final and binding.

Please fill out the following form, and return via email to purchasing@northumberlandcounty.ca on or before _____.

Business Name:	
Contract No. & Description:	
Address:	
Phone Number:	
Fax Number:	
Contact Name and Title:	
Contact Phone:	
Contact E-mail:	
Vendor Comments:	

Check One:

I agree with this evaluation as completed by the County.

I do not agree and wish to appeal this evaluation, further information is attached.

Signature

Date