

CATEGORY: FINANCIAL MANAGEMENT
SUBCATEGORY: PROCUREMENT
SUBJECT: VENDOR PERFORMANCE EVALUATIONS

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27.1 Purpose and Overview

This procedure provides guidance on Vendor Performance Evaluations for Vendors secured by the Regional Municipality of Peel (Region). Evaluations provide a summary of a Vendor's performance on any awarded Contract and will become an official record to be kept in accordance with the Retention and Validity Period guidelines noted in Section 27.10. The information collected in the Evaluations will serve the following purposes:

- Provide feedback to Vendors for performance improvements and / or acknowledge Satisfactory performance,
- Determine Vendors' eligibility or ineligibility to bid on future Region Contracts, and
- Provide justification for the award or non-award of Contracts.

This procedure should be read in conjunction with the Procurement By-Law 30-2018, as amended from time to time.

The Region requires all Project Leads responsible for managing Contracts to complete the required Evaluation in accordance with this procedure, as amended from time to time. A Vendor's Rating is based on the scoring of the criteria shown on the Evaluation Form.

27.2 Definitions

Calendar Day: All days in a month, including weekends and holidays.

Contract: The agreement in writing governing the performance of the Work and includes, without limitations, the Request for Tender, Request for Proposal, Direct Negotiation, Request for Quotation, Vendor's Submission and other written documents accumulated before or during the performance of the Contract outlining the requirements of the Work performed.

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Contractor Performance Evaluation Form: The Evaluation Form specific to evaluating Work performed by a Vendor including, but is not limited to, new construction, upgrades, renovations, etc.

Evaluation Form: The tool used to evaluate the performance of the Vendors and outlines the specific Key Performance Indicators (KPIs) and their respective evaluation criteria.

Final Evaluation: The Final Evaluation to be completed under any Contract which summarizes the Vendor's performance from the beginning to the end of the Contract duration. In the case of construction projects, this is completed at Substantial Performance.

Interim Evaluation: Any Performance Evaluation Form which is completed at any time after the commencement of the Work and prior to the Final Evaluation.

Litigation: Any issued lawsuit or administrative tribunal application in which the Vendor is involved with the Region, either as plaintiff, applicant, defendant or respondent, or any correspondence in contemplation of same.

Pre-Qualification: A request by the Region preceding a Request for Proposal, Request for Quotation or a Request for Tender seeking submissions from potential Vendors where it is deemed that the nature and complexity of the work involved warrants the time and effort required to pre-select the most experienced and qualified Vendors.

Probation: A Vendor's ability to bid on Region Contracts is limited until such time that the Vendor achieves a Satisfactory Rating.

Project Lead: The Region's assigned individual who has the responsibility and authority for the planning, managing, executing and closing of the Work associated with the Contract.

Rating or Status: The score received on a Final Evaluation used to determine a Vendor's standing as Satisfactory, Probation or Suspension.

Satisfactory: Vendors who receive a Satisfactory Rating are eligible to bid on and be awarded Work for the Region, subject to other requirements of the Contract.

Subcontractor: A person, partnership or corporation undertaking the execution of a part of the Work by virtue of an agreement with the Vendor.

Suspension: The Vendor is no longer permitted to bid on Region Contracts until permission is granted by the Region.

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Substantial Performance: The Vendor has received the Certificate of Substantial Performance (as defined by Ontario Provisional Standards, Canadian Construction Documents Committee, or the Contract) as issued by the Project Lead.

Validity Period (Record): Each Evaluation completed shall remain on the Vendor's record for a period of five years, after which it will remain on file but will not be taken into consideration when determining Suspension duration.

Vendor: For this procedure, an individual, partnership or corporation offering goods and services including but not limited to contractors, consultants, suppliers and service organizations; understanding the Work as identified in the Contract where the Contract requires the completion of an Evaluation Form. For the purposes of a Vendor's eligibility or ineligibility to bid pursuant to Sections 27.5.2.2 Probation Rating and 27.5.2.3 Suspension Rating, "Vendor" includes any entity affiliated or related to the Vendor (including any entity with the same directing mind as the Vendor on Probation or Suspension) as determined in the discretion of the Director of Procurement, in consultation with the Regional Solicitor.

Vendor Performance Evaluations (Evaluations): The use of KPIs to capture, measure, analyse and report a Vendor's performance on any given Contract to make a formal determination of a Vendor's Rating.

Work: The work to be undertaken by the Vendor pursuant to the provisions of the Contract.

27.3 Forms

- Contractor Performance Evaluation Form 2011, where still in use
- [Contractor Performance Evaluation Form 2015](#) (Microsoft Excel 2010. If using Internet Explorer 8, first save the file and change the extension from .zip to .xlsx, open the file from where you saved it.)
- [Contractor Performance Evaluation Form 2016, Real Property Asset Management](#) (Microsoft Excel 2010)

27.4 Roles and Responsibilities

Project Leads are responsible for the management of Contracts and are therefore responsible for the completion of the Evaluation Form. The Evaluation Form is a contractual requirement, and the subsequent completion of it is mandatory for all Project Leads. If consultants, inspectors, or any other individual or organization was heavily involved in the management of the Contract and the Vendor, Project Leads may receive input from those individuals.

Procurement is responsible for the collection, retention and reporting of data as well as ongoing maintenance and improvements including, but not limited to, procedure, Evaluation Forms,

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responding to inquiries and providing support to Project Leads. Additionally, Procurement shall ensure that the appropriate Vendor Performance Evaluation clauses are included in the development of any Contracts.

27.5 Contractor Performance Evaluation Form

This section provides information and procedures involved in specifically administering the [Contractor Performance Evaluation Form](#).

27.5.1 Procedure

The following outlines the steps necessary for Project Leads to administer the [Contractor Performance Evaluation Form](#):

1. Where Contracts are externally managed, ensure that consultants are aware of this procedure and Contractor Performance Evaluation Form.
2. Include the Contractor Performance Evaluation Form as a standing item on meeting agendas. Project Leads are to review performance status with the Vendor at site meetings and these discussions shall be captured in the meeting minutes, especially when there are concerns or issues surrounding the Vendor's performance. While a formal completion of the Contractor Performance Evaluation Form may not be required as per **Item 3 below for projects with duration less than 1 month**, at a minimum a reminder shall be given. If a Vendor fails to improve or act on concerns that were raised and recorded in the meeting minutes, and such are affecting the Vendor's Rating, the Project Lead must complete an Interim Evaluation and may issue a letter of warning to communicate to the Vendor that their performance is not meeting the Region's requirements.
3. Completion of Interim Evaluations are required to be conducted by the Project Lead as follows:

Project Duration	Frequency of Interim and Final Evaluation(s)
Up to one month	A Final Evaluation at the end of the project.
One to three months	A Final Evaluation at the end of the project with one Interim Evaluation.
Three to six months	A Final Evaluation at the end of the project with one to two Interim Evaluations.
Six to 12 months	A Final Evaluation at the end of the project with one to three Interim Evaluations.
Over 12 months	A Final Evaluation at the end of the project, one mandatory Interim Evaluation, with up to three Interim Evaluations per year.
If a Vendor is on Probation Status, an Interim Evaluation must be completed after six months, if the Work is still ongoing. If a Vendor has completed its Suspension period	

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and has ongoing Work, an Interim Evaluation must be completed at the completion of the Suspension period. Procurement must be provided with a copy of the completed Interim Evaluation, and shall be responsible for updating the Vendor.

***The number of interim evaluations to be completed on projects less than 12 months may be increased/decreased at the direction of the Project Lead's Program Director.**

While the above Interim Evaluations are mandatory regardless of the Contract duration, if there are issues with the Vendor, the Project Lead shall be required to complete Interim Evaluations on a regular basis.

4. Upon Substantial Performance, the Project Lead shall complete and sign the Final Evaluation after which the Project Lead shall route it for final approval and signatures as follows:

Rating	Final Approval
Satisfactory Rating (70% or above)	Project Lead's direct Manager or Supervisor
Suspension or Probationary Rating (69% or below)	Project Lead's direct Manager or Supervisor, and Director of the Division

5. The Final Evaluation, once approved, must be completed and delivered to Procurement within 60 Calendar Days of Substantial Performance.
6. If the Final Evaluation is Satisfactory, the Project Lead shall submit to the Vendor a copy of the signed Evaluation Form via e-mail and copy vendorperformance@peelregion.ca.
7. Where an Evaluation is not Satisfactory, the Project Lead shall review the Final Evaluation with Procurement and both parties shall present the Final Evaluation to the Vendor in person to review the deficiencies.

27.5.2 Ratings Guidelines

Upon completion of each Final Evaluation, the score calculated shall determine the Vendor's Rating and their eligibility to bid on future Contracts as outlined below. Refer to [Appendix I - Probation and Suspension Process Map](#).

27.5.2.1 Satisfactory Rating

Vendors who score 70% or above on the Final Evaluation are in Satisfactory Status and are eligible to bid on, and be awarded Work for the Region, subject to other requirements of the Contract.

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27.5.2.2 Probation Rating

Vendors who score between 60% and 69% or have just come off a Suspension, are deemed to be on Probation. The terms of Probation are dependent on whether or not the Vendor has other ongoing Contracts with the Region, and shall be as follows:

i) No Other Ongoing Contract(s) with the Region

The Vendor is eligible to bid on new Contracts and be awarded a maximum of one, subject to the requirements of the Contract. After award of the one Contract, the Vendor is not eligible to bid on any other Contracts until they are evaluated at Substantial Performance or an Interim Evaluation six months after mobilization, whichever comes first.

If the Vendor receives a Satisfactory Rating on the Final Evaluation or on its six months Interim Evaluation, the Vendor will move immediately into Satisfactory Status and the Probation Rating removed.

If the six month Interim Evaluation is anything but Satisfactory, the Vendor shall stay on Probation until the Final Evaluation is complete and subsequent Rating applied.

If the Vendor fails to receive a Satisfactory Rating on the Final Evaluation regardless of the Evaluation score, the Vendor shall move immediately into Suspension.

ii) Ongoing Contract(s) with the Region

The Vendor is unable to bid on any new Contracts and must receive a Satisfactory Rating on all ongoing Contract(s) on either the Final Evaluation(s) or on an Interim Evaluation(s), whichever comes first, which is completed six months into the Probation period if mobilization has taken place, if not, it will be done at six months after mobilization.

If the Vendor receives a Satisfactory Rating on the Final Evaluation(s) or on its six months Interim Evaluation(s) the Vendor will move immediately into Satisfactory standing and the Probation Rating removed.

If the six month Interim Evaluation(s) is anything but Satisfactory, the Vendor shall stay on Probation until the Final Evaluation(s) are complete and subsequent Rating applied.

If the Vendor fails to receive a Satisfactory Rating on the Final Evaluation(s) regardless of the Evaluation score, the Vendor shall move immediately into Suspension.

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While on Probation, Vendors shall be allowed to work as a Sub-Contractor on other Contracts, unless the Region deems otherwise.

27.5.2.3 Suspension Rating

Vendors who score 59% or below on a Final Evaluation, or have just failed their Probation Status, will be placed on immediate Suspension and shall not be allowed to bid on new Contracts for the durations outlined as follows:

- If this is the Vendor's only Suspension on Record as per Section 27.10 – Retention and Validity Period, the Vendor must complete a one year Suspension period.
- If the Suspension is the Vendor's second or more Suspension on Record as per Section 27.10 – Retention and Validity Period, the Vendor must complete a three year Suspension period.

Upon completion of any Suspension period the Vendor shall move into Probation Status.

While on Suspension, the Vendor shall not be allowed to perform any Work on any Region Contracts as a Subcontractor. It is the responsibility of Vendors to ensure any Subcontractors they retain are in good standing with the Region and are eligible to perform work on Region Contracts prior to bidding on any Work. Vendors are to call 905-791-7800 ext. 7538 to obtain an up-to-date list of any Suspended Subcontractors. Should a Vendor name any Subcontractor that is not in good standing, they shall be required to name a replacement Subcontractor at no additional cost to the Region, or shall be deemed not considered for award.

If the Vendor has ongoing Contract(s) with the Region, the Vendor must complete the Contract(s) and score a Satisfactory Rating. Anything less than Satisfactory shall result in the Vendor adding further Suspension time to the current Suspension duration. Should the Vendor complete the Contract(s), and receive a Satisfactory Rating prior to the completion of the Suspension duration, the Vendor must complete its full Suspension duration.

If at the end of the Suspension duration the Vendor has yet to complete the Contract(s), an Interim Evaluation(s) shall be completed. If the Interim Evaluation(s) are Satisfactory, the Vendor shall move immediately into Probation Status. If it is anything less than Satisfactory, the Vendor shall stay on Suspension until Substantial Performance is achieved and the Final Evaluation(s) completed. The Final Evaluation(s) shall determine whether the Vendor moves into Probation or another Suspension period.

Procurement shall ensure submissions from those Vendors which are no longer eligible to bid on Contracts due to their Ratings will have their submissions disqualified.

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27.6 Interim Evaluations

In cases where a Vendor's Interim Evaluations are continuously not Satisfactory and the Vendor has failed to make the requested improvements, the Region reserves the right to put the Vendor on Probation until the Final Evaluation is complete, subsequently evaluated, and applicable Rating applied.

27.7 Procedure – Pre-Qualification Process

Any Vendor who is in Suspension Status during the time of a Pre-Qualification process shall not be allowed to submit a response to the Pre-Qualification.

If a Vendor is in Probation Status, they are allowed to submit a response to a Pre-Qualification regardless of whether or not they have ongoing Contract(s). Should the Vendor become successfully pre-qualified and has ongoing Contract(s), they shall not be allowed to bid on any Contracts which are a result of the Pre-Qualification until they have completed their Probation period and have moved into Satisfactory Status.

If the Vendor has no ongoing Contract(s), they are allowed to bid on all Contracts, including those resulting from the Pre-Qualification until such time they are awarded one Contract as per the conditions of the Probation Rating outlined in Section 27.5.2.2 – Probation Rating. Once awarded a Contract, the Vendor shall be unable to bid on any Contracts including those of the Pre-Qualification, until such time the Vendor has been evaluated and deemed to be Satisfactory.

27.8 Appeals

A Vendor or its representative may appeal the Final Evaluation and Rating by submitting an appeal, in writing, to vendorperformance@peelregion.ca to the attention of the Director of Procurement within 21 Calendar Days of receipt of the Final Evaluation. Appeals submitted after 21 Calendar Days shall not be accepted and Vendors shall be notified of this upon submission of the appeal. A Vendor undertaking an appeal of an assigned evaluation rating shall note that it will retain the status rating assigned to it as a result of the evaluation for the entire duration of the appeal process.

An appeal must contain the following information:

- Document (contract) number,
- Project number,
- Contract name,
- The specific issues and items the Vendor disagrees with along with reasons in support of the appeal,
- Any evidence the Vendor relies on or believes is relevant to the Final Evaluation and Rating, and

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- Preference for an in-person meeting or paper review.

Upon receipt of an appeal, the Region shall acknowledge receipt and shall review the matter. A committee shall be struck to perform the review and shall be comprised of the Director of Procurement or designate, the Project Lead's Director or designate and any other individuals the Region may deem necessary such as staff from technical services, consultants, etc. The committee shall not include individuals that produced or were involved in the initial Final Evaluation and Rating. The committee shall review the Vendor's concerns and gather information from those involved in the performance of the Contract. The committee shall conduct its review in accordance with the preference identified by the Vendor. Should the committee's decision be favourable to the Vendor based upon the documentary evidence submitted, the committee shall dispense with the need for an in-person meeting.

Upon review of the information, the committee shall make its decision to either confirm or vary the Final Evaluation and Rating. The decision shall contain the committee's reasons. The decision of the committee shall be considered final.

The Director of Procurement or designate shall advise the Vendor of the decision in writing and copy the Project Lead. If an adjustment has been made, a revised Final Evaluation shall be provided with the decision and project and Procurement files shall be updated accordingly.

27.9 Litigation

The Region reserves the right to place a Vendor on Suspension from bidding on any or all Regional Contracts while there is Litigation(s) in progress between the Region and the Vendor. When the Region decides to exercise this right, the Vendor shall be notified in writing that they are suspended from bidding on Region Contracts as a Vendor or Sub-Contractor until further notice. Not all Litigations shall result in Suspension; the decision to suspend or not suspend a Vendor due to Litigations is at the sole and absolute discretion of the Region. Once the Suspension due to Litigation is removed, the Contractor shall return to Satisfactory Status if the Rating obtained on the Contract resulting in Litigation was Satisfactory, otherwise they shall complete the Suspension or Probation period as outlined within this procedure.

27.10 Retention and Validity Period

All Interim Evaluation(s) and the Final Evaluation are to be kept in the project file for each Contract. A copy of the Final Evaluation and any unsatisfactory Interim Evaluation(s) are to be sent to Procurement.

Final Evaluations stay on a Vendor's Record for a period of five years, after which they cannot be considered when determining appropriate Suspension duration.

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27.11 Disclosure

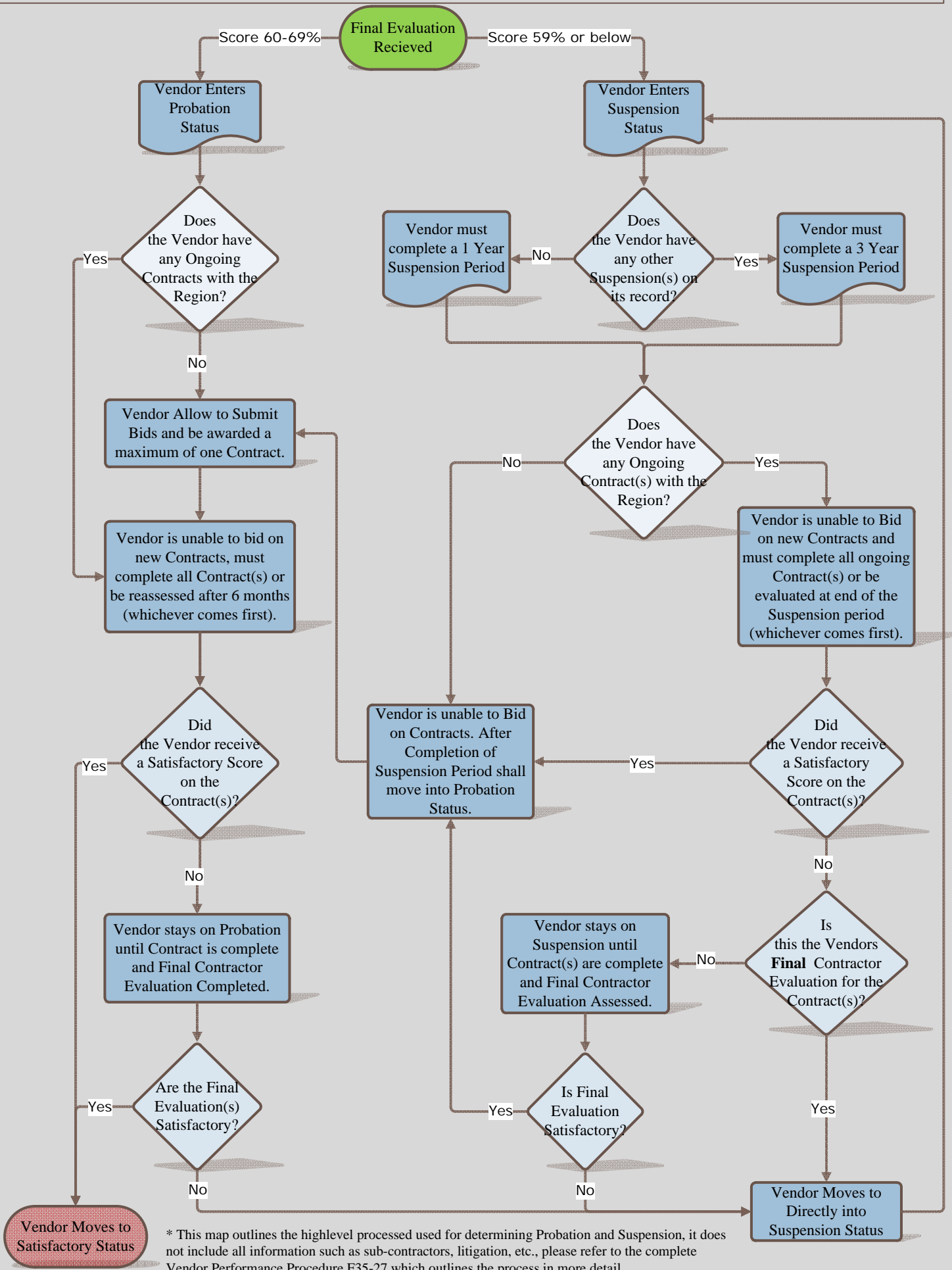
The Region reserves the rights to share the results of any Evaluation with other municipalities or government bodies upon request, where the Vendor has listed the Region as a reference, or otherwise at the discretion of the Region. Information to be shared shall include, but not be limited to, the following: final score, Litigation history, Vendor issues, etc.

27.12 Prohibitions, Restrictions and Compliance

Any employee who knowingly contravenes any of the requirements of this procedure is committing an act of misconduct and is liable for the purchase as well as disciplinary action.

27.13 Questions and Interpretations

Direct any questions regarding this procedure to vendorperformance@peelregion.ca.



* This map outlines the highlevel processed used for determining Probation and Suspension, it does not include all information such as sub-contractors, litigation, etc., please refer to the complete Vendor Performance Procedure F35-27 which outlines the process in more detail.