

Topic:	Vendor Performance Management
Effective:	March 2019
Cross-Reference:	Education Act R.S.O 1990; HDSB Code of Ethics Policy; Administrative Procedures: Code of Ethics; HDSB Procurement; HDSB Vendor Performance Management Guidelines; Broader Public Sector Supply Chain Directive and Implementation Guidebook; Canadian Construction Documents Committee (CCDC 2 - 2008); Standard Form of Contract for Architect's Services - Ontario Association of Architects
Revision Date:	February 2019
Review Date:	March 2021
Responsibility:	Superintendent of Business Services, Superintendent of Facility Services

INTENDED PURPOSE:

To set out minimum guidelines for the evaluation of vendors who are providing goods and/or services to the Halton District School Board (the Board) and to provide a means to use these evaluations to continue or discontinue vendor relationships through a Vendor Performance Management Program.

The Vendor Performance Management Program applies to vendors providing goods and services to any department or facility within the Board.

OBJECTIVES:

To ensure the Board is holding its vendors accountable for the contractual obligations, it will monitor the performance of Vendors.

Board staff responsible for managing vendor performance must ensure they are regularly tracking a vendor's performance; including ensuring timely deliveries and service calls; ensuring quality goods are delivered on time; ensuring milestones are met for projects; ensuring superior workmanship and quality; ensuring appropriate issuance of all necessary paperwork; and ensuring invoices match the contract.

The objectives of this program are to:

- Ensure consistent and transparent Vendor performance through documentation, direct communication, and ongoing feedback;
- Monitor and evaluate a vendor's performance against contractual requirements and deliverables based on the vendor's achievement of the principles of Accountability, Transparency, Value for Money, Quality Service Delivery and Process Standardization;
- Establish a framework to assess a vendor's ability to bid on future work, based on performance evaluation criteria which include past and current performance;

PROCEDURES:

Purchasing Services shall be informed throughout the course of a contract of any performance concerns with the vendor. Departments and schools should not hesitate to contact the Purchasing Department for advice or assistance regardless of the significance of a vendor challenge, or to attend a meeting with the Vendor.

Evaluation of Vendor Performance

Project Evaluator(s) are one or more person(s) from the Board's department(s), who will be evaluating Vendor performance through the completion of Performance Evaluation Form, as provided in the Vendor Performance Management Guideline.

Performance Evaluation Rubric

Under the direction of Purchasing Services, Project Evaluators shall perform a Vendor Performance Evaluation. 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 is the Vendor's resourcefulness in overcoming challenges that arise in the context of contract performance.

Rating	Description
Good	Performance meets contractual requirements and, in some area(s), exceeds requirements to the Board's benefit.
Satisfactory	Performance meets contractual requirements. The contractual performance contains some minor challenges for which proposed corrective actions taken by the Vendor appear satisfactory, or completed corrective actions were satisfactory.
Cautionary	Performance did not meet-some of the contractual requirements. The contractual performance contains challenges for which proposed corrective actions taken by the Vendor continued to be of concern, or completed corrective actions were below the expectation of the Board.
Not Satisfactory	Performance does not meet contractual requirements. The contractual performance being assessed reflects a serious challenge 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.

Vendors receiving a Performance Evaluation Form with a rating of "Cautionary or Not Satisfactory" in any category, are required to provide a written response and appropriate corrective action within an acceptable time frame, in accordance with the Terms and Conditions of the solicitation, or at the discretion of the Board. Failure of the vendor do so, in the sole opinion of the Board, may lead to disqualification to bid on future opportunities with the Board.

Impact of Performance Evaluations

1. In addition to the provisions set out in this administrative procedure, the Board, at its sole discretion, may;
 - a) 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
 - b) Take other action, in the Board's best interest.
2. Performance Evaluation Forms will be used by the Board for consideration of award of solicitations. The Evaluation Forms will be used to;
 - a) Determine if a bidder submitting a bid is a responsible bidder, and / or
 - b) To evaluate past performance in proposal solicitations.
3. A Vendor who received a Good rating on the Performance Evaluation Form:
 - a) Will be considered a responsible bidder for future bid submissions to the Board.
 - b) Is eligible for the extension of the multi-year term contract for up to an additional two one (1) year terms, at the discretion of both the Board and the 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;
 - iii) 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
 - iv) their prices within a firm fixed price multi-year contract, the contract extension will not apply and Purchasing Services will move forward with a public solicitation to receive new bids.
4. A Vendor that receives a Satisfactory rating on the Performance Evaluation Form;
- a) Will be considered a responsible bidder for future similar bid submissions to the Board;
 - b) Is eligible for the extension of the multi-year term contract for an additional one (1) year term, at the discretion of both the Board and the 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
 - iii) 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 Purchasing Services will move forward with a public solicitation to receive new bids.
5. A Vendor that receives a Cautionary rating on the Performance Evaluation Form;
- a) May or may not be considered a responsible bidder for future similar bid submissions to the Board;
 - b) Is not eligible for any extension terms within a current multi-year term contract.
 - c) May be asked to demonstrate in writing or by other acceptable means that they have corrected all previously documented areas of cautionary or less performance concerns to a standard satisfactory to the Board, prior to awarding any future contracts.
 - d) The Board reserves the right, at its sole discretion not to award a contract to any Vendor, that fails to provide satisfactory evidence of correcting any documented past performance concerns by the Board.
 - e) A letter will be issued by the Board confirming the disqualification period and setting
 - f) out the requirements of reinstatement.
6. A Vendor that receives a Not Satisfactory rating on the Performance Evaluation Form, for one or more separate contracts;
- a) Shall not be considered a responsible bidder, and may be sanctioned or limited from bidding with regards to the volume and/or value of further work for a minimum two (2) year period to a maximum of five (5) years, at the discretion of the Board; or
 - b) 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 Board; and
 - c) Is not eligible for an extension term to the current multi-year term contract;
 - d) May have their current contract with the Board terminated at any time, due to poor performance; and
 - e) Will receive a letter issued by the Board confirming the disqualification period and setting
 - f) out the requirements of reinstatement.
7. Any bidder that refuses or fails to execute a contract awarded to that bidder by the Board may be subject to a disqualification period, at the sole discretion of the Board.

8. The Board may apply a disqualification period, where it is the best interest of the Board, based on:
 - a) Commodity: this will be specific to the commodity of good(s) and/or service or construction evaluation on the applicable performance evaluation; or
 - b) All Contracts: this will cover all contracts regardless of the type of good, service or construction evaluated on the applicable performance evaluation.
9. If a bidder has multiple performance evaluation forms on record with the Board. The Board will consider previous performance evaluation form completed for similar contracted goods, service or construction.
10. Where a bidder has a performance evaluation for an unrelated good / service / construction, the Board reserves the right to consider this evaluation amongst other sources in determining if a bidder is responsible.
11. Where a bidder has merged with another company, changed its company or corporate name to avoid negative impacts from past projects, bankruptcy, legal action, or past performance evaluation, the Board reserves the right to consider the most recent evaluation, under the company's previous name, amongst other sources in determining if a bidder is responsible.

Vendor Response Process

The Vendor shall have an acceptable time frame of ten (10) business days to:

- a) Submit a written response to a performance evaluation, utilizing the Board's response form and / or
- b) Submit a written request to appeal a performance evaluation rating, utilizing the Board's appeal form.

If no response is received within the specified timeframe the evaluation rating shall be considered final.

Appeal Process

Within time frame of ten (10) business days upon receiving an appeal response form with respect to a performance evaluation form, the Board will conduct a review of the appeal and render a decision based on the appeal information provided. The Board may request additional information from the Vendor to conduct a review. Any disqualification period in place, shall be upheld during an appeal under review by the Board. The Board's decision shall be final and binding on all parties.