



**2024**

# Halton Region Vendor Performance Management Program: Contractor Overview

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# Overview for Contractors

The purpose of the Vendor Performance Management Program is to promote good and consistent performance by Vendors who provide Goods, Services and/or Construction to The Regional Municipality of Halton (“the Region”). The Vendor Performance Management Program supports provisions in the Region’s Procurement By-Law that require monitoring and documentation to assess Vendor performance.

The objectives of the program are:

- To promote effective management of Vendor performance, resulting in improved communication and enhanced quality of service;
- To communicate to Vendors the value the Region places on Health, Safety and the Environment, as well as timeliness and quality of Goods, Services and/or Construction provided to the Region;
- To outline staff roles and responsibilities in the performance of Vendor management;
- To establish guidelines for the fair, transparent and objective assessment of Vendor performance;
- To establish a process to address concerns with Vendor performance, including Vendor Suspension for Unacceptable performance.

This document provides context for external Vendors who may be subject to the Policy through their performance on a contract.

## Vendor Performance Management Policy

The Region’s Vendor Management Policy is externally focused. The Policy outlines the Region’s process for evaluating Vendor performance of Contracts and the consequences resulting from Unacceptable performance.

The latest version of the Policy will be made available on the [Doing Business with the Region](#) page of the public website at a **later** time.

Phase 1 of the Vendor Management Program will apply to Public Works construction contracts.

The Vendor Performance Management Policy will be in effect January 1, 2024.

## Contractor Evaluations

### When does the program apply?

The Region will decide whether the Vendor Management Program will apply on a given project. Small projects like a washroom renovation will likely not use the program, while a large watermain installation likely will. The Supplementary Instructions to Bidders will specifically note whether the Vendor Performance Management program applies to a given tender. The Region will not apply the program to ongoing construction projects tendered before January 1, 2024 and will not apply the program retroactively where the tender documents indicated the program does not apply.

A Vendor’s performance is evaluated during the term of the Contract (Interim Evaluation) and following Contract completion (Final Evaluation).

### Who completes the evaluation?

The Region will assign a Contract Lead, typically the project manager, to evaluate the Vendor on their performance of the work. The Region will also assign an Approver with the authority to approve evaluations completed by the Contract Lead.

### Contractor Evaluation Forms

A Contractor Evaluation Form is included below. Both interim and final evaluations will use the same form. The form is broken down into three sections:

- Critical Violations and Termination for Cause

- Regulatory, Health, Safety and Environment
- Project Management, Quality, Contract Management, Public Relations and Project Completion.

#### Critical Violations and Termination for Cause

This section of the form sets the minimum standards on our projects. The Region is committed to providing a safe and healthy work environment for our staff, our contractors, our consultants and the public. The Region also has an expectation that vendors will complete a contract without being terminated for cause.

The three questions in this section are reactive questions and an answer of yes to any question implies serious issues have occurred on site. An answer of yes to any question in this section is grounds for a recommendation of sanctions under the Vendor Performance Management Policy.

#### Regulatory, Health, Safety and Environment

Questions on Regulatory, Health, Safety and Environment performance are separated from other construction and contract management questions. This is to affirm the high level of importance the Region places on these criteria on projects. If Vendors are not maintaining a high degree of compliance with health, safety and environmental best practices, the project cannot be successful.

This section of the evaluation form covers:

- **Regulatory compliance:** are applicable regulations being adhered to, permits obtained and complied with, as well as utility locates when excavations are required.
- **Health and Safety:** these are safe work practices that help avoid health and safety incidents from occurring. The Contract Lead can note incidents that occurred on the project.
- **Environment:** this section identifies actions taken by the contractor to keep the natural environment safe, and their response to any issues that may have occurred on the project

#### Project Management, Quality, Contract Management, Public Relations and Project Completion

This section of the evaluation form covers the other expectations that the Region has for Vendors that do not fall under regulatory, health, safety or environmental expectations. Non-compliance on a given question in this section is still important but carries less impact than a non-compliant health and safety issue.

This section of the evaluation form covers:

- **Project Management:** This is the largest individual section, covering both project scheduling and planning.
- **Quality:** This includes quality of workmanship, materials and equipment, as well as appropriate equipment and staff with the necessary skills to execute the work. It also includes resolving deficiencies appropriately and notes any damage to Regional or third party property.
- **Contract Management:** This section covers contract requirements and issues, such as payments to subcontractors, invoicing requirements, claims and quotations for out of scope work.
- **Public Relations:** This section covers how the contractor works with Regional staff and the public.
- **Project Completion:** This section covers the major closeout expectations for contractors, including meeting substantial performance and completion timelines and obtaining completion documentation (as-constructed drawings, manuals, etc.).

#### Scoring Criteria

The first section of the evaluation form is for **Critical Violations and Termination for Cause**. Answers in this section can only be yes or no.

Other questions receive one of four scores:

- **1 (One):** Performance was satisfactory and in compliance with the contract documents. The form does not provide degrees of satisfactory performance (excellent, very good, good, etc.). If the performance was

satisfactory, then a score of 1 is provided and the contractor receives the full value of that question's weight towards their overall score.

- **0.5 (Half Marks):** Needed improvement to ensure compliance with the Contract Documents. For interim evaluations, the vendor should improve performance before the next interim/final performance assessment. This score is given when the vendor did not comply with the contract documents but was not as serious to warrant a score of 0 for that evaluation criteria.
- **0 (No Marks):** Unacceptable or not in compliance with the Contract Documents. This score is given when the performance is poor, the non-compliance with the contract was significant or an immediate correction in their performance was required, such as poor safety practices.
- **N/A (Not Applicable):** Some of the questions in the evaluation are not going to be applicable to each contract. For example, Question 13 speaks to conformance with the traffic control plan and the Ontario Traffic Manual Book 7. Many projects do not have traffic control requirements, so N/A will be appropriate in those instances.

## Evaluation Process and Appeals

### Satisfactory Evaluations

The overall goal for every performance evaluation is to achieve a satisfactory score. To achieve this, there are minimum criteria for each of the three sections of the form:

- **Critical Violations and Termination for Cause:** An answer of no to all of the questions in the section, or an answer of yes in either question 1 or 2 where an incident was clearly out of the contractor's control.
- **Regulatory, Health, Safety and Environment:** An overall score of 80% or better is required.
- **Project Management, Quality, Contract Management, Public Relations and Project Completion:** An overall score of 70% or better is required.

The contractor receives a **satisfactory** evaluation if all three of the criteria are met. The vendor will be notified by the Region and provided a copy of the evaluation. This applies to both interim and final evaluations.

### Unacceptable Evaluations

The contractor has received an **unacceptable** evaluation if one or more sections in the evaluation form does not meet the criteria specified above.

#### Unacceptable Interim Evaluations

Unacceptable interim evaluations will help communicate to the Vendor that they need to work on improving one or more areas of their performance before the final evaluation. Unacceptable interim evaluations will not be used to sanction a vendor; however, successive interim evaluations without performance improvement may lead to an unacceptable final evaluation. The exception is where a critical violation has occurred or where the contractor has been terminated for cause. In these cases the evaluation will be automatically unacceptable and subject to further review by the Review Committee as noted below.

#### Critical Violations and Termination for Cause

A critical violation means "where, during the course of a Contract, there is an occurrence of a fatality or critical injury as defined in O.Reg. 420/21, as amended, or a stop work order is issued by an authority having jurisdiction." Where a critical violation has occurred, the interim evaluation is automatically referred to the Review Committee for further review.

Where the Region has terminated the Contractor's right to continue with the Work in whole or in part or terminated the Contract for cause, the interim evaluation is automatically referred to the Review Committee for further review.

#### Unacceptable Final Evaluations

Where a vendor's final evaluation is deemed to be unacceptable, the final evaluation is referred to the Review Committee for further review.

## Review Committee

A Review Committee will meet to review the following evaluations:

- Interim evaluations where a critical violation has occurred.
- Where a contractor has been terminated for cause.
- Final evaluations that have an unacceptable performance rating.

The Review Committee is made up of senior Regional staff that will ensure the evaluation was completed appropriately and the program is being applied consistently across the various contract leads. If the unacceptable rating is upheld, the Region will notify the contractor in writing of an unacceptable evaluation and any proposed sanctions.

## **Right to Appeal**

Vendors that receive an unacceptable evaluation will have the opportunity to appeal a decision within 30 days of the Region notifying the vendor. Appeals will be received from the vendor in writing, and a Vendor Appeal Submission Form will be made available.

Appeals will be reviewed by senior Regional staff that were not part of the Review Committee.

Sanctions will only begin after the vendor's appeal is heard, or where the vendor chooses not to appeal a decision by the Region.

## **Frequency of Vendor Performance Evaluations and Milestones**

Below is a summary of the key timelines you will see as construction contractors:

- **Tenders** – Vendor Performance Management instructions will be in your tender documents prior to the tender closing.
- **Interim Evaluations** – Completed by the Contract Lead every 4 months.
- **Final Evaluations** – Completed by the Contract Lead within 90 days of contract completion.
- **Vendor Appeal** – You may appeal a decision within 30 days of receiving written notice of an unacceptable final evaluation.
- **Appeal Committee Decision** – Provided within 30 days of receiving written notice of Vendor's Appeal Submission.

## Schedule A: Definitions

Capitalized terms and phrases used in this Vendor Performance Management Program Overview shall have the meanings set out below:

- (a) **“Appeal Committee”** means a committee comprised of the Contract Lead’s Commissioner, a Commissioner of a different Department, and the Treasurer;
- (b) **“Construction”** means any construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work;
- (c) **“Contract”** means a written agreement, including a purchase order, between the Region and one or more Vendors for the supply of Goods, Services and/or Construction, or a combination thereof, and includes Standing Arrangements;
- (d) **“Contract Lead”** means an employee of the Region responsible for administering a Contract;
- (e) **“Critical Violation”** means where, during the course of a Contract, there is an occurrence of a fatality or critical injury as defined in O.Reg. 420/21, as amended, or a stop work order is issued by an authority having jurisdiction;
- (f) **“Department”** means any department of the Region;
- (g) **“Evaluation”** means an evaluation of a Vendor’s performance of a Contract in accordance with performance criteria developed by the Region; and **“Evaluated”** has a corresponding meaning;
- (h) **“Final Evaluation”** means an Evaluation performed after the Vendor’s completion of the Contract or after the Contract has been terminated;
- (i) **“Goods”** means material, furniture, merchandise, equipment, stationery and other supplies and goods, including any incidental services;
- (j) **“Interim Evaluation”** means an Evaluation performed during the Contract term;
- (k) **“Performance Rating”** means the rating of “Satisfactory” or “Unacceptable” that is assigned to a Vendor’s performance of a Contract;
- (l) **“Performance Score”** means the score assigned to a Vendor’s performance of a Contract following an Evaluation;
- (m) **“Procurement By-law”** means the Region’s by-law establishing policies for the procurement of Goods, Services and/or Construction, as available on the Region’s public website [www.halton.ca](http://www.halton.ca), and as may be amended from time to time;
- (n) **“Record”** means a documented history of a Vendor’s contractual performance maintained by Supply Chain Management, which may include Evaluations, Performance Ratings, Performance Scores, Critical Violations and any other documents retained in accordance with the Vendor Performance Management Policy;
- (o) **“Review Committee”** means a committee comprised of the Contract Lead’s Director, a Director of a different Division, and the Director of Supply Chain Management;
- (p) **“Satisfactory”** means that the Vendor’s Performance Score meets or exceeds the threshold established by the Region for satisfactory performance of a Contract;
- (q) **“Services”** means a non-physical, intangible product resulting from a Vendor’s performance of a Contract that cannot be stored or transported and that comes into existence at the time it is bought or consumed;

- (r) **“Standing Arrangement”** means an arrangement with one (1) or more Vendors under which the Region may procure Goods, Services and/or Construction from the Vendor(s) on an as-required basis;
- (s) **“Supply Chain Management”** means the Division responsible for administering the Procurement By-law and the Region’s procurement processes, policies and procedures including this Policy;
- (t) **“Suspension”** means that, for the specified duration of the Suspension, the Region may impose one or more or all of the following:
  - (i) the Region will not procure or purchase any Goods, Services and/or Construction pursuant to any Standing Arrangement(s) with a Suspended Vendor;
  - (ii) the Suspended Vendor will not be permitted to participate in any procurement solicitations, including Prequalification Processes, issued by the Region;
  - (iii) the Suspended Vendor that is on any Vendor of Record List will be removed from such Vendor of Record List,

and “Suspend” and “Suspended” have corresponding meanings;

- (u) **“Unacceptable”** means that the Vendor’s Performance Score does not meet the threshold established by the Region for satisfactory performance of a Contract and/or that the Vendor has been subject to a Critical Violation;
- (v) **“Vendor”** means any legal person or entity providing Goods, Services and/or Construction to the Region, including suppliers, contractors, consultants and other service providers;
- (w) **“Vendor of Record List”** means a list of Vendors that have been prequalified to provide Goods, Services and/or Construction to the Region.



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## Schedule B: Contractor Evaluation Form

# VENDOR PERFORMANCE MANAGEMENT EVALUATION FORM - CONTRACTORS

Project Name	Form Version 1.0
Project Number	Evaluation Date
Contract Number	Evaluation Type
Vendor Name	Evaluation Number
Contract Start Date	Department
Contract Substantial Performance	Division
Purchase Order Number	Vendor Number (SAP)
Performance Rating	UNACCEPTABLE

VENDOR PERFORMANCE CATEGORIES AND EVALUATION CRITERIA		Yes/No	Comment
<b>CRITICAL VIOLATIONS AND TERMINATION FOR CAUSE</b>			
1	Were there any fatalities as a result of the Work, or any critical injuries as defined under O. Reg. 420/21 as a result of the work?		
2	Were there any stop work orders issued for health and safety reasons by the Ministry of Labor, Training and Skills Development, Building Inspector, Ministry of Environment, Conservation and Parks, Electrical Safety Authority, Technical Standards and Safety Authority, the Road Authority or any other authority having jurisdiction?		
3	Did the Region terminate the Contractor's right to continue with the Work in whole or in part or terminate the Contract for cause?		
<b>CRITICAL VIOLATIONS AND TERMINATION FOR CAUSE</b>			An answer of Yes to any of the questions in this section is grounds for an Unacceptable performance rating

VENDOR PERFORMANCE CATEGORIES AND EVALUATION CRITERIA		Score (between 0-1)	Weighting	Total	Comment
<b>REGULATORY COMPLIANCE</b>			7	0	
4	Did the Contractor comply with Applicable Laws to the best of knowledge of the Region's representative?		2	0	
5	Did the Contractor keep H&S related notices in an accessible location on site as per the <i>Occupational Health and Safety Act</i> (OH&SA) and construction regulations (e.g. nearest Ministry of Labor, Training and Skills Development office, first aid regulations, WSIB poster (Form 82), H&S policy, MSDS, emergency procedures, Notice of Project (NOP), Form 1000 for each sub-contractor, etc.)?		1	0	
6	Did the Contractor obtain all applicable permits/approvals and comply with the conditions/requirements of all permits/approvals (e.g. road occupancy, municipal consent, encroachments, etc.)		2	0	
7	Did the Contractor obtain locates for all utilities and have they been kept current?		2	0	
<b>HEALTH AND SAFETY</b>			13	0	
8	Did the Contractor submit and keep updated a H&S plan in accordance with the Contract Documents and Applicable Laws, as amended?		1	0	
9	Did the Contractor implement and enforce all appropriate H&S measures?		3	0	
10	Did the Contractor keep the site free from H&S incidents/accidents or near misses, or if there were incidents, were they outside the control of the Contractor?		2	0	
11	Did the contractor respond to and correct H&S issues in a timely manner?		1	0	
12	Did the Contractor keep the site, office trailers, wash trailers and access roads reasonably clean (free of mud, dust and debris) and organized during the execution of the contract?		1	0	
13	Did the Contractor follow the approved traffic control plans and Ontario Traffic Manual (OTM) Book 7 (Temporary Conditions) and maintain controlled public access and clear emergency routes as required?		2	0	
14	Did the Contractor and Subcontractor staff wear appropriate/required personal protective equipment (PPE) at all times.		2	0	
15	Did the Contractor maintain good and consistent site security, including but not limited to perimeter fencing, maintaining locked gates at the end of each working day, ensuring interior plant doors and access ways are secured and safe (as required)?		1	0	
<b>ENVIRONMENT</b>			5	0	
16	Did the Contractor install and maintain all environmental measures as stipulated in the Contract Documents, as amended, and per the conditions/requirements of all environmental permits/approvals (e.g. conservation authority, MECP, MNR, etc.)?		2	0	
17	Did the Contractor keep the site free from environmental issues (e.g. spills, damages, etc.), or if there were issues, were they outside the control of the Contractor?		2	0	
18	Did the contractor respond to and correct environmental issues in a timely manner?		1	0	
<b>TOTAL SCORE - REGULATORY, HEALTH, SAFETY AND ENVIRONMENT</b>		0.0%	25	0	A score of 80% is required for a satisfactory evaluation

# VENDOR PERFORMANCE MANAGEMENT EVALUATION FORM - CONTRACTORS

Project Name	Form Version 1.0
Project Number	Evaluation Date
Contract Number	Evaluation Type
Vendor Name	Evaluation Number
Contract Start Date	Department
Contract Substantial Performance	Division
Purchase Order Number	Vendor Number (SAP)
Performance Rating	UNACCEPTABLE

VENDOR PERFORMANCE CATEGORIES AND EVALUATION CRITERIA		Score (between 0-1)	Weighting	Total	Comment
<b>PROJECT MANAGEMENT</b>			29	0	
<b>Scheduling</b>					
19	Did the Contractor provide an acceptable baseline schedule within the timeframe stipulated in the Contract Documents, as amended?		3	0	
20	Did the Contractor provide accurate progress construction schedules and look-ahead schedules as stipulated in the Contract Documents, as amended?		3	0	
21	Did the Contractor meet the interim milestones as stipulated in the Contract Documents, as amended?		3	0	
22	Did the Contractor commence and reasonably advance the Work within the timeframe stipulated in the Contract Documents, as amended?		3	0	
23	Did the Contractor comply with the Region's requested changes and written notices (e.g. site instructions, change directives, etc.) in a timely manner in order to avoid schedule delays?		3	0	
<b>Planning</b>					
24	Did the Contractor provide the required submittals (e.g. shop drawings, commissioning plan, etc.) on time and in the proper format?		3	0	
25	Did the Contractor communicate with and provide notification to all stakeholders as stipulated in the Contract Documents, as amended, and as required by applicable permits/approvals?		3	0	
26	Did the Contractor stage the work in a clean and safe manner to achieve the requirements of the Contract Documents, pursuant to the site conditions and limitations?		3	0	
27	Did the Contractor effectively coordinate with / manage other contractors, consultants, sub-contractors and suppliers (as applicable)?		3	0	
28	Did the Contractor make a person with decision-making authority available to represent them at progress meetings? Did the Contractor have appropriate authority on site to make decisions and provide continuous on-site supervision to workers?		2	0	
<b>QUALITY</b>			15	0	
29	Did the Contractor and their Subcontractors provide quality workmanship in their completion of the Work and provide materials and/or equipment that meet the requirements of the Contract Documents?		4	0	
30	Did the Contractor's Work pass the testing requirements as stipulated in the Contract Documents, as amended (e.g. non-destructive evaluation, leakage testing, pressure testing, factory acceptance testing (FAT), site acceptance testing (SAT), compaction and other material testing, etc.)?		2	0	
31	Did the Contractor complete the Work without causing any damage to existing facilities, properties (public or private), utilities, etc. during the execution of the Work, or if there was damage was it outside the control of the Contractor? Where damage did occur, did the Contractor rectify the damage promptly?		2	0	
32	Did the Contractor comply with the allowable working hours as specified in the Contract Documents, as amended, or as approved by the applicable authority?		1	0	
33	Did the Contractor and their Subcontractors provide appropriate equipment and staff (e.g. did staff have appropriate skills, training, licenses, etc.) for the required work?		4	0	
34	Did the Contractor resolve deficiencies or work requiring corrective actions identified during construction in a timely manner and to the satisfaction of the contract administrator, owner, and/or applicable regulatory agency?		2	0	
<b>CONTRACT MANAGEMENT</b>			16	0	
35	Did the Contractor make proper payments to their Subcontractors, resulting in no liens on the project, or where there were liens, were they vacated in a prompt manner?		3	0	
36	Did the Contractor submit reasonable and competitive quotations when requested for changes in the Work, extra work, and/or additional work in a timely manner in order to avoid schedule delays?		3	0	
37	Did the Contractor submit invoices in compliance with the Contract Documents, as amended, including all required supporting documentation?		2	0	
38	Did the Contractor submit detailed claims (or any requests for additional compensation) that were in compliance with the claims procedure as outlined in the Contract Documents, as amended?		4	0	
39	Did the Contractor provide acceptable substantiation within a reasonable time on claims, disputes and other matters relating to execution or performance for the Work as outlined in Contract Documents, as amended.		4	0	
<b>PUBLIC RELATIONS</b>			5	0	
40	Did the Contractor respond appropriately (i.e. professionally, with common courtesy and in a timely manner) when dealing with Regional staff and other stakeholders?		3	0	
41	Did the Contractor respond appropriately (i.e. professionally, with common courtesy and in a timely manner) when dealing with the public (e.g. complaints, inquiries, third party claims, incidents/accidents, etc.)?		2	0	
<b>PROJECT COMPLETION</b>			10	0	
42	Did the Contractor submit, in a timely manner, accurate project completion documentation as required by the Contract Documents, as amended (e.g. operations and maintenance manuals, closeout record documents including startup testing and commissioning reports, as-built drawings, final CCTVs, etc.). This question applies only to Final Evaluations.		5	0	
43	Did the Contractor meet substantial performance, ready-for-takeover and completion milestones as stipulated in the Contract Documents, as amended? This question applies only to Final Evaluations.		5	0	
<b>TOTAL SCORE - PROJECT MANAGEMENT, QUALITY, CONTRACT MANAGEMENT, PUBLIC RELATIONS AND PROJECT COMPLETION</b>		0.0%	75	0	A score of 70% is required for a satisfactory evaluation

# VENDOR PERFORMANCE MANAGEMENT EVALUATION FORM - CONTRACTORS

Project Name  
 Project  
 Number  
 Contract  
 Number  
 Vendor Name  
 Contract Start  
 Date  
 Contract  
 Substantial  
 Performance  
 Purchase Order  
 Number  
 Performance  
 Rating     UNACCEPTABLE

Form Version 1.0  
 Evaluation  
 Date  
 Evaluation  
 Type  
 Evaluation  
 Number  
 Department  
 Division  
 Vendor  
 Number  
 (SAP)

<b>OVERALL COMMENTS</b>

<b>ENDORSEMENT</b>			
Contract Lead Title Date	_____   _____	Approver Title Date	_____   _____
Contract Administrator (Optional) Company Date	_____   _____	Manager (Optional) Title Date	_____   _____

SCORING METHODOLOGY	
0	Unacceptable/not in compliance with the Contract Documents. For interim evaluations, vendor to immediately improve performance to the satisfaction of the Region and the Contract Administrator, including a performance improvement plan if deemed necessary by the Contract Administrator.
0.5	Needed improvement to ensure compliance with the Contract Documents. For interim evaluations, vendor to improve performance before the next interim/final performance assessment. This score is given when the vendor was not in compliance with the contract documents but was not as serious to warrant a score of 0 for that evaluation criteria.
1	Satisfactory and in compliance with the Contract Documents

All categories with scores of 0 and 0.5 need a written response from contractor on the actions being taken to address the issue(s)

NOTES	
1	Evaluate Vendor on the items listed. Select the box with the appropriate rating, if applicable, based on the criteria outlined in the Scoring Methodology table
2	Categories that do not apply to the evaluation for any reason shall be given a score of N/A and will not count towards the overall score. The maximum score will be adjusted accordingly.
3	If a vendor scores less than one (1) in any category please outline the areas of concern in the comments section.