



Vendor Performance Review Program

Effective : October 25, 2021

Version: 2 (November 2022)



Further information contact the Procurement Support Centre
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VERSION CONTROL

Version	Major Changes
2 (Nov 2022)	<ol style="list-style-type: none"><li data-bbox="402 226 1446 258">1. Further defined implementation schedule, refer to section 2.1 Purpose and Overview<li data-bbox="402 268 1446 331">2. Modified language for vendors without an Overall Vendor Performance Rating, refer section 5.1 Bidding Impacts<li data-bbox="402 342 1446 405">3. Modified description of rating language, refer to Annex A, 1. Vendor Performance Evaluation Scale<li data-bbox="402 415 1446 428">4. Clarifying language added for required KPIs based on Tender Type, refer to Annex A

1. GENERAL

1.1. Effective Dates

1. The program takes effect on October 25, 2021.
2. The implementation schedule is as follows:

Year 1	October 25, 2021 to October 24, 2022	Vendor Performance Review scores will be collected, but not permanently saved to the Overall Vendor Performance Rating
Year 2	October 25, 2022 to October 24, 2023	Vendor Performance Review scores will be collected and saved to the Overall Vendor Performance Rating
Year 3	October 25, 2023 onwards	Vendor Performance Review scores captured during year two and any ongoing Vendor Performance Review scores may now impact a vendor, refer to Section 5.1 Bidding Impacts.

1.2. Purpose and Overview

1. This program provides guidance on the Vendor Performance Review Program ("the Program"). Documented Performance Evaluations provide a summary of a vendor's performance on any contract valued at or above \$50,000 and result in an Overall Vendor Performance Rating that will become an official record within the vendor's procurement profile on the Electronic Bidding System.
2. This program should be read in conjunction with the GAM 2.6 Procurement Policy as implemented by the Government of Yukon's Procurement Support Centre.

1.3. Expected results

1. The Vendor Performance Review (VPR) Program will:
 1. Support the Government of Yukon's overarching procurement and contracting objectives of value for money, fiscal responsibility, and openness and transparency with respect to contract performance;
 2. Enable the Government of Yukon to incentivize good performance while strengthening the means through which Yukon can hold poor performers accountable;
 3. Strengthen the Government of Yukon's ability to manage vendor performance by proactively addressing performance issues;
 4. Provide a performance evaluation methodology to ensure consistent approaches to vendor performance evaluation;
 5. Consider demonstrated performance during bid evaluations thereby incentivizing vendors to improve performance throughout the contract lifecycle; and
 6. Provide for the appropriate recording, tracking, and management of vendor demonstrated performance information through the Electronic Bidding System.

1.4. Definitions

Except where the contrary is shown in this section, words or phrases used in this program, which are capitalized or defined terms in GAM 2.6 Procurement Policy ("Policy") shall have the same meanings as ascribed to them in the Policy.

1. **Calendar Day:** All days in a month, including weekends and holidays.
2. **Electronic Bidding System:** The bids&tenders Electronic Bidding System.
3. **Key Performance Indicators (KPIs):** The set of measures used to monitor and track a vendor's performance throughout the contract life-cycle.
4. **Overall Vendor Performance Rating:** The average score of all Vendor Performance Scores documented to a vendor.
5. **Performance Evaluation:** An evaluation undertaken by Procurement Authorities using the Government of Yukon approved methodologies (i.e. Key Performance Indicators) to determine a vendor's level of performance in delivering their contractual obligations. The Performance Evaluation is documented in the Electronic Bidding System in accordance with this program.
6. **Tender Type:** Is one of the following types of procurement: Goods, Services or Construction.
7. **Vendor Performance Evaluation Scale:** A scale used to evaluate vendor's performance.
8. **Vendor Performance Scores:** The scores documented in the Electronic Bidding System for a single performance evaluation.

1.5. Application

1. The Program applies to all Government of Yukon contracts where the value, including optional years or phases, is at or above \$50,000.
2. Exceptions to the above may be made with the approval of the Deputy Minister of the Procurement Authority, provided that at least one of the following justifications applies to the contract(s) and is documented on the contract file(s):
 1. In the event of an emergency, as defined in the *Civil Emergency Measures Act* or its regulations, or where immediate action is required to prevent or respond to injury or death to persons or animals or livestock, or damage to property or imminent damage to the environment;
 2. It would not be in the public interest to apply the Program to the contract. This exception is available only for contracts in jurisdictions or with industries where it is not feasible for the Government of Yukon to apply the provisions of the Program.
3. The Program does not replace contract-specific initiatives such as performance-based contracts nor does it replace ongoing contract management.
4. The Program does not apply to contracts and/or related procurement instruments such as standing offers and supply arrangements that were entered into before the effective date of the Program unless the contract or procurement instrument is amended to incorporate the Program.

2. ROLES & RESPONSIBILITIES

2.1. Procurement Support Centre

1. A dedicated office in the Government of Yukon to oversee the implementation and administration of the Program to ensure the integrity of the system, to train and support Procurement Authorities, and to support all parties when Vendor Performance Scores are contested;
2. Maintaining, interpreting, and administering the Program and providing oversight and guidance to Government of Yukon employees and Departments;
3. Using the Electronic Bidding System to manage user accounts, vendor profiles, and system access;
4. Developing standard vendor performance clause(s) for inclusion in procurement documents, contracts and other legal agreements;
5. Providing communications and training to support the implementation of the Program;
6. Tracking, analyzing, and reporting on trends and systemic issues;
7. Working with all parties, including the vendor, when Vendor Performance Scores are contested;
8. Leading and coordinating contesting of scores, including reviewing documentation submitted by all parties, providing recommendations to the Deputy Minister of Highways and Public Works (or delegate), sending Notices of Decision to the vendor and the Procurement Authority once a decision has been made; and
9. Updating the Electronic Bidding System with the revised Vendor Performance Scores if so required following contestation.

2.2. Procurement Authorities

1. Evaluating and reporting the performance of the vendor over the course of the contract;
2. Providing feedback and comments to the vendor on performance at regular intervals;
3. Communicating feedback on vendor performance and the results of vendor performance evaluations to vendor;
4. Maintaining an open line of communication with the vendor, including serving as the first stage of resolution for vendors contesting their Vendor Performance Scores;
5. Recording and substantiating the results of all evaluations and discussions and ensuring they are entered into the Electronic Bidding System;
6. Liaising with the Procurement Support Centre to ensure the successful inputting, storage, and use of performance information into the Electronic Bidding System;
7. Using Overall Vendor Performance Ratings in procurement evaluations;
8. Incorporating information in tender templates on how Vendor Performance Scores will be used during the selection process for Goods, Services or Construction;
9. Incorporating standard performance management clauses in procurement documentation, contracts and legal agreements; and
10. Working with the Procurement Support Centre when Vendor Performance Scores are contested to provide documentation as required

2.3. Deputy Minister of Highways and Public Works

1. Deliberating and making final determinations on contested scores;
2. The Deputy Minister of Highways and Public Works may delegate their Program responsibilities.

2.4. Vendors

1. Responding to any communications regarding performance management over the course of the contract, including communications pertaining to Vendor Performance Scores and contestation process;
2. Accepting or rejecting (by contesting) Vendor Performance Scores within 15 Calendar Days of Vendor Performance Scores are received; and
3. In the case of contestation, duly completing and submitting the appropriate documentation.

3. VENDOR EVALUATION AND SCORING

3.1. Program Requirements

1. Procurements and contracts subject to the Program must contain appropriate clauses to inform vendors that:
 1. their performance will be evaluated; and
 2. if Overall Vendor Performance Rating will be used in the tender evaluation.
2. The criteria used to determine Vendor Performance Scores are listed for each Tender Type in Annex A.
3. Any corporate or sole proprietor business structural change will be handled on a case-by-case basis.

3.2. Vendor Evaluation Process

1. For contracts to which this Program applies, vendor performance is to be documented in the Electronic Bidding System at the end of the contract. Annual reviews will take place for multi-year contracts, every 12 months of the contract's duration. Each contract which this Program applies must have at least one Performance Evaluation completed. Procurement Authorities may elect to document more than one Performance Evaluation for a contract and/or document more than one Performance Evaluation every year of a contract.
2. At the post-tender review meeting, Procurement Authorities should discuss with the vendor performance expectations associated with the Key Performance Indicators and the Performance Evaluations to take place throughout the contract.
3. Procurement Authorities will have ongoing communications with vendors with respect to performance with proactively raising issues as they occur to support a "no surprises" approach to vendor Performance Evaluation Scores. Procurement Authorities will inform vendors of performance issues during the life of a contract and allow vendor's sufficient time to correct any deficiencies to the satisfaction of the Procurement Authority prior to documenting Vendor Performance Scores. Procurement Authorities should discuss interim and final Vendor Performance Scores with vendors prior to the posting the Vendor Performance Scores on the Electronic Bidding System.
4. Procurement Authorities must undertake Performance Evaluations and substantiate Vendor Performance Scores with objective, factual, accurate, and fair information and the documentation from the performance discussions. They must reflect discussions with the vendor during the evaluation period and be relevant only to the performance on the contract being evaluated.
5. A Performance Evaluation must be completed and input into the Electronic Bidding System for a contract within 30 Calendar Days of the contract's completion or within 30 Calendar Days of each 12 month period.
6. Vendor performance will be evaluated using a 0-5 Vendor Performance Evaluation Scale for each Key Performance Indicators specified in Annex A for the respective Tender Type.

7. Each KPI specified in Annex A will be evaluated during the Performance Evaluation. These points are summed and form the Performance Evaluation Scores.
8. The vendor has 15 Calendar Days from receiving their Vendor Performance Scores to submit a contestation. If a vendor does not accept or reject the Performance Evaluation Scores within 15 Calendar Days, it will automatically be applied as accepted by default.

3.3. Overall Vendor Performance Rating

1. Overall Vendor Performance Rating for a vendor shall be calculated as a rolling average sum of all Performance Evaluation Scores, as specified in Annex A, whether interim or final evaluations,
2. Procurement Authorities will hold final accountability for evaluations and will update the Electronic Bidding System with the evaluation results.

4. CONTESTING SCORES

4.1. Electronic Bidding System

1. Vendors may contest their Performance Evaluation Scores received via the Electronic Bidding System.
2. Only one contestation may be submitted per Performance Evaluation however the contestation may include multiple score contestations.
3. Procurement Authorities have 15 Calendar Days to respond to the vendor's Performance Evaluation contestation to seek resolution to the contestation. One 15 Calendar Day extension may be granted to a maximum of 30 Calendar Days.

4.2. Contestation

1. If no resolution is reached between the Procurement Authority and vendor after 15 (or 30) Calendar Days, the contestation is escalated to the Procurement Support Centre. The Vendor may provide additional evidence that substantiates their claim. Procurement Authorities may provide additional evidence to the Procurement Support Centre to substantiate the Vendor Performance Scores assigned to the vendor.
2. The Procurement Support Centre will review the Vendor Performance contestation and any additional evidence provided by the vendor and the Procurement Authority, and will produce a Notice of Recommendation for the Deputy Minister of Highways and Public Works (or delegate) to review and make a final scoring determination.
3. In making their decision, the Deputy Minister of Highways and Public Works (or delegate) will consider the Procurement Support Centre's recommendation and any additional evidence provided by the vendor and the Procurement Authority. The Deputy Minister of Highways and Public Works (or delegate) will issue a Notice of Decision. This decision shall be final and conclusive.
4. Once notified of the Deputy Minister of Highways and Public Works' (or delegate's) decision, the Procurement Support Centre has 10 business days to issue a Notice of Decision to the vendor and if required, update the Vendor Performance Score(s) in the Electronic Bidding System.

5. VENDOR PERFORMANCE RATING APPLICATIONS

5.1. Bidding Impacts

1. Bidding Impacts becomes effective October 25, 2023.
2. For tender evaluations in competitive procurements, the Overall Vendor Performance Rating may be weighted at a value of between 5 to 25 percent of the overall bid evaluation score, as determined by the Procurement Authority.
3. Vendors without an Overall Vendor Performance Rating will not have any bidding impacts. The assigned weight or percentage of the Overall Vendor Performance Rating will be excluded from the evaluation and the remaining weight or percentage adjusted accordingly. The following is an example to illustrate.

Vendor 1 has an Overall Vendor Performance Rating while vendor 2 does not have an Overall Vendor Performance Rating. During the tender evaluation, the weighting of the points is modified depending on whether there is an Overall Vendor Performance Rating to take into consideration.

Maximum Tender Points Available	Vendor 1 (with an Overall Vendor Performance Rating)	Vendor 2 (without an Overall Vendor Performance Rating)
Technical: 40 points	40 points (40%)	40 points (50%)
Labour Levels: 20 points	20 points (20%)	20 points (25%)
Price: 20 points	20 points (20%)	20 points (25%)
Overall Vendor Performance Rating: 20 points	20 points (20%)	N/A
	100 points = 100%	80 points = 100%

The tender point weighting will be adjusted to either include or exclude Overall Vendor Performance Rating.

4. In addition to 5.1.2, Procurement Authorities may also use Overall Vendor Performance Ratings for other Procurement purposes, including to pre-qualify vendors and as mandatory evaluation criteria. Overall Vendor Performance Ratings may also be considered as part of the decision making process during Direct Award contracting.

6. REFERENCES AND RELATED PUBLICATIONS

1. [Access to Information and Protection of Privacy Act](#)
2. [GAM 3.39 Conflict of Interest](#)
3. [Financial Administration Act](#)
4. [GAM 2.6 Procurement Policy](#)

ANNEX A

1. VENDOR PERFORMANCE EVALUATION SCALE

Rating	Points	Description of Rating
Exceptional	5	Vendor completed the contract in accordance with the contract terms and performance was well above expectations. Innovation and/or value added to a government contract was given.
Good	4	Vendor completed and performed the terms of their contract above expectations. Communication and understanding was always apparent.
Satisfactory	3	Vendor met the contract obligations and KPIs
Satisfactory with Minor Concern	2	Vendor did not meet one or more terms of the contract and/or other factors under the vendor's control hindered the full success of the contract.
Satisfactory with Major Concern	1	Vendor did not meet a material term or number of contractual terms/requirements.
Unacceptable	0	Vendor did not meet a material term or number of contractual terms/requirements and failed to rectify the breach or deficiency or did not do so in a timely manner.
Not Applicable	N/A	KPI is not relevant to contract and no weight is affected to the Vendor Performance Score. This score is only applicable to Yukon First Nation Participation when a contract does not include this.

2. KEY PERFORMANCE INDICATORS OVERVIEW

- 2.1. Cost Control: The vendor's effectiveness in forecasting, controlling and managing contract cost in conformance with the Contract.
- 2.2. Health and Safety: The vendor effectiveness in managing and administering the occupational health and safety provisions or those that would otherwise be applicable to the site of the work, as stipulated in the contract documents or by law.
- 2.3. Quality Assurance: The vendor's effectiveness in supplying deliverables – goods, services, or construction services – of the required quality in conformance with the contract. Rectifies deficiencies and meets applicable warranty obligations to the standard and quality specified in the contract and in a timely manner.
- 2.4. Schedule and Time Control: The effectiveness of the vendor in maintaining the schedule for the completion of the contract, task orders, milestones, delivery, and administrative requirements in conformance with the contract.
- 2.5. Staff and Administration: The vendor's effectiveness in integrating and coordinating all activities needed to execute the contract, including client-focused behaviour, collaboration, cooperation and issue resolution in conformance with the contract.
- 2.6. Yukon First Nation Participation: The vendor's effectiveness in meeting their Yukon First Nation Participation plan and deliverables, if applicable
- 2.7. Functionality and Training: The vendor's effectiveness in supplying goods that function in accordance with the manufacturer's specifications and tested for full operability and retesting if applicable.

2.8. The KPIs are applied to the tender types, as follows:

KPI/Tender Type	Construction	Goods	Services/Consulting
Cost Control	Yes	Yes	Yes
Health and Safety	Yes	No	Yes
Quality Assurance	Yes	Yes	Yes
Schedule and Time Control	Yes	Yes	Yes
Staff and Administration	Yes	Yes	Yes
Yukon First Nation Participation	If applicable	If applicable	If applicable
Functionality and Training	No	Yes	No

3. PERFORMANCE EVALUATION SCORE

3.1. Each contract will achieve a total Performance Evaluation score with a maximum of either 25 or 30, based on the KPIs applicable to the contract and Performance Evaluation. Each contract that has five KPIs (excluding Yukon First Nation Participation) for the Performance Evaluation will use the following table:

Rating	Percentage	Total Performance Evaluation Score
Exceptional	100%	25
Good	80% to 99.9%	20 to 24.9
Satisfactory	60% to 79.9%	15 to 19.9
Satisfactory minor concerns	40% to 59.9%	10 to 14.9
Satisfactory major concerns	20% to 39.9%	5 to 9.9
Unacceptable	0% to 19.9%	0 to 4.9

3.2. Each contract that has six KPIs (including Yukon First Nation Participation) for the Performance Evaluation will use the following table:

Rating	Percentage	Total Performance Evaluation Score
Exceptional	100%	30
Good	80% to 99.9%	24 to 29.9
Satisfactory	60% to 79.9%	18 to 23.9
Satisfactory minor concerns	40% to 59.9%	12 to 17.9
Satisfactory major concerns	20% to 39.9%	6 to 11.9
Unacceptable	0% to 19.9%	0 to 5.9

4. OVERALL VENDOR PERFORMANCE RATING

4.1. Each vendor will be assigned a single Overall Vendor Performance Rating based on the cumulative results of each Performance Evaluation and will be defined as:

Rating	Percentage
Exceptional	100%
Good	80% to 99.9%
Satisfactory	60% to 79.9%
Satisfactory minor concerns	40% to 59.9%
Satisfactory major concerns	20% to 39.9%
Unacceptable	0% to 19.9%

Annex B

The following section provides further clarity on the example deliverables and expectations associated with the KPIs based on tender type. The list is an example only and will be dependent on each individual contract.

TENDER TYPE - CONSTRUCTION

ID	KPI	Deliverables under KPI (The following are example deliverables/expectations to assess a vendor's performance against the KPI)
1-CC	Cost Control	<ul style="list-style-type: none">• Compliance with original contract price• Change orders (within vendor control)• Unexpected costs
2-HS	Health and Safety	<ul style="list-style-type: none">• Submission of all required health and safety documents• Compliance and submission of site safety plan• Reporting on incidents and corrective action• Compliance with health and safety laws
3-QA	Quality Assurance	<ul style="list-style-type: none">• Work performed as per contract terms.• Project followed specifications including: materials, equipment, design, etc.• Effective/efficient correction of issues and deficiencies
4-ST	Scheduling and Time Control	<ul style="list-style-type: none">• Schedule followed (within vendors control)• Contract completed on time as expected during project life cycle• Response time on questions and concerns
5-SA	Staff and Administration	<ul style="list-style-type: none">• Invoicing accurate and on time• Customer Service• Management of sub-contractors (if applicable)• Communication• Licensing requirements met• Submission of required documentation
6 - FN	Yukon First Nation Participation	<ul style="list-style-type: none">• Compliance with Yukon First Nation Participation plan• YFNP labour levels reporting

TENDER TYPE - GOODS

ID	KPI	Deliverables under KPI (The following are example deliverables/expectations to assess a vendor's performance against the KPI)
1-CC	Cost Control	Compliance with original contract price Change orders (within vendor control) Unexpected costs
3-QA	Quality Assurance	Goods are as specified in the contract Goods received are in condition expected and specified Effective/efficient correction of issues and deficiencies
4-ST	Scheduling and Time Control	Delivery schedule followed (within vendors control) Contract completed on time as expected as per contract Response time on questions and concerns
5-SA	Staff and Administration	Invoicing accurate and on time Professionalism Customer Service Communication Licensing requirements met Submission of required documentation, including any applicable warranties.
6-FN	Yukon First Nation Participation	Compliance with Yukon First Nation Participation plan YFNP labour levels reporting
7-FT	Functionality and Training	Manuals and operating procedures included (if required) Warranty information provided and detailed for use (if required) The good(s) functions as per contract specifications

TENDER TYPE – SERVICE/CONSULTING

ID	KPI	Deliverables under KPI (The following are example deliverables/expectations to assess a vendor's performance against the KPI)
1-CC	Cost Control	Compliance with original contract price Change orders (within vendor control) Unexpected costs
2-HS	Health and Safety	Submission of all required health and safety documents Reporting on incidents and corrective action
3-QA	Quality Assurance	Service performed as per contract Outcomes were met and documents were provided (if required) Effective/efficient correction of issues and deficiencies
4-ST	Scheduling and Time Control	Schedule followed (within vendors control) Contract completed on time Response time to questions and concerns was appropriate
5-SA	Staff and Administration	Invoicing accurate and on time Professionalism Customer Service Communication Licensing requirements met Final documentation was completed as specified Submission of required documentation
6-FN	Yukon First Nation Participation	Compliance with Yukon First Nation Participation plan YFNP labour levels reporting