




Overview of IDMP

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Vendor Performance Management Program (VPM)

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Agenda

1. Background / Development Process
2. Program Status Update
3. Use of VPM Scores in Bid Evaluation



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Program Objectives

- Implemented in 2015 for Construction related contracts.
- Goals were to:
 - Improve communication between City staff and vendors
 - Provide feedback with the goal of performance excellence
 - Create and track standard Key Performance Indicators (KPI).
 - Build a history of vendor performance to be used in awarding future contracts
 - Support the existing Contract Administration process



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Development Process

- Program designed through researching best practices in use in other organizations (PSPC, MTO, IO, DCC, etc)
- In-depth and ongoing consultations with Industry

<u>CONTRACTORS:</u>	<ul style="list-style-type: none"> • National Capital Heavy Construction Association • Ottawa Construction Association / Canadian Construction Association • General Contractors Association of Ottawa
<u>CONSULTANTS:</u>	<ul style="list-style-type: none"> • Consulting Engineers of Ontario • Ontario Association of Architects / Ottawa Regional Society of Architects • Ontario Association of Landscape Architects



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Program Status to Date

At the end of Q4 2017:

Projects Opened	1621	Engineering Consultant	679	42%
		Contract Administration	396	24%
		Construction Contractor	546	33%

- 922 completed final evaluations.
- 202 out of 249 vendors in VPM have a Vendor Score (81%)
- Vendors have an average of 4.75 projects evaluated and a median of 2



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Program Status to Date

At the end of Q4 2017:

- Average Project Score of over 80%
- Only 4% of final evaluations below satisfactory
- Only 10 appeals since project inception

<u>Program</u>	<u>Average Score:</u>	<u>Highest Average KPI:</u>	<u>Lowest Average KPI:</u>
Engineering Consultant	81.95	82.09 – Overall Project Management	79.03 – Issue and Risk Management
Contract Administration	80.71	84.60 – Technical Support during Construction	76.81 – Records Management
Construction Contractor	80.33	81.67 – Site Management	75.89 – Health and Safety



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Implementation of Vendor Scores

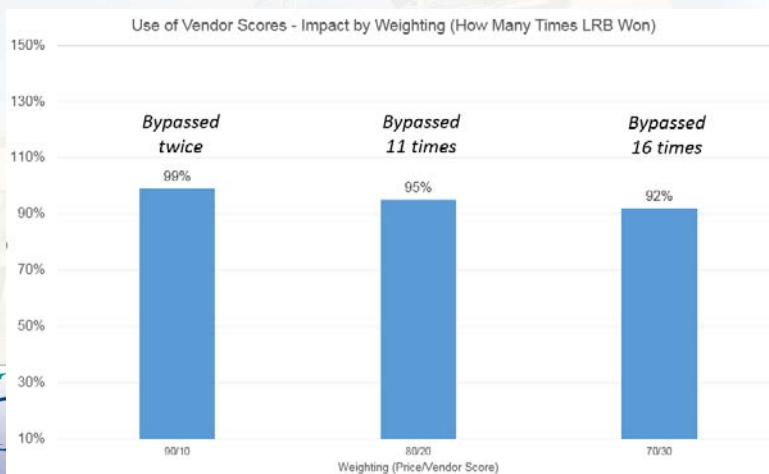
- 2017 was spent working with our Industry partners on how to implement VPM in contract awards.
- Discussions included:
 - VPM weighting?
 - How to deal with new vendors?
 - What happens in a company buy-out?
 - KPI language updates
 - Balancing transparency and confidentiality



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2016 Analysis

- Over a year of testing multiple methods and scenarios
- Conducted detailed review of 203 RTOs from 2016 across 50 vendors to gather “real life” data



Weighting/Approach – Bid Evaluation

- Vendor Scores will be weighted at 20%
- “Phased-in” approach:
 - 10% commencing in 2018
 - 20% commencing in 2019
- Pilot Projects will be chosen
- Pilot solicitations will be clearly identified
- New Vendors will receive the Industry average for evaluation purposes
 - A new bidder will not be able to bypass the low bidder based on VPM.

Bid Evaluation - Start Date

- Working on finalizing solicitation documents (terms and conditions)
- New Form of Tender and Basis of Award shared with Industry Associations for comment
- Pilots expected to start in the next month (March 2018)
- Public Bid Openings will continue (results will be unofficial)
 - VPM will be applied after the public opening to identify the successful bidder



**Thank You
Questions?**

