

Vendor Performance Management

Overview, Terms and Conditions

Office: Client and Vendor Relations,
Procurement Services
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1.0 Vendor Performance Management Overview

1.1 Vendor Performance Management Summary

- (a) Vendor Performance Management (“VPM”) Program is the Metrolinx system for monitoring, evaluating and recording vendor performance, as same may be amended or replaced from time to time. The VPM Program establishes a standard methodology for the incorporation of a vendor’s past performance in a particular category as a criterion in assessing that vendor’s submission for future work with Metrolinx.
- (b) The VPM Program ensures that an appropriate level of oversight and structure is established for every Vendor that works with Metrolinx. VPM supplements standard contract management procedures to maximize relationships between Metrolinx and its Vendors, generating value for both the Vendor and Metrolinx.
- (c) VPM has the following primary objectives:
 - (i) To develop and establish formal governance structures to manage Vendor relationships;
 - (ii) To support Metrolinx business units in managing their Vendors;
 - (iii) To maximize the potential value delivery from all Vendors;
 - (iv) To ensure efficient Vendor collaboration that promotes innovation, cost reduction and maximization of efficiency, resulting in competitive advantage;
 - (v) To evaluate Vendor performance in accordance with value-based goals and objectives along with contract-specific criteria intended to drive compliance with project requisites;
 - (vi) To conduct regular review sessions identifying gaps in performance and expectations; and
 - (vii) To integrate VPM outputs as criteria in procurement submission evaluations.
- (d) Ultimately, a strong VPM Program brings significant benefits for both Metrolinx and for the Vendor.
 - (i) Benefits to Metrolinx include, but are not limited to:
 - (A) Long term strategic planning;
 - (B) Improved efficiency;
 - (C) Cost savings and cost avoidance; and
 - (D) Mutual collaboration.

- (e) Information regarding the VPM Program and how a Vendor Performance Rating is calculated can be found in the Metrolinx “Vendor Relationship Management Procedures and Guidelines” dated November 2020”, or most current version, accessed through the following link: <http://www.metrolinx.com/tenders>.

1.2 VPM Key Definitions

- (a) “Metrolinx” means a provincial crown agency continued under Metrolinx Act, S.O. 1.20 2006, Chapter 16, and its successors and assigns.
- (b) “Contract Performance Appraisal (CPA)” means either an interim or final performance evaluation, issued by Metrolinx, used to evaluate a Vendor’s performance throughout the term of a contract for Metrolinx work. CPA’s are presented in a scorecard format and drives the desired performance characteristics of the Vendor for the term of a contract.
- (c) “Performance Category” shall be defined as the category of work identified under in the Contract Performance Appraisal included in each respective procurement document and any resulting contract.
- (d) “Vendor” means any firm bidding on Metrolinx work or under contract with Metrolinx or a third-party for the performance of Metrolinx work.
- (e) “Vendor Performance Management (VPM)” means Metrolinx’s system for monitoring, evaluating and recording vendor performance, as same may be amended or replaced from time to time. The VPM program establishes a standard methodology for the incorporation of a vendor’s past performance in a particular category as a criterion in assessing that vendor’s submission for future work with Metrolinx.
- (f) “Vendor Performance Rating (VPR)” is the average of a vendor’s performance evaluation scores in a particular category (as assessed by or on behalf of Metrolinx) for a thirty-six (36) month period preceding the submission deadline of a procurement process. If a vendor has not completed any work for Metrolinx in the three (3) years preceding the submission deadline of a procurement process, for the purpose of evaluating the submission, the Vendor will be assigned a VPR which is the straight average of all the VPR’s of all vendors in a particular category who have performed services for Metrolinx during the prior fiscal year.

2.0 Rights of Metrolinx

2.1 Additional Rights

- (a) In addition to other rights noted in a procurement document for Metrolinx work, Metrolinx reserves the right:
 - (i) to waive the requirement to check references;
 - (ii) to use its own experiences, and the experiences of any other third party, with the Vendor in previous contracts in order to evaluate the Vendor’s submission. Specifically to,
 - (A) make general inquiries of third parties with respect to the qualifications of a Vendor and take the results of these general inquiries into account (whether or not the Vendor has listed the third party or the applicable project under

- references);
- (iii) to issue or not to issue a notification of acceptance of a Vendor's submission based on submitted references and/or references independently obtained by the Client;
 - (iv) to issue or not to issue a notification of acceptance of a Vendor's submission based on the Vendor's experience with Metrolinx or other departments or agencies within the Ontario government, if the Vendor:
 - (A) was/were previously given a "notification of award" of contract by a department or agency within the Ontario government and defaulted in proceeding with the work of the contract;
 - (B) failed or refused to comply with any applicable federal, provincial or municipal law governing a bid or a prior contract with a department or agency within the Ontario government; and/or
 - (C) had a previous contract with a department or agency within the Ontario government that was terminated for default in the past year.
 - (v) to request a listing of all projects, regardless of scope, complexity or estimated value, completed for or terminated by Metrolinx within the past three (3) years or currently active; and
 - (vi) during any procurement process, to reject any submission by the Vendor due to unsatisfactory performance history on Metrolinx work.

3.0 Contract Performance Appraisals (CPA)

3.1 Performance Evaluation Criteria - General Terms and Conditions

- (a) Performance Evaluation Criteria include:
 - (i) Quality and Process;
 - (ii) Financial Management;
 - (iii) Customer Satisfaction;
 - (iv) Safety; and
 - (v) Corporate Performance
- (b) Weightings assigned to performance evaluation criteria, can be found in each respective Contract Performance Appraisal (included as an attachment to the procurement document).
- (c) Any Vendor awarded a contract for Metrolinx work, shall have performance evaluations completed in the Metrolinx e-bidding portal.
- (d) Information contained in any Contract Performance Appraisal may be provided to the Ministry of Transportation, other ministries and other government agencies. Such performance reviews may be relied upon to reject the Vendor's submission and disqualify a company from providing a submission on future procurements. This section shall survive the completion or termination of any contract for Metrolinx work.

4.0 Vendor Performance Ratings

4.1 General Terms and Conditions

- (a) Pursuant to Metrolinx's VPM Program, Metrolinx will be considering a Vendor's past performance under contracts with Metrolinx, in the applicable performance category for the work, in evaluating submissions received in response to a procurement process.
- (b) Vendor Performance Rating (VPR) may be applied as a component of evaluation for any Metrolinx procurement process. Evaluation criteria will be as established in each procurement document.
- (c) A Vendor may access their VPR through an annual subscription on Metrolinx MERX Portal. If a Vendor has questions regarding their VPR, they should contact the procurement representative noted in each respective procurement document.
- (d) Metrolinx shall not be held liable for any reasonable administrative delays in updating VPR scores, which could result in a Vendor being bypassed for award of the work under a procurement process.

4.2 Sample VPR Evaluation Language

- (a) Subject to Section 4.1(a) above, if Metrolinx chooses to evaluate VPR as part of a procurement process, a weighting will be identified in each respective procurement document.
- (b) The following is sample VPR evaluation criteria you may see in a procurement document:
 - (i) Vendor Performance Rating (VPR) Evaluation (5% weighting)
 - (A) The VPR shall be evaluated for compliant submissions which:
 - I) achieve the minimum score of 70 % on Phase Two: Technical Evaluation.
 - (B) Submissions proceeding to Phase Three evaluation shall be evaluated by Metrolinx as follows:
 - I) For this procurement process, "Performance Category" shall be defined as the category identified under "Category of Work" under "Contract Details" in the Contract Performance Appraisal included under Attachments.
 - II) For this procurement process, Vendor Performance Rating ("VPR") shall be as defined under Definitions of the procurement document.
 - III) If the Vendor has not completed any work for Metrolinx for a thirty-six (36) month period preceding the Deadline for Submission, for the purpose of evaluating the submission, the Vendor will be assigned a VPR in the Performance Category, which is the straight average of all the VPR's of all vendors who have performed services for Metrolinx for a thirty-six month period preceding the deadline for submission, in the Performance Category.

- 1) If any member of a joint venture has not completed work for Metrolinx within a thirty-six (36) month period preceding the deadline for submission, the above shall apply for that joint venture member.
- IV) The legal name of the Vendor stated on the Vendor's submission will be used for determining the Vendor's VPR score in the Performance Category. It is the responsibility of the Vendor to ensure that its proper legal name has been stated in the submission and matches the legal name used by the Vendor in setting up its legal profile in the Metrolinx MERX Portal. Metrolinx will not accept any requests from the Vendor, after the deadline for submission, to change the legal name provided.
- V) In the case of a joint venture where multiple parties will sign the contract, the VPR under the Performance Category, of each joint venture participant, will be added and the average will be applied as the VPR score.
- VI) The Vendor's VPR, at the time of evaluating Phase Three, shall be the VPR used for evaluation purposes. The Vendor's VPR used in the evaluation of Phase Three can be obtained from the Metrolinx Representative at the conclusion of this procurement process.
- VII) Once VPR scores in the Performance Category are determined for each submission proceeding to Phase Three evaluation, each Vendor's VPR shall be evaluated and scored as follows:
 - 1) The following equation shall be applied to determine a score out of ten:
$$\text{"Vendor's VPR Score (Expressed as a \%)} / 10 = \text{score out of ten"}$$
 - 2) The score out of ten for VPR shall be multiplied by the weighting factor to determine the assigned score for VPR Evaluation.

5.0 Reference Checks

5.1 Pass/Fail Criteria

- (a) Pursuant to Section 2.0 herein, Rights of Metrolinx, where a Vendor has completed or is actively carrying out relevant Metrolinx work, the Vendor should list such Metrolinx projects as a reference, if references are requested.
- (b) Metrolinx has the option of exercising rights under Section 2.0 herein, Rights of Metrolinx, in evaluating Metrolinx or third-party experiences in working with the Vendor.
- (c) Where Metrolinx opts to exercise such rights, any evaluation of Metrolinx or third-party project feedback, shall be treated as a pass/fail criteria.
- (d) Metrolinx has the right to bypass the Vendor for award of any work due to unsatisfactory performance history.