

Contractor Performance Management (CPM) Program

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Introduction

The Contractor Performance Management (CPM) Program supports the Government of Alberta's strategic goal of protecting vital public services by ensuring the delivery of quality Transportation projects on time, on budget and within scope. The CPM Program supports fiscal responsibility and stewardship of Alberta's public finances. CPM is a fundamental contract management best practice that tracks and assesses the performance of Contractors with respect to construction Contracts.

Alberta Transportation's CPM Program expands and supports the Government of Alberta's Procurement Accountability Framework, Section 3.4, which encourages contract set-up and administration "that provides for the right to audit Contractor obligations and performance." Additionally, the CPM Program provides another tool for Alberta Transportation to use, in addition to the *Public Works Act*, which includes sections regarding completion of work and payment for work.

The CPM Program aligns with the International Organization for Standardization's (ISO) quality management system, setting out standard requirements and defining how an organization can meet the requirements of its stakeholders affected by its work, based on the idea of Continual Improvement and relationship management. These key principles are defined to ensure a common understanding of the goals and values between the contracted parties.

1. Effective Date

- 1.1. Effective **September 2022**, the CPM Program, as outlined in this document, will take effect.

2. CPM Program Statement

- 2.1. The objective of the CPM Program is to support good performance by Contractors on Transportation construction Contracts, while using Contractor past performance information to acquire construction; improve transparency; promote innovation; and ensure best value. The CPM Program supports the delivery of quality Transportation projects on time, on budget, within scope and utilizing resources more efficiently.
- 2.2. Expected outcomes of the CPM Program include:
 - 2.2.1. facilitating ongoing, regular communication with Contractors, ensuring clarity of expectations and quality performance;
 - 2.2.2. providing incentives to Contractors to improve their performance;
 - 2.2.3. minimizing the need for corrective measures due to poor performance;
 - 2.2.4. holding Contractors accountable for poor performance or unacceptable behavior; and
 - 2.2.5. Enabling Alberta Transportation to provide objective Contractor references.
- 2.3. The Alberta Public Service upholds the following four values—respect, accountability, integrity and excellence. These values are the foundation of the CPM Program, work and decisions.
- 2.4. When contracting for goods, services and construction, the Government of Alberta follows the principles of:
 - 2.4.1. Integrity - governance structures provide appropriate CPM Program process oversight;
 - 2.4.2. Fairness - all Contractors participating in the CPM Program are treated equally; and
 - 2.4.3. Transparency and Openness - CPM Program information, processes and evaluation methodology are clearly communicated and publically available.

3. Application and Threshold

- 3.1. The CPM Program applies to Contractor construction Contracts for which Her Majesty the Queen in right of Alberta, as represented by the Minister of Transportation (Alberta Transportation) is the contracting authority.
- 3.2. Contracts subject to the CPM Program are identified during the procurement planning stage.

4. Definitions

4.1. See Appendix A.

5. Program Requirements

- 5.1. Procurements and resulting construction Contracts subject to the CPM Program will contain appropriate clauses to inform Contractors that:
 - 5.1.1. their performance will be evaluated based on Key Performance Indicators (KPIs);
 - 5.1.2. their performance will be used to inform future procurement; and
 - 5.1.3. Inadequate performance will result in corrective measures and may result in possible suspension of bidding privileges if performance does not improve.
- 5.2. The KPIs used to determine the Contractor Performance Evaluation Ratings are listed in Appendix B.
- 5.3. The Final Contractor Performance Evaluation Rating on a Contract will translate into a coloured Contractor Performance Status (Green Status, Amber Status, or Red Status).
- 5.4. The Contractor's Performance Status will be based on the results from their most recent Final Contractor Performance Evaluation Rating.
- 5.5. For the purposes of evaluation, a partnership or non-incorporated joint venture is to be treated as a Contractor in its own right, meaning the partnership or non-incorporated joint venture will be evaluated as if it were a single Contractor with one set of Contractor Performance Evaluation Ratings assigned for the Contract. The Contractor Performance Evaluation Rating will then be assigned to each constituent Contractor and will form part of their respective Contractor Performance Status.
- 5.6. If a member of a partnership or non-incorporated joint venture is subject to a suspension, that group's proposal/tender/bid will not be considered.
- 5.7. In the case of an acquisition of one company or entity by another company or entity, the Contractor Performance Status of the acquiring company or entity shall remain the Contractor Performance Status of the resulting company or entity.
- 5.8. In the case of an amalgamation of two (or more) companies or entities, the amalgamating companies' or entities' Contractor Performance Status shall become the lowest Contractor Performance Status of each respective company or entity (i.e. if one company has Green Status and one company has Red Status, the amalgamated company or entity will have Red Status).

6. Contractor Performance Evaluation Schedule

- 6.1. For Projects and Contracts to which the CPM Program applies and where the Contractor has a Green Status, Performance Evaluations shall be conducted within 4 weeks of the Completion Certificate Date. For multi-year projects, Interim Performance Evaluations may be conducted once per year in addition to the Final Performance Evaluation to be conducted within 4 weeks of the Completion Certificate Date, based on the discretion of the Project Manager.
- 6.2. For Projects and Contracts to which the CPM Program applies and where the Contractor has an Amber or Red Status, an Interim Performance Evaluation shall be completed approximately halfway through the project, as determined by the Project Manager. A Final Performance Evaluation shall be conducted within 4 weeks of the Completion Certificate Date. For multi-year projects, Interim Performance Evaluations shall be conducted approximately every six months, based on the discretion of the Project Manager, in addition to one Final Performance Evaluation to be conducted within 4 weeks of the Completion Certificate Date.

- 6.3. At the start of every Contract at the pre-construction meeting, the Project Manager and Contractor will discuss milestone dates, set Performance Evaluation timelines and meeting dates, and clarify performance expectations associated with the KPIs located in the Performance Evaluation Form.
- 6.4. Project Managers, will have ongoing communication with Contractors with respect to their performance, proactively raising issues as they occur, to support a “no surprises” approach to Contractor Performance Management.
- 6.5. Project Managers, must collaboratively undertake Performance Evaluations and substantiate Contractor Performance Evaluation Results with metrics and documentation from performance discussions with the Contractor. Narratives shall be objective, factual, accurate and fair and must not contain personal information as defined by the *Freedom of Information and Protection of Privacy Act*. Narratives shall reflect discussions with the Contractor during the assessment period.
- 6.6. The Contractor may complete a self-assessment, rating their own performance. Contractor Performance Evaluation Results will be discussed during meetings with Alberta Transportation’s Project Manager. Based on their discussion, the Project Manager will finalize the Contractor Performance Evaluation Result. Meetings will take place for Interim and Final Evaluations, supporting ongoing, two-way dialogue and feedback.
- 6.7. Contractors have the right to request a review of a Contractor Performance Evaluation Result in accordance with Section 10 of the CPM Program.

Contract Initiation	<ul style="list-style-type: none"> • Pre Construction Meeting • Performance expectations linked to KPIs
Interim Evaluation(s) When Performance issues; (as stated in 6.1 and 6.2)	<ul style="list-style-type: none"> • Performance evaluation discussion • Interim Performance Evaluation Result • Contractor review opportunity
Final Evaluation	<ul style="list-style-type: none"> • Contract Close-out • Performance evaluation discussion • Final Performance Evaluation Result • Contractor review opportunity

7. Performance Evaluation and Scoring

- 7.1. The Contractor Performance KPIs are aligned to five performance indices: Quality, Management, Schedule, Cost and Safety.
- 7.2. Contractor performance is evaluated using a combination of:
 - 7.2.1. Minimum standard pass/fail KPIs; and
 - 7.2.2. KPIs rated using a 1-5 Performance Evaluation Scale as outlined in Appendix C.
- 7.3. A score of 3.0 is the default score on any performance scale KPI. All scores will be substantiated with a factual narrative and supported by documented, objective evidence.
- 7.4. Contractor Performance Evaluation Results are calculated as follows:
 - 7.4.1. each KPI is scored and contributes to a total for the associated index by averaging each performance scale KPI score within the index;
 - 7.4.2. the total scores from each index are combined per the weighting outlined in Appendix C to determine a Contractor Performance Evaluation Rating;

- 7.4.3. If a Contractor has a Final Contractor Performance Status of 3 or higher (Green Status) and scores below 2.5 in any two of the five KPI indices on a Performance Evaluation, they will be assigned an Amber Status, regardless of the scoring on the rest of the Performance Evaluation.
- 7.4.4. If a Contractor has a Final Contractor Performance Status of 2.5 or higher but less than 3 (Amber Status) and scores below 2.5 in any two of the five KPI indices, they will be assigned a Red Status regardless of the scoring on the rest of the Performance Evaluation (as two consecutive Ambers Statuses equal a Red).
- 7.4.5. Failing any minimum standard pass/fail KPI results in an automatic '1' rating for the associated index. If a Contractor has an overall score of 3 or higher and fails two standard Pass/Fail KPI indices, they will be moved to Amber Status, regardless of the scoring on the rest of the evaluation. If a Contractor has an overall score of 2.5 or higher (but below 3) and fails two standard Pass/Fail KPIs, this will result in a Contractor Performance Status of Red (as two consecutive Amber statuses equal Red).
- 7.4.6. All Contractor Performance Evaluation Ratings must be entered into the CPM database.

8. Contractor Performance Status

- 8.1. After receiving a Final Contractor Performance Evaluation Rating, the Contractor will be assigned a specific Contractor Performance Status as follows:
 - 8.1.1. Green Status: Rating of 3.0 or higher.
 - 8.1.2. Amber Status: Rating of 2.5 or higher but less than 3.0.
 - 8.1.3. Red Status: Rating below 2.5 or the Contractor has received two consecutive Amber Statuses.
 - 8.1.4. Contractors having no prior Performance Evaluation or no Performance Evaluation within the past three years will be given a Green Status.

9. Procurement

- 9.1. A Contractor's current Contractor Performance Status shall be applied in construction procurement evaluations as follows:
 - 9.1.1. Green Status: The Contractor is permitted to bid without any restrictions.
 - 9.1.2. Amber Status: The Contractor is permitted to bid but must submit a Corrective Action Plan if successful, as noted in section 11.
 - 9.1.3. Red Status: The Contractor is not eligible to bid and must submit a Corrective Action Plan if they become a successful bidder once their suspension has been served.
- 9.2. When a Contractor has a Red Status:
 - 9.2.1. A Contractor will be suspended from bidding on Alberta Transportation construction procurements for 18 months from the date the Final Contractor Performance Evaluation Rating that resulted in the Red Status was issued.
 - 9.2.2. If a Contractor receives a Red Status on two consecutive Final Contractor Performance Evaluations, the Contractor will be suspended from bidding on Alberta Transportation construction procurements for 36 months from the date the Final Contractor Performance Evaluation Rating that resulted in the second Red Status was issued.
- 9.3. The CPM Program is subject to change as it is evaluated for effectiveness.
 - 9.3.1. Any change will be communicated at least 30 days in advance of taking effect and will be clearly outlined in procurement solicitations.

10. Contractor Review Process



- 10.1.** Performance Evaluations must be discussed with the Contractor prior to submitting an Interim or Final Contractor Performance Evaluation Rating.
- 10.2.** Within 10 business days of receiving the Contractor Performance Evaluation Rating, the Contractor may request a review in writing of the results. Requests must:
 - 10.2.1. include a copy of the Contractor Performance Evaluation Rating;
 - 10.2.2. identify the issue(s) and score(s) that the Contractor disagrees with;
 - 10.2.3. provide the reason(s) for the disagreement;
 - 10.2.4. include any and all documents in support of the Contractor's position; and
 - 10.2.5. must be submitted by a duly authorized representative of the Contractor, who will be the contact person for the purposes of the review.
- 10.3.** Requests not compliant to the requirements outlined in section 10.2 will not be considered.
- 10.4.** An Executive-level Committee will review/evaluate the Contractor's request for a review.
- 10.5.** The score under review will not be considered in determining the Contractor's Contractor Performance Status until a final decision is issued by the Review Committee .
- 10.6.** Alberta Transportation will take into consideration any factors outside the Contractor's contractual control.
- 10.7.** The Committee shall issue a written decision to the Contractor. Every effort shall be made to issue a decision within 30 days of Alberta Transportation receiving a request for review. The decision will indicate that the Contractor Performance Evaluation Rating and/or any comments or narratives be:
 - 10.7.1. upheld (no changes); or
 - 10.7.2. adjusted
- 10.8.** The decisions made by the Committee under section 10.7 are final and the score in dispute will become the Contractor's Contractor Performance Evaluation Rating with no further right to request additional review concerning the same Contractor Performance Evaluation Rating.

11. Corrective Measure and Suspension Process

- 11.1.** The corrective measure and suspension process assists Alberta Transportation in mitigating procurement risk for future Contracts and improving client service by:
 - 11.1.1. allowing for open, fair and transparent communication between Alberta Transportation and Contractors to address performance issues; and
 - 11.1.2. Outlining the specific circumstances that would result in the suspension of a Contractor from bidding on future projects for specified lengths of time.
- 11.2.** The corrective measure and suspension process is triggered by inadequate Contractor Performance Evaluation Ratings as measured according to the indices, KPIs and metrics outlined in Appendices B and C.
- 11.3.** Suspension of bidding privileges range from 18 months to three years, as outlined in Sections 11.7-11.10.
- 11.4.** An initial warning letter will be issued if the Contractor receives an Interim Contractor Performance Evaluation Rating of below 3.0.
 - 11.4.1. The Contractor will be required to meet with Alberta Transportation to discuss and submit a Corrective Action Plan, as outlined in section 11.14.
- 11.5.** If the Contractor receives a Final Contractor Performance Result between 2.5 and 3.0 then:

- 11.5.1. The Contractor will be required to meet with Alberta Transportation to discuss and submit a Corrective Action Plan, as outlined in section 11.14.
- 11.6.** Bidding privileges will be suspended for 18 months;
- 11.6.1. If the Contractor receives a Final Contractor Performance Evaluation Rating below 2.5; or
- 11.6.2. If the Contractor receives two consecutive Final Contractor Performance Evaluation Ratings between 2.5 and 3.0;
- 11.7.** In addition to suspension from bidding on future contracts, the Project Manager may consider other tools or remedies available within the Contract to mitigate risk of a Contractor's poor performance negatively impacting the project.
- 11.8.** A Contractor's first suspension, resulting from inadequate performance, will result in an 18 month suspension. Unless a Contractor has obtained a Final Performance Evaluation Result of 3.0 or more or 3 years have passed since their last Performance Evaluation resulted in a suspension, a Contractor's second consecutive suspension will result in a three-year suspension.
- 11.9.** Suspensions are enforced through an Executive-level Committee at Alberta Transportation.
- 11.10.** For bidding privileges to be reinstated, the timeframe of the suspension must have expired.
- 11.11.** Unsatisfactory performance must be supported by documentation evidencing communication with the Contractor of specific performance issues, actions taken to address the performance issues as indicated in the Corrective Action Plan and the appropriate escalation of such performance issues.
- 11.12.** Alberta Transportation will take into consideration any factors outside the Contractor's contractual control.
- 11.13.** A Corrective Action Plan will be developed by the Contractor, with input from Alberta Transportation to address inadequate performance issues. The Corrective Action Plan will:
- 11.13.1. outline performance issue(s) of concern;
- 11.13.2. detail necessary correction(s);
- 11.13.3. devise monitoring criteria; and
- 11.13.4. establish compliance timeframes.
- 11.14.** A Contractor's Corrective Action Plans must be accepted at the Regional/Executive Director level by Alberta Transportation. The decision to accept or reject the proposed Corrective Action Plan will be conveyed to the Contractor within two weeks of their submission.
- 11.15.** Suspension of bidding privileges will be conveyed to the suspended Contractor, as a formal notice, in writing from Alberta Transportation. The notice must outline the specific reason(s) leading to the suspension and the duration of the suspension.
- 11.16.** Within 10 business days of a suspension authorized by Alberta Transportation, a Contractor may request in writing a review of the suspension. The Executive-level Committee shall take into consideration any arguments and relevant supporting documentation provided by the Contractor in determining whether to uphold, amend, or revoke the suspension, per the review process outlined in Section 10.
- 11.17.** While a review of a suspension is ongoing, the suspension of bidding privileges will be upheld.
- 11.18.** A suspended Contractor is not eligible to bid on Alberta Transportation Contracts. If at the time of suspension, the Contractor is engaged in work under another Contract(s), the Contractor shall continue work on that Contract(s) until the Contract is complete. Contractor evaluations on other Contract(s) will continue to promote good communication that supports the Contract, however, the suspension score(s) will supersede the Interim and Final Performance Evaluation Ratings of any other ongoing Contract work.

12. General Responsibilities

- 12.1.** The Procurement, Operations, and Grants Branch (Vendor Management and Outreach Section) is responsible for:
- 12.1.1. maintaining, interpreting and administering the CPM Program and providing oversight and guidance to branches within Alberta Transportation;
 - 12.1.2. providing support to the Project Managers in conducting Performance Evaluations with the Contractor; supporting Project Managers during project planning stages to provide clarity of expectations about the CPM Program and application to the project and associated Contracts;
 - 12.1.3. overseeing the successful inputting, storage, and use of performance information;
 - 12.1.4. providing communications and training to support the implementation and consistent application of the CPM Program;
 - 12.1.5. tracking, analyzing and reporting on trends and systemic issues;
 - 12.1.6. coordinating Contractor requested reviews, including reviewing documentation submitted by all parties, providing support to decision-makers, sending written record of decision to the Contractor and the Project Manager once a decision has been made;
 - 12.1.7. evaluating the CPM Program and exploring ways to continually improve the program;
 - 12.1.8. managing the suspended Contractor list;
 - 12.1.9. monitoring the application of the CPM Program to audit and review that the CPM Program is appropriately implemented and ensure its relevancy and to assess its responsiveness to stakeholder needs;
 - 12.1.10. providing neutral advice regarding Contractor Performance Management;
 - 12.1.11. working with Project Managers and decision-makers when reviews of Contractor Performance Evaluation Results are requested; and
 - 12.1.12. maintaining a database of Contractor performance data.
- 12.2.** Project Managers in Construction and Maintenance Division are responsible for:
- 12.2.1. monitoring Contractor performance and compliance to the project contractual requirements, with input from Consultant(s);
 - 12.2.2. maintaining regular communication with the Consultant(s), discussing performance issues and options to correct poor performance, as well as recognizing and conveying Contractor's exceptional performance, in a timely manner;
 - 12.2.3. looking into all issues recorded by the Consultant(s) and discussing the issues with the Contractor;
 - 12.2.4. evaluating and reporting on the performance of Contractors on their Contracts and communicating these results to the Contractor;
 - 12.2.5. monitoring a Contractor's Corrective Action Plan, if applicable, for improvement to support course correction and improved Contractor performance;
 - 12.2.6. escalating all performance issues, in connection with Alberta Transportation Contracts, that result in the issuance of a warning letter and completion of a Corrective Action Plan;
 - 12.2.7. working with the Contractor to facilitate improved performance;
 - 12.2.8. upholding APS values in delivering honest, respectful and constructive Contractor Performance Evaluation Results and other communication to the Contractor;
 - 12.2.9. maintaining confidentiality with regards to Contractor performance and Contractor performance meetings and feedback;
 - 12.2.10. being open to and taking action where appropriate on Contractor feedback to the best of Alberta Transportation's ability, to seek continual improvement of the Contractor relationship, Contractor performance and value for Alberta Transportation;

- 12.2.11. maintaining records of Contractor performance on all applicable Contracts, including proof that the Project Manager or delegate has communicated with the Contractor regarding the matter before undertaking a performance evaluation; and
 - 12.2.12. through Consultant(s), collect and document performance information that is relevant to the period leading up to the next mandatory performance evaluation. Any performance feedback or relevant communication provided, by the Consultant(s), throughout the period shall be documented. Ultimately, the information will be consolidated for mandatory performance evaluations by reviewing documented observations and discussions.
- 12.3. Procurement Strategy and Planning is responsible for:**
- 12.3.1. ensuring that the solicitation document and Contract(s) contain appropriate clauses that link to the CPM Program; and
 - 12.3.2. utilizing Contractor Performance Status as part of bid evaluations where applicable.
- 12.4. Contractors are responsible for:**
- 12.4.1. responding in an effective and timely manner to any communications regarding performance management over the course of the Contract, including communications pertaining to Contractor Performance Evaluation Results and review decisions when notified;
 - 12.4.2. completing a self-assessment of performance evaluation prior to Performance Evaluations, if desired;
 - 12.4.3. in the case of a review, duly completing and submitting the appropriate documentation, within the prescribed timelines; and
 - 12.4.4. developing Corrective Action Plans to course correct poor performance, if applicable.
- 12.5. Project Sponsors of project delivery areas are responsible for:**
- 12.5.1. championing the CPM Program at Alberta Transportation;
 - 12.5.2. providing organizational knowledge and insights to ensure that CPM Program is successful; and
 - 12.5.3. managing performance issues with Contractors that require a higher level of monitoring for critical issues, Corrective Action Plans, or escalation.
- 12.6. Regional/Executive Directors are responsible for:**
- 12.6.1. reviewing and accepting Corrective Action Plans;
 - 12.6.2. determining and coordinating the alignment of the overall program to Government of Alberta strategic goals and objectives through open communication and feedback;
 - 12.6.3. championing the CPM Program;
 - 12.6.4. removing any organizational roadblocks, if they arise;
 - 12.6.5. making key decisions, using information and reporting from the CPM Program; and
 - 12.6.6. providing guidance on management/political matters.

13. Performance-based References

- 13.1. If at any point Alberta Transportation is asked for a performance reference for a Contractor's completed contracted work, a reference can be provided if the Contractor Contract was subject to the CPM Program.
- 13.2. If the Contract that the Contractor is asking for a reference on was not subject to the CPM Program, a reference cannot be provided.
- 13.3. Reference reports:
 - 13.3.1. outline the Contractor's Performance Status;
 - 13.3.2. provide a breakdown of Interim and Final Contractor Performance Evaluation Results; and
 - 13.3.3. include an overall assessment of a Contractor's performance on the project.

14. CPM Program Monitoring and Feedback

- 14.1.** Vendor Management and Outreach Section will monitor the application of the CPM Program to assess adherence and interpretation. This may include program audits or continuous improvement reviews in order to verify that the CPM Program is appropriately implemented.
- 14.2.** Vendor Management and Outreach Section is responsible for the periodic evaluation of the CPM Program to ensure its relevancy and to assess its responsiveness to stakeholder needs.

15. Enquiries

- 15.1.** Please direct enquiries about this CPM Program to the Alberta Transportation Director, Vendor Management and Outreach.

Appendix A: Definitions

“Alberta Transportation” means Her Majesty the Queen in right of Alberta as represented by the Minister of Transportation (HMQ), a department of the Government of Alberta established under the Government Organization Act, and the office of Public Service Commission established by the Public Service Act.

“Amber Status” means a Contractor is permitted to bid on all construction procurements issued by Alberta Transportation, but Contractor must complete a Corrective Action Plan, as defined in this document.

“Business Day” means 8:15 a.m. to 4:30 p.m. MST, Monday to Friday, excluding statutory holidays observed by the Province of Alberta, also known as a working day.

“Completion Certificate Date” means the date when the work is noted as being satisfactorily completed in the Construction Completion Certificate or the Conditional Construction Completion Certificate as issued pursuant to the terms of the General Specifications and Specification Amendments for Highway and Bridge Construction, whichever is issued earlier.

“Construction” means a construction, reconstruction, modification, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction Contract unless they are included in the procurement.

“Consultant” means a person, organization or company with whom Alberta Transportation enters into a Contract to perform the professional services required within the assigned Contract.

“Continual Improvement” means a set of recurring activities that are carried out in order to enhance performance. Continual improvements can be achieved by carrying out audits, self-assessments, and management reviews. Continual improvements can also be realized by collecting data, analyzing information, setting objectives and implementing corrective and preventive actions. (ISO 9001)

“Contract” means a binding agreement between two or more parties. (ISO 9001)

“Corrective Action Plan” means a performance improvement document, developed by the Contractor, as defined in this document, with input from the Project Manager to address inadequate performance and remediate performance issues.

“Corrective Action” means steps taken to eliminate the causes of contractual nonconformities in order to prevent recurrence. The corrective action process tries to make sure that existing nonconformities and potentially undesirable situations don't happen again. (ISO 9001)

“Cost” as a performance index means the Contractor's effectiveness in forecasting, managing, and controlling Contract cost in conformance with the Contract, during the life of the project.

“Deliverables” means information, project plans and designs, Contract documentation, Contract supervision, planning studies, and other materials as defined in the Contract that the Contractor has committed to provide to Alberta Transportation under the terms of the Contract.

“Director” means a person occupying the position of director within Alberta Transportation.

“Executive Director” or **“Regional Director”** means a person occupying the position of executive director or regional director within Alberta Transportation.

“Final Contractor Performance Evaluation Rating” means the Contractor Performance Evaluation Rating based on the performance evaluation undertaken at the time of Contract / project close out.

“Goods” means the product (materials, equipment and other personal property, including furnishings) whether purchased, licensed, leased or rented, and / or any associated services (e.g. installation, training, warranty, maintenance, etc.) to be acquired by Alberta Transportation.

“Innovation” means a process that results in a new or substantially changed object. An object is any entity that is either conceivable or perceivable. Objects can be real or imaginary and could be material or immaterial. Examples include products, services, systems, organizations, people, practices, procedures, processes, plans, ideas, documents, records, methods, machines, tools, technologies, techniques, and resources. (ISO 9001)

“Interim Contractor Performance Evaluation Rating” means the Contractor Performance Evaluation Rating undertaken during the course of the Contract before a Contract has ended.

“Key Performance Indicators (KPIs)” means the set of measures pertaining to contractual requirements used to monitor and track a Contractor’s performance throughout the Contract life-cycle, as per the performance evaluation indices.

“Management” means the integration and coordination of all activities needed, including management of sub-contractors (by a General Contractor), including client-focused behavior, collaboration, cooperation, and issue resolution related to the project.

“Monitoring” means to determine the status of an activity, process, or system at different stages or at different times. (ISO 9001)

“Objective evidence” means data that shows or proves that something exists or is true. Objective evidence can be collected by performing observations, measurements, tests, or using other suitable methods. (ISO 9001)

“Performance Evaluation” means an evaluation undertaken by Alberta Transportation using Key Performance Indicators to determine a Contractor’s level of performance in delivering upon their contractual obligations. Results of performance evaluations are called Contractor Performance Evaluation Results.

“Project Manager” means the individual assigned by Alberta Transportation to a particular Contract and reporting to the Project Sponsor, with responsibility for management and delivery of the project.

“Project Sponsor” means the individual assigned by Alberta Transportation to manage a particular Contract, with authority and responsibility for the overall management and delivery of the project.

“Quality” means the Contractor’s effectiveness in supplying deliverables under the Contract, such as goods, services or construction, of the required quality in conformance with the Contract. (ISO 9001)

“Safety” throughout the project, the effectiveness and compliance of the Contractor in its management of the safety of the site and workers, as well as ensuring the finished product meets all required safety standards.

“Schedule” means the effectiveness of the Contractor in maintaining the schedule pursuant to the terms of the Contract, including achieving task orders, milestones, delivery and administrative requirements in conformance with the Contract, during the life of the project. (ISO 9001)

“Subcontractor” means a person engaged only in furnishing materials, consistent with the terms of HMQ Contracts. (ISO 9001)

“**Suspension**” means a condition or limitation placed on a Contractor's ability to contract with Alberta Transportation in the future, based on an assessment of the Contractor's past performance. It affects the Contractor's eligibility for consideration for award of Contracts.

“**Contractor Performance Evaluation Rating**” means the evaluated scores of KPIs within indices of Quality, Cost, Schedule, Management (and Safety, for a Contractor) forming a score on a five point scale.

“**Contractor Performance Management**” means supporting the acquisition of goods, services or construction using Contractor past performance information to improve transparency, promote innovation and ensure best value through monitoring and analyzing the reliability, quality and performance of Alberta Transportation's Contractors.

“**Contractor Performance Status**” means the current status assigned to the Contractor, as defined in this document, which defines whether a bidder is eligible to bid on Alberta Transportation construction procurements.

“**Contractor**” means a person, business or entity that has contracted with Alberta Transportation to provide construction services.

Appendix B: Key Performance Indicators

Contractor Performance Evaluation

Indices	Key Performance Indicators	Measurement Type
QUALITY	1. Quality deliverables are provided as required. Work is completed to the quality standards outlined in the contract/specifications. Testing and inspections allow for time to correct deficiencies. Contractor's quality control system is in place and is effective at mitigating issues, identifies non-conformances and proposes preventive and corrective actions. Contractor responds to noted deficiencies and corrections are made within the identified timelines.	Scale
	2. Quality control staff on-site during construction to review work for quality and to ensure all tests and inspections are completed as required. Contractor followed a Quality Management Program with proper application in relation to the contract.	Scale
	3. Accurate contract documents are submitted to the Consultant on time and as required (e.g. shop drawings, mix designs, weld procedures, material specifications, etc.)	Scale
MANAGEMENT	1. Maintains qualified staff, tools and resources. Effectively manages and coordinates subcontractors. Maintains respectful and professional conduct.	Scale
	2. Demonstrates management of environmental issues, requirements and regulations.	Scale
	3. Communicates issues promptly with the Consultant.	Scale
	4. Responds to requests and changes according to established timeframes and is accessible when contacted.	Scale

MANAGEMENT contd..	5. Manages the project to meet all contract requirements. Milestones and deliverables are completed and submitted/issued pursuant to required timelines.	Scale
SCHEDULE	1. Submits a baseline schedule with clearly defined milestone dates, including critical path.	Pass/Fail
	2. Contract work is completed on time and contractor meets scheduled milestones and deliverables. Provides schedule updates as required and mitigates the effects of changes on the schedule. The contractor is competent at daily work planning. "Look Ahead" schedule is accurate.	Scale
COST	1. Supplemental or Extra Work Orders are reasonable and supported by factual evidence.	Scale
SAFETY	1. Meets the contract requirements of maintaining a valid Certificate of Recognition (COR), or equivalent, during the course of the project.	Pass/Fail
	2. Is not assessed for any stop work orders (OHS notices) during the course of the project. Considerations should be given to situations outside contractor's control.	Pass/Fail
	3. Submits and follows Traffic Accommodation Strategy (TAS).	Scale
	4. Occupational health and safety measures followed by Contractor and sub-contractors. Additional safety measures added to ensure worker safety.	Scale

Appendix C: Metrics and Scoring

Contractor performance will be evaluated using a combination of minimum standard, pass/fail Key Performance Indicators (KPIs); and KPIs rated using a five-point performance evaluation scale as defined below. The average of all performance scale KPIs will form the score for each index. Failing any minimum standard, pass/fail KPI results in an automatic score of "1" for the associated index. The average of each index score will form the Contractor Performance Evaluation Result for that evaluation period. The five-point performance evaluation scale would rate each index using ratings from "1" to "5." A "3" equates having achieved the KPI; having delivered the services or product according to the contract requirements.

Scale	Definition
Exceptional (5)	The Contractor's performance greatly exceeds the expected performance.
Surpassed (4)	The Contractor's performance exceeds the expected performance.

Achieved (3)	The Contractor's performance meets the expected performance.
Moderate Improvement Needed (2)	The Contractor's performance is below the expected performance.
Significant Improvement Needed (1)	The Contractor's performance is significantly below the expected performance.
N/A	Not applicable to the Contractor in the context of the contract project.

A weighting for each indices toward the Contractor Performance Evaluation Result is assigned as follows:

Index	Weighting
Quality	20%
Management	20%
Schedule	20%
Cost	20%
Safety	20%

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