

Alberta Transportation Contractor Performance Management (CPM) Program

Transportation
June 27, 2022



Alberta 

CPM Program Objectives and Outcomes

- Support good performance by Contractors on construction contracts.
- Improve transparency, support the delivery of quality construction projects on time, on budget, and within scope.
- Reduce administrative burden on contractors that are performing well.
- Reduce internal effort to administer.
- Deal with the contractor's poor performance immediately by requiring Corrective Action Plan (CAP).
- Hold Contractors accountable for continued poor performance or unacceptable behavior by suspending them from bidding on future projects.

Program Application / Categories

- The CPM Program will be applied to any construction contracts that are competitively procured.
- The department proposes to launch the CPM program where scores are by Contractor (not categories).
- A program where scores are categorized (e.g. by project type, by contract value) could be considered in the future.
- P3 projects and Highway Maintenance Contracts will be excluded from this program.

Implementation

- We have met with ARHCA and circulated the program documents. We have incorporated feedback received from ARHCA members into the program where possible.
- Soft Launch:
 - Will start evaluating contractors on projects completed in 2022 construction season as a pilot project but the scores **will not be enforced**.
 - Our focus will be on training and awareness.
 - In fall 2022 the department will re-engage with ARHCA to get feedback on the program.

Performance Evaluation and Scoring

- Five key indices will be evaluated: Quality, Management, Schedule, Cost and Safety.
- Each index has associated Key Performance Indicators (KPIs) specific to Contractor.

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

Performance Evaluation and Scoring

- Each KPI is scored and contributes to a total for the associated index by averaging each performance scale KPI score.
- Contractor Performance Evaluation will be the results from their latest project based on their final evaluation upon project completion.
- The performance scores will translate to three colored statuses (**Green**, **Amber** and **Red**) which will affect bidding privileges on future projects.

Procurement and Past Performance

- Contractor performance is evaluated and a numeric score is awarded on the project.
- The performance scores will translate to three colored statuses (**Red**, **Amber**, and **Green**) which will affect the bidding privileges in future.

Status	Performance Rating	Future Procurement
Green 	3.0 or higher	Can bid on all projects
Amber 	equal or greater than 2.5 and less than 3.0	Can bid on all projects subject to improvements outlined in Corrective Action Plan
Red 	less than 2.5	Suspended from bidding
New Bidders 	No History	Can bid on all projects

Evaluation Schedule

- When Contractor has a **Green** Status:
 - A Final Performance Evaluation shall be conducted within 4 weeks of the date when work is noted as being satisfactorily completed in the Construction Completion Certificate or the Conditional Construction Completion Certificate.
 - For multi-year projects, Interim Performance Evaluations may also be conducted once per year, based on the discretion of AT Project Manager.
- When Contractor has an **Amber** or **Red** Status or is having performance issues on a project:
 - A Final Performance Evaluation shall be conducted within 4 weeks of the date when work is noted as being satisfactorily completed in the Construction Completion Certificate or the Conditional Construction Completion Certificate.
 - An Interim Performance Evaluation shall be completed approximately halfway through the project, as determined by AT Project Manager.
 - For multi-year projects, Interim Performance Evaluations shall be conducted approximately every six months, based on the discretion of AT Project Manager.

Corrective Action Plan

- When Contractor has an **Amber** or **Red** status a Corrective Action Plan will need to be submitted by the Contractor.
- Corrective Action Plan is only needed for those KPIs that fall below expectations and must:
 - Outline the issue;
 - Indicate what will be done to fix the issue;
 - Indicate how AT will know that the issue is fixed; and
 - Indicate the timeline for fixing the issue. (e.g. by next evaluation).
- A Contractor's Corrective Action Plan 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.

Contractor Review Processes

- Review of Score
 - Contractor may request a review of their score in writing within 10 business days of the notification.
 - An Executive level committee will review the request and issue decision.
 - The score under review will not be considered as part of the Contractor's Overall Contractor Performance Rating until a final decision is issued by the department.
 - The department will make every effort to issue a decision within 30 days of receipt of the review request.
- Review of Suspension
 - Within 10 business days of being notified of a suspension, a Contractor may request in writing a review of the suspension. **Note: This is a review of the suspended status not another review of the individual score.**
 - The department shall take into consideration rationale and relevant supporting documentation provided by the Contractor in determining whether to uphold, amend, or revoke the suspension, per the review process.

Suspensions

- If a Contractor is in **Red** Status, their first suspension will result in 18 months suspension.
- A second consecutive suspension will result in a three-year suspension.
- While a review of a suspension is ongoing, the suspension of bidding privileges will be upheld.
- 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 support the Contract, however, the suspension score(s) will supersede the Interim and Final Performance Evaluation Ratings of any other ongoing Contract work.

Role of Consultant

- The department staff will be evaluating contractor performance with feedback from the consultant.
- The intention is that department staff will initiate and conduct the evaluations and consultants shall only be providing the supporting rationale/evidence.
- If performance issues are present, the consultant will be requested to provide evidence to the department for the contractor being scored low.
- Discussions regarding the scoring will be held between the Department and Contractor staff.
- Contractor will be advised on site if there are project issues. There should be no surprises on evaluation scores.

Contractor Self-Assessment

- Self-assessment – Contractors have the option to complete a self assessment using the performance evaluation form as part of Performance Evaluations.
- These scores will not be counted, but can form a basis for discussion.

Performance-Based References

- 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's Contract was subject to the CPM Program.
- All references shall come from Vendor Management and Outreach Section.
- Reference reports for a specific contract:
 - Outline the Contractor's Performance Status (current, i.e. green amber or red);
 - Provide Final Contractor Performance Evaluation Result (i.e. numerical score on the specific project);

Next Steps

- Soft Launch:
 - Will start evaluating contractors on projects completed in 2022 construction season as a pilot project but the scores **will not be enforced**.
 - In fall 2022 the department will re-engage with ARHCA to get feedback on the program. Following this, the department will decide on whether to proceed with formal implementation of the program.
- Program Documents can be found on our website:
<https://www.alberta.ca/construction-contract-templates.aspx>.

Thank you!
