



Transparency in Action: Implementing Vendor Performance Evaluations

**Please share your name, role, and your government
or organization in the chat.**

How can you engage in this session?



Please use the
“Raise Hand”
function on Zoom



Look out for
**discussions and
resources**
in the Zoom chat



Join in the
**conversation via
chat** and connect with
a peer!

Today's focus on **Vendor Performance Evaluation** comes directly from our **PEN members!**

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“...We have done a few evaluations for contracts in which the [user] departments had an issue with the vendor's performance. **This is truly an area with plenty of room for improvement on our end.**”

“**We have a lot of work to do in this space**, as the measuring and accountability *[of contracts]* sit in *[user]* departments. **Very fragmented and not coherent *[process]*.**”



Setting the Stage: The Importance of Vendor Performance Evaluation Systems



Open Discussion: Exploring Common Challenges and Barriers



From the Field: Sharing Peer Governments' Examples and Lessons Learned



Getting Started: Designing & Implementing Vendor Performance Evaluation Processes

Join us for an optional post-event discussion to continue the conversation and network with peers!

Setting the Stage: The Importance of Vendor Performance Evaluation Systems

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How does a Vendor Performance Evaluation System enhance transparency and accountability?

A vendor performance evaluation system is a **defined process that standardizes the collection and analysis of data** to track a vendor's performance and determine if contract outcomes are being met.



Keeps all stakeholders **focused on the north star outcome goal** of contracts



Provides a **path forward to obtain a comprehensive outlook** of contract performance across a jurisdiction



Creates a consistent feedback loop between user departments, procurement, and vendors/contractors

Why should governments invest time and resources in formally capturing vendor performance?



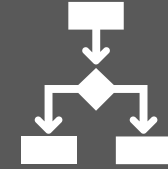
Use Case #1

A performance management tool for current vendors to provide formal feedback on areas for improvement



Use Case #2

As a deciding factor when renewing contracts or expanding the contract scope.



Use Case #3

As valuable **supplementary information** in a future vendor selection decision.

PEN Pulse Poll



Does your government or organization have a **standardized process for evaluating vendor performance?**



Does your procurement code **permit the use of vendor performance evaluations in future contracting decisions?**

Utilizing “past performance” in contracting decisions depends on procurement policies and regulations

Responsibility Determination

“In conjunction with the weighted criteria being used to determine the capability of the proposal, the City may consider the proposer’s ability to meet or exceed the following criteria:

- The quality of the performance of previous contracts or services, including previous performance with the City;

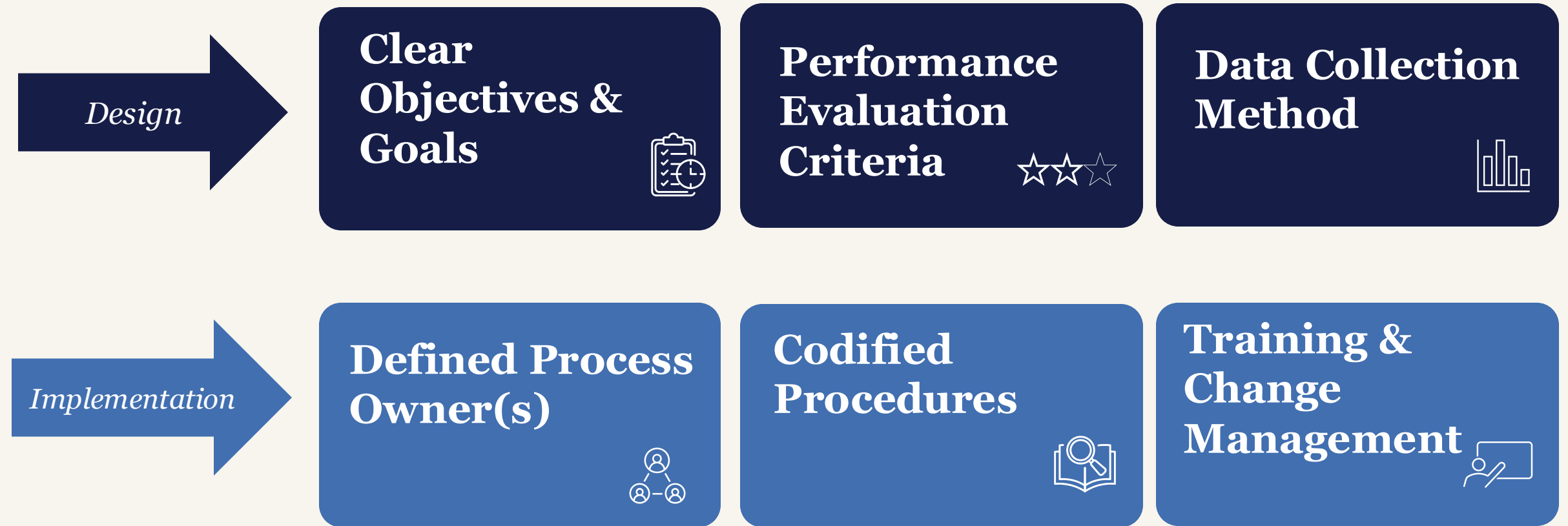
Contract Renewal

“The Contract extension will be contingent upon the availability of funds, Contractor’s continuing compliance with applicable Federal, State, and local government legislation, and an evaluation of the Contractor’s performance.”

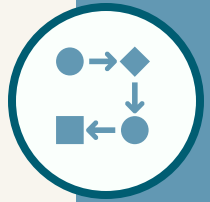
Awarding Future Contracts

“When the term of the contract under this RFP has concluded, the City will evaluate the Contractor’s performance....The City will use the final City evaluation and any response from the Contractor to evaluate Proposals and to conduct reference checks when awarding future service contracts.”

What are the core components of a standardized Vendor Performance Evaluation System?



42 governments shared insights about their jurisdiction's approach to vendor performance evaluations



67%

No standardized vendor performance evaluation process in their jurisdiction



61%

User Departments are primarily responsible for conducting vendor performance evaluations



27%

Share final performance evaluations with vendors

33%

Uncertain if their government shares performance evaluations with vendors



49%

Jurisdictions evaluate contracts as needed, typically when issues arise

16%

Evaluate contract performance at regular intervals

Performance evaluation criteria are often based on risk factors and contract management priorities

Vendor Performance Evaluation Criteria	
Timeliness	78%
Budget / Invoicing	78%
Quality	67%
Compliance	65%
Communication/cooperation	59%
Schedule	51%
Safety	39%
Project management	37%
Workforce availability/adequacy	29%

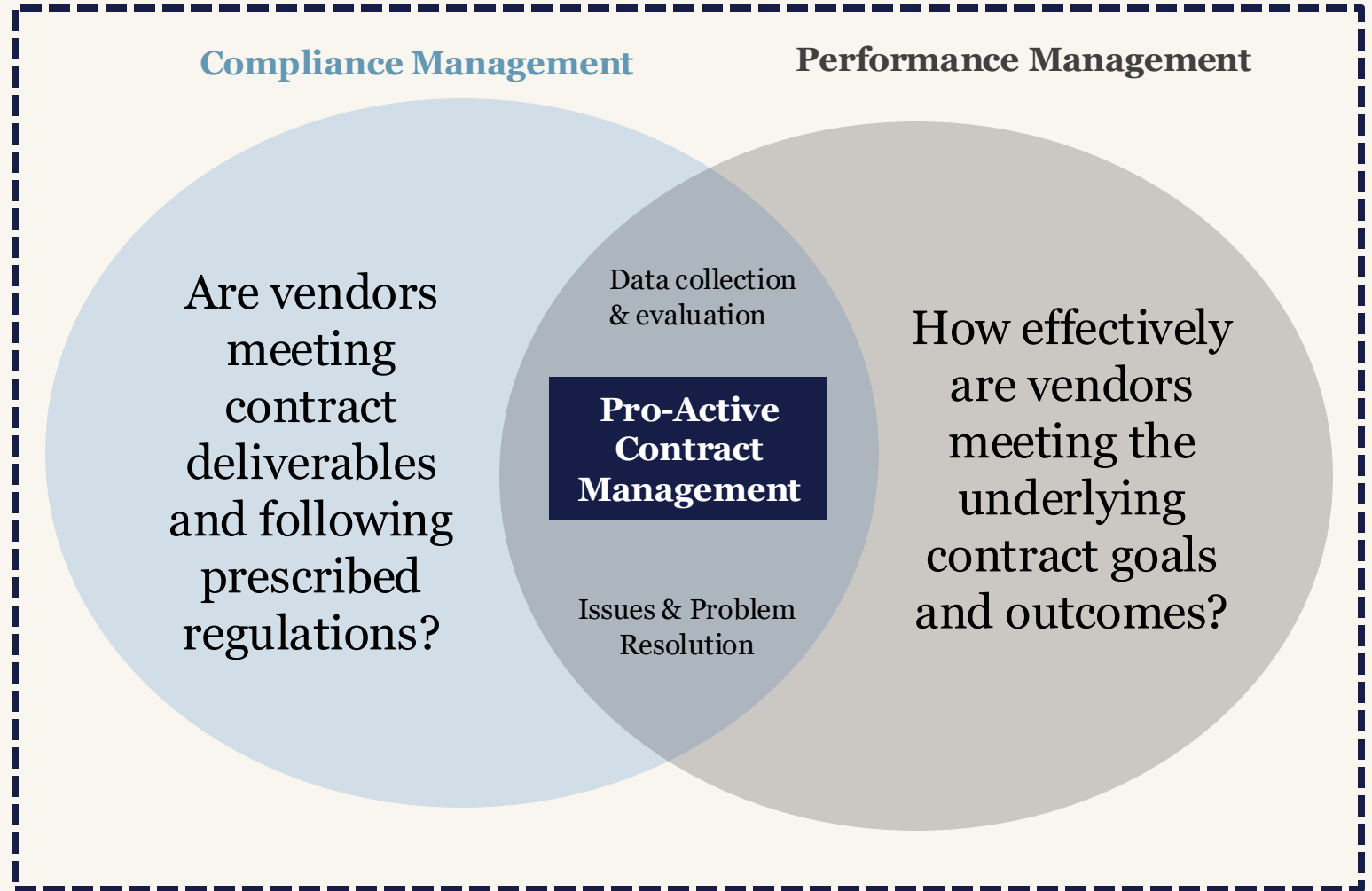
Post in the chat:

**What other
criteria does your
government use
to measure
vendor
performance?**

Proactive contract management is intrinsically linked to effective vendor performance evaluation systems.

What this looks like

- Alignment on clear goals and outcomes
- Assessment of risk & challenges
- Regular performance meetings
- Clarity on relevant metrics/KPIs
- Strategic reviews of real-time performance data



Open Discussion: Exploring Common Challenges and Barriers

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What's your opinion?

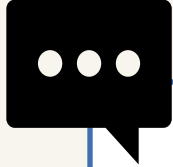
Type: “Yes”, “No” or “Unsure” in chat!

Does your government or organization
share vendor performance scores publicly?

In your opinion, should **past performance (positive or negative)**
ratings be posted and shared publicly?

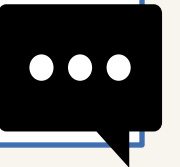
Does your government or organization
share final ratings with vendors?

Let's Discuss: Raise Your Hand or Post in the Chat!



1) What have been some **challenges** your government or organization has faced in **implementing a vendor performance evaluation system?**

2) What **wins** have you experienced?



From the Field: Sharing Peer Governments' Examples and Lessons Learned

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Vendor Performance Evaluation Systems vary based on the needs and capacities of different jurisdictions

- When getting started, **create a system with the right intensity** based on your governments staff capacity or contract risk classification.
- The intensity of your vendor performance evaluation strategy can change as needed but **should inform how much and how often data is collected.**

For example:	Lower Intensity Approach	Higher Intensity Approach
Data Collection	<ul style="list-style-type: none">▪ Performance data is only captured for underperforming vendors	<ul style="list-style-type: none">▪ Performance is evaluated on a regular basis during the contract term, <i>such as every six months</i>

Let's explore some best practices from peer governments!
Remember, these best practices can be applicable regardless of jurisdiction size

City of Phoenix saw an opportunity during the pandemic to create a new vendor evaluation system

Background	Process Overview	Performance Evaluations
<ul style="list-style-type: none">• Goal: Develop uniform method to track performance for critical service contracts due to many challenges with various vendors• Brought Central Procurement, Legal, and Procurement Department liaisons to discuss a way forward	<ul style="list-style-type: none">• Created a three-tier risk matrix that determines evaluation frequency by contract (<i>Low, Medium, High</i>)• Evaluations cannot be used in contracting decisions without leveraging “city references”	<ul style="list-style-type: none">• User Departments complete evaluation forms and then upload to SharePoint• The City is planning to automate the process by moving into their e-procurement system

“Governments need to invest in vendor performance evaluation processes. If we spend resources, taxpayer funds on an RFP, why should we be ignorant of performance or compliance?

It’s an interwoven system that shouldn’t be alienated from each other. We need to dedicate time to make sure it’s functioning properly!”

Adetoun Ayo-Adeola
Procurement Manager
City of Phoenix

Best Practice from the City of Phoenix: Set performance evaluation frequency based on contract risk and public impact

TIER ONE (Low Risk)	TIER TWO (Medium Risk)	TIER THREE (High Risk)
<u>Annual Review</u>	<u>Semi-Annual Review</u>	<u>Quarterly Review</u>
Aggregate Value: <100K	Aggregate Value: 100K < 1M	Aggregate Value: >1M+
Contracted Supplies or Services are not essential to User Department's Operations	Contracted Supplies or Services are moderately essential to User Department's Operations	Contracted Supplies or Services are <u>critical</u> to User Department's Operations and require increased oversight by the City
Past performance by Contractor met or exceeded User Department expectations	User Department has not previously worked with Contractor	Past performance by Contractor did not meet User Department Expectations
User Department Contract Monitor has extensive experience with contract type/subject matter	User Department Contract Monitor has limited experience with contract type/subject matter	User Department Contract Monitor has no experience with the contract type/subject matter
Contract does NOT involve intellectual property licensing	Contract involves intellectual property licensing	Contract involves intellectual property licensing and has specific requirements, such as number of user seats or instances; term limitations; or impact to other City Systems
No Public Impact	<div> <p>New contracts with new vendors are given a medium risk classification for increased oversight!</p> </div>	PHX Residents / Public Impact
Inter-agency agreements or other agreements between state agencies		Citywide Agreements
No personal data or sensitive data is being shared with outside entities		Involves creating, receiving, storing, or transmitting confidential or sensitive personal information
Certain Compliance (Firm Fixed Pricing and delivery) of Materials, goods, and service		Uncertain Compliance: <ul style="list-style-type: none"> • Cost Plus • Discounts • Punchout Catalog •
Contract is NOT for provision of healthcare or administrative services or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI)		Contract is for provision of healthcare or administrative services or any service/activity that requires receipt, transmission, use or disclosure of Protected Health Information (PHI)
		Maintenance Repair & Operation (MRO) /Maintenance Repair Replacement & Alteration (MRRA)
		Lengthy Contract Lifecycle
		Inconsistent Standards

Any contracts that had issues in the past are automatically high-risk!

Services where Contracts brings equipment requiring cranes, rigging, scaffolding, and /or erection equipment on City premises
Hauling of Hazardous Materials /Waste including chemicals, gas, or liquids. Products that can be considered hazardous, dangerous, or high risk of causing bodily injury or damage to property. This could include pacemakers, surgical robots, explosive chemicals, biologicals, lasers, etc.
Janitorial services performed on City Premises
Unaccompanied facility access
Access to vulnerable populations
Subject to political scrutiny
Technology Procurement
Access to CJIS

Best Practices from the City of Phoenix: Create rubrics to clarify performance criteria to reduce bias and ambiguity

DEFINITIONS			
Unsatisfactory Performance	Satisfactory Performance	Exceptional Performance	Not Applicable
<ul style="list-style-type: none">• Performance <u>does not meet</u> contractual requirements and resolution did not occur in a timely or cost-effective manner.• Serious problems existed and corrective actions have been ineffective.• Major, extensive, and/or recurring non-compliance issues or problems.• Performance indicates very little, or no effort extended to satisfy the minimum contract requirements.	<ul style="list-style-type: none">• Performance meets contractual requirements.• May have had some minor problems; however, satisfactory corrective actions taken by the Contractor were highly effective.• Problems were not repetitive. <div>Challenges may occasionally arise but allow for flexibility to assess whether problematic behavior is more of an exception than the norm.</div>	<ul style="list-style-type: none">• Performance <u>exceeds</u> contract requirements to the City's benefit.• Exceptional performance may reflect some of the following achievements:<ul style="list-style-type: none">- Identified cost-savings, innovative options, or efficiencies.- Demonstrated excellence in quality of work and service delivery.- Added value, and/or went above and beyond City expectations.Consistently exceeded expectations	<ul style="list-style-type: none">• This category is not applicable to the current Contractor. <div>Find ways to capture and recognize when vendors have added value and paved new pathways of innovation.</div>

City of Austin prioritizes performance evaluations of capital projects for consultants and contractors

Background	Process Overview	Performance Evaluations	
<ul style="list-style-type: none">• Goal: Provide a uniform method of evaluating, tracking, and reporting vendor performance to support high-quality Capital projects• Consultants began receiving evaluations in 2003; Contractors in 2013• Looking to expand into goods and services	<ul style="list-style-type: none">• Performance evaluations submitted into internal system known as eCAPRIS• Vendor performance is maintained and averaged over a rolling five-year period• Past performance will be used for future solicitation award decisions	<ul style="list-style-type: none">• Evaluation timing differs based on the procurement method used during the solicitation process• Clearly outlines roles for different stakeholders in the process• Evaluations are shared with vendors; formalized inquiries, rebuttals, and appeal process	<p>“Internal and external training play a crucial role in a successful evaluation program. We had a contractor who was unhappy with their score and unaware of the formal appeals process. However, through due process, scoring was adjusted to account for critical, overlooked information.</p> <p>We learned from that experience, so be open to feedback!”</p> <p>Michelle Pierre <i>Contract Management Supervisor City of Austin</i></p>

Best Practice from City of Austin: Identify essential performance areas for contract types with clear definitions

- 1. Schedule/Timeliness of Performance
- 2. Budget/Cost Control
- 3. Invoicing and Payments
- 4. MBE/WBE/DBE Procurement Programs
- 5. Regulatory Compliance and Permitting
- 6. Adequacy and Availability of Workforce
- 7. Project and Contract Management
- 8. Communications, Cooperation, and Business Relations
- 9. Quality

Note: This criteria applies to Consultants only.

Contractors have 10 criteria!

Needs Improvement: 1 Point
Successful Performance: 2.5 Points
Exceptional Performance: 3 points

Needs Improvement: 2 Point
Successful Performance: 5 Points
Exceptional Performance: 6 points

Best Practice from City of Austin: Create accessible and easy-to-complete templates for performance evaluations

EVALUATION CRITERIA			
<ul style="list-style-type: none"> - Needs Improvement (1 Point) = Does not meet contractual, technical or professional requirements. - Successful Performance (2.5 Points) = Meets contractual requirements. - Exceptional Performance (3 Points) = Exceeds contract requirements to the City's benefit. Detailed Performance Evaluation Guidelines can be found at: http://www.austintexas.gov/department/consultant-performance-evaluation	Needs Improvement (1 Point)	Successful Performance (2.5 Points)	Exceptional Performance (3 Points)
1. Schedule / Timeliness of Performance - The Consultant submitted a baseline schedule and met milestones. Deliverables were submitted to the Owner in accordance with the agreed upon schedule(s). Consultant alerted the City to possible schedule problems well in advance of delays. The Consultant provided responses to RFI's/emails/request for proposals, etc., in a timely manner.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Budget / Cost Control - The Consultant provided timely, complete, and accurate Opinion of Probable Cost or interim construction estimates per contract. Consultant suggested solutions there were cost effective, appropriate, and were provided in a timely manner.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Invoicing and Payments - Consultant paid subconsultants timely in accordance with statutory requirements and the contract. Billing was made to correct contracts. Supporting documentation for charges were provided and questions were answered in a timely manner.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. MBE/WBE/DBE Procurement Program(s) - The Consultant complied with approved MBE/WBE/DBE compliance goals, Request for Changes, and MBE/WBE close-out requirements (SMBR rating).	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Regulatory Compliance and Permitting - The Consultant determined appropriate permitting path and met all applicable regulatory and permitting requirements associated with the contract.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Adequacy and Availability of Workforce - The Consultant possessed and maintained adequate resources and equipment throughout the project(s) to meet the demands of the contract, including sufficient number of qualified staff, properly equipped and available for the required tasks. Key personnel were available throughout the project.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Project and Contract Management - The Consultant understood and effectively managed the project and met all contractual requirements. The Consultant reviewed and analyzed Subconsultant Deliverables and oversaw their work in an effective manner. Consultant successfully established project scope, schedule, budget, and provided regular updates on deliverable status and timely performed construction administration tasks.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Communications, Cooperation, and Business Relations - Consultant provided effective, professional, verbal and written communications to City staff, Contractor, and project stakeholders.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Note: The quality performance criterion is weighted more heavily due to its importance to performance overall.	Needs Improvement (2 Point)	Successful Performance (5 Points)	Exceptional Performance (6 Points)
9. Quality - The Consultant worked in accordance with the established Quality Control Plan (QCP). The drawings/plans reflected existing conditions accurately. Deliverables submitted were complete in all respects. All comments and review requests were adequately incorporated into Deliverables. The Deliverables were properly formatted and well-coordinated. The Consultant provided adequate support for As-Built drawings. Change orders due to design deficiencies were minimal.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Score (30 Points Maximum):	25		

Note: This criteria applies to Consultants only.

Contractors have 10 criteria!

Best Practice from City of Austin: Align performance evaluations with project phases or key deliverables

Consultants/Professional Services ▼

Stand-Alone Contracts (PSAs)

- End of Design Phase
- End of Construction (Substantial Completion)
- Project completion if no Construction Phase (i.e. planning studies)

Rotation Lists (RL)

- By Project
- End of Design Phase
- End of Construction (Substantial Completion)
- Project completion if no Construction Phase (i.e. planning studies)

Building Services RLs for Asbestos, Lead Paint & Mold (Completed at the MA level)

- Each firm will be evaluated twice a year in April and October

Testing RLs

- Materials Testing RLs - End of each Project
- Geotechnical RLs - End of each Project
- Forensic Engineering RLs - Project Assignment completion

Contractors/Construction ▼

IFB (Traditional Low-Bid)

- Substantial Completion

IDIQ (Completed at the MA level)

- At the time of contract option/term renewal(s)
- End of Contract

Competitive Sealed Proposals (CSP)

- Substantial Completion

Job Order Contracts (JOC)

- By Project
- Substantial Completion

Construction Manager at Risk (CMR)

- Substantial Completion

Design-Build (DB)

- End of Design
- End of Construction (Substantial Completion)

Staff Augmentation Contracts

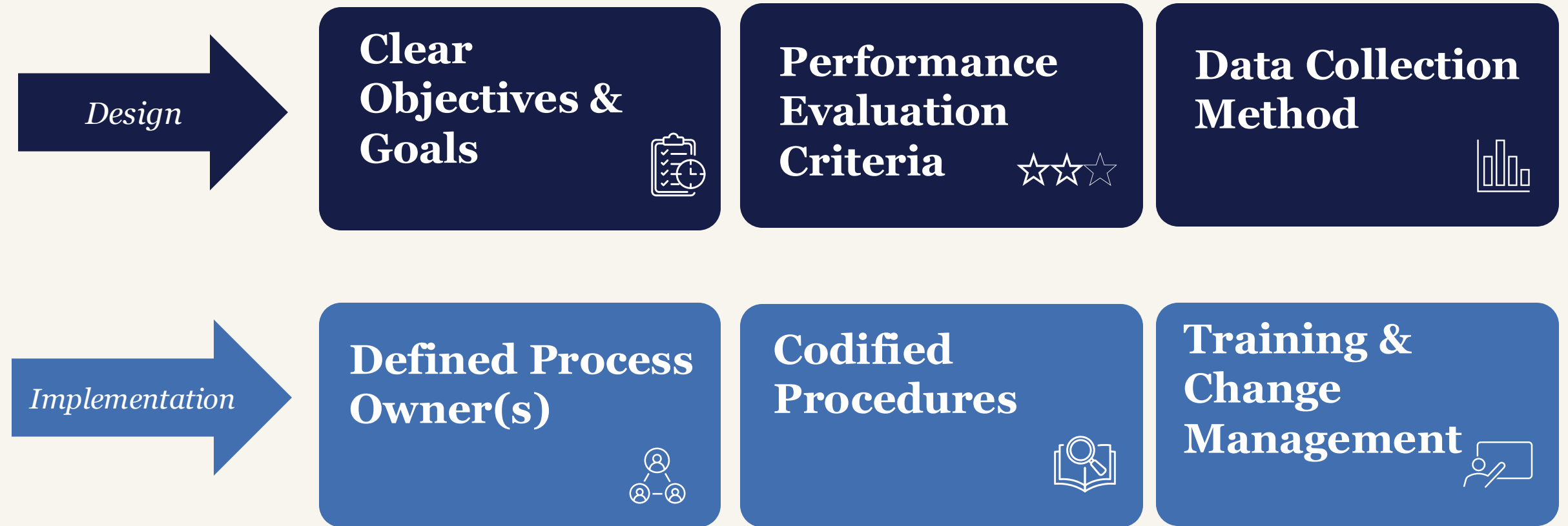
- End of base term and each additional term
- Additional CPEs may be completed for assignments based on the scope of work

Getting Started: Designing & Implementing Vendor Performance Evaluation Processes

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What are the core components of a standardized Vendor Performance Evaluation System?



What are the core components of a standardized Vendor Performance Evaluation System?

Design

Clear Objectives & Goals



- What are the guidelines for using past performance in local or state statutes?
- What does a successful vendor performance evaluation process look like? What challenges would it mitigate?
- Which types of contracts should be prioritized for performance evaluation?

Performance Evaluation Criteria



- Which specific categories or information are important to evaluate vendor performance?
- How frequently should contracts be evaluated and why?
- What rating system should be used?

Data Collection Method



- Who will complete, review and/or approve the evaluations?
- Which templates and what platform will be used to store the evaluations?
- Will vendors have a chance to respond to the evaluation?

Consider which stakeholders need to be involved in these conversations!

What are the core components of a standardized Vendor Performance Evaluation System?

Implementation

Defined Process Owner(s)



- What are some practical, sustainable, and systemic ways to track completed evaluations?
- Who will have access to the evaluation data?
- How will it be shared among internal departments?

Codified Procedures



- How will you operationalize the process?
- How will this data be utilized in future decisions or proactive contract management?
- How will you measure whether the new process is working?

Training & Change Management



- Who will champion and facilitate training initiatives?
- Which stakeholders should be trained on this process?
- What training materials are required to help scale adoption?

Many of these decisions should be considered in the design phase.

Remember these three tips!

1

**Prioritize
Accessibility to
Increase Adoption!**

- **Avoid creating obstacles to adoption** when creating your program.
- Create **simple forms and clear guidance** for submission protocols.

2

**Avoid Technology
Decision Paralysis!**

- **Consider SharePoint, Shared Drives, and Excel to start** and gradually scale up!
- Verify if **existing technology** can meet your needs or **consider a third-party tool**.

3

**Engage Key
Stakeholders Early!**

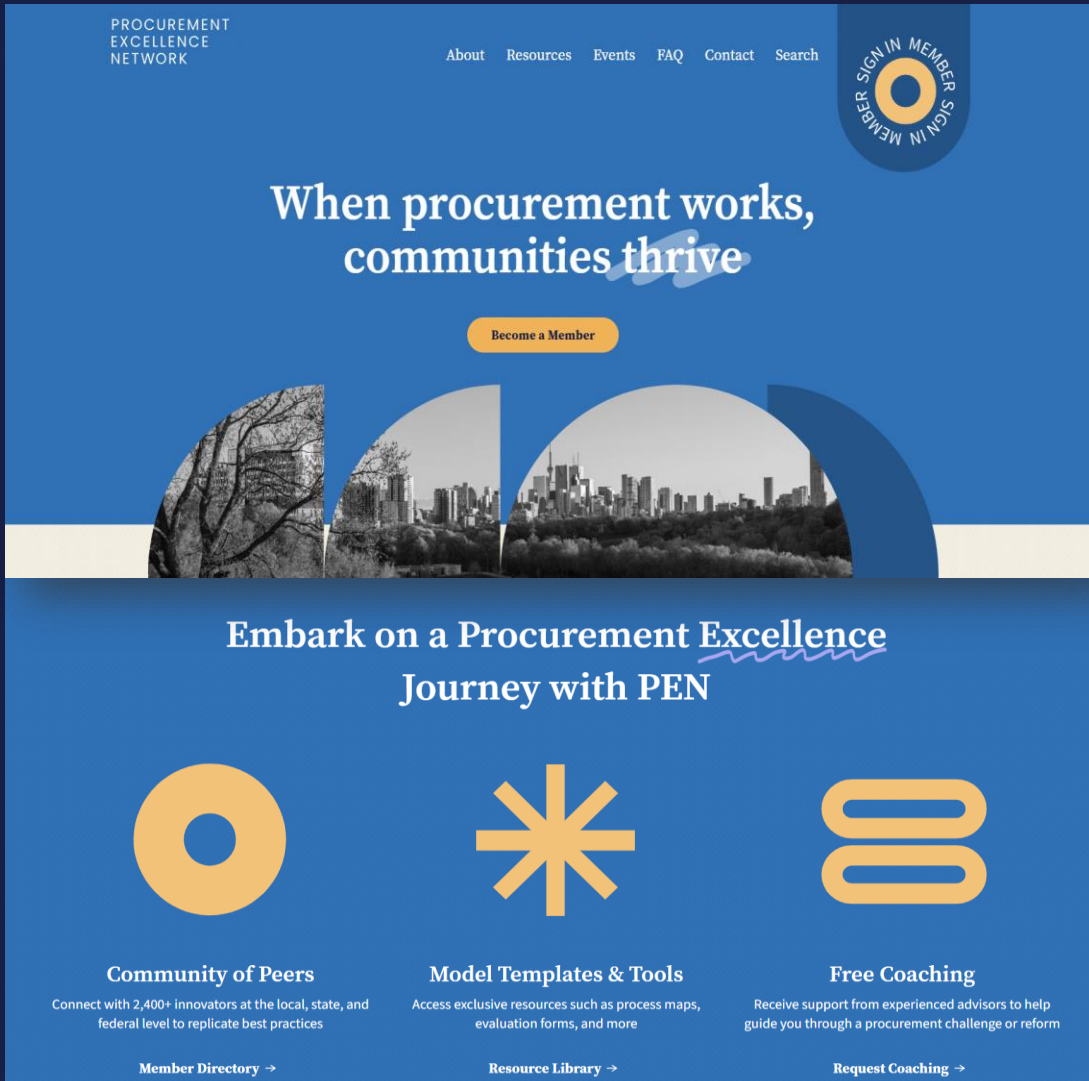
- **Involve staff** to foster buy-in and minimize future resistance.
- **Ask vendors for feedback!** Request input on the process, categories, or rubrics.

Your Feedback Matters: Event Experience Survey



**Please complete the Zoom poll on your screen.
Your feedback is anonymous!**

Procurement Excellence Network: Become a Member!



The screenshot shows the Procurement Excellence Network (PEN) website. At the top, the logo "PROCUREMENT EXCELLENCE NETWORK" is on the left, and navigation links "About Resources Events FAQ Contact Search" are on the right. A circular "SIGN IN MEMBER SIGN IN MEMBER" button is also present. The main headline reads "When procurement works, communities thrive" with a "Become a Member" button below it. A banner image shows three cityscapes. Below this, the text "Embark on a Procurement Excellence Journey with PEN" is displayed. Three icons represent the network's offerings: a circle for "Community of Peers", a star for "Model Templates & Tools", and a double loop for "Free Coaching". Each icon has a brief description and a link to the respective resource.

PROCUREMENT EXCELLENCE NETWORK

About Resources Events FAQ Contact Search

SIGN IN MEMBER SIGN IN MEMBER

When procurement works, communities thrive

Become a Member

Embark on a Procurement Excellence Journey with PEN

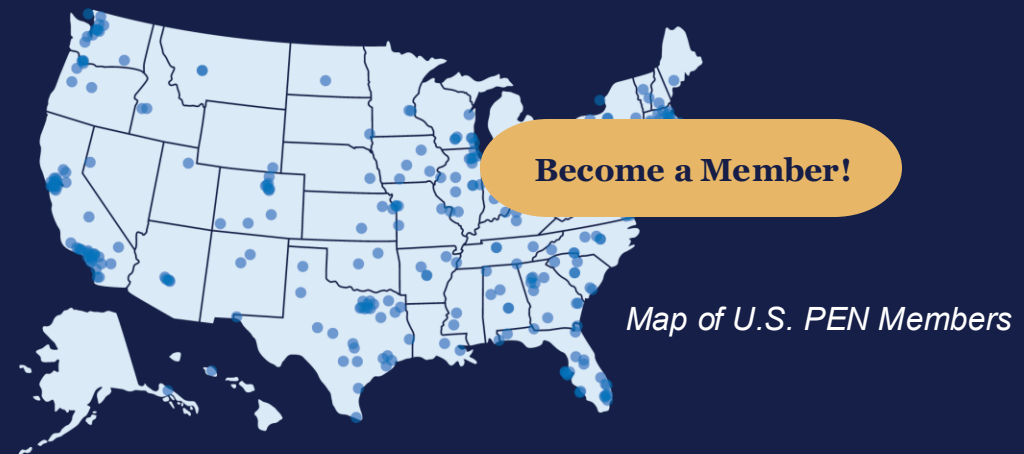
Community of Peers
Connect with 2,400+ innovators at the local, state, and federal level to replicate best practices
Member Directory →

Model Templates & Tools
Access exclusive resources such as process maps, evaluation forms, and more
Resource Library →

Free Coaching
Receive support from experienced advisors to help guide you through a procurement challenge or reform
Request Coaching →

The Procurement Excellence Network has connected **2500+ government staff from 800 unique jurisdictions** to procurement resources, best practices, and community support.

- ✓ Attend monthly **virtual webinars**
- ✓ Access over **80+ resources**
- ✓ Connect with peers in our **Member Directory!**
- ✓ **Community Conversations** Dashboard



But wait, let's continue this conversation!

Stay on for a **30-minute Post-event Discussion!**

- ✓ Connect with fellow governments and share additional insights on this topic immediately after this session.

Post in the **Community Conversations Thread!**

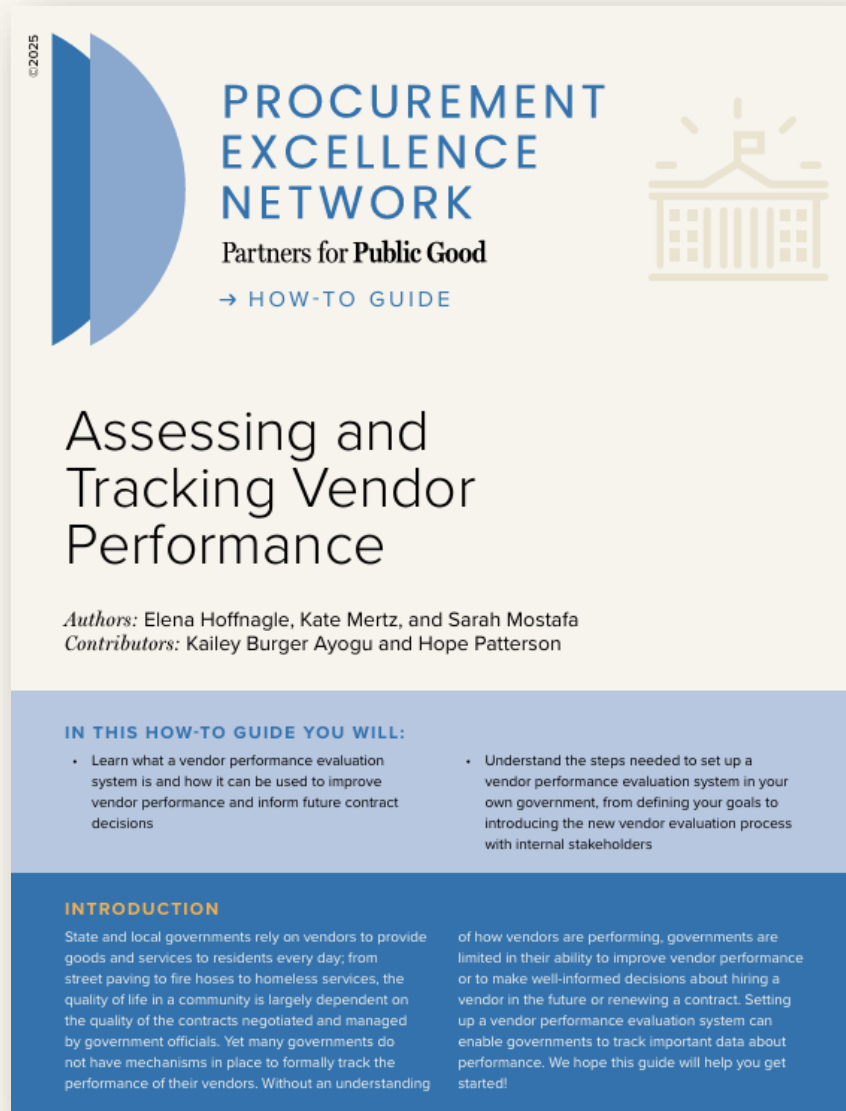
- ✓ Add your feedback or insights on this thread:
Implementing Vendor Performance Scorecards

[+ Ask A Question](#)

Schedule a **Coaching Call** with PEN!

- ✓ Want some assistance with designing a Vendor Performance Evaluation Process or workshopping a related challenge? ***Reach out to PEN today!***

From our Resource Library...



How-to Guide: Assessing and Tracking Vendor Performance

In this guide, you will:

- ✓ Learn what a vendor performance evaluation system is and how it can be used to improve vendor performance and inform future contract decisions
- ✓ Understand the steps needed to set up a vendor performance evaluation system in your own government, from defining your goals to introducing the new vendor evaluation process with internal stakeholders

Download Today!

PEN Community Resource Library



Check out these additional examples from peer governments!



COMMUNITY RESOURCE

Vendor Performance
Evaluation Form: Los
Angeles Department of
Cannabis Regulation

View Resource →



COMMUNITY RESOURCE

Vendor Performance
Evaluation Form: New
Hampshire Department
of Health & Human
Services

View Resource →



COMMUNITY RESOURCE

Vendor Performance
Evaluation Form:
Nashville, TN

View Resource →



COMMUNITY RESOURCE

Vendor Performance
Evaluation Form:
Huntsville, TX

View Resource →

Interested in sharing your vendor performance evaluation template in the Community Library?
Email pen@partnersforpublicgood.org!

Join us for our next PEN event!

From Hype to How-To: Generative AI's Evolving Role in Procurement



July 24, 2025 | 2-3pm ET

Join the **Procurement Excellence Network (PEN)** for a session on the intersection of generative AI and procurement operations.

This session will highlight early use cases related to market research, solicitation drafting, and contract management.

Register