

City of St. John's Corporate and Operational Policy Manual

Procedure Title: Supplier Performance Management Procedures	
Authorizing Policy: Procurement Policy	
Procedure Number: 04-06-01-02	
Last Revision Date: October 6, 2026	Procedure Owner: Supply Chain Manager

1. Procedure Statement

The purpose of these Procedures is to establish a transparent and consistent performance evaluation process for Suppliers.

Supplier performance is critical to the success of Procurement projects. Poor workmanship, unnecessary contract delays, and unsafe work practices will not be tolerated.

2. Definitions

“Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations, or responses.

“Commodities” shall have the same meaning as the Public Procurement Act, that is “goods, services, public works and lease of space.”

“Contract Administrator” means an employee assigned to the management of a contract.

“Interim Evaluation” means a performance evaluation completed during an ongoing contract to formally assess and communicate a Supplier's performance before the contract ends, including before any renewal or extension, where applicable.

“Final Evaluation” means a performance evaluation completed by the Contract Administrator at the end of a contract to formally assess a

Supplier's overall performance against the contract requirements and applicable evaluation categories.

“Noncompliant Performance” shall have the same meaning as the Public Procurement Regulations under the Public Procurement Act, that is, “performance by a supplier which does not satisfy the terms, conditions and specifications of the contract.”

“Non-responsible Bidder” means a designation, assigned at the sole discretion of the City, for a Supplier who fails to meet the terms of a contract or has failed to rectify issues as they arise in a timely manner to the satisfaction of the City.

“Procurement Oversight Committee” (“POC”) means the committee established by the City for the purposes of providing procurement-related oversight and making determinations on procurement-related matters

“Responsible Bidder” means a designation, assigned at the sole discretion of the City, for a Supplier that meets the terms of a contract and receives Interim/Final Evaluations showing consistently good work and a willingness to rectify issues as they arise.

“Solicitation Document” means the document issued by the City to solicit Bids from Bidders.

“Substandard Performance” shall have the same meaning as the Public Procurement Regulations under the Public Procurement Act, that is, “inferior performance by a supplier over the course of 2 or more contracts which does not fulfil the terms, conditions and specifications of the contract to the satisfaction of the head of the public body.”

“Supplier” shall have the same meaning as the Public Procurement Act, that is, “an individual, partnership, corporation, joint venture or other form of business organization engaged in the lawful supply of commodities.” and shall for the purposes of Supplier Performance include “Contractor” and “Prime Consultant” as used in City procurement documents.

3. Procedure Requirements

3.1 Performance Evaluation

- a) A Supplier's performance shall be evaluated based on the scope of their contractual obligations.
- b) Supplier performance evaluations shall be mandatory for all contracts valued at
- c) \$500,000 or above.
- d) At the discretion of a Department, Supplier performance evaluations may be applied to contracts of any value.

3.1.1 Interim and Final Evaluations

- a) Interim Evaluations shall be completed using the same evaluation categories as a Final Evaluation.
- b) The Contract Administrator shall complete an Interim Evaluation prior to the renewal or extension of the contract, if applicable.
- c) The Contract Administrator may complete an Interim Evaluation at any time during the term of the contract, as deemed necessary considering the nature, complexity, value, and length of the contract.
- d) In the case of multi-year contracts, an Interim Evaluation should occur at least:
 - i. At significant contract milestones, such as a completion date for a portion of a project; or
 - ii. In the case of a multi-year contract with no significant contract milestones, at 6- month intervals.
- e) Specific incidents of poor performance, in particular any incidents related to health and safety matters, shall be recorded at the time of occurrence or discovery. Records shall include email correspondence and notes.
- f) The Contract Administrator shall formally evaluate the Supplier's performance and complete the Final Evaluation at the end of the contract.

3.1.2 Evaluation Rating and Scoring

- a) The latest performance evaluation score a Supplier has on record with the City, whether Interim or Final, will be considered as the Supplier's score even if the score is for unrelated contracts.
- b) When using past performance as evaluation criteria, Suppliers without a performance evaluation with the City shall be given a neutral rating of "Standard."
- c) To support standardization and consistency with Suppliers, Contract Administrators shall use the following rating scale for the rated criteria:
 - 0 – "Below Standard": Performance consistently failed to meet the contract obligations in one or more areas. The contractual performance of the criteria being assessed reflects a severe problem for which the Supplier has submitted minimal corrective actions, if any. The Supplier's proposed actions appear only marginally effective or were not fully implemented.
 - 1 – "Standard": Performance meets the contractual obligations with few, if any, issues. The contractual performance of the criteria contains some minor problems for which proposed corrective actions taken by the Supplier appear satisfactory, or completed corrective actions were satisfactory.
 - 2 – "Above Standard": Performance meets or exceeds contractual obligations in all areas. The contractual performance of the criteria being assessed was accomplished with no problems for which corrective actions were required.

3.1.3 Communication with Suppliers

- a) Communications and monitoring of Supplier performance shall occur:
 - i. at the start of a contract;
 - ii. at the end of a contract ("Final Evaluations");
 - iii. during multi-year contracts, ("Interim Evaluations"); and/or
 - iv. at any other times in the Department's discretion.
- b) There are no retroactive evaluations of a Supplier after a contract is complete unless issues that would not have been known using standard business practices have become known. A revision of an existing evaluation may occur in these cases.
- c) Suppliers shall be notified of the use of performance evaluations in future supply decisions.

- d) At the outset of the contract, the Contract Administrator shall provide the Supplier with copies of the Interim and Final Performance evaluation criteria which will be used to rate the Supplier's performance.

3.1.4 Evaluation Appeals

- a) Suppliers wishing to appeal their performance evaluation scores shall do so within 10 business days of receiving them.
- b) Suppliers shall provide their concerns regarding the evaluation received through the City's electronic evaluation system.
- c) The Department shall review the submission(s) and determine whether the score results will be re-evaluated and whether a revised evaluation will be completed.
- d) If the Department determines that a revision to an evaluation, whether Interim or Final, will be completed, the revision shall be completed by updating the evaluation form.
- e) The original evaluation shall be saved, along with the revised evaluation and both will be maintained in the electronic evaluation system.
- f) Where a request for an appeal meeting is received from a Supplier, the responsible Department(s) shall respond within 10 business days. The response shall include information about timing, location, and who will be in attendance.
- g) Following the meeting, notes from the meeting shall be included in the electronic evaluation system within 24 hours by the Department. If a meeting results in the Department deciding to revise an evaluation, the same procedure set out for evaluation disputes shall be followed.

3.2 Progressive Discipline

Concerns with Supplier performance shall be addressed using a progressive discipline approach, as follows:

- a) Upon a contract issue arising, Contract Administrators shall immediately discuss any concerns and seek a remedy with the Supplier. Minutes of these communications shall be kept by the Department and forwarded by email to the Supplier.

- b) If an issue is not rectified, the Contract Administrator or Department shall write the Supplier to rectify the deficiencies or address performance issues within a specified timeframe. Suppliers shall be allowed a reasonable period, as set out in the contract, or determined by the City, for correction. If performance does not improve, or the concern is not addressed, progressive disciplinary action shall begin or continue.
- c) Contract Administrators shall address issues of Noncompliant Performance or Substandard Performance in accordance with the terms and conditions of the contract and may take any further action as required including termination of the contract. The Supply Chain Division and the Office of the City Solicitor shall be contacted when any disciplinary action is considered.
- d) All records of meetings with Suppliers shall be kept for future reference and included in the procurement file with the Supply Chain Division.

3.3 Eligibility and Requirements for Responsible Bidders

For a Supplier that has received a “Standard” or “Above Standard” rating in all categories on the Final Evaluations:

- a) the Supplier may be considered a Responsible Bidder for future similar Bid submissions, as determined by the City; and/or
- b) for a multi-year contract containing an extension option, the contract may be extended as outlined in the contract.

3.4 Non-responsible Bidders

A Supplier may be categorized as a ‘Non-responsible Bidder,’ as detailed below:

- a) Any Supplier that has received a “Below Standard” rating in any one criterion on an evaluation;
- b) Any Supplier that fails to provide satisfactory evidence of correcting any documented past performance concerns by the City;
- c) Any Supplier that refuses or fails to execute a contract awarded to that Supplier by the City; or
- d) Where a Supplier has a performance evaluation for an unrelated commodity, the City reserves the right to consider the evaluation,

among other sources, in determining if a Supplier is a Non-responsible Bidder.

3.5 Suspension of Bidding Privileges

- a) To ensure the City receives quality Commodities and value for public money and to ensure Suppliers conduct business in a professional and ethical manner, the City may suspend Suppliers from participating in its Procurement processes for prescribed time periods.
- b) The City shall decide to suspend a Supplier in accordance with these Procedures, and such decisions shall be supportable and based on the reasons and factors set out herein.
- c) Suppliers shall be responsible for any employees, representatives, agents or subcontractors acting on behalf of the Supplier and all references to the actions or conduct of the Supplier under these Procedures include the actions of any individual or entity acting on behalf of the Supplier.

3.5.1 Reasons for Suspension

3.5.1.1 Crimes or Offences

If a Supplier is convicted of serious crimes or other serious offences, including bid- rigging, price-fixing or collusion, fraud, or other statutory offences, the City may suspend that Supplier from participating in future Procurement processes.

3.5.1.2 False Declarations

- a) If a Supplier includes false or misleading information in a Bid, the City may suspend that Supplier from participating in future Procurement processes.
- b) If a Supplier fails to disclose a conflict of interest in connection with a Procurement process or during the performance of a contract with the City, and the City subsequently discovers that such a conflict of interest exists, the City may suspend that Supplier from participating in future Procurement processes.
- c) When considering suspension based on false declarations, the City shall include in the consideration the following non-exclusive factors:

- i. The Supplier knowingly made misrepresentations or failed to disclose a conflict of interest; and/or
- ii. The misrepresentation or undisclosed conflict of interest resulted in the Supplier having an unfair advantage or otherwise compromised the integrity of the City's Procurement process.

3.5.1.3 Poor Performance

If a Supplier performs inadequately under a contract with the City, the City may consider suspending that Supplier in any of the following circumstances:

- a) The deficiencies in performance were significant or persistent;
- b) The contract was terminated for performance issues prior to expiry;
- c) There were unrectified performance issues on a contract that resulted in extra costs to the City;
- d) The Deliverables provided were defective or deficient, and either were not replaced or repaired, or required multiple repairs;
- e) The City commenced litigation against the Supplier in connection with performance or non-performance of the Supplier's contractual obligations; or
- f) The suspension of the Supplier has been recommended in accordance with the Supplier Performance Evaluation Procedure.

3.5.1.4 Professional Misconduct or Lack of Commercial Integrity

The City may suspend a Supplier for professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier and/or the City. Such conduct includes, but is not limited to:

- a) unethical Bidding practices, such as inappropriate offers of gifts to the City's officials, officers, employees, or agents and inappropriate in-process lobbying or prohibited communications during a Procurement process;
- b) failing to perform contracts in a professional and competent manner in accordance with the duty of honest performance and all applicable laws, including safety and labour codes;
- c) failing to provide required preconditions of award documents or failing to execute a contract with the City;

- d) inappropriate communication or behaviour towards City staff which violate applicable City by-laws or policies including but not limited to the City of St. John's Respectful Workplace policy;
- e) fines, taxes, or other charges are outstanding and owed to the City by the Supplier; and
- f) engaging in litigious conduct or bringing frivolous or vexatious claims in connection with the City's Procurement processes or contracts, including but not limited to, unreasonable cost or expense claims or unsubstantiated allegations impugning the integrity of the purchasing institution or its staff in relation to a Procurement process.

3.5.2 Process for Suspension

3.5.2.1 Suspension Recommendation Report

- a) Any decision to suspend a Supplier shall be supported by a completed **Suspension Recommendation Report** that contains all details connected with the analysis of factors set out above.
- b) The Suspension Recommendation Report shall be prepared by the Contract Administrator.

3.5.2.2 Details of Suspension

- a) All decisions to suspend a Supplier shall be approved by the City's POC, which is established in accordance with the **Procurement Policy**.
- b) The Contract Administrator shall advise the Supplier that a Suspension Recommendation Report has been completed and will be submitted to the POC.
- c) The Contract Administrator shall provide the Supplier with the Suspension Recommendation Report and all other information being relied upon for the suspension that is being provided to the POC.
- d) Upon receipt of the information from the Contract Administrator, the Supplier shall have 10 business days to provide any documentation or submissions it may have to the POC.
- e) The POC shall review the Suspension Recommendation Report and any submissions made by the Supplier.
- f) The POC may in its discretion request additional information directly from the Contract Administrator or the Supplier.

- g) The POC may choose to request a meeting with the Supplier, if deemed necessary.
- h) Upon review of all material submitted, if the POC determines that a suspension is justified, the POC shall determine the recommended length and scope of the suspension.
- i) The length of the suspension period shall be proportional to the reasons for the suspension and, in most cases, should not exceed a maximum of five years. In the most serious of cases involving convictions for criminal or quasi-criminal offences, a suspension period of up to 10 years may be considered.
- j) The scope of the suspension shall be either a blanket suspension for all Procurement processes or a suspension limited to Procurement processes for specific Commodities.
- k) The scope of the suspension may apply to both corporate entities and individuals.

3.5.2.3 Supplier Notification

Supply Chain shall notify the Supplier of the decision to suspend and shall provide the Supplier with reasons for the suspension.

3.5.2.4 Disclosure of Results to Others

The Supplier Performance Evaluations are collected under the authority of s. 64(1)(c) of the *Access to Information and Protection of Privacy Act, 2015*. The results of any performance evaluation processes are intended to be disclosed internally across departments and may be disclosed to other government bodies upon request and to any entity for which the Supplier has listed the City as a reference.

3.5.2.5 Consideration of Performance in Evaluation of Bids

The City may consider past performance evaluation results of a Supplier, including whether the past performance resulted in suspension in accordance with these Procedures, and the City may exclude a Supplier based on significant or persistent deficiencies in performance.

4. Application

The Supplier Performance Management Procedures shall be applied to active contracts.

5. Responsibilities

5.1 The DCM, Finance and Corporate Services shall be responsible for:

- a) the overall implementation of the procedures;
- b) ensuring management oversight processes and controls exist to ensure Supplier Performance Management complies with the requirements of the Government of Newfoundland and Labrador Public Procurement Framework; and
- c) reviewing, at their discretion, previous Supplier performance where there is Noncompliant Performance or Substandard Performance and approving any Supplier suspensions.

5.2 The Supply Chain Division shall be responsible for:

- a) implementing the procedures;
- b) communicating the procedures to appropriate Employees;
- c) communicating the procedures to Suppliers in the bid documents; and
- d) monitoring compliance with the procedures.

5.3 The Accounts Payable Division shall be responsible for, upon such notification from Supply Chain that a contract is in default, withholding payments to the Supplier until further notification from Supply Chain.

5.4 Employees shall be responsible for:

- a) complying with the procedures; and
- b) completing supplier evaluations when required.

5.5 Managers with procurement responsibility shall be responsible for:

- a) approving or declining to approve supplier evaluations; and
- b) where required, notifying Supply Chain, the Office of the City Solicitor, and the DCM, FA about supplier performance issues.

5.6 Department Heads shall be responsible for ensuring the procedures are communicated to all Employees in their respective departments.

6. References

- [Records and Information Management Policy](#)
- [Procurement Policy](#)
- Suspension Recommendation Report Template
- Government of Newfoundland and Labrador Public Procurement Framework ([Act/Regulations/Policy](#))
- [*Access to Information and Protection of Privacy Act, 2015*](#)

7. Approval

- Position Title of Procedure Sponsor: Supply Chain Manager
- Position Title of Procedure Writer: Supply Chain Manager / Solicitor / Policy Analyst
- Date of Approval from
 - Corporate Policy Committee: November 6, 2024
 - Senior Executive Committee: November 14, 2024
 - Committee of the Whole: September 29, 2026
- Date of Approval from Council: October 6, 2026

8. Monitoring and Contravention

- a) The Supply Chain Division shall monitor the application of these Procedures.
- b) Any contravention of the Procedures shall be reported to the Department of Finance and Corporate Services (including the Division of Human Resources), the Office of the City Solicitor, and/or the City Manager for further investigation and appropriate action, which may

include, but is not limited to, legal action and discipline, up to and including dismissal.

9. Review Date

Concurrent with Policy.