

# Vendor Performance Management Program

NCHCA Membership Update

January 30<sup>th</sup>, 2025



# Agenda

- VPM Explained
- VPM Objectives
- Stat Updates
- VPM Project Eligibility Thresholds
- VPM Business Process Guide Updates
- Bid Award Strategies Update and Implementation

# VPM Explained

## Understanding the Purpose and Function of VPM

The VPM Program is a scoring framework for eligible City projects where vendors are scored on their performance



The City ensures “best value” for taxes payers’ dollars, when vendors deliver goods and services on time, and at the agreed price and quality



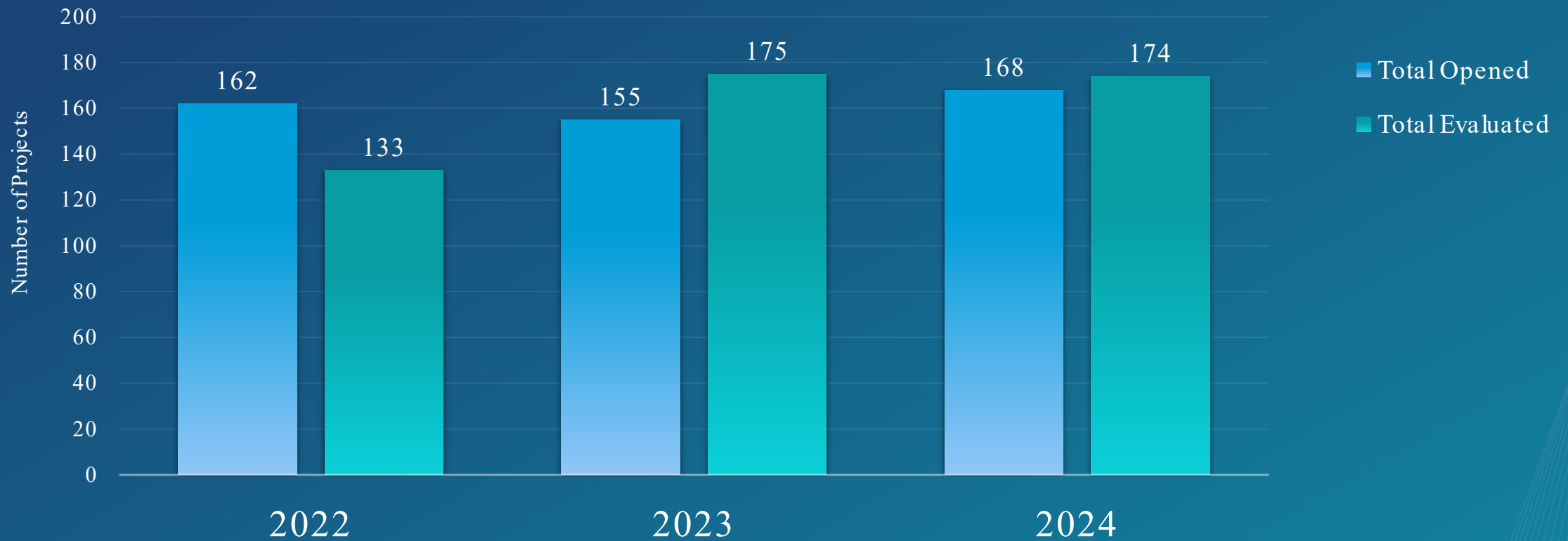
# VPM Objectives

Driving Excellence by Strengthening Collaboration, Communication, and Measuring Performance Over Time

- Improve overall vendor (consultants and contractors) performance on City contracts
- Improve communication between City staff that manage vendors (Project Managers) and vendors
- Improve the overall performance of vendors over time (in a measurable way)
- Build a history of vendor performance over time, allowing future vendor selection decisions to include a historical performance perspective

# Stat Updates

Contractor VPM-Eligible Projects 3 Year Overview



# Stat Updates

## Contractor Project Score Average and Standard Deviation



# VPM Project Eligibility Thresholds

## Threshold Increase Updates

Consultant/CAs → \$15,000 to \$25,000



Contractors → \$100,000 to \$200,000

- Effective February 5<sup>th</sup>, 2025

## Update Rationale

- Inflation
- Thresholds have not been updated since program inception (2014)

## 2021-2023 Contractor Project Values



Contract Approval Request Form Data from 2021 Q1 to 2023 Q4

# VPM Guide Updates

## Consistency in Eligibility Language

### Section 1.2

Thresholds for the VPM framework have been defined as all consulting assignments over \$15K and all contractor assignments over \$100K. This amount applies to the initial pretax Purchase Order (PO) value only.

### Section 3.2

All consulting assignments with a total approved project budget of >\$15K and all construction contracts with a total approved project budget of >\$100K are subject to the City of Ottawa's VPM framework.

## Recommendation

### Section 1.2

Thresholds for the VPM framework have been defined as all consulting assignments with a PO value before tax and contingency of >\$25K and all construction contracts with a pre-tender estimate before tax and contingency of >\$200K.

### Section 3.2

All consulting assignments with a PO value before tax and contingency of >\$25K and all construction contracts with a pre-tender estimate before tax and contingency of >\$200K are subject to the City of Ottawa's VPM framework.



# Bid Award Strategies

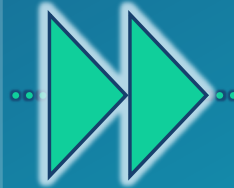
The Supply VPM Team has analyzed the following bid award strategies:

- Implementing a Score Percentile Bypass Cap
- Adjusting the VPM weighting from 20% to 25% or 30%
- Implementing a 2 or 5-Point OVS Threshold Rule

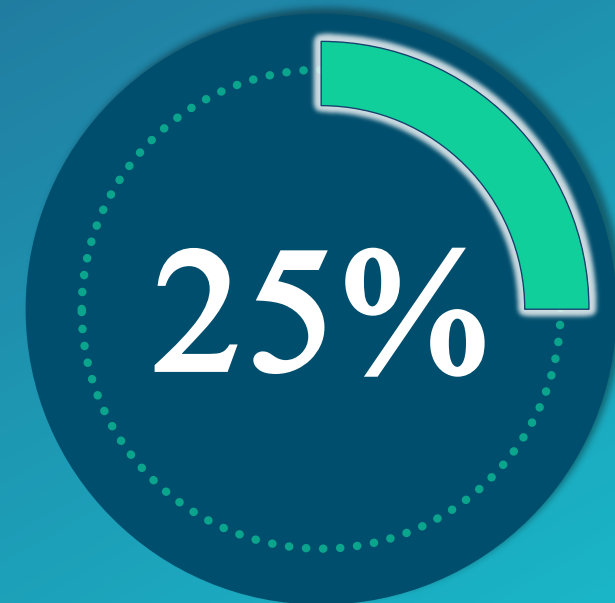
# Bid Award Strategies

VPM Weight Increase Effective February 5<sup>th</sup>, 2025

CURRENT STATE



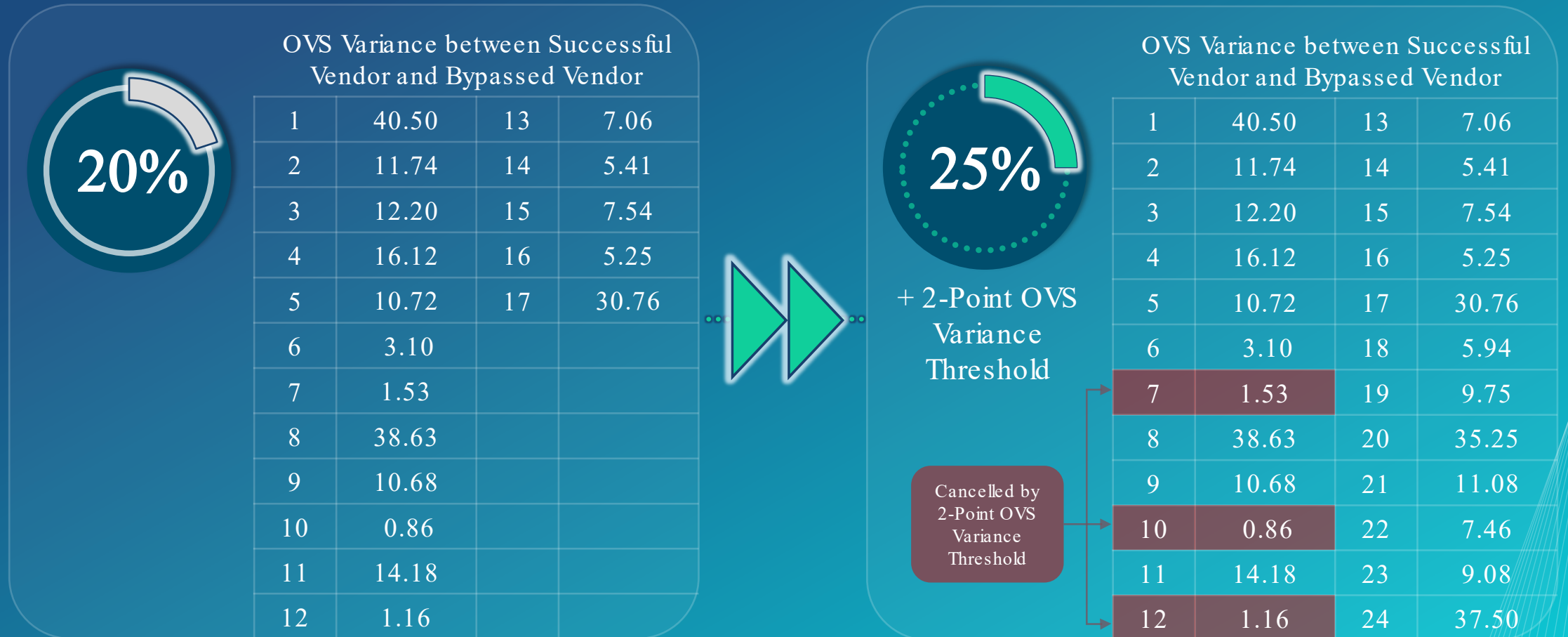
FUTURE STATE



+ 2-Point OVS Variance Threshold

# Bid Award Strategies

Impact of 25% VPM weight and 2-point OVS threshold from 2021 to 2023



# Questions

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Thank you

