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Performance Evaluations Procedure



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Performance Evaluations Procedure

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1.0 PURPOSE

The 2nd Party Performance Evaluation is the process of evaluating and recording a 2nd Party's performance on the Project and their suitability for future work for the Entity.

This is an important report which can be used as an evaluation of the 2nd Party for future work. It provides a rating of the 2nd Party in the areas of supervision, procurement, planning and scheduling, pricing and processing changes, shop drawings, labor relations, adequacy of equipment, cooperation, and quality of work.

2.0 SCOPE

This procedure applies to Contract activities conducted under the administration and management of the Contracts Management Department.

3.0 DEFINITIONS

Term	Definition
2nd Party	Contractor, Consultant, Engineer or Supplier who expresses interest in prequalifying for a specific package of Works or Services and upon Award becomes the entity contracted to perform such Works or Services.
Agreement	Contract or Purchase Order (collectively "Agreement") between the Entity and a 2nd Party.
Construction Contractor	The Main or Principal Contractor responsible for undertaking the Construction Works on the Project. Individual(s) or firm(s) engaged in the construction of buildings, either residences or commercial structures, as well as construction activities such as paving, highway construction, utility construction and landscape installation.
Enterprise Content Management System (ECMS)	An information management and collaboration platform for managing and controlling program documents and records.
Entity	A Saudi Government organization which is responsible for the delivery of government funded infrastructure construction projects.
Project	Project to be undertaken by an Entity that consists of single or multiple Agreements with 2nd Parties to perform Works or Services as part of the execution plan to deliver such Project. Scope of Work and/or services identified by Entity that needs to be executed.
Services	Provision of technical or consulting services for design, studies, investigations (geotechnical, surveying testing), specialist advice or the like that are not the Works but necessary to support them.
Site Construction Department	Department within the Project Management Company that is responsible for Construction activities/operations.
Contracts Management Department	Department within the Entity Project Management Organization (EPMO) or at corporate level authorized to conduct contracts formation and administration activities.
Site Document Control	Department within the Project Management Company that is responsible for the control of all project Documents using ECMS.
Site Engineering Department	Department within the Project Management Company that is responsible for Engineering or design activities/operations.
PPE	Personal Protective Equipment



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Works	Construction or supply of goods, facilities or the like of permanent and temporary nature as contracted by the Entity.
Laws	Government Tenders and Procurement Law issued pursuant to Royal Decree No. (M/128) dated 13/11/1440 AH and the Implementing Regulations thereof issued pursuant to the Minister of Finance's Resolution No. (1242) dated 21/3/1441 AH and as amended thereafter.
Etimad	A unified electronic portal for procurement processes administered by Ministry of Finance

4.0 REFERENCES

Article One Hundred Forty (140) of the Implementing Regulation.

5.0 ROLES & RESPONSIBILITIES

The following defines the individual roles and responsibilities associated with the performance evaluation of the 2nd Party's performance under the Agreement:

Individual	Role
2nd Party	Contractor responsible for execution of the Works under the Agreement.
Contracts Administrator	Responsible for the management of the Agreement and for evaluating the 2nd Party's performance on the project.
Contracts Management Department Manager	The Entity's Manager of the Contracts Management Department responsible for reviewing, approving, and disseminating the 2nd Party performance evaluation report.
Site Manager	Responsible for managing execution of the Works at the Site by the 2nd Party and reviewing the evaluation report prepared by the Contracts Administrator.

6.0 PROCESS

This procedure describes the process of 2nd party evaluation throughout the agreement cycle and to conclude overall performance score upon the completion of service delivery. Poor performance may prohibit 2nd party of participation in any future bidding with government entities as specified in the Law.

It is essential that this report be filled out objectively, and pertinent comments be recorded in the "remarks" portion. The objective in accomplishing this evaluation is to address the question: "would you want this 2nd Party on your next project"? Accordingly, the test must be applied impartially due to the possibility that the same 2nd Party may be on the next project for the Entity.

6.1 Preparation of Performance Evaluation

The Contracts Administrator will file a 2nd Party Performance Evaluations for each Contract . This should be done at the basis specified in each contract, while the final evaluation score should be documented shortly after receiving acknowledgment that the 2nd Party has accepted final payment for his contract.

In the event that a contract is completed, and final payment made but with exceptions for outstanding claims that remain to be negotiated, the Contracts Administrator will so note on the 2nd Party Performance Evaluation form. Since litigation or negotiation may take a considerable length of time, the Contracts Administrator will keep the 2nd Party Performance Evaluation form in a "live" file until outstanding claims have been resolved.



6.2 Frequency of Performance Evaluations

The Performance Evaluation shall be conducted at the intervals specified in the contract throughout the life of the Agreement using the official performance evaluation template as stated in the Law and available in Etimad platform, or other forms as applicable.

6.3 Guidelines for the Performance Evaluation

The Contracts Administrator and other evaluators shall complete the Performance Evaluation using the stipulated Evaluation Criteria template developed and issued in Etimad Platform for Entities' use.

6.4 Approval of Performance Evaluation

The Contractor Performance Evaluation report will be submitted to the Site Manager and the Entity's Director of the Contracts Management Department for review and approval. The Report shall include commentary on the 2nd Party's performance of the work, and a commentary on the business relationship between the Entity and the 2nd Party. This is sufficient documentation to close out a contract which has no special problems or any outstanding unresolved matters. In the event that this involves a particularly difficult contract or a particularly difficult 2nd Party, or if any outstanding unresolved matters remain at the conclusion of the contract, then the Contracts Administrator should gather all relevant documentation associated with the 2nd Party Performance Evaluation so as to form a historical record of the contract. After the evaluation result becomes final, the Government Entity shall then submit the 2nd Party's Performance Evaluation result on Etimad portal to be recorded and to ensure its availability for the other Government Entities to view it in the future.

6.5 Notification to 2nd Party of Evaluation

The 2nd Party Performance Evaluation Report is normally for internal use only. However, the Entity may elect, for transparency purposes, to share the findings of the Report with the 2nd Party in an effort to make them particularly aware of any negative performance included in the Report. This could provide the 2nd Party with the opportunity to address the noted problems by taking all necessary steps to improve their performance and standing, thus increasing their chances for future business opportunities with the Entity.

If the 2nd Party repeatedly obtained a score of less than (70%) in its Evaluation Performance for three (3) consecutive contracts, the 2nd Party shall be referred to the committee stipulated in Article (88) of the Laws.

6.6 Storage and Distribution

Retaining information regarding the 2nd Party's capabilities and performance is mandatory for all permanent works. The report will be stored in the Contracts Management Supplier/2nd Party information system for future access.

A copy of the Final Report shall be sent to the Entity's Director of Contracts Management Department for further distribution within the Entity's organization.

7.0 ATTACHMENTS

1. EPM-KD0-TP-000043 - Contractor Performance Evaluation Template



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Attachment 1 - EPM-KD0-TP-000043 - Contractor Performance Evaluation Template

CONTRACTOR PERFORMANCE EVALUATION GUIDELINE FOR RATING OF CONTRACTOR PERFORMANCE

INSTRUCTIONS: The guidelines below provide some degree of objectivity to the rating scores on the performance evaluation.

Ratings are scored on a scale of 0 to 3

- 3 – EXCELLENT – exceeds normal expectations
- 2 – GOOD – fulfills normal expectations
- 1 – FAIR – needs some improvement
- 0 – POOR – needs considerable improvement
- N/A – where Non Applicable would apply

For each topic listed, consider each of the bulleted questions listed under that topic. If any of the bullet questions do not apply to the particular 2nd Party, disregard them and proportion your score based on the remaining bullet items. If you feel there are additional bullet questions that need to be considered for a particular topic, feel free to consider them and proportion your rating accordingly.

- If the response to ALL the questions under a topic can be answered “yes”, then the score for that topic would be Excellent, or 3.
- If the majority of answers are “yes”, then the score for the topic will be Good, or 2.
- If the majority of answers is “no”, then the score for the topic will be Fair, or 1.
- If the response to ALL the questions under a topic are ‘no’, then the score for that topic will be Poor, or 0.
- If there is a tie, or if none of the bullet questions for a particular topic seem applicable to this 2nd Party, utilize your best judgment.

For each of the following topic areas the suggested primary and supporting evaluators are identified.

HOME OFFICE MANAGEMENT

- Are management controls, organization, and responsible officers in place to quickly address site performance issues?
- Are regular site visits, assessments, or reviews of work performance practiced?

FIELD SUPERVISION & SUB TIERS

- Is consistent supervision provided?
- Do the supervisors have experience and knowledge to supervise?
- Is sufficient quantity of supervision provided to cover the number of workers?
- Do 2nd Party’s supervisors have a positive, cooperative attitude toward Entity personnel?
- Do 2nd Party’s supervisors have a positive, professional attitude toward the people they supervise?
- Observation of supervisor’s relation with his/her managers, is it congenial and professional?
- Is work thought out and planned in advance?
- Does the 2nd Party provide sufficient tools and materials without requiring repeated trips to the ‘shop’?
- Is work done in a timely manner?
- Are the workers and supervisors at the site when the 2nd Party says they will be there?
- Cooperation with sub-tier 2nd Party, is it professional and congenial?
- Are there good lines of communication with the sub-tier?
- Does the 2nd Party appear to have sufficient control over the sub-tier such that work is performed in timely and quality manner?
- Do sub-tiers use proper interface with the 2nd Party and avoid dealing directly with Entity for issues that are clearly the 2nd Party’s responsibility?



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MATERIAL MANAGEMENT

- Does the 2nd Party effectively communicate with Entity procurement personnel to assure materials are available when needed?
- Does the 2nd Party have their own process in place to assure that materials are available to meet the work schedule?
- Does the 2nd Party have his own storage area for materials he is responsible to manage?
- Is the storage facility adequate and appropriate for the materials?
- Are materials able to be dispatched from this storage facility in a timely manner?
- Are material documents or certificates tracked properly?

SCHEDULING (SUBMITTALS)

- Are submittals provided in a timely manner?
- Are re-submittals returned in a timely manner?
- Have job turnover and completion documents been provided in a timely manner?

SCHEDULING (PERFORMANCE)

- Does the 2nd Party provide an accurate work schedule?
- Is the 2nd Party consistently able to meet the required schedule?
- Does the 2nd Party discuss schedule issues with Entity?
- Does the 2nd Party provide sufficient personnel, materials, sub-tiers to meet the required schedule?
- Has the 2nd Party been flexible in adjusting to schedule changes or scope changes with schedule impacts?
- Has the 2nd Party proposed constructive responses and work-around plans to address project schedule changes?

PRICING AND PROCESSING OF CHANGES

- Has the 2nd Party provided prompt notice or communication regarding changes?
- Have budget estimates and detailed pricing proposals to support changes been provided?
- Has professional judgment been exercised regarding reasonableness of changes?
- Does the 2nd Party provide proper documentation for changes?

DRAWINGS AND DOCUMENTS

- Are drawings controlled, approved, available, and being used at the jobsites?
- Is there a procedure for 2nd Party site workers to receive the proper drawings from 2nd Party project management?
- Does the 2nd Party lose or find difficulty finding drawings?
- Are as-built drawings being completed accurately and on time?
- Are turnover documents complete and provided in a timely manner?

LABOR RELATIONS

- Are there significant 2nd Party labor issues with this 2nd Party?
- Are labor issues handled in a positive, professional manner?
- Do 2nd Party labor issues interfere with work quality?
- Do 2nd Party labor issues interfere with the timely completion of work?
- Do 2nd Party labor issues interfere with safety?
- Does the 2nd Party have a plan for how to deal with potential labor issues (Labor Contingency Plan)?

TRAINING (INDUCTION AND AWARENESS)

- Does the 2nd Party provide induction training for all new employees regarding environmental, safety, and health requirements?
- Does the 2nd Party provide continuing awareness training for all employees regarding environmental, safety, and health requirements?

ADEQUACY OF EQUIPMENT

- Does the 2nd Party have proper tools and equipment readily available to perform the work scope?
- If required, is the equipment certified and calibrated properly before use?
- Is construction machinery properly licensed and inspected?
- Is construction machinery properly maintained such that it has not caused delays in construction?



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- Is the equipment in sound, working condition, and there are no environmental issues regarding operation and maintenance (noise, emissions, spill/fluid containment)?

COOPERATION/TEAMWORK

- Would you characterize the 2nd Party as a 'team player'?
- Does the 2nd Party demonstrate a proactive, constructive, non-defensive, problem-solving approach to work?
- Does the 2nd Party have a general awareness that his/her performance with the current work may affect the possibility of obtaining future work?
- Is the 2nd Party cooperative with his sub-tiers?
- Is the 2nd Party cooperative with Entity personnel?
- Do 2nd Party personnel treat Entity personnel in a professional manner?

ATTITUDE

- Is the 2nd Party positive, confident, businesslike and professional?
- Is the 2nd Party open to suggestions or constructive criticism?
- Does the 2nd Party cope well with work-related change, uncertainty, ambiguity?

QUALITY OF WORK & TRAINING

- Were properly qualified personnel being used to perform the work?
- Did 2nd Party have proper state/local licenses to perform the work?
- Are 2nd Party's site supervisors aware that the 2nd Party has a quality control plan?
- Does 2nd Party perform self/peer inspections prior to notifying Entity of work completion?
- Does 2nd Party's work consistently meet the drawing and specification requirements?
- Does the 2nd Party provide timely response to quality issues, concerns, and/or findings?
- Are turnover documents accurate, complete and in the proper format?
- Is the client generally satisfied with the quality of the 2nd Party's work?
- Were all personnel trained to perform the work?
- Does the 2nd Party track training for their employees?
- Does the 2nd Party take the initiative to provide training for their employees without having to be reminded by Entity?

COMMUNICATION (ORAL)

- Does the 2nd Party take initiative to ask questions before problems arise?
- If problems or issues do arise, does the 2nd Party promptly communicate them to Entity?
- Does the 2nd Party communicate in an efficient manner (not too much, not too little)?

COMMUNICATION (WRITTEN)

- Are required reports, clear, complete and submitted on time?
- Are written communications neat, professional and clearly address the problem or topic?

COST CONTROL

- Does the 2nd Party provide a full accounting of project cost status, trends, and reconciliation against baseline budget?
- Are invoices clear, complete and received in a timely manner?
- Is the work properly performed, documented, and/or referenced on the invoice?
- Does the 2nd Party provide a single person with whom to communicate regarding invoice issues?

TECHNICAL EXPERTISE

- Is the 2nd Party fully staffed with technical resources to address basic work requirements?
- Has the 2nd Party demonstrated the capacity to address unforeseen work-related technical issues without unnecessary dependence on others?
- Is the 2nd Party current regarding laws, standards, regulations, ordinances, rules related to the conduct of his work?

INNOVATION

- Is the 2nd Party open to change, use of new technologies, methods or materials related to the work?
- Does the 2nd Party exhibit innovative ways to perform the work to the benefit of Entity and the Client?
- Does the 2nd Party actively promote continuous improvement and explore ways to improve work processes?



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SAFETY AND HEALTH PROGRAM

- Zero lost time accidents.
- Zero Occupational Safety and Health Administration (OSHA) reportables.
- Zero 'near misses'
- Zero property damage events.
- Did Entity use a letter or notification of Safety Non-Compliance (review contract files to verify)?

ENVIRONMENTAL PROGRAM

- Zero NOVs (Notices of Violation)
- Zero reportable spills
- Zero spills (other than reportable spills)
- Does the 2nd Party consistently perform work in compliance with site's environmental requirements?
- Are any hazardous materials contained, stored and used properly?
- Are adequate measures and materials available to mitigate consequences of potential environmental events?
- Are the 2nd Party's personnel conscious and aware of any Historic, Archaeological, Paleontological, Rare/Endangered/Threatened Species, and/or Environmentally sensitive characteristics of the site?

CONSTRUCTION SAFETY

- Does the 2nd Party have a documented safety program?
- Consistently observed personnel wearing proper Personal Protective Equipment (PPE).
- Consistently observed safe work habits by personnel.
- Does the 2nd Party take ownership for safety?
- Are Job Hazard Analyses conducted prior to start of work?
- Does the 2nd Party respond quickly to construction safety issues and corrective actions when identified?

ORAL DIRECTION

- Is the 2nd Party open and responsive to oral direction or constructive feedback regarding work performance?
- Does the 2nd Party provide constructive feedback and/or response to oral direction and otherwise maintains open communications?

WRITTEN DIRECTION

- Is the 2nd Party open and responsive to written direction?
- Does the 2nd Party provide constructive and timely feedback regarding written direction



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Contractor Performance Evaluation

CUSTOMER		CONTRACT NO.	
PROJECT		CONTRACT DATE	
LOCATION		START/FINISH DATES FROM _____ TO _____	
NAME AND ADDRESS OF CONTRACTOR		KEY PERSONNEL	
TYPE OF CONTRACT: _____ (INCLUDE SCOPE)			
DESCRIPTION OF CONTRACT: _____			
SAFETY - EMR _____ IR _____ LTIR _____ OTHER INCIDENTS _____			
ENVIRONMENTAL - NOVs _____ REPORTABLE SPILLS _____ OTHER SPILLS _____ OTHER GOVT ACTIONS _____			
CONTRACTOR'S FORCES - AVERAGE NO. _____ PEAK NO. _____			
TOTAL JOBHOURS - MANUAL _____ NON-MANUAL _____			
CONTRACT VALUE - AWARD _____ FINAL _____			
RATINGS			
3 - EXCELLENT - EXCEEDS NORMAL EXPECTATIONS 1 - FAIR - NEEDS SOME IMPROVEMENT			
2 - GOOD - FULFILLS NORMAL EXPECTATIONS 0 - POOR - NEEDS CONSIDERABLE IMPROVEMENT			
SCORE		SCORER	
HOME OFFICE MANAGEMENT		QUALITY OF WORK & TRAINING	
FIELD SUPERVISION & SUB TIERS		COMMUNICATION: ORAL	
MATERIAL PROCUREMENT		WRITTEN	
SCHEDULING: SUBMITTALS		COST CONTROL	
PERFORMANCE		TECHNICAL EXPERTISE	
PRICING & PROCESSING CHANGES		INNOVATION	
DRAWINGS & DOCUMENTS		SAFETY & HEALTH PROGRAM	
LABOR RELATIONS		ENVIRONMENTAL PROGRAM	
TRAINING (INDUCTION & AWARENESS)		CONSTRUCTION SAFETY	
ADEQUACY OF EQUIPMENT		RESPONSIVENESS TO: WRITTEN	
COOPERATION/TEAMWORK		DIRECTION	
ATTITUDE			
TOTAL		NOTE: AVERAGE = TOTAL SCORE/NUMBER OF TOPICS EVALUATED	
AVERAGE			
IS CONTRACTOR RECOMMENDED FOR FUTURE WORK? ☐ Definitely ☐ Marginally ☐ No			
IF NO IS CHECKED, DESCRIBE THE UNSATISFACTORY PERFORMANCE _____			
COMMENTS _____			
CONTRACT ADMINISTRATOR _____ DATE _____			
ENGINEERING _____ DATE _____ BESH _____ DATE _____ CONSTRUCTION _____ DATE _____			
CONTRACTS _____ DATE _____ PROJECT/SITE MGMT. _____ DATE _____			