

SUPPLIER PERFORMANCE MANAGEMENT (SPM) APPLICATION GUIDE

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1. Supplier Performance Management

Supplier Performance Management (SPM) is a formalized City program to measure supplier performance on City contracts. The SPM program explains how past performance scores are used in the City's procurement process for bidders and how performance is managed and measured through the City's contract management process for contracted suppliers. Inclusion of past performance scores in sourcing events will be implemented in fall 2026.

How the SPM program affects bidders and suppliers		
Contract Clauses	City standard contracts may include clauses about the SPM program.	Should SPM apply, details will be included in the general conditions of your contract.
Performance Reviews	Throughout the contract with the City, supplier performance will be evaluated based on Key Performance Indicators (KPI).	See the training guide on the website for instructions on registering, viewing and acknowledging evaluation scorecards in SAP Business Network.
COMING SOON: Sourcing Events	<i>Starting Fall 2026, your past performance score may be used as bid evaluation criteria for procurements.</i>	<i>Sourcing events will detail how past performance is evaluated. Contact the sourcing event owner for additional details.</i> Bidding on Procurement Opportunities

2. Application and Thresholds

Supplier performance evaluations are conducted at different frequencies depending on the contract value, level of risk assigned to the contract, and/or as agreed upon between the City and the supplier. Performance will be evaluated at pre-set interim periods, significant project milestones, at the end of the contract or as needed.

Supplier performance evaluations are required for **all** contracts where:

- The estimated value of the contract is, before taxes and including all optional terms and phases, equal to or greater than **\$100,000 CAD**; and
- The contract is determined to be **high-risk**.

The contract is otherwise determined to require performance evaluations on 6 or 12 month frequencies, unless other circumstances apply and evaluations are required to be more frequent as determined by the City and the supplier.

Standing arrangements and call-up agreements (also known as "contracts" as defined in this program) are also included in the scope of the SPM Program where work is being performed.

Notes:

- *Supplier Performance Evaluations can also be completed on projects where the contract amount is below \$100,000, and the risk is identified as low at the discretion of the City of Edmonton and the supplier.*
- *The City determines the risk level.*
- *The City and the supplier reserve the right to consider implementing SPM for any contracts awarded before September 2020 that did not initially include SPM requirements.*

3. Supplier Performance Evaluation

At the contract kick-off, before the work commences, the City contract manager will review SPM project details with the supplier and review questions and ratings associated with the selected scorecard.

Scorecards contain Key Performance Indicators (KPIs) which maintain performance data across all suppliers being monitored. Scorecards are based on qualitative feedback gathered through surveys.

If sustainable procurement is within the contract scope, then ratings will also be explicitly applied to the supplier's ability to meet sustainable criteria obligations.

3.1. Supplier Performance Scorecard Templates

KPIs are compiled and graded using one of the evaluation scorecard and survey templates. You can find the current supplier performance evaluation scorecard templates at

edmonton.ca/supplierperformance

3.2. Key Performance Indicator (KPI) Score Calculation

Supplier performance will be evaluated using a percentage scale from 30% to 100% where:

- 'Always meet' is 100%
- 'Usually meet' is 80%
- 'Occasionally meet' is 60%
- 'Never meet' is 30%

for each of the questions associated with a KPI.

3.3. Performance Evaluation Score Calculation

The total scores from each KPI are combined for a total weighting of 100% to determine the Supplier performance evaluation score for a specific contract.

KPIs where sustainable procurement does not apply:

Types of Contracts / KPIs	Construction Services	Goods & Services	Goods	Professional Services
Quality	20%	25%	25%	25%
Delivery	20%	25%	25%	25%
Financial	20%	25%	25%	25%
Relationship Management	20%	25%	25%	25%
Health, Safety & Environment*	20%	N/A	N/A	N/A

KPIs where sustainable procurement does apply:

Types of Contracts / KPIs	Construction Services	Goods & Services	Goods	Professional Services
Quality	17%	22%	22%	22%
Delivery	17%	22%	22%	22%
Financial	17%	22%	22%	22%
Relationship Management	17%	22%	22%	22%

<i>Health, Safety & Environment*</i>	17%	N/A	N/A	N/A
<i>Sustainable Procurement**</i>	15%	12%	12%	12%

*Construction related services and agreements include the Health, Safety and Environment KPI.

**Sustainable Procurement may not apply depending on the initial sourcing event & contract terms developed by the Procurement & Contract Manager.

3.4. *Supplier Performance Rating and Procurement Opportunities*

The SPR is the accumulative performance evaluation scores for all contract types and evaluation categories for a supplier or bidder, calculated on a three-year rolling average of performance evaluation scorecards published in SAP using the following formula:

$$SPR = \frac{3 (\text{average of Year 1}^* \text{ scores}) + 2 (\text{average of Year 2 scores}) + 1 (\text{average of Year 3 scores})}{6}$$

- SPR is regularly refreshed and calculated on a 3-year **rolling average** of individual Performance Evaluation Scores.
- “Year 1” represents the most recent year that work/delivery was completed, and performance for that year has a higher weight.
- When the Supplier doesn’t have a Performance Evaluation score in 1 (or more) of the past 3 years, the denominator will be reduced accordingly.

An example calculation follows for a supplier with no Supplier Performance Evaluation score for Year 2.

$$SPR = \frac{3 (\text{average of Year 1}^* \text{ scores}) + 1 (\text{average of Year 3 scores})}{4}$$

COMING FALL 2026

Beginning Fall 2026, SPR scores may be applied to procurements when selecting evaluation criteria.

- The SPR weighting in procurement evaluations varies by procurement type, value, risk, and the sourcing event owner's discretion.
- Details for the application of past performance will be specified in the sourcing event contents.
- For bidders with a valid performance evaluation or SPR, scores will be used directly in the evaluation process within the associated procurement activity or sourcing event.
- For bidders without a valid performance evaluation or SPR at the time of a bid posting, the City assigns an average SPR of the bidder pool, unless:

- the bidding pool has less than 3 bidders with scores; or
 - the SPR average exceeds 80%
 - *If the above applies, bidders without an SPR will be assigned the SPR of the bidder with the lowest SPR.
 - If there is only one bidder in the pool with an SPR, the bidders that have no SPR will be assigned a passing score of 70%.
- The application of SPR ratings is subject to change with the SPM program. Any such changes will be communicated at least 30 days before and clearly outlined in new sourcing events.
 - In the case of a merger or acquisition of two companies or entities, the SPR of the two companies will be amalgamated and used to calculate one single supplier score. That single score will determine the SPR of the resulting single company or entity.

4. SAP

The SPM program is facilitated by SAP Business Network, where evaluations are completed and accessed.

- Scorecards are shared with suppliers directly on their SAP Business Network account
- Tasks may be assigned to suppliers to review documents and/or obtain their acknowledgment

Suppliers must register with the City of Edmonton’s SAP Network to participate in SPM projects. For more information, refer to the SPM Supplier Training Guide for SAP that can be found on the [website](#). For assistance with SAP registration, contact suppliersupport@edmonton.ca.

5. Performance Improvement, Probation, and Suspension

The SPM program identifies poor performance and drives improvements. Suppliers are continuously evaluated through the SPM program, and based on the evaluation scores, the following steps may be taken:

Performance Improvement Steps	
Step	Action taken by City
Performance Improvement Plan	The City must work with the supplier to develop a Performance Improvement Plan if the performance evaluation scorecard results are below 60%.
Probation	<p>Probation is generally used for less severe offenses or for first-time occurrences. It allows you an opportunity to correct the issues and avoid more serious consequences, such as suspension. If a supplier is on probation, you are still permitted to bid on new City sourcing events, however, you will be removed from any active pre-qualification lists if it applies.</p> <p>City business areas will be informed of the supplier’s probationary status and may choose not to award any further non-competitive procurements to the supplier or include the supplier in any invitational procurements or standing arrangement call-up processes</p> <p>A supplier may move from a probation to a suspension should they continue with poor performance or other serious offences as outlined in</p>

	the process.
Suspension	<p>Suspended suppliers are not permitted to respond to City sourcing opportunities or be awarded City procurement agreements, directly or indirectly. Suspended suppliers will be listed on the City of Edmonton website.</p> <p>Suspensions have a minimum duration and include specific conditions and requirements for reinstatement.</p>

A detailed copy of the Probation & Suspension process can be found [here](#).

6. Supplier Performance Review and Appeal Process

Following the review of an SPM evaluation with the contract manager, the supplier may request a meeting with the City's contract manager and business area supervisor to dispute and appeal the scorecard.

A supplier may also appeal a decision if they are:

- Placed on probation
- Suspended from contracting with the City
- If they do not meet the conditions for either a suspension or probation to be lifted.

For more information, refer to the Supplier Performance Appeal Process on the [website](#).

For more information about the SPM program visit [edmonton.ca](#).