

SEATTLE HOUSING AUTHORITY

CONTRACTOR PERFORMANCE EVALUATION PROGRAM

I. POLICY

The Seattle Housing Authority, through its Purchasing Division, is charged with the responsibility of ensuring that all public construction projects are awarded to the lowest responsive, responsible bidder, and are performed in compliance with the contract documents, and state and federal laws and regulations. The Seattle Housing Authority (SHA) is responsible to the taxpayers to oversee the expenditure of public funds, and to secure the best possible results for that expenditure. To assist the Seattle Housing Authority in evaluating a Contractor's or subcontractor's responsibility, as well as its performance on SHA contracts, the Contractor Performance Evaluation Program has been developed. The implementation of a mandatory, standardized system of evaluating Contractors' and subcontractors' performance is expected to yield consistency, objectivity, fairness, and accountability.

II. PURPOSE

The purpose of the Contractor Performance Evaluation Program is to better assure that Contractors considered for contract award on public construction projects and their proposed principal subcontractors either possess, or will likely possess at the time contract performance is set to begin, all qualifications necessary to successfully complete the project on time. Among other things, the Program is intended to:

- Assist SHA in exercising its discretion to determine a Contractor's qualifications and abilities to successfully perform a particular contract.
- Provide SHA with a rational basis for determining that a Contractor is or is not responsible, or for approving or disapproving his or her proposed principal subcontractor(s).
- Provide Contractors with a means of enhancing their qualifications and reputation by receiving recognition for high standards of performance.
- Encourage better working relationships between SHA and Contractors.
- Guide SHA in approving or disapproving proposed principal subcontractors on a particular project.
- Provide official, verifiable references for Contractors and subcontractors who may be under consideration for award of, or approval on, contracts to be awarded by other public owners.
- Provide a history and an assessment of a Contractor's or subcontractor's performance on prior SHA contracts for use in suspension or debarment proceedings.

The Contractor Performance Evaluation Program is not intended to determine whether a Contractor has breached a contract with SHA, or to determine the acceptability of any particular noncompliance with contract requirements.

For purposes of the Contractor Performance Evaluation program, The Seattle Housing Authority is concerned with four major areas relative to a Contractor's or subcontractor's performance on a given project:

- (1) The Contractor's or subcontractor's ability to effectively and efficiently schedule, administer, coordinate, finance, and manage its work and the work of its subcontractors on the project;
- (2) The degree and extent of the Contractor's or subcontractor's cooperation with SHA, its employees and consultants, and the public;
- (3) The Contractor's or subcontractor's initiative in all aspects of its work; and
- (4) The quality of material and workmanship in, and safe and timely completion of, the final product.

To evaluate the Contractor's or subcontractor's success in meeting the above concerns, specific performance criteria have been developed that take into account the effect the Contractor's or subcontractor's performance has had on:

- ° Compliance with contract requirements and applicable laws and regulations;
- ° Project schedule and budget;
- ° Public safety and convenience; and
- ° Increases or decreases in contract administration or consultant workload.

III. PERFORMANCE CATEGORY EVALUATION GUIDE

The Performance Category Evaluation Guide establishes criteria to be used in evaluating the Contractor's or subcontractor's performance in connection with each Performance Category, and describes six Performance Levels, five of which range in ascending order of merit from "Inadequate" to "Superior." The "Standard" Performance Level is considered a baseline; it characterizes the level of acceptable performance normally associated with a reasonably prudent, diligent, and skilled Contractor or subcontractor working on projects of the same general type and size. Both the "Superior" and "Good" Levels characterize performance levels that exceed the baseline; they respectively connote consistent and substantial positive contributions to the overall project. Both the "Deficient" and "Inadequate" Levels characterize levels of performance that fall below the baseline, and respectively connote substantial and serious detriment to the overall project. The "No Evaluation" Level is to be used only where the Contractor or subcontractor had no direct or indirect responsibility for performance.

The six Performance Levels are more specifically described as follows, and the criteria set forth for each shall be applied in evaluating the Contractor's or subcontractor's performance in connection with each of the Performance Categories listed in Section III of the Contractor Performance Evaluation Report:

- A. Superior. To merit an evaluation of "Superior" in any Performance Category, the Contractor or subcontractor must have consistently demonstrated:
- (1) Command or virtual mastery of the contract documents related to that Performance Category;
 - (2) Performance of the work or activity being evaluated under that Performance Category that always exceeded or surpassed the material requirements of the contract;

- (3) A highly cooperative attitude in dealing with SHA employees, consultants, and the public in connection with that Performance Category, which attitude made a substantial, positive contribution to the project; and
- (4) Initiative in carrying out his or her duties in connection with that Performance Category in a responsive, thorough, and timely manner without prompting by SHA staff or consultants.

If the Contractor or subcontractor fails to satisfy any one of the Performance Level criteria set out above, then his or her performance will be re-evaluated under the "Good" Level by applying the criteria for that Level.

B. Good. To merit an evaluation of "Good" in any Performance Category, the Contractor or subcontractor must have demonstrated:

- (1) Thorough knowledge of contract documents related to that Performance Category;
- (2) Performance of the work or activity being evaluated under that Performance Category that always met, and often exceeded, the material requirements of the contract;
- (3) A cooperative attitude in dealing with SHA employees, consultants, and the public in connection with that Performance Category, which attitude made a positive contribution to the project; and
- (4) Initiative in carrying out his or her duties in connection with that Performance Category in a responsive, thorough, and timely manner with only minimal prompting by SHA staff or consultants.

If the Contractor or subcontractor fails to satisfy any one of the Performance Level criteria set out above, then his or her performance will be re-evaluated under the "Standard" Level by applying the criteria for that Level.

C. Standard. To merit an evaluation of "Standard" in any Performance Category, the Contractor or subcontractor must have demonstrated:

- (1) Acceptable knowledge of the contract documents related to that Performance Category;
- (2) Performance of the work or activity being evaluated under that Performance Category that met all material contract requirements;
- (3) A generally cooperative attitude toward SHA employees, consultants, and the public in connection with that Performance Category; and
- (4) Initiative in carrying out his or her duties in connection with that Performance Category in a responsive, thorough, and timely manner with only moderate prompting by SHA staff or consultants.

If the Contractor or subcontractor fails to satisfy any one of the Performance Level criteria set out above, then his or her performance will be re-evaluated under the "Deficient" and "Inadequate" Levels by applying the criteria for those Levels.

- D. Deficient. To merit an evaluation of "Deficient" in any Performance Category, the Contractor or subcontractor must have demonstrated:
- (1) Marginal knowledge of the contract documents related to that Performance Category;
 - (2) Performance of the work or activity being evaluated under that Performance Category that did not always meet contract requirements, and such failures were not excusable as the sole fault and responsibility of one or more other parties;
 - (3) An occasionally uncooperative attitude toward SHA employees, consultants, or the public in connection with that Performance Category; or
 - (4) Performance of his or her duties in connection with that Performance Category in a moderately unresponsive, inattentive, or dilatory manner, or after frequent or repeated prompting by SHA staff or consultants.
- E. Inadequate. To merit an evaluation of "Inadequate" in any Performance Category, the Contractor or subcontractor must have either: (a) failed to satisfy the criteria listed for the Performance Levels of "Superior," "Good," "Standard," and "Deficient" set out above and did not qualify for treatment under Section III.F below; or (b) must have demonstrated:
- (1) Inadequate knowledge of the contract documents related to that Performance Category;
 - (2) Performance of the work or activity being evaluated under that Performance Category which seldom met the contract requirements, and such failures were not excusable as the sole fault and responsibility of one or more other parties;
 - (3) A seriously uncooperative attitude toward SHA employees, consultants, or the public in connection with that Performance Category; or
 - (4) Performance of his or her duties in connection with that Performance Category in a seriously unresponsive, inattentive, or dilatory manner, or only after frequent prompting by SHA staff or consultants.
- F. No Evaluation. This Performance Level shall be used only in those circumstances where the Contractor or subcontractor had no contractual responsibility, either directly or through its subcontractors, suppliers, or materialmen, for performance related to that Performance Category. Consequently, this Performance Level is generally applicable only to certain Performance Categories in the evaluation of subcontractors.

IV. OVERALL EVALUATION GUIDE

The Contractor's or subcontractor's Overall Evaluation can be determined by placing the Overall Percentage Score calculated on the Contractor Performance Evaluation Report within the numerical ranges of the following narrative ratings in the Overall Evaluation Guide:

- A. SUPERIOR (Overall Percentage Score of 85% or above)

The Contractor or subcontractor exceeded the contract requirements and expectations in most or all of the areas evaluated. The Contractor or subcontractor was extremely or completely knowledgeable regarding contract requirements and applicable laws and regulations. A consistently high level of cooperation, project management, and job site control appreciably contributed to an unusually good result. The Contractor or subcontractor is commended for excellent performance.

B. GOOD (Overall Percentage Score of 75% to 84%)

The Contractor or subcontractor met contract requirements evaluated, and exceeded them in some areas. The Contractor or subcontractor was generally cooperative, and performed his/her work with a minimum of prompting. The results of the performance were very good.

C. STANDARD (Overall Percentage Score of 70% to 74%)

The Contractor or subcontractor generally satisfied the minimum requirements of the contract as evaluated. The Contractor or subcontractor occasionally had to be prompted or reminded of contract requirements, but overall management of the project was good, producing a good result.

D. DEFICIENT (Overall Percentage Score of 55% to 69%)

Even though the project may have been accepted, the Contractor's or subcontractor's performance as evaluated was marginal overall. While the Contractor or subcontractor performed some tasks satisfactorily, most elements evaluated reflected a less than satisfactory response to contract requirements.

E. INADEQUATE (Overall Percentage Score of 54% or below)

The Contractor's or subcontractor's performance as evaluated did not meet minimum contract requirements, or so otherwise detracted from the project as to seriously call it into jeopardy. While the project may have been accepted by SHA, the effort expended by SHA staff or consultants in prompting the Contractor or subcontractor to perform was excessive. The Contractor's or subcontractor's poor or uncooperative performance created serious unnecessary or avoidable difficulties in achieving contract completion.

A Contractor's Overall Evaluation, being based upon an averaged score on a discrete number of Performance Categories, should not be read or interpreted as a measure of whether the Contractor did or did not breach the contract in question. For example, a Contractor who receives an overall Evaluation of "Superior" may have nevertheless breached the contract (1) in an area not evaluated, or (2) within an area or Performance Category actually evaluated but under which, on balance, the Contractor's performance was rated "Superior," "Good," or "Standard."

V. PERFORMANCE EVALUATION REPORTS

In consultation with appropriate SHA staff and consultants, each Contractor Performance Evaluation Report shall be prepared by, or at the direction of, the SHA Project Manager, who will include numerical ratings substantiated, when necessary, by one or more narratives which describe the Contractor's or subcontractor's performance.

Each Performance Category has been assigned its own point range; the point ranges for the various Performance Categories have been weighted to reflect the relative importance of the

Performance Categories and their overall impact on SHA projects generally. A larger number of possible points has been assigned to those elements that typically have a greater impact on the success or failure of a project. The point ranges reflect the dramatic effect either poor performance or very good performance can have on the project, e.g., in terms of workload, budget, schedule, and safety.

Every Contractor Performance Evaluation Report containing Performance Level evaluations of "Deficient" or "Inadequate," and all Overall Evaluations on projects the total cost of which is \$100,000 or more, shall contain one or more narratives which provide details substantiating the evaluations. Narratives may be provided for other Performance Categories as the project manager deems necessary.

Narratives provided with a Contractor Performance Evaluation Report shall be based upon documentation prepared during the life of the project, e.g., project diaries, inspectors' reports, and other pertinent documents. Such documentation shall constitute a major portion of the administrative record to be used for any review, appeal, or litigation that may arise from the evaluation process.

Every Contractor Performance Evaluation Report shall be signed by the project manager's supervisor before a copy of the Report shall be transmitted to SHA's Purchasing Manager, who will subsequently transmit the Report to the Contractor or subcontractor. The Report shall not be considered final until such time as the review/appeal periods described in Section VI of these instructions have been completed.

Generally, only one Contractor Performance Evaluation Report shall be issued, following completion of the contract work. However, in addition to a final Report, one or more interim Reports may be issued at the department's discretion when:

- A contract is of long duration, particularly those in excess of one year.
- An individual charged with primary responsibility for administration of the contract will cease his or her involvement with the project prior to completion of the work.
- Contractor's/subcontractor's performance at 50% completion is deficient or inadequate.

Interim Contractor Performance Evaluation Reports shall be considered to be preliminary and shall be designated as such, and shall be processed administratively in the same manner as a Final Report. A Contractor or subcontractor may request review of an Interim Report by the department director and appeal to the Director of Finance & Administration or his/her designee pursuant to the provisions of Section VI below. All Interim Reports shall be attached to, and considered when preparing, the Final Report.

VI. NOTICE, REVIEW, AND APPEAL

- A. **Notice.** SHA's Purchasing Division shall mail to Contractors and subcontractors a copy of their Contractor Performance Evaluation Report after completion of the Report. A Contractor or subcontractor who is given an Overall Evaluation of "Deficient" or "Inadequate" in connection with a project shall be provided with a copy of the Contractor Performance Evaluation Report via certified mail (return receipt requested).
- B. **Review.** A Contractor or subcontractor who disputes, or is otherwise dissatisfied with, his or her Contractor Performance Evaluation Report may request review of the Report by the department director. The request must be submitted in writing within thirty (30) calendar days of receipt by the Contractor or subcontractor of the Final Contractor

Performance Evaluation Report. The request must also state, with specificity, all bases for the requested review.

The department director shall, upon receipt of a proper and timely request, review the Contractor Performance Evaluation Report and any documentation submitted by the Contractor or subcontractor with his or her request. The department director shall, on the basis of his or her review, issue findings which may affirm, correct, or modify all or any part of the Report. A copy of the findings shall be mailed to the Contractor or subcontractor via registered mail, return receipt requested.

- C. Appeal. Within ten (10) calendar days of receipt by the Contractor or subcontractor of the department director's findings on review, the Contractor or subcontractor may appeal therefrom to the Director of Finance & Administration or his/her designee. Any such appeal shall be in writing, and shall state with specificity the bases or grounds for the appeal.

The Director of Finance & Administration or his/her designee shall review and consider the objectivity, accuracy, completeness, and fairness of the Contractor Performance Evaluation Report, together with the department director's findings, engineers' diaries, job records and other documentation, including such documentation as the Contractor may provide with the appeal.

Upon hearing and review of the department director's findings, the Director of Finance & Administration or his/her designee shall issue a determination and findings which may affirm or modify the Contractor's or subcontractor's Contractor Performance Evaluation Report. The Director of Finance & Administration or his/her designee shall notify the Contractor or subcontractor of its determination and findings by certified mail (return receipt requested).

VII. DISQUALIFICATION FOR WORK ON SPECIFIC PROJECT

The SHA Director of Finance & Administration or his/her designee may determine, from Contractor Performance Evaluation Reports and other public documents relating to the project in question, that a Contractor or subcontractor who has received one or more Overall Evaluations of "Deficient" or "Inadequate" is not qualified or able to successfully perform a specific SHA project and is therefore ineligible for award of that contract.

When, on that basis, the SHA Director of Finance & Administration or his/her designee believes that the low bidder is not qualified or able to successfully perform a project, the Director of Finance & Administration or his/her designee shall notify the low bidder of its intent to award the contract to the next lowest responsive, responsible bidder. At that time, the Director of Finance & Administration or his/her designee shall also inform the Contractor of the date and time the matter of contract award has been scheduled for consideration by the Director of Finance & Administration or his/her designee. Only the Contractor or subcontractor, departmental staff, and counsel will be given an opportunity to address the Director of Finance & Administration or his/her designee on the issue of disqualification prior to the Director of Finance & Administration or his/her designee reaching a decision on the award.

VIII. DEBARMENT OF CONTRACTING FIRM

Upon request of an SHA department director, the Director of Finance & Administration or his/her designee, after hearing and evaluating the evidence, may debar a Contractor or subcontractor from contracting with SHA for a period of up to two years for any of the following reasons:

- A. A Contractor or subcontractor has received overall evaluations of their performance of "Deficient" or "Inadequate" on three or more SHA projects physically completed during the preceding five (5) year period.

- B. A Contractor or subcontractor has abandoned, surrendered, or failed to complete, or failed to perform work on, or in connection with, any SHA contract.
- C. A Contractor or subcontractor has failed to perform work on an SHA contract in accordance with the contract provisions, including among other specifications, those on the quality of workmanship and the timeliness of performance, safety standards, and prevailing wage requirements.
- D. A Contractor or subcontractor has failed to comply to a substantial extent with applicable federal or State law, or with the rules and regulations implementing them.
- E. A Contractor or subcontractor has submitted false or misleading reports or statements to SHA in connection with an SHA contract.
- F. A Contractor or subcontractor has colluded with another to restrain competition.
- G. A combination of any or part of any of the above reasons.
- H. A determination by the Director of Finance & Administration or his/her designee that the performance of a Contractor or subcontractor is such that it would not be in the best interests of SHA to permit the Contractor or subcontractor to work on additional SHA projects.

IX. RELEASE OF INFORMATION

Contractor Performance Evaluation Reports are public documents subject to disclosure to other governments and to the public. Because the Reports and the Overall Evaluations they contain may be used as a basis for contract award and may reflect upon the Contractor's or subcontractor's reputation, care must be taken to assure that only accurate, complete, and current information is released.

- A. Final Reports. Contractor Performance Evaluation Reports may be released when:
 - (1) The Report becomes final as set forth in Section V of these instructions; or
 - (2) SHA has relied upon the Report for the purpose of taking further action with respect to the Contractor or subcontractor; or
 - (3) A court has ordered release of the Report.
- B. Interim Reports. Interim Contractor Performance Evaluation Reports may only be released when:
 - (1) The Contractor or subcontractor has consented in writing to the release; or
 - (2) The Contractor or subcontractor has requested and received final administrative review of an Interim Report; or
 - (3) SHA has used or relied upon the Interim Report to take action with respect to the Contractor or subcontractor; or
 - (4) A court has ordered release of the Report.

- C. Termination for Default and Pending Litigation. In the event that an SHA contract is terminated for reason of the prime Contractor's default, that fact shall be noted only on the prime Contractor's Contractor Performance Evaluation Report. In the event that a Contractor commences suit against SHA, that Contractor's Performance Evaluation Report shall not be released without approval of the SHA General Counsel's office.
- D. Intergovernmental Cooperation. All requests for Contractor or subcontractor references from agencies of foreign, federal, state, or local governments shall be referred to the Purchasing Manager or his/her designee. If such a request is honored, the requesting agency shall be provided with copies of all Performance Evaluation Reports on the Contractor or subcontractor, together with any written objections or refutations filed with the Purchasing Division by the Contractor or subcontractor in connection therewith.

X. INSTRUCTIONS FOR COMPLETING EVALUATION FORMS

The SHA project manager shall first complete Sections I and II, "Contractor Data" and "Project Data."

The project manager shall then evaluate the Contractor's or subcontractor's performance in each of the Performance Categories listed in Section III of the Contractor Performance Evaluation Report and shall assign points for each. In all cases, the first step is to apply the Element Rating Guide to determine the Performance Level of the Contractor's or subcontractor's performance in each Performance Category.

The descriptions provided on the Contractor Performance Evaluation form for each Performance Category will not necessarily match precisely with the Contractor's or subcontractor's actual performance of the task(s) on a given portion of the project.

The project manager should consider the general character of the Contractor's or subcontractor's performance for each Performance Category evaluated and select the Performance Level that most closely matches the actual performance.

Once a Performance Level has been determined for a Performance Category, the corresponding point subrange will be found on the Contractor Performance Evaluation Report form. For example, suppose the project manager applied the criteria in the Performance Evaluation Guide to a Contractor's performance in relation to Performance Category Number 5 (Adherence to plans and specifications as related to quality of the work—94 points possible) and determined that the Contractor's level of performance in that Category was "Good." The corresponding point subrange would be 70-79 points.

The project manager may then, at his or her discretion, assign any number of points within the subrange. To continue the example, suppose the project manager decided that the Contractor's performance in that Performance Category fell just short of "Superior." He or she could assign the Contractor up to 79 points in that Category. Project managers should use only whole numbers within the subrange indicated for each Performance Category. If the Contractor or subcontractor was not responsible for any performance in connection with a given Performance Category, then the Contractor's or subcontractor's evaluation in that Category should be "No Evaluation," and no points should be assigned.

When rating a prime Contractor, the project manager should consider all the work performed by the prime as well as work performed by all subcontractors, since the prime Contractor is contractually responsible to SHA for all of the work under the prime contract, whether or not the prime actually performs the work. A separate Contractor Performance Evaluation Report should be completed for the performance of each major subcontractor to evaluate that portion of the job for which the subcontractor or its subcontractors is responsible. (Rating all

subcontractors shall be at the option of the SHA department; i.e., it may be deemed unnecessary to evaluate a subcontractor whose involvement in the contract work was minimal.)

Comments are always encouraged, and may be written on the reverse side of the Contractor Performance Evaluation Report or on an attachment to the Report.

However, for each Performance Category evaluated as "Deficient" or "Inadequate," the project manager must prepare a written narrative substantiating the facts and circumstances giving rise to the evaluation.

After evaluating the Contractor or subcontractor on Performance Categories listed in Section III of the Contractor Performance Evaluation Report (and assigning points for each Category), the project manager shall total all the assigned points for Section III. The Grand Total Assigned Points will then be divided by the Total Points Possible (i.e., excluding the maximum number of points available for those Performance Categories evaluated as "No Evaluation"). The project manager will calculate the Overall Percentage Score and will enter the appropriate Overall Evaluation on the basis of the following ranges:

Superior	85% and above
Good	75% to 84%
Standard	70% to 74%
Deficient	55% to 69%
Inadequate	54% and below

The project manager shall sign the Report and forward it to the department director or his/her designee for concurrence signature and submission to the Purchasing Manager. The Purchasing Division staff shall then forward signed copies of the completed Report to the Contractor or subcontractor.

If a Contractor Performance Evaluation Report is an Interim Report, the Report should indicate on its face that it is interim, and shall contain the following language:

This Performance Evaluation Report is not the final report on this Contractor on this project. The Contractor may dispute the Report or any part thereof, and need not seek review or appeal until completion and acceptance of the project.

Interim Reports, if issued, shall be attached to the Final Report.

Pending issuance of a Final Report, an Interim Report shall not be released to anyone other than SHA staff employees and the subject Contractor or subcontractor unless: (1) the Contractor or subcontractor has consented in writing; (2) the Contractor or subcontractor has requested and received final administrative review of an Interim Report; (3) SHA has used or relied upon the Interim Report to take action with respect to the Contractor or subcontractor; (4) a court has ordered release of the Report.

END SECTION 00850