






Vendor Performance Management Program

Industry Information Bulletin, Volume 12
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This Information Bulletin has been prepared to provide our Industry Partners with the most current Vendor Performance Management (VPM) Program status updates. By working closely with Vendors, we ensure the success of our program.

Vendor Performance Management Status Updates – August 2025

Program data has been maintained and tracked since program implementation in January 2020.

 1,078 Contracts Totalling \$4.4B have been subject to VPM Program		Consultants - Average Overall Vendor Performance Rating (OVPR) 3.15		
 1,758 Evaluations Completed since program implementation		67% Exceed Expectations w/ OVPR above 3 (Avg. OVPR 3.21)	27% Met Expectations (OVPR is 3)	6% Under Expectation w/ OVPR below 3 (Avg. OVPR 2.88)
 264 Vendors Evaluated through the VPM Program		Contractors - Average OVPR 3.13		
		55% Exceed Expectations w/ OVPR above 3 (Avg. OVPR 3.30)	32% Met Expectations (OVPR is 3)	13% Under Expectation w/ OVPR below 3 (Avg. OVPR 2.66)

How does VPM Impact Procurement?

Per the [VPM Program Document](#): “Overall Vendor Performance Ratings (OVPR) shall be applied to each of the Construction, Consultant and Design Build procurement evaluations”. But what exactly does this mean? How is OVPR applied to procurement evaluations, and what is the result? Let’s take a look!

OVPR Adjustments

During a procurement evaluation, an adjustment proportional to the Vendor’s OVPR is factored in.

- For a value-based procurement, the OVPR will result in a proportional adjustment to the procurement evaluation final score of plus or minus 10 percent.
 - Adjustment formula: $100\% + (10\% \times (OVPR - 3) / 2)$
- For a price-based procurement, the OVPR will result in a proportional adjustment to the bid submission for evaluation and ranking purposes of plus or minus 5 percent.
 - Adjustment formula: $Bid\ Amount \times (5\% \times (OVPR - 3) / 2)$

Interested in learning more?
[Click here](#) for our training module video on this topic + more on VPM!

Below are two example procurement evaluation scenarios, where after the OVPR adjustment, Vendor A ends up being the successful proponent, despite Vendor C’s original score/bid being initially more competitive.

Example 1: Value-based Evaluation

	Vendor A	Vendor B	Vendor C
Original Score	80.75	81.30	84.20
OVPR	3.50	3.00	2.50
Adjusted Score	82.77	81.30	82.10

Example 2: Price-based Evaluation

	Vendor A	Vendor B	Vendor C
Original Bid	\$105,050	\$104,570	\$102,990
OVPR	3.50	3.00	2.50
Adjusted Bid*	\$103,737	\$104,470	\$104,277

*For evaluation purposes only and is not representative of contracted value.

If you have any questions, please contact the CEA on file or you can reach the VPM team at INFRAS.VendorPerformance@gov.ab.ca.