MARYLAND STATE HIGHWAY ADMINISTRATION

CONTRACT PERFORMANCE EVALUATION PROCEDURES

OBJECTIVE

- Develop a fair and accurate performance evaluation system for all contractors/subcontractors working on State Highway Administration (SHA) projects that has the confidence of the contracting community and SHA.

- Create a system that provides the necessary documentation to support adjustments in the contract retainage.

- Provide the basis for a determination of "responsibility" prior to the award of a contract to the apparent low bidder.

- Provide a contractors/subcontractors evaluation of SHA.

- Provide a comparison of each firm's performance to the average of all rated firms.

- Encourage continuous improvement by contractors and SHA.

PRIMARY BENEFITS

- Detailed documentation of historical performance of contractors/subcontractors.

- Encourages continuous improvement.

- Provides industry comparison.

- Provides incentive for positive public relations for contractors/subcontractors.

- Basis for retainage adjustment.
• Flags marginal or unacceptable bidders.
• Encourages partnering setting.
• Provides feedback.
• Could lead to reduced inspection staffing levels.

SHA RATING
OF CONTRACTOR/SUBCONTRACTOR

When should the ratings be completed?

Contractors:
Annually at the end of the calendar year.
Project Completion
Interim
• Whenever, in the judgment of the District, it is warranted.
• Whenever a reduction of retainage is requested by the contractor (see Special Provision Insert - Retainage).

Subcontractors:
Annually at the end of the calendar year if additional work remains.
Completion of their portion of the work.
Interim -- whenever, in the judgment of the District, it is warranted.

The Office of Construction (OOC) will trigger the process in November of each year by requesting that each district begin to complete the evaluations. Completed evaluations must be delivered to the OOC by March 1. The forms will be provided by OOC.

How should the rating be completed?

• Each district or office should conduct the ratings in a manner that best fits their workload.
• At minimum, the following should occur:
• The criteria for rating the contractor/subcontractor should be reviewed by the rater prior to meeting with the contractor/subcontractor.
• The ratings should be conducted in a partnering setting 'with adequate notice to parties involved.
• All rated firms must be provided a copy of their rating.
• All rated firms must be provided a copy of the appeals process.
• Ratings should be signed and sent to the district office who will, in turn, collect all of the ratings, sign them, and send the them to OOC. *Electronic transfer is pending.*

**RECOGNITION OF PERFORMANCE**

• Adjustments to retainage will be authorized in accordance with the Special Provisions Insert dated December 1, 1996.
• All contractors/subcontractors receiving an "A" rating will be recognized by letter from the SHA Administrator.
• All contractors/subcontractors receiving an "A" will be formally recognized by SHA and the industry at an industry event.
• SHA will issue a press release acknowledging the firms recognized.
• Industry associations will publish the firms recognized in their newsletters.
• Concurrently, SHA will recognize its project engineers on projects receiving an "A".

**DETERMINATION OF BIDDER RESPONSIBILITY**

All of SHA's projects are subject to a determination of bidder responsibility. Particular attention will be given to the nature of the project bid and the specific categories within each performance evaluation as well as the overall evaluation. Any low bidder with an overall "D" rating or a "D" rating in a particular category will be closely scrutinized. The Construction Contracts Section will flag these contracts.

The subject low bidder will be challenged in writing to answer questions as they relate to the specific project. The following are examples of the questions to be asked:

• Do you have the equipment to pursue this project in a timely manner?
• Do you have the manpower to pursue this project in a timely manner?
• What assurance can you offer regarding timely completion? Can you offer references relative to timely completion?
• What projects have you done in the last 10 years that were not completed in allotted contract time?
• Identify your current projects and the percent of project time used versus percent of work completed.
• Is there any reason to believe you will not finish this project on time?
• What is your management and technical capability?
• What is your financial capability?
• This project is primarily a (paving, structural, noise wall, etc.) project. What expertise do you have in this field? (Give references.)
Only after a rigorous determination of bidder responsibility should a project be awarded to a "D" performer. Bidder responsibility must be responded to in writing and may require a follow up meeting between SHA and the low bidder.

OOC and the appropriate district (with Office of Counsel advice) will make the final determination of bidder responsibility.

**CONTRACTORS/SUBCONTRACTORS RATING OF SHA**

When a construction project is accepted for maintenance, the district will include, as part of the acceptance letter, a request for the contractors/sub-contractors to rate SHA. These ratings should be sent to the Office of Construction.

OOC will do the following upon receipt of ratings of the various SHA offices:

- Ratings, comments, etc. will be entered into the computer.
- Ratings will be separated out by offices and distributed to each office under signature of the Chief Engineer.
- Each office will be asked to do the appropriate follow up including recognition of outstanding employee performance.

**GENERAL NOTES**

- Only contractors/subcontractors with a "B" or higher evaluation can be nominated for a Maryland with Pride Award of Excellence.