# Detailed guide on completing a supplier performance report

## Supplier performance reporting

The Ministerial Directions for Public Construction Procurement in Victoria require Agencies to assess the performance of suppliers on a regular basis when undertaking public construction works or construction services when:

* for suppliers of Works - the value of the contract engaging the supplier is $500,000 (inclusive of GST) or higher; or
* for suppliers of Construction Services - the value of the contract engaging the supplier is $200,000 (inclusive of GST) or higher.

Further details on this requirement are available at [Supplier performance and shared reporting regime (Direction and Instruction 8.2)](https://www.dtf.vic.gov.au/ministerial-directions-and-instructions-public-construction-procurement/supplier-performance-and-shared-reporting-regime-direction-and-instruction-82).

[Defining public construction (Guidance 1.3b)](https://www.dtf.vic.gov.au/practitioners-toolkit-guidance-public-construction-procurement/defining-public-construction-public-construction-guidance-13b) sets out the definition of public construction and provides examples of what is considered works and construction related services.

## About this guide

This guide sets out the method to follow when assessing the performance of suppliers. This guide also establishes the grading scales to apply when assessing how suppliers perform.

This guide should be used by project and contract managers responsible to oversee contracts for works or construction services.

Using this guide will promote consistency, objectivity and transparency when assessing how suppliers perform.

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## Supplier performance report template

In addition to any other means of assessing how suppliers perform, Agencies must use a common template to assess how suppliers perform.

The supplier performance report template includes questions on:

* Agency undertaking the assessment
* Details of Works or Construction Services that are being assessed
* Details of the supplier being assessed – company details and information on the supplier’s representative
* Period covered by the report
* Cost of the Works or Construction Services
* Time required for or taken to complete the Works or Construction Services
* Assessment of performance that considers thirteen attributes of performance
* Comment on the supplier’s performance
* Confirmation that the reporting officer has consulted with the supplier when preparing the report and that a copy pf the report was sent to the supplier
* Signature blocks for the reporting officer and validating officer

The following attributes of performance are assessed:

* Cost management
* Time management
* Standard of work
* Quality management
* Resource management
* Subcontractor management
* Contract administration
* Communications and relationships
* Occupational health and safety management
* Industrial relations management
* Environmental management
* Major Projects Skills Guarantee – performance under this policy
* Victorian Industry Participation Policy – performance under this policy

The assessment of performance is based on a five-level grading scale:

* Superior
* Good
* Acceptable
* Marginal
* Unsatisfactory

An option to mark an attribute as not applicable is available if the attribute is not relevant to the performance assessment.

## Where to access the supplier performance report template

In addition to any other means of assessing how suppliers perform, Agencies must use a common template to assess how suppliers perform.

The [supplier performance reporting common template in Microsoft Excel format](http://www.dtf.vic.gov.au/sites/default/files/2018-06/Supplier%20performance%20shared%20reporting%20template.xlsx) must be used.

Please download a new template for each performance assessment.

## How to use the grading scale for the attributes of performance

### Assessing the attributes of performance

Consider whether the supplier’s performance during the reporting period met the graded criteria listed for each attribute.

Start with the lowest grading level for the attribute of performance being considered. If the supplier’s performance meets all the criteria listed for that grading level, consider whether the supplier meets the criteria for the next higher grading level. For example, when assessing the attribute of time management, if the supplier’s performance meets all criteria for an Acceptable rating, check to see if the supplier’s performance meets the criteria for a Good rating, and so on.

The supplier must be assessed for the next lower rating level if the supplier’s performance does not meet all the criteria for a grading level.

1. The following principles for evaluation should be used:

* Acceptable performance complies with contract requirements.
* For an Acceptable, Good or Superior rating, every one of the criteria for the rating level must be met.
* Marginal or Unsatisfactory ratings should be used if any one of the criteria has not been achieved.

Ratings should be supported by comments that set out the reasons for individual rating and overall performance assessment.

### Assessing the attributes of performance for Major Projects Skills Guarantee and Victorian Industry Participation Policy

If the policies for Major Projects Skills Guarantee or Victorian Industry Participation Policy do not apply to a contract, no assessment is required. Use the Not applicable grading by inserting a zero in the template.

## How to submit a performance report

Submit the completed Microsoft Excel performance report electronically.

Completed performance reports must be submitted via email to [Supplier.PerformanceReports@dtf.vic.gov.au](mailto:Supplier.PerformanceReports@dtf.vic.gov.au)

Mark your email to the attention of CSR administration – supplier performance report.

If your Agency requires physical signatures to be recorded on a performance report, please print out the template, submit it for signature and scan a copy of the signed report in PDF format. Then submit both the Microsoft Excel performance report and the PDF copy at the same time.

## Grading scales for cost management

Cost management is the process of planning and controlling the cost and allocated budget. Cost management is a form of management accounting that allows a business to predict impending expenditures to help reduce the chance of going over budget.

| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| --- | --- | --- | --- | --- |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| It is unlikely the required program of works can be delivered within the allocated contractual budget  Significant variations and claims have been lodged that are unwarranted  Progress claim have been made with little or no activity on site to justify claims and the supplier has not provided a reasonable explanation  The supplier made no attempt to manage delays to mitigate cost and budget impacts  Non-payment of sub-contractors claims for completed works are impacting on program of works schedule and performance | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The program of works (including any claims submitted during the period) are within budget and met contract requirements (within the period specified)  The supplier reviewed and reported progress regularly in line with contractual performance and payment milestones  Updated programs of works including any claims and extension of works were submitted within the time specified or requested  Progress of program of work was managed in accordance with the program of works delivery schedule to enable and payment of claims  All subcontractor claims for payment of completed works have been made | The program of works (including any updates submitted during the period) delivery performance has met all contract requirements, to permit progress payments  The supplier submitted program of works updates when any milestone completion date changed, without waiting for a request from the Principal  Updated program of work provided early warning of potential cost claims (if applicable)  The supplier provided full and comprehensive information to support all lodged claims and requested variations.  The supplier mitigated the cost impacts of delays by rescheduling and reallocating resources | The supplier strictly adhered to and exceeded the program of works performance schedule  The supplier provided updated schedules whenever the sequencing of tasks changed to meet contract requirements (well before the period specified) without seeking variation in costs  The supplier made outstanding efforts to maintain progress and avoid delays  The supplier mitigated the effects of anticipated delays by rescheduling and reallocating resources to delivery within the allocated budget |

## Grading scales for time management

Time management is the process of organising and implementing a strategy related to the time required for work activities on a project.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The required program of works has not been submitted  The program of works was not updated within the required number of days after a request from the Principal  Work is not meeting scheduled progress AND it is unlikely that completion will be achieved by the approved completion date(s)  There was little or no activity on site in the last two weeks and the Supplier has not provided a reasonable explanation  The supplier made no attempt to manage delays to mitigate their effects | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The program of works (including any updates submitted during the period) met contract requirements (within the period specified)  The supplier reviewed and reported progress regularly, rescheduled work activities to meet the program and updated the program of works  Updated programs of works were submitted within the time specified or requested  Any updated program of works accurately reflected actual progress  Work was managed in accordance with the program of works | The program of works (including any updates submitted during the period) met all contract requirements, including showing when action is required by the Principal to meet contract requirements (before the period specified)  The supplier submitted program of works updates when any milestone completion date changed, without waiting for a request from the Principal  Updated program of work provided early warning of potential delays (if applicable)  The program of works consistently demonstrated that approved completion date(s) would be met  The supplier allocated resources based on project needs  The supplier mitigated the effects of delays by rescheduling and reallocating resources | The supplier strictly adhered to the program of works, updating and resubmitting it whenever the sequencing of tasks changed to meet contract requirements (well before the period specified)  The supplier made outstanding efforts to maintain progress and avoid delays  The supplier mitigated the effects of anticipated delays by rescheduling and reallocating resources |

## Grading scales for standard of work construction

The standard of construction is ‘good workmanship’ This term, an industry standard, refers to the desired and acceptable standard of quality of work and materials on a construction project.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| There was no evidence that the supplier has a system for identifying and rectifying defects; the Supplier relied on the Principal to identify defects  At every site inspection the Principal identified defects that were not being addressed  The number of defects continued to increase as program of work progressed, with many outstanding for more than a month  The supplier refused to acknowledge and rectify defects identified by the Principal | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The supplier adhered to contract specifications  The supplier consistently identified and rectified defects progressively as the program of work proceeded  Whenever inspected, the program of work had only a few minor defects and rectifying them did not affect the progress of the program of work  The supplier rectified defects identified by the Principal within the agreed timetable for rectification (unless prevented by circumstances beyond the Supplier’s control) | The supplier achieved better than specified tolerances and consistent high standards of workmanship  The supplier provided detailed records of defect identification and rectification  The supplier rectified defects identified by the Principal within required specified days (unless prevented by circumstances beyond the supplier’s control) | The supplier demonstrated that it considered defects to be unacceptable  During inspections, the Principal did not identify any defects that were not already being actioned  Defect-free completion was achieved (or appears likely to be achieved) by the approved completion date(s) |

## Grading scales for quality management

quality management is a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| ANY ONE of the following occurred | ANY ONE of the following applied | ALL of the following applied | In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied | In addition to the requirements for a ‘Good’ grading ALL of the following applied |
| Program of work commenced on an activity before the required approval had been obtained  The program of work was not ready for inspection at the notified time and as a result, the Principal had to re-visit the site  Second or third party quality audit was carried out, the overall audit assessment was considered ‘Unsatisfactory’, OR  Overall audit assessment was ‘Marginal’ and the supplier did not address all non-conformances  The supplier did not carry out its own inspections and audits but relied on the Principal to identify non-conformances  The same non-conformance occurred two or more times | The Supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The Supplier conducted the program of works in alignment to the Quality Management Plan  Program of work was ready for inspection at notified times for witness points and hold points  If a second or third party quality audit was carried out, the overall audit assessment was ‘Acceptable’ and the supplier addressed all non-conformances  The supplier carried out its own site quality audits and regular inspections and provided evidence, within 14 days or the terms of the contract after the date of the audit, of both the immediate response and any system improvements proposed to close out all audit non-conformances  The supplier’s quality system identified and dealt with most non-conformances without the Principal’s input | The supplier provided an internal audit schedule early in the contract period, updated it as necessary and adhered to the dates stated  If a second or third party quality audit was carried out, the overall audit assessment was **Good** and the supplier addressed all non-conformances within specified period | If a second or third party quality audit was carried out, the overall audit assessment was **Superior** and no non-conformances were identified  The supplier demonstrated a quality-oriented culture through routine involvement by senior managers in quality management on site, independent of any request from the Principal |

## Grading scales for resource management

Resource management the process of planning the resources including people necessary to meet the objectives of the project, and to satisfy the client's requirements. Construction resources might include: Products and materials, Construction plant and tools and equipment.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| Key personnel were not appropriately skilled  There was no supervisor on site and the Principal had to deal directly with workers on more than 2 occasions  There were insufficient resources to manage the program of work  On more than one occasion, the Principal found it difficult to contact appropriate personnel to discuss matters of concern  Personnel were unfamiliar with the contract and rarely referred to it  The Supplier submitted Requests For Information when the information was in the contract; more than 3 times, the Principal’s responses simply identified relevant contract requirements  Site rules and procedures have not been established  Workers provided statutory evidence of not being paid | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | All personnel had appropriate skills for their tasks. The level of resources was adequate for the program of work activities  The supplier’s personnel ensured that workers followed contract requirements, with minimal intervention required from the Principal  The supplier established and maintained effective lines of communication with the Principal, minimising delays and re-work  Key management personnel showed a good knowledge of contract requirements and followed specified procedures on most occasions  Site rules and procedures were established, together with measures to ensure they were followed  The supplier did not rely on the Principal’s expertise to inspect and verify specialist work  There was an appropriately skilled supervisor on site at all times | All the supplier’s personnel demonstrated knowledge and understanding of the parts of the contract relevant to their areas of responsibility requiring no intervention from the Principal  Site rules and procedures were in place and were followed without exception  The supplier arranged for appropriate experts to inspect and verify specialist work, where the Supplier did not have the necessary expertise | All the supplier’s personnel demonstrated superior skills, more than adequate experience and a high level of professional courtesy when dealing with the Principal and the client  The contract and the site were exceptionally well managed and the program of work proceeded efficiently, without any intervention from the Principal |

## Grading scales for subcontractor management

Subcontractor management is the practice of assigning part of the obligations and tasks under a contract to another party known as a subcontractor.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| Subcontractors were not competent to undertake the program of work, causing re-work and delays  There was no supervisor on site and the Principal had to deal directly with subcontractors on more than 2 occasions  The supplier entered into subcontracts that did not include the specified provisions (for example, for payment, dispute resolution, insurance)  The supplier relied on the Principal to review documents prepared by subcontractors  Poor subcontractor coordination/ supervision caused delays or significant re-work or poor quality completed work  The quality systems of subcontractors and the supplier were inconsistent, causing poor work quality  Subcontractor(s) were unaware of the quality, occupational health and safety, environmental, industrial relations, and where required the Major Projects Skills Guarantee objectives in the contract  A subcontractor provided statutory evidence of not being paid entitlements | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | All subcontractors were suitably competent and experienced  All subcontracts reviewed by the Principal included the required provisions  Design and fabrication activities were well managed, with minimal non-conformances required to be resolved by the Principal except for faults in the Principal’s documents  The quality systems of the subcontractors and the supplier were integrated to achieve satisfactory program of work quality  Subcontractor coordination issues caused only minor re-work, with no impact on contract time or the quality of the completed program of work  The supplier ensured all subcontractor claims were reviewed by people with relevant expertise and Security of Payment obligations were met  The supplier ensured that subcontractors complied with the occupational health and safety, environmental, industrial relations, and where required met the Major Projects Skills Guarantee objectives in the contract | All activities carried out by subcontractors were well managed, with no coordination problems apparent to the Principal  The quality, safety and environmental management systems of the Supplier and all subcontractors were seamlessly integrated  Subcontractors demonstrated commitment to the quality, occupational health and safety, environmental, industrial relations, and where required the Major Projects Skills Guarantee objectives in the contract | All subcontracts reviewed included ‘back to back’ provisions with those in the contract  Subcontractor relationships were exceptionally harmonious and the Principal observed an open collaborative relationship and communication between subcontractors and the supplier |

## Grading scales for contract administration / contract management

Contract administration is to obtain the supplies and services outlined in the contract, of the best quality, within a specific time frame and, most importantly, within budget. As such, contract administration serves as the primary part of the procurement process that assures that the contract is successfully executed.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The supplier did not notify a change to its authorised person for more than 2 days after the change occurred  Key contact personnel were changed without notifying the Principal  More than 2 Requests For Information notifying ambiguities were submitted too late to avoid delays  More than 2 claims for price or time adjustments were submitted more than a month after the related work was completed  More than 2 claims for adjustment did not include the required information, for example:   * correct identification of the entitlement * updated program * evidence of costs   More than one payment claim did not include all the required information, including records of compliance  More than one progress report was received late or did not provide the required information | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The supplier advised changes in contract personnel before they occurred (on the day they occurred if unforeseeable)  The supplier provided proposals for variations by the specified time  80% of Requests For Information notifying ambiguities were submitted within the specified time  The supplier gave all notices (for example, for adverse Site Conditions) within the specified times  All claims were submitted by the specified times, identified the entitlement (by reference to applicable contract provisions) and included relevant information  Payment claims were made in accordance with the contract, supported by the required information  The supplier provided the required compliance documents on time, with only minor omissions that were readily corrected  Progress reports included adequate information and were received on time | The supplier consistently provided proposals for variations before the specified time  All Requests For Information notifying ambiguities were submitted within the specified time  Claims for adjustments were submitted within the specified time, correctly identified the source of the entitlement and included all the information required for assessment  Payment claims did not include claims for adjustments that had not been agreed | The supplier did not submit any documentation later than the specified time  The Principal has not requested the supplier to provide any additional information for any claim, including payment claims  All compliance documents were accurate and correct and none required amendment or resubmission |

## Grading scales for communications and relationships

Project communications and relations is about the interpersonal communication skills and ability to inspire and influence, communicate and build bonds. The ability to help and obtain change, develops, and resolves conflict.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The supplier demonstrated an adversarial approach and was unwilling to cooperate or communicate openly and or communicated only at meetings and through formal Requests For Information and claims  The supplier cancelled or deferred more than 2 scheduled meetings without a reasonable explanation OR refused to attend for sufficient time to discuss critical matters  The supplier refused to comply with a direction of the Principal, including: refusing to remove a person from the site when instructed, due to their inappropriate behaviour and or senior executive refused to meet to discuss formal issues OR was unavailable to meet within the specified time without good reason  More than one payment claim was more than 20% above the value of work assessed by the Principal and or 50% or more of the Supplier’s claims were more than 25% above an independent estimate and or more than one claim, the Supplier refused to provide additional justification  OR refused to participate in negotiations and or the supplier initiated legal action before resolution processes were implemented | The supplier failed to meet one of the criteria required for an ‘Acceptable’ grading, but the failure did not attract an ‘Unsatisfactory’ grading | The supplier cooperated in all matters relating to the contract, for example accommodating the needs of the Principal, including those occupying the site  The supplier acted within 1 day after any request to remove from the site a person who behaved inappropriately  Communication between supplier and Principal was open and effective  The supplier gave early warning of events significantly affecting the contract and worked with the Principal to achieve resolution  All payment claims were discussed with the Principal and a reasonable value agreed for the completed work  80% of claims for adjustment were approved within 10% of the initial claim  The supplier demonstrated commitment to informal dispute resolution processes, including a willingness of the senior executive to meet promptly to resolve issues | The supplier notified the Principal as soon as practicable, of all events that could affect the contract or the program of work and worked with the Principal to resolve the matter with minimal effects on contract time and price  All payment claims were reasonable and were paid in full  All claims for price and time adjustments were reasonable; 90% were paid in full, as initially claimed, AND agreement was reached on the quantum of the remainder by negotiation within the agreed timeframes after receipt  The supplier’s senior executive took a pro-active approach to preventing formal issues from arising, including attending meetings as necessary and maintaining a good relationship with the Principal’s senior executive  The supplier showed commitment to informal dispute resolution processes; all issues and disputes were resolved the agreed timeframes | The supplier’s cooperation with the Principal and the Client has been outstanding and the client has not notified the Principal of a single complaint  The supplier managed the program of work, including all changes and delays, to minimise additional costs to the client  The supplier’s senior executive showed exemplary leadership by:   * attending start up workshop and close out workshop (if applicable) * attending sufficient monitoring and contract administration meetings to maintain a good working relationship, * regularly visiting the site * maintaining frequent contact with the Principal’s senior executive, and * initiating discussions to resolve emerging issues |

## Grading scales for occupational health and safety management

The object of occupational health and safety management is to secure the health, safety and welfare of employees and other persons at work, to eliminate, at the source, risks to health, safety or welfare of employees and other persons at work.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| Site program of work started before the Occupational health and safety Management Plan was submitted  The supplier submitted an occupational health and safety Management Plan with major omissions and / or without site-specific risks or late  The supplier failed to comply with occupational health and safety regulations  If a second or third party audit was carried out the reports showed major non-conformance(s)  The supplier did not carry out its own audits and site safety reviews but relied on the Principal to identify non-conformances  A notifiable occupational health and safety incident occurred  A Prohibition Notice was imposed by WorkSafe  Occupational health and safety reports were not provided | The supplier submitted an Occupational health and safety Management Plan with a few omissions that were readily rectified without causing delays  If a second or third party audit was carried out the reports showed minor non-conformances  Occupational health and safety monthly reports were submitted late and /or included incomplete information  An occupational health and safety incident was not reported to the Principal within 24 hrs after it occurred  An Improvement Notice was issued by a WorkSafe  A Provisional Improvement Notice issued by issued by a health and safety representative is confirmed by a WorkSafe inspector | The Occupational health and safety Management Plan met all contract requirements  Occupational health and safety management complied with the contract, including relevant Victorian Government criteria for management systems and legislative requirements  The site was kept clean and tidy and free of uncontrolled safety hazards  If a second or third party audit was carried out the reports showed satisfactory performance  There was no notifiable incident  Occupational health and safety reports were submitted on time and met contract requirements | There has been no lost time injury  The supplier demonstrated commitment to the highest occupational health and safety standards and the safety of everyone on the site  The supplier implemented a regular internal review process  The supplier’s project manager regularly conducts safety walks and was involved in safety events such as tool box talks, safety meetings | The supplier has demonstrated safety leadership through:   * adopting a partnering approach with clients, subcontractors and WorkSafe * the supplier’s executive involvement in safety management on site * Second or third party audits were conducted and there were no non-conformances identified * Comprehensive occupational health and safety management reporting demonstrating a safety culture (zero harm) |

## Grading scales for industrial relations management

Industrial relations management is the relationship between employers and employees in industry and the laws that affect it.

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| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The supplier did not comply with the IR Plan (if applicable)  The supplier breached the National Code of Practice (where applicable)  Non-compliance with employment law obligations was identified (including a non-compliance by a subcontractor)  An industrial relations incident, which could have been avoided if the supplier had taken reasonable, timely action, caused delays | A minor industrial relations incident occurred, which could have been avoided if the supplier had taken reasonable, timely action | The supplier complied with the industrial relations Plan (if required by the contract) and legal industrial relations obligations  The supplier maintained a cooperative workplace environment  The supplier identified and resolved any industrial relations issues within the supplier’s control | The supplier promptly identified and resolved any industrial relations issues, minimising delays to the program of work  The supplier demonstrated an understanding and took practical steps towards building a productive workplace culture with cooperative relations, effective communication and consultation | There have been no industrial relations issues  The supplier has demonstrated leadership in industrial relations management through:   * senior management involvement on site for industrial relations matters * a productive workplace culture with cooperative relations, effective communication and consultation * implementing a documented industrial relations management system demonstrating innovative functions and capability * maintaining a strong internal review process |

## Grading scales for environmental Management

Environmental management is the management of environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organisational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The Environmental Management Plan was submitted late  The supplier submitted an Environmental Management Plan with major omissions and / or without site-specific risks  The supplier failed to comply with environmental regulations  The supplier did not carry out its own inspections and audits but relied on the Principal to identify non-conformances  Site reviews identified non-conformances with potential for regulatory intervention or Penalty Infringement Notices  If a second or third party environmental audit was carried out and the audit report showed major non-conformance(s)  A serious pollution incident occurred  A Penalty Infringement Notice was imposed by regulatory authorities  Monthly reports were not provided (if required) | The supplier submitted an Environmental Management Plan with a few omissions that were readily rectified without causing delays  If a second or third party environmental audit was carried out the audit the report showed minor non-conformances | The Environmental Management Plan met the requirements of the contract  The supplier complied fully with the Environmental Management Plan and legislative requirements  The site was kept clean and tidy, with appropriate environmental controls, regularly maintained  If a second or third party environmental audit was carried out the audit the report showed satisfactory performance  There was no notifiable environmental incident | There have been no environmental incidents  The supplier demonstrated an understanding and took practical steps towards sustainability  The supplier implemented a regular internal review process  The supplier’s project manager regularly conducts environmental inspections and was involved in increasing environmental awareness through tool box talks and meetings | The supplier has demonstrated leadership in environmental management through:   * a clear commitment to reaching new goals for environmental practices * achieving new levels of sustainability * senior management involvement in environmental matters on site * implementing innovative environmental controls * comprehensive environmental management reporting demonstrating an environmentally aware culture   Second or third party environmental audits were conducted and did not identify any non-conformances |

## Grading scales for Major Project Skills Guarantee

If required by the contract, the Major Projects Skills Guarantee requires all publicly funded works contracts with a pre-tender estimated value at or in excess of $20 million (inclusive of GST) to utilise Victorian registered apprentices, Victorian registered trainees or engineering cadets for at least 10% of the contract works’ total estimated labour hours. The Major Skills Guarantee Policy operates separately to the Victorian Industry Participation Policy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The supplier did not comply with contractual obligations related to this policy | Not applicable | The supplier did not comply with contractual obligations related to this policy | Not applicable | Not applicable |

## Grading scales for Victorian Industry Participation Policy

The Victorian industry Participation Policy requires government departments and agencies to consider competitive local suppliers, including small and medium sized enterprises, when awarding contracts valued at:

* $1 million or more in regional Victoria, or
* $3 million or more in metropolitan Melbourne or for state-wide activities.

The Victorian industry Participation Policy gives particular attention to Strategic Projects, which are projects valued at $50 million or more or as otherwise agreed as strategic by government.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unsatisfactory** | **Marginal** | **Acceptable** | **Good** | **Superior** |
| **ANY ONE of the following occurred** | **ANY ONE of the following applied** | **ALL of the following applied** | **In addition to the requirements for an ‘Acceptable’ grading ALL of the following applied** | **In addition to the requirements for a ‘Good’ grading ALL of the following applied** |
| The supplier did not comply with contractual obligations related to this policy | Not applicable | The supplier complied with contractual obligations related to this policy | Not applicable | Not applicable |