

Guideline for Contractor Performance Reporting

5TP-PR-047

Procedure – Applicable to Infrastructure and Services

Divisional Management System

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1. Purpose and Scope

The purpose of this document is to:

- Provide a contract specific performance measurement.
- Bring about sustained improvement in productivity and quality across contractor and consultant performance, to deliver best value for money outcomes.
- Enhance contractor performance via a continuous improvement process and recognition of good performance.*
- Provide records of performance that will contribute to the ROI and tender assessment processes.
- Develop a system that is generally consistent with the NSW Government Guidelines for “Contractor Performance Reporting and Exchange of Reports between Government Agencies”.
- To provide information to support Supplier Relationship Management (SRM) and Supplier Development Management (SDM).

The CPR process requires the regular assessment of contractor performance by the Reporting Manager (a TfNSW representative of the Principal Representative), with the outcomes of those assessments being reviewed by the Reviewing Manager (a TfNSW senior delegate of the Principal Representative) before being provided to the contractor. The contractor has the opportunity to comment on the findings, and those comments and TfNSW’s subsequent response both form part of the CPR.

***Note:** Alliance CPR data may only be used to contribute to the ROI and tender assessment process if the exact same alliance partners are involved in the tender. The data may not be used to evaluate the performance of a single party.

2. Abbreviations and definitions

All terminology in this Procedure is taken to mean the generally accepted or dictionary definition. (Refer [Appendix 1](#) for definitions)

3. Accountabilities

The Director Commercial PMO is accountable for this procedure. Accountability includes authorising the document, monitoring its effectiveness and performing a formal document review.

TfNSW Executive Directors and Program Directors are accountable for ensuring the requirements of this document are implemented within their area of responsibility.

4. Application

Contractor Performance Reporting applies to the performance management of the following contractor contracts **valued at more than \$150,000.00** (incl GST);

- All Construction and Fleet contracts
- All Labour Hire contracts
- All Professional Services contracts (PSC's)

Note: For **contracts valued at less than \$150,000.00**, Contractor Performance Reporting is encouraged and required whenever a critical aspect of performance is unsatisfactory.

The CPR process applies to a 6 month reporting period ending March and September of the relevant year or the full contract period depending on the CPR. Refer to Section 7.1 for reporting frequency.

5. Types of Reports

During a Construction Contract, Consultant or Labour Hire engagement; the following Performance Reports (CPR's) are required to be prepared;

- Construction and Fleet Contracts
- Labour Hire Contracts
- Professional Services Contracts (PSC's)

The reports vary by the criterion that is assessed, a summary of which is provided below.

Note: All contracts that are identified as being an Authorised Engineering Organisation (AEO) will include an additional set of engineering criteria that will roll-up to formulate the overall engineering score for the CPR.

5.1. Construction and Fleet Contracts

The CPR criteria for Construction and Fleet Contracts are:

1. Claims Behaviours
2. Communication and Stakeholder Relations
3. Cooperative Relations
4. Cost Management and Contract Administration
5. Environmental and Sustainability Management
6. Personnel and Sub-contractors/Sub-consultants
7. Planning and Authority Approvals
8. Quality
9. Safety and Operational Performance;
10. Schedule Management
11. Engineering (for AEO identified contracts)

5.2. Professional Services Contracts

The CPR criteria for Professional Services Contracts are:

1. Claims Behaviours
2. Cooperative Relations
3. Cost Management and Contract Administration
4. Personnel and Sub-contractors/Sub-consultants
5. Quality
6. Schedule Management
7. Engineering (for AEO identified contracts)

5.3. Labour Hire Contract

The CPR criteria for Labour Hire Contracts are:

1. Cooperative Relationships
2. Meeting TfNSW Values
3. Standard of Service
4. Time Management

5.4. Contracts with Authorised Engineering Organisations

The CPR criteria for Contracts with Authorised Engineering Organisations are:

1. Planning, Managing and Controlling the Engineering Work
2. Managing Engineering Requirements
3. Managing Solution Integration and Interfaces
4. Managing Assurance, Verification and Validation
5. Managing Configuration
6. Managing Competence (Staff and Sub-Contractors)
7. Managing Stakeholders
8. Managing Non-human Resources
9. Managing Suppliers
10. Measuring Performance of the Engineering Systems
11. Continuous Improvement of the Engineering services

6. Assessment

6.1. Assessment of Contractor's Performance

The contractor's performance against each of the applicable performance criteria is to be assessed and graded in accordance with the following definitions:

Grade	Explanation
Superior:	Standard well above the required standard of performance.
Good:	Standard satisfactory and often exceeds the required standard of performance.
*Compliance	Meets required standard of performance.
Marginal:	Mostly meets required standard of performance but has some weaknesses.
Unsatisfactory:	Many weaknesses, has not met the required standard of performance.

***Note:** The "required standard of performance" should be considered as the base level that meets the requirements of the project, contract and/or industry standards. Therefore, when evaluating the contractor the starting position for any criterion is a score of Compliance. Taking a cautious approach to assessing contractor's performance compromises the effectiveness of the CPR system hence it is essential the grades are followed closely and the contractors are assessed against the assessment criteria.

It is important that the grade assigned to each assessment criteria and the comments provided describing the performance satisfy the definitions in this table.

Compliance				
Unsatisfactory	Marginal	5	Good	Superior
0	3	Compliance with contract	7	10
Significant or multiple minor non compliances	Limited minor non compliance	Consistently better than specified time, cost or quality outcomes and zero non compliance		Consistently exceptional time, cost or quality outcomes and zero non compliance

There should be no unsatisfactory performance rating unless objective evidence exists supporting the non-compliance with the required standard of performance. Similarly no superior performance rating should be given without evidence supporting outstanding outcome with no non-conformance.

Where a contractor's performance is not assessed in relation to a standard performance criterion, the criterion is to be marked as "Not Applicable" and the reason noted in the relevant comments section or the General Comments section of the CPR.

6.2. Standard Performance Criteria and Evaluation

Where applicable, the Reporting Manager must gather the thoughts and opinions of all the stakeholders and enter the collective opinion into the CPR. The Reporting Manager must consider performance in the context of the project as a whole, including the respective roles and obligations of the Principal and contractor under the contract. If certain matters impact upon the satisfactory completion of a project which:

- occurred during a previous reporting period, or
- are outside of the contractor's control (e.g. industry wide strikes), or
- are the result of action or omission by the Principal which under the terms of the contract gave rise to a Principal caused delay,

then these matters should not be taken into account by the Reporting Manager.

In summary, evaluation against performance criteria must be a measure of the contractor's performance on the contract, after taking into account matters beyond the contractor's control.

Reporting Managers should ensure that they do not repeat non-compliances in different categories.

6.3. Construction, Fleet and Professional Services Contracts

6.3.1. Cost Management and Contract Administration

6.3.1.1. Cost Management

In evaluating the contractor's cost management performance, the assessment may include appraisal of the following capabilities:

1. Timely advice provided to TfNSW regarding anything that is likely to adversely affect the timing, cost or quality of the works in the time set out in the contract.
2. Proactive mitigation of costs and ability to find cost effective solutions associated with variations and/or delays.
3. Provision of clear cost information to TfNSW when requested.
4. Accurate cost management records (e.g. Variation Registers, Progress Claim Registers, Cash Flow and Claim Forecasts).
5. The quality of information provided to support variations, provisional sums, and the like.

For example, to allocate a grade of "compliance," it would be expected that the contractor has been providing TfNSW with clear and accurate cost information, detailed information of potential cost impacting issues, conducted the contract in a reasonably cost effective fashion and maintained up to date records and documentation.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum or cost reimbursable contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Accurate six-monthly and yearly cash flow forecasts
2. Transparent and proactive reporting of cost issues
3. Compliance with procurement processes
4. Effective and timely project close out
5. Timely and accurate results from financial audits

6.3.1.2. Contract Administration

In assessing the Contractor's contract administration performance, the evaluation may include assessment of the following matters:

1. Ability to plan, record and administer the contract
2. Compliance with requirements of the contract and relevant legislation
3. Issue of timely and complete clarification under the contract (RFI) or the provision of information such as drawings, reports or other documentation
4. Issue of timely and complete submissions of claims for payment, variation claims, variation proposal requests etc. including supporting evidence
5. Quantum not exaggerated

For example, to allocate a grade of "compliance", it would be expected that the Contractor advised of any change to significant personnel before they occurred, submitted majority of RFI's in specified times, provided proposals for variations by the specified time, gave all notices in the specified time, all payment claims included the relevant information and were made in accordance with the contract.

The following assessment criteria are aimed at alliances but may also be applicable to reimbursable and elements of lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Consistency across the alliance
2. Prompt and full response to questions in relation to validity of submissions
3. Need for payment claims adjustments
4. Accuracy of cash neutrality
5. Management of project close outs
6. Prompt response to impact requests
7. Clear presentation of project status including status of over/underrun and pain/gain share
8. Active management and monthly reporting of KPI's

6.3.2. Schedule Management

On major contracts the contractor's detailed construction program will form the basis for the assessment of the contractor's ability to manage contract schedules. On smaller contracts, the nominated commencement and completion dates may be adequate as a basis for assessment.

In assessing the contractor's schedule management performance, the assessment may include assessment of the following matters:

1. Progressive monitoring of works and appropriate resource allocation to critical activities
2. Updating of program to account for delivery and/or unforeseen delays
3. Ability to meet programmed milestones
4. Progress of the work in accordance with the agreed schedule
5. Inclement weather
6. Industrial conditions affecting the work
7. Occupational health and safety issues affecting the work
8. Environmental issues affecting the work
9. Latent conditions
10. Delays by public authorities outside the contractor's control
11. Effectiveness of the program as a management tool

For example to allocate a grade of "compliance" it would be expected that the contractors program has met the contract requirements, progress is reviewed regularly, programs updated and submitted within the specified timeframe and work was managed in accordance with the program.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Limited re-scheduling other than delay events
2. Demonstrated effective use of schedule as a management tool such as earned value analysis and reporting
3. Proactive management of shared risks (inclement weather industrial conditions, environmental management issues, planning issues, latent conditions, public or private authorities)
4. Use of schedule to manage inputs and obligations of others

6.3.3. Quality

In assessing the contractor's standard of work, the assessment may include assessment of the following matters:

1. Requirements of the specification
2. Amount of remedial work required, if any
3. Conformance with specified performance criteria
4. Compliance with specified tolerances and finishes
5. Performance during the defects liability period, if applicable

For example to achieve a "compliance" grading it is expected the contractor has adhered to contract requirements or work brief, consistently identified and rectified defects or issues progressively as work proceeded, number of defects and amount of rework required was minimal and rectified defects/issues within the agreed timeframe.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Absolute compliance with standards and specifications
2. No remedial work
3. Performance during defect liability period
4. Quality of documentation
5. No rejection of design packages

6.3.4. Personnel and Subcontractors / Sub consultants

6.3.4.1. Personnel

In assessing the contractor's performance relating to personnel, subcontractors and sub consultants; the assessment may include assessment of the following matters:

1. Adequacy of the number of site personnel engaged by the contractor so as to ensure adequate progress in relation to the work
2. The contractor's management and control abilities to ensure cooperative and effective performance of site personnel
3. Payment to workers of all moneys due in respect of their employment and receipt or accrual on their behalf of all employment benefits under any industrial award, enterprise agreement etc. act or regulation
4. Observance of site rules and guidelines
5. Extent of input of senior personnel
6. Comparison of the skills and experience of the staff assigned to the project with those nominated in the tender for the work and whether those nominated were supplied
7. Suitability of staff in regard to management, administration, scientific or industry skill levels and overall experience relevant to the tasks undertaken

For example to achieve a “compliance” grading, it is expected the contractor’s personnel have the appropriate skills, follow the contract requirements, had adequate resources to undertake the activities, established and maintained effective lines of communication with TfNSW, key management personnel showed good knowledge of the contract requirements and followed procedures.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Filling of vacancies from within the NOP (Non-Owner Participants) / OP (Owner Participants)
2. Requirement for substantial non alliance senior management input
3. Understanding and demonstration of alliance principals throughout the alliance

6.3.4.2. Sub-Contractors / Sub-Consultants

In assessing the contractor’s performance in relation to the management of off-site and on-site subcontractors, consultants and suppliers, the assessment may include assessment of the following matters:

1. Full compliance with legal and contractual obligations
2. Ensuring sub-contractors meet quality, WHS and environmental system requirements
3. Timely completion of subcontract work and consultant services
4. Ensuring timely delivery of goods and materials
5. Making payments to all subcontractors, consultants and suppliers in accordance with contract conditions

For example, to allocate a grade of “compliance” it would be expected that the contractor has employed suitably competent and experienced subcontractors and consultants, the work/service was delivered in a timely fashion and to a satisfactory quality standard that required only minor rework, the subcontractors complied with the WHS and Environmental System objectives and the contractor reviewed all claims, established entitlement and paid the correct amount in accordance with the contract.

The assessment of an alliance may include additional assessment of the following matter:

1. Transparent and compliant subcontractor procurement processes

6.3.5. Claims Behaviours

In assessing the contractor’s claims performance, specifically regarding claims under the contract for example variation claims and extension of time claims, excluding payment claims, the assessment may include assessment of the following matters:

1. The submission of adequate supporting evidence and logic of submitted claims
2. The proportion of claims approved for extensions of time
3. The number of claims submitted and proportion of claims approved (including value) for variations
4. Commitment to a co-operative approach to the early resolution of claims as demonstrated by;

- Timely submission of claims
- Claims being factual and justifiable
- Quantum is not exaggerated

For example, to allocate a grade of “compliance” it would be expected that the contractor submitted clear, logical and complete claims the value of which were not exaggerated, were co-operative in their approach to discuss and resolve claims and had limited EOT and variations rejected by TfNSW.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Early identification and open and prompt discussions on TAE’s (Target Adjustment Events)
2. Absolute adherence to the PTAE (Proposed Target Adjustment Event) process
3. Full alignment on quantum
4. All submitted claims are approved
5. No intervention from Principal’s Representative

6.3.6. Engineering

In assessing an AEO (Authorised Engineering Organisation) contractor’s engineering performance, the assessment will include assessment of the following criteria:

1. Planning, Managing and Controlling the Engineering Work
This area refers to how well the contracted AEO planned, managed and closed out the engineering work and whether it led to a technical solution that met or is meeting the project requirements.
2. Managing Engineering Requirements
This area refers to how well the contracted AEO was able to interpret TfNSW requirements, incorporate them into its work, manage any changes to them and demonstrate that they had been met.
3. Managing Solution Integration and Interfaces
This area refers to how well the contracted AEO was able to manage the interface between its services and other contracted AEOs and integrated them into the larger piece of work. For organisations acting as the integrating AEO, it also refers to how it provided the overall integration for the work.
4. Managing Assurance, Verification and Validation
This area refers to how well the contracted AEO was able to demonstrate the appropriate level of assurance as well as verification and validation of the work in accordance with the Assurance Plan.
5. Managing Configuration
This area refers to how well the contracted AEO managed the configuration of its engineering services and enabled integration of the final work into the TfNSW network.
6. Managing Competence (Staff and Sub-Contractors)

This area refers to how well the contracted AEO was able to propose and deploy a team with the necessary level of competency to perform the work for TfNSW. It includes how any changes to this team were made over the period of work.

7. Managing Stakeholders

This area refers to how well the contracted AEO was able to identify, engage with and address the expectations of the stakeholders necessary to deliver the engineering work (including end users and/or the next party in the asset lifecycle to use their work).

8. Managing Non-Human Resources

This area refers to how well the contracted AEO planned for, managed and assured any non-human (physical) resources required for the engineering work.

9. Managing Sub-Contractors / Suppliers

This area refers to how well the contracted AEO engaged and maintained its relationship with any of its sub-contractors and was able to provide adequate assurance of their work.

10. Measuring Performance of the Engineering Systems

This area refers to how well the contracted AEO was able to demonstrate the performance of its engineering services for the delivery of the contract.

11. Continuous Improvement of the Engineering Services

This area refers to how well the contracted AEO was able to demonstrate continuous improvement of the engineering services for the delivery of the contract.

6.3.7. Safety and Operational Performance

6.3.7.1. Work Place Health Safety (WHS)

The requirements for WHS are set out in the NSW Government's WHS Management Systems Guidelines. In assessing the contractor's WHS performance, the assessment may include assessment of the following matters:

1. Compliance with WHS obligations
2. Compliance with the agreed key performance indicators
3. Compliance with the Project WHS Management Plan or Site-specific Safety Management Plan
4. Compliance with Safe Work Method Statements
5. Evidence of a positive safety culture
6. Results of audits of the Project Management Plan, Site-specific Safety Management Plan or Safe Work Method Statements, as appropriate
7. WHS risk identification, assessment and management
8. Fulfilling the contractor's obligations for subcontractor WHS management
9. Subcontractors' WHS performance
10. The number of infringement notices issued to the contractor
11. The number of directions issued to the contractor concerning safety

For example, to allocate a grade of “compliance” it would be expected that the contractors WHS management plan met all the contract and legislative requirements, work methodologies comply with the Safe Work Method Statements, site is kept clean and free of uncontrolled safety hazards, limited minor directions issued to the contractor concerning safety and no notifiable injuries. An ability to demonstrate innovation and safety leadership may warrant a higher grade.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Meet or exceed the agreed Performance Targets (LTIFR – Lost Time Injuries Frequency Rates etc.)
2. Evidence that safety statistics are complete and accurate
3. Transparent and proactive reporting of WHS incidents
4. Systemic analysis of incident investigations
5. Evidence of sharing lessons learnt from investigations

6.3.7.2. Rail Safety

In assessing the contractor’s rail safety performance, the assessment should include assessment of the following matters:

1. Standard of contractor’s Work Site Protection Plan and other relevant safety plans and proposals
2. Contractor’s compliance with rail safety plans/proposals
3. Compliance with drug and alcohol requirements
4. Compliance with fatigue management requirements
5. Standard of contractor’s rail possession planning and performance
6. Standard and maintenance of rail safety equipment
7. Rail safety competence management

For example, to allocate a grade of “compliance” it would be expected that the contractor submits and complies with high standard rail safety plans, manages fatigue, drug and alcohol management requirements without direction from TfNSW, rail safety equipment is up-to-date with maintenance requirements and safety performance during possessions is without incident.

6.3.7.3. Reliability of Operation

In assessing the contractor’s performance relating to the reliability of operations, the assessment may include assessment of the following matters:

1. Minimised the possibility of its works impacting the reliability of the overall operator’s network (including but not limited to road, heavy rail, light rail and maritime)
2. Avoidance of any adverse impact (present and future) on the operator’s reliability and operations resulting from its activities

3. Consideration of the reliability of the road and rail operator's network at all stages of works including design (where applicable), construction, operational readiness, and commissioning
4. Identified, assessed and mitigated reliability risks associated with its works
5. Allocation of responsibility for management of these risks
6. Establishment of a reporting system for incidents which either delayed or had the potential of delaying road or rail networks
7. Timely provision of asset information
8. Compliance with required documentation in accordance with the TSR's
9. Performance in reference to the contractor performance and incentive payment scheme results in the assessment period

For example, to allocate a grade of "compliance" it would be expected that the contractor has taken all steps to minimise potential disruption to the operator's network, promptly notifies TfNSW of any matters that could impact the reliability of the operator's services, effectively mitigates reliability risks and has suitably assigned responsibility to manage the risks.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Transparency and reporting of incidents affecting operations
2. Reliability risk mitigation
3. Performance in reference to the alliance KPI's

6.3.8. Planning and Authority Approvals

In assessing the contractor's performance in relation to authority approval compliance, the assessment may include assessment of the following matters:

1. Licences or permits obtained from authorities in a timely manner by the contractor
2. Adherence to licences, permits, consents, approvals, determinations, exemptions, certificates, MOU's, laws, whether obtained by the contractor or by TfNSW

For example, to allocate a grade of "compliance" it would be expected that the contractor demonstrate an understanding of the required authority approvals and obtains them in a timely fashion without delay to the program and strictly adhered to the terms on the authority approvals.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Obtaining approvals (such as EP Licence, OOHW approval, heritage etc) from authorities with limited assistance from TfNSW
2. Demonstrated understanding where authority approvals are required, including early notification
3. Absolute compliance with authority approvals and reporting on management of authority approvals including planning approvals and the Environmental Planning Licence; timely submission of compliance reporting

4. Management of utilities

6.3.9. Environmental and Sustainability Management

The requirements for environmental management are based on the NSW Government's Environmental Management Systems Guidelines. In assessing the contractor's performance in relation to environmental management compliance, the assessment may include assessment of the following matters:

1. Compliance with environmental obligations, the Environmental Impact Statement/Review of Environmental Factors requirements and Environment Management Plan
2. Evidence of an environmentally aware culture
3. Results of regular site surveillance and inspections
4. Subcontractors' environmental performance
5. Environmental / sustainability issues identified that are closed out within required timeframe
6. Performance in reference to the Contractor Performance and Incentive Payment Scheme results in the assessment period
7. Number of infringements issued to the contractor

For example, to allocate a grade of "compliance" it would be expected that the contractor has all environmental controls in place, site inspections are conducted daily with only minor environmental issues (measured by their risk level based on TERM) identified and these issues are rectified in the required timeframe, the environmental management plan complies with the contract, there were no notifiable environmental incidents and staff are knowledgeable of the environmental obligations.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Full compliance with environmental obligations including Conditions of Approval, EP Licence requirements etc
2. Empowered, competent and appropriately resourced environment team embedded within the project team with autonomy to make decisions and who adopt proactive and not reactive environmental management
3. Strong connection between community, environment and construction teams
4. Timely and high quality submissions that correctly capture the full scope of works
5. Open reporting culture regarding issues, incidents and non-compliances
6. No issues raised on Environmental Representative's inspections
7. Performance in reference to the alliance KPI's

6.3.10. Communication and Stakeholder Relations

In assessing the contractor's community relations performance, the assessment may include assessment of the following matters:

1. Commitment to a co-operative, non-adversarial approach

2. Development and implementation of a community liaison plan (where applicable), for example:
 - a. management of external and internal communication and engagement processes and a commitment to resolving issues through open and effective communication
 - b. establishment and administration of communication protocols
3. Adequate response from the contractor in regard to community complaints, enquiries and issues that have been raised and reporting of those issues to TfNSW
4. All community enquiries and complaints closed out within required timeframes
5. Contractor identifying and participating in community engagement initiatives

For example, to allocate a grade of “compliance” it would be expected that the contractor was non-adversarial in their approach to community liaisons including forums, issues have been reported to TfNSW in a timely fashion, effective communication protocols have been implemented and no notifiable community incidents occurred.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Open reporting culture of issues, incidents and non-compliances
2. Strong connection between community, environment and construction teams
3. Full compliance with community liaison plan and relevant contract requirements
4. Performance in reference to the alliance KPI’s

6.3.11. Cooperative Relations

In assessing the contractor’s performance relating to co-operative relations, the assessment may include assessment of the following matters:

1. Commitment to resolving issues through open and effective communication
2. Commitment to a non-adversarial approach to dispute resolution
3. Commitment and implementation of a management approach that fosters continuous improvement, self-assessment and general industry monitoring
4. Evidence of a co-operative culture (e.g. Adoption and commitment to partnering principles with clients, subcontractors, consultants and suppliers)
5. Willingness to improve performance based on feedback from meetings or previous contractor performance reports

For example, to allocate a grade of “compliance” it would be expected that the contractor cooperated in all matters regarding the contract including accommodating the needs of TfNSW, engaged in open and effective communication, gave early warning of events significantly affecting the contract, worked with TfNSW to achieve a solutions, discussed payment claims to agree on an agreed value for the completed work, demonstrated a commitment to informal dispute resolution and showed a enthusiasm to improve performance based on feedback from TfNSW.

The following assessment criteria are aimed at alliances but may also be applicable to lump sum contracts. The assessment may include additional assessment of the following matters which may be used in lieu of one or more of the criteria above:

1. Working together to manage shared risks and process TAE's (Target Adjustment Events)
2. No surprises in any aspect of the project
3. Transparent and proactive reporting
4. Evidence of cooperative culture (with subcontractors)
5. Prompt response to TfNSW requests
6. Non adversarial approach to client staff

6.4. Contingent Labour

6.4.1. Time Management

In assessing the Contingent Labour(s) time management performance the following should be considered:

1. Ability to meet programmed milestones
2. Timely completion of critical activities
3. Timely submission of reports and task given
4. Overall progress of the work

6.4.2. Standard of Service

In assessing the Contingent Labour(s) standard of service performance the following should be considered:

1. Appropriateness of skills and experience of personnel assigned to the work.
2. Compliance to the brief
3. Adherence to budget
4. Achievement of expected value for money and desired standard of work
5. Minimum amount of rework
6. "Can-do-attitude"

6.4.3. Cooperative Relationships

In assessing the Contingent Labour(s) cooperative relationships the following should be considered:

1. Cooperative relationships with Manager(s) and other staff members
2. Commitment to a cooperative contracting approach and resolving issues through open and effective communications with a non-adversarial approach
3. Self-assessment
4. Approachable
5. Team player

6.4.4. Meeting TfNSW Values

In assessing the Contingent Labour(s) meeting the TfNSW Values the following should be considered:

1. Customer Focus – having customer at the centre of everything you do

2. Collaboration – value each other and create better outcomes by working together
3. Solutions – deliver sustainable and innovative solutions to NSW’s transport needs
4. Integrity – taking responsibility and communicate openly
5. Safety – prioritise safety for our people and our customers

6.5. Overall Performance

Assessment of Overall Performance should reflect the Reporting Manager’s opinion on the contractor’s performance as a whole after taking into account the individual assessments for the criteria described at Section 6.

6.6. Suitability for Similar Work

The Reporting Manager shall, after taking into account the performance assessment, make a recommendation as to the contractor’s suitability for further works with TfNSW on projects of a similar nature. Should this be marked as “Not Suitable”, then confirmation of the reasons should be discussed with the relevant Project Director and the Director Commercial before circulation.

6.7. Overall Comments

A brief comment on the rating or qualifying the rating must be made in the comments section of the applicable assessment criteria section and the General Comments section of the CPR and must include actual evidence of performance.

In completing CPR’s it is important to report on good and superior performance as well as unsatisfactory performance. As CPRs will be used in ROI processes and tender assessments, contractors with proven good or superior performance should be recognised above those with average performance.

The Reporting Manager and the Reviewing Manager should ensure that comments are accurate, complement the grade given, are supported by evidence and not biased, untruthful, malicious or defamatory. Comments should be kept to the facts relating to the contract at hand, however where it is considered necessary to give an opinion, the opinion should be:

- A first-hand opinion
- Recorded and signed by the reporting manager
- About the contractor, not individuals.

In particular, comments should commence with ‘In my opinion’, e.g. ‘In my opinion the contractor did not provide a suitably experienced project manager’ or ‘In my opinion, the management of the contract was not satisfactory’. Comments should refer to the failure of the contractor and not to individuals.

In reporting do not use extreme language e.g. ‘In my opinion the contractor was totally (or completely) inefficient’. Use of extreme language often indicates bias and it is easy to challenge such opinions as there may be some area, no matter how small, where the contractor was not inefficient and/or you are unable to substantiate the inefficiency.

Reasons for any opinion should be stated and should refer to the relevant evidence which underpins such opinion.

In order to drive continuous improvement it is a requirement that suggestions for improvement are included in the CPR either in the individual assessment criteria comments or in the General Comments section.

6.7.1.1. Comments on Applicable Assessment Criteria

Comments providing evidence and justification for the grade are mandatory for all assessment criteria. It is expected that these comments can be relied upon to justify CPR results to contractors during any appeal and to form the basis for discussions on performance. It is highly recommended that the Reporting Manager use the language used to define the grade in the table in Section 6.1 when providing the justification for the grade.

6.7.1.2. General Comments

The General Comments section provides an opportunity for the Reporting Manager to comment on the overall performance of the contractor, potentially taking into consideration things outside of the scope of the assessment criteria for example Rail Safety, WHS or Environmental Management.

It is in the General Comments that the contractor's good effort despite their failures to meet the assessment criteria can be recognised.

6.8. Objective and Accurate Reports

The Reviewing Manager is to ensure the report is objective and accurate and therefore capable of being relied upon for decisions relating to selective tender lists or selection of a tenderer. Grading accuracy is essential for comparison of CPR data to facilitate selection of the best performing contractor.

7. Reporting

7.1. Frequency

CPR reports must be prepared covering the following periods:

1. The six month periods ending March and September of each year that is relevant to the contract
2. Immediately after practical completion of a contract
3. When there is a continuing period of unsuitable performance on a contract, in the opinion of the Reviewing Manager
4. When a contract is terminated
5. Upon finalisation of all outstanding claims

Completed CPR reports should be provided to Infrastructure & Services Division Commercial Group.

Note: A CPR may only be omitted where the reporting date is within one month of another report (e.g. practical completion CPR occurs within a month of the March or September reporting period then it is only necessary to complete one CPR) or it is less than six weeks since contract acceptance.

The performance criteria and a preliminary assessment should be discussed with the contractor at regular contract control meetings.

7.2. Notification to Commence Contractor Performance Report

Notification will be provided by the Commercial Director PMO at the close of the March and September reporting periods outlining the time period allowed to complete the required CPRs under Section 7.1 (1). Strict adherence to this time period is a mandatory requirement of this process.

CPR's that occur due to any of the reasons set out in Section 7.1 (2) to (5) are the responsibility of the Reporting Manager and no formal notification will be provided.

7.3. Roles and Responsibilities

The key roles in the CPR process are the Reporting Manager and the Reviewing Manager. Together they perform a rigorous assessment of the contractor's performance involving a thorough review to ensure accuracy of the assessment.

Contractors may not assume the position of either the Reporting or Reviewing Manager unless extenuating circumstances exist and approval is granted by the Director Commercial.

7.3.1. Reporting Manager

Responsibility for completion of CPR reports should be assigned to the person best able to make accurate, factual assessments in accordance with the assessment criteria. The Reporting Manager should be the person who has day-to-day liaison with the contractor and would generally be the Project Manager.

7.3.2. Reviewing Manager

Review of the Reporting Manager's appraisal is to be made by a Reviewing Manager experienced in contract management at a more senior level and is preferably the Principal's Representative. In the event the Principal's Representative is also the Project Manager then the Project Director shall fill the role of Reviewing Manager.

The Reviewing Manager's task is to ensure the CPR is objective and accurate and that it can be relied upon by TfNSW to make accountable decisions in relation to ROI, selection of a tenderers and tender assessment processes.

The Reviewing Manager must also make sure the CPR is of a high standard and is robust to withstand any appeals by the contractor. To achieve this the Reviewing Manager must ensure that comments are consistent with the rating allocated to each assessment criterion. Where the Reviewing Manager finds the assessment is not suitable the Reviewing Manager must substantiate any differing assessments with supporting facts and return it to the Reporting Manager to amend.

Note: The Reviewing Manager does not have the authority to change the CPR without consulting the Reporting Manager.

7.3.3. Appeals Manager

If a CPR is appealed by the Contractor through the appropriate Appeals Process outlined below in Section 8, then an Appeals Manager will assess the validity of the appeal. This will be a senior TfNSW I&S representative, typically the Director Commercial.

The Appeals Manager will consult with the contractor and the Reporting Manager to consider the report and the reasons for request for appeal and if necessary return the CPR to the

Reporting Manager for amendment. In this instance, a revised CPR will be submitted to the Contractor.

If a CPR appeal is denied, the CPR will be deemed 'Complete' and no further action can be made against that particular CPR.

If no action is taken on the CPR within 21 calendar days of being sent to the Contractor, the CPR is deemed "Complete" and no further action will occur.

7.4. Submission of CPR and Contractor's Response

7.4.1. All Reports

The Contractor Representatives will be provided with an email copy of the endorsed performance report as well as guidelines describing the Contractor Performance Reporting process, evaluation criteria, steps for completing a performance report and an opportunity to comment on the assessment within 21 calendar days of receipt.

7.4.2. Reports with Unsatisfactory Ratings

Where the CPR concludes that the performance of a contractor is unsatisfactory in any reporting criteria, the contractor must be given an opportunity to comment on the report in accordance with the following guidelines:

1. Where the Overall Assessment is satisfactory (yet performance in a specific criteria is considered unsatisfactory) and the contractor is assessed suitable for further work:
 - a. The contractor is to be advised via email of the assessment and requested to respond in writing within 21 calendar days via the appropriate Appeals Process outlined below in Section 8
 - b. The contractor's response is to be considered by the Appeals Manager and the contractor advised if the unsatisfactory performance rating(s) against an individual criterion is to be retained
2. Where the Overall Assessment is unsatisfactory or the contractor is not recommended for similar work:
 - a. A meeting between the contractor, the Reporting Manager and the Reviewing Manager is to be convened prior to endorsement of the CPR
 - b. The reason(s) for the assessment(s) contained in the CPR is to be discussed and the discussions shall be minuted
 - c. The contractor shall be given the opportunity to respond in writing within 10 working days of the meeting
 - d. Upon review of the contractor's response the CPR may be adjusted at the discretion of the Reporting and Reviewing Managers
 - e. If upon completion of steps (2.i) to (2.iv) the contractor's overall assessment is considered unsatisfactory, then the contractor must be informed and given the option of seeking a review which will be undertaken in accordance with Section 8 – 'Appeal Process' of this guideline (below)

The Reviewing Manager shall send the contractor a further copy of the CPR, whether amended or not, at the end of the above processes.

8. Appeal Process

In the event that a CPR rates the contractor's Overall Performance as unsatisfactory, the contractor must be given the opportunity of an independent review as follows.

The contractor is to be given a copy of this Appeal Process and notified it has 21 calendar days to lodge an appeal against the CPR.

A request for appeal must be sent by the contractor to CPRAppeals@transport.nsw.gov.au within 21 days of the CPR receipt. An independent review will be undertaken within 20 working days (or other period as may be agreed by the parties) of receipt of the request for an appeal by the contractor.

The independent review is to be undertaken on the available evidence submitted by all parties and the Appeals Manager may at his/her absolute discretion seek additional information from the contractor, Reporting Manager or Reviewing Manager, either in writing or in person.

The independent review is to be undertaken by either the Director Commercial or a Project Director or a nominee.

The contractor is to be notified of the outcome of the appeal within 20 working days (or other period as may be agreed by the parties) of the review. Where the CPR is changed as a result of a review, an adjusted copy of the CPR is to be given to the contractor.

9. Final Contractor Performance Report

The final CPR on each completed contract will be the main source of data for evaluation of the performance of a contractor. For this reason, the final CPR should reflect the performance of the contractor during the whole of the contract. When performance is unsatisfactory, the report must be accompanied by backup evidence and all relevant details of the unsatisfactory performance, including minutes of meetings with the contractor.

The Project Manager/Reporting Manager is responsible for creating and maintaining the report. A copy of the final CPR will be provided to the Principal Manager Procurement.

10. Confidential Information

CPR information is strictly confidential therefore is a requirement of this document that CPR forms are only be saved in the protected files in Desksite managed by the Document Controller. Disciplinary action may be taken against individuals who do not comply with this requirement. Please refer to the Contractor Performance Management Guideline for information on confidentiality and defamation.

11. Related Documents and References

Related Documents and References

Contractor Performance Reporting (CPR) Application User Guide

12. Appendix 1 Definitions

All terminology in this document is taken to mean the generally accepted or dictionary definition with the exception of the following terms which have a specifically defined meaning:

Asset Standards Authority (ASA)	The unit within Transport for NSW which sets, controls, maintains, owns and publishes the network and asset standards for NSW Rail Assets.
Authorised Engineering Organisation (AEO)	A legal entity to which the ASA has issued an ASA Authorisation.
Appeals Manager	Senior Commercial TfNSW Representative tasked with deeming the validity of appeals from Contractors.
Construction Contracts	Type of I&S contract that is applied to Contractors engaging in works that contain construction elements. Construction Contracts include Major Works, Medium Works, Minor Works, Managing Contractor and Alliance Contracts.
Contractor	The contractor or contractors or service providers that will be engaged by the Principal for the purposes of completing the works stipulated under the contract.
Contractor's Representative	The person nominated in the contract by the contractor as the representative for the purposes of the agreement and has the legal power to bind an appointing party in respect of any matter arising in connection with the services.
Contractor Performance Report (CPR)	Report detailing the performance of a contractor over the previous period.
Criteria	Element of a contract that is measured for the purposes of the CPR and is a component for the overall performance score provided to Contractors.
Labour Hire	An individual engaged through the Department of Finance and Services' 'SCM0007 - Prequalification Scheme: Contingent Workforce' to replace or augment the workforce in the core service delivery of the business unit, referred as Skill Hire or Contingent Labour.
Overall Performance	Aggregated score of individual criteria scores within a CPR. Note: Criteria are not weighted in any fashion and each criterion is deemed as valuable as any other. This is presented to Contractors as a score out of 10.
PMO	TfNSW Infrastructure and Services Program Management Office
Principal's Representative	A person nominated by the Principal for the purpose of the agreement and acts as a point of contact for any questions pertaining to the contract
Professional Services Contracts (PSC)	Type of I&S contract that involves the engagement of contractors to perform works that are deemed of a professional nature.
Reporting Manager	TfNSW Representative tasked with completing the CPR and subsequent submittal for review.

Reviewing Manager	TfNSW Representative who will review the CPR before submission to the Contractor.
Supplier Development Management (SDM)	The process to identify and work towards developing I&S' key suppliers.
Supplier Relationship Management (SRM)	Process to identify and manage the relationships with organisations that I&S has entered into an agreement with.