

Head Office

One Dundas Street West
Suite 2000, Toronto, ON
M5G 1Z3

Siège de direction

1, rue Dundas Ouest
bureau 2000, Toronto, ON
M5G 1Z3



[Date]

[Company Name]
[Street Address]
[City, Province Postal Code]

Attention: [Recipient Name]

delivered via email

Re: IO Vendor Performance Program – Monthly Report for [Company Name] (the “**Company**”)

Dear [Recipient Name]:

In March 2020, Infrastructure Ontario updated its vendor past performance program (the “**Vendor Performance Program**”, or “**Program**”). This Program superseded past versions and applies to both Public-Private Partnership (“P3”) and Design-Bid Build (“DBB”) projects. In September 2020, the Program was updated once more. This update extends Program application to those vendors providing Security Consulting services as well as those operating as Service Providers on P3 Projects within the Maintenance Phase.

Unless otherwise explicitly defined herein, all capitalized terms herein have the definitions given to them in the Program. A copy of the Program can be found [here](#).

The Vendor Performance Program’s goals are to ensure the public interest is maintained by monitoring, tracking and holding vendors accountable for performance Infractions during the construction phase of a project. We will apply performance data in a fair and transparent manner to vendors’ participation in future IO and PMSP Procurement Processes.

You are receiving this Monthly Report because your Company is an active VPP Participant who satisfies the conditions for such receipt pursuant to Appendix F of the Program. In accordance with the Program, your Company has been assessed against specific contract criteria, each of which constitute a discrete performance Infraction. Below you will find the Company’s aggregated performance record.

As of [Date 1: Month Day, Year], the total number of Infractions accumulated and recorded on Ongoing Contracts preceding [Date 1: Month Day, Year] in which the Company has participated as a Service Provider is ONE (1).

A detailed summary of the performance criteria and the Company’s infraction record with respect to all projects is shown in Appendices A and B to this letter. If you believe there is an administrative error regarding the tabulation of performance infractions please contact vpp@infrastructureontario.ca. Any dispute in respect of an administrative or clerical error shall be resolved only with respect to such error. In all other circumstances for the purposes of this program, the recording of infractions and application of deductions against the Company is not eligible for dispute.

As a result of the Company's performance Infraction record and to the extent that the Company seeks to prequalify with an Applicant Team under an P3 RFQ as a facilities management Prime Team Member, IO will automatically deduct, from any RFQ Prequalification Submission submitted and received between [Date 2: Month Day, Year] and [Date 3: Month Day, Year] [NTD: Dates 2 and 3 shall be the beginning and end of the next month in which Date 1 occurs] inclusive, the following number of points:

- **[X]% for a Design-Build-Finance-Maintain RFQ (Social/Building Infrastructure Asset Class)**

Refer to Section 5.2 of the Program for an explicit outline of deductions as they relate to the evaluation of Submissions.

Infractions will be reviewed and updated by IO on a monthly basis. Deductions based on Infractions will apply until such time as the Infractions expire per Appendix F of the Program. Point deductions will be applied in accordance with the calibration table as disclosed in Appendix C. The calibration table in Appendix C has been developed using a data-driven statistical model which was built using scoring data from all IO RFQs in all asset classes since 2008. Further questions regarding the mathematical inputs that contributed to the calibration model can be directed by email to: ypp@infrastructureontario.ca.

Please note that between September 1, 2020 and August 31, 2021, the point deductions indicated on the table in Appendix B will be reduced by 50% as part of the phasing in of the Program for Service Providers. On September 1, 2021, the point deductions shown in Appendix B will apply at the full weighting.

If the Company has elected to enter into a joint venture or partnership with any other construction contractor, the deduction applied to the joint venture/partnership facilities management Prime Team Member in the applicable RFQ will be the weighted average (by joint venture or partnership interest) of the deductions applicable against all members of the joint venture/partnership. The formula to calculate the deduction is as follows:

$$\text{facilities management Prime Team Member Deduction} = \sum_{i=1}^n JVI_i D_i$$

Where JVI_i is the joint venture or partnership interest of a company, and D_i is that company's Vendor Performance Program deduction.

*For example, if as of March 1, 2021, Vendor ABC's point deduction for Design-Build-Finance-Maintain RFQs is 1.0% (based on having accumulated one infraction in the last 36 months) and Vendor XYZ does not have any record of infractions (and thus a 0% deduction), and Vendors ABC and XYZ are in a 50/50 joint venture bidding to an RFQ, then for any prequalification submission received up until April 30, 2021 in which Vendor ABC and Vendor XYZ are acting as 50/50 joint venture partners, the total deduction applied to the score of the joint venture will be **0.50% of the facilities management Team Member Capability and Experience available points**, according to the pre-disclosed calibration table.*

Please also note that if the Company enters into a joint venture or partnership with another Service Provider and ultimately is the successful winning vendor under that procurement, any performance infractions that occur

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Ontario**

on the project will be equally recorded against the individual performance record of all constituent members of the joint venture or partnership.

More information regarding the purpose, objectives, design, methodology and administration of the Vendor Performance Program is available [here](#).

Yours truly,

[SIGNED]

SVP, Procurement
Infrastructure Ontario

APPENDIX A – Detailed Company Service Provider Infraction Record as of [Date 1: Month Day, Year]

| Infraction Criteria | Project A | Project B | Project C |
|---|-----------|--|-----------|
| 1. Contracting Authority has exercised a Remedial Right due to a Vendor breach of Contract. | | | |
| 2. Contracting Authority has sought indemnification under the Contract due to in excess of three (3) Vendor breaches of Contract within the previous twelve (12) months or has sought indemnification in excess of \$250,000 for any one such breach. | | | |
| 3. The Vendor has accumulated the number of Failure Points needed to warrant the issuance of a Warning Notice in any one-month period. | | | |
| 4. The Vendor has accumulated the number of Failure Points needed to warrant the issuance of a Monitoring Notice in any three-month period. | | Date: 2018.12.14 Expiry: 2020.12.14 Description: X | |
| 5. Vendor personnel were substituted without obtaining prior written consent of Contracting Authority. | | | |

| Infraction Criteria | Project A | Project B | Project C |
|--|-----------|-----------|-----------|
| <p>6. Contracting Authority has conducted a Performance Audit pursuant to the Contract and has determined the Vendor has not performed its obligations in any material respect.</p> | | | |
| <p>7. The Vendor has failed to perform rectifications or Maintenance Work identified by a Performance Audit.</p> | | | |
| <p>8. The Vendor has performed rectifications or Maintenance Work identified by a Performance Audit contrary to its obligations associated with the Performance Audit.</p> | | | |
| <p>9. The Vendor has been issued a direction pursuant to the Contract and has failed to respond within the timelines prescribed by the Contract, or the Vendor has been issued a direction by a Governmental Authority related to labour, employment and/or human resources matters, and has failed to respond within the timelines required by such Governmental Authority.</p> | | | |

| Infraction Criteria | Project A | Project B | Project C |
|--|-----------|-----------|-----------|
| 10. The Vendor has been issued a direction pursuant to the Contract and its response to such direction does not comply with Contracting Authority's requirements, or the Vendor has been issued a direction by a Governmental Authority related to labour, employment and/or human resources matters, and fails to comply with the Governmental Authority's requirements. | | | |
| 11. The Vendor has failed to comply with a material reporting requirement. | | | |
| TOTAL COUNT OF INFRACTIONS | 1 | | |

| Infraction Criteria Reference | Service Provider Annotations |
|-------------------------------|--|
| All | Any Contracting Authority exercise of rights will occur under, and in accordance with, the governing Contract. |
| No. 1 | <ul style="list-style-type: none"> a. Infractions under this criterion shall only recorded in respect to the “Remedial Rights” section of a Project Agreement. b. No infraction shall be recorded on account of this criterion where the exercise of a Remedial Right falls under the definition of a “Reimbursement Event” under a Project Agreement. |
| No. 2 | <ul style="list-style-type: none"> a. Breaches leading to Contracting Authority seeking indemnification in excess of \$250,000 shall not be counted towards the Vender’s three (3) breach limit. b. No Infraction shall be recorded on account of this criterion for deferred, withheld, or set off Monthly Service Payments. |
| No. 3 | <ul style="list-style-type: none"> a. An Infraction shall be assessed irrespective of Contracting Authority issuing such Notice. |
| No. 4 | <ul style="list-style-type: none"> a. An Infraction shall be assessed irrespective of Contracting Authority issuing such Notice. |
| No. 5 | <ul style="list-style-type: none"> a. Death, injury, illness, departure, dismissal, promotion, leave or other removal of a Key Individual does not automatically result in an Infraction to be recorded under this criterion. However, in all cases, consent must be obtained for any replacement or substituted Key Individual in accordance with a Project Agreement. |

| Infraction Criteria Reference | Service Provider Annotations |
|-------------------------------|--|
| No. 6 | a. Materiality shall be determined by Infrastructure Ontario, acting in its sole discretion. |
| No. 7 | a. Failures to perform shall be determined by Infrastructure Ontario, acting in its sole discretion. |
| No. 8 | a. Failure to comply with the Vendor's obligations associated with a Performance Audit shall be determined by Infrastructure Ontario, acting in its sole discretion. |
| No. 9 | <p>a. Infractions shall be assessed against those directions made by or pursuant to any of:</p> <ul style="list-style-type: none"> i. Schedule 22 of the Contract, ii. Schedule 26 of the Contract, iii. Schedule 27 of the Contract, or iv. Any Governmental Authority related to labour, employment and/or human resources matters. <p>b. Failure to respond within the timelines prescribed by the Contract or required by a Governmental Authority shall be determined by Infrastructure Ontario, acting in its sole discretion.</p> |
| No. 10 | <p>a. See Annotation No. 9(a)</p> <p>b. Failure to comply with Contracting Authority or Governmental Authority requirements shall be determined by Infrastructure Ontario, acting in its sole discretion.</p> |

| Infraction Criteria Reference | Service Provider Annotations |
|--------------------------------------|---|
| <p>No. 11</p> | <ul style="list-style-type: none"> a. Infractions shall be assessed against those requirements found within the Output Specifications in Schedule 15 of the Project Agreement. b. An infraction shall be assessed if such failure to comply consists of either: <ul style="list-style-type: none"> i. A submitted report whose quality has been deemed materially insufficient by Infrastructure Ontario, acting in its sole discretion; or ii. A failure to meet the submission deadlines for a report in accordance with the Contract. c. Materiality shall be determined by Infrastructure Ontario, acting in its sole discretion. |

APPENDIX B – Point Calibration Deduction Table Effective May 4, 2021

| Delivery Model | DBFM (Social) | |
|---|---|-----------|
| Facilities Management Points or Equivalent | Range: | 25 |
| Number of Infractions | Deduction from Company's Submissions | |
| 1 | 1.0% | 0.25 |
| 2 | 2.0% | 0.49 |
| 3 | 3.9% | 0.96 |
| 4 | 6.7% | 1.68 |
| 5 | 12.9% | 3.23 |
| 6 | 15.3% | 3.83 |
| 7 | 20.1% | 5.03 |
| 8 or more | 30.9% | 7.74 |