



GBS-I-GP-001

SUPPLIER AND CONTRACTOR PERFORMANCE ASSESSMENT



GrupoEnergíaBogotá

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1. PURPOSE

These instructions contain the general guidelines for assessment of performance applicable to the suppliers/contractors of goods and services of Grupo Energía Bogotá S.A. ESP, hereinafter the Company.

This assessment is a tool of measurement of contractual management and may be used as support for making decisions about valid contracts, invitations and long-term relations with suppliers/contractors, as well as:

- a) Allow Identification of the failures in performance of suppliers and contractors in order to implement the continuous improvement plans in execution of contracts.
- b) Provide useful and objective information that supports the design of development programs and strengthening of suppliers.
- c) Provide a tool allowing the Company to conduct the process of assessment and feedback of performance of the suppliers/contractors according to the type of good or service that they provide.
- d) Facilitate consultation for all the interested parties to know the result of the assessment of performance of suppliers/contractors.

2. SCOPE

The performance assessment of suppliers/contractors established in these Instructions is applicable to contracts entered into by Grupo Energía Bogotá S.A. ESP. The assessment is also applicable to the master agreements and contracts derived from the price agreements. It is not applicable to the cases excluded from the scope of application of the Contracting Manual of the Company.



3. RESPONSABILITIES

Both the Contract Supervisor and the Directorate of Procurement and Services shall have the following responsibilities concerning performance assessment of the suppliers/contractors of the Company:

- a) Contract Supervisor: He shall be responsible for assessing performance of the suppliers/contractors of the Company in the tool provided by the Directorate of Procurement and Services for said purpose, with the regularity indicated herein. In turn, he shall be responsible for follow-up of the improvement plans that must be proposed and executed by the suppliers/contractors when they are qualified under the category of “REGULAR” or “DEFICIENT” as defined hereinafter.
- b) Directorate of Procurement and Services: it shall be the area responsible for administering the supplier/contractor performance assessment tools, as well as:
 - Consolidate quarterly the information about the results of the assessments made.
 - Assist in formulation or design of programs of strengthening and development of suppliers/contractors.
 - Provide the access and necessary configurations to make available the supplier/contractor performance assessment tool for contributors.
 - Train Contract Supervisors about the procedure and use of the supplier/contractor assessment tool.
 - Prepare statistics or reports about management of suppliers.

4. CLASSIFICATION OF THE PERFORMANCE ASSESSMENT

The supplier/contractor performance assessment tool is designed in accordance with the type of good or services that it is being supplied or provided to the Company, respectively.

The types of goods or services defined for assessment are as follows:

- a) Suppliers or contractors of goods and equipment.
- b) Suppliers or contractors of services and consulting.
- c) Suppliers or contractors of works and maintenance.

5. PERFORMANCE ASSESSMENT CRITERIA

The supplier/contractor performance assessment criteria shall consider the following criteria:

- a) The result of the supplier/contractor performance assessment shall be scored as follows:

SCORE	RATING
Higher than or equal to 90	Excellent
Higher than or equal to 80 and lower than 90	Good
Higher than 70 and lower than 80	Regular
Lower than or equal to 70	Deficient

Note: Regardless of the score, the contractor/supplier shall be qualified as Deficient in the following events:

1. Work accident with fatality or permanent disability.
2. The contractor/supplier does not submit the improvement plan established in section 6 of these Instructions.

- b) The Criteria to be assessed in the Contracts are as follows:

CRITERION	ASSESSING PARTY
Technical Compliance	Contract Supervisor (He could be supported by the functional areas specialized in each criterion, if required)
Administrative Compliance	
Industrial Safety, Occupational Health and Risk Prevention Compliance	
Environmental Management Compliance	
Business Social Responsibility Compliance – RSE	
Quality Compliance	

- c) All performance assessments shall be registered in the tool approved by the Company for said purpose.
- d) The Performance Assessment obtained by a Consortium or Joint Venture shall be equally applicable to all of the members thereof.



6. PERIODICITY OF PERFORMANCE ASSESSMENT

Periodical assessments shall be made as indicated in these instructions with the purpose of ensuring that the supplier/contractor is fulfilling the obligations established herein. The Contract Supervisors shall inform the supplier/contractor the result of the assessment. In

case that the result of the assessment is Regular or Deficient, the supplier/contractor shall have a term of five (5) business days to submit remarks to the assessments, which shall be answered by the Contract Supervisor. If not accepted, the assessment initially made shall be confirmed with the corresponding justification and it shall be understood that the supplier/contractor agrees with the result thereof.

Likewise, when the assessment is “Regular” or “Deficient”, the Contract Supervisor shall inform the contractor about said result, and request submission of an improvement plan, which shall be approved by the Contract Supervisor, in order to optimize performance thereof and/or conduct the contractual actions provided for in the contract. The improvement plan shall be uploaded in the tool provided by the Company.

The Final Performance Assessment shall be the result of the average of assessments made during execution of the contract, according to the periodicity established in these instructions.

The Contract Supervisor shall communicate the final performance assessment to the supplier/contractor when processing approval of the last payment or preparing the Termination or Settlement Record, as applicable. Said act shall be documented. The supplier/contractor shall have a term of five (5) business days to submit remarks to the assessment, which shall be answered by the Contract Supervisor in coordination with the corresponding immediate supervisor, as follows:

- If not accepted, the assessment initially made shall be confirmed with the corresponding justification, and it shall be understood that the supplier/contractor agrees with the result thereof.
- In the event that the remarks made by the supplier/contractor allow establishing that the rating obtained is lower than the one that corresponds, the Contract Supervisor shall undertake the corresponding procedures so that said assessment is modified in the system, upon approval by the corresponding immediate supervisor.

Both the periodical assessment and the final assessment shall be signed by the Contract Supervisor and the corresponding immediate supervisor.



The supplier/contractor performance assessment shall be made following the rules below:

EXECUTION TERM	ASSESSMENT
Shorter than or equal to three (3) months	It shall be made once upon expiration of the execution term before the end of the contract validity.
Longer than three (3) months and shorter than or equal to twelve (12) months	The first assessment shall be made once fifty percent (50%) of the execution term has elapsed and the last assessment shall be made upon expiration of the execution term before the end of the contract validity.
Longer than twelve (12) months	The assessment shall be made every six (6) months of execution and the last assessment upon expiration of the term, before the end of the contract validity.

In case of modifications to the contracts, the following rules shall be applied:

In order to approve a contractual modification, having conducted the supplier/contractor performance assessment shall be a prerequisite, provided that the term for said performance assessment had been observed.

7. PURPOSE OF THE SUPPLIER OR CONTRACTOR PERFORMANCE ASSESSMENT

The supplier/contractor performance assessment shall be used as supporting evidence in the following events:

a) Early Termination of Contracts

The Company may terminate early the contract without any indemnity in favor of the supplier/contractor, in case that the performance assessment obtains a “*Deficient*” result in the assessment.

b) Modifications

In order to request modification of a contract the last Periodical Performance Assessment of the supplier/contractor in the contract to be modified shall be submitted, provided that the term established by these instructions is observed.

If the assessment is “*Deficient*”, the Company may decide not to continue working with said supplier/contractor. In the event that it decides to approve the modification, it shall inform about the state of progress of the Improvement Plan in the presentation to the corresponding Committee, or in the document attached to the modification to the Directorate of Procurement and Services.

c) Invitation to Bid or Declaration of Interest

The Company shall use the average of supplier/contractor performance assessments registered as of that date, considering the following rules:

- i. Suppliers/Contractors with a “*Deficient*” average of performance assessment may not be invited to participate in direct bid requests and in closed competitive processes, in accordance with the convenience and risk analysis made by the Company.
- ii. Suppliers/Contractors with “*Regular or Deficient*” performance assessment may not be invited to participate in a Direct Bid Request, in accordance with the convenience and risk analysis made by the Company.
- iii. Suppliers/Contractors that had had a work accident with fatality or permanent disability or had not submitted the improvement plan established in section 6 of these Instructions may not be invited to participate in contracting processes for services or works classified of high risk by the responsible area, in accordance with the convenience and risk analysis made by the Company.

d) Criterion of Assessment or Tie-Breaking of Bids

The Company may use the average of performance assessment of the supplier/contractor registered on the date, considering the following rules:

- i. When in a Bidding Process the bidders in a tie have a performance assessment registered in the Company, said assessment may be used as tie breaker between the bids, as defined in the Process Assessment.
- ii. When in a Prequalification, it is requirement in the Declaration of Interest not having obtained a deficient rating in contracts entered into with the Company.
- iii. When in a Price Agreement there is a requirement in the Declaration of Interest of not having obtained a deficient rating in contracts entered into with the Company.

8. VISITS TO CONTRACTORS OR SUPPLIERS

The Company may make visits to contractors/suppliers that had obtained in contracts entered into with the Company a performance assessment with a “*Regular or Deficient*” rating and thus they had not been invited to participate in the contracting processes thereof.

The visit shall have the purpose of verifying the standards of quality, HSE, and administrative, technical and operating capacity.

Said visit shall be made by a person appointed by the Company.

As a result of the visit, a report shall be issued enabling again the supplier/contractor to participate in the processes of the Company, if it deems it convenient.

9. RATING OF THE SUPPLIER/CONTRACTOR PERFORMANCE ASSESSMENT CRITERIA

The Contract Supervisor shall give a rating of the supplier/contractor performance assessment criteria of the Company with respect to these Instructions, in conformity with Annex No. 1 hereto.

Supplier/contractor performance assessment matrixes may be developed or be available for specific goods or services, which shall be approved by the Directorate of Procurement and Services. Said matrixes may be used guaranteeing recording of the assessment in the tool established for said purpose by the Company.

10. RELATED DOCUMENTS

Document Code	Document Title
N.A.	Manual of Contract Management and Supervision

11. RECORDS

Not applicable.

12. ANNEXES

Matrix of Supplier/Contractor Assessment Criteria