

Date: September 15, 2024
To: Meaghan Griffin
Copy: Katy Mead, Terry Sherman, Murray Arsenault, Edward Claringbold
From: Denny Kobayashi, Kennedy Communications
Re: **Vendor Performance Review Program**

Thank you for the opportunity to expand on the Yukon Contractors Association (YCA) proposal in regard to 'next steps' for the YG Vendor Performance Review Program (VPR) that we discussed at our meeting on August 27, 2024.

The position of the YCA reflects in part, information and recommendations from the VPR Working Group. This Working Group includes a number of respected Yukon companies actively engaged in the construction sector. The Working Group and YCA have considered several approaches and options that would make the proposed VPR program effective at achieving YG's desire to *"recognize and encourage vendors who deliver good performance on contracts and provide a way to give feedback for those contractors who do not."*, as stated in a letter to YCA dated August 27, 2024, from Premier Ranj Pillai. The Premier goes on to state that *"more work is needed to refine this program to address poor performance and put forward a different evaluation framework"*. YCA supports this approach and are committed to participate and are prepared to provide industry leadership to develop the evaluation framework.

At our meeting on August 27th, I committed to providing PSC with the following:

1. Industry's top 3 "asks" for the VPR program.
2. A proposal for working together.
3. A timeline of plan for a facilitated discussion to occur.

I am pleased to provide an initial high-level response to these inquiries.

Industry's top 3 "asks" for the VPR program

- Development of a Vendor Performance Review Program should be undertaken in full collaboration and partnership with industry. YCA is prepared to take a leadership role in this effort.
- The current VPR is too narrow. Effective project evaluations should include a performance review of the 1) Contractor; 2) Consultants; and 3) Owner (YG). These evaluations should occur at the outset of the project, interim reviews and a final evaluation. In all three phases, both parties should be given the opportunity to respond to the reviews/evaluations.
- Develop distinct VPRs by type of procurement (i.e. construction, goods, and services) and by type of procurement (i.e. value-driven, price-driven, direct awards).

A Proposal for Working Together

With some level of support, YCA is prepared to take a leadership role in the development of a relevant and Made-in-Yukon VPR Program working in collaboration with the Procurement Support Centre (PSC). Initial suggestions/ideas for discussion:

- Joint Working Group co-chaired by PSC and YCA.
- Industry Working Group members to be recruited by YCA. PSC to appoint their members with oversight and ideally participation by the ADM.
- PSC to provide secretariat services to the Working Group.
- HPW/PSC to provide funding support for a consultant to support the industry members of the Working Group.
- Proposing monthly Working Group meetings with ongoing work between meetings occurring with the Consultant and relevant PSC team members.
- This work could start as soon as the parties can agree on the approach and the supports required are in place.

A Timeline for a Facilitated Discussion to Occur

If we can agree on way to work together aligned with our proposal as noted above, the objective of a facilitated discussion shifts from an assessment of the environment and experience of contractors arising from the existing proposed VPR to a focused industry consultation in support of building a VPR that meets a shared objective to fairly and effectively evaluate the performance of Contractors, Consultants and the Owner.

- This consultation would be deployed by the YCA with the responses delivered to the Joint Working Group.
- This is the opportunity for fulsome feedback to be collected from industry across sectors and procurement types.
- As noted above this work could start as soon as the parties can agree on the approach and the supports required are in place.

Support and Resources

Undertaking this work will require financial and other resources to be provided by HPW/PSC. If there is agreement on the proposed approach, a workplan and budget would be developed similar to the proposal that was submitted for the YCA to engage a consultant to work on the YFNPP, MRC and the initial VPR. In this case, it would be a specific, time limited project with one-time funding.

We look forward to an opportunity to connect to discuss this matter in more detail.

Respectfully submitted,



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