



OFFICE OF THE ATTORNEY GENERAL

Vendor Performance Evaluation Procedures

The Vendor Performance Tracking System (VPTS) provides the state procurement community with a comprehensive tool for evaluating vendor performance to reduce risk in the contract award process. The VPTS tracks vendor performance on a scale from A-F. Reporting of vendor performance is mandated by the Texas Government Code §2262.055 and 34 Texas Administrative Code §20.509. The requirement applies to purchases of \$25,000 or more from contracts administered by the CPA or any other purchase of \$25,000 or more made through delegated authority granted by CPA, purchases made pursuant to Government Code Chapter 10, Subtitle D, or for which a state agency is required to use the best value standard. For guidance on completing the Vendor Performance Form, staff are encouraged to reference the State Purchasing Website: <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/>

| TASK | STEP |
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| <p>Upon issuance of the purchase order, E-Pro sends an email to the purchase requisition owner to notify them that a Vendor Performance Evaluation is due. The Vendor Performance Evaluation is due:</p> <ul style="list-style-type: none"> • within 30 calendar days of the date the goods or services are received; or • the conclusion of the purchase order or contract. | <p>The Purchase Requisition owner/liaison completes the Vendor Performance Evaluation Form utilizing guidelines from the State Purchasing website: https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/</p> <p>The Vendor Performance Form is located at: https://txoag.sharepoint.com/sites/Home in the Purchasing and Contracting Forms and Policies.</p> |
| <p>Complete the Vendor Performance Evaluation Form.</p> | <p>The end user will reference the contract file to determine performance history.</p> <ul style="list-style-type: none"> • within 30 calendar days of receipt of the goods or services, or • the conclusion of the purchase order or contract. <p>Supporting documentation is required for all grades of "D" and below. Documentation should detail the instances of non-compliance with the material terms of the contract which can include emails or other correspondence, invoices, shipping receipts, or memorandums of records detailing the issues. These documents will be emailed to VendorPerformance@oag.texas.gov along with the Vendor Performance Report. The report and all documents will be submitted to for review by the OAG General Counsel Division prior to entry on the Comptroller's VPTS portal. The documentation must be retained in the contract file even if the instances of non-compliance were corrected.</p> <p>Any grade of "D" or lower must contain a reason the vendor was given this grade in the Performance Details section under Step 9 and in the Resolution Comments/Details section under Step 11.</p> |

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| | <p>If Step 10. Factors for Potential Debarment is relevant to the Vendor Performance Report, supporting documentation that describes the reason the vendor should be considered for potential debarment must be indicated at the time the Vendor Performance Report is submitted and reviewed by the OAG General Counsel Division as described above.</p> |
| | <p>All information needed to complete the Vendor Performance Form can be found in E-Pro and on the purchase order including the Contract Type, General Information, VID, etc.</p> |
| <p>Complete the Submitted By section of the Vendor Performance Form.</p> | <p>The end user will enter their Name, Division Name, Title, Date, and Division Code. The OAG Division Code is: 302</p> |
| <p>Step 1. Enter the Contract Designation: Commodities or Services</p> | <p>Indicate whether the purchase order was for commodities such as pencils, desks, cars, chairs, etc. or services such as cleaning, maintenance, software programming, service of process, etc.</p> <p>If you are unable to find the information, please send an email to the Contract Management Team at VendorPerformance@oag.texas.gov for assistance.</p> |
| <p>Step 2. Indicate the Contract Type: CPA Open Market, TXMAS, IT/Telecommunications, Exempt, Delegated, Other, or CPA Term Contract. NOTE: all contracts openly solicited by the OAG are delegated contracts.</p> | <p>Go to the “Additional PO Details” section in E-Pro for the Purchase Order number which you are completing the Vendor Performance form. The PCC Code is the first item in the list. Look up the PCC code in the Texas Procurement and Contract Management Guide to determine appropriate procurement type.</p> <p>If you are not sure of the contract type, leave this field blank and the contract management team will assist you in determining the Contract Type.</p> |
| <p>Step 3. Enter General Information</p> | <p>The end user will enter the PO #, Requisition #, Class/Item ID, PO Date, PO Amount, and Contract ID. All information needed for General Information can be found in E-Pro under Additional PO details on the purchase order. If you are unable to find the information, please send an email to the Contract Management Team at VendorPerformance@oag.texas.gov for assistance.</p> |
| <p>Step 4. Enter Vendor Information</p> | <p>Vendor Information can be found on the purchase order in E-Pro by clicking on the vendor name to display the VID # and additional vendor information. If you are unable to find the information, please send an email to the Contract Management Team at VendorPerformance@oag.texas.gov for assistance.</p> |
| <p>Step 5. Enter Submission Reason: Select the applicable reason</p> | <p>The end user will indicate why the report is required.</p> <p>NOTE: annual reports are only required for contracts valued at \$5 million and higher.</p> |
| <p>Step 6. Enter Delay Justification Required for any submission beyond 30 days from completion of contract/deliverable.</p> | <p>Justification does not have to be elaborate, but is required, e.g., waiting on full order to arrive; delayed installation; personnel shortage; awaiting inspection; awaiting corrective actions; etc.</p> |

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| <p>Step 7. Enter Best Value criteria by checking all that apply.</p> | <p>The end user will indicate if the vendor met the Best Value Standard by checking yes or no, then indicate how the vendor met best value criteria by checking the appropriate box(es).</p> |
| <p>Step 8. Complete the Positive Performance section only if vendor achieved Positive Performance.</p> | <p>If Positive Performance is applicable, the end user will check the appropriate box(es) to indicate how the vendor achieved positive performance. If the end user completes Step 8, skip Steps 9-12 and proceed to Step 13. NOTE: Box 8 and 9 can not both be checked</p> |
| <p>Step 9. Complete the Negative Performance section if the vendor had negative performance.</p> | <p>If the vendor had negative performance, the contract file MUST contain supporting documentation for the performance. The end user will check all appropriate boxes that apply to the negative performance and enter a description of the negative performance in the Performance Details box below the check boxes. The end user must be prepared to answer questions related to the reporting of negative performance.</p> |
| <p>Step 10. Complete the Satisfactory Resolution section if the vendor achieved satisfactory resolution for negative performance.</p> | <p>The end user will check all appropriate boxes that apply to the satisfactory resolution. Complete the Resolution Date and Resolution Comments/Details NOTE: Any documentation to support the how the vendor satisfactorily resolved issues MUST be retained in the contract file satisfactory resolution.</p> |
| <p>Step 11. Complete the Unsatisfactory Resolution section if the vendor did not achieve satisfactory resolution for negative performance.</p> | <p>The end user will check all appropriate boxes that apply to the satisfactory resolution. Complete the Resolution Date and Resolution Comments/Details NOTE: Documentation is REQUIRED to support how the vendor was unable to resolve issues, this MUST be retained in the contract file.</p> |
| <p>Step 12. Factors for Potential Debarment</p> | <p>If the vendor meets criteria for debarment as outlined in Texas Government Code 2155.077 (https://statutes.capitol.texas.gov/Docs/GV/pdf/GV.2155.pdf), and the contract file contains solid documentation to support the claim, check the appropriate box and forward the supporting documentation with the Vendor Performance Report to the Contract Management Team. The Contract Management Team will request review of the claim by OAG General Counsel and report the vendor performance if approved by OAG General Counsel. The end user must be prepared to answer questions related to the reporting.</p> |
| <p>Step 13. Vendor Grade</p> | <p>The end user will rate the vendor's performance for the purchase order using the scale of A-F defined in the Vendor Scoring Guide below and check the appropriate box. Sign the Vendor Performance Form. Scan and email the Vendor Performance Form to the Contract Management Team in the Procurement and Contracts Management Division at VendorPerformance@oag.texas.gov.</p> |

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| <p>The Contract Management Team receives the Vendor Performance Form from the end user.</p> | <p>The Contract Management Team will review the submitted form for completion and determine if the form requires General Counsel Review.</p> |
| <p>The Vendor Performance Report does not require General Counsel Review.</p> | <ol style="list-style-type: none"> 1. The Contract Management team will review the evaluation for completeness and submit it to the Comptroller's VPTS Portal and include the email address of the individual who submitted the Vendor Performance Form to the Contract Management team. 2. The Contract Management team will receive email confirmation of the vendor performance report submission that will be saved in the electronic contract file. |
| <p>The Vendor Performance Report requires consultation with General Counsel or Executive Management.</p> | <ol style="list-style-type: none"> 1. The Contract Management team will forward the Vendor Performance Form to General Counsel and Purchasing and Contracting Director. 2. General Counsel and Purchasing and Contracting Director will review the Vendor Performance Form and respond to the Contract Management team as appropriate. 3. The Contract Management team will proceed appropriately based on feedback from General Counsel and Purchasing and Contracting Director. 4. The Contract Management team will approve the evaluation and submit it to the Comptroller's VPTS Portal and include the email address of the individual who submitted the Vendor Performance Form to the Contract Management team. |

VENDOR SCORING GUIDE

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| <p>Grade A - Excellent Performance</p> <p>Vendor significantly exceeded the requirements of the purchase order or contract to the state's benefit, any problems with the purchase order or contract were minor and corrective actions taken by the vendor to address such problems were highly effective. If the best-value standard was used to award the purchase order or contract, an "A" means that the vendor satisfied that standard.</p> | <p>Any grade of "A" or "B" will be reviewed by the Contract Management Team. The requester will need to keep documentation in the contract file to justify a rating of "A" to validate what was "significantly exceeded". What additional value was provided outside of the contract that pushes the grade past "exceed." This documentation does not need to be provided with the Vendor Report but does need to be readily available in the event of an audit.</p> |
| <p>Grade B - Good Performance</p> <p>Vendor exceeded some requirements of the purchase order or contract to the state's benefit, any problems with the purchase order or contract were minor and corrective actions taken by the vendor to address such problems were effective. If the best-value standard was used to award the purchase order or contract, a "B" means that the vendor satisfied that standard.</p> | |
| <p>Grade C - Satisfactory Performance</p> <p>Vendor met the requirements of the purchase order or contract and corrective actions taken by the vendor to address minor problems were satisfactory. If the best-value standard was used to award the purchase order or contract, a "C" means that the vendor satisfied that standard but that the vendor's performance did not merit an "A" or "B."</p> | <p>Any grade of "C" will be reviewed by the Contract Management Team and the end user must be prepared to answer questions related to any corrective actions leading to the rating.</p> |
| <p>Grade D - Unsatisfactory Performance</p> <p>Vendor did not meet some of the requirements of the purchase order or contract, problems with the purchase order or contract were serious and corrective actions taken by the vendor to address such problems were only marginally effective or not fully implemented. If the best-value standard was used to award the purchase order or contract, a "D" means that the vendor did not satisfy that standard.</p> | <p>Any grade of "D" must include the reason the vendor was given this grade under Step 9 in the Performance Details section, and under Step 11 in the Resolution Comments/Details section.</p> <p>In addition, any Vendor Performance Report containing a "D" will be reviewed by the OAG General Counsel Division prior to entry on the Comptroller's VPTS portal. The review process will be handled by the Contract Management Team.</p> <p>The end user must have documentation to support the reporting of unsatisfactory resolution.</p> |

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| <p>Grade F - Extremely Unsatisfactory Performance</p> <p>Vendor did not meet the requirements of the purchase order or contract, problems with the purchase order or contract were serious and corrective actions taken by the vendor to address such problems were ineffective. If the best-value standard was used to award the purchase order or contract, an “F” means that the vendor did not satisfy that standard.</p> | <p>Any grade of “F” must include the reason the vendor was given this grade under Step 9 in the Performance Details section, and under Step 11 in the Resolution Comments/Details section.</p> <p>In addition, any Vendor Performance Report containing an “F” will be reviewed by the OAG General Counsel Division prior to entry on the Comptroller’s VPTS portal. The review process will be handled by the Contract Management Team.</p> <p>The end user must have documentation to support the reporting of unsatisfactory resolution.</p> |
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Purchase Category Codes (PCC)

The following Purchase Category Codes (PCC) are for use in the Uniform Statewide Accounting System (USAS) with purchase document types two (2) and nine (9). USAS Documents type two (2) and nine (9) are audited after payment. PCCs are codes used to document the purchase method, commodity type, and dollar category of purchases.

PCC List:

- A** - Purchases of items from TPASS term contracts using the TPASS automated purchasing system (Automated purchase orders). See 34 Texas Administrative Code § [20.40](#) - TPASS Term Contract Purchase.
- B** - A purchase with a pre-scheduled bid opening date, allowing TPASS to confirm orders for goods (e.g., calendars, groceries, fertilizer, etc.). see [Section 2.8 on Scheduled Managed Contracts](#).
- C** - Purchases from TPASS Managed term contracts using the agency's internal requisition/purchase order forms See 34 Texas Administrative Code [20.40](#) - TPASS Term Contract Purchase.
- D** - Purchases of information technology commodities or services not available through DIR contracts. TPASS Rule 34 Texas Administrative Code § [20.391](#) – Request for Offer Purchase Method.
- E** - Purchases of commodities and services when the total purchase is estimated to be \$0.00 to \$5,000.00. See TPASS Rule 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
- F** - Purchases of commodities (not services) in the total estimated amount of \$5,000.01 through \$25,000.00. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
- G** - Purchases on the Open Market by TPASS. A purchase of goods, usually in a specified quantity, is made by buying from any available source in response to an open market requisition from an agency. Items are not on TPASS term contract. See 34 Texas Administrative Code §§ [20.33](#) through [20.40](#) - TPASS Open Market Purchase.
- H** - Purchases in any category paid for with a payment card. Agencies using a payment card from TPASS Managed Contract No. 946-M1. See 34 Texas Administrative Code § [5.57](#)- Delegated Purchase.
- I** - Purchases of items from DIR Contracts. See Texas Government Code § [2157](#) - Purchase of Automated Information Systems commodities or services.
- K** - Purchases of publications directly from the publisher with no dollar limits. See 34 Texas Administrative Code § [20.41](#) (e) (5) Delegated Purchases; Publications. Required documentation - The purchase order or requisition file must contain the following signed declaration:

"Direct Publication - Not available from any other source."

No proprietary justification or best value statements are required if the signed declaration is listed on the purchase order/requisition.

Note: Purchases for Libraries are exempt [[see Section 4.2 Exemptions](#)]. These types of exempt purchases do not need a PCC code.

- L** - Purchases of perishable foods, e.g. fresh fruit, eggs, ice, etc. with no dollar limits. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
 - M** - Purchases of distributor items, e.g. repair parts for a unit of major equipment that is needed immediately, or maintenance contracts for laboratory/medical equipment with no dollar limits. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
 - P** - Purchases of petroleum products, e.g. fuels, oils, and greases - (class 405) with no dollar limits. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
 - Q** - Purchases of services in the amounts estimated to be \$5,000.01 but less than \$25,000.00 for the total contract within a one year period. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
 - X** - Purchases of items from TXMAS Contracts. See 34 Texas Administrative Code § [20.47](#) - Multiple Award Schedule.
 - S** - Purchases of services in an amount estimated to exceed \$25,000.01 for the total contract within a one year period. See 34 Texas Administrative Code § [20.41](#) - Delegated Purchases.
 - T** - Emergency purchases of goods and services exceeding \$25,000. An emergency is defined as a situation requiring the state agency to make the procurement more quickly to prevent a hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state. See 34 Texas Administrative Code §§ [20.32](#) and [20.41](#)(a) (2) - Emergency Purchases.
- J, N, O, R, U, V, W, Y, Z** - Not Used.

For purchases of goods and services exempt from competitive bidding or from the purchasing authority of TPASS by a specific statute leave the PCC field blank; the agency requisition number/order number and PCC are not required. The legal cite must be referenced on the purchase documentation for these purchases. Items purchased from TPASS TxSmartBuy term and Managed and open market are not exempt. See Section 4.2 Exemptions for a list of exemptions.