

# WWRGD General Vendor Risk Scoring Matrix

WWRGD

Worldwide Responsible General Development

General Vendor Risk Scoring Matrix

Universal Vendor Evaluation Framework

Companion Document to: WWRGD General Vendor RFI (WWRGD\_General\_Vendor\_RFI.xlsx)

Document Type

Version

Applies To

Reference

Risk Scoring Matrix

1.0

All Non-GC Vendors

WWRGD-RSM-GV-001

## SCOPE & PURPOSE

This matrix adapts the WWRGD General Contractor Risk Scoring Matrix into a universal vendor evaluation framework for non-general-contractor vendors. It provides a consistent, quantitative method for assessing vendor risk across five vendor categories: Professional Services, Technology/Software, Facilities Management, Logistics/Transportation, and Equipment/Material Suppliers. The 400-point scoring system, six weighted risk categories, and four-tier risk classification are maintained from the original GC framework to ensure cross-portfolio comparability.

## SECTION A: Critical Risk Indicators (Automatic Disqualification)

The following indicators represent conditions that require immediate escalation and may result in automatic disqualification from vendor consideration, regardless of composite scoring. Any single failure should trigger review by the appropriate approval authority.

Critical Risk Indicator

Threshold / Disqualifying Condition

Pass

Fail

Active Litigation / Legal Proceedings

Pending or active litigation exceeding \$1M, or material claims with significant liability exposure relative to engagement value

& Pass

& Fail

Regulatory Violations

Willful or repeat violations from any regulatory body (OSHA, EPA, FTC, DOL, industry-specific regulators) within the past 3 years

& Pass

& Fail

Financial Distress

Negative operating cash flow for 2+ consecutive reporting periods, covenant violations, bankruptcy filing, or formal insolvency proceedings

& Pass

& Fail

Debarment / Exclusion Status

Any active federal, state, or local debarment, exclusion from public contracts, or placement on a government excluded parties list

& Pass

& Fail

Safety / Workplace Metrics

TRIR > 3.0 (field-based vendors) or documented pattern of workplace safety failures; for professional/office vendors: material OSHA violations or repeated employee safety incidents

& Pass

& Fail

Insurance / Bond Capacity

Insurance coverage or bonding capacity is insufficient for the engagement scope, or required coverage types cannot be obtained or maintained

& Pass

& Fail

License / Certification Status

Expired, suspended, or revoked professional licenses, certifications, or permits required for the services or activities within the engagement scope

& Pass

& Fail

NOTE: A "Fail" on any indicator above requires immediate escalation to VP/Executive level before proceeding with scoring. Critical Risk Indicators are evaluated independently of the composite scoring in Sections B–D.

## SECTION B: Weighted Risk Categories

Each of the six risk categories below is assigned a weight reflecting its relative importance to overall vendor risk. Scores are assigned on a 1–4 scale for each category (see Section C for detailed rubrics). The maximum composite score is 400 points.

Risk Category

Weight

Max Score

Rationale

Financial Stability

25%

100 pts

Highest impact on engagement completion ability and long-term vendor viability

Safety Performance

20%

80 pts

Critical to WWRGD liability exposure, workforce protection, and regulatory obligations — applies to both field-based and office/professional service vendors

Quality / Performance History

20%

80 pts

Direct indicator of the vendor's ability to deliver to agreed specifications, timelines, and service levels

Operational Capacity

15%

60 pts

Ensures the vendor has sufficient bandwidth, staffing, and infrastructure to execute the engagement alongside existing commitments

Compliance Record

10%

40 pts

Regulatory, legal, and contractual compliance risk mitigation across all applicable jurisdictions and industry standards

Technology Capabilities

10%

40 pts

Efficiency, data security, integration capabilities, and use of industry-standard platforms and reporting tools

TOTAL

100%

400 pts

### SECTION C: Detailed Scoring Rubrics (1–4 Scale)

For each category, assign a score of 1 (Poor), 2 (Fair), 3 (Good), or 4 (Excellent) based on the criteria below. Use the highest fully-met score level; partial credit within a band is not applicable.

#### C1. Financial Stability (25% weight)

Score

Level

Criteria

4

Excellent

Debt-to-equity (D/E) ratio < 0.5; strong positive operating cash flow

Insurance and/or bond capacity > 150% of engagement value where applicable

Audited financials with clean opinion; no material audit findings for 3+ years

Consistent revenue growth; healthy working capital ratios

3

Good

D/E ratio 0.5–1.0; adequate positive operating cash flow

Insurance/bond capacity meets engagement requirements with modest margin

Audited or reviewed financials; minor findings resolved

Stable revenue; acceptable working capital

2

Fair

D/E ratio 1.0–2.0; some cash flow concerns or variability

Insurance/bond coverage meets minimums but with limited headroom

Compiled or internally prepared financials; some unresolved findings

Flat or slightly declining revenue; tight working capital

1

Poor

D/E ratio > 2.0; negative or severely strained cash flow

Insurance/bond gaps or inability to meet minimum coverage requirements

No formal audited financials; significant unresolved findings or restatements

Declining revenue, losses, or signs of financial distress

## C2. Safety Performance (20% weight)

Score

Level

Criteria

4

Excellent

Field-based vendors: TRIR < 1.0, EMR < 0.85, zero serious violations in 3 years

Office/professional vendors: zero recordable incidents, proactive ergonomic and wellness programs

Comprehensive documented safety management program with third-party validation

Proactive safety culture; dedicated EHS staff or equivalent resources

3

Good

Field-based vendors: TRIR 1.0–2.0, EMR 0.85–1.0, minor violations only

Office/professional vendors: rare incidents, documented safety policies

Documented safety program; responsive corrective action process

Regular safety training and incident review processes in place

2

Fair

Field-based vendors: TRIR 2.0–3.0, EMR 1.0–1.2, some serious violations with remediation

Office/professional vendors: occasional incidents, basic safety compliance only

Basic written safety policy; inconsistent implementation

Limited safety training; reactive rather than proactive culture

1

Poor

Field-based vendors: TRIR > 3.0, EMR > 1.2, willful or repeat violations

Office/professional vendors: pattern of workplace incidents, regulatory actions pending  
Inadequate or absent safety program; no documented protocols  
No safety training or accountability structures

### C3. Quality / Performance History (20% weight)

Score

Level

Criteria

4

Excellent

Budget/cost performance index (CPI) > 0.95; schedule/timeline performance index (SPI) > 0.95

Defect/error rate < 5%; deliverable rework rate < 5%

Client/customer retention rate 90%+; consistently strong reference feedback

SLA compliance 98%+ on comparable engagements; proactive issue escalation

3

Good

CPI 0.90–0.95; SPI 0.90–0.95; occasional minor variances

Defect/error rate 5–10%; rework within acceptable bounds

Client retention 75–90%; positive references with minor qualifications

SLA compliance 90–98%; documented remediation for any breaches

2

Fair

CPI 0.85–0.90; SPI 0.85–0.90; notable variances requiring explanation

Defect/error rate 10–15%; rework materially impacts timelines or cost

Client retention 60–75%; mixed references; some contracts ended early

SLA compliance 80–90%; recurring issues with inconsistent resolution

1

Poor

CPI < 0.85; SPI < 0.85; significant and unresolved variances

Defect/error rate > 15%; chronic quality failures or customer complaints

Client retention < 60%; negative references; terminated contracts or disputes

SLA compliance < 80%; unresolved breach history; no improvement trend

### C4. Operational Capacity (15% weight)

Score

Level

Criteria

4

Excellent

Current capacity utilization < 70%; demonstrated ability to onboard new engagements without service degradation

Deep bench strength; clearly identified key-person backups and succession planning

Proven scalability — has successfully scaled operations during peak demand

Geographic reach and/or remote capabilities aligned with engagement needs

3

Good

Capacity utilization 70–85%; adequate bandwidth to accept engagement with standard ramp-up

Adequate staffing depth; informal key-person backup plans

Some demonstrated scalability; growth managed with moderate effort

Operational footprint meets engagement requirements

2

Fair

Capacity utilization 85–95%; limited headroom; engagement may require phased onboarding

Thin bench; key-person dependency risk is material

Limited scalability history; capacity increases require significant lead time

Partial geographic or operational gaps relative to engagement requirements

1

Poor

Capacity utilization > 95%; currently overextended across existing obligations

No bench strength; single points of failure in key roles

No demonstrated scalability; prior engagements affected by capacity constraints

Significant operational gaps; unable to meet engagement scope requirements as proposed

C5. Compliance Record (10% weight)

Score

Level

Criteria

4

Excellent

Zero material regulatory, contractual, or legal violations in the past 5 years

Proactive, enterprise-wide compliance program with documented policies and controls

Third-party audits or certifications (ISO, SOC, industry-specific) confirming compliance posture

Dedicated compliance officer or function; regular training and review cycles

3

Good

Minor violations only (administrative, non-willful); all resolved without ongoing obligation

Documented compliance program; regular employee training conducted

Responsive to regulatory inquiries; no open enforcement actions

2

Fair

Some violations with partial remediation underway; consent orders or corrective action plans active

Basic compliance policies exist but inconsistently applied

No independent certification; limited audit trail

1

Poor

Significant unresolved violations; active enforcement actions or investigations

No formal compliance program; policies absent or unenforced

Pattern of recurring violations; no demonstrable improvement trajectory

#### C6. Technology Capabilities (10% weight)

Score

Level

Criteria

4

Excellent

Proficiency with industry-standard tools and platforms relevant to engagement type (e.g., ERP systems, cloud platforms, field management software)

Demonstrated integration capabilities with client systems (APIs, EDI, data exchange standards)

SOC 2 Type II certified or equivalent information security framework (ISO 27001); advanced reporting and analytics

Digital-first workflows; technology roadmap aligned with engagement evolution

3

Good

Standard software and platforms in use; adequate for engagement requirements

Basic integration capabilities; can connect with client systems with moderate effort

Documented cybersecurity policies; basic data protection and access controls

Standard reporting; adequate dashboards and documentation delivery

2

Fair

Limited technology adoption; some manual or legacy processes that may impact efficiency

Minimal integration capabilities; data exchange requires manual intervention

Minimal security measures; no formal cybersecurity framework

Basic reporting only; limited transparency into performance data

1

Poor

Primarily paper-based or highly manual processes; significant technology gap

No integration capabilities; isolated systems incompatible with client requirements

No cybersecurity program; data handling practices create material risk

No structured reporting; performance data unavailable or unreliable

#### SECTION D: Risk Level Definitions

The composite score maps to one of four risk tiers. These thresholds are consistent with the WWRGD General Contractor Risk Scoring Matrix to enable cross-portfolio comparability. Risk levels drive approval authority and required contract enhancements (see Section F).

Composite Score

Risk Level

Color Code

Interpretation

320–400 pts

LOW RISK

☑ Green

Vendor demonstrates strong performance across all categories. Standard approval and monitoring applicable. Engage with standard contractual terms.

240–319 pts

MEDIUM RISK

☑ Yellow

Vendor is acceptable with identified risks requiring active management. Conditional approval with enhanced monitoring, quarterly reviews, and specific contract protections required.

160–239 pts

HIGH RISK

☑ Orange

Vendor presents material risks requiring executive authorization. Approval requires VP/Executive sign-off, weekly reporting, dedicated WWRGD oversight, and significant contract protections. Scope reduction should be considered.

< 160 pts

CRITICAL RISK

☑ Red

Vendor is not recommended for engagement. Formal rejection letter required. Vendor may reapply after demonstrated remediation of deficiencies. No engagement without full re-evaluation.

< 160 CRITICAL

160–239 HIGH

240–319 MEDIUM

320–400 LOW

Composite Score Range (0–400 points)

SECTION E: Calculation Methodology

5-Step Process

Step

Action

Details

Step 1

Screen for Critical Risk Indicators

Evaluate all 7 Critical Risk Indicators in Section A. Any single FAIL requires immediate escalation to VP/Executive level. Scoring should not proceed until indicator status is confirmed.

Step 2

Score Each Category (1–4 Scale)

Using the detailed rubrics in Section C, assign a score of 1, 2, 3, or 4 to each of the six weighted categories. Scores must be supported by documented evidence from the vendor RFI, references, and due diligence.

### Step 3

#### Apply Category Weights

Multiply each category score by its weight (expressed as a percentage) and by 100. Formula: Weighted Score = Raw Score × Weight × 100. Maximum weighted score per category equals the Max Score column in Section B.

### Step 4

#### Sum Weighted Scores

Add all six weighted scores to calculate the Composite Score. Maximum possible score is 400 points.

### Step 5

#### Map to Risk Level

Compare the Composite Score against the thresholds in Section D to determine the Risk Level. Initiate the appropriate decision-making workflow per Section F.

#### Worked Example: Technology / Software Vendor Evaluation

Scenario: WWRGD is evaluating CloudSync Solutions, a mid-market SaaS vendor, to provide an enterprise project portfolio management (PPM) platform. The following scores were assigned following full RFI review and reference checks.

#### Risk Category

Weight

Raw Score (1-4)

Weighted Score

Evaluator Notes

#### Financial Stability

25%

3

75 pts

D/E ratio 0.7; reviewed financials with minor findings; adequate insurance coverage; stable ARR growth

#### Safety Performance

20%

4

80 pts

Office-based vendor; zero recordable incidents; documented wellness and ergonomic programs; no OSHA findings

#### Quality / Performance History

20%

3

60 pts

SLA compliance 94% on current contracts; 82% client retention; 8% rework rate on implementation deliverables; positive references

#### Operational Capacity

15%

3

45 pts

Utilization ~78%; dedicated implementation team available; some key-person dependency on lead architect role

Compliance Record

10%

4

40 pts

Zero violations in 5 years; SOC 2 Type II certified; GDPR and CCPA compliant; annual third-party audit

Technology Capabilities

10%

4

40 pts

Native API and ERP integration; REST API available; SOC 2 certified; advanced analytics dashboard; actively investing in AI-assisted reporting

COMPOSITE SCORE

100%

—

340 pts

LOW RISK %' Green !' Approve with standard terms

Result: CloudSync Solutions scores 340 out of 400 points (85%), placing it in the LOW RISK (Green) tier. Category Manager may approve under standard MSA terms. Recommended monitoring: quarterly business reviews, SLA compliance tracking, and annual re-scoring.

Note on Category 2 (Safety): For office-based and professional service vendors, Safety Performance scoring focuses on workplace incident records, OSHA compliance, documented health and wellness programs, and any DOL or employment-related enforcement actions. Field-based equivalents (TRIR, EMR) are not applicable for this vendor type.

SECTION F: Decision-Making Framework

The following framework maps composite scores to approval authorities, required actions, and contract enhancements. All decisions must be documented in the vendor file and linked to this scoring matrix.

Risk Level

Approval Authority

Required Actions

Contract Enhancements

LOW RISK (320–400)

Category Manager

Standard due diligence completed

Annual re-scoring and vendor review

Quarterly business reviews (QBR)

Standard Master Service Agreement (MSA) terms

Standard SLA definitions and remedies

Standard insurance requirements

MEDIUM RISK (240–319)

Director Level

Enhanced due diligence on identified risk areas  
Quarterly performance reviews (mandatory)  
Bi-annual re-scoring  
Assigned WWRGD relationship manager  
Performance guarantees and SLA penalties with escalation provisions  
Parent company guarantee or letter of credit (where applicable)  
Enhanced insurance requirements; additional insured status  
Termination for convenience provisions with reduced notice period

#### HIGH RISK (160–239)

VP / Executive

VP/Executive sign-off required before engagement  
Weekly performance reporting to WWRGD oversight lead  
Dedicated WWRGD oversight resource assigned  
Monthly re-scoring for duration of engagement  
Formal risk mitigation plan required from vendor  
Milestone-based payments (no lump-sum advance payments)  
Phased engagement structure with WWRGD go/no-go checkpoints  
Reduced scope to manageable risk exposure  
Performance bonds or bank guarantees; escrow arrangement  
Heightened audit rights and step-in rights  
Aggressive liquidated damages and SLA penalty regime

#### CRITICAL RISK (< 160)

Disqualify

Issue formal rejection letter to vendor  
Document specific deficiencies in vendor record  
Communicate remediation requirements if re-application is possible  
Initiate alternative vendor identification process  
No engagement without full re-evaluation and re-scoring  
Minimum 12-month waiting period before re-application  
Re-evaluation requires evidence of material improvement in failed categories

#### APPENDIX: Vendor Category-Specific Guidance

This appendix provides supplemental guidance for applying the General Vendor Risk Scoring Matrix across the five primary non-GC vendor categories used by WWRGD. Evaluators should reference these notes when interpreting rubric criteria for vendor types where standard construction-sector metrics may not directly apply.

##### A.1: Professional Services (Consulting, Legal, Accounting, Engineering, Staffing)

###### Financial Stability

Focus on firm size relative to engagement value; assess revenue concentration risk (if WWRGD would represent > 20% of revenue, flag as key-person risk). For sole proprietors or small firms, personal financial stability disclosures may be required.

###### Safety Performance

Apply office-based criteria. Evaluate workers' compensation claims history, ergonomic programs, and any employment-related OSHA violations. TRIR/EMR not applicable unless vendor performs any on-site fieldwork.

#### Quality / Performance History

Reference the vendor's prior engagement outcomes, deliverable quality, and client satisfaction scores. For legal or accounting firms, check for professional disciplinary actions or malpractice claims. For staffing vendors, assess placement success rates and time-to-fill metrics.

#### Operational Capacity

Assess named-resource availability. Confirm that key individuals identified in the proposal are actually available for this engagement. Evaluate sub-contractor or teaming partner plans if applicable.

#### Compliance Record

Verify professional licensure (PE stamps, CPA certifications, bar admissions, etc.). Check for disciplinary proceedings from relevant professional boards. Confirm applicable E&O insurance.

#### Technology Capabilities

Assess document management, collaboration platform compatibility, and data handling practices. For firms handling sensitive WWRGD data, verify data classification and security protocols.

### A.2: Technology / Software (SaaS, On-Premise Software, IT Services, Managed Services)

#### Financial Stability

SaaS vendors with subscription-based revenue may show different financial profiles than traditional vendors. Evaluate ARR (Annual Recurring Revenue) stability, customer churn rate, and runway for venture-backed companies. Escrow arrangements for source code should be evaluated for mission-critical software.

#### Safety Performance

Office-based criteria apply. Physical data center vendors or field IT deployment teams may require field-based safety metrics. Cybersecurity incident history should be assessed here as an operational safety analog.

#### Quality / Performance History

Evaluate SLA uptime history (target: 99.5%+ for critical platforms), support ticket resolution times, patch and update reliability, and customer NPS scores. Review any prior data breach history and response quality.

#### Operational Capacity

Assess vendor's support staffing ratios, escalation paths, and on-call coverage. For implementation projects, evaluate deployment team availability. Evaluate vendor's product roadmap sustainability.

#### Compliance Record

Verify SOC 2 Type II, ISO 27001, FedRAMP (if applicable), GDPR, CCPA, and any industry-specific data compliance certifications. Review vendor's data processing agreements (DPAs) and breach notification procedures.

#### Technology Capabilities

In-scope for this vendor type. Evaluate API documentation quality, integration library breadth, SDK availability, and multi-tenant architecture security. Assess disaster recovery and business continuity capabilities.

### A.3: Facilities Management (Janitorial, Maintenance, Security, HVAC, Landscaping)

#### Financial Stability

Many FM vendors are smaller operators; adjust financial expectations proportionally. Confirm workers' compensation and general liability coverage are adequate for on-site personnel. Verify bonding for security and cleaning vendors with access to sensitive areas.

#### Safety Performance

Field-based safety metrics (TRIR, EMR) apply for maintenance, HVAC, and janitorial crews. Verify OSHA 300 logs. For security vendors, assess use-of-force incident history and guard certification status.

#### Quality / Performance History

Evaluate response time SLAs (e.g., emergency maintenance response < 4 hours), preventive maintenance completion rates, and facility inspection scores. Assess tenant/occupant satisfaction survey data where available.

#### Operational Capacity

Verify staffing levels relative to managed square footage. Assess staff turnover rates (high turnover is a key risk indicator for FM vendors). Confirm backup coverage plans for key personnel and after-hours coverage.

#### Compliance Record

Verify applicable trade licenses (HVAC, electrical, plumbing). Check environmental compliance for chemical handling (cleaning products, refrigerants). Confirm security guard licensing in applicable jurisdictions.

#### Technology Capabilities

Assess CMMS (Computerized Maintenance Management System) usage, preventive maintenance scheduling software, and reporting dashboards. Evaluate IoT/BMS integration capabilities for smart building environments.

### A.4: Logistics / Transportation (Freight, Last-Mile Delivery, Fleet Services, Warehousing)

#### Financial Stability

Logistics vendors are particularly exposed to fuel price volatility and labor costs. Evaluate hedging strategies, variable cost exposure, and working capital adequacy. For asset-heavy vendors (own fleet), assess fleet age, depreciation schedules, and capital expenditure plans.

#### Safety Performance

Field-based metrics apply. For motor carriers, evaluate FMCSA Safety Measurement System (SMS) scores, DOT compliance ratings, and accident frequency rates. For warehousing vendors, evaluate OSHA 300 logs and material handling incident history. Driver qualification file compliance is a key indicator.

#### Quality / Performance History

Evaluate on-time delivery rates (target: 95%+ for standard freight), damage/loss rates (target: < 0.1% of shipments), and claims resolution timelines. For warehousing, assess inventory accuracy rates and order fulfillment cycle times.

#### Operational Capacity

Assess fleet size and availability relative to WWRGD volume requirements. Evaluate seasonal capacity fluctuations and contingency carrier relationships. Confirm geographic coverage matches delivery requirements.

#### Compliance Record

Verify FMCSA operating authority, DOT numbers, and USDOT compliance history. Confirm hazmat certification if applicable. Check customs/trade compliance for international logistics. Verify C-TPAT membership for cross-border vendors.

#### Technology Capabilities

Assess TMS (Transportation Management System) capabilities, real-time tracking and visibility tools (GPS, track-and-trace portals), EDI compliance, and API integration with WWRGD procurement systems. Evaluate reporting on KPIs.

### A.5: Equipment / Material Suppliers (Manufacturing, Wholesale, Distribution, Specialty Suppliers)

#### Financial Stability

Assess supply chain financial resilience. Evaluate single-source dependency risk — if vendor is the sole source for a critical input, add a supply continuity premium to the risk assessment. Review inventory management practices and lead time reliability. Confirm credit terms are sustainable.

#### Safety Performance

Manufacturing and warehouse environments require field-based safety metrics (TRIR, DART rates). For chemical

or hazardous material suppliers, evaluate HazMat compliance, SDS documentation, and spill response capabilities. Evaluate product safety recall history.

#### Quality / Performance History

Evaluate product defect/rejection rates (target: < 2% for manufactured components), delivery accuracy, and certificate of conformance issuance practices. Assess warranty claim rates and resolution timelines. For material suppliers, evaluate batch/lot traceability capabilities.

#### Operational Capacity

Assess production capacity relative to WWRGD order volumes, lead times, and MOQ (minimum order quantity) constraints. Evaluate vendor's supplier concentration risk. Review production planning and inventory buffer strategies.

#### Compliance Record

Verify product certifications (UL, CE, ASTM, ANSI as applicable). Confirm trade compliance and export control status. For food or pharma-adjacent materials, verify FDA/USDA compliance. Check conflict minerals / supply chain transparency disclosures (Dodd-Frank, REACH, RoHS).

#### Technology Capabilities

Assess ERP system integration capabilities, EDI transaction support, and online catalog/ordering portals. Evaluate vendor's ability to provide electronic documentation (COAs, COCs, test reports). For high-volume or strategic suppliers, assess supply chain visibility and exception management tools.

### DOCUMENT USAGE NOTES

1. This matrix should be completed in conjunction with the WWRGD General Vendor RFI (WWRGD\_General\_Vendor\_RFI.xlsx). RFI responses provide the primary source material for scoring.
2. All scores must be supported by documented evidence. Evaluators should record the specific evidence basis for each score in their evaluation notes.
3. This matrix is a decision-support tool, not a sole determinant. Procurement leadership retains authority to override scores based on strategic considerations, subject to documentation requirements.
4. Re-scoring cadence: Low Risk — annually; Medium Risk — bi-annually; High Risk — monthly during engagement; any change in Critical Risk Indicator status — immediately.
5. Questions on matrix application should be directed to WWRGD Procurement and Vendor Management.

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