

Addendum No. 2

Owner: City of Unalaska

Project: **PUBLIC SAFETY PARKING LOT EXPANSION**
DPW Project No. 14103

Date: March 3, 2015

Please acknowledge receipt of this Addendum No. 2 in the appropriate blanks on the bid form.

The following corrections, changes, additions, deletions, revisions, and/or clarifications are hereby made a part of the contract documents for the **PUBLIC SAFETY PARKING LOT EXPANSION**. In case of conflicts between this Addendum and previously issued documents, this Addendum shall take precedence.

Item 1: PROJECT MANUAL, Section 00800 SUPPLEMENTARY CONDITIONS

Add the following:

SC-10 ARTICLE 12 – QUALITY ASSURANCE

12.10 Contractor Performance

A Contractor Performance Assessment Report is attached as Appendix B. This report is incorporated into and becomes a part of these contract documents. Reference the report for specific requirements. Properly completed performance assessments become past performance information for use in future bidder selections. Completion of these assessments improves the amount and quality of performance information available to bidder selection teams. The use of past performance as a major assessment factor in the contract award process is instrumental in making “best value” selections. It enables the City to better predict the quality of, and satisfaction with, future work.

Item 2: PROJECT MANUAL, Technical Specification 01025 MEASUREMENT AND PAYMENT, Item 3.1 Incidental Work

Add the following:

11. The City will remove all guardrail materials prior to the Contractor taking possession of the site. Gabion rock and baskets shall be delivered to the same site as the earthen material. Reference Specification 203 item 3.01 for the disposal site. Any other items including poles, fence, etc. shall be delivered to the same site. The City will be responsible for ultimate disposal.

Attachments

Item 1: *Contractor Performance Assessment Report*

End of Addendum No. 2

Contractor Performance Assessment Report

City of Unalaska



March 1, 2015

CONTRACTOR PERFORMANCE ASSESSMENT REPORT

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0.0 INTRODUCTION.

Since the implementation of the Contractor Performance Assessment Reporting System (CPARS) by the Federal Government in 1994, other agencies (school districts, municipalities, private industry) have initiated their own procedures to record contractor performance. Experience has demonstrated that recording contractor performance information periodically during performance of the contract and discussing the results with contractors is a powerful motivator for contractors to maintain high quality performance or improve inadequate performance before the next reporting cycle. Current performance assessment is a basic “best practice” for good contract administration, and is one of the most important tools available for ensuring good contractor performance.

Properly completed performance assessments become past performance information for use in future source selections. Completion of these assessments improves the amount and quality of performance information available to source selection teams. The use of past performance as a major Assessment factor in the contract award process is instrumental in making “best value” selections. It enables agencies to better predict the quality of, and satisfaction with, future work.

How well the City’s purchasing and Contracting Officer administer in-process contracts and discuss with contractors their current performance determines to a great extent how well the City can achieve its mission and provide value to the taxpayers. By increasing attention to contractor performance on in-process contracts and ensuring past performance data is readily available for selection teams, the City is reaping two benefits: 1. Better current performance because of the active dialog between the contractor and the City; and 2. Better ability to select high-quality contractors for new contracts because contractors know the assessments will be used in future award decisions.

0.1 Assessment

It is imperative that assessments be completed, be completed consistently, be completed objectively, and be completed in a timely manner. Inflated assessments are just as detrimental as poor assessments because inflated assessments unfairly skew results, thereby helping poor contractors and hurting good contractors. Contractors will receive frank discussions early in the process so they have an opportunity to improve performance, if necessary, before final assessments are given. Contractors will be advised of any negative comments being entered into official reports and given ample opportunity for a rebuttal.

0.2 Frequency of Assessments

Interim assessments are strongly recommended as part of good contract management. If the performance period is expected to exceed 12 months, then interim assessments will be conducted at least every 4 months. Interim assessments provide essential feedback to contractors on their performance. They provide an opportunity to give contractors performing well a "pat on the back" and encouragement to keep up the good work. Interim assessments give contractors experiencing problems the opportunity to correct problems before they jeopardize contract completion. They also provide current performance information on comparable contracts to source selection teams. However, assessments will be prepared and discussed with contractors more often depending on contractor performance problems. An *honest* discussion of the contractor's performance is important. Contractors know past performance assessments directly affect their ability to compete for future contracts and will normally take actions necessary to improve their rating. The contractor should always know how the City rates its performance -- no surprises! Likewise, during discussions, the contractor will be asked if there are areas in which the City could improve its performance, such as in partnerships, contributions to achieving mission success, etc. The key to the process is *communication*!

0.3 Performance Indicators

Four performance indicators will be evaluated:

1. Quality of Performance - as defined in the contract standards.
2. Cost Performance - how close to project bid and/or cost estimate.
3. Schedule Performance - timeliness of completion of milestones and contract dates.
4. Business Relations - history of professional behavior and overall business-like concern for the interests of the City including customer satisfaction.

0.4 Performance Ratings

Problems with poor performance can lead to frustrations for both the contractor and the City. Early identification of concerns and open lines of communication (e.g., interim reports) can lead to constructive dialog that can help to improve performance and avoid adversarial feelings that might otherwise develop if potential misunderstandings are ignored until late into contract performance.

The ratings given will reflect how well the contractor met the cost, schedule, and performance requirements of the contract, and the business relationship. Contractors are not expected to be perfect in their execution to reach contract requirements. A critical aspect of the assessment rating system described below is the second sentence of each rating, which recognizes the contractor's resourcefulness in overcoming challenges that arise in the context of contract performance. The City is looking for overall results, not problem free management of the contract.

Five performance ratings will be used to rate each of the four performance indicators:

- 5 Exceptional
- 4 Very good
- 3 Satisfactory
- 2 Marginal
- 1 Unsatisfactory

Exceptional (5). Performance meets contract requirements and *significantly exceeds* contract requirements to the City's benefit. For example, the contractor implemented innovative or business process reengineering techniques, which resulted in added value to the City. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.

Very Good (4). Performance meets contractual requirements and *exceeds some* to the City's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

Satisfactory (3). Performance *meets* contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which proposed corrective actions taken by the contractor appear satisfactory, or completed corrective actions were satisfactory.

Marginal (2). Performance *does not meet some* contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has submitted minimal corrective actions, if any. The contractor's proposed actions appear only marginally effective or were not fully implemented.

Unsatisfactory (1). Performance *does not meet* contractual requirements and *recovery is not likely* in a timely or cost effective manner. The contractual performance of the element or sub-element contains serious problem(s) for which the contractor's corrective actions appear or were ineffective.

0.5 Contractor Response and City Review

While the ultimate conclusion on the performance assessment is a decision of the City, the Contractor Performance Assessment provides for contractor comment. Upon completion of the initial assessment by the Contracting Officer, the assessment should be signed by the person most familiar with the contractor's performance and initialed by the Contracting Officer. The Contracting Officer should sign the final assessments. As soon as practicable after the form is signed, and ordinarily within a day, it should be sent to the contractor for comments. The required turnaround time for contractor response may not be less than thirty days, but in most cases, 30 days should be a sufficient response time. Contracting Officers may extend the response period as warranted. If the contractor fails to provide a response by the established deadline, the Contracting Officer should call the contractor and initiate discussions on the performance and request a written reply. If all attempts fail, then the City's comments can stand alone.

If the contractor submits a rebuttal for any or all of the ratings and an agreement on the ratings cannot be reached by the contractor and lead assessor, the contractor may seek review at least one level above the Contracting Officer. In the event the contractor and Contracting Officer do not agree on the performance rating(s), the Contracting Officer and lead assessor should make every effort to discuss with the contractor the details of the performance assessment and the contractor's response. In these cases, such effort should require a face-to-face meeting between the parties. The contractor's statement and agency review must be attached to the performance report and must be provided to source selection officials requesting a reference check.

When the City has completed its review of the contractor's comments, the Contracting Officer must send a copy of the completed assessment to the contractor. The completed assessments, including any contractor response or rebuttal, and agency reviews above the Contracting Officer, should be filed in the contract file, in a separate file, or automated database where they can be readily accessible by contracting office personnel. Automated databases should be accessible by source selection teams in other agencies through use of a secure system. Interim assessments should be retained for the duration of the contract and included with the final assessment in the file. The interim assessment allows source selection teams to analyze performance trends during the contract.

0.6 Release of Contractor Assessment

Contractor assessments shall not be released to anyone other than City personnel needing the information for contract selection purposes, however, Freedom of Information Act rules apply.

1.0 SCOPE

This document provides guidance on the policies and procedures pertaining to contractor performance Assessments.

2.0 PURPOSE

This document is intended to serve as an authoritative source for coordinating the activities of the various Departments within the City of Unalaska with regard to the completion, distribution, and storage of Contractor Performance Assessments.

3.0 REFERENCES

Chapter 6.24 of the Unalaska Code of Ordinances (UCO).

4.0 DEFINITIONS

For purposes of this policy, the terms defined in this section have meanings ascribed to them in this section unless the context clearly indicated that another meaning is intended.

Bidder: Any individual, firm, corporation, or any acceptable combination thereof, or joint venture submitting a bid for the advertised Work.

City: The City of Unalaska, Alaska. References to "owner" or "Contracting Agency" mean the City.

Construction: Building, altering repairing, improving, or demolishing any structure, building, road, street or highway, sewer, water line, and any draining, dredging, excavation, grading, or similar work upon real property.

Construction Contract: A contract awarded by the City for construction as defined in UCO 6.24, as opposed to a contract for goods and services.

Consultant: A person, firm, agency, or corporation retained by the City to prepare Contract Documents, perform construction administration services, or other Project related services.

Contracting Officer: The Contracting Officer shall be the City of Unalaska Director of Public Works. The Contracting Officer alone shall have the power to bind the City and to exercise the rights, responsibilities, authorities, and functions vested in the Contracting Officer by the Contract Documents, except that the Contracting Officer shall have the right to designate in writing authorized representatives to act for him. Wherever any provision of the Contract Documents specifies an individual or organization, whether Governmental or private, to perform any act on behalf of or in the interests of the City, that individual or organization shall be deemed to be the Contracting Officer's authorized representative under this Contract but only to the extent so specified. The Contracting Officer may, at any time during the performance of this Contract, vest in any such authorized representatives additional power and authority to act for the Contracting Officer or designate additional representatives, specifying the extent of their authority to act for the Contracting Officer; a copy of each document vesting additional authority in or removing that authority from an authorized representative or designating an additional authorized representative shall be furnished to the contractor. The City Council reserves the right to appoint a new Contracting Officer without affecting any of the contractor's obligations to the city under this Contract.

Contractor: The individual, firm, corporation, or any acceptable combination thereof, contracting with the City for performance of the Work.

Contractor Performance Assessment: A process by which the City formally evaluates the overall contract performance by the Contractor and his subcontractors/suppliers.

Project Manager: The authorized representative of the Contracting Officer who is responsible for administration of the Contract.

Responsible Bidder: A person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will ensure good faith performance, and who has been prequalified, if required.

Subcontractor: An individual, firm, or corporation to whom the contractor sublets part of the contract.

Using Agency: The entity that will occupy or use the completed Work.

5.0 DISCUSSION: Chapter 6.24.060 of Unalaska Code of Ordinances

Chapter 6.24.060 of Unalaska Code of Ordinances states that contracts shall be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, in addition to price, there shall be considered:

- A. The ability, capacity, and skill of the bidder to perform the contract.
- B. Whether the bidder can perform the contract within the time specified, without delay or interference.
- C. The character, integrity, reputation, judgment, experience, and efficiency of the bidder. When considering the character, integrity, and reputation of the bidder, the City Council or its delegate may consider any past conduct of the bidder which the City Council or its delegate in the exercise of their discretion determines is evidence of poor character, integrity, or reputation sufficient to conclude that award of the contract to the low bidder is not in the best interest of the citizens of Unalaska. This would include past instances in which the bidder has submitted grossly inflated claims for additional compensation for work done on a city project either as a subcontractor or as a general contractor and past conduct of the bidder in meetings with city employees or consultants.
- D. The quality of performance of previous contracts. In considering the quality of performance of previous contracts, the City Council or its delegate may consider any of the following factors:
 - 1) Whether contracts were completed on time.
 - 2) Whether the bidder promptly corrected defective work.
 - 3) Whether the bidder fully performed the contract, including submission of as-built drawings.
 - 4) The number and validity of claims for additional compensation submitted by the bidder.
 - 5) The conducts of the bidder during meetings with city employees and consultants.
 - 6) Previously completed Assessments of bidder performance by any city department.
- E. The previous and existing compliance by the bidder with laws and ordinances relating to the contract.
- F. The sufficiency of the financial resources and ability of the bidder to perform the contract.
- G. The number and scope of conditions attached to the bid.
- H. Whether there are any unresolved claims between the bidder and the City under any existing city contract in which the bidder is either a general contractor or a subcontractor. Unresolved claims alone may be a sufficient basis for an award to other than the low bidder.

6.0 POLICY

6.1 Contractor Performance Assessment Form.

The Contractor Performance Assessment Form, as shown in Section 9, shall be the only performance Assessment form used for documenting the performance of a contractor at the close of a contract or for annual service contracts. The form shall be used at the end of each contract term.

6.2 Bid Document Inclusion.

The Contractor Performance Assessment form should be included in all published construction bid documents as part of the front-end project book (Spec Book) composed by the Department of Public Works or its designee.

6.3 Completion of Contractor Performance Assessment Form.

The Contractor Performance Assessment form shall be completed at the close of each contract. Completion should be done prior to issuance of final payment to the Contractor.

6.4 Distribution of Completed Contractor Performance Assessment Form.

The completed Contractor Performance Assessment form will be distributed by the Contracting Officer to the Department of Public Works and the Contractor upon completion.

6.5 Presentation of Contractor Performance Assessment to Contractor

Upon completion of the Contractor Performance Assessment, the Contractor shall be notified and a meeting shall be setup between the Contracting Officer and the Contractor. During this meeting, the Contracting Officer shall review the completed Contractor Performance Assessment Form with the Contractor and discuss the performance of the project. Upon the completion of this meeting, the Contractor shall sign the Contractor Performance Assessment form verifying that the Contracting Officer's opinion of the performance of the contract by the Contractor has been discussed. Refusal of a Contractor to sign the Contractor Performance Assessment form shall be noted by the Contracting Officer.

6.6 Electronic Storage & Accessibility of Contractor Performance Assessments.

All completed Contractor Performance Assessments shall be posted and maintained on the City's Intranet under the Department of Public Works site. All City personnel shall have access to all past completed Contractor Performance Assessments.

6.7 Storage of the Contractor Performance Assessments.

All completed Contractor Performance Assessments shall be stored with the official contract file maintained by the Department of Finance. As well, the Using Agency shall maintain a copy of the completed Assessment in their official project file as part of the contract close-out procedures.

7.0 PROCEDURES

7.1 Project Manager Procedures.

The Contracting Officer shall assign a Project Manager to each construction contract. The Project Manager shall perform all duties involved in project management with a construction contract. At the close of the construction contract (prior to final payment being made to the contractor), the Project Manager shall complete the required Contractor Performance Assessment form to document the contractor's performance, compliance and non-compliance with the contract's terms and conditions. Upon completion of the Contractor Performance Assessment form, the Project Manager shall contact the contractor and schedule a date and time for a meeting at which the Project Manager will discuss with the contractor the Project Manager's opinion on the performance of the contract. This meeting shall be conducted prior to final payment being made to the contractor. The Project Manager shall have the contractor sign and date the completed Assessment and provide the contractor with a copy for their records. The Project Manager shall provide the assigned Contracting Officer a completed and fully signed copy of the Contractor Assessment form. The Project Manager shall maintain a copy of the completed Assessment form in their official project file as part of the contract close-out procedures. If the contractor refuses to sign the Assessment form, the Project Manager will document the reasoning for the refusal and attach it to the Contractor Performance Assessment form upon submittal to the Contracting Officer for review.

7.2 Contracting Officer Procedures.

The Contracting Officer shall receive a copy of the completed Contractor Performance Assessment form from the Project Manager. The Contracting Officer shall review the Assessment to verify that the Project Manager has met with the contractor and discussed the Contractor Performance Assessment. The Contracting Officer shall verify that a copy of the completed Contractor Performance Assessment Form is in the official construction contract file.

8.0 RESPONSIBILITIES

8.1 Project Manager.

The Project Manager is responsible for:

- A. Completion of the Contractor Performance Assessment Form;
- B. Meeting with the Contractor to discuss the Contractor Performance Assessment;
- C. Obtaining the Contractor's signature on the Contractor Performance Assessment Form;
- D. Providing a copy of the completed and signed Contractor Performance Assessment Form to the Contractor and the Contracting Officer; and
- E. Maintaining a copy of the completed and signed Contractor Performance Assessment form for their official project file as part of the contract close-out procedures.
- F. Documenting any reason(s) that a Contractor refuses to sign the Contractor Performance Assessment form and attach to the Contractor Performance Assessment form upon submittal to the Contracting Officer.

8.2 Contracting Officer

The Contracting Officer is responsible for:

- A. Receiving a copy of the completed Construction Contractor Performance Assessment Form from the Project Manager;
- B. Review the Assessment to verify that the Project Manager has met with the Contractor and discussed the Contractor Performance Assessment;
- C. Verify that a copy of the completed Contractor Performance Assessment Form is in the official construction contract file; and

9.0 CONTRACTOR PERFORMANCE ASSESSMENT

9.1 Contractor Performance Assessment Report (CPAR) Form: **Attachment A**

9.2 Guidelines for Completing Contractor Performance Assessment Report: **Attachment B**

CONTRACTOR PERFORMANCE ASSESSMENT REPORT (CPAR)

1. NAME/ADDRESS OF CONTRACTOR		2.		INITIAL <input type="checkbox"/>	INTER-MEDIATE <input type="checkbox"/>	FINAL REPORT <input type="checkbox"/>	OUT OF CYCLE <input type="checkbox"/>	ADDENDUM <input type="checkbox"/>	
		3. PERIOD OF PERFORMANCE BEING ASSESSED							
OWNER / CEO	PHONE	4a. CONTRACT NUMBER				4b.			
SUPERINTENDENT	PHONE	5.							
6. LOCATION OF PROJECT		7a. CONTRACTING OFFICER				7b. PHONE NUMBER			
		8a. CONTRACT AWARD DATE		8b. SUBSTANTIAL COMPLETION DATE		9. FINAL COMPLETION DATE			
		10. CONTRACT PERCENT COMPLETE / DELIVERY ORDER STATUS							
		11. AWARDED VALUE				12. CURRENT CONTRACT DOLLAR VALUE			
		13.		<input type="checkbox"/> COMPETITIVE BID		<input type="checkbox"/> NEGOTIATED PRICE			
14.		CONTRACT TYPE							
<input type="checkbox"/> UNIT PRICE		<input type="checkbox"/> BID		<input type="checkbox"/> Negotiated		<input type="checkbox"/>		<input type="checkbox"/> OTHER	
15. KEY SUBCONTRACTORS AND DESCRIPTION OF EFFORT PERFORMED									
16. CONTRACTOR TYPE									
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
17. CONTRACT EFFORT DESCRIPTION (Highlight key components, technologies and requirements; key milestone events and major modifications to contract during this period.)									
18. EVALUATE PERFORMANCE INDICATORS:		Exceptional		Very Good		Satisfactory		Marginal	
a. QUALITY OF PERFORMANCE									
(1) PRODUCT PERFORMANCE									
(2) VALUE ENGINEERING									
(3) LOGISTICAL SUPPORT									
(4) PRODUCT ASSURANCE / WARRANTY									
(5) OTHER									
(6) OTHER									
b. COST CONTROL									
c. SCHEDULE PERFORMANCE									
d. BUSINESS RELATIONS									
(1) MANAGEMENT RESPONSIVENESS									
(2) SUBCONTRACT MANAGEMEN									
(3) PROFESSIONAL BEHAVIOR									
e. OTHER AREAS									
(1)									
(2)									

19. VARIANCE (Contract to date)		CURRENT	COMPLETION
COST VARIANCE (%)			
SCHEDULE VARIANCE (%) 20. ASSESSING OFFICIAL or CONTRACTING OFFICER NARRATIVE			
21. TITLE OF ASSESSING OFFICIAL	DEPARTMENT	PHONE NUMBER	
EMAIL ADDRESS:			
SIGNATURE		DATE	
22. CONTRACTOR COMMENTS (Contractor's Option)			
23. NAME AND TITLE OF CONTRACTOR'S REPRESENTATIVE		PHONE NUMBER	
EMAIL ADDRESS:		FAX NUMBER	
SIGNATURE		DATE	
24. REVIEW BY REVIEWING OFFICIAL (Comments Optional)			

Guidelines for completing Contractor Performance Assessment Report

Exceptional: Performance meets contractual requirements and exceeds many to the City's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor were highly effective.

Note: To justify an Exceptional rating, you should identify multiple significant events in each category and state how it was a benefit to the City. However, a singular benefit could be of such magnitude that it alone constitutes an Exceptional rating. Also, there should have been NO significant weaknesses identified.

Very Good: Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor were effective.

Note: To justify a Very Good rating, you should identify a significant event in each category and state how it was a benefit to the City. Also there should have been no significant weaknesses identified.

Satisfactory: Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the Contractor appear or were satisfactory.

Note: To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor recovered from without impact to the contract. Also there should have been NO significant weaknesses identified. A fundamental principle of assigning ratings is that Contractors will not be assessed a rating lower than Satisfactory solely for not performing beyond the requirements of the contract.

Marginal: Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the Contractor has not yet identified corrective actions. The Contractor's proposed actions appear only marginally effective or were not fully implemented.

Note: To justify Marginal performance, you should identify a significant event in each category that the Contractor had trouble overcoming and state how it impacted the City. A Marginal rating should be supported by referencing the management tool that notified the Contractor of the contractual deficiency (e.g. Management, Quality, Safety, or Environmental Deficiency Report or letter).

Unsatisfactory: Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the Contractor's corrective actions appear or were ineffective.

Note: To justify an Unsatisfactory rating, you should be able to identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the City. However, a singular problem could be of such serious magnitude that it alone constitutes an unsatisfactory rating.