

WWRGD Vendor Risk Assessment Narrative

WWRGD Vendor Risk Assessment: Pre-Onboarding Vetting Framework — April 2026

Purpose

We propose making the WWRGD Vendor Risk Assessment App a mandatory pre-onboarding gate for all critical vendors. The app evaluates vendor RFI responses against a standardized 400-point Risk Scoring Matrix and delivers instant, AI-powered risk assessments. Adopting this tool will eliminate inconsistent vendor vetting, prevent costly mid-project failures, and give procurement teams a single, data-driven standard for qualifying vendors across every construction format and vendor category.

Tenets

Consistency: We evaluate every vendor through the same 400-point framework. No exceptions.

Data over opinion: Every risk score traces back to evidence in the vendor's documentation. AI analysis ensures objectivity; human judgment ensures context.

Prevention over correction: We screen for critical risks before we invest in onboarding. Seven disqualification triggers catch deal-breakers on day one.

Scalability: Standardized scoring produces comparable outputs. We can rank vendors side by side across formats and categories.

Frugality: We spend less than \$500 per year to operate a tool that prevents millions in vendor-related losses.

Background

WWRGD builds and maintains physical grocery stores for Amazon and Whole Foods Market across three formats:

Industrial (Ground-Up, DC): Distribution centers and warehouse facilities, typically 100K–300K+ SF. These projects require heavy civil construction, complex MEP systems, and high bonding capacity.

Pipeline (New Stores): Prototype-driven new store builds rolled out across multiple states. These projects demand multi-state licensing, concurrent project management, and aggressive timelines.

Enterprise (Existing Stores): Remodels, renovations, and refreshes of active retail locations. These projects require construction in occupied spaces, fast turnaround, and multi-store coordination.

Each format depends on General Contractors, Architecture & Design firms, Logistics providers, and specialized vendors. Until now, WWRGD lacked a standardized process to assess these vendors before onboarding them.

Teams selected vendors through informal reference checks, relationship-based decisions, and incomplete financial reviews. Different evaluators applied different criteria. A vendor could pass one team's review and fail another's — for the same engagement. Once selected, vendors entered a 10-step onboarding workflow (legal documentation, insurance verification, Workday/Coupa/Procure setup, Amazon Payee Central integration) before anyone confirmed whether the vendor could actually deliver.

Problem / Opportunity

WWRGD had no systematic way to vet vendor capabilities and assess risk before committing to the onboarding process. This gap created five measurable problems:

1. Vendor financial failures cost \$2M–\$5M annually

We onboarded vendors with weak financial positions — high debt-to-equity ratios, negative cash flow, and insufficient bonding. When these vendors defaulted mid-project, WWRGD absorbed 15–30% of the original contract value in recovery, re-procurement, and schedule delays.

2. Safety incidents expose WWRGD to \$500K–\$5M+ per event

We engaged vendors with elevated EMR and TRIR scores and unresolved OSHA violations. A single serious safety incident on a WWRGD project site generates \$500K–\$5M+ in direct costs, regulatory fines, and legal liability. Proper screening would have flagged these vendors before they set foot on site.

3. Quality failures add 8–15% to project costs

We awarded work to vendors without documented quality management systems. These vendors produced excessive change orders, missed schedules, and delivered substandard work. Rework, punch list delays, and warranty claims added 8–15% to total project costs.

4. Failed onboardings waste 20–40 hours each

Each vendor onboarding requires cross-functional effort across procurement, legal, finance, and IT. When we onboard a vendor who later fails to perform, we lose that entire investment — an estimated 20–40 hours per vendor across the 10-step workflow.

5. Inconsistent evaluations undermine procurement integrity

Two evaluators reviewing the same vendor reached different conclusions because no standardized rubric existed. This inconsistency created compliance risk and made vendor-to-vendor comparison impossible.

These problems compound as the store development pipeline scales. Every unvetted vendor we onboard carries risk that grows with project volume.

Recommendation

We recommend adopting the WWRGD Vendor Risk Assessment App as a mandatory pre-onboarding gate. The app is built, deployed, and operational today.

What the app does

App URL: <http://wwrgd-risk-assessor-1860518450.us-west-2.elb.amazonaws.com>

A procurement team member uploads a completed vendor RFI. Within 10 seconds, the app delivers a full risk assessment. The AI engine (Amazon Bedrock, Claude Haiku 4.5) reads the vendor's responses, scores them against the 400-point matrix, and generates professional reports with specific evidence and justifications.

The assessment covers:

7 Critical Risk Indicators: Active litigation >\$5M, willful/repeat OSHA violations, negative cash flow, debarment, EMR >1.2 or TRIR >3.0, insufficient insurance/bonding, and expired licenses. Any single failure disqualifies the vendor automatically.

6 Weighted Risk Categories: Financial Stability (25%), Safety Performance (20%), Quality/Performance History (20%), Operational Capacity (15%), Compliance Record (10%), Technology Capabilities (10%). Each category scores 1–4 with detailed rubrics.

4 Risk Tiers: Low Risk (320–400 pts, Category Manager/L6 approves), Medium Risk (240–319, Executive Leader/L7), High Risk (160–239, Director/L8), Critical Risk (<160, disqualify).

Format Fit Assessment: The app evaluates each vendor's suitability for Industrial, Pipeline, and Enterprise formats and assigns a fit rating (Strong Fit / Moderate Fit / Limited Fit / Not Suited).

What vendors we should vet

The app currently supports four vendor types. We recommend extending it to all critical vendors:

Currently supported: General Contractors, Architecture & Design firms, Logistics vendors, and General Vendors (professional services, technology, facilities management, equipment suppliers).

Recommended additions: MEP subcontractors, fire protection/life safety vendors, refrigeration specialists, signage and branding vendors, FF&E suppliers, security system integrators, and any vendor with contract values exceeding \$500K or access to sensitive WWRGD facilities.

What reports the app generates

The app produces 14 downloadable Word documents. The Comprehensive Vendor Analysis report includes a company profile, 18-metric industry benchmarks table, section-by-section scoring with justifications and gaps, regional coverage maps, pricing and markup analysis, format fit assessment, and a conclusion with tier-specific next steps. The Executive Summary provides a 1-page overview for leadership approvals. The Multi-Vendor Comparison ranks multiple vendors side by side.

What it costs and what it saves

Risk Category

Annual Cost Without Vetting

Annual Cost With Vetting

Vendor financial failures

\$2M–\$5M

\$400K–\$1M (70–80% reduction)

Safety incidents

\$500K–\$2M

\$200K–\$800K (50–60% reduction)

Quality rework and change orders

\$1.5M–\$3M

\$750K–\$1.5M (40–50% reduction)

Wasted onboarding effort

\$6K–\$9K

\$2K–\$3K (60–70% reduction)

Schedule delays from vendor replacement

\$1M–\$3M

\$400K–\$1.2M (50–60% reduction)

Legal and contract disputes

\$500K–\$1.5M

\$250K–\$750K (40–50% reduction)

TOTAL ESTIMATED ANNUAL IMPACT

\$5.5M–\$14.5M

\$2M–\$5.3M

Estimated annual savings: \$3.5M–\$9.2M. App operating cost: <\$500/year. Return on investment: 7,000x–18,000x.

How we roll it out

Phase 1 (Immediate): Require risk assessment for all new General Contractor engagements. Use the app for GC evaluations currently in pipeline.

Phase 2 (30 days): Extend to Architecture & Design firms and Logistics vendors. Train the procurement team.

Phase 3 (60 days): Extend to all critical vendor categories. Make the risk assessment a formal gate in the Vendor Onboarding Workflow — no vendor enters Step 1 without a completed assessment.

Phase 4 (90 days): Establish annual re-scoring for active vendors. Use multi-vendor comparison for all competitive sourcing events.

Next Steps

1. Approve the Vendor Risk Assessment App as a mandatory pre-onboarding requirement for all critical vendors.
2. Communicate the new process to WWRGD procurement teams and regional construction managers.
3. Send RFI templates to vendors currently in the evaluation pipeline.
4. Train evaluators on app usage, manual overrides, and report interpretation.
5. Update the Vendor Onboarding Process Workflow to include the risk assessment as Step 0.
6. Define success metrics: vendors assessed, disqualification rate, average risk score by type, and post-onboarding performance correlation.

7. Execute Phase 1 pilot, collect feedback, and iterate before full rollout.

Frequently Asked Questions

Q: How long does a vendor assessment take?

The app scores a vendor in 5–10 seconds after RFI upload. Manual review and score adjustments take an additional 10–15 minutes. Total time per vendor: under 20 minutes.

Q: Can evaluators override the AI scores?

Yes. Every score has a manual override dropdown. Evaluators adjust scores and add justification notes. The composite score recalculates in real time.

Q: What happens when a vendor fails a Critical Risk Indicator?

The app classifies the vendor as Critical Risk and disqualifies them regardless of composite score. The evaluator escalates to Director/L8. The vendor may reapply after 12 months with documented remediation.

Q: How does this connect to the existing onboarding workflow?

The risk assessment becomes Step 0. Only vendors that achieve Low or Medium Risk (with appropriate approval) proceed to Step 1 of the 10-step onboarding workflow.

Q: Which vendors should go through this process?

All critical vendors: General Contractors, Architecture & Design firms, Logistics providers, and any vendor with contract values exceeding \$500K or access to WWRGD facilities. The app supports adding new vendor categories at any time.

Q: What does the app cost to operate?

Less than \$500 per year. It runs on Amazon ECS Fargate with Bedrock AI. There are no licensing fees, no per-seat costs, and no external vendor dependencies.

Appendices

Appendix A — Risk Tier Decision Framework

Score Range

Risk Tier

Decision

Approval Authority

320–400 pts (80–100%)

Low Risk

Approve

Category Manager / L6

240–319 pts (60–79%)

Medium Risk

Conditional Approval

Executive Leader / L7

160–239 pts (40–59%)

High Risk

Executive Review Required

Director / L8

< 160 pts (< 40%)

Critical Risk

Disqualify

Disqualify

Appendix B — Scoring Categories

Category

Weight

Max Points

Financial Stability

25%

100

Safety Performance

20%

80

Quality / Performance History

20%

80

Operational Capacity

15%

60

Compliance Record

10%

40

Technology Capabilities

10%

40

TOTAL

100%

400

Appendix C — Format Fit Assessment

Format

Scope

Key Criteria

Industrial (Ground-Up, DC)

100K–300K+ SF DCs, warehouses

Heavy civil, MEP complexity, bonding capacity, complex site safety

Pipeline (New Stores)

Prototype new store rollouts

Multi-state coverage, concurrent projects, speed-to-market, tiered fees

Enterprise (Existing Stores)

Remodels, renovations, fast rollouts

Multi-store management, occupied space experience, minimal disruption

Appendix D — Reports Generated by the App

1. Comprehensive Vendor Analysis (7-section deep-dive)
2. Risk Assessment Report (7-section standard)
3. Executive Summary (1-page)
4. Multi-Vendor Comparison
- 5–14. Focused reports: Financial, Safety, Sustainability, Quality, Compliance, Technology, Insurance, Pricing, Service Capabilities, Resources/Company Profile

Appendix E — App Access and Document Library

Live app: <http://wwrgd-risk-assessor-1860518450.us-west-2.elb.amazonaws.com>

The Document Library includes: RFI templates (4 vendor types), Risk Scoring Matrices (4), Vendor Evaluation Scorecard, Workflow SOP, Vendor Onboarding Workflow, App User Guide, AIA A102/A201 references, Fee Type thresholds, and this narrative.