ATTACHMENT “F”

ESTABLISHMENT OF POLICY FOR MONITORING AND REPORTING VENDOR PERFORMANCE
CITY OF NORTH MIAMI
ADMINISTRATIVE REGULATIONS

Larry M. Spring, Jr.
City Manager

Administrative Regulation 00-105
Approved __________
Date __________

ALL DEPARTMENTS

ESTABLISHMENT OF POLICY FOR MONITORING AND REPORTING VENDOR PERFORMANCE

PURPOSE

The effective management of vendors doing business with the City shall include a process to evaluate vendor performance under a contract for purchase of goods, performance of services, and/or construction, construction management, building renovation, or improvement of facilities.

Vendors have the right to receive feedback on their performance, whether it is positive or negative. In the case of negative feedback, the vendor is entitled to be informed of why their performance is unsatisfactory and what corrective action is required. The vendor shall also have the right to respond to negative feedback. The results of vendor performance appraisals may be used in subsequent evaluations of a vendor’s ability to perform on future contracts.

OBJECTIVES

To standardize vendor performance monitoring and reporting as a mean to ensure contract objectives are met by the selected vendor, and goods and services are delivered in accordance with contract requirements.

RESPONSIBILITIES

1. City User Departments - Each User Department with a contract allocation shall assign a Contractor Administrator who shall be the person responsible for monitoring the vendor’s performance. The Department’s assigned Contract Administrator duties shall include ensuring the contracted goods and/or services are delivered in accordance with the specifications, terms and conditions of the contract, and that effective communication is maintained between all parties.

   The Contract Administrator shall also be responsible for timely notifications to the Purchasing Department regarding a vendor’s failure to perform in accordance with the contract’s terms and conditions. The Contract Administrator shall utilize the applicable purchasing forms to document a vendor’s failure to perform.

2. Purchasing Department - The Purchasing Department shall be responsible for ensuring all vendor non-performance reports are assessed objectively against criteria established in the applicable contract.
The Purchasing Department shall further be responsible for chairing all vendor non-performance meeting, establishing a meeting agenda, and documenting the meeting by producing a meeting summary that details the performance issues, the vendor’s response and the agreed upon corrective action plans.

The Purchasing Department shall further be responsible for ensuring vendor files are updated with vendor performance reports ensuring vendor’s past performances are documented for future contract opportunities.

3. Exempt Contracts - The City’s Procurement Code, as amended, allows certain exemption for goods and services that may or may not be procured through the Purchasing Department. The City Manager or his/her designee along with the User Department, shall be responsible for managing vendor performance for all City contracts that were not the result of Invitations to Bid, Request for Qualifications, Request for Proposals, Sole Source, and/or Emergency purchases.

PROCEDURES

1. Purpose

This procedure provides a framework for the City to evaluate and improve the performance of all suppliers, vendors and/or contractors that are sourced by the City by:

a) Pro-actively managing the performance of vendors per this Administrative Regulation, during the term of awarded Contracts; and

b) Creating a record of past performance for use by the Purchasing Department and other City departments, in determining the award for future solicitations and contracts.

Contract Administrators shall utilize this Vendor Performance Procedure for all contracts that are the results of Invitations to Bid, Request for Qualifications, Request for Proposals, Sole Source, Emergency purchases and other City contracts if applicable.

2. Vendor Evaluation Forms

Contract Administrators are to use the Vendor Non-Performance and Vendor Performance Evaluation Forms attached hereto as Exhibit A and Exhibit B through Laserfiche to report and assess vendors.

a) Vendor Non-Performance Form

Use this form to notify the Purchasing Department of a vendor’s failure to perform in accordance with contract Terms and Conditions and Scope of Services. Complete the form with facts and do not include unsubstantiated opinions. Vendors will be notified of the complaint and will be provided a reasonable opportunity to respond. All Vendor Non-Performance Forms require the approval of the User Department Head prior to submission to the Purchasing Department or City Manager or his/her designee.
b) Vendor Performance Evaluation Form
Use this form to assess a vendor’s overall performance during the term of a contract. Ratings shall be in accordance with contract Terms and Conditions and Scope of Services. No vendor shall receive a rating of unacceptable without the Contract Administrator having previously notified the Purchasing Department or City Manager or his/her designee by submission of a Vendor Non-Performance.

3. Frequency of Performance Evaluations

a) Non-Performance Evaluations should occur as often as necessary.

b) Vendor Performance Evaluations shall be completed at least every twelve (12) months for all contracts with a term longer than one (1) year.

c) Contract Administrators shall complete a final Vendor Performance Evaluation for all Contracts within one hundred twenty (120) days of the contract’s expiration or within thirty days (30) of the following occurrences, depending on the type of good, service or construction:

(i) for Construction contracts; upon the issuance of a Certificate of Final Completion
(ii) for Consulting contracts with no options to renew; upon completion of the contract
(iii) for Goods; upon delivery and inspection of the goods
(iv) for Services, upon completion of services
(v) For Vehicles and Equipment; upon delivery and inspection
(vi) Upon termination of a contract for any reason prior to the contract’s end date.

4. Vendor, Supplier and/or Contractor

Vendor’s receiving a notice of Vendor Non-Performance shall be required to provide a written response either detailing the reasons why the Non-performance issues are not accurate or providing a corrective action plan that is acceptable to the City.

5. Steps to Resolving Vendor Non-Performance

Schedule a meeting

The Purchasing Department shall schedule a meeting with the User Department and the vendor to discuss the vendor’s non-performance and establish a corrective action plan.

The City Manager or his/her designee, along with the User Department, shall schedule a meeting with the vendor, for contracts not established through a method established in the procurement code, to discuss the vendor’s non-performance and establish a corrective action plan.
Probationary Period

The vendor shall be provided a mutually agreed upon probationary period to implement its corrective actions plan. During this probationary period, the vendor’s performance shall be documented to Show Cause Notice.

If the Vendor’s response or corrective action is still a concern, the Purchasing Department or City Manager or his/her designee provide the vendor with a Show Cause Notice for contract termination.

6. Termination for Default

Termination for Default means an action by which the City, in accordance with contract provisions, unilaterally cancels all or part of the contract work due to the contractor’s failure to perform in accordance with the terms and conditions of the contract.
Vendor Non-Performance

Vendor Number

Contract Number

Vendor Name

Quality/Quantity of Work

Materials, Equipment, Supplies

Staff Rating

Management and Supervision

Contract Administration

Comments

Evidence

Upload proof (if any)

Upload

User

Enter your full name

Who is reporting?

Is the current user the complainant?

☐ Yes

☐ No

Director Email

Enter the Director's email

Department

Please select your department

Date

3/16/2018

Submit
Vendor Performance Evaluation

Vendor Number* 

Contract Number 

Vendor Name* 

Contract Terminated 

Did the contract terminate before expiration date? 

Quality/Quantity of Work* 

- Excellent: Performance surpasses contract requirements 
- Acceptable: Performance is in full compliance with contract terms 
- Unacceptable: Failed to meet contract requirements 

Materials, Equipment, Supplies* 

- Excellent: High quality 
- Acceptable: No major shortages or back-orders 
- Unacceptable: Failed to meet expected quality 

Staff Rating (if applicable) 

- Excellent: Outstanding and conscientious 
- Acceptable: Adequate performance to achieve requirements and goals 
- Unacceptable: Poorly trained, perform below contract requirements 

Management and Supervision* 

- Excellent: Above and beyond requirements 
- Acceptable: Accessible as required by contract 
- Unacceptable: Unresponsiveness or delayed response to situation requiring attention 

Contract Administration* 

- Excellent: Full compliance with licensing/permitting requirements 
- Acceptable: Meets the requirements and employees are in full compliance 
- Unacceptable: Failed to meet requirements and not in full compliance 

Overall Assessment* 

- Excellent 
- Acceptable 
- Unacceptable 

Comments* 

Evidence 

Please upload proof (if any) 

Upload 

Evaluator* 

Please enter your full name 

Department* 

Please select your department 

Department Head Email** 

Enter Director's Email 

Date 

3/7/2018 

Submit