

City of Lincoln/ Lancaster County/ Lincoln-Lancaster County Public Building Commission

Vendor Performance Policy/Procedures

Departments may at times experience problems with Vendors such as late delivery, non-delivery, inferior product, unauthorized product substitutions, poor workmanship, poor service, and failure to follow specifications, to name a few. Contract Administration is an important part of the purchase-to-payment process and all performance issues must be addressed in a timely manner. In most cases, departments are encouraged to address the problem directly with the Vendor. If a department is unable to resolve the problem, they may request assistance from the City-County Purchasing office. In order to ensure a timely and thorough review of the current situation, and take steps to get better service in the future, the use of a Vendor Performance Policy and Survey will be initiated in January, 2017.

When Vendor Performance Policies are used correctly, they can result in better Vendor performance, improved contract compliance, and increased customer satisfaction. This document and the survey to be completed, which will be posted on the Purchasing home page, is the process which can provide those results. We appreciate your willingness to complete the survey and follow the policies enacted by the City of Lincoln, Lancaster County and the Lincoln-Lancaster County Public Building Commission (PBC).

1. Vendor Performance Procedures – Service and Annual Supply Contracts

PHASE ONE

When a Vendor fails to provide commodities and/or services that meet the specifications of an Invitation to Bid, Quote, or Request for Proposal, the department will document this failure to the City-County Purchasing office through the use of the Vendor Performance Survey.

The department will be responsible for indicating on the Vendor Performance Survey if the report is for informational purposes, in which case no further action will be taken, or if the department is requesting the City-County Purchasing office to contact the Vendor for resolution. If the department has resolved the dispute and is providing a report for informational purposes, the department should indicate how the dispute was resolved.

2. Vendor Performance Procedures - Service and Annual Supply Contracts

PHASE TWO

If the department has determined they cannot resolve the problems associated with Vendor performance, they will submit a second Vendor Performance Survey with the issues that have continued and indicate a request for a Vendor Performance meeting. The Purchasing office will notify the Vendor of the complaints and schedule a meeting with Purchasing, Department Staff, and the Vendor present. In this meeting the issues will be discussed and a plan of action will be developed with a designated period of time for compliance to be accomplished. In most cases, this will be 1-5 business days depending on the frequency of service.

3. Vendor Performance Procedures - Service and Annual Supply Contracts

PHASE THREE

If performance continues to be a problem after the Vendor Performance Meeting and the designated period of compliance, the department will complete another Vendor Performance Survey with the specifics of the compliance issues and a request for a Cure Notice. At this time a meeting is called with the department, Purchasing and the Vendor to discuss the ongoing problems and give another chance for compliance. A Cure Notice is drafted and given to the Vendor at the meeting which states they have a period of time for compliance, usually 5-10 business days, depending on the frequency of service, to meet the standards outlined in the contract. If the Vendor does not comply, the department will submit a Vendor Performance Survey to Purchasing and the Purchasing Agent may initiate a contract termination, and suspend the Vendor from submitting bids to this department for a period of one (1) year according to the Vendor Suspension Process listed below.. (Depending on the severity of the performance issues, a Cure Notice and possible termination and suspension could be issued in Phase 2 of the process)

4. Vendor Performance Procedures - Service and Annual Supply Contracts

Vendor Suspensions

Vendors who have had their contract terminated for services/products by the City, County or PBC will not be eligible to bid on the same service at the same location for a minimum period of one (1) year. In the event a company has had a contract terminated twice in a two (2) year period for similar services, that company and any newly formed companies controlled by any of the same parties, will be suspended from bidding any City, County or PBC contracts of similar nature for a minimum of a two (2) year period.

Following the suspension period, the company may once again bid City, County and PBC projects following a meeting with the Purchasing Department to address the ways the company has improved their services in order to avoid compliance issues in the future. If the company fails to perform on any contract, during the most recent contract period following suspension for similar services, the City, County and PBC may restrict bidding by the company, or any newly formed companies controlled by any of the same parties, for a minimum period of five (5) years.

NOTE: The suspension terms listed herein may be extended or reduced based on the circumstances of the performance issues and the effect on each entity involved. Each entity shall determine the severity of the circumstances and may have varying suspension periods.

Vendor Suspension Process:

City of Lincoln Vendor Suspension - The Purchasing Agent shall submit a request to the City Finance Director and Director of Public Works and Utilities for approval of the suspension of the Vendor from doing business with the City, or a specified City department, for a period of time as listed in the Vendor Suspension section above. Purchasing will follow the steps as outlined in the City Municipal Code 2.18.030 (n) and all options will be considered for continuation of services including the issuance of a new bid.

Lancaster County Vendor Suspension – The Purchasing Agent shall submit a request to the County Board for approval of the suspension of the Vendor from doing business with the County, or a specified County department for a period of time as listed in the Vendor Suspension section above. All options will be considered for continuation of services including the issuance of a new bid.

City/County Public Building Commission Vendor Suspension - The Purchasing Agent shall submit a request to the Public Building Commission for approval of the suspension of the Vendor from doing business with the PBC for a period of time as listed in the Vendor Suspension section above. All options will be considered for continuation of services including the issuance of a new bid.

1. Vendor Performance Procedures – One-Time Commodity Orders

PHASE ONE

When a vendor fails to provide commodities that meet the specifications of an Invitation to Bid, Quote, or Request for Proposal, the department will document this failure to the City-County Purchasing office through the use of the Vendor Performance Survey.

The department will be responsible for indicating on the Vendor Performance Survey if it is for informational purposes, in which case no further action will be taken, or if the department is requesting City-County Purchasing office to contact the Vendor for resolution. If the department has resolved the dispute and is providing a report for informational purposes, the department should indicate how the dispute was resolved.

2. Vendor Performance Procedures – One-Time Commodity Orders

PHASE TWO

If Vendor does not resolve the issues associated with the order following discussion with the department, the department will complete a second Vendor Performance Survey with the specifics of the compliance issues and a request for a Cure Notice. At this time a meeting is called with the department, Purchasing, and the Vendor to discuss the ongoing problems and give an opportunity for compliance. A Cure Notice is drafted and given to the Vendor at the meeting which states they have a period of time for compliance, usually 5-10 business days. If the Vendor does not comply, their contract may be terminated and all options will be considered for obtaining the products requested including the issuance of a new bid or award to another Vendor on the original bid.

3. Vendor Performance Procedures – One-Time Commodity Orders

Vendor Suspension

Vendors who have been terminated due to performance issues by the City, County or PBC may be suspended from bidding for a period of one (1) year. The suspension carries over to any newly formed companies controlled by any of the same parties. Following the one (1) year suspension, the company may bid City, County and PBC projects following a meeting with the Purchasing Department to address the ways the company has improved their performance in order to avoid compliance issues in the future. If the company fails to perform on any contract following the original suspension period, the City, County and PBC may restrict bidding by the company or any newly formed companies controlled by any of the same parties for a period of five (5) years.

NOTE: The suspension terms listed herein may be extended or reduced based on the circumstances of the performance issues and the effect on each entity involved. Each entity shall determine the severity of the circumstances and may have varying suspension periods.

Vendor Suspension Process:

City of Lincoln Vendor Suspension - The Purchasing Agent shall submit a request to the City Finance Director and Director of Public Works and Utilities for approval of the suspension of the Vendor from doing business with the City for a period of time as listed in the Vendor Suspension section above. Purchasing will follow the steps as outlined in the City Municipal Code 2.18.030 (n) and all options will be considered for continuation of services including the issuance of a new bid.

Lancaster County Vendor Suspension – The Purchasing Agent shall submit a request to the County Board for approval of the suspension of the Vendor from doing business with the County for a period of time as listed in the Vendor Suspension section above. All options will be considered for continuation of services including the issuance of a new bid.

City/County Public Building Commission Vendor Suspension - The Purchasing Agent shall submit a request to the Public Building Commission for approval of the suspension of the Vendor from doing business with the PBC for a period of time as listed in the Vendor Suspension section above. All options will be considered for continuation of services including the issuance of a new bid.

These policies as listed herein may be subject to variations in the amount of time associated with a Cure Notice or the period of suspension. In the event of a serious contract breach, the City, County, and PBC reserve the right to terminate a contract immediately and seek product or services from another Vendor.

Bob Walla
City/County Purchasing Agent
December 21, 2016