

## SUPPLIER SURVEY RESULTS 2006

As part of General Services Department, Supply Services Division's on-going effort to improve its procurement process, the Division has completed a survey of 66 suppliers who fall within the range of \$1 million or more in terms of dollars spent by the City during fiscal year 2005. A total of 27, or 41% of the 66 potential respondents returned completed surveys.

The survey consists of twenty-eight multiple-choice questions and two yes/no questions. The questions examine all facets of the purchasing process, from original bid/proposal through the payment process, from the supplier's point of view. Respondents were given room and opportunity after each purchasing activity category to describe the problems they have encountered in that particular area of the process.

Six purchasing activities or categories were examined by the questions: bid/proposal preparation and processing; initial contract document design and handling; ongoing contract administration; user competency in ordering and receiving; payment process; and supplier relations.

Respondents rated questions as excellent, satisfactory or unsatisfactory. Questions that received no response are rated N/A.

Ratings by suppliers were favorable. Highlights of the survey are as follows:

- 92% of respondents scored the City as satisfactory or better in all six categories.
- 5% of respondents scored the City as unsatisfactory. There was a 4% N/A rate. (Questions that did not apply or for which the vendor had no information received a N/A.)
- By category, respondents rating the City as satisfactory or above are as follows: bid/proposal, 96%; contract document, 98%; contract administration, 100%; city user competency, 99%; payment process, 75%; supplier relations, 83%. Details for each category are listed as follows:

<b>Category</b>	<b><u>Excellent</u></b>	<b><u>Satisfactory</u></b>	<b><u>Totals</u></b>
<b>Bid Process</b>	46%	50%	<b>96%</b>
<b>Contract Document</b>	51%	47%	<b>98%</b>
<b>Contract Administration</b>	80%	20%	<b>100%</b>
<b>City User Competency</b>	60%	37%	<b>97%</b>

<b>Payment Process</b>	18%	59%	<b>77%</b>
<b>Supplier Relations</b>	46%	38%	<b>84%</b>
<b>TOTAL</b>	301%	251%	<b>552%</b>
<b>AVERAGE</b>	50%	42%	<b>92%</b>

- 97% of respondents answered “yes” to the survey’s number 22, “Would you consider contracting with the City in the future?”

An extra effort was made to obtain comments as they relate to the problems suppliers are encountering in each procurement area.

Forty-two comments were received. Many concerned the bidding process, ranging from a request that the Good Faith Effort be better defined, to a complaint that the bidding process takes too long.

In the contract document category, concern was expressed that changes are not correctly made to contract item descriptions. Another supplier reported that their insurance forms get lost and need to be re-sent.

In terms of the contract administration category, one supplier raised the point that the administrator did not know about the regulations in the supplier’s business environment and therefore did not understand the supplier’s needs and requirements. Another supplier was concerned that contract administration is not responsive and open to the supplier’s comments. A third complained that mail from the City is still received at the supplier’s old address after being notified of the company’s move.

One supplier in the City User Competency category stated that users sometimes do not sign off on the job when it is finished, resulting in unearned discounts being taken by the City. Several suppliers reported no problems in this category, with one stating that end users are easy to work with at all levels.

The payment process category received the most comments, with a number of suppliers complaining of slow payments, unresponsive staff, and unearned discounts being taken by the City.

Below are the Suppliers comments as written by categories:

**Bid Process**

Not enough details on waste volumes.

No problems.

General requirements: Duplication of paperwork that is on file at the City.

Good faith efforts are subjective. It would be helpful if the GFE requirements were defined a little better.

Some requirements in bid caused us to change company policies.

We prefer a proposal rather than a bid to demonstrate value add as well as true cost of ownership!!

T&C's are non-negotiable and are more for construction contracts than distribution.

It took 6 months to award contract.

### **Contract Document**

No problems.

When item prices are renegotiated, price is scrutinized after acceptance incorrectly. Changes are not made to contract item description correctly.

Sometimes insurance forms get lost and need to be re-sent.

### **Contract Administration**

Having to act as contract administrator and they don't know about environmental regulations to understand needs – requirements.

No problems.

Marcus Strassner was very helpful during our contract process.

Not very responsive and open for comments.

Getting our address changed – We notified the City of the move – and we still get mail at the old address.

The fact that this has to be re-bid through public works is wrong.

### **City User Competency**

Several hundred users – all with different expectations – requirements.

No problems.

End users are easy to work with at all levels.

Police Department staff is a challenge.

When the jobs are finished sometimes the user does not sign off on the job in the computer, resulting in an unearned discount being taken by the City.

Small or non issues only.

### **Payment Process**

Always over 120 days – no urgency to pay.

Payments are late due to paper flow through receiving.

On large bids payments could be quicker and staff a little more understanding of urgency for our business to receive payment.

Can never find a person to make a decision. Too many layers of management.

Slow pay – not able to get payment answers fast enough.

Staff changes seem to cause interruption in payments.

Police Department payments late often.

Lack of timely payments. Still not paid for Eppic Center 7 months.

Short payments on invoices. Slow pay. Wrong PO/PO changes.

Our invoices are received on one day but the customers sign releases on a later date, thus the 30-day clock starts later resulting in discounts being taken that should not be taken. The end users do not sign off on the work received in a timely manner. This results in our checks being out beyond the 30-day discount deadline...however the City still takes discounts. Why is our company the victim of unjustified discounts taken...because a City employee didn't sign off on the job in a timely manner?

Hard to get assistance from some departments in getting invoices paid.

Problem with invoicing being sent to accounts payable – but user is required to attached copy of invoice in order to get paid. User isn't billed – Payable is. Often causes delays in payments even though we are following the City's process.

Slow to pay. Average days to pay = 73.

This summer there was a couple of months where it was 45-60 days to get payment and the City was still taking the 1% discount.

**Supplier Relations**

Very happy with contact Harold Combs. Very helpful, friendly and patient.

Transactions always run smoothly.

Have had no dealings with this department.

Items 1-4 depend on individual purchasing agent.

We have an excellent relationship with procurement and accounting staff.