

SUPPLIER SURVEY RESULTS 2007

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 the top 50 City suppliers in terms of dollars spent by the City during fiscal year 2006. A total of 28, or 56% of the 50 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:

- 96% of respondents scored the City as satisfactory or better in all six categories.
- 4% of respondents scored the City as unsatisfactory. There was a .33% 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, 95%; contract document, 98%; contract administration, 100%; city user competency, 96%; payment process, 88%; supplier relations, 99%. Details for each category are listed as follows:

Category	Excellent	Satisfactory	Totals
Bid Process	54%	41%	95%
Contract Document	56%	42%	98%
Contract Administration	63%	38%	100%
City User Competency	60%	36%	96%

Payment Process	38%	50%	88%
Supplier Relations	57%	43%	99%
TOTAL	328%	250%	576%
AVERAGE	55%	42%	96%

- 89% 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.

Twenty-nine comments were received. Many concerned the bidding process, ranging from confusion over bond requirements, to a suggestion that all bidders be informed of the winning quote and a copy of the winning proposal.

There were no comments for the contract document category.

In terms of the contract administration category, most comments stated that this category was very good. One called it the “best in the west.”

One supplier in the City User Competency category stated that buyers are often not familiar with the products they buy. Another said that end users often do not sign off on jobs upon completion, resulting in payment delays.

The payment process category received many comments complaining of late payments, as well as complaints about Payment Services taking discounts after the terms have expired.

No comments were received regarding Supplier Relations.

Below are the Suppliers comments as written by categories:

Bid Process

Sometimes too short notice between opening and closing

Specifications

There was a lot of confusion when it came to the bond required. The RFP stated that a \$500,000.00 bond was required, but later told by City of LA it had to be for the amount of the contract. We didn’t know what to believe.

Pre Bid: Overly concerned with one-price fits all, no change orders. Result: Contractors add contingency or risk financial losses, in which time compromises create poor outcome of work, weak and unacceptable performance.

Proposal Design: many of the City's staff do not have a high level of HVAC application knowledge. Result: City personnel do not accept "design" or application suggestions. This leads to missed opportunity for improved outcome/save city funds. Prop Q, 77th P.D. is an example. FMT provided design built proposal involving Honeywell Controls. Mr. Mark Carreon refused to accept Honeywell, accepting the bid consistent with his preference of "Alerton." Honeywell and Alerton are specifically "equal". Mr Carreon preference increased the cost of 77th P.D. by \$200,000.

Develop standardization list, package instructions, split, ductless, etc. (Sheet Metal/Maintenance Departments). Example:

- Voltage and Phase
- Side Discharge or Bottom Discharge
- Programmable Start
- Economizer
- Condenser or Coatings
- Curb Choice; Standard or Adaptor
- High Static S/F/ Motor Yes/No
- Model number of the old unit
- Heat Pump or Gas Electric

All bidders should be informed of winning quoted amount and copy of winning proposal defining service and goods furnished to each of (3) contact firms. Open and fair bidding levels the playing field insuring fairness, removing insider preferences.

Since bid document is an un-editable .pdf document, please allow more blank space between sections for room to type in the responses to bid questions. Clearly define award criteria.

Quantities for usage inflated, old descriptions never updated.

Only small ones on specifications, but they were addressed and rectified nicely.

Once bid/proposal are given with line items, PO numbers take a while to receive, from different departments.

Bid proposals are sometimes very long and cumbersome. I do understand this may be necessary (boiler plate). Sometimes contract awards seem to be delayed.

Contract Administration

Best in the West

Everyone returned phone calls in a timely manner.

They are very good.

Return calls not made within 24 hours (different departments).

Best City department Purchasing and OSA that we have done business with during the last 10 years. All spec writers and purchasing agents go out of their way to help.

City User Competency

Sometimes wrong delivery location.

Quite often the end users do not sign off on the jobs upon completion, which results in a delay of our receiving payments. Sometimes we are urged to perform work without purchase orders.

Software is delivered to customers via electronic delivery in some cases. Departments should include the e-mail address they want software delivered to on each PO. In many cases, software publisher sends the e-mail but customer doesn't (a) get it due to firewall blocking, or (b) delete it by accident. KI Need to raise awareness of watching for e-mail from publishers or fixing firewalls to allow delivery.

Buyers not familiar with the products they buy. MTRs and SMUFS often vague.

Payment Process

Unearned discounts are systematically taken for late payments. The problem is that end users do not sign off on the purchase orders in the computers, which handcuffs the accounting department. By the way, the accounting department is excellent.

Non payment of invoice with no explanation or reason and no opportunity to resolve issue.

Payment of invoices beyond 60 days from date of invoice yet 1% discount if paid within 30 days is still taken.

Payments have been slow in the past but we do see improvement.

Late payments due to paperwork not sent in, staff hard to understand – no common sense.

Taking discounts after the terms have expired!!!

It takes more than 60 to 90 days to receive payment. Sometimes even more than 90 days.

Occasional payment delays for various reasons.