

## CHAPTER 19

### VENDOR PERFORMANCE

#### 19-1 GENERAL

Assuring proper performance by vendors requires cooperation and communication between schools/departments and the Purchasing Department. Timely action on the part of the schools/department and Purchasing is a prerequisite for enforcing the terms of purchase order and contracts.

#### 19-2 NONCOMPLIANCE

- A. Failure by vendors to deliver on time, in the proper quantities or to meet specifications are serious discrepancies that must be handled in a prompt, uniform and fair manner.
- B. When a noncompliant circumstance becomes apparent, the school/department should promptly contact the vendor to request rectification of the situation. A complete record should be made of the contact to include the name, title and telephone number of the person contacted and any promises made by that person.
- C. If the vendor continues to be noncompliant after the initial contact, a Vendor Performance Evaluation form (Please use form PBSB #1720) should be forwarded with complete background information.
- D. The Purchasing Department will provide the vendor with a written notice to "cure" the situation. If the vendor fails to comply with the terms of the contract or order after this notice, the Purchasing Department will take appropriate action which may include finding the vendor in default of contract and debarment from doing business with the District for a period of time, canceling the agreement, order from another source and seek to recover the difference in price from the noncompliant vendor.
- E. The Purchasing Department will document the vendor file to provide a complete history of the vendor's performance.

#### 19-3 IMPORTANCE OF VENDOR PERFORMANCE FILE

- A. Among the important reasons for a properly documented Vendor Performance File are the following:
  - To use when considering debarment or suspension of vendors;
  - To use as evidence in court cases;
  - To justify a claim for liquidated damages;
  - To justify a declaration of vendor default;
  - To justify the District seeking delivery from another source and charging the difference to the defaulting vendor;
  - To use as justification for withholding payment until performance is completed; and

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- To use in processing warranty claims.
- B. The Purchasing Department will not seek to disqualify any vendor without a properly documented performance file.
- C. Payment may not be withheld unreasonably from a vendor if services/goods have been delivered and invoiced, unless there is demand in writing for the vendor to correct an unsatisfactory situation with a definite "date certain" for performance.

### **19-4 VENDOR EVALUATION**

- A. When an item is received in PeopleSoft and authorization is made to pay a vendor, a vendor evaluation is available.
- B. Completion of either the consultant evaluation or non-consultant evaluation is needed to document the vendor's performance.
- C. These evaluations are short and offer simple yes, no questions with areas to comment.
- D. Principals/Directors or others may run a query to obtain an easy summary score for a vendor prior to placing a requisition with that vendor in PeopleSoft thus rewarding vendors who are providing good service to our District.
- E. The Purchasing Department will use this information in addition to the information described above to maintain good quality vendors for use by our schools and departments.