THE CORPORATION OF THE CITY OF WINDSOR
POLICY

Service Area:	**Office of the City Solicitor**	Policy No.:	
Department:	**Purchasing**	Approval Date:	
Division:	Purchasing	Approved By:	**DRAFT**
		Effective Date:	
Subject:	**Vendor Relationship Management**	Procedure Ref.:	
Review Date:		*Pages:*	Replaces:
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1. POLICY

1.1 This policy sets out the requirements and processes for the Vendor Relationship Management framework ("VRM") used to track supplier risks, issues, for performance management and feedback.

2. PURPOSE

2.1 This Policy makes it mandatory for all City departments to participate in the VRM program, which provides for the centralized and standardized management of Vendors by creating an operating procedure for tracking, aggregating, and closing supplier issues and risks by supplier, service type, and owners.

2.2 The VRM program is comprised of the following business practices: Vendor governance, Vendor performance management, continuous improvement and appeals.

3. SCOPE

3.1 This policy applies to all departments within the City that purchase goods or services from a Vendor.

4. RESPONSIBILITY

4.1 The Manager of Purchasing is responsible for:

4.1.1 The VRM program and Vendor Management System process, pursuant to section 142 of the Purchasing By-law 93-2012.

4.1.2 Establishing procedures and guidelines for implementing this Policy and to amend those procedures as required in the best interests of

the City with the concurrence of the CAO and Deputy City Solicitor pursuant to section 168 of the Purchasing By-law 93-2012.

4.1.3 Ensuring that any changes or amendments to this Policy or the accompanying procedures and guidelines are communicated throughout the City.

4.1.4 Integrating the Contract Performance Appraisals as criteria for managing existing contracts and in criteria relating to reference checks for subsequent RFx evaluations.

4.2 The Purchasing Department is responsible for:

4.2.1 Ensuring compliance by various City departments with the VRM program.

4.2.2 Supporting various City departments in their implementation of the VRM program.

4.2.3 Ongoing monitoring, training and administration of the VRM program.

4.2.4 Recommending changes to the VRM program, as required.

4.3 Managers and Supervisors are responsible for:

4.3.1 Ensuring that employees under their supervision who are responsible for department or City-wide purchasing are trained in the use and implementation of the VRM program and vendor management system process.

4.3.2 Ensuring that all employees under their supervision operate in a manner that is in compliance with this Policy and its accompanying procedures and guidelines.

4.3.3 Ensuring that any changes or amendments to this Policy or the accompanying procedures and guidelines are adequately communicated and understood by employees under their supervision who are responsible for department or City-wide purchasing.

4.3.4 Ensuring that Contract Performance Appraisals are completed at project's completion or annually for multi-year projects.

4.3.5 Ensuring that regular review sessions are conducted with employees responsible for implementing the VRM program to identify gaps in performance and expectations with regards to the implementation of the VRM program.

4.3.6 Providing relevant feedback to the Purchasing Department to improve the VRM program.

4.4 All Designated Contract Appraisers are responsible for:

4.4.1 Ensuring that the VRM program is implemented at all times as required.

4.4.2 Reporting any difficulties with implementing the VRM program to their immediate manager or supervisor.

4.4.3 Adhering to the City's Code of Ethics and Conflict of Interest Policy and shall disclose all conflicts of interest in writing to the Purchasing Manager and the Deputy City Solicitor and shall take adequate steps to address any actual or perceived conflicts of interest.

5. DEFINITIONS

5.1 "City" means The Corporation of The City of Windsor and includes any of its designated employees, officials or agents who are engaged to represent the City in its capacity as owner of a project and also includes an employee designated to exercise discretion on behalf of the City.

5.2 "Contract Performance Appraisal" (CPA) means either an interim or a final contractual performance appraisal used to evaluate a Vendor's performance annually for multi-year projects, or at the substantial completion of each project valued over $75,000 (excluding HST), or as determined by the Purchasing Manager with the concurrence of the CAO and Deputy City Solicitor through the City's vendor management system process. CPAs shall be presented in a scorecard format (online) which includes Key Performance Indicators (KPIs) that are specific to the contract and drive the desired performance characteristics of the Vendor for the duration of the contract.

5.3 "Designated Contract Appraisers" include a City Department's project manager, project coordinator, and analyst or individual that is designated to evaluate a Vendor's performance through scheduled Contract Performance Appraisals. The designated contract appraiser should be the liaison between the City and the Vendor, or the individual within the City with the most knowledge of the City's working relationship with the Vendor for the Deliverable.

5.4 "Deliverable" means the Good, Service or construction being purchased.

5.5 "Department" means an area of operation of the City as defined by its organizational charts.

5.6 "Department Head" means the designated lead of a City Department responsible for direction and operation of a Department.

5.7 "Good" means any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with construction.

5.8 "Purchase" means the acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and "Purchasing" shall have a corresponding meaning.

5.9 "Services" Intangible products not having a physical presence.

5.10 "Vendor" means any business entity that provides Goods and Services to the City. A Vendor may therefore be, but not limited to, a contractor (general building, general engineering, specialty, etc.), contract administrator, engineering firm, consultant, professional services firm or Goods supplier, consortium or legal partnerships.

6. GOVERNING RULES AND REGULATIONS

6.1 Vendor Governance

6.1.1 Is to include an establishment of organized and consistent communication between the City and the Vendor, through key points of contact and defined meeting schedules.

6.1.2 The frequency and nature of interaction is to be commensurate with the criticality of the Vendor, as determined by the City based on project importance at the City's discretion.

6.2 Vendor Performance Management

6.2.1 Vendor performance is to be evaluated through a Contract Performance Appraisal which is conducted at project completion or annually for multi-year project.

6.2.2 A Contract Performance Appraisal shall be completed by the Designated Contract Appraiser where a Deliverable is equal to or exceeds $75,000, excluding HST.

6.2.3 The Contract Performance Appraisal is conducted through the online vendor management system's scorecard format which evaluates Vendor performance in accordance with KPIs, value based goals, objectives, and contract specific criteria intended to drive compliance with project requisites.

6.2.4 Contract Performance Appraisal may be used in subsequent RFx submission evaluations criteria relating to reference checks, at the discretion of the Purchasing Manager.

6.2.5 Contract Performance Appraisal may be used by the City to impose Vendor sanctions for contractual breaches and/or consistently poor performance, pursuant to the Purchasing By-law 93-2012, as amended from time to time.

6.3 Continuous Improvement

6.3.1 Performance improvement plans may be established with Vendors, to improve project delivery from perspectives of KPIs such as: regulations management, quality systems and continuous improvement, cost management and non-conformance reporting, performance/ schedule/ timeliness, allocation of resources, and communication.

6.4 Appeal Process

6.4.1 All Contract Performance Appraisals shall contain an appeal process. This process is designed to provide a progressive opportunity for the Vendor to meet with the City to discuss any part of the CPA that is in dispute, the appeal process shall be established in the procedures and guidelines.

7. RECORDS, FORMS AND ATTACHMENTS

7.1 Records for this Policy shall be prepared and retained in accordance with Records Retention By-Law 21-2013, as amended or superseded.

7.2 The Purchasing Bylaw 93-2012, as amended or superseded.

7.3 Vendor management system forms shall be used as the primary source of Contract Performance Appraisals, associated with this policy.