

<b>TORMAN</b>	<b>SUPPLIER PERFORMANCE EVALUATION</b>	Code No : T.08.04.01
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Reference : Procedure: P.08.04.01

Torman evaluates his suppliers according to following criterias and methods;

**1. Quality Point** (50 % weighted)

This is the ratio of return (rejected) goods over the quantity of total purchased goods for the period in concern. It is automatically calculated. The formula is as follows;

$$\text{Quality Point: } \frac{\text{Total of purchased goods} - \text{Return goods}}{\text{Total of purchased goods}} \times 100$$

**2. Logistic Point** (30 % weighted)

This is the ratio of early / late deliveries over the quantity of total deliveries for the period in concern. It is automatically calculated. The formula is as follows;

Deliveries on time or deliveries $\pm$ 7 days differences	<b>On time</b>
Deliveries more than 7 days delay	<b>Late deliveries</b>
Deliveries more than 7 days earlier	<b>Early deliveries</b>

$$\text{Logistic Point: } \frac{\text{Total of purchased goods} - \text{Quantity of goods in late /early deliveries}}{\text{Total of purchased goods}} \times 100$$

**3. Pricing Point** (20 % weighted)

This criteria indicates the level of competitiveness of the supplier's prices. The score is given by the Chief of Purchasing. The evaluation is as follows;

Supplier has competitive prices	<b>20 Point</b>
Supplier's prices are at the same level with his competitors.	<b>13 Points</b>
Supplier has not competitive prices	<b>6 Points</b>

**4. Managerial Point** (10 % weighted)

This criteria indicates supplier's level of good communication, problem solving and cooperation with Torman. The score is given by the Chief of Purchasing. The evaluation is as follows;

Good level of cooperation and communication, positive at problem solving	<b>10 Point</b>
Average level of cooperation and communication, average at problem solving	<b>6 Point</b>
Poor level of cooperation and communication, negative at problem solving	<b>3 Point</b>

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**Classification of suppliers**

The classification of suppliers is generated from the overall score which is calculated by the sum of above 4 criterias for the evaluation period in concern. The classification of a supplier is evaluated according to below category;

Total Points	Meaning
100 – 80	<b>The requirements are met in full,</b> The supplier has the priority for the cooperation.
79 - 70	<b>The requirements are largely met</b> The evaluation result shows that there is potential for improvement from the supplier
69 - 0	<b>The requirements are not met</b> Unless the management decide to continue due a specific advantage, Torman stops to source from the supplier.

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