

TORMAN	SUPPLIER PERFORMANCE EVALUATION	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;

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

Note. In case service purchasing, quantity of total claim vs total service cases is considered.

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	On time
Deliveries more than 7 days delay	Late deliveries
Deliveries more than 7 days earlier	Early deliveries

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

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

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	10 Point
Average level of cooperation and communication, average at problem solving	6 Point
Poor level of cooperation and communication, negative at problem solving	3 Point

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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 criteria for the evaluation period in concern. The classification of a supplier is evaluated according to below category;

Total Points	Meaning
100 – 73	The requirements are met in full, The supplier has the priority for the cooperation.
72 - 62	The requirements are largely met The evaluation result shows that there is potential for improvement from the supplier. Decision is made after the result of corrective action.
62 - 0	The requirements are not met Unless the management decide to continue due a specific advantage, Torman stops to source from the supplier.

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