SUB.: The existing Vendor evaluation formula.

REF: Office Note No. 5 dt.25.05.07.

In supersession of earlier Office Note issued in this regard and arising out of observations by external auditors with respect to ISO Certification the existing Vendor’s evaluation formula is modified as under with approval of the Materials Manager:

1. + 100 marks for supplying the materials within delivery period.
2. + 70 marks for supplying the materials after delivery period but within grace period.
3. + 50 marks for replacement of rejected materials which is subsequently accepted.
4. – 50 marks for rejection of supply.
5. – 50 marks for R.P. Action
6. Formula X = Total marks/ No. of purchase order placed.
7. If X is above 65 , performance rating will be “VERY GOOD”.
8. If X is between 50 to 65, performance rating of the vendor will be “GOOD”.
9. If X is below 50 but above 30 performance rating of the vendor will be “SATISFACTORY”.
10. If X is below 30  performance rating of the vendor will be ”NOT GOOD”. Purchase orders where delivery period is not over at the time of evaluation are not considered for deciding upon the performance rating.
11. The Supplier should secure either 01 Purchase Order valuing more than Rs.20,000/- or atleast 03 Nos. of Purchase Orders (irrespective of value) in the respective financial year. The supplier not securing atleast 01 purchase order valuing more than Rs.20000/- or unable to secure 3 Nos. of P.O.s (irrespective of value) then the firm will be rated as “NOT SATISFACTORY”. The dealings with the supplier whose performance rating is “NOT SATISFACTORY” for 3 consecutive years will be discontinued.
12. To comply with the above, MM Cell section will send a list of registered suppliers to the concerned
purchase sections.

13. The Purchase Sections will forward the information regarding the numbers of purchase orders placed on each supplier to concerned receiving sections.

14. The receiving Section will forward their reports to the MM Cell.

15. MM Cell will perform evaluation of the vendors and maintain the records.

(M.L.Sankpal)
Dy. Controller of Stores (I)