



# SUPPLIER EVALUATION 2020

## 1) Introduction

In a partnership with our strategic suppliers or critical suppliers is aim for the continuous improvement of products/services' quality and key deliverables through the annual evaluation of our suppliers which plays as important basis to identify of potential room for improvements.

This year, the sustainable development is strategically added in order to comply with sustainable business purpose of supply chain management.

## 2) Critical Suppliers Analysis

Critical Suppliers Criteria:

- High spending - based on 80% of procurement spent in each hospital and procurement commodity (Medicine, Medical Supply, Medical Equipment, Information Technology, Construction, General Supply and Service).
- Suppliers characteristics & non-substitutable suppliers

Suppliers	Number	Share of total procurement spent
<b>Total suppliers</b>	<b>5,900</b>	<b>100.0%</b>
<b>Critical suppliers</b>	<b>1,038</b>	<b>88.4%</b>
• Tier 1	971	93.54%
• Non-tier 1	67	6.45%

Remark :

**Tier 1 suppliers** refers to suppliers that directly supply goods, materials or services (including intellectual property (IP) / patents) to the company.

## 3) Evaluation criteria and weighting score





## 4) Grading

Norm Referenced; Set the standard deviation proportion for each grade.

Graded based on the capabilities of the entire vendor pool being assessed. Base on the average score and standard deviation, If the vendor group has high capabilities the average score will be high accordingly, so Norm Referenced grading will have some flexibility based on the ability of the vendor segment.

### Performance Grading and action

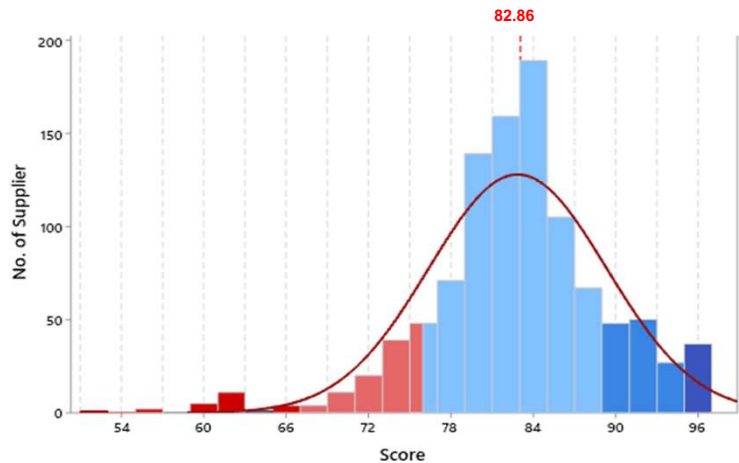
- **Excellent** Exceeds expectations, enhance sustainability
- **Good** Meets all expectations, enhance sustainability
- **Average** Meets some expectations, encourage to improve performance continuously
- **Fair** Improvement needed, corrective action within 7 business days
- **Poor** Mandatory improvement or to be considered to taken out of Approved Vendor List (AVL)

## 5) Overall Results

**1,038**

*Critical suppliers*

A total critical suppliers completed to supplier evaluation 2020 from 31 hospitals of BDMS and 3 non-hospital



**Score  $\geq \bar{X} + SD \leq$  Score**

**outstanding  $\geq 89.34 \leq$  improvement**

- ▶ **82.86** is average score of suppliers in this evaluation
- ▶ **95.82** is highest score and **51.26** is lowest score
- ▶ **156** suppliers (15%) with outstanding performance.
- ▶ **127** suppliers (12%) need to improve performance.