

PROCEDURE FOR EVALUATION OF PERFORMANCE OF VENDORS (SUPPLIERS / CONTRACTORS / CONSULTANTS)

1.0 GENERAL :

A system for evaluation of performance of vendors is a key process and important to support an effective purchasing & contracting function of an organization.

Performance of all participating Vendors (Suppliers / Contractors / Consultants) need to be closely monitored to ensure timely receipt of supplies from a supplier, completion of an assignment by a consultant or complete execution of order by a contractor within scheduled completion period. For timely execution of projects and meeting the operation & maintenance requirement of operating plants, it is necessary to monitor the execution of order or contracts right from the award stage to completion stage and take corrective measures in time.

2.0 OBJECTIVE :

The objective of Evaluation of Performance aims to recognize, and develop reliable Vendors so that they consistently meet or exceed expectations and requirements.

The purpose of this procedure is to put in place a system to monitor performance of Vendors associated with IGL in Projects, O&M and all other functions so as to ensure timely completion of various projects, timely receipt of supplies including completion of works & services for operation and maintenance of operating sites and quality standards in all respects apart from being competitive and reasonably priced by ensuring ethical approach.

3.0 METHODOLOGY:

(i) Preparation of Performance Rating Data sheet

Performance Rating Data Sheet for each and every Vendor for all orders / contracts with a value of Rs.40 lakh and above is recommended to be drawn up. These data sheets are to be separately prepared for orders / contracts related to Projects, O&M and other departments. Format, Parameters, Process, responsibility for preparation of Performance Rating Data Sheet are separately mentioned. The evaluation of vendors will be done on half yearly basis. However, early evaluation can be conducted on need basis for a particular case.

(ii) Measurement of Performance

Based on the parameters defined in Data Sheet, Performance of concerned Vendor would be computed and graded accordingly. The measurement of the performance of the Vendor would be its ability to achieve the minimum scoring of 60% points in the given parameters individually and 70% collectively to be adjudged annually. However, mid- term / need base review can be done in case financial/ commercial activities of company is affected. Any Vendor failing to secure less than the minimum score in any of the parameters should not be considered to remain in business with IGL.

(iii) Initiation of Measures:

Depending upon the Grading of Performance, corrective measures would be initiated by taking up the matter with concerned Vendor. Response of Vendor would be



