**Vendor rating-**

A few ways by which a vendor can be evaluated are listed below-

1. Categorical Method
2. Weighted point Method
3. Cost Ratio Method

**Categorical Method**

Evaluated with a list of factors at periodic intervals say quarterly

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factors** | **Grading** |  |  |  |
|  | **Always 9 8 7** | **Usually 6 5 4** | **Seldom 3 2 1** | **Never 0** |
| Supplies as per quantity specified |  |  |  |  |
| Deliveries as per schedule |  |  |  |  |
| Rigorous follow up are not necessary |  |  |  |  |
| Solves his raw material problem on his own |  |  |  |  |
| Willing to accommodate when production schedules are suddenly changed |  |  |  |  |
| Helps in emergency |  |  |  |  |
| Behavior is courteous and considerate |  |  |  |  |
| Reasonable in pricing |  |  |  |  |
| Miscellaneous |  |  |  |  |

Total number score is calculated and rated as below-

|  |  |
| --- | --- |
| **Points** | **Remark** |
| 80-100 | Excellent |
| 70-80 | Good |
| 60-70 | Average |
| 50-60 | Poor |

**Weighted point Method**

Point rating based on quality, delivery, cost and service

The points may be assigned as follows-

|  |  |
| --- | --- |
| Performance | Points |
| Quality | 50 |
| Delivery | 30 |
| Price | 20 |

Quality Rating = nos. of lot accepted / total lots supplied x 50%

Delivery Rating = nos. of lot delivered on time / total lots supplied x 30%

Price Rating = ??

**Cost Ratio Method**

Comparison of actual cost incurred purchasing, follow-up, transportation, packaging, duties, receiving etc.