

## ACCREDITATION AND PERFORMANCE EVALUATION OF EXTERNAL PROVIDERS

### OBJECTIVE

To ensure high quality of supplies, equipment, and outsourced services by accrediting critical external providers and regularly evaluating their performance.

### SCOPE

The procedure covers activities from the assessment of the application for accreditation to the evaluation of the performance of the accredited external providers.

### POLICIES

#### A. External Providers are divided into the following categories:

##### A.1 Critical:

##### A.1.1 Goods

A.1.1.1 Information, Communication & Technology (ICT) Equipment

A.1.1.2 Lotto Consumables (Bet slips and Thermal Rolls)

A.1.1.3 Operating Supplies

A.1.1.4 Back-Office Equipment

##### A.1.2 Services

A.1.2.1 ICT Solutions

A.1.2.2 Repairs and Maintenance

A.1.2.3 Warehousing & Courier

A.1.2.4 Security Services

A.1.2.5 Housekeeping Services

##### A.2 Non-Critical

##### A.2.1 Goods

A.2.1.1 Office Supplies

A.2.1.2 Furniture and Fixtures

##### A.3 Special Projects (includes but are not limited to)

A.3.1 Market Research

A.3.2 Marketing Services

A.3.3 Professional Services

## B. Accreditation of External Providers

- B.1 All External Providers for Critical Goods and Services shall be accredited.
- B.2 External Providers for Non-Critical Goods and Services do not need accreditation, but shall undergo canvassing.
- B.3 Special Projects require canvassing and due diligence but do not need accreditation.
- B.4 Critical Goods shall require the issuance of a Purchase Order, while Critical Services and Special Projects shall require a contract.
- B.5 Non-Disclosure Agreements (NDAs) shall be signed by external providers who offer products or services which have impact on the security of the premises or access to sensitive areas and information.
- B.6 Exceptions to accreditation of External Providers for Critical Goods and Services are limited to the following:
  - B.6.1 Emergency/ Urgent Purchase – acquisition requiring immediate delivery.
  - B.6.2 Suppliers with special transactions such as specialized items or services and one-time transactions.
  - B.6.3 All exceptions to Supplier Accreditation require the approval of the Head of the Administration Division.
- B.7 All external providers undergoing accreditation shall provide relevant business profile document, licenses, and accreditations, as applicable.
- B.8 Accreditation of External Providers for Critical Goods shall be based on the following criteria:
  - B.8.1 Quality of Product based on product sample, demonstration or brochures (40%)
    - B.8.1.1 0 – three (3) or more deliverables were rejected
    - B.8.1.2 1 – one (1) or two (2) deliverables were rejected
    - B.8.1.3 2 – meets and exceeds the requirements of the requesting party

B.8.2 Price of products offered (30%)

B.8.2.1 0 – offers the highest price among the external providers

B.8.2.2 1 – offers a competitive or relatively lower price than the other external providers

B.8.2.3 2 – offers the lowest price among the external providers.

B.8.3 Terms of Payment (10%)

B.8.3.1 0 – No terms given (COD)

B.8.3.2 1 – Terms less than 30 days

B.8.3.3 2 – Terms 30 days or more

B.8.4 Committed Delivery Lead Time (10%)

B.8.4.1 0 – has the longest committed delivery lead time among the external providers

B.8.4.2 1 – has a relatively shorter or similar committed delivery lead time compared to the other external providers

B.8.4.3 2 – has the shortest committed delivery lead time among the external providers

B.8.5 Availability/Capacity (10%)

B.8.6 0 – cannot supply the average requirements of the company

B.8.7 1 – can supply the average requirements of the company

B.8.8 2 – can supply the maximum requirements of the company

B.9 Accreditation of External Providers for Critical Services shall be based on the following criteria:

B.9.1 Availability/Capacity/Scope of Work (30%)

- B.9.1.1 0 – cannot supply the average requirements of the company
- B.9.1.2 1 – can supply the average requirements of the company
- B.9.1.3 2 – can supply the maximum requirements of the company
- B.9.2 Price of services offered (30%)
- B.9.3 0 – offers the highest price among the external providers
- B.9.4 1 – offers a competitive or relatively lower price than the other external providers
- B.9.5 2 – offers the lowest price among the external providers.
- B.9.6 Committed Delivery Lead Time (20%)
  - B.9.6.1 0 – has the longest committed delivery lead time among the external providers
  - B.9.6.2 1 – has a relatively shorter or similar committed delivery lead time compared to the other external providers
  - B.9.6.3 2 – has the shortest committed delivery lead time among the external providers
- B.9.7 Terms of Payment (20%)
- B.9.8 0 – No terms given (COD)
- B.9.9 1 – Terms less than 30 days
- B.9.10 2 – Terms 30 days or more
- B.10 External Providers who were not able to meet a score of 1.0 shall not be accredited.
- B.11 Accreditation of new external providers is necessary if existing suppliers cannot meet the standard.

B.12 Purchasing Associate shall update and maintain the List of Critical & Non-Critical external providers.

### **C. Evaluation of External Providers**

C.1 Only External Providers for Critical Goods and Services shall be evaluated.

C.2 External providers shall be evaluated based on their ability to meet company requirements. (A.15.2.1)

C.3 Evaluation of accredited external providers shall be done annually but an update of the evaluation shall be performed whenever the external providers fails to comply with the requirement/s of the Company.

C.4 The following shall be responsible for the evaluation of accredited external providers:

C.4.1 Critical Goods: Purchasing Associate

C.4.2 Critical Services: Department Concerned

C.5 Evaluation of External Providers for Critical Goods shall be based on the following criteria:

C.5.1 Consistency of product quality (40%)

C.5.1.1 0 – three (3) or more deliveries, or more than 30% of a delivery were rejected

C.5.1.2 1 – one (1) or two (2) deliveries, or 10-30% of a delivery were rejected

C.5.1.3 2 – up to 10% of a delivery was rejected, or meets and exceeds requirements of the company

C.5.2 Price of products offered (30%)

C.5.2.1 0 – offers the highest price among the external providers

C.5.2.2 1 – offers a competitive or relatively lower price than the other external providers

C.5.2.3 2 – offers the lowest price among the external providers.

C.5.3 Terms of Payment (5%)

C.5.3.1 0 – No terms given (COD)

C.5.3.2 1 – Terms less than 30 days

C.5.3.3 2 – Terms 30 days or more

C.5.4 Timeliness of Delivery (15%)

C.5.4.1 0 – three (3) or more orders/deliverables were not delivered on time

C.5.4.2 1 – one (1) or two (2) orders/deliverables were not delivered on time

C.5.4.3 2 – all orders/deliverables were delivered on time

C.5.5 After-sales Service (10%)

C.5.5.1 0 – complaints were not immediately acted upon

C.5.5.2 1 – complaints were immediately acted upon

C.5.5.3 2 – there was no incident that would cause any complaint

C.6 Evaluation of External Providers for Critical Services shall be based on the following criteria:

C.6.1 Quality of Service (40%)

C.6.1.1 0 – three (3) or more, or more than 30% of outputs did not meet contract requirements

C.6.1.2 1 – one (1) or two (2), or 10-30% of outputs did not meet contract requirements

C.6.1.3 2 – up to 10% of outputs did not meet contract requirements, or meets and exceeds required outputs of the company

C.6.2 Timeliness of Delivery of Service (40%)

C.6.2.1 0 – three (3) or more, or more than 30% of deliverables were not delivered on time

C.6.2.2 1 – one (1) or two (2), or 10-15% of deliverables were not delivered on time

C.6.2.3 2 – up to 10% of deliverables were not delivered on time, or all deliverables were delivered on time

C.6.3 Price of services offered (5%)

C.6.3.1 0 – offers the highest price among the external providers

C.6.3.2 1 – offers a competitive or relatively lower price than the other external providers

C.6.3.3 2 – offers the lowest price among the external providers

C.6.4 Terms of Payment (5%)

C.6.4.1 0 – No terms given (COD)

C.6.4.2 1 – Terms less than 30 days

C.6.4.3 2 – Terms 30 days or more

C.6.5 After-sales Service (10%)

C.6.5.1 0 – complaints were not immediately acted upon

C.6.5.2 1 – complaints were immediately acted upon

C.6.5.3 2 – there was no incident that would cause any complaint

C.7 Only external providers with at least 1.00 total rating shall be retained in the List of Critical & Non-Critical external providers.

- C.8 External providers whose latest rating in the performance evaluation is below 1.0 may be given a probationary status. Critical external providers with probationary status shall be re-evaluated after three (3) months. Those that fail after the re-evaluation shall be removed from the List of Critical & Non-Critical external providers unless approved for retention by the Administration Division Head with justifiable cause.