

# Standard Operating Procedure (SOP): Schedule and Format for Regular Vendor Performance Reviews

## Purpose:

This SOP defines the **schedule and format for regular vendor performance reviews**, detailing the frequency of evaluations, key performance indicators to be assessed, standardized review templates, roles and responsibilities of review participants, methods for collecting and analyzing vendor performance data, communication protocols for feedback delivery, and procedures for addressing performance issues. The goal is to ensure consistent vendor quality, foster continuous improvement, and maintain effective supplier relationships.

## 1. Frequency of Evaluations

- Quarterly Vendor Performance Reviews for all active vendors.
- Annual Comprehensive Review for strategic/high-value vendors.
- Ad hoc reviews may be scheduled in response to significant performance issues or changes in partnership scope.

## 2. Key Performance Indicators (KPIs)

KPI Category	Description
Quality	Product or service defect rate, compliance with specifications
Delivery	On-time delivery rate, lead-time adherence
Cost	Pricing competitiveness, adherence to agreed terms
Responsiveness	Speed of response to inquiries/issues, communication clarity
Compliance	Adherence to regulatory, ethical, and contractual obligations
Innovation & Improvement	Suggestions for process/product improvements
Customer Service	Support quality, ease of doing business

## 3. Standardized Review Template

- Vendor Information (Name, Contact, Account Manager)
- Review Period & Date
- Summary of Previous Actions/Commitments
- KPI Performance Summary (with scores/ratings)
- Strengths & Areas for Improvement
- Vendor Feedback & Suggestions
- Action Items & Responsible Parties
- Next Review Date
- Sign-off by Participants

## 4. Roles and Responsibilities

- **Procurement/Sourcing Manager:** Leads review process, prepares and circulates review materials.
- **Quality Assurance:** Provides performance and compliance data.
- **Vendor Relationship Owner:** Coordinates communication, escalates issues as needed.
- **Vendor Representative:** Provides input, addresses concerns, and updates on remedial actions.

## 5. Data Collection & Analysis Methods

- Gather data from internal systems (ERP, QA logs, delivery records).
- Solicit feedback from end-users, internal stakeholders, and vendor representatives.
- Summarize findings in standard review templates; calculate KPI scores.
- Analyze trends over time (Quarter-over-Quarter).

## **6. Communication Protocols**

- Send review invitations and agenda at least 14 days prior to review date.
- Distribute completed review report to all participants within 5 business days after the meeting.
- Document all feedback and agreed-upon actions in a shared, accessible location.
- Escalate unresolved or critical issues to senior management as necessary.

## **7. Procedures for Addressing Performance Issues**

- Document identified performance issues and notify the vendor.
- Agree on corrective actions, responsibilities, and deadlines during the review.
- Monitor progress; schedule follow-up reviews if needed.
- Evaluate escalation or alternative supplier options for unresolved/recurring issues.

## **8. Review and Continuous Improvement**

- Review this SOP annually and update as required to reflect best practices.
- Solicit feedback from review participants for process enhancements.