

## ABSTRACT

Traditional buyer-supplier relationships emphasize multiple sourcing, competitive bidding and use of short-term contracts; these often-adversarial relationships pit the buyer against the supplier and focus primarily on the purchase price of the product instead of the capabilities of the suppliers and how they can contribute to the long-term competitiveness of the buying organization. Recently, strong competitive pressure forces many companies to provide their products and services faster, with a cheaper price and better quality than their competitors. Many companies have come to realize that they could not do it alone without satisfactory vendors. Therefore procurement has gained importance in supply chain management due to factors such as globalization, and increased value added in the supply chain. Procurement activities involve selection and quantifying suppliers, rating supplier performance, negotiating contracts, comparing price, quality and service, sourcing goods and services, timing purchases etc. A key, and perhaps the most important, process of a procurement function is an efficient supplier selection process because it brings significant competitive benefit to the organization.

In general, the company's supplier selection process is typically a lengthy evaluation process and performed by expert judgment method which does not involve any decision making tool, which results in poor selection and causes end-product customers to get less quality and pay more. Therefore, this project examines the Analytical Hierarchy Process (AHP), as applied to the supplier selection process, which involves many intangible factors, but still requires a logical and rational control of decisions, and **cross-checks** with Expert Choice by using the same alternative and criterion.