

ABSTRACT

Supplier selection and evaluation are claimed as one of the most important functions for the success of an organization. An improper selection and evaluation of the right supplier can obstruct supply chain performance. The objective of this study is to present an efficient methodology for evaluating and selecting suppliers in a pipeline trading company in Thailand. Specifically, the study is applied to the Analytic Hierarchy Process to select the most appropriate source of supply.

In the literature review of criteria the study identified that quality, delivery, performance history and warranty policy are the most important criteria for supplier selection. However, the study used the four criteria of price, quality, delivery and warranty as the most important criteria in supplier selection, of which these four criteria were ranked by six experts in the pipeline of ABC Company. Then, the pipeline suppliers from China, Korea and Singapore were evaluated against the mentioned criteria.

The results indicated that price selection criterion is the most important, followed by quality, delivery and warranty. Regarding the supplier selection, the findings suggested that the supplier from Singapore should be selected since its overall performance is the best among the pipeline suppliers even though its performance in price offered is the lowest.