

Performance Assessment System of Suppliers

1. The Performance Assessment System of Suppliers (“PASS”) is to objectively assess the performance of the Suppliers of the Marine Department (“MD”) in terms of the standard of service rendered, meeting agreed delivery schedule and the quality of products/services. Unless otherwise specified, the performance of all Suppliers is managed under PASS.

PASS Mechanism

2. If there is non-compliance (e.g. poor services/goods quality etc.) found under each order, subject to the seriousness of such non-compliance, reminder or warning message will be sent to the corresponding Supplier. In this connection, de-merit point(s) will be incurred in the Supplier’s record according to the following table:

Description	De-merit Point Incurred
1 st reminder of any non-compliance or any item late for 5 working days from the due date under an order	1 point
2 nd reminder of any non-compliance or any item late for 10 working days from the due date under an order	3 points
3 rd reminder of any non-compliance or any item late for 20 working days from the due date under an order	6 points
Complaint letter of any non-compliance activities	10 points

3. The de-merit points incurred shall be valid for twelve (12) months. For example, a de-merit point of 3 points was incurred on 1 June 2014. That 3 de-merit points record would be last till 31 May 2015.
4. No de-merit point incurred shall relieve the Supplier of any liability towards the Government under the related contract/order.
5. A Supplier, who has accumulated **45 de-merit points** or more, MD reserves the right to **suspend the Supplier from bidding MD’s quotation for up to two (2) months**.