

## ABSTRACT

*PT. (Persero) Telekomunikasi Indonesia, Tbk (TELKOM) Badan Usaha Milik Negara (BUMN) engaged in the field of information and telecommunications that cannot be separated from the field of procurement of telecommunications equipment. In TELKOM procurement, there is supplier performance evaluation, but supplier performance evaluation cannot describe the actual performance of suppliers because the assessment criteria cannot calculate qualitative criteria and perception differences when assessing supplier performance so that the development of criteria is needed.*

*This study aims to develop criteria in evaluating supplier performance so that it can be used as a reference for selecting partners or suppliers for procurement. The method used in this research is Factor Relationship Data Envelopment Analysis (FARE-DEA). The Factor Relationship (FARE) method can help supplier performance assessment criteria by focusing relations of mutual impact between criteria so as to develop supplier performance assessment, for the Data Envelopment Analysis (DEA) method to calculate the efficiency of performance assessment that weighted by FARE so that it gets suppliers more efficient.*

*The results of the analysis show that the weighting of the supplier performance appraisal criteria is the first priority, namely quality 0.40; second cost 0.31; third, delivery 0.19; and fourth, service 0.10. Of the quality criteria that most affected were the performance of goods and / services with a weight of 0.12; then followed by cost criteria are price stability with a weight of 0.09; for delivery criteria is the timeliness of arrival with a weight of 0.06; and for service sub-criteria are management and organization with a weight of 0.03. After that, it is obtained the order of suppliers whose performance appraisal is calculated based on the efficiency value using the DEA approach. The resulting supplier performance sequence is the same as the TELKOM supplier performance appraisal calculation using the criteria and sub-criteria produced by the FARE method.*

*Keywords: Supplier performance assessment, performance assessment criteria, development criteria, FARE-DEA*