ABSTRACT

Water is a very important source of life for society. It affects almost every aspect of life, from basic household needs to various economic activities. However, the need for water for daily use in each region certainly varies, depending on the level of water consumption and the number of people living in the area. One of the regions in Indonesia that has experienced an increase in population growth is Karimun Regency. Karimun Regency is one of the regencies in Riau Islands Province. The fulfillment of clean water for the people of Karimun Regency is managed by the Regional Public Company Tirta Mulia Karimun. As a clean water service provider, the company must have a solid foundation from the beginning to the end of the production process. Supply Chain Management has a close relationship between suppliers and the procurement process that cannot be separated.

This study aims to evaluate supplier performance at the Karimun Tirta Mulia Regional Public Company based on criteria that are indicators of measuring supplier performance through the analytical hierarchy process (AHP) method. The analytical hierarchy process (AHP) method is one of the ways to conduct an indepth assessment of various criteria that are relevant in supplier selection. Through the weighting and comparison process, the analytical hierarchy process (AHP) helps identify suppliers that best suit the company's strategic needs.

This type of research is descriptive research through quantitative methods. The data collection technique is by distributing questionnaires and collecting secondary data. Respondents in distributing questionnaires were the Head of the General and Personnel Sections of the Tirta Mulia Karimun Regional Public Company using snowball sampling techniques. Supplier performance evaluation is measured based on criteria as indicators such as quality, delivery, cost price, warranties and claims, supplier profile, and relationship and communication.

The results of this study show that cost price criteria are the most important criteria in evaluating supplier performance with a weight value of 0.226. Followed by other criteria, namely, warranties and claims, supplier profile, delivery, relationship and communication and quality. While the first ranking of suppliers who have the most superior performance based on the AHP method is Supplier A. Followed by Supplier B in second place and Supplier C in third place.

This research is expected to help the Karimun Tirta Mulia Regional Public Company in evaluating supplier performance to maximize operations and customer satisfaction based on the criteria that are indicators in assessing supplier performance.

Keywords: Analytical Hierarchy Process, supplier evaluation, supplier performance, water service provider