SECTION S10 - PURCHASING CONTROL

PURPOSE

This policy applies to all employees of the company in any situation where they are involved in a purchasing process, whether as requestors, purchasers or those who validate or authorize payment.

'Purchasing' includes all procurement activities including leasing and hiring and other activities such as service contracts and the end of life disposal of assets which have been procured. Adherence to the Purchasing Policy is both an individual and a corporate responsibility. Wilful breach of this policy or unauthorized departure from the procedures derived from this Policy, may constitute a disciplinary offence. For its effective implementation, it requires from each person involved an active involvement, consideration and weighting of the factors.

It is the policy of the Company that all purchasing be undertaken on the basis of competitive bidding subject only to the Exceptions mentioned below. The competitive bidding system is considered the most effective method of securing costs and terms advantage. It is the responsibility of all employees to ensure that a sufficient number of vendors are solicited (at least 2), they are all treated equally and that qualified new vendors are encouraged to compete for business from the company.

OBJECTIVE

To ensure products/services purchased by the company is properly authorised, verified and recorded.

To ensure vendors are reviewed periodically and records of acceptable vendors are kept.

SECTION S10 - PURCHASING CONTROL

The procedural guidelines on solicitation of competitive bids cover all purchases of capital assets, sub-contract works and revenue expenditure including products and services required in the normal course of business.

SOLICITATION OF COMPETITIVE BIDS

Purchase of products/services requiring competitive bids	
Classification	**Frequency**
Office stationery/Computer consumables	Annually
Computer software subscription	Annually
Courier service	Annually
Computer hardware/office equipment/furniture/office renovation	Per occurrence
Sub-consultants	Per occurrence
Outsourced office/engineering services	Per occurrence
Insurance	Per occurrence
Professional IT services	Per occurrence
General office repair/maintenance services	Per occurrence

EXCEPTIONS
The company may waive its policy requiring competitive bidding in the following circumstances:

- Purchases made from sole authorised dealers/agents/source
- Legal fees
- Medical expenses
- Office maintenance by building management i.e. cleaning and repair work for labour and materials supplied to office
- Professional services i.e. tax, secretarial, audit and commissioner of oath
- Sub-consultants/specialist services (project related)
- Air fare
- Advertisement and recruitment services
- Subscription of periodicals, journals and professional bodies
- Prepayment of seminar, workshop or conference registrations
- Licensing and filing fees made to government or regulating agencies
- Postage
- Purchasing to meet emergencies (with justification and approval)

RESPONSIBILITIES

Products/Services	Person in charge	Duties	Approved by
Admin office stationery General stationery such as files, writing utensils, rubber stamps, printer ink cartridges, CDs etc	Administrative Assistant	Purchase requisition and verify incoming products	Admin Leader
Papers Plotter paper (A1 and A0 rolls), A4 and A3 sizes	Drafting Leader	Purchase requisition and verify incoming products	CAD Manager
Library Materials Reference books, Codes of Practice, etc	Librarian	Purchase requisition and verify incoming products/services	Director-in-charge
Computer system Hardware, software and consumables for office computer system ie mouse, keyboard, USB drive etc	IT Specialist	Purchase requisition and verify incoming products/services	Director-in-charge
Procurement of sub-contract services Sourcing and appointment of Sub-Consultants	Project Manager in consultation with the Project Director	Purchase requisition and verify incoming services	Director-in-charge
Courier services	Administrative Assistant	Courier Request Form	Admin Leader
Printing and document binding services	Project Team Member Administrative Assistant	Requisition form for photocopying/binding of documents. Arrange for photocopying /binding of documents. Verify receipt of printed/completed products.	Project Director or Project Manager -

PURCHASING PROCEDURE

1. Purchase Requisition (PR)

Requestor identifies business needs, what to buy, how much, delivery needs and complete the PR form. The PR form is not required for purchases of office stationery and pantry supplies.

2. Sourcing of Vendor

Requestor identifies competitive vendors, price and lead time which commensurate with purchase requirements.

Requestor obtain competitive quotes, evaluate and provide recommendation on the Purchase Requisition and Quotation Summary form for approval by Director-in-charge.

3. **Delivery of Products/Services**

Vendor/sub-contractor delivers products/services in accordance with Purchase ***Requisition*** requirements.

Requestor verifies products/services delivered to ensure delivery/services matches with Purchase ***Requisition***. Upon verification, the Requestor will acknowledge by signing the Delivery Order (DO)/Goods Receive Note (GRN).

4. **Vendor Tax Invoice and Payment**

The Requestor will check and compile the PR, DO/GRN and tax invoice received for submission to Accounts for payment processing upon due date.

PROCEDURES

1. Approved Vendors List

The Approved Vendors List contains the company names, product and services for which the vendor offers.

The vendors are evaluated based on the following criteria:-

- Price, i.e. reasonable and competitiveness of prices submitted
- Quality, i.e. acceptability of quality of the product supplied
- Respond, i.e. ability to respond to request and delivery time

For procurement of Sub-Consultants, the following additional criteria shall be evaluated:-

- Track Record i.e. relevant past projects experience
- Field of Specialization
- Staffing and their relevant experience

The assessment of the abovementioned criteria shall be recorded in the Approved Vendors List form against each vendor including the overall status on acceptability of each vendor. The approved suppliers are periodically and systematically monitored for just-in-time purchasing to ensure that their actual performance meet expectations. Due diligence reviews of existing/potential vendors are performed on yearly basis.

Products/services are ordered from one or a few vendors to maximize the benefits of bulk purchase.

The Approved Vendors List form shall then be endorsed by the Director-in-charge to indicate the approval for all vendors with the 'acceptable' overall status.

2. Feedbacks or Complaints

Feedbacks or complaints on the quality of product purchased and services rendered, shall be in accordance to Section S15: Feedback Reporting and directed to the Director-in-charge. All removals from and additions of vendors to the Approved Vendors List must also be supported with a Feedback Report Form.

3. Record of Products Purchased

The Administrative Assistant, Drafting Leader and IT Specialist shall maintain the stock records of all the consumables purchased for accounting and stock checking purposes using the Stock Record form. When the stock level of the consumables reach the determined Re-order level (R.O.L) as defined in the Stock Record form, the Administrative Assistant/Drafting Leader/IT Specialist shall initiate the action to purchase stock replacement.

REFERENCE

Form S10.A	-	Approved Vendors List
Form S10.B	-	Stock Record
Form S10.C	***-***	***Purchase Requisition & Quotation Summary***