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E-Studio 101

Purchasing and Tendering Process and Procedure

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# Document Details

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| **Related Documents:** | Project Management Process PMO01 |

# Version Control

|  |  |  |
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| **Version** | **Changes/Details** | **Author/Editor** |
| Draft | Drafted document for approvals | Kaitlyn Nguyen |
| V1.0 | Release for distribution | Kaitlyn Nguyen |

# Purpose:

The purpose of the purchasing/tendering process is to ensure efficient, transparent, and accountable acquisition of products or services for our organisation. This process is designed to guide employees involved in purchasing activities and promote adherence to standardized procedures.

By following this process, we aim to streamline our purchasing activities, optimize costs, mitigate risks, and foster a procurement environment that is efficient, reliable, and aligned with our organisation's objectives.

# Roles and Responsibilities

Roles and Responsibilities for this process are listed below, and may change over time. Generic contact details have been provided where possible. Always refer to the most recent organisational structure, or request contact information from management.

|  |  |  |
| --- | --- | --- |
| **Role** | **Responsibility in this process** | **Contact Details** |
| Accounts Manager | Process RFP, RFQ, RFT  Process Payments  Select Suppliers  Coordinate with stakeholders  Track orders and update accordingly  Store documents in central location  Review and approve requests within limits of authority | [Accounts@estudio101.com](mailto:Accounts@estudio101.com) |
| CEO | Review and approve requests within limits of authority | [ceo@estudio101.com](mailto:ceo@estudio101.com) |
| Project Manager | Provide input and expert details to assist with the analysis of suppliers/vendors  Assist with the identification of resources/need | [pm@estudio101.com](mailto:pm@estudio101.com) |
| Other SME’s or stakeholders | Provide input and expert details to assist with the analysis of suppliers/vendors | Specific per project/task |

# Pre-Requisites:

The Accounts Manager should be involved in all project kick-off meetings, and provide approval for any project change requests on internal projects. Procurement will need to be conducted by the Accounts Manager, with input and assistance from the Project Manager and any relevant SME's.

Preferred suppliers should always be used first. If there is a requirement to use an alternative supplier, the Request Process must be followed.

**A non-preferred supplier can be used if:** the preferred supplier cannot provide the goods or services required to the quality or standards for the project, the preferred supplier is underperforming on the project, or has underperformed on a recent similar project.

## Limits of Authority:

Any procurement costs over $1,000 will need to be approved by the Accounts Manager.

Any procurements over $10,000 will need to be approved by the CEO.

# List of Preferred suppliers:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Business Name** | **Services/Products** | **Known Contractors** | **Usual price** | **Process** |
| Tech 101 | Offsite configuration of routers, wireless access points, router, installation of router, computer software installation | Jonah Fishers | $300/hr | Send Request for Quote, prepare purchase order, pay invoice within 30 IAW main process.  Accounts are already held with these companies. |
| Sparkies R Us | Installation /cabling/wiring of Access points, general electrical jobs | Buzz Yerlights | $300/hr |
| Pros @ Walls | Drywall and plastering | Bill Yawalls | $300/hr |
| SORigged | Rigging of lights or other heavy equipment from ceilings | Hank Riggins | $300/hr |

# Procedure:

1. Identify the Need: The Accounts Manager identifies the need for a particular product or service and initiates the purchasing process.
2. Define Requirements: The Accounts Manager works with the relevant stakeholders, such as department heads or project managers, to clearly define the requirements, specifications, and desired outcomes for the product or service.
3. Supplier Research: The Accounts Manager researches and identifies a minimum of three suppliers that can meet the defined requirements.
4. Pre-Qualification: The Accounts Manager assesses the potential suppliers based on criteria such as reputation, experience, quality standards, and financial stability. A shortlist of three qualified suppliers is created.
5. Request for Proposal (RFP) or Request for Quotation (RFQ): The Accounts Manager prepares and sends an RFP/RFQ to the shortlisted suppliers. The document includes detailed information about the requirements, evaluation criteria, submission instructions, and a deadline for responding within one week.
6. Supplier Evaluation: The Accounts Manager receives proposals/quotations from the suppliers and evaluates them based on criteria such as pricing, quality, delivery timelines, support, and any other relevant factors. A comparative analysis is conducted to assess the strengths and weaknesses of each supplier.
7. Supplier Selection: The Accounts Manager selects the supplier(s) based on the evaluation results and recommendations. The selection may involve consulting with other stakeholders or decision-makers in the organisation.
8. Negotiation and Contracting: The Accounts Manager negotiates the terms and conditions with the selected supplier(s), including pricing, payment terms, delivery schedules, and any additional requirements. A contract or purchase agreement is finalized and signed within two weeks of supplier selection.
9. Order Placement: Once the contract is in place, the Accounts Manager generates a purchase order and places the order with the selected supplier(s) within three business days. This includes providing all necessary details, quantities, and delivery instructions.
10. Order Monitoring and Receipt: The Accounts Manager tracks the progress of the order and ensures timely delivery. They may also coordinate with relevant departments to receive and inspect the goods/services for quality and compliance with the agreed specifications.
11. Supplier Relationship Management: The Accounts Manager establishes and maintains a positive working relationship with the selected supplier(s). This involves regular communication, addressing any concerns, resolving issues, and conducting performance evaluations.
12. Approval and Payment: The Accounts Manager reviews and approves supplier invoices and prepares them for payment. They ensure that invoices match the agreed-upon terms and deliverables. Payment is processed within 30 days following the organisation's financial procedures.
13. Documentation and Record Keeping: The Accounts Manager maintains proper documentation throughout the purchasing process, including RFPs/RFQs, contracts, purchase orders, invoices, and any relevant correspondence or approvals. These records are stored for future reference and auditing purposes.

# Flow chart

# Review and modification of this Process and Procedure

To ensure that this document is always maintained and up to date, it will be reviewed every 6 months by the author to ensure that any changes in process are captured and lessons learned are incorporated into processes. If you find there is a problem with this document or that it is outdated before the review cycle, please email the last author or the person who is in the role of the last author of modifications.

# Key Terms

|  |  |
| --- | --- |
| **Term/Word/Acronym** | **Definition** |
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