**Procurement & Vendor Management Strategy**

**Smart 5G Optimization & Deployment – Safaricom**

**A. Procurement Objectives**

* Secure high-quality, cost-effective technology and services.
* Ensure timely availability of critical hardware/software.
* Align vendor responsibilities to project KPIs and compliance policies.

**B. Procurement Process Overview**

| **Step** | **Description** | **Owner** |
| --- | --- | --- |
| 1 | Define procurement needs (RAN, vEPC, SON software, training) | PM + Technical Leads |
| 2 | Prepare & release RFPs to qualified vendors | Procurement Officer |
| 3 | Evaluate proposals (cost, compliance, delivery time) | Procurement Committee |
| 4 | Negotiate and sign contracts with SLAs | Legal + Procurement |
| 5 | Track delivery, acceptance testing | Field Engineers + QA |
| 6 | Monitor performance, renewals, penalties | PM + Procurement Lead |

**C. Vendor Contract Structure**

| **Section** | **Contents** |
| --- | --- |
| **Scope of Supply** | Exact items/services, quantities, responsibilities |
| **Delivery Milestones** | With penalty clauses for missed deadlines |
| **Service Level Agreements (SLAs)** | Uptime % targets, latency, fault recovery |
| **Payment Terms** | Linked to milestone achievement and sign-off |
| **Confidentiality & IP** | Non-disclosure, data ownership |
| **Termination Clause** | Breach resolution & notice terms |

**D. SLA Metrics (Sample)**

| **Metric** | **Target** | **Penalty for Breach** |
| --- | --- | --- |
| Uptime (Core & RAN) | ≥ 99.95% | 1.5% of contract value/month |
| Latency | <10 ms in urban zones | Warning → Financial rebate |
| Ticket Response (Critical) | Within 30 mins | Escalation to Steering Committee |
| Hardware Delivery | Within 15 days of PO | 2% penalty per week of delay |
| AI/SON Algorithm Failure Rate | ≤2% in production | Re-deployment by vendor at own cost |

**E. Vendor Performance Review Cycle**

| **Period** | **Review Type** | **Conducted By** |
| --- | --- | --- |
| Monthly | SLA Compliance Audit | PMO + QA |
| Quarterly | Strategic Review & Contract Performance | Steering Committee |
| Ad hoc | Incident-Based Review | Risk Committee |