Department Technology Purchase Requests

1.0 **Overview**The objective of the SOP is to describe the complete process for procuring goods and services in the company, starting from the indenting stage to the receipt of the material/service, till release of final payment.

2.0 **Scope** This SOP is applicable to all Domestic/Import purchases made in the company, thus includes purchases of all Raw Materials, Components, Packing

3.0 **Procedures:**

Request for Quotation (RFQ): Purchase shall float RFQ by E-mail to preferably minimum 3 External Providers with required drawing /specifications. For RM/BOM items, the External Providers are to be selected from HBL approved External Providers list.

Comparison of Quotations: Based on the quotes received, a detailed comparative statement is made for the landed cost of the material along with the details of payment terms, delivery, freight etc. Price break-up shall be considered as the basis for further negotiation.

Normal Purchase & Emergency Purchase: Normal Purchase PR (Purchase Requisition) are generated based on the monthly MRP/Indent. Purchase department will arrange RFQ and release order (PO) on selected vendor based on the most suited commercial terms and lead time. For express /emergency purchases shall have the approval of the Unit Head. The item(s) may be procured without following the usual procedure of collecting multi quotes and comparison. However the PR (Purchase Requisition) has to have duly justifiable reasons in writing for making such an express / emergency purchase

Negotiation Strategies:
Price finalization through Negotiations: For standard BOM items, RFQ is floated to the External Providers and preferably 3 quotes are collected and comparative statement is made, price is negotiated and PO Check list is prepared for the release of the order and approval.

Purchase Order (PO) : Based on the approved PR, PO is the official agreement which is released on the External Provider for the supply of ordered items as per the terms & conditions indicated there in.