

[Company Logo]

Vendor Management Policy

The purpose of this procedure is to ensure that the company obtains the best possible combination of quality and price from its suppliers.

Document Owner
Head of IT/Security

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Vendor Management Policy
For

[Company Name]
Version: 1.0
Date: 01/01/0000
Next Review Date :

Note: Verify with the Policy Owner if this is the correct and latest version before use.

Revision History

| Rev. # | Date | Modification Details | Page# | Suggested By | Reviewed By | Approved By |
|--------|------|----------------------|-------|--------------|-------------|-------------|
| 1.0 | | First Draft | NA | | | |
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Table of Contents

Purpose 3

Scope 3

Objective 3

Responsibility & Accountability 4

Non-Compliance 4

Exceptions 4

Policy Statement..... 5

Conclusion..... 5

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|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
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Purpose

The purpose of this policy is to establish a structured framework for managing relationships with suppliers to ensure the company receives optimal value in terms of quality, cost, and service. It aims to standardize procurement processes, maintain accurate supplier records, and build strong, mutually beneficial partnerships with vendors.

Scope

This policy applies to:

- All employees involved in procurement, contracting, or supplier interactions.
- Third-party vendors, contractors, and suppliers engaged by the company.
- Processes related to vendor selection, onboarding, performance evaluation, and record-keeping.
- All purchase orders, contracts, and payments tied to supplier agreements.

Objective

- Ensure the company obtains the best combination of quality, price, and reliability from suppliers.
- Streamline procurement processes and minimize risks associated with supplier relationships.
- Maintain transparent records of supplier interactions, contracts, and performance.
- Promote continuous improvement in supplier selection, negotiation, and management.

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Responsibility & Accountability

1. Procurement Team / Budget Holders:
 - Research and select suppliers based on quality, cost, and compliance.
 - Negotiate terms, track performance, and escalate issues.
2. Finance Department:
 - Verify invoices against purchase orders and contracts.
 - Ensure timely payments and maintain financial records.
3. IT/Security Team:
 - Assess supplier compliance with data security and IT standards (if applicable).
4. Top Management / CISO:
 - Oversee policy adherence and approve high-value supplier contracts.
 - Address non-compliance through disciplinary actions.
5. All Employees:
 - Follow approved procurement procedures.
 - Report supplier concerns (e.g., delays, quality issues) promptly.

Non-Compliance

Any Non-Compliance with this Supplier Management Policy will be dealt with Disciplinary Action as decided by the organization and respective authorities.

Exceptions

Not Applicable.

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Policy Statement

- Provide expert advice and guidance to all budget holders/stakeholders on all procurement matters.
- Ensure Contract & Supplier Relationship Management (C&SRM) is embedded in all tender requirements.
- Ensure Stakeholder Feedback is embedded in all tender requirements.
- Good supplier records track locations, contact names and numbers, payment preferences, contract provisions, purchase orders, and payment histories, as well as any quality issues that may have arisen. Electronic supplier records may be used as an electronic source for the completion of purchase orders and processing payables
- Supplier Records – Contents
 1. Supplier name and address
 2. Contact name(s) and particulars
 3. Alternate supplier locations and telephone numbers
 4. All outstanding purchase orders, including the expected fulfillment date
 5. Supplementary purchase orders
 6. Contract(s) scope and terms
 7. Payment information by purchase order
 8. Typical invoice payment terms
- Every month, purchase orders shall be analysed for suppliers who are consistently overdue on fulfillment, and appropriate action shall be taken.
- Supplier invoices received shall be checked on receipt against purchase order provisions and scheduled for payment according to supplier payment terms.
- The purchase history by the supplier shall be analysed for possible economies
- Prices, discounts, and payment terms shall be compared to those of alternate suppliers
- Negotiations shall be undertaken with current or prospective suppliers to obtain better prices, discounts, and payment terms
- Opportunities for supply contracts offering the best terms shall be identified
- Information about preferred suppliers, new suppliers, and good deals shall be provided to operating departments to keep them abreast of purchasing opportunities

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Conclusion

Effective vendor management is critical to maintaining [Company Name]'s operational efficiency, cost-effectiveness, and quality standards. This policy establishes clear guidelines for selecting, engaging, and managing suppliers to ensure mutually beneficial partnerships while mitigating risks.

By adhering to this framework:

- Transparency in procurement processes
- Accountability at every stage of supplier relationships
- Continuous improvement through performance evaluation and feedback

All employees and stakeholders share responsibility for upholding these standards. This policy will be reviewed annually to align with evolving business needs and industry best practices.

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