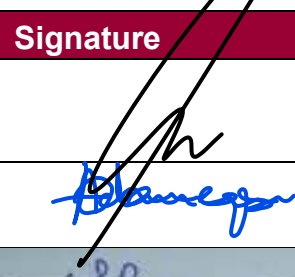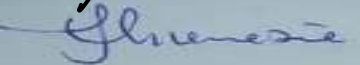# SATH PROCUREMENT MANUEL

Standard Operating Procedure

Reviews & Approvals

This Standard Operating Procedure document has been reviewed and approved by the undersigned:

Designation	Signature	Date
Chairman, Signal Alliance Technology Holding		15/7/2022
Group Executive Director		14th July 2022
Head, Operations/Chief of Staff to GED		13th July 2022

Document Control	Issued Date
Version 1	15th July 2022

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PROCUREMENT PROCESS FLOW CHART

1.0 LOCAL PROCUREMENT

This covers the purchases of all services and materials from various vendors who are registered as authorized vendors as per **SIGNAL ALLIANCE TECHNOLOGY** registration requirement Process.

1.1 Objective:

To Purchase the product and services at the right price, from the right source, at the right specs that meets the needs, in the right quantity, and make sure it is delivered to the commissaries at the right time

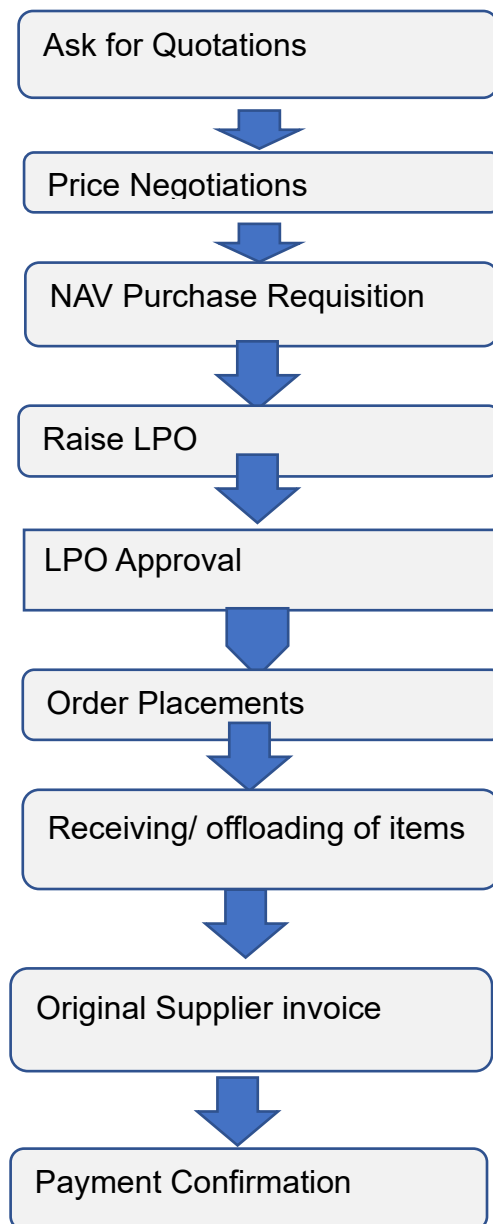## 1.2 CRITERIA FOR SELECTING/EVALUATING OF VENDOR/SUPPLIER

- **Quality**
- **Timely Delivery**
- **Price**
- **Financial capability**
- **Credit limit**

1.3 Vendor Registration Process

Below are the processes for onboarding new vendors to the company:

- The Purchasing Team request for company profile
- Organize a meeting with the company to discuss business terms and the capabilities of the potential vendor based on its scope of business which are done virtually
- Issue **SIGNAL ALLIANCE TECHNOLOGY** vendor registration forms to the potential vendor
- The potential vendor returns the completed forms with its company statutory documents and other requirements through email
- Purchasing Team submits all the returned documents from the potential vendor to the Compliance Unit to carry out Due Diligence on the potential vendor
- The Compliance Department will then carry out the Due Diligence on the Vendor and revert to Purchasing Team with the outcome of the Due Diligence
- The documents of successful potential vendor are submitted to Procurement Manager and GED for approvals.
- Upon approval by GED, Purchasing Team forward the potential vendor details to Finance for enlistment in the company data base on NAV.

1.4 PROCESS FLOW CHART

Ask for Quotations

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Price Negotiations

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NAV Purchase Requisition

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Raise LPO

↓

LPO Approval

↓

Order Placements

↓

Receiving/ offloading of items

↓

Original Supplier invoice

↓

Payment Confirmation

1.5 Details:

1.5.1 Managers or Various departmental HODs makes their Purchase requisition on NAV and sends NAV Purchase request (PRQ) to Purchasing Manager (PM)

1.5.2 The PM / Local procurement team ask for a minimum of 3 quotations (For Local purchase) and Minimum of 1 quotation (For foreign Purchase) from various suppliers and compares all quotes on the basis of price, quality, delivery time & payment term.

1.5.3 The PM / Local procurement team confirms whether the supplier is new or existing. If new, process (2.3) is undertaken with the below:

- Conduct a proper evaluation of the quotes,
- Conduct an initial supplier evaluation
- Provide an Evaluation Report based on findings
- Selects the best and negotiate prices with the Supplier
- The PM / local procurement team ensures the supplier is being registered before LPO is raised.

1.5.4 The PM / Local procurement team raise LPO based on the best quotation

1.5.5 PM create the PO and passes the same to HOD for first approval before sending it to the final approval as per the Authorization Matrix.

1.5.6 PM follows through on the approving authorities, received the final approved copy, and make arrangement to send the approved PO to the supplier via email.

1.5.7 PM / Local procurement team follows up with suppliers and ensures:

- Items are delivered at the right time
- In the right Quantity
- Received in good conditions and Price on LPO
- End users are informed accordingly
- In case of new item delivered, Warehouse Manager to give details to account for new item creation on NAV (Coding)

1.5.8 Where Items are delivered directly to the warehouse, Warehouse Manager checks goods as per receiving and offloading procedures during which all the people involve observe the applicable health & safety precautions. (e.g., Using of Nose mask, Sanitizing of hand, daily temperature checks, social distancing & all other applicable health & safety precautions by the company & the Government).

1.5.9 In case of direct delivery to stores, department, inspection and receiving should be as per those department procedures during which all the people involve observe the applicable health & safety precautions. (e.g. Using of Nose mask, Sanitizing of hand,

daily temperature checks, social distancing & all other applicable health & safety precautions by the company & the Government)**.**

1.5.10 Original copy of supplier invoice along with LPO, Waybill, GRN(Goods receive note), should be sent to account for payment
- The soft copy of the supplier invoice along with LPO, Waybill, GRN and payment Request (PQ) can also be scanned and sent to Account for payment.

1.5.11 Account to send payment notification to PM once payment is made. PM subsequently confirm same to the supplier accordingly.

2.0 PURCHASE RECORD:

REF NO	TITTLE	MEANS OF STORAGE: Hard Copy (HC) Soft Copy (SC)	STORAGE DURATION	RESPONSIBLE
	NAV Purchase Request	**SC**	**Always**	PROCUREMENT TEAM
	Quotations	**SC**	**Always**	**Local Procurement team**
	Approved LPO (NAV)	**SC**	**Always**	**HOD/ GED**
	Suppliers LPO	**SC**	**Always**	**Local procurement Team**
	Emails	**SC**	**Always**	**Local procurement Team**
	GRN/Waybill/Invoice/LPO	**HC/SC**	**Always**	**FINANCE**
	Payment Advise	**SC**	**Always**	FINANCE

3.0 PRINTING PROCUREMENT

This covers the purchases of all type of paper printing from various vendors who are registered as authorized vendors as per **SIGNAL ALLIANCE TECHNOLOGY** registration requirement Process**.**

3.1 Objective:

To Ensure the purchasing of all printing / branding at optimum price and quality and to deliver the same timely and regularly

4.0 KEY PERFORMANCE INDICATORS

KPI. NO	NAME	METHOD OF MEASURE	RESPONSIBLE
	on time delivery	1. Delivery time evaluation	Procurement team
	Price evaluation	2. Actual purchased Price versus budgeted price = +/- 5%	Procurement team

VENDOR PROCUREMENT PROCESSESS

- Procurement team receive PO received from Account Manager
- Procurement team ask for alternatives quotations and price negotiations
- Price negotiated, quotations and PO sent to Finance unit for profitability analysis.
- Finance team prepare the profitability analysis and send to the HOD or GED for approval.
- HOD Finance or GED approves or reject depends on the parameters
- If approves, sales order and purchase order are raised through the Microsoft Navision
- Approved PO is sent to vendor for supply
- Procurement team received the items and arranged delivery to customer through the company driver with SATH waybill
- Finance advised the customer on an email with waybill and invoice