

NexaCore Solutions: Procurement Process Guide (V 2.1)

Department: Operations & Finance

Effective Date: 2025-08-01

Review Cycle: Annual

1. Purpose and Scope

This guide establishes the mandatory procedures for procuring all goods, services, and cloud resources exceeding \$5,000 USD. Its primary objectives are to ensure cost-effectiveness, risk mitigation, compliance with regulatory requirements (especially regarding data handling and regional sourcing), and transparency in all purchasing activities.

The scope covers all departments within NexaCore Solutions, headquartered in Dubai, and all regional offices.

2. Procurement Thresholds and Approval Matrix

All procurement requests must adhere to the following approval matrix based on the total annual contract value (ACV) or one-time cost.

Value Tier (ACV or One-Time Cost)	Required Approvers	Process
Tier 1: < \$5,000	Department Head	Standard electronic Purchase Request (PR) form.
Tier 2: \$5,000 - \$50,000	Department Head + Head of Finance	Requires minimum of two formal vendor quotes and Vendor Evaluation Form.
Tier 3: \$50,000 - \$250,000	Tier 2 Approvers + Chief Operating Officer (COO)	Requires a competitive RFP process (minimum three vendors). Legal review is mandatory.
Tier 4: > \$250,000	Tier 3 Approvers + CEO & Board Approval	Full due diligence, extensive legal review, and presentation to the Executive Committee.

3. The 5-Step Procurement Workflow

Step 1: Need Identification & Initiation

- **Initiator:** Submits a detailed Purchase Request (PR) via the internal ERP system. The PR must include: business justification, required specifications, estimated budget, and proposed vendor(s) (if known).
- **Documentation:** For software licenses, the PR must specify the intended use case and the expected volume of data processing (critical for cloud cost management).

Step 2: Vendor Sourcing and Selection

- **Sourcing:** The Operations Team assists the initiating department in identifying potential vendors. For Tier 3 and 4, a formal Request for Proposal (RFP) must be issued.
- **Evaluation:** All new vendors must complete the **Vendor Evaluation Form**. Selection is based on cost, delivery time, quality, security compliance (SOC 2, ISO 27001), and regional presence.

Step 3: Contract Negotiation & Legal Review

- **Negotiation:** Focus on price, service level agreements (SLAs), termination clauses, and **data residency clauses** (ensuring compliance with MENA regulations).
- **Legal:** All Tier 3 and 4 contracts **MUST** be reviewed by the Legal & Compliance Department before signing.

Step 4: Approval and Purchase Order (PO) Issuance

- Once legal review is complete and necessary signatures are obtained (as per the Approval Matrix), the Finance Department issues a formal Purchase Order (PO) to the selected vendor.
- **Budget Check:** Finance confirms available budget allocation. No work may commence or goods be delivered without a valid PO.

Step 5: Goods Receipt and Payment

- **Receipt:** For physical goods (e.g., networking hardware), the Operations Team confirms receipt and verifies it against the PO and specifications. For cloud services, Ops confirms successful resource provisioning.
- **Invoicing:** Vendor submits the invoice referencing the valid PO number. Finance processes payment according to the Vendor Payment Policy (standard Net 30 days).