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|  | SCM-W005  Revision: 1  Issue Date: 27-Sep-2022  Criticality: Low |
| SCM Sourcing and Supplier Review | |

1. Purpose and Scope

The purpose of this work instruction is to provide guidance on the steps that need to be taken to source and assess potential Bidders for a specific Scope of Work (SOW) or Technical Purchase Specification (TPS). This helps create a strong supply base in SCM.

This work instruction applies to new construction projects and provides detail related to the Procedure *Supplier Contracting*.

1. Process

For the full workflow, see *Appendix A Sourcing and Supplier Review Process Map*.

The SCM team receives a request to start the sourcing process. The Package Engineer Technologist sends the first draft of the Technical Purchase Specification (TPS) to the SCM Specialist. For further detail, see *SOW/TPS Development Process*.

1. The SCM Specialist creates a preliminary *Bidders List*, using different resources. Examples of the resources that may be used are market research (online resources, conferences, etc.), Supplier Portal, references from subject matter experts (SMEs) (client, technical departments, IRB Manager) and historically used Bidders. Any conflict of interest between the involved parties at THE COMPANY and any Bidders must be managed as per the *Code of Conduct and Business Ethics*.
   * As the Bidders List is developed, SCM must share the preliminary Bidders List with IRB before submitting for approval. This will allow the opportunity to consider additional partnerships being developed directly by IRB.
   * SOWs or TPSs with security requirements, such as those involving Controlled Goods or Protected/Classified Assets, must validate the eligibility of the Bidders. For more detail, see the procedure *Supplier and Subcontractor CSP Compliance Security Assessments*.

To obtain Best Value, SCM will invite a minimum of three Suppliers (when possible) to participate in a competitive sourcing process (see *Supplier Contracting*).

**Note:** For subcontracts (CATs A, B and D), if there is no competitive sourcing performed, the details must be captured in a *Sole/Single Source Justification*.

Examples of exceptions to using competitive sourcing include:

* If fewer than three known Suppliers exist
* If sourcing is from the Original Equipment Manufacturer (OEM)
* If Operational/Maintenance Standardization is required
* If the value of the Subcontract to be awarded is lower than the Prime Contract’s threshold requirement to conduct competitive sourcing

**Note**: A Sole/Single Source Justification is not required if the Supplier identified is approved to subcontract directly and listed by the client in the Prime Contract or another written form.

1. Bidders must be Registered on the Supplier Portal to be added to the Bidders List. The SCM Specialist should investigate the bidder’s background and performance on similar projects. In addition to the pre-qualification requirements, Bidders must sign a Non-Disclosure Agreement (NDA), an End User Certificate (EUC) (if applicable) and a Participation Agreement prior to receiving any information for each RFP/RFQ they participate in. Any requested deviations to the standard template of the NDA or EUC must be approved by Legal Counsel. If NDA deviations are not approved, the Bidder will not be added to the Bidders List.
2. If the Bidder has worked with THE COMPANY before, their overall score on the Supplier’s score card needs to be checked by the Specialist before adding them to the Bidders List.

* If the Supplier’s overall score is less than 3 (out of 5), details of the Supplier’s score for each KPI (as it is available on the score card dashboard) will be presented to the Bidders Steering Committee. The Steering Committee will decide if the Bidder should be included on the Bidders List. For more detail, see Section 2.1.

1. The SCM Specialist starts the RFx process (for details see *RFx Process)* using the *RFP/RFQ Bidders List* template and obtains its approval as per the procedure *Supplier Contracting*.
   1. Bidders Steering Committee

The Bidders Steering Committee consists of Manager, Director or VP representatives from SCM, Project Management Office (PMO), Quality Assurance/Quality Control (QA/QC) and Engineering depending on each case. Other disciplines like Operations or Commissioning may be included if required.

* If the Steering Committee decides to add a Bidder with a score lower than 3 to the Bidders List, the Specialist will request that the Bidder submit a plan to indicate how they are going to avoid similar problems in case they are awarded the subcontract.

1. Referenced Documents

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| **Document Number** | **Document Title** |
| HR – CODE OF CONDUCT AND BUSINESS ETHICS – V7 – 2020-08-01 | Code of Conduct and Business Ethics |
| SCM-F034 | RFP/RFQ Bidders List |
| SCM-W009 | RFx Process |
| Project-specific | Sole/Single Source Justification |
| SCM-W008 | SOW/TPS Development Process |
| SEC-P009 | Supplier and Subcontractor CSP Compliance Security Assessments |
| SCM-P041 | Supplier Contracting |

# Sourcing and Supplier Review Process Map

