***Requirements pertaining to the Procurement of Materials:***

1. Stock levels should be maintained in the system , for e.g. Minimum level, reorder level, maximum level .
2. Lead time of a product from a vendor should be maintained in the system.
3. **Inventory Demand / Requisition** can be generated by any of the department.
4. **Purchase Requisition (PR)** can be raised ~~by any of the~~ departments. (Layout required – 16 Nov)
5. **~~Review of PR~~** ~~by the Procurement Department.~~
6. In case of PR approval, **RFQ (request for quotation)** will be sent to multiple suppliers.
7. In case of PR rejection, the PR will be sent back to initiator along with a valid reason for the rejection.

*\* Since we buy most of the RMs from local traders who usually use Whatsapp for sending the quotations, therefore, there must be an option for sending the RFQ directly on Whatsapp.*

1. **Purchase Order Creation**:

* Authentication/Validation of Purchase Order from the Head of Procurement Department. – Approval
* Last Purchase Price of item required on PO
* Analysis of Vendors (Layout required – 18 Nov)
* Selection of Vendors(Layout required – 18 Nov)
* ~~Negotiation with the Vendors~~
* Setting up the Credit/Payment terms
* Issuance of Purchase Order via email and whatsapp

1. **Order Management**

* Notifications should be sent to the suppliers regarding the delivery of goods/services. – Periodic reporting of Open Purchase Orders to be email

**Quality Management**

* After the goods/services are received, inventory dept will highlight the issues (if any) in the received items and the same will be communicated to the supplier for a timely solution to the problem.
* Inventory selection for Quality Checks – may be some raw materials not packing materials
* Identification of items which will be quality checked – 18th Nov
* Quality check parameters required – 21 Nov

1. **Good Receipt Note**

* Layout required – 16 Nov
* Open POs
* Open GRNs
* Inventory Warehouse Report
* Inventory Movement Report
* Inventory Valuation Report

1. **Obsolete Warehouse**

* Dead stock or Obsolete item should be moved from main Store to Obsolete Warehouse

1. **Stock Return**

* Layout required – 16 Nov
* If stock is not upto the mark as per Quality department then inventory should be return to the Supplier.
* It should be reflected on PO
* Stock Return Report – date wise, vendor wise, inventory wise

1. **Invoices Approvals & Disputes:**

* Procurement department will be responsible to get the invoices generated from the suppliers.
* Rates, quantities, description of goods on the invoice shall be checked by the procurement dept and later will be forwarded to the finance dept to execute the payment as per the decided credit terms.
* Ageing -

1. **AP Credit Memo**
2. **Prepayment**
3. **Taxation**
4. **Record Keeping:**

* All appropriate documents right from the purchase requests to approved invoices should be stored in a centralized location.

***Reporting Requirements:***

1. Purchase Order report (Date wise/SKU wise/Vendor wise).
2. Daily receiving report (Date wise/SKU wise/Vendor wise).
3. Pending orders report (Date wise/SKU wise/Vendor wise).
4. Issuance of RM/PM (Date wise/SKU wise/Vendor wise) *\* this point should come under the umbrella of Inventory dept but it is necessary for the Procurement Dept to be update regarding the availability of same materials from different vendors i.e. Skillets of Dr. Medium from 4 different vendors.*
5. Purchase Order VS Purchase Record, for instance, a purchase is done @ Rs. 1000/Kg but the same purchase is mistakenly recorded @ Rs. 100/kg so in that case a pop-up should be sent to both the Procurement & Accounts Departments in order to rectify the mistake.
6. Purchase order history at the time of making a new Purchase Order, for instance, if an order of Sorbitol is being made on October 5, 2020 then in the same Purchase Order Form there should be the history of last 3 purchases of Sorbitol having the information of Rates/Kg (including the nature of rate), name of the supplier, date of supply & qty of material procured.
7. System should automatically highlight the mandatory documentary requirements against the purchase of any Raw/Packing material. For instance, if we are buying Glycerin from a buyer then we would need the following mandatory documents from the supplier:

* Halal Certificate
* Certificate of Origin
* Certificate of Analysis
* Material Safety Data Sheet (MSDS) in case of import
* Veterinary certificate (in case the product is an extract from an animal)
* Expiry/Manufacturing dates certificates.

*\* there should be a provision that the material could be accepted without the documentary formalities BUT the system should remind us time and again if some of the documents are missing and to be received from the supplier’s end.*

1. All the imports should fall in the Imports Account BUT there should be sub accounts for the international suppliers/intermediary indenters whom we are dealing directly with.
2. In case of direct import, there should be a provision of Transit Time Tracking and system should keep track on the consignment on the way and keeps on indicating us so that necessary funds arrangements could be done.
3. Real time inventory information (Raw & Packing Materials) at all locations (Store/Production floor) should be indicated by the system.
4. System must highlight the Re-Order-Point for all the Raw & Packing Materials.

*Rest of the requirements shall be communicated once the implementation phase starts.*