

Sl. No	Description	Rev. No.	Date	Prepared by	Approved By
1	Initial Version	0.1	21-Jun-24	Kamatchi M	Muralikrishnan R
2	Updated Version	1.0	26-Jun-25	Kamatchi M	Muralikrishnan R

1.0 Purpose

The purpose of this policy is to establish a standardized and transparent procurement process for sourcing goods and services from vendors to support [Company Name]'s operations. It ensures procurement activities are cost-effective, compliant, and aligned with strategic goals.

2.0 Scope

This policy applies to all departments, employees, and contractors involved in vendor procurement activities at [Company Name], including the acquisition of hardware, software, IT services, cloud services, and other related goods or services.

3.0 Procurement Objectives

- Ensure value for money.
- Promote fairness and transparency.
- Comply with legal and regulatory requirements.
- Minimize risks associated with vendor relationships.
- Promote sustainability and corporate responsibility.

4.0 Vendor Categories

- Capability and expertise in the relevant field.
- Cost-effectiveness and total cost of ownership (TCO).
- Compliance with legal, regulatory, and cybersecurity standards.
- Reputation and client references.
- Support and service level agreements (SLAs).
- Data protection and privacy practices.

5.0 Procurement Process

5.1 Initiation

A purchase request must be raised by the relevant department with proper justification.

5.2 Vendor Evaluation

- Obtain at least 3 competitive quotes (if available).
- Evaluate vendors against a standardized scoring matrix.
- Conduct due diligence and background checks.

5.3 Approval Authority

Purchase Amount	Approval Level
Up to ₹10,000	IT Manager
₹10,001 – ₹50,000	Department Head
₹50,001 – ₹2,00,000	Finance/ IT Director
Above ₹2,00,000	CFO

5.4 Contracting

- All vendor agreements must be reviewed by the Legal Department.
- Include NDA, SLA, data protection clauses, and exit strategies.

6.0 Preferred Vendor List

- Maintain a list of pre-approved and regularly vetted vendors.
- Vendors must be reviewed at least annually for performance and compliance.

7.0 Vendor Performance Management

- Monitor and evaluate vendors regularly using KPIs and SLAs.
- Poor performance may result in probation or termination.

8.0 Conflict of Interest

- Employees must disclose any personal or financial interests in vendor companies.
- Procurement decisions must be made impartially.

9.0 Record Keeping

- Maintain procurement records for at least 5 years.
- Includes contracts, communications, evaluations, and approvals.

10.0 Policy Violations

Violations of this policy may result in disciplinary action, including termination of employment or contracts.

11.0 Review & Amendments

This policy shall be reviewed annually or as required due to changes in laws, company strategy, or market conditions.