GMU-POL-S09-005 - Purchasing and Inventory Control

Standard 09: Fiscal Resources, Financial Management and Budgeting

Process Owner Procurement Office

Prepared by Procurement Office

Reviewed by COO, Vice Chancellor Academics

BOT Approval Approved

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Modification History

Policy / Version Number	Date	Revision Summary
1.1	01.01.2019	1st Revision- Format changed with inclusion of document control information
1.2	27.09.2022	2nd Revision-Policy is revised for full alignment with the 2020 template
1.3	29.11.2024	3rd Revision- Policy is revised to consider the sustainability concept.

Relevant to All Senior Administrators / All Colleges / Office of Procurement / Chief Operating Officer.

Used with Cash Management Policy

Purpose and Scope

Procurement is the business management function that ensures identification, sourcing, and management of the external resources that an

organization needs or may need to fulfill its strategic objectives.

Procurement is the acquisition of goods or services from an external source. It is favorable that the goods or services are appropriate and that they are procured at the best possible cost to meet the needs of the organization in terms of quality and quantity, time and location.

The Department of Procurements of GMU takes care of the Purchasing functions of all the legal entities of GMU. The investment in physical inventory, supplies, services and capital equipment will be facilitated through the department, supervised consistent with a common set of procedures and controls as required by individual entities and end user requirements.

The purpose of the policy is the procurement of all Inventory items, Supplies and Capital equipment for all legal entities within the group in line with procurement policies and procedures of GMU. The purpose of the department could be briefly enumerated as follows.

- Capital Equipment/ Fixed Assets – Planning, Assessing, co-ordinate budgeting for the achievement of any organizational goals of minimization of costs and maximization of profits in line with the Management guidelines after proper evaluation and analysis of requirements of the individual entities.
- Procurements of Materials or Capital Equipment in line with the Policies and Procedures of GMU by following the universally accepted best practices like multiple quotations, quality assurance, continuous vendor evaluation, bulk purchases, Blanket purchase Order, etc.

The purpose as well to ensure that all purchasing and inventory control processes

align with GMU's sustainability goals while maintaining the highest standards of financial and operational efficiency. The updated policy emphasizes sustainable procurement practices to minimize environmental impact and outlines GMU's commitment to achieving net-zero emissions by 2050.

This scope applies to the Procurement of all Inventory Items, Supplied and Capital Equipment for all legal entities within the GMU in line with the policies and procedures.

Abbreviations and Definitions

- **SOP:** Standard Operating Procedure (SOP): Detailed formatted, authenticated and controlled document containing instructions to achieve uniformity of performance for a specific function or procedure. Standard operating procedures are detailed written instructions to achieve uniformity on a certain function.
- **RFQ:** Request for Quotation
- **PR:** Purchase Requisition
- **PO/ LPO** (Purchase Order / Local Purchase Order): A document that authorizes a purchase transaction. When accepted by the seller, it becomes a contract binding on both parties. A purchase order sets forth the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific seller.
- **Purchase Requisition:** An internal company document used in the purchasing Process to authorize the requisition of materials prior to initiating a RFQ/purchase order which would be duly verified by HOD and approved by the Operations Head before forwarding to stores / procurement department.
- **Effective Date:** Date from which the

SOP comes into force for implementation, which is usually 30 days after the approval of the document unless stated otherwise.

- **SLA**: Service Level Agreement
- **MIS:** Management Information System
- **Catalogue Items:** Items that are created and maintained in the Inventory Management software and should be requested online.
- **Non Catalogue Items:** Those items which are new and not procured earlier/ not created in the item master and all the services are classified as Non Catalogue items.

Policy

1. **Sustainable Procurement:**
   - Prioritize the procurement of goods and services that are environmentally friendly, socially responsible, and economically viable.
   - Ensure that suppliers comply with GMU's environmental and sustainability standards.
2. **Minimization of Environmental Impact:**
   - Reduce waste and carbon footprint associated with procurement activities.
   - Encourage the use of reusable, recyclable, and biodegradable materials in all purchases.
3. **Commitment to Net-Zero Emissions:**
   - Implement strategies to reduce greenhouse gas emissions from procurement and inventory processes.
   - Partner with vendors committed to sustainable practices to achieve GMU's target of net-zero emissions by 2050.

The Procurement process is broadly categorized into 5 classes:

A. Fixed Assets

Fixed asset is an asset held with the intention of being used for the purpose of producing or providing goods or services, usually for a period of more than 1 year.

Asset is a resource owned by the business with the purpose of using it for generating future profits. Assets can be tangible and intangible.

Tangible Assets are the Capital assets which have physical existence. They can therefore be seen, touched and felt, e.g. Plant and Machinery, Furniture and Fixture, Land and Buildings, Books, Computers, Vehicles, etc.

The capital assets which have no physical existence and whose value is limited by the rights and anticipated benefits that possession confers upon the owner are known as intangible Assets. They cannot be seen or felt although they help to generate revenue in future, e.g. Goodwill, Patents, Trademarks, Copyrights, Brand Equity, Designs, Intellectual Property, etc.

A capital item is a piece of property in business that lasts multiple years and is likely financed over a period of years as well. In other terms capital items are also called as assets.

Capital items in our organization include- Medical items, Lab items, Dental Items, IT Peripherals, Furniture & Fixtures, Books& Periodicals and software & Licenses.
Medical items, Lab items and dental items are subdivided under the category- Medical Equipment & medical Instruments, Lab Equipment & lab Instruments and dental Equipment & dental Instruments.

IT & Peripherals are classified into IT Network & Storage, Office Equipment & Accessories, Security

Solution, Point of Sale, Software & Licenses, Electronics and Home Appliances.

Furniture & Fixtures are categorized as Office Furniture, Curtains, Home (accommodation) Furniture and Medical Furniture.

Books & Periodicals contains Library Books.

B. Inventory:

Inventories are items in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventory or stock refers to the goods and materials that a business holds in stock to use during the business operations.

- Inventory items in our organization includes:
- Medical Items - Consumables and Disposables
- Lab items - Consumables, Chemicals, Disposables
- Dental Items- consumables, disposables
- IT Accessories
- Printed material
- Stationery
- House Keeping items
- Food & Beverage items. etc.

C. Civil Items:

Civil items are used for Construction and Maintenance activities. Civil items are sub categorized into Lighting, Electrical, Plumbing, Hardware, Fire & Safety, Mechanical and Joinery or Carpentry, etc.

D. Services:

Service procurement is the process of identifying, evaluating, and obtaining different types of services that are important to the general operation of a

business. Service items are categorized into- Medical, Housekeeping, Transportation, Promotions and IT.

- Medical service item includes biomedical services.
- Housekeeping service items are Cleaning Contracts and Laundry Items.
- General services related to transportation include Vehicle Insurance and Vehicle repairs & maintenance.
- Advertisement, Marketing and Promotional services
- IT services include IT Repairs & Maintenance.
- Outsourced Services, etc.

E. Merchandise:

Merchandise refers to buying goods / services for resale purpose.

1. Vendor Management

Vendor Management Domain has a direct influence on organization. Efficient management of vendor information enables an organization to negotiate better deals as a result of vendor data consolidation and accurate product information.

An organization has to store the information from a large variety of vendors in a clean, consistent manner so it is usable across the organization. An efficient Vendor Management strategy helps in avoiding vendor duplication and payment errors. It helps in presenting the accurate product information and reports to the customers.

1.1 Purpose

- To manage the vendor information
- To segregate the vendors based on the business value and volume.
- To generate MIS and other periodical

reports which provide useful information for further analysis and decision making.

1.2 Scope

- Vendor management is about selection, sourcing and managing the existing or potential vendors.
- Collect the vendor information, verify, create the vendor profile in Oracle and archive the documents.
- Generate and submit the reports to management on timely basis.
- To perform changes to vendor profile as and when there is requirement to change the vendor information.

1.3 Vendor Selection

To ensure the performance capabilities of vendors and to maintain the internal controls of the purchasing functions, appropriate vendor selection procedure should be followed. Department of Procurements is responsible for initial supplier identification and collection of business information related to the potential supplier. During supplier selection, the company strategies, policies and procedures should be explained to the potential suppliers.

Analytical Hierarchical Process (AHP) will be used for Vendor Selection. The approach contains 3 parameters such as

a) Goal: Is to select the best Vendor
b) Criteria: Focus on total value rather than Price or cost alone. Total value includes Quality, Price, Delivery, and Service.
c) Alternatives: To get different proposals from the multiple suppliers.

To trade with any supplier, the supplier has to register themselves in the GMU vendor

registration portal and provide their valid trade license copy and TRN / VAT certificate. Below documents shall be collected from supplier if required for verification purpose;

1. Copy of Chamber of Commerce Certificate
2. Copy of Article of Incorporation/Memorandum of Association if any
3. Copy of Power of Attorney if any
4. Copy of confirmation of bank account
5. Duly authenticated copy of agency certificate if any
6. Quality Certificates if any
7. Business Profile of the company
8. Details of Authorized representative

Below checklist shall be referred while selecting a supplier. The procurement department does not have the decision-making authority for supplier selection, the authority lies with the management.

1. Years in Business
2. Ability to constantly supply products or services
3. Best prices
4. Flexibility to allow changes in orders or product lines
5. Substantial catalogue of products or range of services
6. References
7. Sustainability and financial stability
8. Delivery time
9. Quality of the product
10. Terms of Payment

1.4 Vendor registration

- Any vendor who wants to deal with

GMU should first register themselves in GMU Procurement Portal

- A Vendor can be a potential vendor with whom organization may have transaction in future or an identified vendor for an existing requirement.
- The vendor is expected to provide information such as Legal Name, address, Trade license copy, effective and expiry details of trade license number, Banking information (For online transfer-if applicable), contact details, references, payment terms, product specialty information, company financial information (if willing to share), etc.

1.5 Verify the Information:

It is the responsibility of the procurement personnel to verify the information provided by the vendor. This information may be received in the registration request, over the email or physical document.

1.6 Clarify

If one or more required fields in the form are not filled or the details provided by the vendor are invalid / incorrect, the procurement personnel shall clarify the same with the vendor.

Reason for Clarification

- Trade license is expired.
- Attachments and documents missing/ does not contain sufficient information.
- Non-compliance to the terms and conditions.

1.7 Forward for Finance/ Accounts Approval

Procurement personnel should forward the request to the COO for the approval after verification for selecting a vendor.

1.8 Management Approval:

Procurement department cannot take decision on selecting the supplier. The authority lies with the COO. Even though supplier is created in the master, Order can be sent to supplier only after taking necessary approvals as per predefined Negotiation and Approval matrix.

2. Purchase Requisition (INDENT) Process

An internal company request used in the procurement process to authorize the requirements of goods/services prior to initiating a procurement process which would be duly verified by HOD and approved by the operations head before reaching to stores / Procurement department.

2.1 Request Creation:

- Provide complete requirement specifications.
- Discuss with respective HOD with respect to budget before submitting request. Provide justification on CAPEX purchases.
- While mentioning the need by date, do consider the total lead time required in procuring the items.

2.2 HOD verification:

- Verify requisition in terms of product/service specifications.
- If a new project and the requirement is for Capital items (Fixed assets), check for availability of the budget and attach Feasibility Report to the Indent.
- If requirement is not budgeted, obtain additional approval from management before forwarding the request to approver.

2.3 Operations Head Approval:

- Budget check
- If not budgeted take necessary approvals before forwarding the request to procurement dept.
- Discuss with division heads/ support function heads or technical workgroup as and when required.
- During CAPEX purchase, a plan and commitment with feasibility report for utilization of equipment over the depreciating years has to be calculated by the requesting department and approved by the Operations Head, to be submitted along with justification on the CAPEX purchase.
- For the new projects & renovation it is expected to have planning / costing / budget on all purchases. All major purchase requirement for the project should be provided at the beginning of the project.

2.4 Technical Verification:

- Discuss with End user to understand the requirement.
- Check if the requested equipment/item is already available.
- Provide complete technical specifications in the request.

3. Class wise Indenting Procedure

3.1 Inventory Items:

For an inventory item which already exists in the Purchase software end user should submit request in the software. These items are called as Catalog items.

For the new items or items which are not available in the software, the end user should use Oracle iProcurement to create PR. These

items are called as Non-Catalog items.

- Catalog item will be routed to respective Stores. If the items are available within the central stores, same will be issued to the concerned department as per the approved request.
- For non-catalog items, request will be directed company/ category wise to RFQ team for further procurement process.
- If there is a re-order request, same will be assigned to store/ order management. Re order items are those where there is a valid quote available in the system. Once a quotes is finalized, the price will be valid for 90 days from quotation date. New quotes shall be invited after quote expiry.
- In case of Blanket contract or agreements, the request will be assigned to Store/ order management for LPO processing.

3.2 Capital Items/Fixed Assets, Services:

All the capital and Services items will be submitted in ORACLE IPROCUREMENT by the end user, same must be approved by the HOD and operations Head. Then the request will go to technical workgroup who is expected to forward the request to Procurement Department along with complete technical specifications, preferred brand and other information required to source the product/service. The workgroup is expected to provide previous purchase history/experience to ensure we procure quality product/service. The request will then be routed to procurement dept for further procurement process.

3.3 Civil Items:

Requests for Civil items will be received under two heads. One is Project and the other is

Maintenance/ Renovation.

New Project requests are submitted by The Project supervisor, same will be reviewed and approved by the Director of operations/COO.

Request for Maintenance will be submitted by the Maintenance Supervisor, same will be reviewed and approved by the head for Physical Facilities and COO wherever applicable.

Both Project and Maintenance requests will then be assigned to the procurement dept for further procurement process.

3.4 Non Budgeted CAPEX indenting Process and Authority Matrix

GMU indenting policy and Authority Matrix for Non-budgeted CAPEX is to ensure that any non-budgeted expense receives appropriate approval, before such expenditure is made.

All non-budgeted purchases require an appropriate level of approval as per the matrix prior to being indented.

Please note that Procurement Department is strictly instructed not to accept any request which is not included in the annual budget or the request which does not have appropriate approval.

Budgeted CAPEX refers to those Capital expenses which have been planned and submitted to the Finance Dept during annual budget. In order to buy such products a formal indent needs to be created in Oracle iProcurement.

Guidelines:

1. The department who wants to

purchase any non-budgeted CAPEX items must discuss with their HOD with an estimated cost, feasibility study and justification for the purchase in the standard form.
2. The HOD will take the recommendation to the respective Operations Head.
3. The respective Finance Manager/ Chief Accountant shall review the request by considering the impact the request will have on the annual budget and current cash flow.
4. Operations Head to obtain the approval from the respective authorities as mentioned in the matrix.
5. Once approval is obtained, the department may create the formal purchase request in Oracle iProcurement. All the approvals must be attached to the purchase request before forwarding it to Procurement department.

Procedures

4. Standard Procurement Process

Every business process has certain sets of rules and guidelines. Department of Procurement follows globally accepted Procurement procedures and guidelines to during the operation.

Procurement team comes into picture when an approved Purchase Requisition is received by the procurement Dept. The scope of procurement dept at GMU begins at the receipt of Purchase request and ends when the quote comparison is forwarded to operations head for negotiation, award approval and releasing the PO.

4.1 Receive Purchase Request (Indent)

Procurement Department receives approved purchase request in Oracle iProcurement. The request will be automatically assigned to the user based on company or category defined in Oracle.

Types of Requests

Procurement Dept receives two types of requests.

- Oracle: Oracle iProcurement Module is used to create purchase requisition.
- Non-oracle: in case of new projects until the operating unit is setup in Oracle, request shall be received by email/manual document duly approved by respective authorities. All other requests must be placed in Oracle.

4.2 Scrutiny of the approved PR

- It is the responsibility of Purchase officers/RFQ team to scrutinize the approved PR with regard to the correctness and completeness of the technical information/requirement, budget availability, etc. and would communicate with the requestor for complete technical specifications/other aspects if missing in the purchase Indent before proceeding further.
- Purchase officer/ RFQ team to check whether previous purchase is available. If available, it can be considered as re-order if previous finalized quote is valid (within 90 days).
- RFQ team would prepare estimation & costing for new projects if required based on the previous purchase details or estimates.

4.3 Invite Quotation – (RFQ)

After estimation and receiving complete technical specs, RFQ team shall publish RFQ /enquiry to the multiple suppliers through Oracle Fusion Sourcing Module.

- RFQ team need to publish RFQs in the market within the stipulated time.
- While publishing RFQ, all efforts to be made to make sure quotes are invited from right and leading registered suppliers. They are also expected to do the market survey to find the right source.
- RFQ team should publish RFQs for multiple suppliers (preferably 3 or more) for every requirement unless it is a re order, contract or monopoly product/supplier.
- Every RFQ will have a closing date and may be extended in case where adequate quotes are not received by then or deemed necessary to include additional quotes.
- If any of the invited suppliers did not respond/quote by closing date, RFQ team shall forward the available quotes for further process.
- Suppliers are required to submit quotes online using Oracle Fusion application. In case supplier is unable to quote online, Procurement user will have a surrogate response option in order to enter quotes on behalf based on the quotation provided offline.
- RFQ Team should receive and verify the documents from suppliers such as quality certificate such as ISO, FDA etc. wherever applicable.
- Encourage RFQ Team to attend the trade fairs and exhibitions such as Arab Health, Gulf Food, etc. to get information on new products in the market, quality of the product and to identify the right source.

4.4 Preparation of Technical & Financial Comparison

- Technical and Financial comparison document can be downloaded from Oracle Fusion application once RFQ process is completed.
- Technical comparison is done to compare the aspects such as quantity, Brand, Make, Technical specifications, Delivery and warranty.
- Whereas financial comparison is made by taking into account the financial aspects such as Price, Discount, Payment terms, etc.

4.5 Technical & Sample Approval

RFQ team to review and forward the technical comparison to end users/ work group for technical evaluation and arrange technical meeting with suppliers if required. Purchase officer should be kept informed while sending request for technical approval.

- RFQ Team may arrange sample / demo to the end user if required or deemed necessary in finalizing the product.
- If sample/ demo was arranged, they have to take sample approval/ demo feedback from the end-use to know if the quoted product/service meets the needs of end user.
- Then the RFQ team has to forward the quotation comparison to the purchase officer.
- Purchase officer may seek for additional technical evaluation/ feedback from technical representative if necessary.

4.6 Re- Invite the quotes

In case the quote received does not meet the technical requirements, Purchase officer may or may insist RFQ team to Re-invite the quotes as per technical feedback.

4.7 Verify & Forward for Approval

RFQ user will notify to Purchase officer through Oracle Fusion Application once the RFQ process is completed.

- Purchase officer to verify & analyze the Technical & Commercial Comparison. They are required to validate each and every information provided in purchase requisition as well as quotation. Such as Quantity, Price, discount, payment term, warranty information, brand, made, delivery, availability, etc.
- Site visit shall be proposed to concerned parties if necessary.
- Purchase officer is responsible to perform background check of new supplier credibility in terms of product portfolio, understand previous projects handles based on references, quality certificates, etc.
- Purchase officer to arrange for blanket agreement / Reagent contract / Purchase or service contact wherever required.
- For any high value purchases or purchase of capital equipment or new items, Purchase officer should present the details to Purchase Committee/COO/ higher management for respective entities for discussion and decision making.
- Procurement staff is not authorized to negotiating with suppliers for Fixed Asset, Services, Civil, Merchandise purchases. Only in the case inventory purchases, procurement staff shall be part of negotiation as per matrix.
- After evaluating carefully, the documents should be forwarded to the

respective approving authorities for initial co-ordination for negotiation,

- Notify the concerned person from Order Management team to initiate awarding and LPO process.
- Technically procurement Dept responsibility ends here.
- After forwarding the approved quotation for management approval, Purchase officer or any other purchase staff should not be involved by any way, neither in person nor over the call or any other means of communication in the final negotiation.
- Staff of procurement department are not authorized to contact or have discussion with the suppliers either by call or email related to the subject matter, during or post negotiation or after forwarding quotations to management for negotiation.
- If the supplier demands a pre-payment/ advanced payment, same has to be specifically mentioned in PO and Order management Team should co-ordinate for the same.
- Purchase officer is expected to keep the track of requests processed and forwarded and may provide status reports whenever required by management.

4.8 Forward to Order Management/Logistics for PO processing

- After completion of negotiation by management, the outcome should be forwarded to the Order management team directly and should not be sent back to procurement dept.
- Redirect any queries related to Negotiation Awarding, management approval follow-up, LPO Process, Post order follow-up and delivery to Order

Management Team.

- Redirect any queries related to payments to concerned accounts department.

5. NEGOTIATION & APPROVAL MATRIX

- Every purchase request should be processed through a proper channel with necessary approvals defined as per Negotiation and Approval Matrix.
- For every purchase request the negotiation will be done by the pre-defined approving authorities.
- Negotiation Panel is accountable for the Negotiation outcome for purchases of respective entities for the value limits specified in the matrix.
- Dept of Procurement is responsible for receiving competitive quotations for the approved Indent, prepare comparison, Verify and forward for negotiation.

5.1 Guidelines for Procurement

1. Receiving competitive quotation is a crucial process since all further negotiations are based on these quotations.
2. For every request, RFQ should be published to all the registered suppliers which are mapped to the particular category
3. It is expected to invite quotes from multiple suppliers (preferably 3 or more) and all the quotations along with comparison to be forwarded to the Negotiation Panel.
4. The quotations have to be reviewed every 3 months from the date of previous quotations for all Inventory reorder items unless it is a Blanket Order.

5. For Capital items Request, if the quantity, specifications or requirements are same as original purchase which is less than one month old, then it may be forwarded to COO for Approval.
6. To avail all the terms such as price, delivery, payment terms, warranty, etc. on the quotation.
7. To perform market research in order to get the best quote, identify potential suppliers, and to establish network.
8. Send the quotation to Workgroup for verification wherever applicable.
9. Verify the technical feedback and forward to Negotiation Panel accordingly.
10. After forwarding the approved quotation for COO Approval, Purchase Officer or any other Purchase Staff should not be involved in any way, neither in person nor over the phone or any other means of communication with supplier.

5.2 Negotiation Guidelines

1. There should be minimum of two people in the Negotiation Panel. Both the parties should sign the negotiation Document.
2. Negotiation Panel is expected to have discussion with all suppliers whoever has provided competitive quotation.
3. Disclosing price and other confidential information to the third party is strictly prohibited.
4. Involve the Technical Workgroup or Support Service Heads during Negotiation wherever required.

5. During Negotiation, neither commitment on order nor business can be awarded to the supplier. The authority of Final Approval lies with the COO.
6. Negotiation panel is expected to discuss on all the terms such as price, delivery, payment terms, warranty, etc. and document the records.
7. Within 3 working days the Negotiating Parties are expected to have meeting with supplier and conduct negotiation.
8. Meeting with supplier should not be scheduled by procurement Department. It should be coordinated by respective Negotiating Panel Member office (Operations Head/ Director/ COO).

5.3 Approval Guidelines

1. All the purchase approvals should be taken from the respective approver as mentioned in the approval matrix.
2. All approvals should be done online in Oracle by the respective approver or by his/her delegate.
3. Purchase Officer or any other Purchase Staff is not authorized to negotiate with suppliers except for inventory items as per matrix. Purchase Officer may negotiate with supplier if the Negotiation Panel instructs/authorized them to do so.
4. After forwarding the Negotiated quotation for Approval as per approval Matrix, Purchase officer or any other Purchase Staff should not be involved in any way, neither in

person nor over the phone or any other means of communication with vendor regarding approved subject. It is responsibility of Order Management Department for handling follow-up/delivery of ordered items.

6. POST PROCUREMENT FEEDBACK PROCEDURE

6.1 Purpose

To evaluate the purchasing decisions.
To get feedback on the performance/quality of the product purchased.

6.2 Scope

This procedure applies to all critical products, materials, and services. But not limited to only such products, the procedure can be extended to other products wherever deemed necessary or as per management requirement.

6.3 Policy

1. The Feedback on Equipment should be collected after the use for 4 weeks and before 3 months.
2. When a product brand is changed, or supplier is changed, feedback has to be collected after one month of use and before completion of 3 months. Department of Procurements should share with respective operations, the list of products for which Supplier or Brand is changed in order to provide feedback.
3. The Feedback should be presented by the responsible custodian and discussed with the COO. The feedback results have to be

evaluated and necessary action should be taken by the respective stakeholders.

4. Feedback form should be available in the standard online tools. Until the questionnaire is available online, Standard manual feedback form can be used.

6.4 Responsibilities

1. Respective operations head is expected to collect Post-Procurement Feedback as per above said policy.
2. For feedback on the Equipment, technical workgroup is responsible to co-ordinate with end user, collect the feedback and archive the feedback data.
3. For inventory items /Consumables, respective Store Personnel of the particular entity should coordinate with end user, collect the feedback, and archive the feedback data.

7. PROCUREMENT CONTRACTS

The intent of this policy is to establish a governance structure for managing procurement contracts and other legally binding documents.
Good contract management is the process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to continually deliver both the business and operational objectives required from the contract.

The Policy aims to ensure:

- A standard approach and framework are adopted across GMU in the management of contracts.
- GMU enters and manages contracts in a

manner which facilitates business and minimizes risk.

- Contracts are managed and reported to ensure quality performance and value for money are achieved in line with expectations.
- Maximized supplier and industry engagement to ensure interest so that a competitive and willing market exists to support and receives the benefit of the contract.

7.1 RESPONSIBILITIES

7.1.1 Responsibility of Dept of Procurements:

1. Assess and evaluate the requirements.
2. Research the market to identify available products that may meet the needs, Request for information on the product from vendors.
3. Review proposals to determine if the product meets the specifications.
4. Get proposals for different procurement options including lease or reagent rental. Each proposal should include costs for equipment, reagent, consumables and service. Review the proposals to determine the exact costs of equipment, reagents, calibrators, consumables and service for each procurement option.
5. Monitors spend and compliance to approved contract.

7.1.2 Responsibility of Order Management Dept:

1. Maintain the physical/soft copy of the contract document.
2. Management of service contracts
3. Contract Administration which handles the formal governance of the contract and changes to the contract documentation.
4. Discuss with internal Legal Department about the contract terms and conditions.

7.1.3 Responsibility of Respective Operations:

1. The Management keep the relationship between the two parties open and constructive.
2. Monitor Service Delivery to ensure service is being delivered as agreed.

7.2 Guidelines

1. GMU shall treat the employees of its outsourcing partners equally, fairly and with respect in compliance with the UAE Labor law.
2. For any clinical or managerial service outsourced by GMU, the administration/ operations will make sure that the outsourced agency is complying with the applicable standards, laws and regulations.
3. Expected levels of services are to be outlined in the services agreements / contracts.
4. Evidence of compliance with the service's regulatory or industry standards are to be taken and assured.
5. The outsourced agency is to be assessed for required accreditations and certifications.

6. Quality parameters as discussed with the vendor have to be assessed periodically. Quality control results for all outside sources of services/ products have to be evaluated on a regular basis.
7. The contracted service has to be assessed on quality and reliability in defined regular intervals. This can be done with help of a checklist and has to be documented by the person responsible in particular department.
8. If deemed necessary, “Site Visit” by officials can be arranged to the premises of outsourced company for a prequalification and periodical checking and assessing compliance with quality and standards that include:
    - Data on equipment breakdown and maintenance.
    - Data on rejection rate of the products/ processes.
    - Data on complications incorporated during processes.
    - Other Quality compliance variables available.
9. If applicable, expected quality of the product/ service has to be mentioned in the contract/ agreement with the vendor.
10. If the products/ services are not delivered as per the expected quality by the vendor, it is to be reported to the management of which in turn takes appropriate action and assure that the quality is restored to anticipated levels.
11. The remedy for breach of contract can be "damages" in the form of compensation of money or specific performance enforced through an injunction. Both of these remedies award the party at loss the "benefit of the bargain" or expectation damages, which are greater than mere reliance damages, as in promissory

estoppel.

12. In case of any conflict / dispute with the outside service vendor, the final decision lies with the courts of law of UAE for jurisdiction.

8. TYPES OF CONTRACTS

The below types of contracts exist in our Organization.

1. Reagent Contracts/ Blanket Purchase Agreements
2. Service Contracts.
3. Outsourced contracts.

8.1 Contract Evaluation Parameters

The outsourced contracts will be evaluated on the basis of following criteria

- Contract Compliance
- Quality of Product or service
- Timeliness of Performance
- Contract Management
- Safety measures and Procedures
- Contractor's demonstrated competence and expertise