



الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
يُونَيْتِي اِسْلَامٌ اَنْتَارَا اِحْسَابًا مَلِيْسِيَا

Garden of Knowledge and Virtue

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GUIDELINE ON PROCUREMENT PROCESS FLOW

BY

DEPARTMENT OF PROCUREMENT, SASMEC @IIUM

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1.

PURCHASE REQUISITION FORM (PRF)

1.1 Check the availability of allocation from the Budget Unit, Department of Finance for the items to be purchased. Make sure to indicate the availability of the budget before proceeding as it is the important request to even initiate the process. This is very true for the procurement of Asset (Medical Equipment, Furniture and others).

1.2 For non-asset procurement process, to decide as whether to purchase using Re-Order Level or Contract Purchase.

i. If ROL is preferred, please indicate and clearly stated the current available balance and estimated duration of utilisation. This is to ensure the process can be done as quickly as possible. Proper planning on the annual usage of the items and how to store (availability of store area).

- Users can choose to use ROL of 4 months lead time or 6 months, depending upon the department requirement and the current market scenario; the availability of the product in the market.

- If there is sudden changes of the availability or usage of the item, the end user can modify the calculation of ROL and update the Department of Procurement of the changes.

- The ROL formula = (the average demand / usage X the estimated lead time) + safety stock.

- Example :
 - ~ Average usage / demand per month per item (300 units).
 - ~ Lead Time (duration supply can be received) (3 months delivery period)
 - ~ Safety Stock ? **YES** (1 month supply = average demand).
 - ~ Thus, the ROL for the item is (300 units X 3 months delivery) + safety stock (900 units + 300 units) = 1200 units.
 - ~ Whenever the current quantity of the item reached 1200 units balance available, immediately up the Purchase Requisition as the quantity available has reach the ROL and it will take 3 months to supply.
 - ~ How much to order? Minimum is the ROL, maximum is depend on the capacity of the store and whether the item will be stocked up until Stock Take exercise.

ii. If Contract Purchase is preferred, please provide the most accurate estimation of proposed purchase based on the current market value, the duration of the contract purchase to ensure we can benefit from the longer period and price validity of the items, to ensure minimum volatility. Please bear in mind that the price of the quoted item must be valid through out the contract period in order to benefit from this approach. It is not advisable if the market price is volatile and the vendors could not maintain the price during problematic time in market. The vendors also must have a very good track record, whereby the conduct and professionalism is maintained as stated and agreed in the Letter of Acceptance.

1.3 Once decided, to do the market survey and benchmarking on the proposed items to be purchased to ensure relativeness of the request and available vendors for the product. It is also important to note if the items fall under the sole

distributorship or available via tendering agents. Also to identify if the proposed vendor has registered with IIUM as official vendor.

1.4 Once the items are identified and the process of procurement can be done with ease, prepare the **specification** together with the PRF as provided in a template. Ensure all details are filled in and no error in the documentation. Use the correct PRF for the request. To include the **Due Diligent Checklist** in the overall process.

1.5 To submit the completely filled PRF together with the **specification** to the management for approval. Each document submitted must be verified and signed by the authority in DUWC. Once the documents are authorised, there shall not be any amendments or adjusted allowed on the both forms.

1.6 Incomplete document submitted shall not be entertained and shall be returned for amendment and rectification. The documents shall not be stamped as received.

1.7 Requests for asset acquisition or leasing should be made to the Department of Facilities and Engineering for technical assistance and recommendations.

1.8 Requests for IT-based goods should be submitted to the Department of Information and Technology for technical assistance and recommendations.

2.

PRF RECEIVED

2.1 The submitted PRF will be vetted for completeness of the document. Ensure the appropriate budget code and amount are clearly stated in PRF.

2.2 Qualified vendors will be identified based on the IFIS registration, annual suppliers' evaluation and the appropriate MOF code ('Kod Bidang'). Priority shall be given to Bumiputera and local vendors.

2.3 The online database will be updated for easy monitoring and reference by all authorised users. This database will be the proof of transaction movement flow of the document.

2.4 The letter for calling of quotation is prepared for signatory together with the Quotation Document for vendors.

3.

CALLING OF QUOTATION

3.1 Minimum of 5 qualified vendors will be called for the bids (depending upon cases).

3.2 Upon the requirement of the process, the duration for calling of quotation can be at minimum of one (1) day (direct award) to fourteen (14) days. Determination is based on the requirement and justification stated in the PRF.

3.3 A copy of the invitation letter (the whole set) will be emailed to the relevant Procurement Liaison Officers for notification and further action.

3.4 The closing date of the calling of quotation is stated in the letter of calling for quotation at 12:00 noon.

4.

OPENING AND EVALUATION OF QUOTATION

4.1 On the closing date, at approximately at 2:30 - 3:00pm, the process of opening the quotation will be carried out by the appointed Opening Quotation Committee.

4.2 The members will thoroughly look into the document to ensure compliant submission of all particulars required, to ensure the offer price has been arithmetically accurate and each quotation is given the **bidders' reference coding**.

4.3 The committee shall look into the document submitted as whether it fulfilled the requirement set or otherwise. To ensure the vendors submitted all the relevant certificates and forms as stated in the Quotation or Tender Document. To verify the document received by signing on several pages in the Forms.

4.4 To fill in the Opening Quotation Form and signed it accordingly, together with Appendix B & C.

5.

EVALUATION COMMITTEES (TECHNICAL AND FINANCIAL)

5.1 To prepare the Table of Evaluation for each quotation or Tender exercise.

5.2 For a purchase value of **less than RM200K**, the Technical Evaluation Committee is currently chaired by Assoc. Prof. Dr. Rozilah @ Abdul Hadi Bin Mohamed for Clinical and Norazilee bin Abd. Aziz for Non Clinical items.

5.3 The end users or PLO will present their findings / evaluation tables in the Committee Meeting for recommendation for approval. The Committee will make a recommendation based on the table evaluation either to proceed with the approval document or redo the calling of quotation process.

5.4 For a purchase value of **more than RM 200K but less than RM 500K**, the Technical Evaluation Committee is currently chaired by Prof. Dr. Zamzuri Bin Zakaria for Clinical and Norazilee bin Abd. Aziz for Non Clinical items.

5.5 For this range of value, the final approval is the Quotation Committee. The final recommendation from the Technical Evaluation Committee will be presented in the Quotation Committee Meeting via proposals prepared by the End Users or PLOs.

5.6 For RM500K and above, which is the tender process, vet through the document received based on the specification given for the Technical Evaluation and the financial document submitted for Financial Evaluation.

5.7 For Technical Evaluation, compliance of the specification must be thoroughly vet through and any deviance of the specification must be spelled out in details for the rejection of the offer. Incomplete submission of supporting document such as catalogue is considered as non compliance to the specification.

5.8 For Financial Evaluation, submission of required financial and supporting document as stated in the Instructions to Bidders or Tenderers is considered as compliance to the requirement,

5.9 Once the technical and financial evaluation committee have shortlisted the tenderers, then compilation process will be carried out in the Pre Tender Evaluation Meeting chaired by The Hospital Director. This is when the final recommendation is reached before tabling the Tender Evaluation Report to Tender Secretariat for approval.

6.

PREPARATION OF PROPOSAL OR PROCUREMENT APPROVAL FORM

6.1 For an amount of RM 50K and less for Clinical items, and RM 20K and less for Non Clinical items, the approval shall be obtained by the issuance of Procurement Approval Form, of which, the Hospital Director is the final approval.

6.2 For an amount of more than RM 50K (clinical) and RM 20K (non clinical) but less than RM 200K, the approval is via proposals to the approving authorities as tabulated below:

- Clinical Approval	-	1. Hospital Director 2. Director (Clinical) 3. Head, Department of Finance
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- Non Clinical Approval	-	1. Hospital Director 2. Director (Administration) 3. Head, Department of Finance
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6.3 For an amount of more than RM 200K and less than RM 500K, the approval level is Quotation Committee via proposals.

6.4 For an amount of RM 500K and above, the approval is the Tender Committee via Tender Evaluation Report.

7.

ISSUANCE OF PURCHASE ORDER (PO) AND / OR LETTER OF ACCEPTANCE (LOA)

7.1 The moment approval is sought, depending upon the amount approved and type of delivery required, Purchase Order or Letter of Acceptance will be issued.

7.2 In the normal practice, a Purchase Order is issued for an amount less than RM 200K and Letter of Acceptance is issued for an amount above RM 200K.

7.3 For the issuance of Letter of Acceptance under RM500K, the authorised signatory is the Hospital Director and for the amount beyond RM500K, the authorised signatory is The Executive Finance Director (EFD)

7.4 Based on the normal practice also, a Bank Guarantee is required from the vendor for any issuance of Letter of Acceptance. No Bank Guarantee is required for any issuance of Letter of Acceptance below RM 200K.

8.

WHAT HAPPEN AFTER THE ISSUANCE OF PURCHASE ORDER (PO) AND / OR LETTER OF ACCEPTANCE (LOA)

8.1 A copy of PO or Letter of Acceptance must be kept by the PLOs (inform Department of Procurement of any discrepancy in the PO or LoA).

8.2 PLO will communicate with the vendor on the delivery date and means of the delivery.

8.3 If there is no delivery issues and delivery on time, then, proceed with the payment.

8.4 If the vendor is unable to supply on time, what should we do?

8.4.1 PLO must communicate with the vendor on the duration of the supply, as whether to further extend or otherwise. The discretion on accepting or declining the extension is to be decided by the Department.

8.4.2 And if the Department has decided to proceed with extension but to impose a late penalty clause, kindly email to Dept of Procurement the decision to do so. The email must come from the Head of Department.

8.5 How to go about if the department has decided to cancel the PO before the delivery of the item?

8.5.1 PLO / department must communicate with the vendor on the intention to cancel the PO due to non deliverable of items ordered.

8.5.2 Once the communication has come an agreement for cancellation, kindly email to Department of Procurement the decision reached. The email must come from the Head of Department.

9.

CAN CHANGES BE MADE AFTER ISSUANCE OF PO / LOA?

9.1 The general rule says that there is no amendment is allowed after PO / LOA is issued.

9.2 However, there are instances and occurrences where changes are unavoidable. What is the acceptable practices? Thus far, changes that does not affect the total amount and agreeable among all parties are acceptable but not encourage.

9.3 The advisable action is to thoroughly check the document for errors and doubtful statement before recommending for approval.

10.

WHAT IS “LATE PENALTY CLAUSE”

10.1 It is an addendum to Purchase Order that state clearly on the penalty to be charged for any late delivery to all vendors.

10.2 This clause will be imposed once the vendors are unable to deliver the ordered items on time or agreed delivery date.

10.3 The acceptable delivery period is the period agreeable between SASMEC@IIUM and vendors. The date is normally stated in the quotation.

10.4 The penalty will be charged as administration fee

11.

CONTRACT, PLO'S FUNCTIONS

11.1 All PLOs (Departments) must have a copy of the contract (leasing /supply & delivery).

11.2 Must understand the content of the contract especially on the delivery, installation and commissioning of the item.

11.3 Must understand the terms for the maintenance of the item and if for leasing, what are the conditions need to be fulfilled at the end of the contract.

11.4 Capturing the data and information on the items for registration of Asset after the leased duration.

APPENDICES

Appendix A

Summary of the Processes for the Total Value of less than RM 500K

	Process	Responsibility	Remarks	Duration
1	Issuance of PR Form	User D/U/W/C	<p>a. Users to submit the completed PRF to Admin Office for approval together with the APPROVED Specification.</p> <p>b. The Approved Completed PR Form is to be submitted to Dept of Procurement - ensure the document is received and stamped with date and recorded.</p> <p>c. User to email the Specification SOFTCOPY to the designated officer in Dept of procurement ASAP for the calling of quotation process</p> <p>Note: Please make sure that the details of stock is stated, and ROL, and if sole distributor, to attach the detail of the sole distributorship.</p>	Depending on the users and approving authorities
2	Receiving Completed PR Form	Dept of Procurement	<p>a. Only completed approved PR Form together with Approved Specification will be accepted, stamped and recorded. The Incompleted PR Form will be rejected on the spot.</p> <p>b. The document will be recorded in the shared database for reference and monitoring</p> <p>Note: The document received in the morning before lunch time will be processed immediately in the afternoon, however, the document received in the afternoon will be processed in the morning the following working day.</p> <p>Alternate staff will be entertaining the end user on the alternate days to allow for documentation processing</p>	<p>1 day</p> <p>same day</p>

3	Document Processing / Preparation before Calling for Quotation	Dept of Procurement	<p>a. Listing of registered vendors, verifying the vendors' status in IFIS / iKewangan, double check on the registered Product Code "Kod Bidang", users' evaluation of the vendors and other issues.</p> <p>b. Prepare the Letter of Calling for Quotation and get the authorised signature. Also prepare the document for calling for quotation according to the specific format.</p>	3 - 4 days
4	Calling Of Quotation	Dept of Procurement	<p>a. The invitation is emailed to the prospective vendors</p>	7 - 14 days
5	Opening of Quotation	Representative of User Dept, Admin and Procurement	<p>a. The opening process is done on the same day of the closing date of the calling of quotation at 3:00pm</p> <p>b. The committee will look into the document as per TOR assigned.</p>	1 day
6	Evaluation of the quotation for an amount less than RM 20K (non clinical) and RM 50K (Drug and Medication, and Consumables)	User Department	<p>a. The user department will provide the technical evaluation of the quotation received together with the table of evaluation.</p> <p>b. The completed evaluated document will be submitted to Dept of procurement for the issuance of Procurement Approval Form.</p>	Depend on the user department (7 days)

7	Issuance of Procurement Approval Form	Dept of Procurement	a. A Procurement Approval Form will be issued and forwarded to the approving authorities for approval together with the relevant supporting document	3 - 5 days
8	Issuance of Purchase Order (PO)	Dept of Procurement	<p>a. Once the Procurement Approval Form is approved, the detail of Quotation will be keyed in for the issuance of Purchase Order</p> <p>b. Once the Purchase Order is approved in the system, a copy will be emailed to the end user for reference and further action with the vendor on the delivery period and so on.</p> <p>Note: Please ensure that Stock ID is properly assigned and accounted for. Any changes in stock ID especially after the issuance of PO will halt the process and delay the expected delivery.</p> <p>If the allocation has exhausted, then the virement process will have to be requested.</p>	3 - 5 days
6.a.	Evaluation of the Quotation for an amount of more than RM 20K (non clinical) and RM 50K (Drug and Medication, and Consumables) but less than RM 500K	User Department	<p>a. The user department will provide the technical evaluation of the quotation received together with the table of evaluation.</p> <p>b. The evaluation will be tabled in the Technical Evaluation Committee for both Clinical and Non Clinical items for comment and recommendation for approval.</p>	<p>Depend on the user department</p> <p>Depend on the availability of the Chairman of the Technical Evaluation Committee</p>
			a. Once it is recommended by the Technical Evaluation Committee, the User Department will prepare a proposal paper for approval.	Depend on the user department

7.a.	Preparation of Proposal for approval	User Department	<p>b. If the amount to be approved is less than RM 200k, the proposal will be approved by the designated authorities directly.</p> <p>c. And if the amount to be approved is more than RM 200K, the proposal paper will have to be tabled in the Quotation Committee Meeting.</p> <p>Note: Before the proposal paper can be forwarded to the approving authorities or Quotation Committee Meeting, it has to be free from errors such as the improper and repetitive sentence structure, wrong grammar, incorrect nomenclature and designation, and typos etc</p> <p>Once the date of the meeting is set, the user has to submit the proposal within 10 days before the meeting, failing which, the proposal will not be accepted for the meeting. Why? The document need to be recheck by our department and reviewed By Director Clinical.</p>	<p>Depend on the approving authorities</p> <p>Depend on the availability of the members of the Quotation Committee</p>
8.a.	Issuance of Purchase Order or Letter of Award	Dept of Procurement	<p>a. Once the Proposal is approved, the detail of Quotation will be keyed in for the issuance of Purchase Order</p> <p>b. Once the Purchase Order is approved in the system, a copy will be emailed to the end user for reference and further action with the vendor on the delivery period and so on.</p> <p>c. Letter of Award will be issued directly to vendor and copied to end user for further action.</p> <p>d. The vendors must reply the Letter of Acceptance within 14 days together with the Bank Guarantee as stated in the Letter of Acceptance</p> <p>e. In some case, a formal contract will be drawn to seal the deal.</p>	3 - 5 days

Appendix B

Summary of the Processes for the Total Value of more than RM 500K

	Process	Responsibility	Remarks	Duration
1	Issuance of PR Form	User D/U/W/C	<p>a. Market survey / benchmarking with other Teaching Hospitals must be conducted before submitting the request form</p> <p>b. The cost estimation for acquisition of the intended items must be calculated as accurate as possible, taking into the account of the duration of the acquisition and market conditions.</p> <p>c. Users to submit the completed PRF to Admin Office for approval together with the APPROVED Specification.</p> <p>d. The Approved Completed PR Form is to be submitted to Dept of Procurement - ensure the document is received and stamped with date and recorded.</p> <p>e. User to email the Specification SOFTCOPY to the designated officer in Dept of procurement ASAP.</p>	Depend on the urgency by the user and approval
2	Verification of Specification and estimation of financial implication	Technical Evaluation Committee	<p>a. The proposed specification will be tabled in the meeting chaired by The Clinical Director to ensure the appropriateness of the technical specification</p> <p>b. The estimated costing will be deliberated and justified by the User Department. The detail calculation of the estimate will be verified.</p> <p>c. To ensure all important details such as the maximum allowable delivery date is stated clearly, supporting documents are verified and authorised.</p>	1 day

3	Preparation of the Tender Document and Advertisement process	Dept. of Procurement	<p>a. Once the specification has been vetted and endorsed in the Technical Evaluation Meeting, the information will be inserted into the main Tender document.</p> <p>b. There are a minimum of 5 sections in the Tender Document which need to be refined and vetted to suit the different classification of the request.</p> <p>c. The final draft will then be vetted by the User Department to ensure all information was properly included and narrated.</p> <p>d. The advertisement draft is prepared and vetted by the officers and send to the appointed advertisement agent for final drawing.</p>	5 - 7 days
4	Advertising and Selling of Tender Document	Dept of Procurement	<p>a. Once the final drawing of the Tender Advertisement is agreed, then the official advertising will be placed in 2 newspapers; one in English, the other one in Bahasa Melayu for 2 days</p> <p>b. Normally the selling of the tender document will commence one week after the advertisement. If there is no requirement of site visit, the tender document can be sold immediately but if there is a requirement of site visit, then the selling will start after the site visit.</p>	21 days
5	Opening of Tender	Tender Opening Committee	<p>a. The officially appointed Tender Opening Committee will open the sealed Tender Document on the closing date at 3:00pm</p> <p>b. The committee will look into the tender document as per TOR assigned.</p>	1 day

6	Tender Evaluation (Technical and Financial)	Tender Evaluation Committee	<p>a. Each Evaluation Committee will evaluate the Tender documents according to its components and relevancy</p> <p>b. the Technical Evaluation Committee will concentrate on the technical aspect of the tender document, looking for compliance and non compliance of the tender offer and the supporting document attached as a proof of the tender offer.</p> <p>c. The Financial Evaluation Committee will look into the financial strength and capability of the company to undertake the proposed task. All compulsory document will be scrutized meticulously and calculation will be done on the financial analysis based on the document submitted.</p>	7 - 10 days
7	Final Recommendation	Dept of Procurement	<p>a. The technical and financial evaluation reports will be compiled and suggested / recommended vendors to be proposed for award will be determined from the compilation of both reports. The vendors that fulfilled both reports and marked the highest will be recommended for award in the tender report.</p> <p>b. The recommendation process will done in a special meeting with the Hospital Top Management and heads of the evaluation meeting, chaired by the Hospital Director. The final decision will conclude the recommended tenderer for approval in the Tender Committee Meeting</p>	1 day

8	Final Tender Report	Dept of Procurement	<p>a. The Tender Report will be prepared after the special committee has concluded the recommended tenderer according to the standard format set by the Finance Division.</p> <p>b. The final draft will be vetted by the Director (Administration) before submitting to the Tender Secretariat for any comment or additional requirement needed.</p> <p>c. Once the final draft has been vetted and approved, the tender report will be submitted to the secretariat for the next process. Normally the submission must be done a month ahead of the Tender Committee meeting.</p>	5 days
9	Tender Committee Meeting	Tender Secretariat, Finance Division	<p>a. The actual date of the meeting will depend on the availability of the members regardless of the preset date mentioned in the schedule.</p>	Depend on Tender Secretariat
10	Letter of Award	Finance Division	<p>a. Once the tender document is approved, the Letter of Acceptance will be prepared by the Secretariat and copied to us for record. The bank Guarantee will also be submitted to Finance Division and copied to us. If the official contract is required, then the collaborative efforts will be done by the Legal office</p>	Depend on Finance Division, Gombak