UNI ENERGY GULF TRADING LLC OPC

INTEGRATED MANAGEMENT SYSTEM PROCEDURE

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environment Management System

UNI-EGT-PUR-PR01 Purchase Procedure

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DOCUMENT HISTORY				
Rev #	Date	Amendment	Page Number (s)	Approved by
All	20.10.2023	Initial Issue	All	MD
01	09.10.2026	Control of calibration for subcontracted testing added. Requisitions aligned to the Material Request Issue form. Stock item examples corrected. Record references corrected to UNI-EGT-PUR-F01 to F04. MD role replaced by the COO throughout.	6.1, 6.6, 7.0	COO

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1.0 PURPOSE

The purpose of this Purchase Procedure is to introduce adequate controls that the purchased goods or services are fit for the intended use and are only obtained from reliable sources and qualified Suppliers. Provide the guidelines and criteria for selection, evaluation, and re-evaluation of Vendors (Suppliers or Service providers) prior to ordering of the applicable products and/or services.

2.0 SCOPE

The scope of this Procedure is to cover all purchase orders for Projects materials, consumables, spare parts or subcontracted services, that has a direct bearing on projects and services.

3.0 REFERENCES

- ISO 9001:2015 Clause 8.4

4.0 ACRONYMS

COO	–	Chief Operating Officer
CFO	–	Chief Financial Officer
QMR	–	Quality Manager
PM	–	Purchase Manager
ISO	–	International Organization for Standardization
IMS	–	Integrated Management System
PUR	–	Purchase
DOC	–	Document
PR	–	Procedure
F	–	Form

5.0 RESPONSIBILITY

Purchase Manager

- Selection of Supplier
- Review list of suppliers, chosen by Project Director/Commercial Director
- Preparation of Approved Supplier list
- Reviewing Request for Purchase.
- Coordinating with Project Director/Commercial Director and suppliers for material price and delivery
- Coordinate with Project Director/Commercial Director for approval of Purchase.
- Arranging approval of LPOs from Commercial Director
- Evaluation and Re-evaluation of Suppliers.

Project Director/ Commercial Director

- Arranging technical approval of material from clients if required
- Preparation of Purchase Request for materials required at projects.
- Coordinate with suppliers for delivery of materials required for operations.

- Finalization of material delivery
- Approval of material returns
- Approval of Supplier's list based on evaluation
- Review of supplier re-evaluation

Quality and HSE Officer

- Quality and HSE Officer is responsible for the assessment and evaluation of suppliers' compliances to IMS requirements

6.0 PROCEDURE

6.1 Purchase Requisition

6.1.1 On receipt of Bill of Materials, the Operations or Projects Department shall prepare a Material Request Issue (UNI-EGT-STR-F01) with the remark Purchase and forward it to the purchase department for procurement.

6.1.2 In case of materials, which are in stock, the Operations or Projects Department shall issue a Material Request Issue (UNI-EGT-STR-F01) with the remark 'Stock' and forward it to Stores Department.

6.1.3 In case of import, the Operations or Projects Department, in consultation with respective Contracts Manager shall forward the Material Request Issue to the Purchase Department for arranging import. Quotations will be requested from at least three suppliers, with exceptions that can be justified in writing, approved by COO and filed with the purchase order.

6.1.4 After receipt of offers from the suppliers and their technical evaluation including delivery, the purchase department will evaluate commercial and technical submissions, before placing orders.

6.1.5 If the required goods are not available in the stock, purchase request is submitted to the Purchase department using the Material Request Issue (UNI-EGT-STR-F01). The following information must be provided:

- Quantity and description, or detailed specifications, for the item or service to be purchased (including the catalog number, if applicable)
- Expected delivery date
- Suggested list of suppliers (optional)
- IMS Requirements

6.1.6 In case of IT items and/or accessories, requester should obtain the clearance from IT Department prior to submitting the request to the purchase department.

6.1.7 For items such as consumables, subcontract work, hiring machine shop items, spare parts for vehicles, machines, etc., the user department shall prepare a Material Request Issue and forward it to Purchase Department.

6.1.8 Stores shall prepare a list of frequently required items for stock such as consumables and spare parts, and issue a Material Request Issue for purchase. Upon approval by Operations/Project Manager, stores shall forward the said list to purchase Department for Purchase. Stores will update the stock after receiving and issue.

6.1.9 Cash purchase shall be regularised and managed.

6.1.10 Any purchase of assets (capital expenditure) shall have prior approval from COO and the same shall be obtained by the accounts department.

6.1.11 Review the purchase requisition for accuracy and completeness. In particular, the requester should confirm that all information on purchase requisition is correct.

6.1.12 Purchase Dept shall review and ensure that the purchase requisition describes the product type, class, grade or other precise identification or other relevant technical data or prior to approving the Purchase Requisition.

6.2 Purchase Inquiry

6.2.1 Purchase Department undertakes the necessary purchase actions depending on the estimated amount of the purchase request and the nature of the requirement or on the approval from the concerned Manager. The Purchase Inquiry is sent to the approved and potential suppliers to obtain the following information as a minimum:

- Price
- Quantity
- Payment terms
- Delivery details
- Goods Description
- Testing Requirements (where applicable)
- IMS requirements (if any)
- Other details (where necessary)

6.2.2 For high value orders, above 10 K USD, A minimum of three quotations shall be collected from the suppliers, analyzed technically and commercially based on the above factors, and prepare an evaluation summary. Price negotiations or payment terms must be discussed with the Purchase Manager prior to placing the Purchase Order.

6.2.3 In case there was an urgent need, technology, or other business sound decision where three quotations cannot be obtained, the single source purchase must be justified and approved by COO.

6.2.4 For Projects purchasing, the quotations can also be received from recommended or mandated suppliers by the Client.

6.3 Purchase Order

6.3.1 Issue Purchase Order to the selected supplier after the Quotation is approved from the respective purchase authority. All purchase orders placed for all Projects shall incorporate a clear and concise description of the products/services ordered and shall include, where applicable, the following data:

- General description about the product/services.
- The title/reference number of applicable specifications, standards, drawings, process requirements, inspection instructions and other relevant technical data as applicable.
- Any specific quality, inspection and/or testing requirements including, where required, a right of surveillance/inspection visits to the manufacturing premises for company and/or the Consultant.
- Documentation to be provided.
- Material Certificates, where and if required
- Delivery, shipping and packing instructions.

6.3.2 Project Managers of the projects shall check, review, verify and approve purchasing documents for compliance with project requirements prior to release, and these in turn shall be validated and accepted by Purchase Manager.

6.3.3 Follow up with the supplier until goods are received. A copy of Purchase Order and other related documents shall be passed to the Accounts Department for the payment as per terms and conditions agreed with the supplier and also to the QC Department for inspection of goods for quality, quantity, and IMS aspects upon arrival.

6.3.4 When the company requires verifying purchased product at Supplier/subcontractor's premises, the verification arrangement and the method of the product release shall be specified in the purchasing documents.

6.3.5 On occasions, the company may choose to visit the Suppliers/subcontractor's premises to verify the purchased materials and services are suitable for the intended purpose and comply with the specified requirements.

6.3.6 Whenever it is a contractual requirement that the customer and/ or his representative shall verify the purchased product at Supplier/subcontractor's premises, the arrangement for such verification and method of product release shall be specified in the PO.

6.3.7 The Purchase Officer ensures that all the shipping documents, packing list, test certificates and other specified documents (*if required*) are being arranged and formalized for imports/exports.

6.4 Verification of Purchased Materials

6.4.1 While receiving of material in the Stores, the QC Department shall inspect the material against the PO and delivery documents.

6.4.2 If any damage / wrong size / shortage is observed, an NCR shall be raised with action and follow up assigned to purchase department, NCRs will be recorded and effect the supplier evaluation/re-evaluation.

6.4.3 Forward certificates, if any, delivery documents and any other documents such as invoice to the Purchase department.

6.5 Deviations in Purchased Materials

6.5.1 In case of any major deviation reported by the QC Department on Supplier's delivery documents, it shall be communicated to the Supplier in a formal way by the Purchase Manager. Identification and storage of purchased material is defined in Stores Procedure.

6.6 Subcontracted Works

6.6.1 Whenever it is required to subcontract any part of the jobs, the Project Director /Purchase Manager shall decide on the subcontractors / companies as per Approved Subcontractors List. If a new subcontractor needs to be selected, depending on the value of the project, they shall be after inspecting their premises and evaluating their capability to do the work. Upon selection, they shall be added to the Approved Suppliers/Subcontractors list.

6.6.2 If any job is subcontracted, the Project/QC Dept shall inspect the quality of work before it is accepted. The services purchased shall be monitored by the Projects department.

6.6.3 Where subcontracted work includes testing or measurement, such as hydrostatic pressure testing, the purchase order shall require the subcontractor to provide a valid calibration certificate for each gauge, recorder or other measuring instrument used. The certificates shall be checked against the instrument serial numbers on the test report before the work is accepted and retained with the test report.

6.6.4 In case of sub-contract work for services such as Civil, Electrical, Mechanical, etc., or hiring of equipment such as generators, cranes, scaffolds, etc., the concerned department or PM could finalize such hire after obtaining quotes from minimum three sub-contractors for ascertaining competitiveness suitability and availability during required period and the payment terms. They shall then forward all related correspondence to purchase department by email, for releasing the order to the selected sub-contractor. Same Single source justification

6.6.5 In case there was an urgent need, technology, or other business sound decision where three quotations cannot be obtained, the single source purchase/subcontract must be justified and approved by COO before hiring the subcontractor.

6.7 Supplier Selection (Supplier Evaluation)

6.7.1 All suppliers shall be selected subject to performance, qualification, and past track record and approved prior to ordering of the applicable products and/or services.

6.7.2 New suppliers are evaluated in accordance with the following criteria:

- Pricing
- Location
- Availability
- Customer mandate
- On-site audit results
- Written survey results
- Reputation / references
- Telephone interview results
- Shipping terms and capabilities
- Quality of samples received (incl. testing results)
- IMS system certification status (ISO 9001, ISO 14001)
- Availability of required infra structure /facilities/skilled manpower/stock availability

6.7.3 In some case, a formal risk assessment may be conducted as part of the evaluation and selection of a potential supplier, or in order to determine if a problematic supplier should be retained.

6.7.4 Maintain an Approved Supplier List which lists all evaluated and approved supplier, their approval status, and the scope of their approval (goods or services for which they are approved)

6.7.5 The Approved Supplier List indicates the supplier, location, approval status (Approved, Conditional, Disapproved, Restricted), and the scope of approval (good or services).

6.8 Supplier Performance Monitoring (Re-Evaluation)

6.8.1 Supplier performance is monitored on the basis of the quality of items received. For active supplier, this activity acts as a continuous re-evaluation of the supplier, with the receipt of every purchased item or service.

6.8.2 Where a supplier falls below the required standards due to an unacceptable level or deterioration of IMS performance, re-evaluation will be conducted according to the potential risks associated with the services or products supplied to the company.

6.8.3 High risk ranked supplier has a current contract or job with the company will be evaluated once in a year as per the requirements of IMS. Medium risk ranked suppliers will be evaluated once every two years. No evaluation is required for suppliers that are ranked as low risk.

6.8.4 Those suppliers who are not responsive to Corrective Action Requests or unable to correct problems with delivery or quality may be disqualified. Suppliers who are having low performance evaluation rating as per the rating form shall be disqualified through a consensus decision between the Project Manager, Purchase Manager, and QHSE Manager. A report shall be maintained as evidence of such a decision.

6.8.5 However, if the Supplier is to be retained in the list due to any reason, the reason shall be recorded and maintained. Whenever a Supplier is added or deleted from the approved Suppliers list, it shall be revised and approved by the Procurement Manager.

6.8.6 During periodic Management Review meetings, Suppliers performance is reported to top management, in accordance with the procedure of Management Review. This periodic activity also consists of secondary re-evaluation of suppliers.

7.0 RELATED RECORDS

Document No	Document Name
UNI-EGT-PUR-F01	Approved Supplier List
UNI-EGT-PUR-F02	New Supplier or Subcontractor Registration Evaluation
UNI-EGT-PUR-F03	Supplier Re Evaluation Form
UNI-EGT-PUR-F04	Purchase Order