Medicines Control Authority of Zimbabwe

DIRECTOR GENERAL'S OFFICE
PROCUREMENT AND ADMINISTRATION UNIT

TITLE: Standard Operating Procedure for Supplier Evaluation Processes			
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1.0 PURPOSE

This procedure describes the process of vetting suppliers and conducting supplier evaluations for general supplies and laboratory specific supplies.

2.0 SCOPE

The procedure applies to all divisions at MCAZ.

3.0 FREQUENCY

At all times when evaluating suppliers for MCAZ for the supply of goods, services and supplies below the US$10,000 equivalent comparative quotations threshold

4.0 LOCATION

4.1 All master copies are kept by the Quality Manager.

4.2 All controlled copies are issued to the Director-General, Head Finance Head Chemistry Division, Manager Microbiology and Medical Devices laboratory and Procurement & Administration Manager.

4.3 All controlled copies issued to staff are kept in a designated place in the unit.

5.0 DEFINITIONS

5.1 **Service:** refers to work done for MCAZ by external agencies.

5.2 **Supplies**: refers to the provision of goods to MCAZ after a formal purchase.

5.3 **Procurement Officer** (PO): is an officer responsible for the sourcing and procurement of goods and services at MCAZ on behalf of all divisions

5.4 **Unit Buyer** (UB): is an officer within a unit/ division responsible for initiating unit level purchase requests through the HoU/HoD and communicates with the Procurement & Administration Manager and PO

6.0 RESPONSIBILITY

6.1 The Procurement & Administration Manager, PO and UB shall be responsible for the implementation and maintenance of this procedure.

6.2 The Procurement & Administration Manager shall be accountable for the implementation of this procedure

7.0 PROCEDURE

7.1 At the beginning of each year or whenever is necessary, the PO and Assistant Procurement Officer (APO) shall conduct visits to the Authority`s key suppliers and service providers to conduct an on-site evaluation exercise. In the case of specific laboratory supplies, the unit buyer and or an officer from the Quality office shall be involved during the site visits and the QMS and WHO Guidelines shall be followed. The Procurement Regulatory Authority of Zimbabwe List of Registered Suppliers shall be referred to as well as it is mandatory.

7.2 The supplier evaluation is meant to determine the suppliers' capacity and establishment among other things as a way of avoiding dealing with unscrupulous business people to the detriment of the Authority

7.3 The other reason for conducting a supplier evaluation is to determine the supplier`s competencies, performance standards and governance issues which are critical in the service delivery chain to enhance optimum service delivery by the MCAZ.

7.4 The focus when conducting an on-site supplier evaluation shall be on:

7.4.1 establishing the supplier`s business setting, is it a genuine and well established Supplier?

7.4.2 Does the supplier have capacity to handle business demands as required by the Authority from time to time? – obtain proof of the other orders that they fulfilled?

7.4.3 Does the supplier have proper business offices to operate from?

7.4.4 Does the supplier have a qualified workforce to fulfil the MCAZ demands in terms of Quality?

7.4.5 Does the supplier have a good financial resource? – obtain copies of the supplier`s bank statements for the past 6 months to determine the level of business that they handle

7.4.6 Is the supplier properly registered? – obtain certificate of incorporation, CR12 form for directorship, Tax Clearance certificates ITF 263, VAT Certificate if applicable and a registered office.

7.4.7 Is the supplier a manufacturer, distributor or agent? – This will give guide to the costing structures of their products or services.

7.4.8 Assess on the suppliers insolvency status – Obtain information from ZIMRA etc.

7.4.9 Does the supplier have internal quality control processes to guide their operations? (Key for laboratory supplies).

7.4.10 Does the supplier have the capacity to supply goods with certificates of origin, material safety data sheets and batch numbers etc. (key for laboratory supplies).

7.4.11 Is the supplier affiliated to any Quality Management Body e.g. SAZ, SADCAS etc.?

7.4.12 Does the supplier have flexible payment terms – COD or account payment after full supply of goods to avoid advance payments

7.4.13 Is the supplier operating in one line of business or running multiple operations? E.g. a supplier of laboratory consumables also supplying motor vehicles?

7.4.14 Is the supplier the market leader or new entrant? Always seek competitive advantage

7.5 The evaluation team shall compile a Supplier Evaluation Form PAUF 22 for general supplies and PAUF51 for laboratory specific supplies on site as they conduct the evaluation.

7.6 The form shall be submitted to the Procurement and Administration Manager upon return from the evaluation for review and signing.

7.7 Upon completion of the evaluation process, the Supplier will be graded for the sake of updating the List of Approved Suppliers Form PAUF35 for classification, as below:

7.7.1 A grading of 80% - 100% represents **Class A**. These are the important and high performing and reliable suppliers who meet all criteria and are able to meet all business needs for the Authority in terms of critical supplies. Their risk rating is also very low judging from the outcome of the evaluation scores,

7.7.2 A grading of 50% - 79% represents the **Class B** suppliers who are equally good but may have some minor performance issues which can be addressed through continuous engagement and supplier development. Their risk rating is medium and the type of risks can be mitigated through continuous engagement;

7.7.3 A grading of 49% and below represents the **Class C** suppliers who fail to meet a number of criteria and are struggling. These may be considered for long term supplier development or removal from the approved list if they fail to improve in terms of service delivery. Their risk rating is very high judging from the outcome of the evaluation scores.

8.0 APPENDICES/ ATTACHMENTS

8.1 Attachment I: Supplier Evaluation Form PAUF 22 for General Supplies
8.2 Attachment II: Supplier Evaluation Form for Laboratory Supplies PAUF 51

9.0 RECORDS

Document Number	Title of record	Retention Period
PAUF 22	Supplier Evaluation Form for General Supplies	5years
PAUF 51	Supplier Evaluation Form for Laboratory Supplies	5 years

10. REFERENCES

10.1 SAZS ISO/IEC 17025: 2005 Zimbabwe Standard for General Requirements for the Competence of Testing and Calibration Laboratories
10.2 MCAZ Quality Policy Manual
10.3 SOP MR 4.6 for Procurement of Goods and Services.

11.0 HISTORY

DOCUMENT HISTORY		
Revision Number	Date Approved	Reason for Change
0	October 2014	Rolling Review and System Improvement
1	July 2018	Changed from MPO to PMO Changed from the Procurement Committee to Procurement Evaluation Committee Stipulated a value of $10,000 for the Procurement Evaluation Committee procurement threshold
2	October 2018	Addressing a non-conformity raised in the WHO PQ assessment Audit
3	June 2019	System improvement to address Nonconformity raised during the SAZ Certification Audit