

	EXTERNAL R&D GRANT PROCUREMENT PROCESS	MMU/FIN/I-SOP/13	
		Version 1.0	Date: 20.08.2021

PROCESS PROFILE

Process Name	External R&D Grant Procurement Process
Document Approval	Vice President Finance and Business Ventures
Process Owner	Procurement Unit

VERSION HISTORY

Version Number	Version Date	Page No	Brief Description of Changes	FDCR
1.0	20.08.2021	All Pages	Establishment of External R&D Grant Procurement Process	FIN/2021/07

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1.0 PURPOSE

The objective of this document is to establish the policies and procedures to control and manage the sourcing activities related to External R&D Grant.

2.0 SCOPE

The document covers the Limit of Authority (LOA), procurement policies and procedure for External R&D Grant.

3.0 ABBREVIATIONS

No.	Term	Definition
1.	SSS	Sole/Single Sourcing
2.	AM	Assistant Manager
3.	CEO	Chief Executive Officer
4.	COO	Confirmation of Order
5.	HOD	Head of Department
6.	LA	Letter of Award
7.	LOA	Limit of Authority
8.	NE	Non-Executive
9.	PL	Project Leader
10.	PO	Purchase Order
11.	PR	Purchase Request
12.	PRA	Procurement Requirement Approval
13.	PU	Procurement Unit
14.	R&D	Research and Development
15.	RFQ	Request For Quotation
16.	RMC	Research Management Centre
17.	RMS	Research Management System
18.	RPT	Related Party Transactions
19.	RRPT	Recurrent Related Party Transactions
20.	SC	Shopping Cart
21.	SOP	Standard Operating Procedure
22.	SUS	Supplier Self Service
23.	T&C	Terms and Conditions
24.	TM	Telekom Malaysia
25.	UTSB	Universiti Telekom Sdn Bhd / MMU
26.	VP R&I	Vice President Research & Innovation

4.0 DEFINITION

No.	Term	Definition
1.	Approval Authority	A party of committee who authorized to decide and give the approval for the execution of specific item, which governed by their terms of reference.
2.	Evaluation Report	A structured evaluation report prepared by the evaluation team to justify the award recommendation and presented to the approval authority for further deliberation and decision.
3.	Letter of Award	An official offer issued by MMU and its Subsidiaries to the successful supplier upon endorsement by the Approval Authority.

No.	Term	Definition
4.	Procurement Requirement	A set of business requirement from Project Leader/RMC to deliver, satisfy or meet the research objectives such as Bill of Quantity ("BOQ"), Scope of Work, Key Performance Indicator ("KPI"), delivery period and etc.
5.	Procurement Requirement Approval (PRA)	1. Proposal prepared by the User/requesting division in collaboration with PU to seek approval to initiate the sourcing activities of the procurement process 2. PRA document contained information on the business/project proposal, combining business and technical aspects.
6.	Procurement Unit	Division and personnel who are responsible for enforcing compliance and driving the sourcing process of goods/ services/ works and procurement related activities in line with MMU strategic directions and policy.
7.	Project Leader	The owner or responsible personnel who lead the respective External R&D Grant and make a request for purchase of goods/ services/ works via Quotation or SSS requirement
8.	Sole/Single Sourcing (SSS)	Procurement method used to source for goods, services and/or works that are directly awarded to specific suppliers (s) which fulfil the predetermined criteria.
9.	Subsidiaries	Refers to MMU's wholly owned subsidiaries.
10.	Attachment E	RPT/RRPT declaration form whereby to fill-up by vendor for all sourcing activity carry out with GUTSB

5.0 LIMIT OF AUTHORITY (LOA)

5.1 QUOTATION

Amount (RM)	Sourcing Mode	PRA	Minimum Invite Quotations	Minimum Returned Quotations	Opening Committee Composition (Minimum)	Evaluation Committee Composition (Minimum)	Approval Authority/ Quotation Committee (Minimum)
Up to 5,000	Manual/ Offline Quotation (By PL/ RMC)	PL	2	2	N/A	1 AM & 1 NE (PL/RMC)	RMC Director
Up to 10,000			3				
Up to 50,000			3				
Up to 100,000			5				
Up to 500,000	Online Quotation (By PU)		7	3	2 AM (PU & PL/RMC)	1 Manager, 2 AM & 1 NE (PL/RMC, Procurement/ Finance)	Committee: Chairman: VP R&I Member: Director RMC, Head of Procurement

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Amount (RM)	Sourcing Mode	PRA	Minimum Invite Quotations	Minimum Returned Quotations	Opening Committee Composition (Minimum)	Evaluation Committee Composition (Minimum)	Approval Authority/ Quotation Committee (Minimum)
Up to 1 million					2 AM (PU & PL/RMC)	1 Manager, 2 AM & 1 NE (PL/RMC, Procurement/ Finance)	Committee: Chairman: UTSB CEO Member: VP R&I, Director RMC, Head of Procurement

Note 1 : One (1) Quotation allowed for Catering up to RM2000 per event conducted at UTSB Premises.

Note 2 : Quotation is not mandatory for purchase via petty cash

5.2 SOLE/SINGLE SOURCING

Amount (RM)	PRA	Evaluation Committee Composition (Minimum)	Approval Authority/Committee (Minimum)
Up to 50,000	PL	1 Assistant Manager and 1 Non-Executive (RMC)	RMC Director
Up to 100,000		1 Manager 1 Assistant Manager 1 Non-Executive (RMC, Procurement/ Finance)	Committee: Chairman: VP R&I Member: RMC Director, Head of Procurement
Up to 1million	Reference: LOA Tier 2 for UTSB Finance & Procurement	1 Manager 1 Assistant Manager 1 Non-Executive (RMC, Procurement/ Finance)	Committee: Chairman: UTSB CEO Member: VP R&I, RMC Director, Head of Procurement

Note 1 : RMC to complete the SSS process as per above LOA and submit to PU for award process.

6.0 BUSINESS RULES

No.	Term	Definition
1.	Approval by Finance staff	Finance staff is allowed to approve procurement ONLY in the absence of Procurement staff. Procurement team is still accountable for any purchase even though been approved by Finance staff.
2.	Award Process	The approved application must submit to Procurement Unit for issuance of PO/COO/LA/Contract.
3.	Contract Document	A Contract can be established through the creation of the following documents and such documents are categorize based on the procurement value. The details can be referred to Contract Policy.

No.	Term	Definition
4.	Customs Order on Prohibition of Imports 2017	Whenever applicable, the procurements and importation of goods and/or services shall comply with the Customs (prohibition of Imports) Order 2017 (including its amendments, if any) or any other Orders implemented by the Government of Malaysia or other relevant Malaysia authorities from time to time.
5.	Evaluation Approval	<ol style="list-style-type: none"> All SSS activities shall obtain the necessary approval as per clause 5.2 above. The approved supplier selected on their ability to provide quality goods or services related to the <u>research activities</u> that conform to all relevant specifications and delivered on time with the right price.
6.	Evaluation Assessment	<ol style="list-style-type: none"> Evaluation criteria shall be established based on approved proposal by grant provider. All submitted quotation documents by all participating suppliers shall be assessed to ensure fair and true analysis and to avoid unethical conduct. Submitted quotation by suppliers shall fulfil at least one (1) of the qualifying criteria for sole/single sourcing Priority shall be given to the TM registered suppliers
7.	Invitation	<ol style="list-style-type: none"> Invitation to participate in quotation shall sent to TM registered supplier only. Any exception to extend the quotation invitation to non-registered supplier shall require approval from Head of Procurement, MMU or higher authority. Requestor/Project Leader shall evaluate based on minimum 2 returned quotations as per LOA for approval by VP R&I or Director RMC.
8.	Limit and Authorization	The limit and responsibility to execute and manage the quotation activities are as per clause 5.0 Limit of Authority (LOA).
9.	Method - Quotation	<ol style="list-style-type: none"> All Quotations for purchase value below RM100,000.00 shall conducted offline by the respective Project Leader or RMC. All Quotations for purchase value above RM100,000.00 shall conducted online by UTSB Procurement Unit. Any request to conduct manual quotation for value above RM100,000.00 shall require approval from MMU Head of Procurement or higher authority with valid justifications.
10.	Method - Sole/Single Sourcing	Purchases made via SSS shall fulfill at least one (1) of the qualifying criteria. Please refer to SOP Sole/Single Sourcing for the criteria.
11.	Procurement Ethics	<ol style="list-style-type: none"> All responsible parties must adhere to TM Integrity Declaration. Ensure no conflict of interest with any suppliers participating in the evaluation process. Pledge not to disclose any confidential information acquired during the evaluation process to any unauthorized party(s). Ensure confidentiality, transparency, fairness, non-discrimination, and equal treatment to each of the participating suppliers.

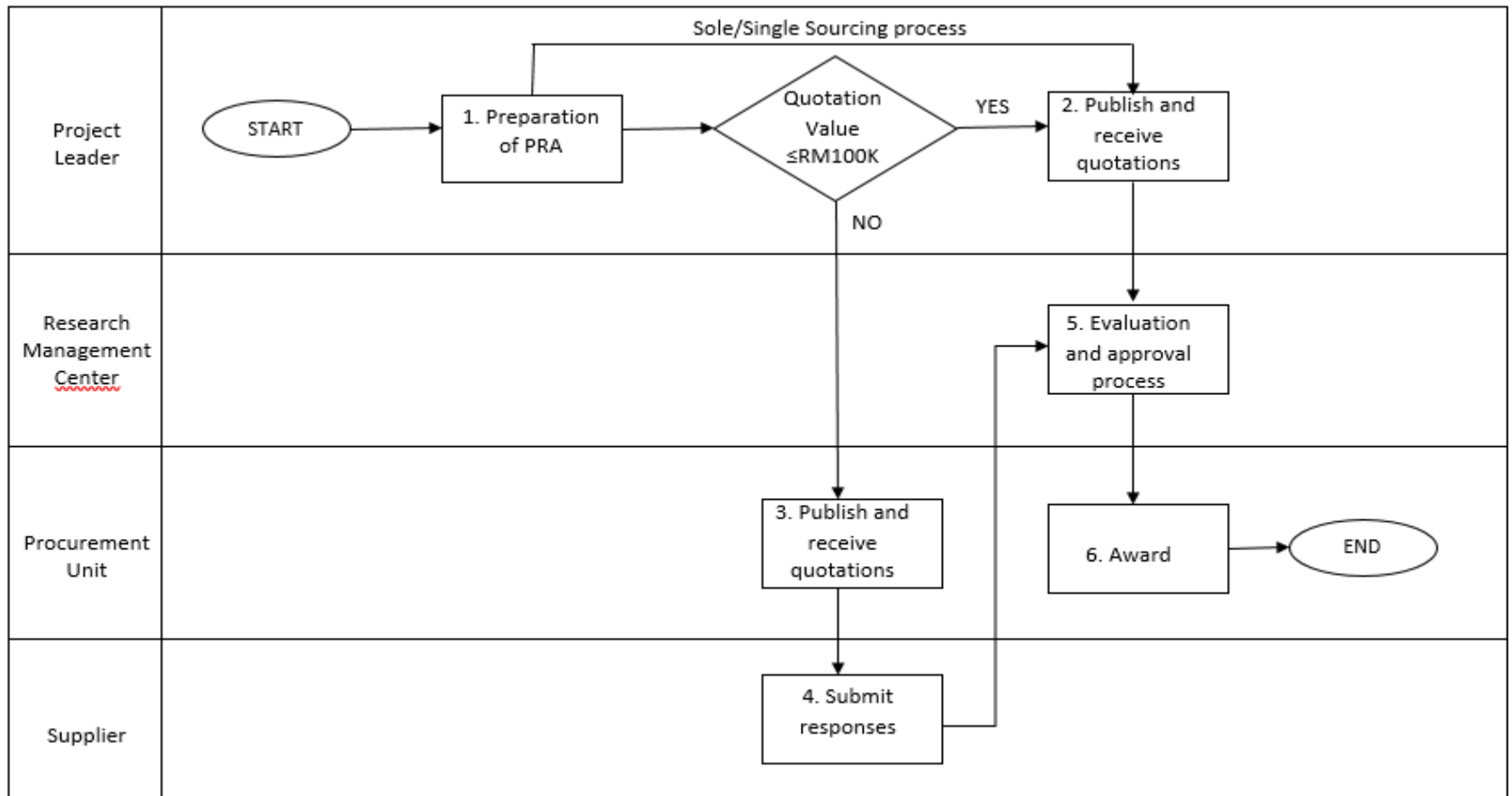
7.0 RESPONSIBLE PARTIES OF THIS PROCESS

No.	Party	Responsibilities
1.	Project Leader	<ol style="list-style-type: none"> Ensure items to be purchased are related to the project and were approved by the grant provider Ensure budget is sufficient and available for the sourcing activities in accordance with the procurement requirement.

No.	Party	Responsibilities
		<ol style="list-style-type: none"> 3. Make necessary preparation of Quotation or SSS documents to be issued to recommended supplier (s). 4. Ensure approval from Head of Procurement, MMU or higher authority is obtained prior to extend the quotation invitation to non-registered supplier (s). 5. Analyze the supplier (s) submission and make recommendation for award proposal.
2.	RMC	<ol style="list-style-type: none"> 1. Ensure items to be purchased were approved and allowed by the grant provider 2. Ensure budget is sufficient and available 3. Evaluate supplier (s) submission and perform price benchmarking against current contract, market price and other appropriate reference. 4. Perform evaluation on award recommendation proposal to relevant Approval Authority. 5. Finalize the LA terms and contract T&C with Project Leader and supplier.
3.	Procurement Unit	<ol style="list-style-type: none"> 1. For purchases using Quotation up to RM100,000 and SSS up to RM1,000,000 <ol style="list-style-type: none"> a. Validate and checking for correctness/completeness of the related document b. Process for award and contract process/ documentation as per clause 6.7 2. For purchases using Quotation up to RM1,000,000 <ol style="list-style-type: none"> a. Validate and checking for correctness/completeness of the related document b. Source for Quotations for purchasing more than RM100,000 c. Get decision from Evaluation and Approval Committee d. Process for award and contract process/ documentation as per clause 6.7
4.	Evaluation Committee	<ol style="list-style-type: none"> 1. Ensure the evaluation process done fairly with the best interest of the company whilst considering the financial position, price, quality, experience item usage, supply duration and other relevant factors. 2. Validate and checking for correctness/completeness of relevant supporting documents for final approval by the relevant Approving Authority within the targeted timeline. 3. Ensure proper evaluation for all suppliers' submission and perform price benchmarking against current contract, market price or other appropriate reference. 4. Ensure the award recommendations are base from the most competitive offer in terms of price, quality, supplier's experience, technical skills, financial capability as well as other relevant factors.
5.	Approval Committee	<ol style="list-style-type: none"> 1. Ensure procurement governance are adhered to and to reject proposal if any rules are not adhered to procurement policy and procedure. 2. Decide on procurement award for Quotation and SSS when considering the award recommendation, the committee is advised to consider the following factors depending on the nature of procurement award: <ol style="list-style-type: none"> a. The supplier profile, which includes good financial status and equipped with credible experience and expertise in the related filed.

No.	Party	Responsibilities
		<ul style="list-style-type: none">b. The approved offer must be technically acceptable with the most competitive price, taking into consideration its Total Cost of Ownership (TCO).c. The decision is not brand-bias unless there are valid reasons or exceptions, which must be agreed by all members of approval committee. <p>3. Request for additional information related to the proposals for a more robust and concrete award decision made.</p> <p>4. Approve and decide for a cancellation of quotation in situation where the procurement is no longer required, or the entire offer received is not technically or/and commercially viable.</p>

8.0 PROCESS FLOW



9.0 PROCEDURES

Step	Detail description	Person-In-Charge	Document Records
1.0	<p><u>Preparation of PRA</u></p> <p>1. Project Leader to prepare Procurement Requisition Approval document with finalised requirement and technical specification in line with the approved proposal and financial breakdown detail in RMS.</p> <p>Timeline : 1 -7 wd</p>	PL	<p><u>Quotation <RM1M</u></p> <p>1. Appendix Technical & Non-Technical:</p> <p><i>a. Appendix i-iv: Technical Specification, Compliance, Questionnaire & Price Schedule, OR</i></p> <p><i>b. Appendix 1-2: Non-Technical Specification & Price Schedule OR</i></p> <p>2. Bill of Quantity (BOQ)</p> <p>3. Attachment 1 - Supplier Declaration</p> <p>4. Attachment E – Declaration for RPT / RRPT</p> <p><u>SSS <RM1M</u></p> <p>1. Quotation</p> <p>2. Quotation Supporting Document</p> <p>3. Attachment 1 – Supplier Declaration</p> <p>4. Attachment E – Declaration of RPT/RRPT</p>
2.0 & 3.0	<p><u>Publish & Receive Quotation</u></p> <p>1. Project Leader to source quotation for SSS</p> <p>2. Project Leader to source quotation for procurement (<i>if quotation value ≤ RM100,000.00</i>).</p> <p>3. Procurement Unit to source quotation thru RFx online invitation in SUS Portal or CFQ by email invitation (<i>if quotation value >RM100,000.00</i>).</p> <p>Timeline: 3 - 20wd</p>	<p>1. PL</p> <p>2. PU</p>	<p><u>Quotation >100K to RM 1mil</u></p> <p>1. PRA Form B</p> <p>2. Attachment 1 – Supplier Declaration</p> <p>3. Attachment E – Declaration for RPT / RRPT</p>
4.0	<p><u>Submit Response</u></p> <p>1. For manual RFQ or Sole/Single Sourcing, suppliers are required to submit their quotation to Project Leader or Procurement Unit before the closing date and time.</p> <p>2. For online RFQ, suppliers need to submit RFQ response through the SUS Portal before the closing date and time.</p>	Supplier	<p><u>Quotation <RM1M</u></p> <p>1. Appendix 1 & 2 or Appendix i-iv or Bill of Quantity (BOQ)</p> <p>2. Appendix D – Supplier Integrity Declaration</p> <p>3. Attachment 1 – Declaration of Quotation Submission by Supplier</p> <p>4. Attachment 1 – Supplier Declaration</p> <p>5. Attachment E – Declaration for RPT / RRPT</p>

Step	Detail description	Person-In-Charge	Document Records
			SSS <RM1M 1. Quotation 2. Quotation Supporting Document 3. Attachment 1 – Supplier Declaration 4. Attachment E – Declaration for RPT / RRPT
5.0	<u>Evaluation and Approval Process</u> <u>Conduct Evaluation and Create SC/PR</u> 1. Evaluation committee to evaluate documented evidence submitted by suppliers to ensure conformance with approved Technical Specifications. 2. Evaluation committee to ensure the items related to the research project, approved by the grant provider and the project has sufficient and available budget. 3. Evaluation committee to evaluate the quotation and submit to Approval Committee. 4. To create SC/PR Timeline: 5 - 20wd <u>Approval Process</u> 1. The appointed Approval Committee shall deliberate and approve the quotation accordingly. If Approve, proceed to 6.0 Award, else to revert to 5.0 Conduct Evaluation. 2. To approve SC/PR Timeline : 3 - 5wd <u>Negotiation</u> Proceed to negotiation for SSS or Quotation that require negotiation as decided by the Approval Committee.	1. PL 2. RMC 3. Evaluation Committee 4. Approval Committee	1. RMS 2. Evaluation Report 3. Appendix B – Declaration by Members of Procurement Committees
6.0	<u>Award</u> Procurement Unit to prepare and issue the relevant award documentation to the successful supplier in collaboration with Project Leader and RMC. Timeline: PO (7wd) / LA cum contract / LA & Contract (65wd)	1. PU 2. RMC 3. PL 4. Supplier	PO LA cum contract LA & Contract COO (non-registered supplier)

10.0 PROCESS MEASUREMENT

Process Activity	Customer CTQ	Operations Definition	Measurement	Defect
Quotation Process >RM100k	Cycle Time	1. Timely completion of quotations processed within 40 working days (Without Site Visit,	% Of work orders processed within 40 working days	% Of work orders processed exceed 40 working days

		Clarification & Negotiation)		
		2. Timely completion of quotations processed within 54 working days (With Site Visit, Clarification & Negotiation)	% Of work orders processed within 54 working days	% Of work orders processed exceed 54 working days
Award Document Issuance	Cycle Time	Timely issuance of award document from PU	PO 7wd LA cum contract & LA & Contract 65wd	PO more than 7wd LA cum contract & LA & Contract more than 65wd

11.0 DOCUMENTED INFORMATION

No	Record Name	Retention Period	Maintained By
1.	Contract Document	7 years	PL/RMC/PU
2.	Letter of Award	7 years	PL/RMC/PU
3.	Proposal Paper	7 years	PL/RMC/PU

12.0 EXTERNAL/ INTERNAL REFERENCES

No	References	Document No
1.	FPG Chapter 8 – Procurement	UTSB/FPG/8.0
2.	Limit of Authority (LOA) Tier 2 for UTSB Finance & Procurement	MMU/FIN/LOA/T2
3.	Procurement Guideline	FIN-GD-PU-03
4.	SOP For Quotation	MMU/FIN/I-SOP/08
5.	SOP for Sole/Single Sourcing	MMU/FIN/I-SOP/12
6.	Contract Policy	GP/GNC-GVN/CONTRACT POLICY
7.	SOP for Purchase Order Management	GP/FF-RPO/POM/QP
8.	Guideline for Preparation of Evaluation Report (ER) and Scoring Scheme for RFQ	FIN-GD-PU-02
9.	TM BPG – Public Listed Company Compliance	BPG/COG/2.3
10.	TM's List of Related Party Companies	