



**EXTERNAL GRANT  
PROCUREMENT GUIDELINE**

FIN-GD-PU-04

Version 1.0

Date : 01.10.2019

**PROCESS PROFILE**

<b>Process Name</b>	MMU External Grant Procurement Guideline
<b>Document Approval</b>	Vice President Finance and Business Ventures
<b>Process Owner</b>	Senior Manager, PU Unit

**VERSION HISTORY**

<b>Version Number</b>	<b>Version Date</b>	<b>Page No</b>	<b>Brief Description of Changes</b>	<b>FDCR</b>
1.0	01.10.2019	All Pages	Proposed Adoption to MMU Limit of Authority (LOA) Tier 2, SOP for Quotation, Quotation Policy, SOP Direct Award and Direct Award Policy	

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## 1.0 PURPOSE

The objective of this document is to establish the Limit of Authority (LOA), policies and procedures for to control and manage the sourcing activities for MMU External Grant perform via Quotation or Direct Award method.

## 2.0 ABBREVIATIONS

No.	Term	Definition
1.	AGM	Assistant General Manager
2.	AM	Assistant Manager
3.	BoQ	Bill of Quantity
4.	CEO	Chief Executive Officer
5.	COO	Confirmation of Order
6.	DA	Direct Award
7.	EC	Evaluation Committee
8.	GP	Group Procurement
9.	ITSD	IT Service Division
10.	KPI	Key Performance Indicator
11.	LA	Letter of Award
12.	LOA	Limit of Authority
13.	LSIP	Legal Statutory & Intellectual Property
14.	NE	Non-Executive
15.	PL	Project Leader
16.	PO	Purchase Order
17.	PR	Purchase Request
18.	PRA	Procurement Requirement Approval
19.	PU	Procurement Unit
20.	RFQ/CFQ	Request/Call For Quotation
21.	RFx	Request For Online Quotation
22.	RMC	Research Management Centre
23.	RMS	Research Management System
24.	SC	Shopping Cart
25.	SCM	Supply Chain Module
26.	SRM	Supplier Relationship Management
27.	SUS	Supplier Self Service
28.	TCO	Total Cost Ownership
29.	TM	Telekom Malaysia
30.	T&C	Terms and Conditions
31.	VP A&I	Vice President Academic & Internationalisation
32.	VP F&BV	Vice President Finance & Business Ventures
33.	VP R&I	Vice President Research & Innovation

### 3.0 DEFINITION

No.	Term	Definition
1.	Approval Authority	A party of committee who is authorized to decide and give the approval for the execution of specific item, which are governed by their terms of reference.
2.	Direct Award	Procurement method used to source for goods, services and/or works that are directly awarded to specific suppliers (s) which fulfil the predetermined criteria.
3.	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.
4.	Letter of Award	Official offer issued by TM and Subsidiaries to the successful supplier upon endorsement by the Approval Authority.
5.	PRA Appendix B	PRA template that consists of procurement requirement details required by procurement for quotation process.
6.	Procurement Unit	A 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 TM/MMU strategic directions and policy.
7.	Procurement Requirement	A set of business requirement from Project Leader/RMC to deliver, satisfy or meet the business objectives such as Bill of Quantity ("BOQ"), Scope of Work, Key Performance Indicator ("KPI"), delivery period and etc.
8.	RFx	A term that captures as reference to Requests for Online Quotation via SRM Portal.
9.	Subsidiaries	Refers to TM's and MMU's wholly owned subsidiaries.
10.	Project Leader	Any requesting division, process owner or personnel who make a request for purchase of goods/ services/ works and responsible for the Quotation or Direct Award requirement.

### 4.0 LIMIT OF AUTHORITY (LOA)

#### 4.1 QUOTATION

Amount (RM)	Sourcing Mode	PRA	Minimum Returned Quotations	Opening Committee Composition (Minimum)	Evaluation Committee Composition (Minimum)	Approval Authority/ Quotation Committee (Minimum)
Up to 5,000	<b>Manual/ Offline Quotation</b>  <b>(By PL/ RMC)</b>	PL	2	N/A	1 Manager & 1 Non-Executive	Committee: <b>Chairman:</b> RMC Director <b>Member:</b> 1 Manager & 1 Non-Executive
Up to 10,000			2			
Up to 20,000			2			
Up to 50,000			3			
Up to 100,000			3			

Up to 500,000	<b>Online RFX (By PU)</b>		3	2 AM (PU & PL/RMC)	RMC Director, 1 Manager & 1 Non-Executive	Committee: <b>Chairman:</b> VP R&I <b>Member:</b> RMC Director, 1 Manager & 1 Non-Executive
Up to 1 million			3	2 AM (PU & PL/RMC)	VP R&I, RMC Director, 1 Manager & 1 Non-Executive	Committee: <b>Chairman:</b> President <b>Member:</b> VP R&I, RMC Director, 1 Manager & 1 Non-Executive

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

#### 4.2 DIRECT AWARD

Amount (RM)	PRA	Evaluation Committee Composition (Minimum)	Approval Authority/Committee (Minimum)
Up to 50,000	PL	1 Manager and 1 Non-Executive	Committee: <b>Chairman:</b> RMC Director <b>Member:</b> 1 Manager & 1 Non-Executive
Up to 100,000			
Up to 500,000		RMC Director, 1 Manager and 1 Non-Executive	Committee: <b>Chairman:</b> VP R&I <b>Member:</b> RMC Director, 1 Manager & 1 Non-Executive
Up to 1million		VP R&I, RMC Director, 1 Manager and 1 Non-Executive	Committee: <b>Chairman:</b> President <b>Member:</b> VP R&I, RMC Director, 1 Manager and 1 Non-Executive

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

#### 4.3 CONTRACT DOCUMENTS

4.3.1. A Contract can be established through the creation of the following documents and such documents are categorized based on the procurement value; as per following table:

Procurement Value (RM)	Documentation	**Exception
Up to 100,000.00	Purchase Order with Standard Terms & Conditions	Purchase Order with Standard Terms & Conditions can be considered to be used for a threshold of up to RM1,000,000.00  1. One-off Purchase; or 2. Purchasing of Simple Items/Services/Works with/without a warranty with a short contract period. The maximum contract period allowed is one (1) year; or

		3. Any contract with no maintenance work involved;  <b>AND</b> With minimum risk exposure to TM.
Up to 1million	*Letter of Award ("LA") as a binding Contract	<b>NIL</b>
Above 1 million	LA and formal Contract	<b>NIL</b>
<b>Note:</b> <i>*For LA as a binding Contract, the normal process of a contract must be followed inclusive contract creation in the system.</i> <i>**Any other deviation shall be referred to the respective General Manager Group Procurement (GM GP) or any officer of the same level or higher for approval with an advice from the legal department (if necessary and where applicable).</i>		

## 5.0 BUSINESS RULE

No.	Term	Definition									
1.	Limit and Authorization	<ul style="list-style-type: none"> <li>The limit and responsibility to execute and manage the quotation activities are as per clause 4.0 Limit of Authority (LOA).</li> </ul>									
2.	Invitation	<ul style="list-style-type: none"> <li>Invitation to participate in quotation shall be sent to TM/MMU's Registered supplier only.</li> <li>Any exception to extend the quotation invitation to non-registered supplier shall require approval VP R&amp;I or RMC Director</li> </ul>									
3.	Method	<ul style="list-style-type: none"> <li>All Quotations for purchase value below RM100,000.00 shall be conducted offline by the respective Project Leader or RMC.</li> <li>All Quotations for purchase value above RM100,000.00 shall be conducted online by MMU Procurement Unit.</li> <li>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.</li> </ul>									
4.	DA Qualifying Criteria	<ul style="list-style-type: none"> <li>A written in the DA Policy, purchases made via DA shall fulfil at least one (1) of the qualifying criteria for DA. In reference to the DA Policy, the description and example of scenario are listed as below for reference in executing sourcing activities via DA method.</li> </ul> <table border="1" data-bbox="540 1486 1450 1852"> <thead> <tr> <th>No</th> <th>DA Criteria</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Proprietary equipment/system/material by Principal of goods/services/works to be acquired</td> <td>Proprietary items usually have distinctive characteristics or features, and are often incompatible with competing items.</td> </tr> <tr> <td>2.</td> <td>Sole Agent/Distributor by Principal of goods/services/works to be acquired</td> <td>A single company which has been appointed by the Principal as the only vendor authorized to sell the specified goods/services/works of the Principal in a specified area/customer. The appointment must be supported with</td> </tr> </tbody> </table>	No	DA Criteria	Explanation	1.	Proprietary equipment/system/material by Principal of goods/services/works to be acquired	Proprietary items usually have distinctive characteristics or features, and are often incompatible with competing items.	2.	Sole Agent/Distributor by Principal of goods/services/works to be acquired	A single company which has been appointed by the Principal as the only vendor authorized to sell the specified goods/services/works of the Principal in a specified area/customer. The appointment must be supported with
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			authorized document/letter by the Principal.
		3. Exclusive Appointment by Principal of goods/services/works to be acquired	The act of giving a particular job or position to a company selected from several agents/distributors of the principal and must be supported with authorized document/letter by the Principal.
		4. Services of the Government, Local Authorities, City Hall/Municipal councils, Statutory Bodies or other Government agencies and bodies.	Group of people who were given the authority to govern a community or area or unit based on direction from the Government and have control exercised over the actions supplying public demand, services and facilities.
		5. In the midst of establishing a new contract via a sourcing exercise.	To cater for immediate requirement while awaiting for the establishment of new contract. The criteria is also used for any occurrence of dry period.
		6. Procurement of goods/services/works for business/project that is strategic in nature.	Specific sourcing in the spirit of promoting and nurturing talent within MMU in developing digital or strategic business collaboration which is aligned with MMU's vision and mission for Inquiry, Inspiration and Innovation.
		7. Procurement of goods/ services/ works that are determined by TM and Subsidiaries' client (s)	Customer preference for certain brand or supplier which need to be supported in writing official letter or email (MOM duly sign off).
		8. Fulfilling a specific customer contract requirement where TM and Subsidiaries is an appointed supplier	-
		<i>Note: Examples stated in each DA qualifying criteria served as guidance, however not limited to the above.</i>	
5.	Evaluation Assessment	<ul style="list-style-type: none"> <li>Establish the evaluation criteria based on approved proposal by grant provider.</li> <li>Assess all submitted quotation documents by all participating vendors to ensure fair and true analysis and to avoid unethical conduct.</li> <li>Assess a submitted quotation documents fulfil direct award criteria</li> <li>Give priority to the registered vendors</li> </ul>	
6.	Evaluation Approval	<ul style="list-style-type: none"> <li>Evaluate all qualified vendors, based on the evaluation assessment.</li> <li>Ensure the approved vendor is selected on their ability to provide quality goods or services related to the <b>research activities</b> that conform to all relevant specifications and which are delivered on time with the right price.</li> </ul>	
7.	Award Process	<ul style="list-style-type: none"> <li>The approved application must be submitted to Procurement Unit, Finance MMU for issuance of PO /COO / LOA / Contract as per Clause 4.3 Contract Documents.</li> </ul>	

8.	Procurement Ethics	<ul style="list-style-type: none"> <li>• All responsible parties must adhere to TM Integrity Declaration.</li> <li>• Ensure no conflict of interest with any vendors participating in the evaluation process.</li> <li>• Pledge not to disclose any confidential information acquired during the evaluation process to any unauthorized party(s).</li> <li>• Ensure confidentiality, transparency, fairness, non-discrimination and equal treatment to each of the participating vendors.</li> </ul>
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## 6.0 INPUT AND OUTPUT

Input	Purchase Request from CC
Output	Award to Supplier

## 7.0 NEEDS AND EXPECTATIONS OF INTERESTED PARTIES

*Not Applicable*

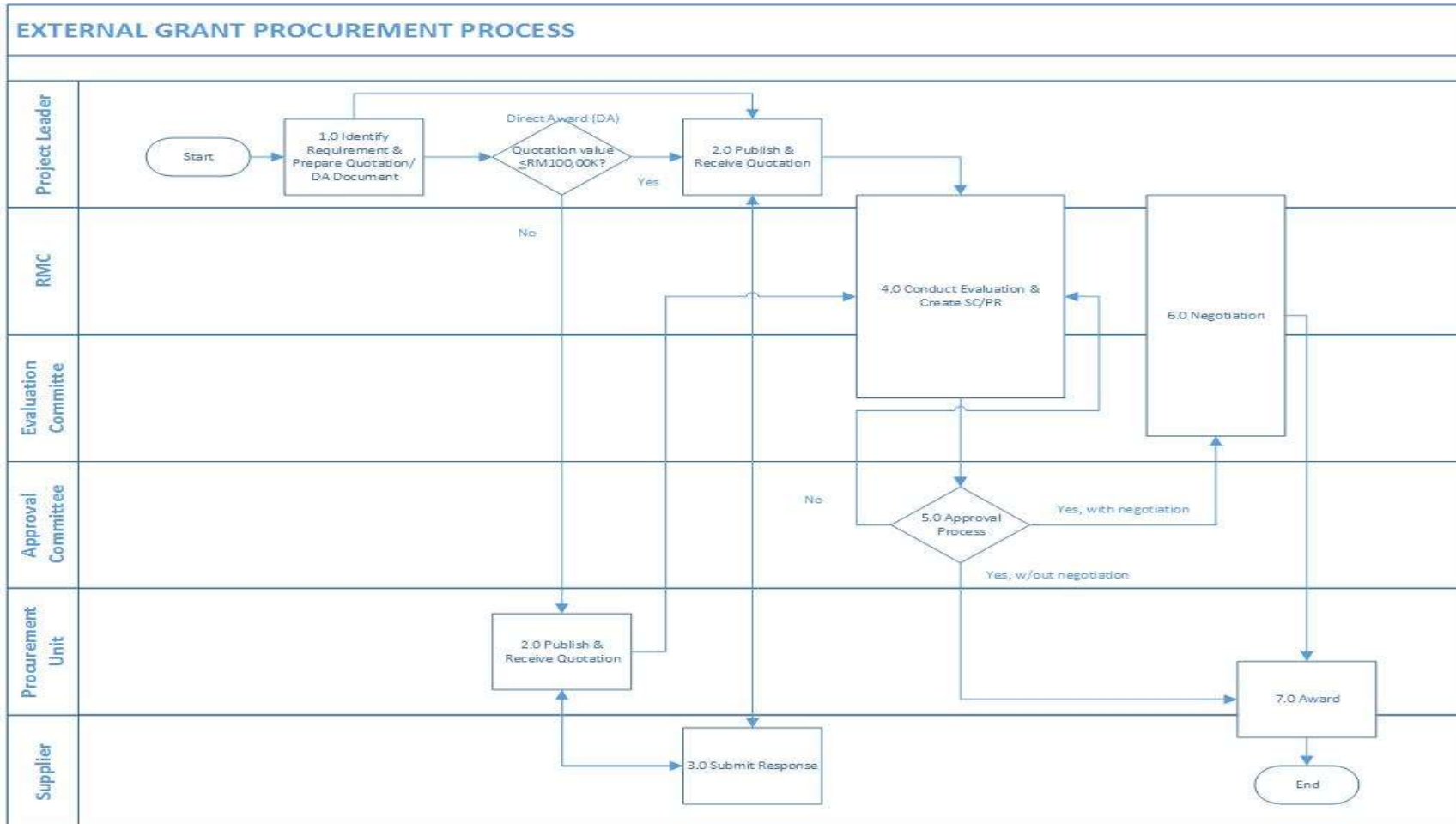
## 8.0 RESPONSIBLE PARTIES OF THIS PROCESS

No.	Party	Responsibilities
1.	Project Leader	<ul style="list-style-type: none"> <li>• Ensure items to be purchased are related to the project and were approved by the grant provider</li> <li>• Ensure budget is sufficient and available for the sourcing activities in accordance to the procurement requirement.</li> <li>• Make necessary preparation of Quotation or Direct Award documents to be issued to recommended supplier (s).</li> <li>• Analyze the supplier (s) submission and make recommendation for award proposal.</li> </ul>
2.	RMC	<ul style="list-style-type: none"> <li>• Ensure items to be purchased were approved and allowed by the grant provider</li> <li>• Ensure budget is sufficient and available</li> <li>• Evaluate supplier (s) submission and perform price benchmarking against current contract, market price and other appropriate reference.</li> <li>• Perform evaluation on award recommendation proposal to relevant Approval Authority.</li> <li>• Finalize the LA terms and contract T&amp;C with Project Leader and supplier.</li> </ul>
3.	Procurement Unit	<ul style="list-style-type: none"> <li>• For purchases using Quotation up to RM100,000 and Direct Award up to RM1,000,000               <ol style="list-style-type: none"> <li>a. Validate and checking for correctness/completeness of the related document</li> <li>b. Process for award and contract process/ documentation as per para 4.3 Contract Documents.</li> </ol> </li> <li>• For purchases using Quotation up to RM1,000,000               <ol style="list-style-type: none"> <li>a. Validate and checking for correctness/completeness of the related document</li> </ol> </li> </ul>



		<ul style="list-style-type: none"> <li>b. Source for Quotations</li> <li>c. Get decision from Evaluation and Approval Committee</li> <li>d. Process for award and contract process/ documentation as per para 4.3 Contract Documents.</li> </ul>
4.	Evaluation Committee	<ul style="list-style-type: none"> <li>• Ensure the evaluation process is being 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.</li> <li>• Validate and checking for correctness/completeness of relevant supporting documents for final approval by the relevant Approving Authority within the targeted timeline.</li> <li>• Ensure proper evaluation is being done for all suppliers' submission and to perform price benchmarking against current contract, market price or other appropriate reference.</li> <li>• Ensure the award recommendations are based from the most competitive offer in terms of price, quality, supplier's experience, technical skills, financial capability as well as other relevant factors.</li> </ul>
5.	Approval Committee	<ul style="list-style-type: none"> <li>• Ensure procurement governance are adhered to and to reject proposal if any rules are not adhered to procurement policy and procedure.</li> <li>• Decide on procurement award for Quotation and Direct Award (DA). When considering the award recommendation, the committee is advised to consider the following factors depending on the nature of procurement award: <ul style="list-style-type: none"> <li>i. The supplier profile, which includes good financial status and equipped with credible experience and expertise in the related filed;</li> <li>ii. The approved offer must be technically acceptable with the most competitive price, taking into consideration its Total Cost of Ownership (TCO);</li> <li>iii. The decision is not brand-bias unless there are valid reasons or exceptions which have to be agreed by all members of approval committee.</li> </ul> </li> <li>• Request for additional information related to the proposals for a more robust and concrete award decision to be made.</li> <li>• 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.</li> </ul>

**9.0 PROCESS FLOW**



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## 10.0 PROCEDURES

Step	Detail description	Person-In-Charge	Document Records
1.0	<u>Identify Requirement and Prepare Quotation/Direct Award Document</u> 1. Project Leader to prepare Quotation/Direct Award Document with finalised requirement and technical specification in line with the approved proposal and also financial breakdown detail in RMS.  Timeline : 1 wd	PL	<b>Quotation ≤RM100k &amp; Direct Award &lt;RM1m</b> 1. <i>Quotation Supporting Document</i>  2. <i>CFQ Manual External Grant Form (Checklist: Purchasing Using External Grant)</i>  3. <i>CFQ RMS External Grant (Purchasing Requisition Using External Grant-CFQ)</i>
2.0	<u>Publish &amp; Receive Quotation</u> 1. Project Leader to <b>source for</b> quotation for Direct Award 2. Project Leader to <b>source for quotation</b> for procurement using Quotation ( <i>if quotation value &lt;RM100,000.00</i> ). 3. Procurement Unit to <b>source for</b> quotation by RFx-By online invitation through SUS Portal or CFQ-by email invitation ( <i>if quotation value &gt;RM100,000.00</i> ).  Timeline : 3 - 7wd	PL PU	4. <i>DA Manual External Grant Form (Checklist: Purchasing Using External Grant)</i>  5. <i>DA RMS External Grant (Purchasing Requisition Using External Grant-Direct Purchase)</i>  <b>Quotation &gt;100K</b> <i>PRA (Appendix B)</i> <i>Quotation/Direct Award Document</i>
3.0	<u>Submit Response</u> 1. For manual CFQ/Direct Award, suppliers are required to submit their quotation to Project Leader or Procurement Unit before the closing date and time. 2. For online RFx, suppliers need to submit RFx response through the SUS Portal before the closing date and time.	Supplier	<b>Quotation ≤RM100k &amp; Direct Award &lt;RM1m</b> 1. <i>Quotation</i> 2. <i>Quotation Supporting Document</i>  <b>Quotation &gt;100K</b> 1. <i>PRA (Appendix B)</i> <i>Quotation/Direct Award Document</i> 2. <i>Quotation</i>
4.0	<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 are related to the research project, were 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 - 10wd	PL RMC Evaluation Committee	RMS

5.0	<u>Approval Process</u> 1. The appointed Approval Committee shall deliberate and approve the quotation accordingly. If Approve, proceed to 7.0 Award, else to revert to 4.0 Conduct Evaluation. 2. To approve SC/PR  Timeline : 3 - 5wd	Approval Committee	RMS
6.0	<u>Negotiation</u> Proceed to negotiation for Direct Award (DA) or Quotation that require negotiation as decided by the Approval Committee.	PL RMC Evaluation Committee Supplier	
7.0	<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 (3wd) / LA cum contract (2 weeks) / LA & Contract (3 weeks)	PU RMC PL Supplier	PO LA cum contract LA & Contract

## 11.0 PROCESS MEASUREMENT

Process Activity	Customer CTQ	Operations Definition	Measurement	Defect
Quotation Process >RM100k	Cycle Time	1. Timely Publish & Receive Quotation	7wd	More than 7wd
		2. Timely Conduct Evaluation	10wd	More than 10wd
		3. Timely Approval	5wd	More than 5wd
Award Document Issuance	Cycle Time	Timely issuance of award document from PU	PO 3wd LA cum contract & LA & Contract 10wd	PO more than 3wd LA cum contract & LA & Contract more than 10wd

Note: wd – working days, exclude weekend and Public Holiday

## 12.0 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

**13.0 EXTERNAL/ INTERNAL REFERENCES**

No	References	Document No
1.	Limit Of Authority (LOA) Tier 2 for MMU Procurement	MMU/F-LOA/PU/T2
2.	SOP For Quotation	MMU/FIN/I-SOP/07
3.	Quotation Policy	FIN-GD-PU-01
4.	SOP Direct Award	MMU/FIN/I-SOP/09
5.	Direct Award Policy	FIN-GD-PU-02
6.	Contract Policy	GP/GNC-GVN/CONTRACT POLICY