



MEMO

Ref : 218-01/2020/PROC/WMH/mhs
Date : 23rd January 2020
To : UMW Procurement Practitioner (Non-Motor Group)
From : UMW Group Procurement
Group Finance Division
Subject : **PROCUREMENT GUIDELINES REVISION 2020**

We refer to the above captioned and wish to inform the following:

A. The Initiative

1. The Procurement Guidelines is intended for all UMW Group (non-motor) staff who are involved either directly or indirectly in actions and decisions relating to procurement.
2. In view of UMW's evolving procurement practices, we have taken the initiative to review the Procurement Guidelines (PG) to include Sustainable Supply Chain as part of the PG and make improvements where necessary to reflect on Best Practices.

B. To Do

1. The revised and approved Procurement Guidelines will come into effect from **3rd February 2020** onwards and will be known as Procurement Guidelines (5th Edition).
2. Procurement will make available the PG (5th Edition) to all UMW Group (non-motor) in our Group Procurement Portal, i.e. **<http://procure.umw.com.my/>**. All staff involved in Procurement activities are required to adhere strictly to the PG (5th Edition).

You may contact En Harun (03-2025 2176) and Pn Amalina (03-2025 2172) for any enquiries.

Regards,


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WAN MOHAMMED HOVEYDA
Head, Group Procurement

REVISED CLAUSES IN PROCUREMENT GUIDELINES (PG)

The clauses that are being revised are tabulated as below :

No	Section	Clause	Current	Updated
1	1.2	Document Version Control	4 th Version	5 th Version
2	2.1.7	Applicability	<ul style="list-style-type: none"> The Procurement Guidelines is applicable to all locally incorporated and overseas incorporated companies of UMW Holdings Berhad excluding UMW Oil & Gas Corporation Berhad and Automotive Division. Possible exceptions are for OPCO where UMW does not have management control or majority equity. 	<ul style="list-style-type: none"> The Procurement Guidelines is applicable to all locally incorporated and overseas incorporated companies of UMW Holdings Berhad excluding Automotive Division. Possible exceptions are for OPCO where UMW does not have management control or majority equity.
3	2.2.1	Purpose of the TC	<ul style="list-style-type: none"> The purpose of the TC is to support the Management of the UMW Group of Companies (Non-motor and Non-Oil & Gas) (hereinafter referred to as "the Company") in the performance of their duties in achieving the business objectives of the Company, having regard to the interests of its shareholders, customers, employees and other stakeholders. 	<ul style="list-style-type: none"> The purpose of the TC is to support the Management of the UMW Group of Companies (Non-motor) (hereinafter referred to as "the Company") in the performance of their duties in achieving the business objectives of the Company, having regard to the interests of its shareholders, customers, employees and other stakeholders.
4	2.3.2	Tender Evaluation Committee (Bullet 2)	<ul style="list-style-type: none"> Appointment of the committee members may be made by the Executive Director or SBU / OPCO / Head of Procurement. Head of Procurement may appoint Chairman of the Committee based on its discretion on prevailing circumstances of the tender details. All Tender Evaluation Committee are required to complete 'Declaration Form' to ensure governance and compliance 	<ul style="list-style-type: none"> Head of Procurement may appoint Chairman of the Committee based on its discretion on prevailing circumstances of the tender details. All Tender Evaluation Committee are required to complete 'Declaration Form' to ensure governance and compliance
5	2.3.6	Tender Submission (Bullet 3)	<ul style="list-style-type: none"> Acknowledgement of receipt will be issued to indicate number of envelopes and/or package, date and time received. 	<ul style="list-style-type: none"> Acknowledgement of receipt to indicate number of envelopes and/or package, date and time received.
6	2.3.8	Tender Fee	<ul style="list-style-type: none"> Tender fee, or document fee, shall be imposed when calling for tender and the tender or document fee is inclusive of GST: 	<ul style="list-style-type: none"> Tender fee, or document fee, shall be imposed when calling for tender and the tender or document fee is inclusive of applicable tax:

7	2.4.1	Quotation Category	<ul style="list-style-type: none"> The number of suppliers to be invited shall be based on the estimated value: <p>a) Up to RM5,000 1 written/fax quotation</p> <p>b) Up to RM100,000 At least 2 written quotations.</p>	<ul style="list-style-type: none"> The number of suppliers to be invited shall be based on the estimated value: <p>c) Up to RM50,000 1 written/fax quotation</p> <p>d) > RM50,000 to 100,000 At least 2 written quotations.</p>
8	2.4.2	Quotation Opening (Bullet 2)	<ul style="list-style-type: none"> In the event that there is only one submission for any quotation above RM5,000, the quotation can be accepted subject to the urgency of the project and the amount is less than RM100,000. For all other situations the quotation exercise has to be recalled. 	<ul style="list-style-type: none"> In the event that there is only one submission for any quotation above RM50,000, the quotation can be accepted subject to the urgency of the project and the amount is less than RM100,000. For all other situations the quotation exercise has to be recalled.
9	2.4.6	Calling of quotation	<ul style="list-style-type: none"> Calling of quotation shall be made by Procurement only excluding purchase value less than RM5,000 and Direct Purchase 	<ul style="list-style-type: none"> Calling of quotation shall be made by Procurement only excluding purchase value less than RM50,000 and Direct Purchase
10	2.4.7	Quotation Submission	<ul style="list-style-type: none"> For quotation up to RM5,000, submission can be done via fax/mail. Quotation estimated above RM5,000 can be submitted in a sealed envelope or fax/mail to Procurement office 	<ul style="list-style-type: none"> For quotation up to RM50,000, submission can be done via fax/mail. Quotation estimated above RM50,000 can be submitted in a sealed envelope or fax/mail to Procurement office
11	3.4	Evaluation: Prequalifying requirements	<p>All bids must comply with the following requirements in order to qualify for further consideration:</p> <ul style="list-style-type: none"> The list of suggested bidders must fulfil basic requirements / criteria during Pre-qualifying (Pre-Q) process such as paid up capital, nature of business etc 	<p>All bids must comply with the following requirements in order to qualify for further consideration:</p> <ul style="list-style-type: none"> The list of suggested bidders must fulfil basic requirements/criteria during Pre-qualifying (Pre-Q) process such as paid up capital, nature of business etc For bidders with no readily available business information, bidder's business and financial information are to be made available for Approval's consideration.
12	9	Sustainable Supply Chain	<ul style="list-style-type: none"> No clause available on Sustainable Supply Chain 	<ul style="list-style-type: none"> Sustainable Supply Chain and its sub-clauses.