

SOP –PROCUREMENT

PURPOSE -To ensure best quality raw materials are sourced from reputed/well established suppliers compiling to FSSAI & other required standards.

SCOPE: Scope of procurement function is as below

- a) Planning & Purchase committee meeting
- b) Ordering
- c) Introduction of new products & new brands
- d) Vendor management

RELEVANT STAKE HOLDERS

S.No	Process step	Responsibility	Authorized by
1	Purchase committee meeting	Purchase Team	Purchase Head
2	Quotation Collection	Purchase Team	Purchase head
3	Ordering the purchase requirement	Store in-charge	Unit head/ Chef
4	Indenting	Store In-charge	Unit head/ Business finance head
5	Receiving & communication to purchase team	Store in-charge	Unit chef/ Chef
6	Introduction of new vendor	Purchase Team	Corporate chef/Unit Chef
7	Evaluation of vendor	Purchase head & Quality Team	Head of finance
8	Vendor rating & Rejection of vendor	Purchase head & Quality Team	Purchase head

PROCEDURE:

a) Planning & purchase committee meeting

- Purchase volume of each unit is planned based on the last 3 months average consumption.
- Purchase team invites minimum 2 quotation for all the category of materials with the sample of ingredients by last week of every month.

(The committee includes Purchase head, Business finance head, Business head, regional purchase in-charge, regional operation heads)

- The quotations are finalized and approved by business finance head & purchase head.

- Concern purchase in-charge shall coordinate & ensure the approved rates are updated in the system/software by the last day of the month.
- A copy of approved price is shared with the store in-charge, site account in-charge, internal auditor, and business finance head
- Change in cost of any materials needs to be approved by Business finance head & purchase head and the same shall be updated in system/software and communicated to all relevant stake holders.

b) Ordering

- Order shall be always be placed with approved vendors provided with approved price list. It is placed by the store in-charge on authorization of unit head keeping purchase in loop
- Perishables (Vegetable, fruit, dairy products, non-veg products etc.) are ordered daily based on the requirement.
- The lead time for purchase order placement is as below:
 - Dairy products, bakery & sweet items, Meat & poultry – 1 -2 day before
 - Vegetables & fruits – 2 -3working days before
 - Dry provision – 4 -5 working days before
- Non availability of any materials shall be communicated by the vendor in prior.
- In case of non-availability of any materials Store in-charge can change the requirement with consultation of Unit chef & Unit head and raise a fresh order to the vendor. The confirmation of change in materials needs to be recorded in the mail internally and will be considered for vendor evaluation as well.
- Any kind of concerns in ordering needs to be communicated internally & externally by mail. When the purchase needs to procure from an unapproved source, the same shall be approved prior to effecting purchase from business finance head.

c) Introduction of new products & new brands

- Introduction of new products/brand is initiated in case of any one of the reason mentioned below
 - Repeated rejections
 - Repeated delay in delivery
 - If any opportunity of cost saving without compromising quality
 - In case of new product/brand to be introduced as per client requirement
 - If vendor performance score is equal or less than 70% for 2 consecutive quarter.
- Change in product/brand is first intimated & discussed with the Corporate/Unit Chef.
- Purchase team shall provide the required licenses, certificates, analysis reports & sample of the product to Quality team relevant to the product/brand.
- Purchase team shall coordinate vendor & Quality team/Ops team for process audit. The audit report shall be submitted to purchase team by Quality team/Ops Team.

- On successful clearance of vendor qualifying process the vendor will be added in the approved vendor list.

d) Vendor Management

Introduction of new vendor - Introduction of a new vendor is initiated in case of any of the following reasons:

- If the vendor is not complying to the legal & statutory requirement,
 - If the vendor performance rating is not acceptable against the desired.
 - If there is repeated quality & delivery issues of existing vendor,
 - If there is an opportunity of cost saving keeping the quality specification right or exceeding it.
- Introduction of a new vendor or change in vendor will be decided in the purchase committee meeting after thorough discussion in the team and with agreement of the Ops team.
 - On agreeing upon the criteria there will be a vendor evaluation done by the Quality team/Ops team & purchase team.
 - During vendor evaluation, mandate legal requirements, like FSSAI license, Trade license, GST Certificate, metrology compliance, FSSAI license for transport services & standard compliance are verified.
 - On successful clearance of vendor qualifying process the vendor will be added in the approved vendor list

Supplier performance evaluation

- Supplier will be audited timely by the Quality team /Ops team with coordination of purchase team to verify the compliance.
- Major supplier shall be audited once in 6 months and all rest required other supplier once in a year subjected to geographical location and availability of Quality team.
- Uninformed supplier audit will be conducted by Quality team in case of emergencies with coordination of purchase in-charge
- Supplier performance is evaluated using standard format compiling to FSSAI guidelines
- If the supplier rating comes below 80% the vendor will be asked for corrective action and improvement will be monitored for next 30 days.
- If any supplier rating comes below 70% for two successive audits then the vendor will be considered as blacklisted vendor and will be removed from authorized vendor list which shall be discussed in purchase committee meeting & finalized

GENERAL INSTRUCTIONS TO BE COMMUNICATED TO VENDOR

- The vendors/suppliers shall be registered/licensed under Food Safety and Standards (Licensing and Registration of Food Business) Regulations 2011 & should share the license.

- Raw materials supplied shall be free from adulteration and should compile to FSSAI labelling details, fruits and vegetables delivered shall be free from colouring matter, mineral oils or any other harmful chemicals.
- Eating, chewing, smoking, spitting shall be prohibited within the supplier premises especially while handling/transporting raw materials.
- The transport vehicle used shall be free from pest, holes, objectionable odor and visible molds. It should be clean and hygienic.
- Raw materials shall not be received/supplied in gunny bags/disposable plastic covers/wrapped with newspaper/tied with jute threads/rubber bands.
- Stickers without any relevant information such as traceability, grade, price, barcode, etc. should not be used directly on fruits and vegetables.
- Vegetables/Fruits to be received in clean and good condition crates.
- Vegetable/fruits size range shall be from medium to large size for smooth operation.
- No rotten, damaged, inferior/low quality vegetables/fruits should not be given.
- Vegetables/fruits should be free from worm/insect infestation, free from molds and soil Or mud residues on the surfaces

Records:

Format/ Record name	Format number	Responsible
Raw Material specification	QFS/HC/PRO/ANX/01	Procurement team/Quality Team
Approved supplier List	QFS/HC/STR/ANX/02	Store In charge
Supplier performance evaluation and Rating	Compile to FSSAI guidelines	Quality Team/Purchase in-charge