

**PROCUREMENT**

**PROCEDURE OVERVIEW**

The purpose of this procedure is to provide SDLC with an efficient and consistent way of purchasing its goods. This procedure establishes the criteria for requesting, approving, ordering and receiving assets, as well as tracking orders throughout the entire purchasing cycle.

**Procedure Owner: Manager of Operations**

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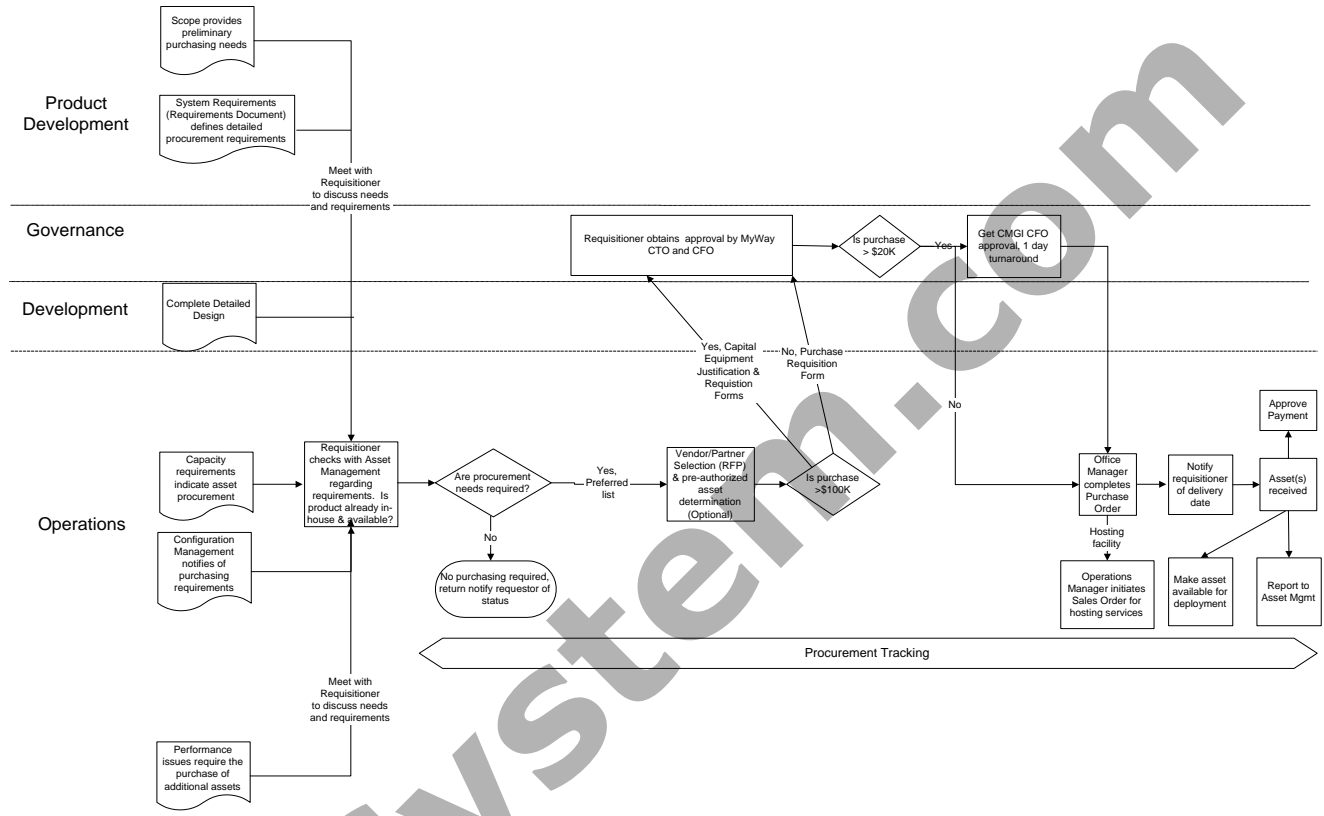
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**Revision History**

Version	Date	Author	Description

Distribution List:  
Manager of Operations, Operations  
Project Manager, Operations

## Procedure Process Flow



## Procedure Flow

### Initial Discussion of Purchasing Requirements

The need for merchandise, driven by one of the following events, may require the procurement of goods:

- Project scope identifies a need for new assets
- Requirements Document indicates a necessity to purchase goods
- Detail Design specifies procurement requirements
- Capacity and/or performance issues require the addition of hardware
- Hardware configuration modifications indicate a need for additional hardware

This initial possible need for purchasing can be generated from **Product Development, Development and Operations**.

When it becomes evident that there is a possible need for the purchasing of goods, the **requestor** should meet with the **requisitioner** to discuss the needs, urgency and requirements of the goods. This meeting can be an informal meeting, a formal meeting, a phone call, or an email.

### **Verification with Asset Management**

At this time, the **requisitioner** confirms whether or not there are any assets within SDLC that could be used. If assets are readily available, the **requisitioner** should notify the **requestor** of this status.

### **Preparing the Requisition**

If the need for procurement is imminent, the **requisitioner** checks the **Preferred List** to determine if either the product or vendor is preferred by CMGI. Either a product is selected from the **Preferred List** or there is a selection process, requiring a formal **Request for Proposal (RFP)** or an informal selection.

If the cost of the required asset(s) is more than \$100,000, the **Capital Equipment Justification Form** must be completed. This form will contain the following information:

- Requestor of the asset
- Reason/Project/Program for which the asset is being purchased
- Cost/Benefit analysis, if applicable (what determines applicability?)

The **requisitioner** is then responsible for completing the **requisition form**. At a minimum, the **requisition form** will include:

- Name of **requestor**
- Name of **requisitioner**
- Description and quantity of asset(s) being purchased
- Cost of asset(s) being purchased
- Number that will allow the requisition to be tracked

### **Obtaining Approvals**

Upon completion of the **requisition form**, the **requisitioner** forwards the form to the **Chief Technology Office (CTO)** and **Chief Financial Officer (CFO)** of SDLC. If a **Capital Equipment Form** was completed, this should be attached to the **requisition**.

*At the first meeting, it was suggested that the request form be an automated form rather than paper. The preference was to be able to submit a request and verify its status. Also, it is believed that the requisition signatures may be more easily obtained if this form were electronic.*

It is imperative that the **requisition** is signed by both parties in a timely fashion.

If the required asset(s) cost more than \$20,000, the **requisitioner** must also obtain the approval of the **CFO** of CMGI. It is also crucial that this signature is obtained in a timely manner.

### **Completing the Purchase Order**

Upon obtaining the appropriate approvals, the **Office Manager** is responsible for completing the **Purchase Order**. When the order is complete, the **Office Manager** must notify the requisitioner of the status of the order, when the order is due to arrive and any other pertinent information. If the goods are destined to arrive at a hosting location, the **Operation's Manager** is responsible for initiating a sales order for hosting services.

### Receiving the Asset(s)

Once the asset(s) has/have been received, the **requisitioner** must approve payment for the asset(s). Additionally, the asset(s) will be made available for deployment and a report will be forwarded to **Asset Management** for asset tracking purposes.

*It would be preferable to the procedure if all parties involved were provided with a web tool that would allow them to track the status of a request at any given time.*

### FORMS

- Requisition Form
- Capital Equipment Justification Form
- Procurement Request (Purchase Order) Tracking Tool
- Preferred Vendor/Product List
- Purchase Order

### EXCEPTIONS

- None Known

### AFFECTED/RELATED PROCEDURES

- Capacity Management Procedure
- Configuration Management Procedure
- Asset Management Procedure
- Site Monitoring Procedure

### TOOLS/SOFTWARE/TECHNOLOGY USED

- MS Word
- Visio

### APPENDIX

- None Known