

SOP: Vendor and Contractor Qualification and Selection Criteria

This SOP defines the **vendor and contractor qualification and selection criteria**, detailing the process for evaluating potential vendors and contractors based on factors such as experience, financial stability, compliance with legal and regulatory requirements, quality standards, safety performance, and cost-effectiveness. The objective is to ensure that only qualified and reliable vendors and contractors are selected to maintain high-quality service delivery and minimize risks to the organization.

1. Purpose

To establish systematic criteria and procedures for qualifying and selecting vendors and contractors, ensuring alignment with organizational standards, regulatory requirements, and operational needs.

2. Scope

This procedure applies to all procurement activities involving the qualification and selection of external vendors and contractors for goods and services.

3. Responsibilities

- **Procurement Department:** Leads the evaluation, maintains records, and ensures compliance with this SOP.
- **Requesting Departments:** Provide input on technical requirements and performance feedback.
- **Compliance/Legal:** Verifies regulatory and contractual compliance.
- **Management:** Approves final selection decisions.

4. Selection and Qualification Criteria

Criterion	Description	Evidence/Verification
Experience	Relevant industry experience and proven track record.	References, project portfolio, client testimonials.
Financial Stability	Sound financial status to fulfill contract obligations.	Audited financial statements, credit checks, bank references.
Compliance	Adherence to applicable laws and regulations.	Certificates, licenses, regulatory records.
Quality Standards	Conformance to organizational and industry quality standards.	ISO certifications, quality control procedures.
Safety Performance	Strong record of health and safety compliance.	Safety audit reports, incident logs, certifications (e.g., OSHA).
Cost-Effectiveness	Competitive pricing and value delivery.	Quotations, cost analysis, value-added services.

5. Selection Process

1. **Requirement Definition:** Requesting department submits requirements.
2. **Supplier Identification:** Procurement compiles a list of potential candidates.
3. **Pre-Qualification:** Initial screening based on mandatory requirements (licenses, certifications, etc.).
4. **Evaluation:** Vendors/contractors are evaluated according to the above criteria using a standardized assessment form or scoring matrix.
5. **Site Visits (if needed):** Conducted to inspect operations and compliance.
6. **Final Selection:** Multidisciplinary team reviews results and makes recommendations; management gives approval.
7. **Contract Negotiation & Award:** Procurement finalizes the contract with the selected vendor or contractor.
8. **Documentation:** All evaluation documents and decisions are archived for future reference and audits.

6. Records and Documentation

- Prequalification forms and screening checklists
- Evaluation/scoring sheets
- Due diligence documents
- Approval and selection memos
- Final contracts

7. Review and Monitoring

- Performance of selected vendors/contractors shall be reviewed periodically.
- Regular audits and key performance indicators (KPIs) are used to measure ongoing suitability.

8. References

- Organizational Procurement Policy
- Relevant local, state, and federal regulations
- ISO 9001: Quality Management Systems
- ISO 45001: Occupational Health and Safety