

SOP: Supply Shortage and Emergency Procurement Steps

This SOP details the **supply shortage and emergency procurement steps**, outlining procedures for identifying supply shortages, assessing urgency, and initiating emergency procurement processes. It includes guidelines for rapid supplier evaluation, approval workflows, documentation requirements, and communication protocols to ensure timely acquisition of critical materials while maintaining compliance and cost-effectiveness. The purpose is to minimize operational disruptions by effectively managing unexpected supply chain challenges through structured emergency procurement actions.

1. Purpose

To ensure rapid and compliant procurement of critical materials during supply shortages or emergencies, minimizing operational disruptions.

2. Scope

This SOP applies to all departments and personnel involved in procurement, supply chain management, and emergency response procedures.

3. Definitions

- **Supply Shortage:** Any situation where inventory levels fall below predefined critical thresholds.
- **Emergency Procurement:** The process to acquire necessary goods or services urgently outside standard procurement cycles due to unforeseen events.

4. Responsibilities

- **Supply Chain Manager:** Oversees shortage identification and initiates procurement workflow.
- **Procurement Officer:** Conducts rapid supplier evaluation, documentation, and purchasing.
- **Approving Authority:** Reviews and approves emergency procurement requests.
- **Finance Department:** Verifies budgets and processes payments.

5. Procedure

1. **Identification of Supply Shortage**
 - Monitor inventory using ERP/system dashboards.
 - Trigger alert if stock level drops below critical levels.
 - Notify Supply Chain Manager of shortage.
2. **Assessment of Urgency**
 - Evaluate the impact of shortage on operational continuity.
 - Cross-check alternative stocks or substitutes.
3. **Initiation of Emergency Procurement**
 - Prepare Emergency Procurement Request (EPR) form, including justification and impact assessment.
 - Submit EPR to Approving Authority.
4. **Rapid Supplier Evaluation**
 - Identify and shortlist pre-qualified or new potential suppliers.
 - Assess supplier capability, compliance, and delivery timeline.
 - Document supplier evaluation brief.
5. **Approval Workflow**
 - Approving Authority reviews and authorizes the emergency procurement.
 - Finance verifies budget allocation and approves funding.
6. **Procurement and Documentation**
 - Issue Purchase Order (PO) to selected supplier.
 - Document all communications, quotations, and decisions.
 - Retain records for audit and compliance.

7. Communication Protocols

- Inform relevant departments of delivery schedules and status updates.
- Document incident and actions for post-event review.

6. Documentation Requirements

Document	Responsibility	Retention
Emergency Procurement Request (EPR)	Procurement Officer	5 years
Supplier Evaluation Brief	Procurement Officer	5 years
Purchase Order (PO)	Procurement Officer	7 years
Approval Records	Approving Authority	7 years
Communication Logs	Supply Chain Manager	3 years

7. Compliance and Audit

- Follow all regulatory and internal compliance guidelines during emergency procurement.
- Maintain audit trails for all emergency processes and documentation.

8. Review & Revision

This SOP is to be reviewed annually or following a significant supply shortage event. Updates must be documented and communicated.

9. Appendix

- Emergency Procurement Request (EPR) Form Template
- Supplier Evaluation Checklist
- Approval Routing Flowchart