

Standard Operating Procedure (SOP): Vendor Selection and Contractor Management Protocols

This SOP details the **vendor selection and contractor management protocols**, encompassing criteria for vendor evaluation, bidding and procurement processes, contract negotiation and agreement standards, performance monitoring and compliance checks, risk management and mitigation strategies, communication and coordination guidelines, and documentation and record-keeping requirements. The objective is to ensure the engagement of reliable vendors and contractors who meet quality, safety, and regulatory standards while fostering transparent and efficient management throughout the project lifecycle.

1. Purpose

To establish a consistent and comprehensive approach for the selection, engagement, and management of vendors and contractors to ensure project success, compliance, and organizational objectives.

2. Scope

This SOP applies to all departments and personnel involved in procurement, vendor selection, contractor management, and project execution.

3. Definitions

- **Vendor:** An external entity supplying goods and/or services.
- **Contractor:** An external provider engaged for specific services or project work.

4. Responsibilities

- **Procurement Team:** Oversees selection and acquisition processes.
- **Project/Contract Managers:** Monitor performance and ensure compliance.
- **Legal Department:** Reviews, negotiates, and approves contracts.
- **Relevant Departments:** Define requirements and assess technical suitability.

5. Protocols and Procedures

1. 5.1 Vendor Evaluation Criteria

- Financial stability
- Relevant experience and past performance
- Capability and resources
- Certifications and regulatory compliance
- Quality assurance processes
- References from previous clients

2. 5.2 Bidding and Procurement Processes

- a. Prepare detailed project requirements and technical specifications.
- b. Issue Requests for Proposal (RFP) or Invitations to Bid (ITB).
- c. Receive and log all bids; maintain confidentiality.
- d. Evaluate bids based on predefined criteria; document rationale for selection.
- e. Notify selected and non-selected vendors.

3. 5.3 Contract Negotiation and Agreement Standards

- a. Ensure all terms and conditions are clear, compliant, and risk-mitigated.
- b. Involve legal department for contract review and approval.
- c. Define deliverables, timelines, payment terms, and service level agreements (SLAs).
- d. Obtain mutual consent and signatures from authorized representatives.

4. 5.4 Performance Monitoring and Compliance Checks

- a. Establish key performance indicators (KPIs) and regular review schedules.
- b. Conduct periodic site visits, inspections, and audits.
- c. Review invoices and work completion documentation.
- d. Document and address non-compliance or performance issues promptly.

5. 5.5 Risk Management and Mitigation

- a. Identify potential risks (financial, safety, regulatory, etc.) during selection.
- b. Incorporate risk clauses into contracts.
- c. Develop contingency and corrective action plans.
- d. Maintain insurance and ensure all required certifications are current.

6. 5.6 Communication and Coordination

- a. Appoint project liaisons for vendor/contractor communications.
- b. Schedule regular coordination meetings.
- c. Document and distribute meeting minutes and action items.
- d. Escalate issues according to the communication matrix.

7. 5.7 Documentation and Record-Keeping

- a. Maintain complete records of selection, contracts, correspondence, and performance reports.
- b. Store documentation securely and comply with data retention policies.
- c. Ensure records are accessible for audits and review.

6. References

- Company Procurement Policy
- Applicable Regulatory Standards and Guidelines
- Contract Management Guidelines

7. Appendices

Appendix	Description
Appendix A	Vendor Evaluation Form Template
Appendix B	Sample Request for Proposal (RFP) Template
Appendix C	Contract Checklist
Appendix D	Performance Review Report Template

This SOP is subject to review and updates at least annually or as required by regulatory or organizational changes.