

# [Sourcing in procurement](https://assignbuster.com/sourcing-in-procurement/)

[Business](https://assignbuster.com/essay-subjects/business/)

In modern procurement, sourcing aims at collecting and analyzing information about capableness within the market to satisfy the organization’s requirements, such as obtaining updated cost Information and appropriate supplier qualification criteria as well as Identifying alternative products In the market. A through sourcing process In procurement or supply chain management leads to identification and subsequent invitation of relevant suppliers as well as ensuring maximum competition. It can as well lead to better understanding of the market.

With this understanding, you can be assisted in determine the following: when to ay, buy or lease decision, work realistic delivery schedule, identify price evaluation factors, sourcing Justification and work on the general/ special terms and conditions for solicitation. In the I-IN, sourcing is conducted in parallel with requirement definition. Whiles requisitions are being raised with regards specifications, an informal market research Is required to ascertain potential suppliers and prices.

This Information though Important can well be sensitive as It can give rise to biased specification or favor a particular vendor or suppliers which nullify the essence of imitativeness. The process requires Market Research, in which relevant suppliers and products that could meet the needs of the organization. The time required in doing this research will depend on the value/risk of the requirement.

It is always advised in the UN that for small standard procurement activities research may be limited to searching existing rosters and previous contracts.

For larger or more complex procurement, a more extensive market analysis is mostly required or encouraged. Because the procurement activities are widely known to potential suppliers, a standard Information on specification for standard products Like IT equipment are mostly required to provide supplier with opportunities to express Interest, open tenders as a means of reaching out to broadly to Interested suppliers or request for expression of interest.

The Inter-Agency Procurement Working Group (APIPA) has developed the UN Global Market Place ( www. Magnum.

Org) as the main procurement portal for both suppliers and procurement officers in the UN system of organization. It can be used in terms of a yellow pages ‘ approach and as a register of eligible suppliers for reticular commodities. These facilities available in the MAGNUM are continually updated.

It also require Establishing and Signature of Short List of suppliers, many aspects should be taken Into consideration when selecting the supplier for the short list, the goal Is to Increase competition to a maximum and a fair chance to a vast number of companies In the market as well as ensuring the procurement process by Limiting competition to the most relevant suppliers. To this end, the following criteria can be higher the value, the higher the number of suppliers, share of potential markets and geographical distribution, specific requirement in terms of standard (ISO certification/ quality standards).

In the UN Procurement, it is in most cases encouraged to maintain a separate roster of suppliers, for example, local suppliers for particular local need. It’s essential to invest time and effort to maintain such database by reviewing new applications, deleting inactive suppliers and updating information on current suppliers. To promote economical and efficient procurement, the performances of existing suppliers are always evaluated on an ongoing basis. Data on such evaluations are corded as non -performers are flagged in existing rosters/information systems.

Some ways in which vendors are evaluated against performance benchmarks are: quality of goods and services supplied, compliance with delivery times/deadlines, after sales services provided on demand, accuracy of documents provided and speed of general response and general cooperation.

However all these are done, to ensure that evaluation results are fed back into future sourcing process, that are made available to the procurement team through rosters or sourcing process.