



MAGNUM CONSTRUCTION SERVICES INC.

PROCUREMENT & MATERIAL MANAGEMENT PROCEDURE

Document Code: MCS-OP-F03 | **Revision:** 1.0 | **Effective Date:** October 31, 2025

1. PURPOSE

To establish a standardized process for the procurement, inspection, handling, and control of materials, equipment, and services used in all projects executed by **Magnum Construction Services Inc.**

This procedure ensures that only approved materials and suppliers are utilized, maintaining full compliance with project specifications, quality standards (ISO 9001), and contractual requirements.

2. SCOPE

This procedure applies to:

- All projects managed and executed by Magnum Construction Services Inc.
 - Purchase of materials, plant, tools, and equipment.
 - Subcontracted services and supplier relationships.
 - Coordination between procurement, engineering, QA/QC, and site teams from requisition to installation.
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3. REFERENCES

- **MCS-QM-01:** Corporate Quality Manual
 - **MCS-QM-F11:** Vendor Qualification & Supplier Evaluation Forms
 - **MCS-QM-F12:** Turnover / Handover Dossiers
 - **ISO 9001:2015:** Quality Management Systems
 - **Project Specifications & Contract Documents**
 - **Approved Vendor List (AVL)**
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4. RESPONSIBILITIES

Role	Responsibility
Procurement Manager	Oversees procurement activities, maintains AVL, ensures supplier compliance and cost control.
Project Manager	Approves major purchases and ensures material procurement aligns with project schedule and budget.
QA/QC Manager	Verifies material compliance with project specifications and approves test certificates.
Engineering Manager	Provides technical review of materials and approves data sheets and submittals.
Finance Department	Verifies budget availability and approves purchase orders above defined thresholds.
Storekeeper / Logistics Officer	Manages receipt, storage, and issuance of materials per approved procedures.
HSE Manager	Ensures material handling, storage, and disposal comply with safety and environmental regulations.

5. PROCUREMENT PROCESS FLOW

Step	Activity	Responsible	Form / Record
1	Material Requisition issued by site or engineering	Site Engineer	Material Requisition Form (MRF)
2	Review and verify specification and quantity	Project Manager / QA/QC	Approved Drawings / BOQ
3	Send RFQ to approved vendors	Procurement	Request for Quotation (RFQ)
4	Receive and evaluate quotations (technical & commercial)	Procurement / Engineering	Quotation Evaluation Form



Step	Activity	Responsible	Form / Record
5	Supplier selection and approval	Procurement Manager / Project Manager	Vendor Evaluation Record
6	Issue Purchase Order (PO)	Procurement	Purchase Order
7	Vendor acknowledgment and delivery confirmation	Vendor	PO Acknowledgment
8	Material delivery and inspection	QA/QC / Storekeeper	Material Receiving Report (MRR)
9	Testing / Certification review	QA/QC	Test Certificate / COA
10	Storage, tagging, and inventory update	Storekeeper	Material Stock Register
11	Issuance to site upon approval	Site Engineer / Storekeeper	Material Issue Slip
12	Record retention and closeout	Document Controller	Procurement File / ERP Archive

6. MATERIAL SUBMITTAL & APPROVAL PROCEDURE

1. Contractor submits **Material Submittal Form** with datasheets, catalogues, and certificates.
2. QA/QC reviews against contract specifications.
3. Consultant/Client reviews and issues **Approved / Approved with Comments / Rejected** status.
4. Approved materials are logged in the **Approved Material Register** and linked to relevant ITP.
5. Non-approved materials are quarantined or returned.

7. INSPECTION & RECEIVING CONTROL

- All incoming materials must be accompanied by **Delivery Notes, PO copies, and Certificates of Compliance**.



- QA/QC shall inspect for conformity, damage, and labeling before acceptance.
- Any **Non-Conformance** is logged using the **NCR Form** and communicated to Procurement for corrective action.
- Testing (if required) must be witnessed and recorded prior to material release for installation.

8. STORAGE, HANDLING, AND IDENTIFICATION

Material Type	Storage Requirements
Concrete / Cementitious	Store off ground, under cover, with batch tracking.
Steel / Rebar	Tag by heat number, protect from rust and contamination.
Electrical / MEP Components	Store in dry area, segregated by system.
Chemicals / Paints	Store per SDS requirements; maintain spill kits nearby.
Perishable Materials	Follow manufacturer's shelf-life and temperature controls.

All materials must carry **traceable identification tags** (batch number, PO number, date received).

9. INVENTORY CONTROL

- Maintain a **Material Stock Register** (manual or ERP).
- Perform **monthly stock reconciliation** between physical and system inventory.
- Issue materials using FIFO (First In, First Out) method.
- Expired or damaged materials must be recorded and disposed of per **Waste Management Procedure (MCS-EN-xx)**.

10. VENDOR PERFORMANCE EVALUATION

- Conduct quarterly vendor evaluations using **MCS-QM-F11** criteria: quality, delivery, documentation, and responsiveness.
- Update the **Approved Vendor List (AVL)** accordingly.
- Vendors with repeated NCRs or delays shall be **downgraded or removed** from AVL.

11. DOCUMENTATION & RECORDS

Record Type	Retention Period	Responsible
Purchase Orders & Requisitions	10 years	Procurement
Material Submittals & Approvals	10 years	QA/QC
Test Certificates / COAs	10 years	QA/QC
Material Receiving Reports	10 years	Storekeeper
NCRs / Vendor Evaluations	10 years	QA/QC / Procurement
Inventory & Stock Reports	10 years	Document Control

12. APPROVALS

Reviewer	Department Signature / Date Comments
Procurement Manager	Supply Chain
QA/QC Manager	Quality
HSE Manager	Safety
Project Manager	Operations
Executive Director	Corporate
Client / Consultant	External

13. RECORD RETENTION

All procurement and material management documents shall be retained for a **minimum of 10 years** following project closeout.

Electronic archives must be maintained in the **QMS Document Control System (SharePoint / ERP)** with restricted access and traceable version control.