

The Supply Division together with other Divisions in the Ministry such as Logistic Services Division of the Army, Navy and Air Force, would liaise with the Defence Science and Technology Centre for technology transfer requirements as well as the Defence Production Division for possible in country production.

FUNCTION

The Supply Division is divided into nine sections and each is interdependent in catering to the needs of the Armed Forces. Its main activities in the procurement process are:-

- Market Research.
- Source Enquiry.
- Evaluation.
- Tender Process.
- Contract Process.
- Inspection.
- Post Contract Evaluation.

PROCUREMENT CONCEPT

The Supply Division plays the role of procurement in that it makes the necessary arrangements for the delivery of goods to meet the requirements of the users (the Armed Forces). It acts as a 'middleman/facilitator' in the purchasing process being in between the Backward Linkages and the Forward Linkages of the process.

1. Backward Linkages.
 - a. The user after having confirmed their requirement would then bid for financial allocation to the Finance Division of the Ministry for inclusion in the following year's annual budget.
 - b. Finance Division would scrutinize the request and only after being satisfied with the requirement forward it to the Ministry of Finance (Treasury, Malaysia).
 - c. After the screening exercise by the Ministry of Finance, the Budget

would be tabled at Parliament for approval.

d. Upon approval, the user would forward its requirement to the Supply Division for procurement action.

2. Forward Linkages.

a. After having initiated the contract, the user department is then authorised to raise orders or receive deliveries.

b. The contractor/supplier, upon receipt of order, would commence delivery action.

c. The Technical Inspectorate Branch/Department concerned would carry out technical inspection of the delivery in accordance to specifications.

d. Delivery that meets the technical requirements would be delivered to the stores.

e. Contractor would then forward bills to Finance Division for payment.

METHODS OF PROCUREMENT

The methods currently practised are:—

1. Casual Purchase — for any item or class of related items whose annual aggregate expenditure does not exceed 10,000 ringgit. Orders are normally sent to a few selected reliable suppliers. Power to purchase is delegated to users.
2. Quotation — for any item or class of related items whose annual aggregate expenditure exceeds 10,000 ringgit but not 50,000 ringgit. A minimum of five suppliers are invited to quote.
3. Tender — for any item or class of related items which exceed 50,000 ringgit. Requirements are advertised in local newspapers and in the case of International Tenders also through Foreign Embassies and High Commissions.