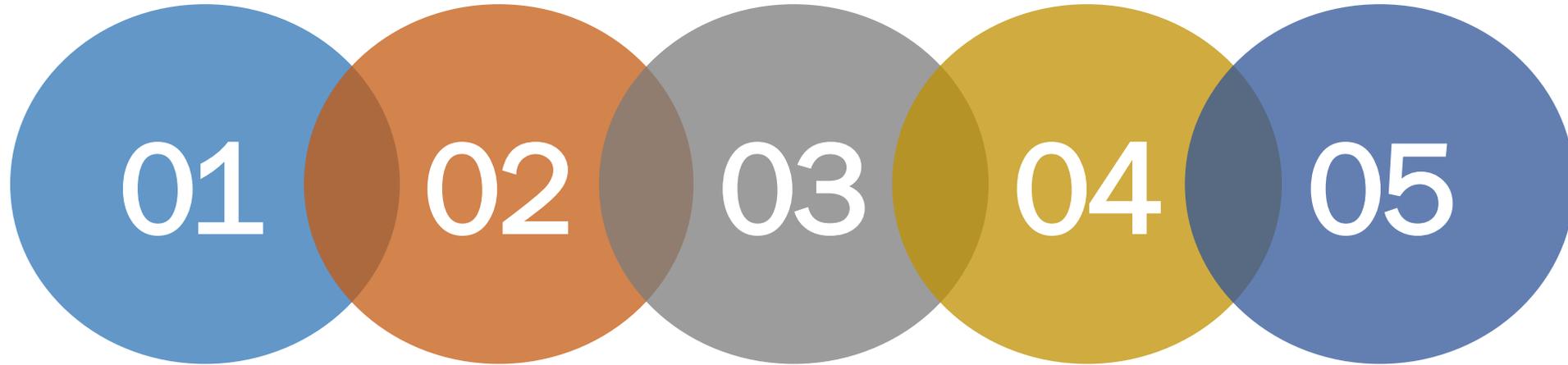


Procurement Award Method



● Purchase Order (PO)

- Indicates confirmation of purchase
- Contains purchase details; i.e. item description, quantity, price, delivery date, payment milestones etc. and standard terms of purchase

● Contract/Agreement

- Contains terms and conditions of the purchase/services
- To be executed by both parties (MCMC and the appointed vendor)
- Valid for the term (period) as specified in the contract

● Letter of Award (LoA)

- Contains crucial purchase terms (payment, delay, termination, etc.)
- To be executed by both parties (MCMC and the appointed vendor)
- Binding document but not required to be stamped
- Subject to contract but work can commence upon LoA execution/acceptance

● Letter of Undertaking (LoU)

- Assurance to undertake payment for services agreed upon
- Commonly used for Hotel booking, Car and Vehicle maintenance
- Contains details of agreed services and rate (if applicable)

● Notification of Award (NoA)

- One-page template
- To inform the selected bidder of their selection
- Non-binding document
- No contract value, no period of contract
- Work cannot commence prior to contract execution