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PURCHASING PROCEDURES

1. SCOPE

This procedure defines the purchasing process on board ship.

2. CODES

ISO 9001/2008

ISO 14001:2004

3. RESPONSIBILITY AND AUTHORITY

The Ship Manager is responsible for the budget control and authorisation of purchases of spares and consumable stores for the fleet and may place direct orders with suppliers.

The Master is responsible to the Ship Manager for adequately storing and provisioning his ship and for the most effective use of the allocated budget. He may purchase emergency stores or spares within specified limits.

The Chief Engineer is responsible to the Master for the requisitioning of all spares, fuel and lube oil, and ensuring there are adequate consumable stores for his department.

The Chief Navigating Officer is responsible to the Master for ensuring there are adequate consumable stores for his department.

4. INTEGRITY


The Company expects the highest standards of integrity to be maintained in all purchasing activities which shall be conducted in a manner consistent with the highest professional, ethical and legal requirements.

5. ENVIRONMENT

5.1. Preference should be given to procuring environmentally friendly services or products.

5.2. In connection with the purchasing of toxic or injurious substances and products, the Master shall ensure that only products taken on board are those whose packaging indicate:

- a) Hazardous/pollutant classification.
- b) Technical name with indication of contents.
- c) Warning of dangers and necessary precautions.

	<p style="text-align: center;">HEALTH, SAFETY, ENVIRONMENT AND QUALITY MANAGEMENT SYSTEM</p> <p style="text-align: center;">13.0. PURCHASING PROCEDURES</p> <p style="text-align: center;">FLEET PROCEDURES MANUAL</p>	<p>Sect : 13.0 Page : 3 of 8 Date : 6-Aug-25 Rev : 10.1 Appr : DPA</p>
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- d) Name and address of producer and supplied with MSDS (Material Safety Data Sheet)

Care must be taken when handling such substances/products to prevent accidental spillage.

The vessel Hazard Material Inventory must be updated due to changes of listed items or if any new purchases are required to be listed in the Hazard Material Inventory.¹

6. VESSEL BUDGET CODES²

- 6.1. Budget Codes Form (Form 7.2.5) has the list of company budget codes. These codes are also entered into the [Mespas](#)³.
- 6.2. Senior Officers must understand which codes are applicable to their areas of responsibility and each requisition must have the correct code entered for every service or stores/spares ordered.
- 6.3. These codes are transferred to the PO when generated and are used to apportion costs to the sections of the budget.
- 6.4. Incorrect coding causes delay and excessive cross checking between Ship Managers and accountants, causing delays in payments to the service providers.

7. REQUISITION OF SPARES

- 7.1. All parts including consumable items such as lamps and fuses which are listed in the manufacturer's manual are considered to be spares and must only be requisitioned in [Mespas](#)⁴.
- 7.2. It is important that the [Mespas](#)⁵ requisition is filled in correctly and only used for one unit of machinery per requisition number. Full details of the spare and its part number must be obtained from the manufacturer's spares manual and quoted in the spares requisition. (Where part numbers are not available a copy of the drawing, manual⁶, or a photograph showing the part required may be used to assist the Buyer).
- 7.3. If a special delivery requirement (e.g. urgent) is needed it should be specified in the comment⁷ section and in the Requisition Priority, choose "URGENT"⁸.

¹ W 01 / 2021

² W 15 / 2020

³ [W 03 / 2024](#)

⁴ [W 03 / 2024](#)

⁵ [W 03 / 2024](#)

⁶ W 01 / 2021

⁷ W 01 / 2021

⁸ W 01 / 2021

- 7.4. The completed spares requisition is to be entered into [Mespas⁹](#) and captured into the Company procurement system.
- 7.5. When spares are delivered on board an Engineer Officer shall check them against the suppliers packing list, , and the PO¹⁰. The delivery note is signed and stamped with the ships orange ink¹¹ “GOODS RECEIVED” stamp as proof of delivery. All delivery notes, complete with date received, any remarks, and the receivers rank, must be scanned into the PO in [Mespas¹²](#) under the Documents tab using “Attach and Send”.¹³ This will be cross referenced by the office before an invoice is paid.¹⁴ Any difference between the PO and the Delivery Note must be commented on in the Comments tab in [Mespas¹⁵](#)

The Master shall sign and stamp any customs documents with the SHIPS STAMP if required to do so by the local authorities.

- 7.6. [Mespas¹⁶](#) is to be updated as soon as possible after the Delivery is checked, to compare all items delivered with the quantity ordered as per the PO. If all items on the PO are received as per the ordered quantity, the PO to be marked as “Fully received”.

For partial deliveries, the “Qty. Received” column in the PO on [Mespas¹⁷](#) to be updated with the Actual Quantity received. In this case the PO status will change automatically to “Partially Received”.

- 7.7. There are occasions when spare parts are ordered as per sample. The sample part should be carefully labelled and forwarded agent or to the Ship Manager. The following information must be written on the label;

Ships name
Date
Description of the spare part
[Mespas¹⁸](#) PO or Requisition number

- 7.8. Details of when and how the spare parts were forwarded or landed, to whom given and who was advised etc must be noted on the Chief Engineer Officers copy of the spares requisition to provide traceability.

⁹ W 03 / 2024

¹⁰ W 01 / 2021

¹¹ W 01 / 2021

¹² W 03 / 2024

¹³ W 01 / 2021

¹⁴ W 07 / 2020

¹⁵ W 03 / 2024

¹⁶ W 03 / 2024

¹⁷ W 03 / 2024

¹⁸ W 03 / 2024

- 7.9. In the event spares are supplied to the vessel, and there is no PO in [Mespas](#)¹⁹, the procedure is to scan the signed Delivery Note into Sharepoint File 7.1.4 and inform the Buyer and Ship Manager the items were received. These items are normally bulk purchase made across the fleet, on a single PO.²⁰

8. REQUISITION OF STORES

- 8.1. It is the company philosophy that the Master has the freedom to make the most effective use of the allocated stores budget by selecting the stores of his choice that he deems are necessary for the operation of his vessel, provided that it is within budgeted limits.
- 8.2. A centralised storing system should be utilised onboard for the control of all consumable stores (physically stores can be stored in as many storerooms / lockers as is required but control remains central).
- 8.3. Consumable stores will be supplied on a quarterly basis as per a schedule for the fleet prepared by the Company. The schedule is not inflexible but is to be followed as closely as possible within the constraints of ship schedules.²¹
- 8.4. When a vessel is trading on a regular trade route the Company may select a suitable port(s) for the regular delivery of stores. This may cause some deviation from the phased store schedule.
- 8.5. Stores requisitions (excluding victuals) shall be planned and submitted to the Ship Manager on company form Quarterly Stores Form (form 7.2.4)²² in accordance with the quarterly store schedule and²³ in sufficient time to allow delivery in a port that has been nominated for the delivery of stores.
- 8.6. Form 7.2.4 is filed in Sharepoint in the file with the same number.
- 8.7. The Ship Manager will review and discuss with the vessel. Once the numbers are agreed the order will be placed in [Mespas](#)²⁴.
- 8.8. Any “free items” i.e. those who are not on the Quarterly Stores Form 7.2.4 will be requisitioned on a separate [Mespas](#)²⁵ requisition.²⁶

¹⁹ W 03 / 2024

²⁰ W 01 / 2021

²¹ W 15 / 2020

²² W 15 / 2020

²³ W 15 / 2020

²⁴ W 03 / 2024

²⁵ [W 03 / 2024](#)

²⁶ W 15 / 2020

- 8.9. The stores items must be correctly described in [Mespas²⁷](#) to avoid supply of the wrong item. The International Marine Purchasing Association (IMPA) number must be quoted, where applicable²⁸. Urgent stores items must be identified.
- 8.10. The requisition, once a supplier is appointed becomes a purchase order (PO). This number will not be the same as the requisition number. All tracking must be by PO number hereafter.²⁹
- 8.11. The Master must check that the stores requisitioned are adequate for the storing period and for the intended voyage. He shall check that the selection and quantity of stores required provides the best use of the allocated stores budget.
- 8.12. The Company will keep the vessel informed of stores delivery and the status of delivery in [Mespas³⁰](#), and by e mail.³¹
- 8.13. If insufficient funds are available the Ship Manager may advise the Master to make the necessary adjustments to the requisition to reduce it to within the budget constraints or explore cheaper delivery alternatives. If necessary, the Ship Manager may:
- a) Adjust the quantity to fit the budget.
 - b) Place the requisition on hold and inform the vessel.
 - c) Justify the expenditure if it is critical to avoid delay to the vessel or cargo work or to rectify any unsafe condition or condition threatening to health or the environment.
- 8.14. An Officer will check the stores on delivery on board against the suppliers Delivery note, and the PO³² and will acknowledge receipt by signing, with Rank and date³³, and stamping the delivery note with the ship orange ink³⁴ "GOODS RECEIVED" stamp. The ships stamp must not be used for this purpose, as fraudulent delivery notes and invoices have been received (using ship stamp copies cut and pasted off clearance documents). All delivery notes complete with date received, any remarks, and the receivers rank, must be scanned into the PO in [Mespas³⁵](#) under the Documents tab using "Attach and Send". This will be crossed referenced by the office before an invoice is paid. Any difference between the PO and the Delivery Note must be commented on in the Comments tab in [Mespas³⁶](#).
- 8.15. [Mespas³⁷](#) is to be updated as soon as possible by the CEO and the Delivery Note attached to the PO³⁸, to compare all items delivered with the quantity ordered as per the PO. If all

²⁷ W 03 / 2024

²⁸ W 07 / 2020

²⁹ W 15 / 2020

³⁰ W 03 / 2024

³¹ W 15 / 2020

³² W 01 / 2021

³³ W 01 / 2021

³⁴ W 07 / 2020

³⁵ W 03 / 2024

³⁶ W 03 / 2024

³⁷ W 03 / 2024

³⁸ W 01 / 2021

items on the PO are received as per the ordered quantity, the PO to be marked as “Fully received”.

For partial deliveries, the “Qty. Received” column in the PO on [Mespas³⁹](#) to be updated with the actual quantity received. In this case the PO status will change automatically to “Partially Received”.

8.16. The Master must inform the Company of stores received and any discrepancies. The PO and⁴⁰ requisition number should be quoted.

9. ENGAGING THE SERVICES OF CONTRACTORS

- 9.1. When service of a contractor is required the Master shall submit a job card in [Mespas⁴¹](#), to the Company specifying the work required. See Repairs and Maintenance Procedures.
- 9.2. The Company will arrange the contractor as necessary and will inform the vessel.
- 9.3. On completion of the work it shall be signed for and the Company advised of its completion.
- 9.4. The CEO will close the job order in [Mespas⁴²](#), which serves as proof of completion and allows the contractor to be paid for the service.

10. PURCHASES FROM MASTERS CASH

- 10.1. The fleet is contracted to a victual and bond supply company. These vessels are to follow the Contracted company procedure when ordering these stores.

For the vessel not contracted, victualling, bond and slop chest stores may be purchased using funds from Masters Cash.

- 10.2. In exceptional circumstances and in order to avoid delay to the vessel or cargo work or to speedily rectify any unsafe condition onboard, the Master is given the authority to purchase items/spare parts that he deems necessary provided the purchases in any one port do not exceed [USD 250⁴³](#). This must always be discussed with the Ship Manager if possible.

In every event, the use of Master’s Cash for this purpose must be fully motivated and justified, and the Ship Manager informed of such purchases at the earliest opportunity. Scanned copies of the invoice, stamped with the ships “GOODS RECEIVED” stamp must be sent with the sailing message to avoid double payment issues. If the invoice has been settled from the

³⁹ W 03 / 2024

⁴⁰ W 01 / 2021

⁴¹ W 03 / 2024

⁴² W 03 / 2024

⁴³ W 09 / 2024

MCA account the Master will indorse the invoice “Cash paid in full”, and signed by the Master. If not paid aboard, it is to be endorsed “Received in full. To be paid by the company”

11. REQUISITION OF BUNKERS

- 11.1. The Charterers instructions for the requisition of bunkers must be followed.
- 11.2. If the vessel is operated directly by the Company, then bunker requirements must be e-mailed to the Company or the vessels agents as directed.
- 11.3. Samples are to be taken of bunkers received on board in accordance with the procedures contained in the Technical Manual.
- 11.4. To protect the Company bunker receipts are to be endorsed by franking with a rubber stamp “Bunker Receipt for Gross Quantity Only”.

12. PROCEDURES FOR GOODS NOT ACCEPTED

- 12.1. If consumable stores are found unsatisfactory on delivery, they are to be returned immediately to the supplier and the delivery note clearly endorsed accordingly. [Mespas](#)⁴⁴ is to be updated with this information by adding a comment on the PO in comments tab. Do not mark the PO as Fully Received if items are returned. Only those items received to be updated “as received”⁴⁵.
- 12.2. If spares are found to be in excess of requirements/damaged/incorrect ships staff are to return them to the supplier via the ships agent if necessary. The delivery note or Bill of Entry must be endorsed accordingly and a "returned for credit note" completed for each supplier. The Ship Manager is to be advised accordingly. and [Mespas](#)⁴⁶ updated accordingly by adding a comment about the spares returned and reasons. Do not mark the PO as Fully Received in this case if items are returned. Only those items received to be updated “as received”⁴⁷.
- 12.3. If the performance of a contractor is not satisfactory the Master or Chief Engineer Officer shall advise the Ship Manager, and Buyer as soon as possible giving full details.

⁴⁴ W 03 / 2024

⁴⁵ W 01 / 2021

⁴⁶ W 03 / 2024

⁴⁷ W 01 / 2021