



QUALITY PROCEDURE

PROCUREMENT & CONTROL OF SUBCONTRACTORS

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INTRODUCTION

The purpose of this procedure is to describe the control of sub-contractors from the identification of requirements, the assessment of potential sub-contractors, the preparation and issue of enquiries, the receipt and consideration of quotations, the negotiation of details, specifying of quality requirements, the placing of sub-contract agreements, the monitoring of the implementation of quality requirements, through to the feedback reporting on sub-contractor performance. Sub-contracting is covered by a variety of the Estimating and Commercial procedures which are confidential. This procedure makes reference to estimating and commercial processes for the purpose of clarity.

SCOPE

This procedure applies to permanent works to be Sub-Contracted to others, including professional terms of engagement and all Forms of Sub-Contract. It does not apply to the purchase of materials, which is covered by a separate procedure.

RESPONSIBILITIES

THE MANAGING DIRECTOR (MD) has overall responsibilities for Subcontracts placed by the organization and are responsible for ensuring the proper letting, vetting and compilation of Sub-Contract Agreements prior to submission, for maintaining the approved Sub-Contractors List for the Company and for maintaining records for the required period. They are responsible for ensuring that whenever practicable a Schedule of Sub-Contract Works is maintained, for review of Quotations received and Short Listing of potential Sub-Contractors, for more detailed review and for ensuring the proper compilation of Sub-Contract requisitions. The MD also ensures that Sub-Contractors work is monitored to ensure the avoidance of commercial difficulties.

THE SITE MANAGER (SM) is responsible for ensuring that whenever practicable a Schedule of Sub-Contract Works is produced. The SM has overall responsibility for ensuring that where practicable Sub-Contracts are issued prior to commencement of the activities on site, that all aspects of management of Sub-Contractors is satisfactory, and for advising or directing the Site Manager as required.) is responsible for the control of Sub-Contractors on or off site or for nominating or ensuring the nomination of others for control. The SM has overall responsibilities for ensuring that Quality Management requirements are properly specified to Sub-Contractors, that the appropriate documents are produced and the controls required by the documents are properly implemented.



PROCEDURE

1.0 AFTER AWARD

- 1.1 Shortly after award, elements of the works to be Sub-Contracted are discussed as part of the initial Contract Review meeting.
- 1.2 The MD in consultation with the SM and others as appropriate, issues requests for quotations to potential sub-contractors. When establishing the names of likely companies, cognizance is taken of those who are listed in the BSI buyers guide or is on the Company approved Sub-Contractor listing. Requests for quotations are compiled and issued in accordance with the Company Commercial Procedures and as directed by the MD.
- 1.3 All requests for quotation issued incorporate the minimum Quality Requirements for Sub-Contractors (QRSC), together with contract specified requirements.
- 1.4 Quotations received are passed to the MD who in conjunction with the SM and SM identify a short list of potential Sub-Contractors (normally say two or three) from those received. An internal meeting may be called to discuss the works prior to further action being taken.
- 1.5 The quotations are assessed by the MD/SM. Depending upon the nature of the works, areas where individual sub-contract package assessment may be considered necessary are as follows: -
- a) Conditions of Contract
Interface between sub-contractors intentions and Company/Client requirements
 - b) Programme Suitability
The suitability of sub-contract work/production to contract requirements.
 - c) Quality Management
Confirmation that the Company minimum and any contract specified Quality Management requirements are complied with.
 - d) Financial Implications
General, but not exclusively, a comparison between sub-contractors.



e) Pre-contract Visit/Past Experience.

Establishing requirements for confirming past performance or suitability for future performance of the sub-contractors.

g) Safety Policy

Check on compliance with Company and Contract Requirements

h) Industrial Relations

Completion of Client's Questionnaire or provision of information, if applicable.

l) Engineering Aspects

Assessment of technical information contained in quotation if different from requirements.

j) Additional Controls or Resources

The identification of any additional resources required, bringing potential sub-contractors up to the required standards, in terms of any specified or necessary aspect, which may be deficient.

1.6 Pre-selected (short listed) Sub-Contractors may be called to attend a meeting. The short- listed

1.7 Sub-Contractors may or may not include those used at the time of tender. The Contract and the Sub-Contract needs are reviewed and discussed in details including, but not limited to the following: -

- Scope of Work
- Commencement Period and Programme
- Quality Management Requirements
- Release of information
- Statutory Requirements
- Organizational Interfaces

1.8 On completion of the pre-selection meetings the MD and the SM review the information and a sub-contractor is selected. The MD prepares the sub-contract agreement for review and the commercial and contractual format for the agreement is in accordance with Contract, or in accordance with the Company Commercial Procedures.

1.9 The agreement is issued to the sub-contractor and the SM.



2.0 COMPANY APPROVED SUB-CONTRACTOR LIST

2.1 The Company maintains the list of Company approved sub-contractors. An approved sub-contractor is one who has been assessed and deemed suitable for use, that periodic review has shown that the S/C remains suitable and where feedback from SM's has not necessitated removal from the list.

2.2 As a minimum the list shows details including the following:-

- Name and Address of S/C
- Scope of works
- Contract(s) number/Location where used
- Relevant dates of sub-contract
- Quality Management status/capability
- SM report on performance on completion (or interim comments where requested by SM)
- Any notes on limitation of approval
- Approval Status (APPROVED, RESERVED APPROVED, NOT APPROVED)

2.3 Approved status is a sub-contractor who has been issued with and who has satisfactorily undertaken sub-contract works for the Company.

2.4 Reserved Approved is a sub-contractor who has been given sub-contract works to carry out which are not yet complete OR is a sub-contractor who has completed works for the Company and has been deemed unsuitable on one occasion by the SM/MD from a particular site.

2.5 Any Director of the Company may instruct the SM to classify a sub-contractor as Not Approved without providing reasons for doing so, providing that such an instructions is in writing.

2.6 All personnel required to establish the Company approval status of a sub-contractor are required to contact the SM prior to taking any action. Sub-contractors who have achieved Not Approved status shall not be used.



3.0 EVALUATION & RE-EVALUATION OF SUBCONTRACTORS

3.1 Initial evaluation of subcontractors will be made following completion of a Supplier Questionnaire. The questionnaire will establish the following criteria:

- Financial history
- Insurance details
- Quality Management arrangements
- Health & Safety Management arrangements
- Environmental Management arrangements
- References

The Quality Manager, through consultation with the SM's shall approve the subcontractor based on the information received. Where the subcontractor does not provide satisfactory information the QM must obtain a satisfactory reference.

3.2 Re-evaluation of subcontractors shall be carried out annually in January. The process shall consist an internal survey carried out amongst the SM's to determine the suitability of the subcontractor based on known performances. The suppliers will be rated on their performance in the previous twelve months as follows:

Score	Rating	Satisfaction Rating			
		Time	Quality	H&S	Cost
1	Very Good	> 80%	> 80%	> 80%	> 80%
2	Good	60 – 80%	60 – 80%	60 – 80%	60 – 80%
3	Average	40 – 60%	40 – 60%	40 – 60%	40 – 60%
4	Poor	20 – 40%	20 – 40%	20 – 40%	20 – 40%
5	Very Poor	< 20%	< 20%	< 20%	< 20%

4.0 MONITORING OF SUB-CONTRACTORS

4.1 The Conditions of Contract (Sub-Contract), the contract specification, the Company Quality Requirements for Sub-Contractors, the pre-award meeting minutes and, where applicable, specific requirements written for the sub-contract specify the quality requirements for the contract. In addition the Company quality procedures contain various items relevant to actions for control. The extent of the needs vary significantly with the particular contract.



4.2 These may, dependent upon circumstances, specify any or all of the following as a basis of control: -

- Use of Registered S/C
- Client Contract Plan and Procedures
- S/C Contract Quality Plan and Procedures
- Urban Construction Management Ltd Contract Quality Plan and Procedures
- S/C Quality Control Plan
- Urban Construction Management Ltd Quality Control Plan
- Specific S/C procedure
- Specific Urban Construction Management Ltd procedure
- Evidence of Qualification/Experience/Competence
- Evidence of compliance of materials
- Routine patrol inspection by Urban Construction Management Ltd
- Final inspection/test of completed work

3.3 In addition the contract may specify or the SM may direct the subcontractor on the requirements to: -

- Provide programme/progress information or reports
- Attend Urban Construction Management Ltd meetings or client meetings
- Provide regular submissions of summarized information
- Other

5.0 COMPLETION OF SUB-CONTRACT WORKS

5.1 On completion of the sub-contract works, the SM and the MD discuss and summarize the performance of the sub-contractor. The SM will report the performance to the SM by memorandum for updating/incorporating into the information in the Company approved sub-contractor list. Where reports are unfavorable on one occasion the SM shall classify the sub-contractor as Reserved Approved. Where two consecutive reports are unfavorable the SM shall classify the sub-contractor as Not Approved.

5.2 Sub-contractors classified as Not Approved shall remain so unless the sub-contractor is the subject of an assessment covered by a written report which is signed by a Site Manager and the Quality Manager providing details of the assessment undertaken and reasons for re-establishing the sub-contractor on the approved list.