



QUALITY PROCEDURE

PURCHASING (MATERIALS)

ISSUE 02

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INTRODUCTION

The purpose of this procedure is to describe and specify the Division purchasing process for materials. Purchasing is also covered by a variety of the commercial procedures, which are confidential.

SCOPE

This procedure applies to all permanent works materials, or temporary works materials, which may have an effect on the quality of the permanent works. It does not apply to the Sub-Contracted works items, which is covered by the Procurement and Control of Sub-Contractors procedures.

RESPONSIBILITIES

THE MANAGING DIRECTOR (MD) has overall responsibility for the purchasing process and for orders issued by the Company to suppliers. The MD has overall responsibility for implementation of this procedure, is responsible for ensuring the proper compilation of purchase orders, based on requisitions received from site, for checking of requisitions, for review, approval and issue of orders and for maintaining a list of suppliers approved by the Company.

THE SITE MANAGER (SM) has overall responsibility for ensuring that requisitions and Purchase Orders are issued in good time and materials procured in accordance with the contract program. The SM is responsible for ensuring proper requisitioning of materials, for review and approval of requisitions, for review of quotations, for expediting materials and for receipt and control of materials.



PROCEDURE**1.0 AFTER AWARD**

- 1.1** Shortly after award a Contract Review is carried out in accordance with the Contract Review procedure, material requirements are considered during the review discussions.
- 1.2** STAGE 1 In the initial stages of the contract the SM arranges for a materials take-off exercise to be completed to plan the purchasing of materials required.
- 1.3** STAGE 2 Requisitions for material are generated using the Purchase Requisition Form and dispatched to the MD or nominee.
- 1.4** STAGE 3 The MD consults available information and the Company approved supplier list (see Section 2 below) selects an appropriate number of suppliers to provide quotations.
- 1.5** STAGE 4 Quotations received are collated by the MD who advises the SM, determines the Company reviewers required and arranges for review details to be provided.

In all cases if not self evident from the supplier information provided, confirmation is obtained that specification quality requirements are complied with.

Depending on the nature of the supply, further aspects of assessment of quotations may be as follows: -

- a) Conditions of Purchase.
Interface between supplier intentions and Company/Client requirements.
- b) Programme Suitability.
The availability of supplier production to Contract programme/requirements.
- c) Financial/Commercial Implications.
Generally, but not exclusively, a comparison between supplier rates and prices.
- d) Past Experience
Where applicable, establishing requirements for confirming past performance or suitability for future performance of the supplier/material.



e) Additional Controls or Resources

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

1.6 STAGE 5 On satisfactory completion of review of quotations in consultation with the SM the MD selects the supplier. The MD compiles, checks and authorizes the purchase order, which is sent to the supplier and copied to the SM at site. The MD retains the master copy.

1.7 STAGE 6 If delivery is not already specified on the order, the site team call forward or Call-Off the materials when required commensurate with the Contract programme and as directed by the SM. During the course of supply of the contract the SM monitors the progress of supply and takes expediting measures as necessary.

1.8 STAGE 7 All materials are subject to receipt inspection on arrival at site, in addition materials are subject to inspection and test as specified in Quality Control Plans and other control documents.

1.9 STAGE 8 All products will be checked for CE marking. If it is suspected a manufacturer is misusing the CE mark, the MD will request a certificate of conformity and/or a declaration of performance. This should provide test results and other information about how the item meets the relevant requirements as well as stating which harmonised European Standard the product has been CE marked as conforming to.

2.0 COMPANY APPROVED SUPPLIERS LIST

2.1 The MD maintains a list of Company approved suppliers. An approved supplier is one who has been evaluated and deemed suitable for use and no two consecutive bad reports have been sent to the MD by an SM. On issue of the order the MD includes the supplier data on the approved list.



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

- Name and Address of Supplier
- Scope of Supply
- Contract(s) number/Location where used
- Relevant dates
- Quality Management status/capability
- Notes of any adverse comments from SM's on completion
(or interim comments where requested by MD)
- Any notes on limitation of approval
- Approval Status (APPROVED, NOT APPROVED)

2.3 Not Approved Status is a supplier who has completed supply to more than one contract for the Company and has been deemed unsuitable on two consecutive reports from the SM.

2.4 All personnel required to establish the Company approval status of a supplier are required to contact the MD. Suppliers who have achieved "Not Approved" status shall not be used unless further documented assessment removes this classification.

3.0 EVALUATION & RE-EVALUATION OF SUPPLIERS

3.1 Initial evaluation of suppliers 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 shall approve the supplier based on the information received. Where the supplier does not provide satisfactory information the QM must obtain a satisfactory reference.

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

Score	Rating	Time.	Specification.	Quantity.
1	Very Good	100% on time	No returns	100% correct
2	Good	100% on time	< 2 returns	< 2 miscounts
3	Average	100% on time	2 > 5 returns	2 > 5 miscounts
4	Poor	75% on time	> 5 returns	> 5 miscounts
5	Very Poor	< 75% on time	> 5 returns	> 5 miscounts

4.0 ADDITIONAL CONTROLS

- 4.1** In addition the SM may direct the supplier on the requirements to e.g. provide programme/progress/production information or reports to attend meetings.
- 4.2** Any non-conforming material, which is not immediately returned on delivery, is the subject of a Non-Conformity Report generated in accordance with the Non-Conformance Procedure.