

JN Bentley Ltd

BIMS Procedure

Buying

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Reviewed By: **Martin Bentley**



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2.0 Revision Status

Rev	Date	Description of Amendment	Approved by
07	01/10/2010	New BIMS procedure based on Procedure JNB.QA.060. Includes rules and disciplines and consistent guidance for the internal JNB Buying Team and Site Managers.	Martin Uren
08	16/11/2010	Procedure renamed 'Buying' (Previously Procurement)	Martin Uren

3.0 Purpose

The purpose of this procedure is to describe the Company process for the management and control of buying. The procedure also aims to communicate Company expectations and methodology in relation to effective and sustainable buying of equipment and services.

4.0 Scope

This procedure applies to internal buying of products and waste services carried out for JN Bentley Ltd.

5.0 Definitions and Abbreviations

CMS	Contract Management System;
Q&E	Quality & Environmental;
OHS	Occupational Health & Safety;
Tagged	Tracked with a unique identity reference;
Enquiry	Request for a Quotation;
Quotation	Price supplied determined as compliant with the terms of an Enquiry;
KPI	Key Performance Indicator;
SWMP	Site Waste Management Plan;
PFHRB	Plant, Facilities, Human Resources & Buying;
PPG	Pollution Prevention Guidance Notes.

6.0 Relevant Documentation

Latest revisions of:

- Operational Safety Standards;
- BIMS02-04; Risk Identification, Assessment and Control;
- BIMS01-06; Legal and Other Requirements;
- BIMS02-07; Document Control;
- BIMS02-09; Selection and Appointment of Suppliers;
- BIMS03-04; Emergency Response;
- BIMS03-05; Monitoring, Measurement, Analysis and Improvement.
- Environment Agency / SEPA / EHS-NI PPG Notes

7.0 Responsibility

Those personnel with particular responsibilities relevant to this procedure are as follows:

- Director in Charge;
- Plant & Buying Manager;
- Buyers;
- General Managers / Framework Managers;
- Contracts Managers (inc M & E) / Programme Managers;
- Site Managers;
- Quantity Surveyor;
- Accounts Department;
- OHS Manager;
- OHS Advisor;
- Q&E Advisor;
- OHS Administrator.

8.0 Procedure:

8.1 Material Requisitions (Site):

- 8.1.1 The Site Manager shall regularly monitor materials Buying by looking sufficiently far ahead on the works programme to check that goods / items required have been ordered within sufficient time identifying in particular any long lead in items.
- 8.1.2 Before placing a requisition or making a request, the Site Manager shall check the contract documents to establish;
- The correct Specification for the goods, materials or services;
 - The required delivery date as shown on the Contract Programme;
 - Any other details or conditions relevant to placing the Requisition.
- 8.1.3 Low value miscellaneous items (<£50 in value) may be purchased by personnel authorised by the Site Manager using a Local Purchase Order book, subject to acceptance by the retailer.
- 8.1.4 The Site Manager shall ensure that all Requisitions (except those identified in 8.1.2) are submitted to the Buying Department via CMS.

- 8.1.5 The Site Manager shall nominate staff to be responsible for Buying, inspection and test (on and off site), providing samples, trial panels, approvals, documentation etc, as required by the Specification.
- 8.1.6 Where required the Site Manager shall ensure that both the supplier and product to be ordered are approved the by the Client.

8.2 Material Requisitions (Buying Department):

- 8.2.1 The Site Manager is responsible for raising a material requisition via CMS at least seven days in advance of when the goods or materials are required on site including the relevant lead time.
- 8.2.2 Material requisitions are then automatically transferred onto the JNB Purchase Order system within CMS.
- 8.2.3 Material requisitions are 'tagged' by the Buying Manager and assigned to a Buyer. If the Buying Manager is not available, Senior Buyers are authorised to assign requisitions themselves.
- 8.2.4 The Buying Manager will select a Buyer dependant on their experience and the location, complexity and value of the order.
- 8.2.5 Where the order value is likely to exceed £10000 the Buyer will have an informal review with the Buying Manager or Senior Buyer to discuss the negotiation strategy adopted.
- 8.2.6 The Buyer will process the Material Requisition into an Enquiry. The Enquiry is sent to a number of Suppliers, ideally three or more. All Suppliers will have 'approved' status in the Supplier Database
- 8.2.7 Special price agreements exist for key products. These items can be progressed straight to order.
- 8.2.8 There is no specific review period for special pricing agreements.
- 8.2.9 The Buyers shall review in detail all specific requirements within the requisition, including product colour, size, specification etc together with any site specific considerations, *such as* restricted delivery hours, vehicle size and offloading requirements.
- 8.2.10 In general, all requisitions will be processed to enquiry stage within one hour of receipt by the Buying Team (*there is a 75% compliance target to ensure that this level of service is maintained, and this shall be periodically measured by the Buying Manager*).

8.3 Materials Ordering (Buying Department):

- 8.3.1 Every order placed will include a product reference taken from Pricebook. The Pricebook is a database containing product reference for all products procured. Reports are run to identify trends in spend by Supplier, product category and product type.
- 8.3.2 Buyers shall be sufficiently experienced to be able to

demonstrate adequate knowledge of the product being requisitioned. Where they lack knowledge or experience of the item being bought they should either; consult a colleague for advice, research the product or seek further guidance from the Project Team requisitioning the Order.

- 8.3.3 The Buyer shall, where applicable, interrogate the Purchase Order database within CMS in order to review any available historical prices.
- 8.3.4 The Buyer shall review all returned quotes against original requisitions provided, and consider all relevant factors which include locality, sustainability and ethical validations. The Buyer will then attempt to negotiate a reduction lower than the lowest quote.
- 8.3.5 In instances where a potential supplier fails to return a quote within the agreed time, the Buyer shall make a judgement whether to pursue the enquiry further.
- 8.3.6 Providing the chosen quote complies with the Site Manger's requisition requirements i.e date / product / specification etc, the Buyer shall then place the Order.

8.4 Deliveries (Buying Department):

- 8.4.1 From 01/01/2011 Material Delivery Rules will be sent to Suppliers prior to an Order being placed. The Supplier will be expected to confirm acceptance of the Rules and return the form. The form (BIMS02-10.1) will be saved on the Suppliers Database under the relevant Company name. Only Suppliers that accept the Materials Delivery Rules shall receive Orders
- 8.4.2 When the Delivery Rules are not followed by a supplier, the Site Manager shall create a Near Miss Report in CMS. The Buyer shall establish the reason for non-compliance and take any action(s) necessary with the supplier to prevent a recurrence.
- 8.4.3 The date and brief details of the Near miss / Non-compliance with Material Delivery Rules shall be recorded within the Supplier's details on CMS.
- 8.4.4 A report will be generated fortnightly showing the near misses generated within that period along with historical incidents. The Buying Manager will review the frequency of the incidents and where applicable invite the Supplier to Head office to investigate ways to prevent reoccurring themes.

8.5 Materials Deliveries (Site)

- 8.5.1 The Site Manager shall identify the location(s) of specifically designated safe and environmentally considered delivery areas arranging for any required preparation of surfaces to ensure that all deliveries are held and offloaded safely in accordance with

JNB Golden Rules. Safe off-loading and handling procedures must be adopted for the efficient handling and storage of materials particularly those with special requirements, eg lift sensitive, deterioration with time, CoSHH requirements etc. Proposals for handling which involve the use of plant shall be covered by a method statement.

- 8.5.2 The Site Manager shall as far as reasonably practicable identify and organise compulsory segregated plant, vehicle and pedestrian access routes and designate specific storage areas and buildings suitable for project materials.
- 8.5.3 Materials must always be stored within designated areas. A quarantine area shall be established to store non-conforming materials and items of plant (eg chains) until such time as they are repaired or removed from site.
- 8.5.4 All materials / items of equipment must be checked upon delivery against delivery tickets. The Site Manager shall nominate additional persons (where possible) with sufficient experience to sign delivery tickets in his/her absence. Personnel nominated for this purpose shall be recorded on the "Register of Authorised Signatories" (BIMS02-10.2) which must be retained in Section 13 (Site Manager) of the Site File. A copy shall also be displayed on the Welfare cabin wall for information purposes (particularly useful on sites where there is more than one access/egress).
- 8.5.5 A visual check and quantity check of goods shall be undertaken prior to signing the delivery ticket. The persons responsible for checking shall be detailed in the Contract Management Plan and the Site Manager shall ensure that all such materials received by personnel nominated on BIMS02-10.2 are cross-checked against the relevant Purchase / Sub-contract Order(s)
- 8.5.6 The signed delivery ticket is our record of materials accepted. Any discrepancies must be recorded on the ticket, eg. incorrect quantity, quality, damage, part/all returned. Substandard materials shall either be returned to the supplier or clearly marked and segregated so that they are not inadvertently used. In the latter case, the checker shall inform the Site Manager who shall notify the Buying Department. Between them they shall determine an appropriate course of action. For instance, materials may be suitable for an alternative use but a concession may be required.
- 8.5.7 All delivery notes, signed and annotated (if necessary) by the checker shall be handed to the Site Manager together with any accompanying documents such as mill test certificates, test reports and installation instructions. The Site Manager shall record the delivery into the Company's CMS.

- 8.5.8 The Site Manager shall employ a suitable system for ensuring that all materials delivery notes are accounted for before entering into CMS. Once entered into CMS, they shall be suitably filed into an indexed file for quick retrieval. The Quantity Surveyor is responsible for reconciling the quantity of materials delivered to site and those entered onto CMS, notifying, and resolving, any discrepancies with the Site Manager.
- 8.5.9 In the case of sub-contract materials, the Site Manager shall obtain confirmation from the Sub-contractor's Site Representative that an inspection of the item(s) has been carried out against the delivery ticket(s) and that any accompanying paperwork is in order.
- 8.5.10 Buyers are responsible for processing incomplete orders and cost corrections. An incomplete order is generated by the accounts department when the invoice does not match the order. A cost correction is generated by the accounts department when there is a difference in the order value and the invoice value. The target is to match 75% of invoice discrepancies within 40 days.

8.6 Materials Transportation, Handling and Storage (Site)

- 8.6.1 The Site Manager shall ensure that all materials / items of equipment are transported, handled and stored to prevent damage or deterioration. Dry storage and compound areas must be kept clean and tidy.
- 8.6.2 Where required, the Site Manager shall ensure suitable marking and/or or segregation of similar materials so that they can be correctly identified.
- 8.6.3 All personnel shall follow the relevant manufacturer's recommendations / instructions provided (plus any contract requirements) for materials / items handling, transportation, protection and storage (eg. protect from frost / light, shelf life etc). Mechanical lifting operations shall be carried out in accordance with the Golden Rules, the relevant Operational Safety Standard(s) and to an approved Method Statement.
- 8.6.4 The Site Manager (or nominee) shall ensure that any movement, stacking, tipping of materials does not cause damage to them or constitute a safety or environmental hazard. The possibility of causing nuisance to local inhabitants when stockpiling spoil / materials and the risk of surface water run-off pollution finding its way into drains and watercourses shall always be considered. Where there is doubt or uncertainty, the Site Manager shall consult the Q & E Advisor.

- 8.6.5 Materials shall be stored so that they will not contaminate the surrounding environment eg. groundwater or become contaminated themselves eg. use Stores Buildings, hardstandings, skids, covers etc.

8.7 Client Supplied Materials and Nominated Suppliers

- 8.7.1 Before placing a requisition or making a request, the Site Manager shall check the contract documents to establish;
- The correct Specification for the goods, materials or services
 - The required delivery date as shown on the Contract Programme
 - Any other details or conditions relevant to placing the Requisition
- 8.7.2 The Site Manager must agree arrangements with the Client / Client's contractors for delivery/collection of client-supplied materials and agree these in writing. Any direct correspondence with the Client's contractors must be copied to the Client and the Contracts Manager.
- 8.7.3 The Site Manager shall be responsible for requesting delivery or arranging collection of client supplied product/service where staged delivery requirements have been defined during initial review.
- 8.7.4 The Site Manager should gain assurance in writing from the Client/Client's contractor that the items will be available at the agreed time of collection/delivery.
- 8.7.5 In common with other materials orders, the Site Manager shall raise a Requisition in CMS for Nominated suppliers ensuring the following information is included;
- Full name & address of the Client/Client's contractor.
 - The date the Order is placed.
 - The full Order Number identifying the Contract.
 - The Client's ref. ie the Stores No. (if applicable)
 - A full description of the goods, including any references to the Contract Specification/drawings or manufacturer's identifier. A copy of the relevant Specification extract and/or drawing must accompany the Order (where applicable)
 - The quantity required and the unit of measurements (details should be given as to how and when the quantities may be varied to suit actual site requirements)

- The full delivery address and specific instructions ie date, time, driver requirements etc
- 8.7.6 Client supplied materials shall be checked upon receipt by the Site Manager (or nominee) for compliance with the Specification, drawings, samples, quantity etc and appropriate certification must be available. Inform the Client / Contract Administrator of any items lost, damaged, missing or in any way unsuitable for use. Discrepancies must be agreed and recorded before acceptance.
- 8.7.7 Should any items / services be lost or missing, damaged or considered unsuitable for use, the nominated checker shall notify the Site Manager who shall notify the Client / Contract Administrator accordingly.
- 8.7.8 The Site Manager (or nominee) shall ensure that client-supplied materials / items of equipment are received on site, handled, stored and transported in accordance with Sections 8.5 & 8.6 of this procedure.
- 8.7.9 Should any client-supplied item or material subsequently become lost, damaged or deteriorate during handling and/or storage whilst in JNB's possession this shall be reported to the Client / Contract Administrator and records maintained by the Site Manager.

8.8 Supplier Database:

- 8.8.1 The Supplier Database on CMS contains details of all Company suppliers of materials and plant. Only approved suppliers will be given Orders.
- 8.8.2 From 01/01/2011, a minimum requirement is for all suppliers agree to comply with Company's 'Materials Delivery Rules'. Additionally, certain materials / services shall require further certification (to be maintained in CMS Suppliers) as follows:
- Timber certification. All timber suppliers must purchase timber in line with requirements of the following:
 1. FSC Forest Stewardship Council
 2. PEFC Programme for the Endorsement of Forest Certification
 3. FPCC Forest Products Chain of Custody initiative
 - Testing laboratories for soils, concrete etc to be UKAS / M-CERTS / industry equivalent accredited for services to be provided (Certification held on CMS to include scope of operations for which they are accredited)

- All ready-mix concrete supply batchers shall have QSRMC or BSI certification.
 - All reinforcement manufacturers / suppliers (Cut & bent / mesh) shall be CARES approved.
 - PPE and JNB Branded clothing suppliers shall hold an Ethical Trading Initiative Certificate or a signed statement of intent.
- 8.8.3 The Buying Department shall adhere to the principle of buying from sustainable sources where and when it is economically viable. When obtaining quotes from suppliers, Buyers shall review them on a geographical basis when assessing against cost. This shall include initiatives such as grouping orders to minimise transportation and also being aware of suppliers' regional delivery dates to ensure wagons are going out as full as possible.
- 8.8.4 The Buying Department shall adhere to the principle of buying products as locally as possible where and when it is economically viable, The Company shall support local industry at every opportunity rewarding Yorkshire companies in particular for long and proven service. Suppliers with long standing relationships are rewarded with the opportunity to quote for all work within their sphere of capability according to the Company's workload
- 8.8.5 Key products are referenced within the CMS Pricebook. Reports are run off periodically to provide the Buying Department with information to interrogate spend / performance and historical product cost.

8.9 Supplier Performance Reporting

- 8.9.1 The Buying and Plant Manager shall run a fortnightly Report which highlights suppliers used on current or recent projects. Using this information the Buying and Plant Manager shall select pertinent suppliers and request the relevant Site Managers to complete Performance Reports together with the relevant Buyer. Information provided shall be used to measure the performance of suppliers against a set of common criteria (in certain circumstances it may be appropriate for others eg. Contracts Manager or Project Leaders to complete Performance Reports).

8.10 Waste Management

- 8.10.1 The transfer of waste shall be procured through the Buying Department. As part of the supplier approval procedure, waste carriers shall be required to provide details of their Waste Carriers Licence. These shall be saved on the CMS Suppliers database. (The Site Manager can access and print out a copy to have available for inspection).
- 8.10.2 The Company is committed to reducing the amount of waste at source (through intelligent buying) and by diverting 80% of all site generated waste away from landfill.

- 8.10.3 Depending on the size of the site and the duration of the scheme, the Site Manager shall consider making provision for the segregation of waste via multiple skips and the use of 'blue bins'.
- 8.10.4 By 1st January 2011 all Company waste carriers shall be required to provide JN Bentley with a breakdown of materials collected from sites and the total % recycled. Although this may not be site specific proportionally it will be correct..
- 8.10.5 Typically JN Bentley shall report on cardboard/paper; hardcore; mixed metals; packaging; soils and timber.
- 8.10.6 Information received monthly from waste carriers shall be collated by the OHS Administrator and used to determine the Company's overall recycled waste percentage.
- 8.10.7 The Site Manager shall document anticipated waste materials in the SWMP completed as part of the Contract Management Plan and which is approved by the Contract Manager. Information compiled by the OHS Administrator shall be forward to the Site Manager for inclusion into the SWMP.
- 8.10.8 Significant amounts of waste generated by site are caused by either miscalculation of quantities or 'over estimating' as a means of ensuring sufficiency. To minimize the latter type of inaccurate quantities, the Buying Department shall set up Orders as 'call-off'. This will then allows Site Managers more flexibility enabling them to order better estimated quantities as and when required (*An example being a Site Manager requisitions 300m³ of concrete at the start of the scheme to find that as the project progresses only 225m³ are going to be required*).

8.11 CoSHH Subscription

- 8.11.1 The Company has subscribed to Sypol, a provider of CoSHH Assessments. The Site Manager shall contact the OHS Department for product specific COSHH Assessments as and when they are required.

9.0 Procedure for Tender Enquiries:

9.1 Material Requisitions:

- 9.1.1 The Estimator shall allow 7 days for enquiries to be sent out and for supplier to return a quote. The Buyer will endeavour to get the quotes back in the allotted time however, where this is unachievable the Buyer will communicate this with the estimator.
- 9.1.2 Before placing a requisition or making a request, the Estimator shall check the tender documents to establish;
- The correct Specification for the goods, materials or services
 - Any other details or conditions relevant to placing the Requisition

- 9.1.3 The Estimator shall ensure that all Requisitions are submitted to the Buying Department via CMS using the tender requisition form.
- 9.1.4 Where required the Estimator shall ensure that both the supplier and product are approved the by the Client.

9.2 Tender Requisitions (Buying Department):

- 9.2.1 Tender requisitions are automatically transferred onto the JNB Purchase Order system within CMS.
- 9.2.2 Tender requisitions are 'tagged' by the Buying Manager and assigned to a Buyer. If the Buying Manager is not available, Senior Buyers are authorised to assign requisitions themselves.
- 9.2.3 The Buying Manager will select a Buyer dependant on their experience and the location, complexity and value of the Tender.
- 9.2.4 The Buyer will process the Tender Requisition into an Enquiry. The Enquiry is sent to a number of Suppliers, ideally three or more.
- 9.2.5 Where Special Price Agreements exist for key products. These items can be used for Tender pricing.
- 9.2.6 The Buyers shall review in detail all specific requirements within the requisition, including product colour, size, specification etc together with any site specific considerations, *such as* restricted delivery hours, vehicle size and offloading requirements.

10.0 Records

- BIMS02-10.1 Materials Delivery Rules
- BIMS02-10.2 Register of Authorised Signatories