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**This document is MANDATORY
within Amey and all its sectors.**

Group Procurement Policy



1.0 Principle

Amey will maximise the benefits from intelligently aggregating spend on goods and services across the Group, ensuring continuity of supply without compromising the right quality or cost. This shall be achieved through a well-structured and documented procurement process, managed and co-ordinated through Group Procurement. Suppliers shall be identified, evaluated, selected, measured and reviewed on their ability to supply, manage and execute our requirements in an effective and efficient manner. In order to maximise benefits to the Group, all procurement will be category or supplier managed using Group-wide Master Agreements for products and services where they exist.

2.0 Scope

Amey business units and Group functions will buy all goods and services utilising SAP or other nominated ERP System. Local personnel will generally raise purchase orders against contracts negotiated by the Group Procurement. All subcontract documentation will be administered through Group Commercial (Contract Services) who will provide administrative support following submission of draft documentation.

Group Procurement will provide the business units with support for bids.

3.0 Terms of Reference

The role of Group Procurement is:

- Determine procurement policy and strategy.
- Develop and disseminate corporate procurement processes.
- Establish and maintain the category management process.
- Undertake periodic supplier evaluation. (in conjunction with business units)
- Develop and manage Master Agreements.
- Develop supply chain strategy and obtain firm prices for bids.
- Let key contracts in accordance with supply chain strategy during the mobilisation period.
- Re-let major contracts during the operational period.
- Carry out on going operational procurement requirements over £2,500 where not covered by a Master Agreement.
- Carry out on-going operational procurement requirements over £100,000 for Sub-contract and Service Agreements.
- Conduct regular supplier performance reviews.



Wherever procurement is carried out Amey personnel shall: -

- Operate in a legal, ethical and professional manner at all times.
- Conduct Procurement activity in accordance with the Amey Environmental Policy and Community Involvement Policy.
- Achieve best value and optimum supplier performance by combining purchasing requirements and standardisation where possible across the Group.
- Manage our suppliers fairly and communicate with them clearly and concisely.
- Seek and formalise long-term partnerships where appropriate that will offer mutual benefits and that are consistent with supporting best practice in a healthy competitive environment.
- Work creatively with suppliers making use of their knowledge, experience and technical expertise.
- Incentivise our strategic partners through the use of shared risk and reward contracts where appropriate.
- Respect intellectual property rights and the confidentiality of information of clients and suppliers.
- Comply with the Amey Group Procurement Process.

In support of this policy, Amey shall: -

- Direct all budget holders to utilise Group wide Master Agreements of products and services where they exist.
- Document and operate the process that includes supplier evaluation, defined purchasing documentation, validation of goods and services, and supplier reviews thereby ensuring continued third party certification.
- Operate within the financial delegated levels of authority for procurement activity.
- Involve Procurement professional staff at the earliest stage to support bidding activity and to manage other purchases.
- Ensure that bid strategy is adopted in contract mobilisation.
- Minimise transaction costs by using the Amey SAP ERP system where possible.
- Use standard purchasing documentation to communicate requirements to suppliers, e.g. evaluation questionnaire, enquiry form etc.



- Carry out regular supplier performance reviews in liaison with operational personnel and the appropriate procurement Category Manager.
- Process invoices and applications for payment such that suppliers can be paid on time.
- Amey personnel shall only accept hospitality or gifts from suppliers to a degree that is deemed appropriate to reciprocate. Similarly, Amey will not enter into business relationships with suppliers who are believed to operate contrary to its own business ethics policy.

4.0 Responsibilities

The ownership, maintenance and review of this policy are the responsibility of the Group Commercial Director and Procurement Director.

Group Procurement is responsible for developing processes and procedures that embrace this policy. Business Units and Group Functions are responsible for ensuring that staff are aware and comply with its requirements.

5.0 Communication

This policy will be brought to the notice of all directors, senior staff and to all procurement staff and will be posted on the Amey EDM system.

The resulting processes and procedures will be communicated to all staff that are required to purchase on behalf of Amey. These processes will also be posted on the Amey EDM system. Staff who conduct procurement activity will be notified of their delegated financial authority for procurement by their line managers.

This policy should be read in conjunction with a number of other Amey policies on related matters. (See Corporate Policies and Core Business Processes).

John C.R. Cully
Procurement Director

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