

## *Management of the Supply Chain Database*

### **1 ADDING NEW COMPANIES TO THE SUPPLY CHAIN DATABASE (SCD)**

Companies wishing to be included on the SCD must:

- Demonstrate commercial/business justification.
- Be sponsored by a Birse Rail Ltd Operations Director or Contracts Manager.
- Have their application approved by the Supply Chain Manager (SCM) and Compliance & Development Manager (CDM), supported (where applicable) by the relevant professional head.

### **2 APPLICATION PROCESS**

Company submits an appropriate F-066 Questionnaire to BRL SCM

CDM and SCM review and approve details on Questionnaire with support from professional heads as required.

If the Company does not require an initial audit, as indicated in Section 3 or where decided by the CDM, then approval will follow the successful review of the F-066 and receipt of other identified documents where appropriate.

If the Company does require an initial audit, as indicated in Section 3 or where decided by the CDM, then approval will follow the successful review of the F-066 and audit.

Non-link up companies shall be audited prior to their acceptance on the supply chain database. All companies proposed for Birse Rail sponsorship shall also be audited prior to the approval of the business case (refer to intranet for Sponsorship Rules).

### 3 AUDIT REQUIREMENTS

| Type of Company                                    | Risk Rating | Initial Audit  | Audit Alternative                                      | Planned Audit  |
|--|-------------|----------------|--|--|
| Safety critical suppliers                          | High        | Audit required | Copy of latest Achilles Audit                          | Not required if copy of latest Achilles Audit is available, otherwise annual |
| Non Link Up suppliers                              | High        | Audit required | Copy of latest third party assessment report           | As stated for CAT 1 and 2.   |
| Suppliers sponsored by Birse Rail                  | High        | Audit required | N/A  | Annual   |
| Category 1<br>High Usage/<br>Poor performance      | High        | N/A            | N/A  | Annual   |
| Category 2<br>Low Usage/<br>Acceptable performance | Low         | N/A            | Monitored every 4 weeks, may be upgraded to Category 1 | Not required – Unplanned audits may be initiated                             |
| Companies not included above                       | Low         | N/A            | Annual Review of supply chain database                 | N/A  |

Unplanned audits will be undertaken at the discretion of the CDM where:

- A company's performance is below that which is expected.
- Problems have been reported (Problem Report).
- The client has reported concerns.
- Monitoring Requirements

The Project/Site Manager will measure a company's performance each period for the duration of the time the company is engaged on the project and report findings directly onto the SCD.

Each month the SCM shall review performance of active companies on the SCD and report findings to the CDM.

#### **4 REQUIREMENTS ON COMPANIES INCLUDED ON THE SCD**

The Companies listed on the SCD are contacted annually in order to ascertain:

- Any changes to the status of their Link-Up approval\*
- Any changes to the scope of their ISO registrations.
- If any key member of staff with significant rail experience leaves or has joined the company.
- Any change in the scope of works.
- Any prosecutions.

The SCM shall arrange for this contact.

#### **5 ANNUAL REVIEW OF SCD**

The SCM shall review the SCD on an annual basis in order to identify the next audit schedule. The review will identify:

- Those companies who are being used most frequently.
- The level of performance of each company.
- The nature of works being undertaken for Birse Rail Limited.

Companies shall be added to the Category 1 list based on:

- Usage (used on more than 4 occasions within the previous 12 months).
- Performance (cumulative performance lower than 70%).
- Nature of work (high risk operations i.e. signalling, p-way).

Companies shall be added to the Category 2 list based on:

- Usage (used 3 times or less within the last 12 months).
- Performance (cumulative performance exceeding 70%).
- Nature of work (low risk operations).

These criteria are not exclusive. Companies used on more than 4 occasions within the previous 12 months do not have to have a cumulative performance less than 70% to be included in Cat 1.

Cat 1 companies shall be added to the audit schedule for the forthcoming year.

Cat 2 companies shall be monitored each month to determine whether:

- Performance reduces.
- Usage increases.
- The nature of works changes.

Where any of these occur, the company may be added to the audit schedule for the current year.

## **6 REMOVAL OF A COMPANY FROM THE SCD**

A company may be removed from the SCD when:

- They are identified at the annual review as not having been used in the previous 12 months.
- Their performance or audit results fail to meet the requirements of Birse Rail Ltd.
- They have been served with an Improvement Notice or a Prohibition Notice.
- They fail to meet the requirements of any agreed Corrective Action Plan.

Only the SCM may remove a company from the SCD after:

- Taking into account the scope of any forecast works.
- Liaison with the relevant sponsor (Operations Director/Contracts Manager), CDM and relevant professional heads to determine the most appropriate course of action.