

MSP 50 CONTROL OF CONTRACTORS

AUTHORISED BY: PURCHASING MANAGER

DATE: 14/03/2011

THIS DOCUMENT WILL FORM PART OF THE PRE-TENDER, TENDER AND CONTRACT PROCESSES FOR EACH CONTRACT AND AS SUCH SHALL BE REQUIRED TO BE RETAINED AS A RECORD OF ACTIVITIES CARRIED OUT

1. Purpose

This procedure defines the method used by LondonEnergy Ltd to control contractors in order to fulfill statutory, regulatory and business requirements. It describes:

- General conditions of contract for services supplied to LondonEnergy Ltd in respect of health & safety at work.
- General health & safety rules for contractors and safe working agreement.
- Information to be sought from contractors during all stages of the tender process in relation to health & safety at work.
- Contract management and control while the contractor is on site.

2. Responsibility

The responsibility for overseeing the execution of the contract is that of the appropriate Director, Operations Manager or Head of Department (senior management).

A contract/project (contract) manager is appointed by senior management to represent LondonEnergy Ltd and is responsible for ensuring that the contract and the conditions of the contract are fulfilled. The contract manager can be the Purchasing Manager or a LondonEnergy Ltd employee who has technical responsibility for the contract (an Authorised Person).

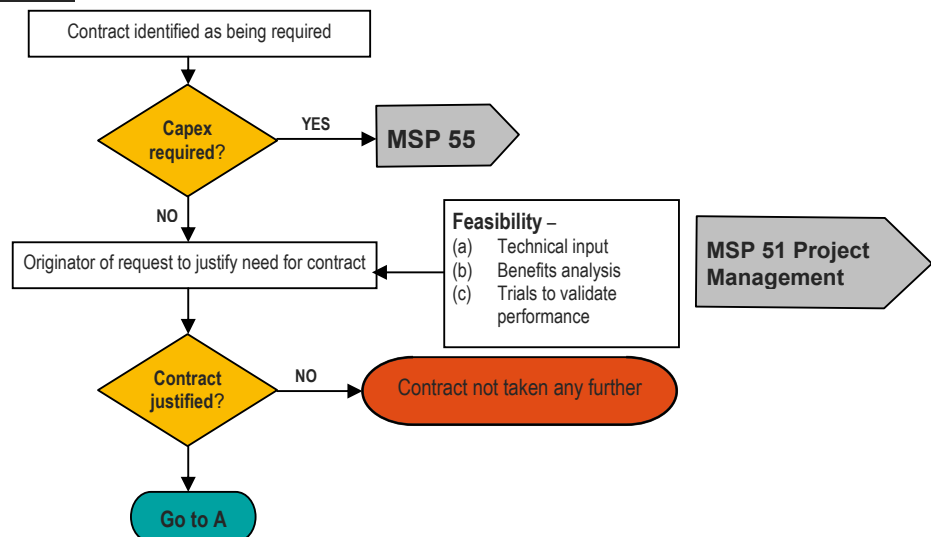
The Contractor is responsible for ensuring that their obligations under the contract and the conditions of the contract are fulfilled.

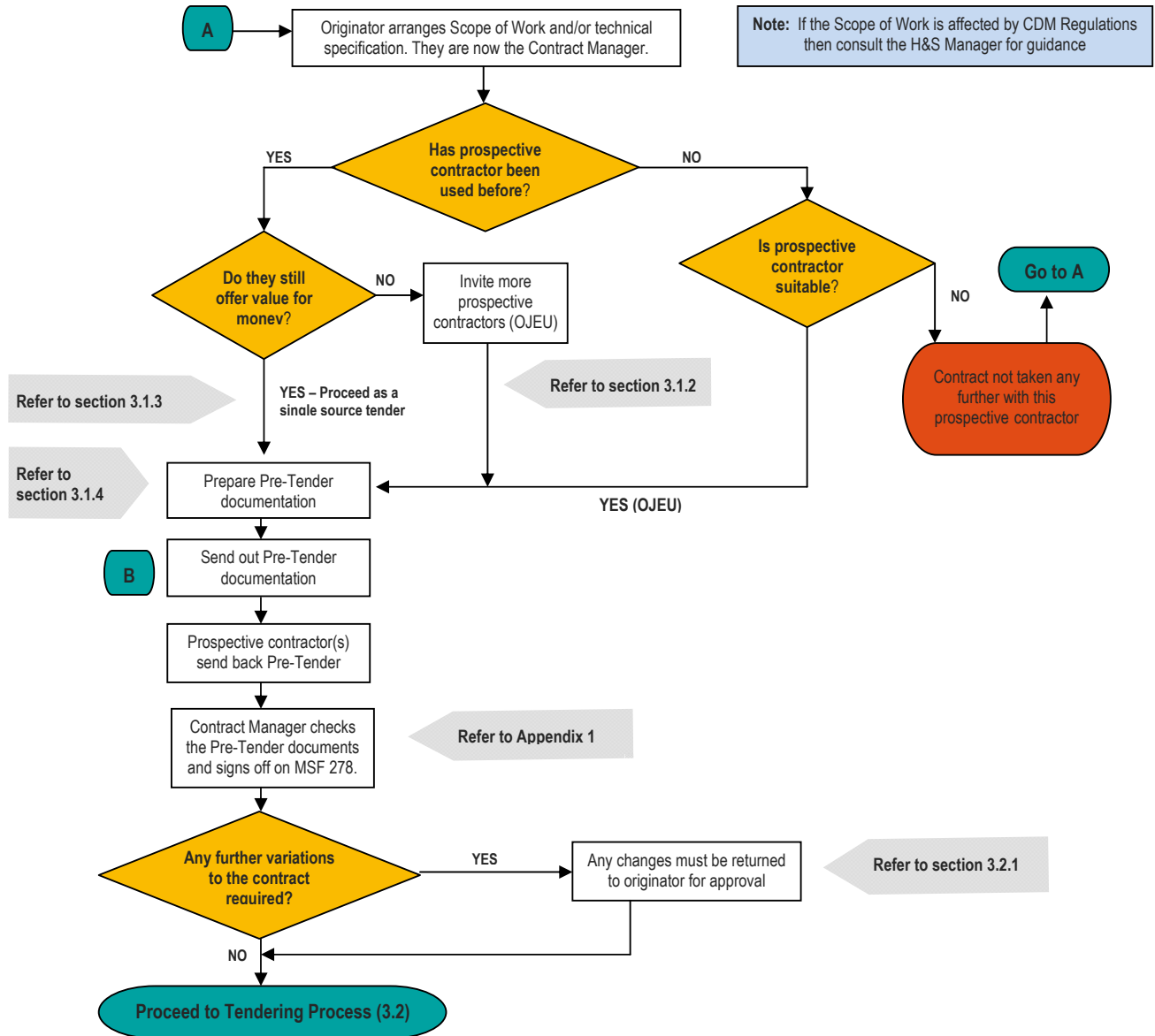
The Purchasing Manager is responsible for implementing and maintaining this procedure.

Where a post holder is referred to, it is accepted that a designated nominee will undertake the required actions in the absence of the post holder.

3. Contract Procurement Procedure

3.1 Pre-Tender (Flowchart)





3.1.2 Choosing New Contractors

Should a suitable candidate not be listed in the Preferred list, the following may assist in locating one. Obtain names:

- from the DTI Register of Quality Assured Firms.
- from trade journals.
- from other organisations using similar services.
- by submitting a tender, or requesting an Expression of Interest through the Official Journal of European Union (OJEU) and then selecting a short list using the pre-qualifier questionnaire (MSF 273).

3.1.3 Single Source Tenders

The decision to agree to single source will depend on (a) the contract value or (b) availability of the required goods or services because of its uniqueness or (c) the outcome from technical evaluation (trials) of goods or services. Authorised Persons may be granted permission to initiate single source contracts for specific goods or services below an identified financial figure where Senior Management have accepted that the source is providing a unique product or service.

Where the intended contract requires a price only from the supplier before being issued, this figure may be obtained by any communication method but must be confirmed in writing by the supplier before the contract document is sent out.

With the prior approval of the Purchasing Manager, where the intended contract requires the tender to be reviewed for price and suitability before award, the Authorised Person may review the tender only.

3.1.4 Pre-Tender Actions

The Purchasing Manager will ensure that the following information and documentation is sent to prospective Contractors:

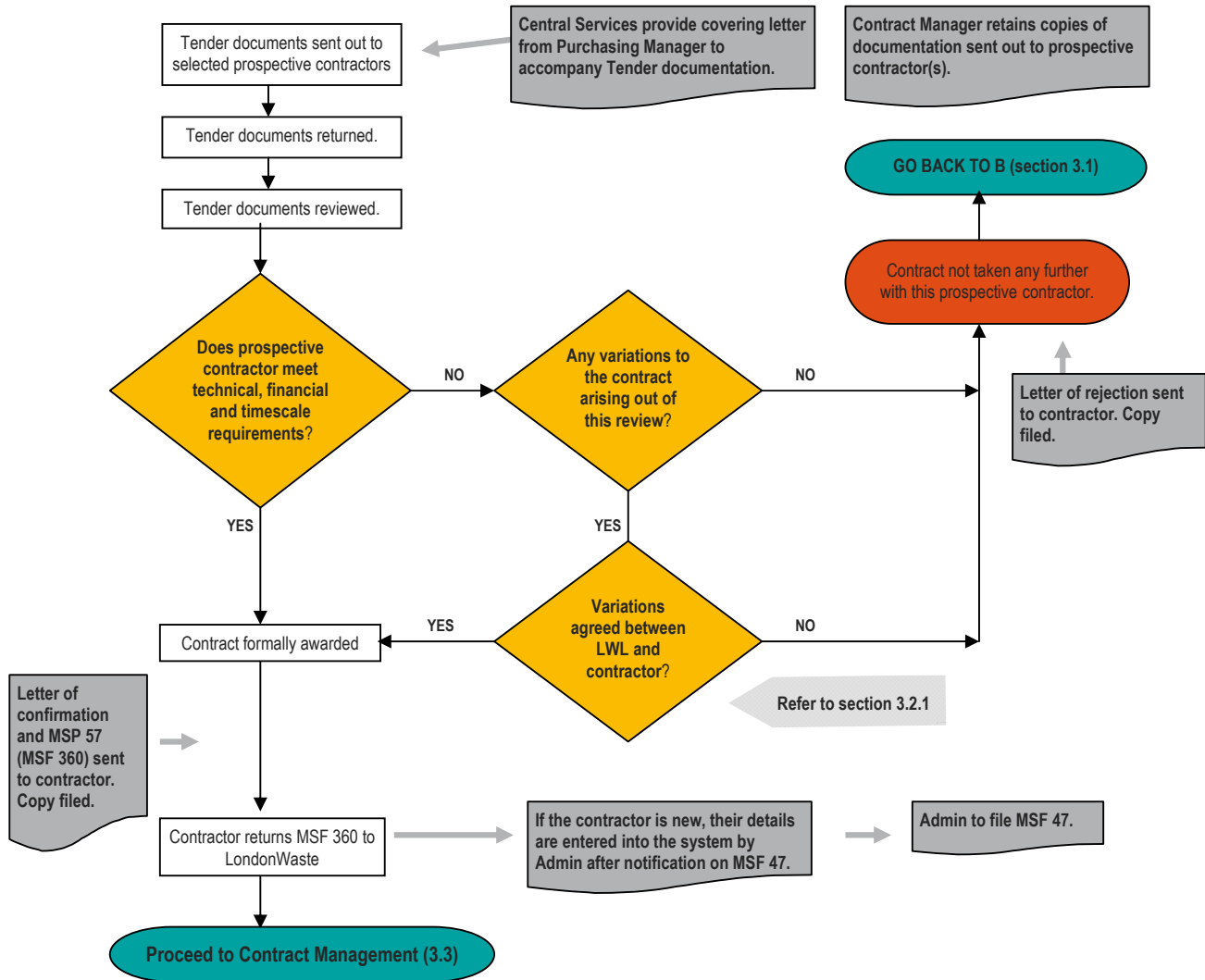
Documentation	Contract Type	Document to be supplied by LWL	Document to go onto the Website	Source of Information
• Invitation to Tender	All	Yes	Yes	Purchasing Manager
• Instructions to Tenderers	All	Yes	Yes	
• General Specification	All	Yes	Yes	
• Form of Tender (MSF 452)	All	Yes	Yes	
• MSF 457 Pre-Qualification Pack - Additional Policies	All	Yes	Yes	Intranet
• MSF 460 Pre-Qualification Pack (for Non-CDM Works)	Non-CDM	Yes	Yes	
• MSF 461 Pre-Qualification Pack (for CDM Works)	CDM	Yes	Yes	
• Pre-Construction Information Pack (PCIP)	CDM	Yes	NO Contract specific	Contract/ Project Manager
• Safety Plan (where required)	CDM	Yes		
• Outline Scope of Works & Specification Document.	All	Yes		
• Drawing Schedule / Plans (where required)	All	Yes		
• Pricing Schedule.	All	Yes		

PLEASE USE THIS AS A CHECKLIST WHEN SENDING OUT INFORMATION AND DOCUMENTATION

Contractors that work on LondonEnergy Ltd premises will be expected to work in accordance with the conditions laid down by LondonEnergy Ltd for health & safety and welfare of its employees and other site users.

All information presented by the Contractor in regard to the contracted work shall be subject to inspection and audit by LondonEnergy Ltd at any time during the life of the contract.

3.2 Tendering Process (Flowchart)



3.2.1 Contract Amendments

If after review the contract requires amendment, this should be undertaken as follows. The Director, Manager or Departmental Head will arrange for the amendment to be raised in writing, examined and agreed to by the appropriate Company personnel and forwarded to the Contractor. On receipt of the Contractor’s reply the Director will ensure all necessary persons within the Company are made aware of the amendment conditions. Should any negotiations be necessary before the amendment is finalised the Director will ensure that the relevant persons within the Company are aware of and agree to any counter proposal made by the Supplier.

3.3 Contract Management

3.3.1 Before the Contract Commences

Before any contract commences, or work starts, on site a meeting shall be held with the contractor to review the following topics:

- i) Job Specific Health & Safety requirements (risk assessment, method statements etc).
- ii) Construction Design Management Regulations (Where applicable)
- iii) Responsibilities of individuals
- iv) Nominated contacts
- v) Permit For Work System
- vi) Control and approval of any sub contractors
- vii) Records
- viii) Method of calling off the service - if not specified in the contract.
- ix) Environmental management aspects as defined in MSF 275.
- x) Welfare facilities, if required/provided.
- xi) Technical issues arising from LondonWaste organisation and/or infrastructure.
- xii) Emergency procedures and accident/incident reporting procedures.
- xiii) Written instructions not detailed in the contract but required to carry out contracted work.

3.3.2 Nominated Contact

All contractual matters are to be channelled through the “contract manager”. Daily operational contact may be delegated as necessary to a responsible manager. The responsible manager will be provided with a copy of the contract, scope of works or technical specification as appropriate. See MSP50. Other contracts will be supervised at the point of delivery.

3.3.3 Contract Monitoring

Control of Contractor’s will be determined by the “contract manager”. The method of control should include evidence from any of the following:

	CDM regulated contracts	Capital contract	Other contracts
Monthly minuted meetings	✓	✓	
Regular minuted meetings	✓	✓	✓
Regular informal meetings		✓	✓
Service level agreements	✓	✓	✓
Spot checks of contractor’s work	✓	✓	✓
Adequate Supervision of the Contractor on Site	✓	✓	✓
Signing off worksheets / job cards	✓	✓	✓
Audits	✓	✓	✓
Evaluation of Contractor’s Performance	✓	✓	✓
Site inspection	✓	✓	✓

3.3.4 Audits

Contractors will be audited to ensure contract compliance by the Management System Manager and the Responsible Manager.

Generally the audits will be undertaken to ensure compliance with ISO 14001, OHSAS18001 and ISO 9001 irrespective of whether any of these Standards are called up by contract.

Any non-conformances identified during an audit shall be recorded on MSF 17 and submitted to the contractor. Copies of all forms will be sent to the Management System Manager, originals will be retained for Contract Review purposes.

Environmental and Health & safety compliance audits may also be undertaken.

3.3.5 Evaluation of Contractors / Contract Review

Contractor's performance will be assessed using the Evaluation of Contractor's Performance Sheet MSF 277 either annually or, at the completion of the Contract. A copy of the completed MSF 277 is sent to the Purchasing Manager by the Responsible Manager.

For smaller Contractor's not based on site that provide one off jobs and services, MSF 277 may be completed when the nominated Responsible Manager believes a review is required.

4. **Removal of Contractor from the Approved Contractor List**

Contractors may be removed from the approved vendors list by completing MSF 47.

5. **Approval of Invoices**

If not defined in the contract document the procedure for submitting invoices shall be agreed before work starts.

6. **Records**

The Purchasing Manager and the contract manager will hold copies of Contracts and, where applicable, copies of any pricing schedules involved will be held by the Accounts Manager.

In the event that the end-user is not the contract manager, they shall also have a copy of the contracts, etc.

Copies of Contracts and Licences as detailed above shall be held as hardcopy, or electronic data, or both and kept for a minimum of 2 years after contract completion.

Where records are to be produced and maintained by a Contractor, agreement is to be reached with the Contractor as to the format, content and extent of the records to be handed over to LondonWaste on completion of the contract.

Contractors will make available any drawings requested by LondonWaste.

LondonWaste may audit contractor's records during the term of the contract.

Records may be kept as hard copy format, as electronic data, or both.