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## 1. METHOD

### 1.1 Expediting / Monitoring

- 1.1.1 The performance of a supplier in delivering goods or a service on time and in accordance with specifications should be regularly monitored.
- 1.1.2 The Purchasing Manager will maintain a list of all contracts currently active in Translink and will ensure that regular reviews are undertaken to ensure the delivery programme and any other contractual requirements are met.
- 1.1.3 It is recommended that suppliers of all delivery date sensitive goods and services are regularly expedited to confirm the delivery programme.
- 1.1.4 A formal record of the discussions must be kept on the order / contract file of all suppliers expedited.
- 1.1.5 Any forecast changes to programmes must be notified to the sponsor immediately.
- 1.1.6 Expediting information on compliance with contractual delivery dates can be used as a measure of supplier performance providing accurate formal records are kept.
- 1.1.7 The following types of monitoring should be undertaken:
- Operational Performance:**
- Regular meetings between Purchasing Department and Sponsors
  - Regular meetings between Purchasing Department & Service Providers
  - Quarterly performance reviews by the Purchasing Department
  - Bi-annual expenditure review carried out by the Purchasing Department on key Service Providers.
- Financial Performance**
- Regular meetings should be held between the Project Accountant, Director of Finance, Purchasing Manager, Head of Financial Planning and Divisional Managers to monitor costs against budget.

### 1.2 Control of Non-conforming Goods/Services

- 1.2.1 Receipt inspection by the Project Manager is designed to prevent non-conforming goods / materials / plant or equipment from being used.
- 1.2.2 Any items rejected will be clearly identified and the Purchasing Department should be notified and will contact the supplier directly to discuss how the items will be returned.
- 1.2.3 Services provided by suppliers will be subject to review to ensure they continue to meet the specified requirements. Any non-conformances to contract should be identified and the Purchasing Department informed and the non-conformances recorded on the contract files.

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1.2.4 The Project Manager will notify the Purchasing Department of the action taken regarding rejected goods returned to a supplier or non conforming services, as part of the continuous supplier performance review process.

### 1.3 Order / Contract Variations

1.3.1 Changes also known as Variations or amendments to an order or contract can be initiated by either the supplier or Translink.

1.3.2 Pending formal issue of the proposed amendment, any discussions or correspondence with the supplier must bear the caveat '**Without Commitment**'.

1.3.3 In the area of capital expenditure it is very important that further financial approval is sought for any increases in the original approved figure(s) or if it is out of date it may need to be re-sought.

“Where it becomes likely that project timings or costs or specifications differ from that for which approval was originally granted, the approval should be re-sought immediately. (Where timing is delayed by 24 months / costs vary by 10% or where there are significant changes to the specification of the project).”  
 (NITHC /Translink Financial Memorandum – Final Version 28/07/2006 section 9.0)

1.3.4 The terms must be precise and must be accepted without qualification by all parties before it can become part of the contract.


1.3.5 If a variation changes the commercial terms of the contract, it must be confirmed via a formal Purchase Order / Contract Amendment.

1.3.6 Before a formal Contract Amendment is issued (or additional purchase order) is generated, negotiations will be held between the supplier and the Purchasing Department to confirm impact on price, delivery or other terms; following this, approval for the amendment must be obtained from the sponsor.

1.3.7 The Purchasing Department should seek to manage contract amendments as efficiently as possible to the benefit of both Translink and contractor. They should be processed, issued and circulated to all parties promptly. Where several small changes are required, they should wherever possible be consolidated into one amendment.

1.3.8 If a proposed variation affects the Technical Specification, authorisation must first be obtained from the appropriate Project Manager before proceeding and changes to specifications should be kept to a minimum. If the change will impact upon Price the Purchasing Manager must be informed it must be remembered that alterations to contract quantities may require changes to the contract price - reductions may entail cancellation costs, increases may attract some reduction in unit price.

1.3.9 The Purchasing Department should either confirm that the existing price is unaffected, or ask the supplier to submit a detailed quotation so that it may be investigated and agreed, before the contract is amended. Translink should always try to agree FIRM prices for amendments.

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- 1.3.10 A record of the negotiations must be kept on the order / contract file and the Contract Amendment must be signed by the Project Sponsor who is currently responsible for the original order/contract.
- 1.3.11 A contract amendment / order may be generated by letter quoting the variation reference.
- 1.3.12 Note that in certain situations prices for a change may be contained within a rate schedule and the original master contract must be checked prior to any change in regards to conditions of contract changes, pricing schedules and funding available.