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As part of our procurement processes, we have preferred agreements with specialist sub-contractors and have negotiated preferential rates with these suppliers offering value for money for our clients.

In the event that a specialist sub-contractor is required to maintain specialist plant or equipment we confirm that procedures are in place to review their works ensuring they meet the standards required, key elements are reviewed in terms of the following;

Insurance Policies:	Do they meet the requirement?
Financial Strength:	Do they comply with Acorn's QA systems?
Service Delivery:	Will they partner the KPIs of the contract?
Innovation:	How will they add value to the delivery?
Service Response:	Can they improve the delivery; will they work together with Acorn to achieve continuous improvement?

Under the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999, (for larger premises the Construction (Design and Management Regulations may apply) (CDM), the company has a duty to ensure, so far as is reasonably practicable, that it will carry out its activities without risks to its own employees or other persons, for example, contractors and sub-contractors' personnel, who may be visiting or working on company premises. This will include supplier's personnel delivering and installing equipment.

Contractors have reciprocal duties to their own personnel and to Acorn employees. All sub-contractors used on a contract are subject to "critical analysis" to determine:

- The need to employ specialists
- Their ability to deliver the specified service
- The opportunity to cross train the Acorn team in first line response
- The ability to de-scope the service without compromise
- The single award of services
- Their ability to meet response times across the whole portfolio

Performance measurement is an integral part of the management process and is conducted in line with the overall performance objectives of the contract. All sub-contractor activity is monitored in the same way as our own, through the help desk analysis and reported upon at the management meetings with the sub-contractor companies.

Defect remedy is a key area that is addressed with sub-contractors. Whilst we refrain from imposing punitive measures, by only working with our approved/preferred supply chain we have an excellent record of delivering a right first time culture yet when they do occur the remedying process is robust and effective to maintain client confidence.

Selection of Contractors

All contractors will be vetted to ensure they have in place:

- appropriate insurance;
- appropriate health and safety documentation

Where necessary formal meetings related to health and safety issues will be held and minuted.

A prequalification document, must always be used when employing a new contractor. A copy of this form is available on request.

Contractors may be controlled by a permit procedure.

Consultation and Liaison

When a contractor is engaged to work on Acorn premises the responsibilities for safe working will need to be clearly allocated, accepted and understood by all involved. General instructions will be issued.

This must be done before the work commences and throughout the contract. A suitable and adequately trained contact liaison officer/engineer must be appointed. He will liaise with the contractor's nominated representative. This will help to ensure that from the outset safe methods of work will be employed and safe plant and equipment used. Any 'Permit to Access/Work' requirements must be identified. (Sample permits are available).

Preferred Suppliers

In addition to the approved sub-contractors and through our procurement team we ensure we are receiving best value for all goods and services purchased by continuous price checking, benchmarking and monitoring the service levels through KPI's. There is a continuous system of monitoring via our quality assurance procedures to ensure that the supply and service is maintained at an acceptable level. Best value does not necessarily mean the cheapest price but the best overall value to the company, which in turn benefits our clients.

Throughout the organisation we use a preferred supplier and an approved supplier system to ensure that any purchases are directed towards the most appropriate supplier. The preferred suppliers are those with whom we have the most beneficial terms. They are, like us, quality assured companies. Our approved suppliers are those that we use for specialist supply or services on an as and when basis.

The preferred suppliers provide us with the day-to-day materials and services such as electrical, mechanical and air conditioning materials and services. More specifically items such as filters, gearboxes, electrical equipment, plumbing materials, bearings and hire of tools, plant etc. are covered by the preferred suppliers. We also work with our preferred suppliers to ensure that their administration and invoicing procedures suit our requirements and where it's not too onerous for them to do so, get them to change their working practices. We are also working with service providers to ensure that quotations and reports are prepared in an acceptable and standard format to ensure ease when comparing prices etc.

Commitment to Paying Sub-Contractors Within 60 Days

Acorn Engineering Ltd is fully committed to fair and prompt payment practices. We ensure that all approved invoices from sub-contractors are paid within 60 days of receipt, in line with recognised industry standards and responsible-payment principles. This commitment is embedded in our commercial processes, monitored by our finance leadership team, and supported by regular reviews to ensure consistent compliance.

To support this, we have introduced a formal reporting cycle that includes:

- Monthly reviews of unbilled works, highlighting root causes and actions taken to clear outstanding items
- Monthly aged-debt analysis, with clear ownership for recovery actions and escalation routes where required; review progress, trends, and any emerging risks
- Quarterly reporting to the bidder's audit committee (or equivalent), providing visibility of progress, trends, and any emerging risks

This governance structure ensures sustained oversight and transparent monitoring.