



How to Trade with Costain

Costain Ltd. and its associated companies & joint ventures (Purchaser) demand the same high standards and values from its Supply Chain as it does from its own organisation. Our material & plant Supply Chain are integral to our success and ensuring customer satisfaction in delivering complex projects and schemes.

This document will replace the currently published “Golden Rules” by the Purchaser which explained to material & plant Supply Chain how their invoices will be settled within the agreed payments terms. The “How to Trade” provides the Supply Chain with a comprehensive guide of the commercial, contractual and business requirements of the Purchaser.

The Material & Plant Supply Chain is defined as material suppliers that supply & deliver goods only, and plant hire companies are defined as the provision of non-operated plant.

Material & Plant Supply Chain

General Principles: Detailed below are the principles of trading with the Purchaser and the Supply Chain Company for the provision of materials and plant

- Supply Chain Company must be registered, approved, and verified on the Purchaser’s Database to receive an authorised material purchase or plant hire order (Order).
- New Supply Chain Company will need to be endorsed by an employee of the Purchaser.
- Supply Chain Companies that are made strategic or preferred Suppliers to the Purchaser may be subject to further vetting before listing on the Purchaser’s database, including the requirement to be “Achilles” accredited.
- Have the following minimum insurance:
 - Employers Liability: £10 Million
 - Public & Products Liability: £5 Million
 - Professional Indemnity: £10 Million for design work only
- The Order will define the commercial & contractual arrangement between the Purchaser and the Supply Chain Company.
- Read and understand the Order issued.
- Don’t commence supplying goods or services without being in possession of an Order or Supply Contract.
- Material purchases are made in accordance with the Purchaser’s “General Purchasing Conditions”, and if applicable, “Standard Commodity Clauses” will apply. Plant hire Orders shall be in accordance with the “Standard Clauses for Plant and Transport Hire Orders”. All documents’ are posted on Costain.com
- Only supply goods to the specification detailed on the Order.
- Only supply the quantity of goods as detailed on the Order.
- Comply with the stated Purchasers requirements detailed on the Order.

- An Order number consists of the numeric layout out:
 - Order: 4 to 7 digit number/two letters denoting the order type/7 digit Business Unit number

Comply with the following:

- Provide goods to the contract specification and or to stated British or European standards or as detailed on the Order.
- Deliver the quantity detailed on the Order or as requested by the Purchasers Representative or in accordance with the construction programme or agreed delivery programme.
- Follow the delivery instructions and vehicle logistics systems as detailed on the Order.
- Always detail the Order no. on any documentation (invoice, delivery ticket, advice note, consignment docket, off hire docket, credit notes etc.) issued to the Purchaser.
- Ensure your delivery ticket or advice note or consignment docket or off hire docket is signed by a duly authorised signatory.

We do:

- Detail the payment terms on the Order.
- A three way match against Order, delivery ticket and invoice to enable payment.
- Require copies of delivery tickets and or invoice to be sent within working 5 days of request.
- Return to the Supply Chain incorrect invoices.
- Require agreed credit notes to be issued within working 5 days.
- Reserve the right to settle your invoice by Purchase Card. The Purchaser shall not accept any transaction charge levied by the Supply Chain.
- Expect the Supply Chain to comply with all the delivery requirements detailed on the Purchase Order. This to include but not limited to, complying with designated traffic routes to the delivery location, vehicle specification and vehicle logistics systems.
- Not exempt Couriers from the above requirements.
- In certain instances to manage large material "Call Off" or Bulk Order" a "Project Specific Service Level Agreement" will be agreed with the Supply Chain.
- Not accept any reference made to the Supply Chain trading terms & conditions stated or detailed on any quotation except for the sole purpose of including rates and descriptions. All other terms of the quotation shall not apply.
- Not by signing the Supply Chain delivery ticket, or advice note, or consignment docket accept the trading terms of the Supply Chain Company.
- Not accept general price increase letters from the Supply Chain as a justification to increase prices.
- Require supporting signed documentation to accompany all hire damage claims.

The Supply Chain shall not:

- Accept a verbal order.
- Invoice the wrong company or joint venture.
- Add additional costs not detailed on the Order which will delay the payment of invoices.
- Use a factoring agent/company to collect any debts owed by the Purchaser to Supply Chain without the prior written consent of the Purchaser.
- Accept a "Letter of Intent" without first confirming it's authenticity with Costain Central Procurement based in Maidenhead.
- Charge associated companies & joint venture purchases to the Costain Ltd credit account unless authorised by Costain Ltd central procurement.

Supply Chain Invoicing: The Purchaser is committed to settling the Supply Chain Company invoices and the following will assist in the payment of invoices. Refer to the Order for payment terms.

Supplier Shall:

- Be in possession of an authorised Order.
- Invoice the correct Company detailed on the Order.
- Address the invoice to the correct location as detailed on the right hand side of the Order.
- Ensure invoices detail the correct Order no. and priced in accordance with the issued Order.
- Ensure Invoices don't exceed the Order stated quantity or value.
- Provide within 5 working days:
 - Requests for copies of delivery tickets, off hire docket, invoices and credit notes.
 - Response to any query.
- Submit a statement of account on a monthly basis to the address detailed at the foot of authorised material purchase order.
- Accept, if necessary, a payment from a project bank account.

Thank you, and looking forward to a successful and rewarding business relationship.