

1.0 Introduction

This *policy* covers the purchasing and procurement operations undertaken by *MIDA Civil Engineering Limited*. The *policy* aims to define the standard methods for the purchasing and procurement of services, products, and goods from different vendors.

Compliance with this *policy* is mandatory for all employees and those contracted to *MIDA Civil Engineering Limited*. Non-compliance with this *policy* could lead to action including termination of employment or contract. The *Procurement Department* is responsible for maintaining and implementing the processes defined in this policy.

This *policy* does not include the selection and appointment of sub-contractor organisations undertaking work on site or at the company's premises, as these are managed and controlled through the organisation's HSEQ and commercial procedures.

2.0 Role of the Purchasing and Procurement Department

The role of the *Procurement Department* is to assist the organisation to get the best value for the product or services we purchase, reduce costs, reduce supply risk, and enable stakeholders to reach the business goals.

The *Procurement Department* is responsible for the vendor selection process by working with different stakeholders. The *Procurement Department* is the main point of contact for the supplier during the vendor supplier evaluation and selection process.

3.0 Vendor Setup and Onboarding Process

All new vendors should be vetted by the *Procurement Department* to ensure that they meet various predefined criteria specific to the products or services being provided. If required, the evaluation may be conducted by inviting multiple vendors to bid and then selecting the best value match vendor for the company; this will be detailed within the *Project Grid (Buying_09)*.

Each new vendor will be subject to an evaluation based on the products supplied in accordance with our clients designs and specifications. Once evaluated, the vendor will be added to the *Eque2* system. Therefore, only approved vendors and will be included within the procurement software platform and available use by the *Procurement Department* for the purchasing of services, products, or goods.

4.0 Vendor Performance Review

Once onboarded, vendors will be subject to ongoing performance review based on factors such as;

- Non-conformances
 - Late deliveries
 - Incorrect deliveries
 - Damaged or defective products
- Competitive on costs
- Delivery timescales met

The *Head of Procurement and Plant* will set periodic performance reviews specific for each vendor.

Poorly performing vendors will be given the opportunity to improve and will be kept under review for a predetermined period set by the *Head of Procurement and Plant*. Vendors that fail to improve will be suspended on the *Eque2* system, therefore maintaining the system with current suppliers only.

5.0 Requisition Authority Levels

Primary Aggregates

Procurement to explore recycled material in line with our internal regional specification as an alternative to all primary aggregate requests

→ **Contracts Manager** approval required for any deviation from internal regional specifications

→ **Director approval** required for orders over 300T

Hard Landscaping

Quantity Surveyor to approve specification for each job

→ **Director approval** required on hard landscaping bulk orders

→ **Contracts Manager** to be advised on delivery date to change order if required to avoid material on site at month end

Concrete Drainage

Contracts Manager to approve drainage running order

→ **Director + Head of EQT** to approve drainage running order

→ **Managing Director** approval required on bulk orders and delivery schedule

Plastic Drainage

Quantity Surveyor and Contracts Managers to be copied into all plastic drainage orders

→ **Contracts Managers** approval required for orders over £10K must be approved

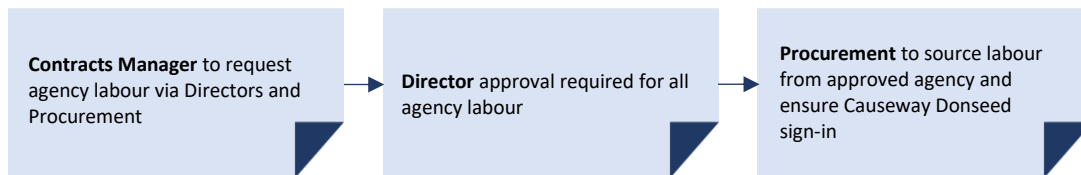
Consumables

Site Managers to compile one monthly order of consumable items

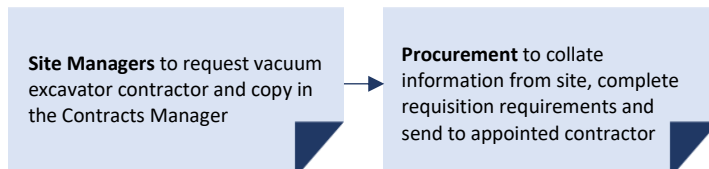
→ **Contracts Manager** approval required for orders over £100 per month and no orders under £50 minimum order value

→ **Director** approval required for orders over £500

Agency Labour



Vacuum Excavation Contractor



6.0 Purchasing Authority Levels

Purchasing authority levels are based on risk and accountability.

The following purchasing authority levels apply.:

- | | |
|---------------------------------------|-------------|
| • Managing (Senior) Directors | Unlimited |
| • Directors | £200,000.00 |
| • Head of Procurement and Plant | £100,000.00 |
| • Procurement Department Senior Staff | £25,000.00 |
| • Procurement Department Junior Staff | £5,000.00 |

Where an individual's purchasing level is exceeded, the request must be elevated to the appropriate level of authority.

Any delegation of authority must be submitted to and approved by the *senior directors*.

7.0 Purchasing Process and Accepted Norms

Purchase Requisition Process

All requisitions must be submitted to the *Procurement Department* via; written request, email or by telephone. All telephone requests will be recorded by an email into the *Purchasing and Procurement Department* inbox.

Approval Process

The *Procurement Department* will check and approve the requisition request cost levels against the purchasing authority levels stated above prior to processing the requisition on the *Eque2* system. Should the authority level be exceeded, the *Procurement Department* shall gain the required level of approval prior to processing the requisition.

Purchase Order Process

All require a purchase order (PO) to be raised. The PO is raised within the *Eque2* system and emailed to the vendor.

Bulk Purchase Orders

Bulk purchase orders may be utilised to cover a set amount that is preauthorised by a vendor. A *bulk purchase order* allows us to authorise an approximate amount (e.g., for a year) and the vendor can keep invoicing against that order until the amount is exhausted.

8.0 Supplier Invoices and Accepted Norms

Invoice Submission Process

All vendor invoices should be sent to: accounts@midacivils.co.uk

Where a *purchase order* has been provided to the vendor, the *PO No.* must be stated on the invoice.

The invoice must be checked to ensure the payment terms are in accordance with the vendor agreement, or any *purchase order* provided to the vendor.

9.0 Competitive Bidding

Competitive bidding is the process of getting bids from different suppliers so that we can pick up the best deal for the *Company*. The best deal does not always mean the lowest price. The best deal or best value means the product or service which meets our expectations at the lowest value possible.

The *Procurement Department* will undertake a competitive bidding process for all requisitions. Other stakeholders may also assist in the competitive bidding process. Where the bidding process is implemented, a minimum of two supplier bids must be obtained.

Where a single source or sole vendor has been approved, or designated by the client/customer, no competitive bidding process will be implemented, irrespective of value.

10.0 Ethical Purchasing and Conflict of Interest

Conflict of Interest

A conflict of interest is a situation in which the concerns or aims of two different parties are incompatible. In other words, if the person making the purchasing decision is somehow going to benefit from the purchase transaction, then there is a conflict of interest.

Any conflict of interest identified within the organisation must be reported to the *senior directors* in confidence at the earliest opportunity. Where those involved in the procurement process have themselves identified a possible conflict of interest, they must report the situation to the *senior directors*, with a clear explanation of why doing business with this vendor is in the best interests of the business, prior to processing the order. The senior directors will then either approve or deny the progression of the purchase.

Ethical Purchasing

The term 'ethical purchasing' is often used interchangeably with 'responsible purchasing', and it means taking responsibility for specification decisions where possible and making choices that support organisations and suppliers that value and demonstrate ethical working practices. Unethical procurement practices carry risk to brand, reputation, and potential profits.

Responsible sourcing mainly considers the environmental impacts of products and materials, with some elements of social and economic factors. Although the focus is largely social, there is also a strong moral imperative to 'do the right thing' in terms of respecting and valuing the environment.

In the case of ethical sourcing, we have little or no control of this as the products, materials, and aggregates are predefined by the client/customer within contract documents.

Where we have control of products, services and materials sourced, we will implement a five-step approach;

1. Identify trustworthy suppliers
2. Secure trading-partner relationships
3. Monitor shipment provenance
4. Manage supplier communities
5. Gather ethical insights

11.0 Specific Areas of Procurement

Procurement of Vehicles and Plant

All vehicles, plant and equipment are primarily hired in from *MIDA Plant Hire Limited*, which is a subsidiary business within the *MIDA Group*. Where *MIDA Plant* cannot meet the requisition request, external plant suppliers are selected to meet the company's needs.

All suppliers of vehicles, plant and equipment must ensure the supplied items are appropriately approved to recognised United Kingdom safety standards. Where applicable, this include CE/UKCA approval and marking.

Supply of Plant:

- Damage and loss must be reported to management and the procurement team within a 24-hour period; the damage must be investigated within 7 days
- Accountability will be identified within 60 days via the respective contracts manger and reported at the internal Operations meeting monthly.
- Damage or loss that is found to be due to operators miss-use or negligence will be recharged to the individuals at fault.
- All plant supplied must meet the minimum requirements of our customers/clients.
- All cabbed dumpers must be supplied with perspex in lieu of glass.
- *MIDA Civil Engineering Limited* is committed to reducing plant idling times onsite. The *Company* actively encourages drivers to reduce levels of idling. *Plant Operators* are responsible for ensuring that their machine does not idle unnecessarily.
- *Plant idling times will be monitored and reviewed via telematics.*

Procurement of Small Tools and Equipment

All suppliers of tools and equipment must ensure the supplied items are appropriately approved to recognised United Kingdom safety standards. Where applicable, this include CE/UKCA approval and marking.

Supply of small tools and equipment:

- *MIDA Civil Engineering Limited* provide sites with a "startup kits" comprising of insulated shovels, brooms & welfare consumables at the start of a contract.
- *MIDA Civil Engineering Limited* purchase all specialist power tools, power saw blades, insulated tools for safe excavation and jerry cans.
- *MIDA Civil Engineering Limited* do not purchase any "bucket tools" e.g., mallets, string lines, trowels,

hammers, tapes, levels etc.

Procurement of Materials

Materials standards are defined by the client/customer within contract documents, which are normally defined to recognised UK standards such as British Standards or CE/UKAS conformity approval standards.

Supply of Materials:

- Procurement department will check the specifications of requested items against the bill of quantities; where there is a discrepancy approval is required from the *Contracts Manager* and *Quantity Surveyor*.
- Procurement department will only place orders with the correct level of authorisations, based on the purchasing authority levels.

Procurement of Personal Protective Equipment (PPE)

PPE must be purchased from reputable UK based suppliers only. The *HSE & Training Dept.* will set the minimum level of PPE standards for each item of PPE, which must also be approved to a recognised international, European or UK standard (i.e., British Standard or CE/UKCA marked).

Supply of Personal Protective Equipment:

- Employees and labour only subcontractors are issued with a Hard Hat to *EN397* specifications & high-visibility vest to *EN ISO 20471:2013* issued at induction.
 - *Employees and labour only subcontractors who require reissue of the above items through loss or damage due to miss use or negligence will be charged.*
 - *Employees and labour only subcontractors will exchange PPE items on a one for one basis at their place of work.*
- Site Managers are required to request all task specific PPE e.g., gloves, eye protection, respiratory equipment, harnesses etc., via the *Procurement Department*; If any clarifications of specifications are required this will be discussed with the HSE team.
 - *Site Managers are responsible for the local issuing of task specific PPE and for maintaining a reasonable use & replacement cycle.*
 - *Site Managers are responsible for the request and maintenance of reasonable site PPE stock levels.*

Signed:



Date: 23rd February 2026

James Brown

Regional Managing Director