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Issue:	2
Date:	04 December 2010
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Level 1

Sourcing and Supplier Governance

Endorsement and Authorisation

Endorsed by:



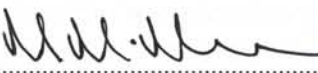
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Issue record

Issue	Date	Comments
1	1 March 2008	New Standard
2	4 December 2010	Revised to reflect developments in sourcing governance.

Compliance

This Network Rail standard is mandatory and shall be complied with by Network Rail and its contractors if applicable from 4 December 2010.

When this standard is implemented, it is permissible for all projects that have formally completed GRIP Stage 4 to continue to comply with the Issue of any relevant Network Rail Standards current when GRIP Stage 4 was reached and not to comply with requirements contained herein, unless the designated Standard Owner has stipulated otherwise in the accompanying Briefing Note.

Reference documentation

Connect	Delegation of Authority and Signing & Sealing of Documents
Connect	Network Rail Group Policy on Business Conduct
Connect	Strategic Sourcing Gateway Documents
NR/L1/CPR/101	Sourcing and Purchasing Policy
NR/L2/RSK/00001	Integrated Risk Management Process

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1 Purpose

The purpose of this policy is to specify the high level sourcing and supplier governance structure and processes within Network Rail.

Through good sourcing and supplier governance, Network Rail shall:

- a) Achieve uniform commercial excellence ("One way of doing things") through use of Strategic Sourcing framework;
- b) Deliver joined-up decision making;
- c) Empower appropriate levels and groups to execute commercial decisions;
- d) Disseminate best practice – the structure and processes shall be perceived to add value by everyone involved;
- e) Deliver a risk-based governance approach to effectively manage commercial risk;
- f) Facilitate compliance without unduly slowing down implementation;
- g) Facilitate alignment to the business conduct policy.

2 Scope

This standard specifies policy and forums for governance relating to:

- a) Category Strategy approval;
- b) Asset Strategy approval;
- c) Supplier Strategy approval;
- d) Contracting Strategy approval.

Reference shall also be made to the most recent version of the Company's "Delegation of Authority and Signing and Sealing of Documents" to identify the level of authority required for specific approval.

The Category, Asset, Supplier and Contracting Strategies shall be compliant with the Network Rail Group Policy on Business Conduct (April 2010).

3 Definitions

3.1 Category Strategy

Company-wide strategy which reflects the business requirements and drivers for spend within categories. A Category Strategy shall be developed first and shall guide both Supplier and Contracting Strategies. Category Strategies shall be reviewed annually as a minimum or more frequently as required.

3.2 Asset Strategy

Asset-wide strategy which reflects the business requirements and drivers for spend within an operational asset. The asset strategy shall follow the Category Strategy. Asset Strategies shall be reviewed annually as a minimum, or as required.