



BAM Construct & Ventures UK Prompt Payment Code **Action Plan**



Introduction

As a signatory to the Prompt Payment Code, BAM Construct UK Ltd is a strong advocate of fair treatment for all our supply chain partners. BAM Construct trades with over 7,000 suppliers per year, and we are committed to meeting the objectives of paying 95%+ of suppliers within agreed payment terms.

As part of our commitment to the Code, we monitor our







payment performance monthly, reporting in detail to senior management in the business.

As part of monitoring our performance, we also identify risks that prevent us from meeting our prompt payment objectives and we plan and implement mitigation to reduce the likelihood of these risks occurring.

There is always room for improvement in the prompt payment of invoices. Our response is the creation of this











prompt payment action plan, the identification of risks, the mitigation measures we plan to take, and the current status of their implementation.

Neil McGruer,
Finance Director BAM Construct UK Ltd

Objective	Status
We endeavour to pay all suppliers within agreed terms	 Improving
Give clear guidance to suppliers on terms, dispute resolution and prompt notification of late payment	 Achieved
Support good practice throughout our supply chain by encouraging adoption of the Code	 Achieved
The requirement that 95% invoices from small businesses (with less than 50 employees) must be paid within 30 days and pay all suppliers within average of 30 days	 Achieved
Recognise the right of suppliers to charge late payment interest and charges if an invoice is paid late without justification	 Achieved
Suppliers provided with a contact point for payment queries	 Achieved













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Objective	#	Risks to success	Risk Status	Risk Mitigation	Risk Status	Status
Ensure that >95% of valid invoices payable to supply chain are paid within 60 days of date of invoice	1	Large volume of transactions from multiple suppliers requiring a three-way match in our Bought Ledger (Purchase order, Goods Received Note and Invoice) requires a high level of manual intervention to carry out the process.	 High	Upgrade invoice matching software, BASWARE and leverage e-invoicing technology to reduce the level of manual intervention when processing invoices for invoice matching. We can also notify suppliers of invoice issues at the earliest possible time from within BASWARE Implement SAP Materials Management, which allows the creation of purchase orders and record goods received electronically. This data is shared with BASWARE and allows for automatic three-way matching.	 Low	Implemented
	2	Analysis of supplier payment performance within the business lacks sufficient detail to identify poor performance.	 Low	We already carry out analysis of our payment performance, reviewed monthly and distributed to the wider business through presentations. By adding extra data, we can produce greater depth of analysis to identify poor payment performance.	 Low	Implemented
	3	Our supply chain is not always familiar with BAM's invoice matching process because we have a high number of single use suppliers, this results in processing delays.	 Medium	We have arranged for supplier on boarding via a third party. The supplier has choice of using Tradex or Basware platforms.	 Low	Implemented
	4	Our projects do not always process goods received notes in a timely manner leading to delays in the invoice matching process.	 High	In addition to detail guidance within our Business Management System, we have also created a toolbox talk for projects, we may also seek to create an e-learning module on prompt payment	 Low	In progress Q3, 2023
	5	Our Vendor database is organised by business segment, which leads to inconsistency in the management of Vendor terms as well as duplication of administration across the division.	 High	Review and re-organise our vendor database. Verify existing data to ensure accuracy.	 Low	In progress Q3, 2023

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Objective	#	Risks to success	Risk Status	Risk Mitigation	Risk Status	Status
Ensure that >95% of valid invoices payable to supply chain are paid within 30 days of date of invoice for suppliers with <50 direct employees.	1	Large volume of transactions from multiple suppliers requiring a three-way match in our Bought Ledger (Purchase order, Goods Received Note and Invoice) require a high level of manual intervention to process.	 High	Upgrade invoice matching software, BASWARE and leverage e-invoicing technology to reduce the level of manual intervention when processing invoices for invoice matching. We can also notify suppliers of invoice issues at the earliest possible time from within BASWARE. Implement SAP Materials Management, which allows the creation of purchase orders and record goods received electronically. This data is shared with BASWARE and allows for automatic three-way matching.	 Low	Implemented
	2	Analysis of supplier payment performance within the business lacks sufficient detail to identify poor performance.	 Low	We already carry out analysis of our payment performance, reviewed monthly and distributed to the wider business through presentations. By adding extra data, we can produce greater depth of analysis to identify poor payment performance.	 Low	Implemented
	3	Our supply chain is not always familiar with BAM's invoice matching process because we have a high number of single use suppliers, this results in processing delays.	 Medium	We have arranged for supplier on boarding via a third party. The supplier has choice of using Tradex or Basware platforms.	 Low	Implemented
	4	Our projects do not always process goods received notes in a timely manner leading to delays in the invoice matching process.	 High	In addition to detail guidance within our Business Management System, we have also created a toolbox talk for projects, we may also seek to create an e-learning module on prompt payment.	 Low	In progress Q3, 2023
	5	Sub-contract order payment terms are mismatched for the supplier size, or a sub-contractor is paid later than maximum 30-day terms for a business with <50 direct employees.	 Medium	In addition to detailed guidance within our Business Management System, we audit all new created Sub-Contract orders and highlight to the project, any potential discrepancies for them to resolve before payments are made. We also identify late payments in the business and require projects to explain the reasons which we collect and learn from to improve our payment process.	 Low	Implemented
	6	Our Vendor database is organised by business segment, which leads to inconsistency in the management of Vendor terms as well as duplication of administration across the division.	 High	Review and re-organise our vendor database. Verify existing data to ensure accuracy.	 Low	In progress Q3, 2023