

29 April 2020

BOMBARDIER

Philip King
Small Business Commissioner
Victoria Square House,
Birmingham
B2 4AJ

TRANSPORTATION
Bombardier Transportation UK Ltd
Litchurch Lane
Derby, DE24 8AD, UK
Tel +44 1332 344666
Fax +44 1332 266271
www.bombardier.com

Registered in England
Registered No. 2235994
Registered Office: As above

Dear Commissioner

Thank you for your and your colleague's time on our call last week. We found it a very useful discussion, and I write as promised with our response to your recommendations as outlined in your report on Bombardier Transportation UK Limited of 12 February 2020.

In summary we are pleased to accept all your recommendations, and detailed below are our specific responses to each one:

Recommendation	Bombardier Transportation response
1. BT UK should pay statutory interest on all late payments.	Yes, we will continue to pay this where applicable and when requested by suppliers.
2. BTUK should review their payment practices to ensure they are robust and provide audit trails to ensure payments are made promptly and within agreed payment terms.	Yes. We have reviewed our processes and are confident that our processes are robust, but we will recommunicate these internally, including their mandatory status, and explore how we can ensure universal compliance. We will also produce an accelerated burn down plan to tackle parked invoices.
3. Standard payment terms for small businesses to be 30 days, not 60 days.	In principle yes, and we will use annual spend as a proxy for identifying SMEs in order to implement this policy effectively.
4. Payment processes to be clear, consistent and transferable across all staff within procurement teams.	Yes, we will send a communication to all staff and follow this up with a mandatory management cascade.
5. Contingencies should be in place for staff absence to prevent breakdown of communication in payment process.	Yes, our leavers, long-term absence and out-of-office policies have been reviewed and we are confident that they are robust. Again this will be communicated to all staff, and via management cascade.

6. Purchase Order numbers should be provided in advance to suppliers by designated staff who are clearly identifiable.	Yes, we will include this process in the communication to all staff, and also communicate this policy to our suppliers.
7. Escalation processes are implemented.	Yes, our Procurement and Finance teams escalate to the UK Leadership Team, and the Bombardier global Ethics & Compliance Team.
8. Small businesses should be provided with a constant, specific point of contact for payment queries.	Yes we are confident that this process is effective and responsive. The single point of contact is: accounts.payable_UK@rail.bombardier.com

When your report was published, we stated that we agreed that in the case of Alistair Hugo Catering and Events, our usually robust internal systems had not worked as they should, and that we believed that the events in question were unusual. Having reviewed our processes, we continue to hold this view. We accept all your recommendations and will use the report as a tool to ensure enhanced communication of, and compliance with, our existing processes.

Bombardier takes its obligations towards its suppliers very seriously – particularly at this time of national crisis – and we are committed to continually improving our payment practices. We will take all necessary steps to ensure this case remains a one-off

Do let me know if you have any questions or comments.

Yours sincerely,



Will Tanner
Director, Communications
Bombardier Transportation UK