

Procurement Policy

1. Policy abstract

Procuring goods and services within a developed, ordered and efficient procurement process that adopts appropriate best practices will assist Western Power achieve its strategies, aims and objectives.

1.1 Purpose

To establish a framework for Procurement Activities within Western Power that:

- a. provides the Board and Executive Management with assurance that Western Power's Procurement Activities, including contract management, are prudent, agile, sustainable and fit for purpose
- b. establish principles governing Western Power's Procurement Activities
- c. ensures all relevant Federal and State regulations and policies, including social community initiatives (where appropriate) are adhered to, and
- d. defines accountabilities and responsibilities, including reporting requirements.

1.2 Scope

This Policy applies to:

- i. all employees, officers and directors of Western Power
- ii. contractors working within Western Power's workforce
- iii. all Procurement Activities throughout Western Power's business operations

1.3 Principles

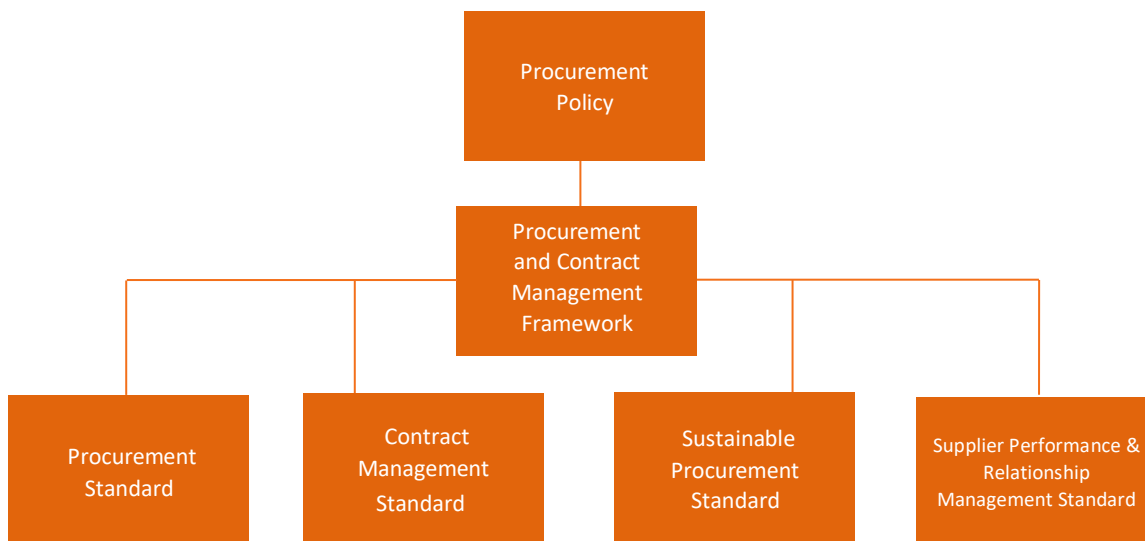
In carrying out Procurement Activities, Western Power will ensure that those activities:

- i. drive Value for Money in order to support Western Power in meeting its corporate objectives;
- ii. ensure procured materials, goods and services are of suitable quality and fit for purpose;
- iii. identify, assess, and manage risks associated with Procurement Activities;
- iv. promote fair, open and effective competition;
- v. actively manage third party contracts from inception to expiry;
- vi. maintain demonstrable standards of probity, accountability and good governance, including compliance with relevant legislation and Western Power policy requirements; and
- vii. seek opportunities to improve environmental, social and economic impacts of procured materials, goods and services throughout their life.

Due to its unique position in the electricity market in Western Australia, Western Power acknowledges the impact it has on the community from a procurement perspective. As such, Western Power seeks to provide support to State Government initiatives where possible and seeks to act as a good corporate citizen in Western Australia with regards to its Procurement Activities. This Policy, supported by the Procurement and Contract Management Framework and relevant standards, is designed to assist Western Power to meet these objectives.

1.4 Supporting Management standards

This policy is supported by the following framework and standards:



2. Dictionary

Words in the first column of the following table are defined terms and have the corresponding meaning shown in the second column of the table. Defined terms appear in this document as capitalised.

Defined term	Meaning
Core Business	Those business activities that Western Power has defined as being of central importance to its strategy and therefore long term success.
Framework	A structure of procedures and guidelines and other controls that support the implementation of the stated outcomes of policies in a consistent manner in a specified area.
Personnel	Has the meaning in section 1.2 of this document.
Policy	High-level, brief, straightforward, statements of principle indicating Western Power's intention and direction, to enable effective decision-making processes.
Procurement Activities	The processes, events and actions associated with the acquisition and supply of goods or services or both, including sourcing, ordering and contract management.
Standard	Refined statements of principle within a specific area covered by a Policy that assist with the achievement and implementation of the stated outcomes of that Policy.

Defined term	Meaning
Value for Money	Is a balanced judgement of a range of financial and non-financial factors, taking into account whole of life costs; quality; fitness for purpose; safety; supplier capability; availability of maintenance, service and support; sustainability impacts, and risks.

3. Further information

If you have any questions in relation to this Policy please contact either the Executive Manager, Business and Customer Services or the General Counsel.

4. Content owner

Executive Manager, Business and Customer Services.

5. Accountabilities

Policy content owner:

Accountable for:

- i. implementing this Policy
- ii. preparing, issuing and maintaining any required Standards
- iii. ensuring that people affected by this Policy and its related Standards are aware of their responsibilities
- iv. ongoing education (as necessary)
- v. monitoring compliance with the requirements of the Policy and its related Standards
- vi. ensuring that appropriate remedial actions are taken if there are compliance breaches
- vii. monitoring the continuing relevance of the Policy and the currency of its contents.

General Counsel:

Accountable for publishing the approved version of this Policy, and any Standards issued under it, in Western Power's corporate policies register.

6. Review

This Policy will be reviewed and evaluated by the Board at least once in every three year period taking into account the purpose of the Policy and the outcome of the compliance review.

7. Related documents

Title	EDM reference
Delegation of financial authority policy	34010932
Delegation of financial authority guidelines	22437728
Procurement and contract management framework	42573938
Contract management standard	32199079
Procurement standard	34117114
Sustainable procurement standard	45956480
Supplier performance & relationship management standard	46730860

8. Approval history

Version	Approved by	Date of approval	Resolution no.	Notes
1.	F&RC	30/08/2007	FRC/16/2007	Confirmed no. FRC/23/2007
2.	F&RC	24/07/2008	38/2008/FRC	
3.	F&RC	23/04/2012	025/2012/FRC	
4.	Board	01/04/2014	076/2014/BD	
5.	General Counsel	29/08/2014	004/2015/BD	Approval relates to the inclusion of the section135(4) documents in the related documents section of the policy.
6.	General Counsel	02/05/2017	82/2017/BD	Approval under delegation by General Counsel following scheduled controlled document review by Management
7.	Board	02/10/2018	026/2019/BD	

Sam Barbaro
General Counsel and executive officer