

Procurement

Performance summary 2007/08

KPI, milestone or target	Performance
Where practicable to make payment within 30 days of receiving the invoice.	✓
Use the balanced performance scorecard to measure performance and provide regular feedback to all major suppliers.	✓
Use the Achilles Utilities Vendor Database as a means of standardising an integral area of our pre-qualification assessment. Use the 'verify' system to maintain an up to date measure of top supplier performance against the categories of financial, health and safety and environment.	✓
100% of our major suppliers to be screened for performance against financial, health and safety and environment factors.	✓
To ensure that goods and services are procured from sustainable sources, contracts are awarded following a tender process which takes into consideration service, price and environmental performance.	✓

Performance key

KPI Achieved	✓
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KPI Ongoing	➡
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KPI Not achieved	✗
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Performance targets 2008/09

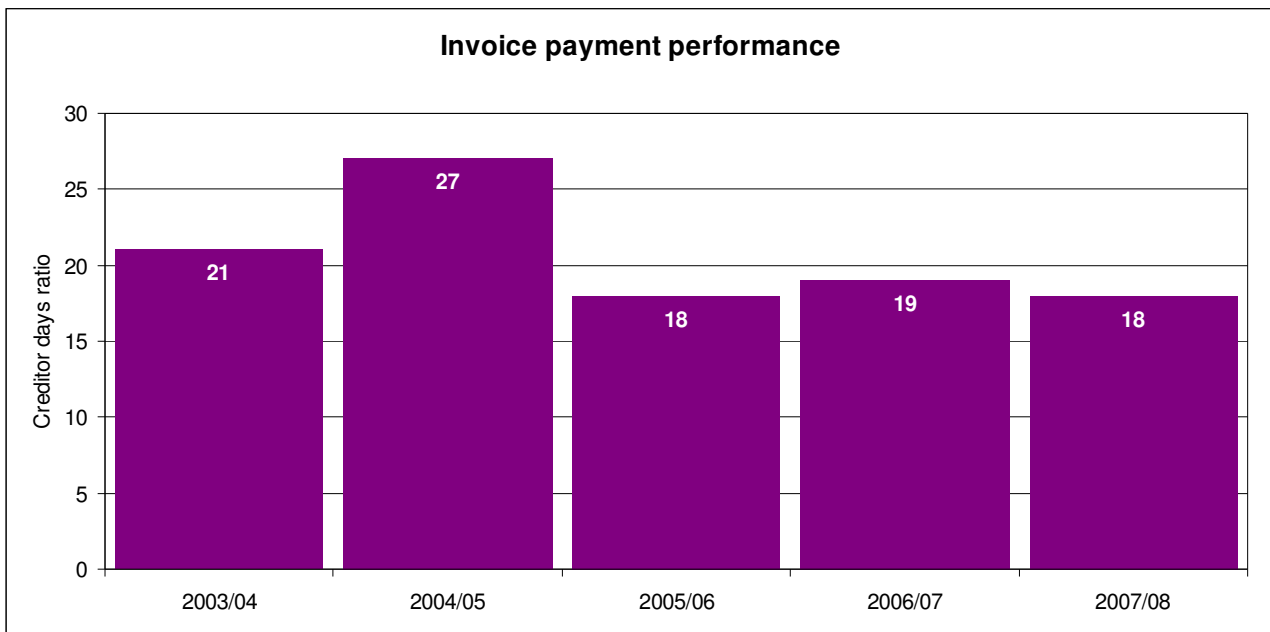
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Performance 2007/08

KPI Achieved ✓

The company’s policy is to agree payment terms with suppliers and to pay on time according to those agreed terms. In the absence of alternative agreement, the policy is to make payment not more than 30 days after receipt of a valid invoice. The creditor ratio, expressed in days, between the amount invoiced by suppliers during the year and the amount owed to trade creditors as 31 March 2008 was 18 days.



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Performance 2007/08

KPI Achieved ✓

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Performance 2007/08

KPI Achieved ✓

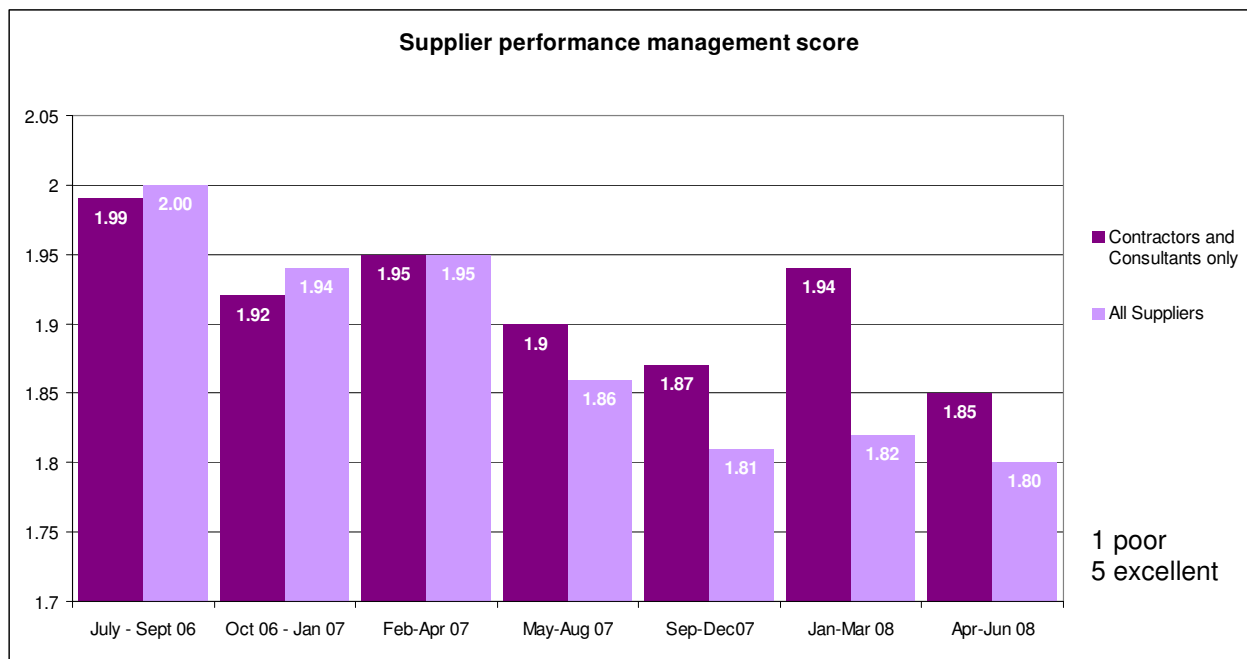
100% of our major suppliers to be screened for performance against financial, health and safety and environment factors.

Performance 2007/08

KPI Achieved ✓

All major suppliers are screened using Achilles Utilities Vendor Database, Verify and are subject to annual D&B (Dunn & Bradstreet) checks.

In addition all top 150 suppliers are incorporated within our Supplier Performance Management process. Suppliers performance is scored against 18 performance factors including cost and time management, health and safety, environmental performance, scores range from one being excellent to five being poor, a single score can then be calculated for each supplier and this is then taken into consideration when the supplier review occurs.



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Performance 2007/08

KPI Achieved ✓