

Procurement

Performance summary 2008/09

KPI, milestone or target	Performance
Where practicable 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 2009/10

KPI, milestone or target
Where practicable 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.

Complete a detailed sustainability assessment of key suppliers.

Longer term targets

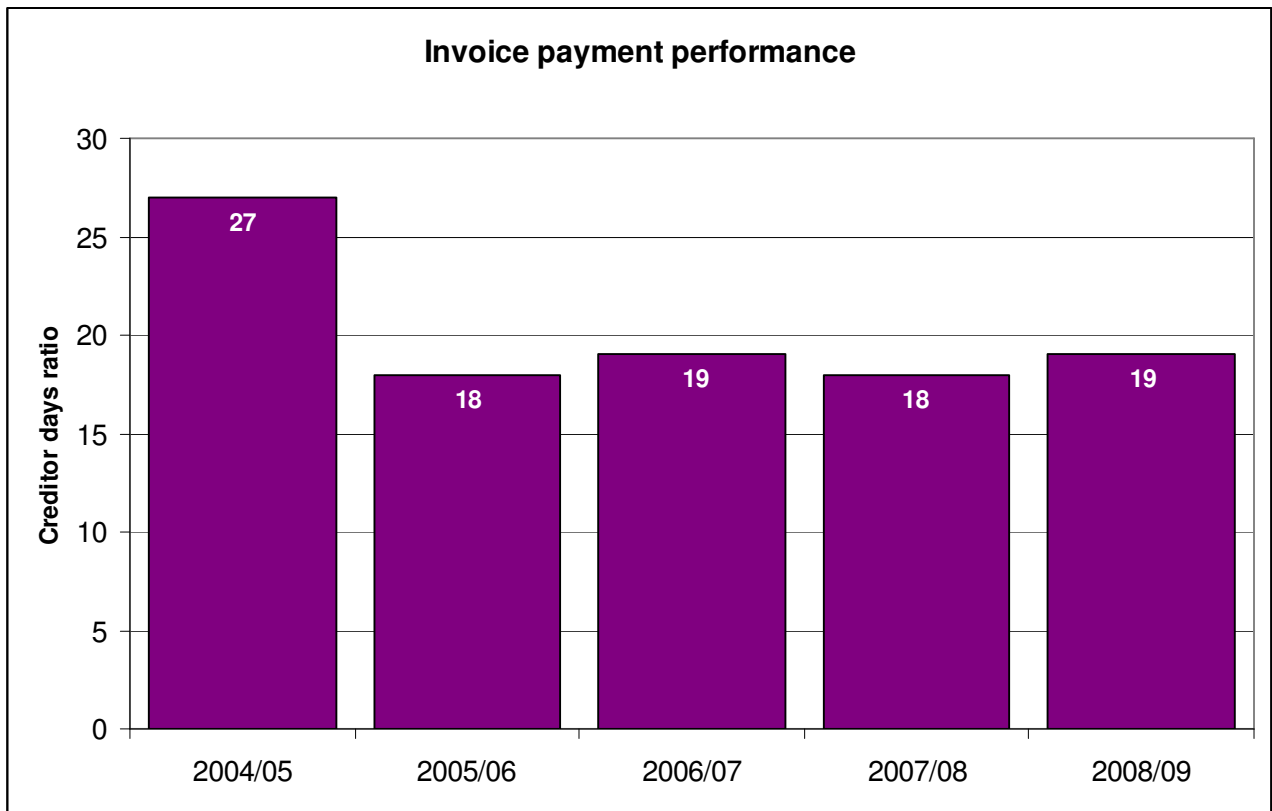
KPI, milestone or target
Develop a local purchasing assessment approach.
Publish an annual sustainability assessment of key suppliers.

Where practicable to make payment within 30 days of receiving the invoice.

Performance 2008/09

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 2009 was 19 days.



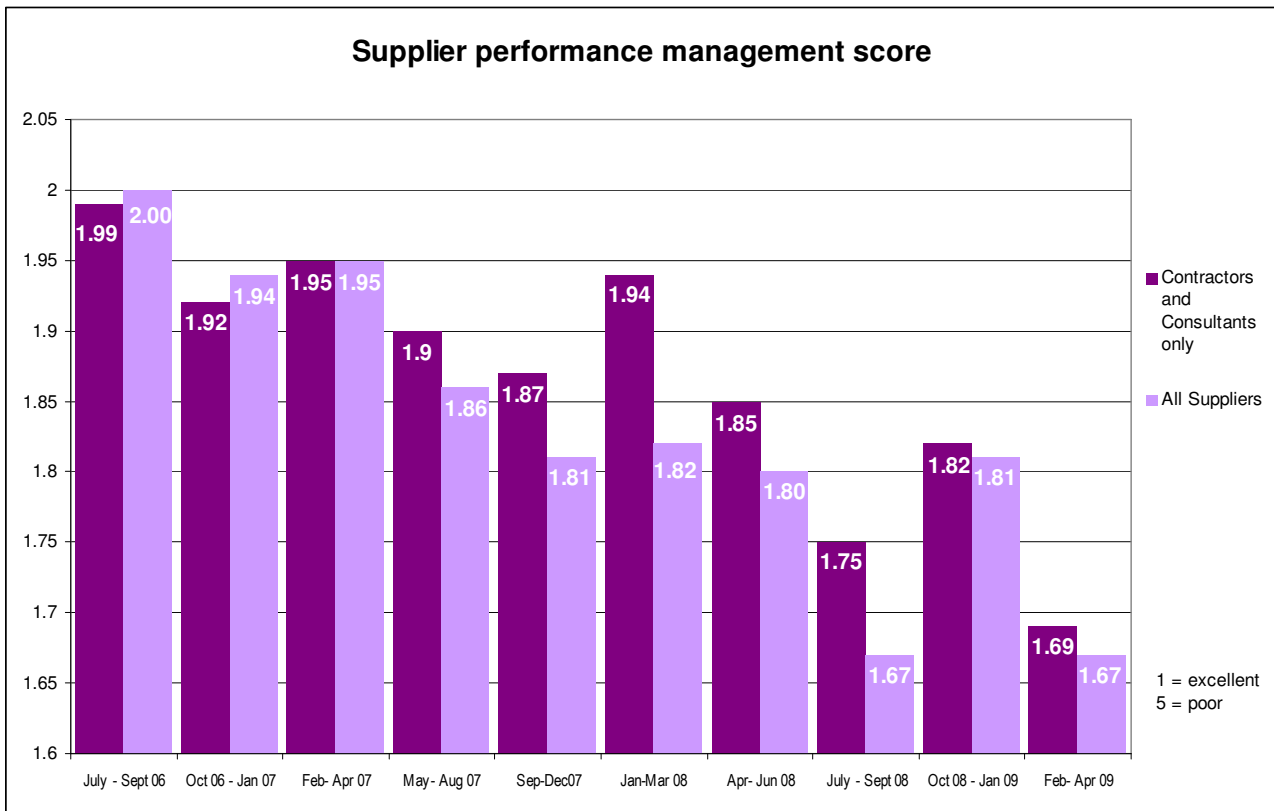
Use the balanced performance scorecard to measure performance and provide regular feedback to all major suppliers.

Performance 2008/09

KPI Achieved ✓

The Supplier Performance Management System (SPM) is used to monitor and prepare a balanced performance scorecard for key suppliers. The performance assessment is completed quarterly.

Our top 100 suppliers are incorporated within our SPM process. Supplier performance is scored against 18 performance factors including cost and time management, health and safety and environmental performance. Scores range from one being excellent to five being poor. A single score is then calculated for each supplier and this is then taken into consideration when the supplier review occurs.



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.

Performance 2008/09

KPI Achieved ✓

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

Performance 2008/09

KPI Achieved ✓

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

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 2008/09

KPI Ongoing ✓

All contracts are awarded following a tender process which takes service, health and safety, price and environmental performance into consideration. In addition a trial of sustainability self assessment process has been developed with our key suppliers. This process will be rolled out in the coming year across the supply chain.