

Procurement Policy

1. Policy statement

Western Power will procure goods and services efficiently, effectively, sustainably and transparently, and provide full opportunity for local participation.

1.1 Purpose

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

- i. provides the Board and Executive Management with assurance that Western Power's Procurement Activities, including Contract Lifecycle Management Activities, are prudent, agile, sustainable, and fit for purpose;
- ii. establishes principles governing Western Power's Procurement Activities;
- iii. addresses all relevant Federal and State regulations and policies, and social community initiatives (where appropriate); and
- iv. defines accountabilities and responsibilities, including reporting requirements.

1.2 Scope

This Policy applies to all Western Power Personnel conducting a Procurement Activity.

The Policy does not apply to employment Contracts, non-binding memoranda of understanding or Contracts to which Western Power is a supplier.

In this Policy, Personnel means:

- i. every employee, officer and director of Western Power;
- ii. every contractor working as part of Western Power's substantive workforce; and
- iii. any other person who carries out work in any capacity for Western Power.

1.3 Procurement principles

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

- i. drive Value for Money to support Western Power in meeting its strategic objectives;
- ii. ensure procured materials, goods and services are of suitable quality and fit for purpose;
- iii. promote fair, open, and effective competition;
- iv. maintain demonstrable standards of probity, accountability, and good governance, including compliance with relevant legislation and Western Power's policy requirements;
- v. promote sustainable procurement by seeking opportunities to improve environmental, social, and economic impacts of procured materials, goods and services throughout the procurement lifecycle;

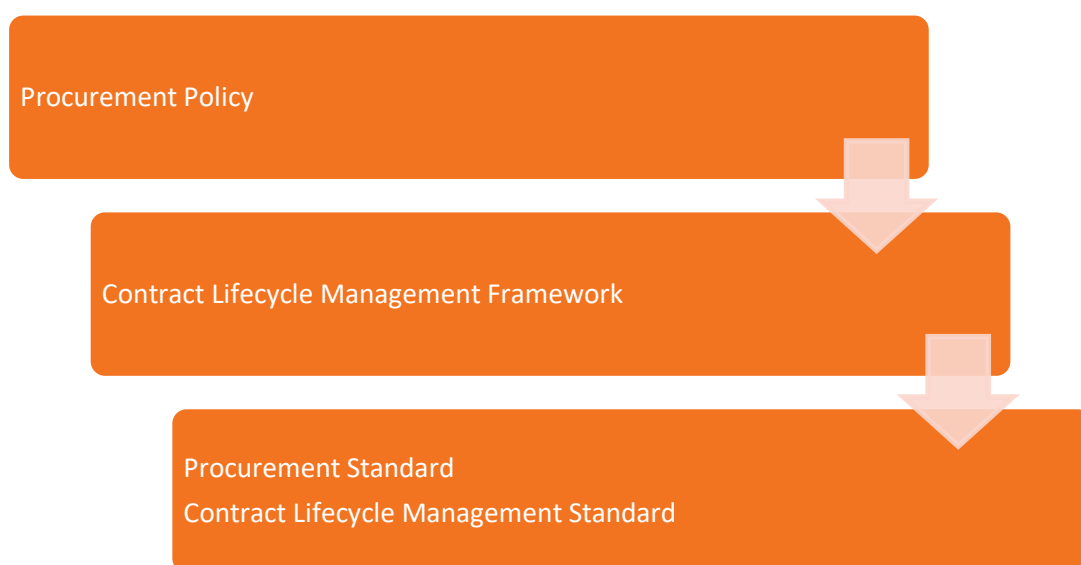
- vi. identify, assess, and manage risks associated with Procurement Activities; and
- vii. actively manage third party contracts from start-up to review and close out.

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 support 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 Contract Lifecycle Management Framework, the Procurement Standard and the Contract Lifecycle Management Standard, is designed to assist Western Power to meet these objectives and principles.

1.4 Supporting document structure

This Policy is supported by the following document hierarchy:



Guidelines, procedures and work instructions are in place to support the 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
Contract	A legally enforceable agreement between two or more parties that sets out the terms and conditions under which materials, goods and/or services will be provided.
Contract Lifecycle Management Activities	The actions associated with the process of systematically and efficiently managing contract lifecycle for maximising operational and financial performance.
Framework	Sets out all the standards, guidelines, procedures and work instructions that sit below, support and deal with the subject matter covered by a Policy.

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 leadership and decision-making.
Procurement Activities	The entire supply chain process associated with the acquisition and supply of materials, goods and/or services, including sourcing, purchasing, materials management and contract lifecycle management. Sourcing activities, purchasing activities, materials management activities and contract lifecycle management activities are subsets of Procurement Activities.
Standard	Provides more detailed principles for a specific area covered by a Policy and establishes responsibilities, expected behaviours and achievements which must occur to achieve the stated outcomes of that Policy.
Value for Money	Is a balanced judgement of a range of financial and non-financial factors, taking into account whole of life costs, environment, quality, fitness for purpose, WHS, supplier capability, availability of maintenance, service and support, sustainability impacts, government's social and economic objectives, and risks.
WHS	Work Health and Safety as defined in the Western Australian Work Health and Safety Act (2020) and Regulations (2021).

3. Further information

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

4. Content owner

Executive Manager, Business and Customer Services.

5. Accountabilities

Executive Manager,
Business and Customer
Services:

Accountable for:

1. Implementing this Policy
2. Preparing, issuing and maintaining any required Frameworks and Standards
3. Ensuring that people affected by this Policy and its related Frameworks and Standards are aware of their responsibilities
4. Ongoing education (as necessary)
5. Monitoring compliance with the requirements of the Policy and its related Frameworks and Standards
6. Ensuring that appropriate remedial actions are taken if there are compliance breaches
7. 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 Frameworks and 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 years taking into account the purpose of the Policy and the outcome of the compliance review.

7. Related documents

Title	EDM reference
Contract Lifecycle Management Framework	42573938
Contract Lifecycle Management Standard	32199079
Procurement Standard	34117114

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	
8.	Board	08/02/2022	058/2022/BD	



May Lin Chew

General Counsel and Executive Officer