

Ausgrid Procurement Statement

Supplier/Ausgrid Relationships

Effective and efficient supplier relationships are vital to our success.

We aim at all times to:

- identify and work with best practice suppliers in the marketplace;
- ensure that our suppliers understand our business objectives and that we understand their objectives;
- ensure that we establish the structure of relationship best suited to the achievement of those objectives;
- encourage efficiency, continuous improvement and innovation among our suppliers;
- give and receive open and honest feedback on performance to and from our suppliers, promote with our suppliers standards and policies that are compatible with our own; and
- make Ausgrid 'Customer of Choice' for our suppliers.

The Ausgrid approach to buying

Ausgrid buys a vast range of goods and/or services in different markets. We do not adopt the same procurement method in all cases, preferring instead to adopt the approach best suited to each need.

Depending on our requirements we will normally:

- seek proposals on a competitive basis from a number of suppliers; however, we may seek a proposal from a single supplier or;
- ask for formal bids or tenders as part of the procurement and competitive benchmarking process;
- conduct negotiations with prospective suppliers, instead of or in conjunction with a formal bid or tender process; and
- vary the length and structure of contractual commitments we enter into.

In each case, our objective is to minimise cost and maximise value.

In addition, we aim to ensure that the approach we adopt is fair and is clearly understood by our potential suppliers.

Contracting with Ausgrid

Within Ausgrid, only certain people have the authority to formalise and execute contracts with suppliers. With rare exceptions, these are always on Ausgrid standard forms of contract. If, as a supplier you appear to have a contract that is not in line with these guidelines, then this contract may not have been executed in accordance with Ausgrid contracting policy.

If you have any doubt in this regard, as a supplier please email procurementhelpdesk@ausgrid.com.au

Statement of Business Ethics

Ausgrid expects all its employees involved in the procurement process to observe the highest standards of ethical conduct.

It is an expectation that our suppliers also reflect these behaviours as a condition of doing business with us.

These expectations are explained in the [Ausgrid Statement of Business Ethics](#).

Paying Suppliers

Ausgrid policy is to pay suppliers on-time in accordance with our contractual commitments.

Ausgrid's standard trading terms 30 days from the end of the month of invoice with no discount except where a contractual obligation exists. Refer to Standard Purchase Order Terms and Conditions.

Supplier Endorsement

The Ausgrid Group does not provide any formal endorsement of suppliers or their goods or services.

Publicity Release – In all cases, the supplier is required to seek approval from Ausgrid prior to making any public statement about Ausgrid, including the contract or the services provided to our company.

Supplier References – Ausgrid encourages the development of strategic relationships with our significant suppliers. In recognition of preferred status, there are some permissible activities that require specific permission from Ausgrid under the terms of contracts, such as the use of:

- contact details of appropriately qualified current Ausgrid personnel (not its agents or subcontractors) as references in tenders or proposals; and
- non-qualitative statements of work regarding current services being provided to Ausgrid.

Supplier Requirements and Purchase Order Terms and Conditions

Ausgrid has detailed requirements of all suppliers, these are contained in the '[Purchase Order Terms and Conditions](#)' that are included as part of all Purchase Orders to suppliers.

Interest in becoming a Supplier to Ausgrid

Ausgrid is always interested in new sources of supply, recognising that we generally have long-term contracts with our suppliers.

Potential suppliers that wish to be considered for future Ausgrid purchases should send an information package/Company brochure via email on procurement@ausgrid.com.au

Register on the Ariba Network

Ausgrid may at its discretion utilise the SAP Ariba supplier database to source leads for our procurement exercises.

If suppliers wish to they can register to this service. For more information please refer to the SAP Ariba website www.ariba.com/suppliers/ariba-discovery-for-sellers

As you can understand, the volume of submissions by interested suppliers is high, so Ausgrid will only respond personally if the information provided is considered to be of interest.