

How and where will the tier ratings be displayed?

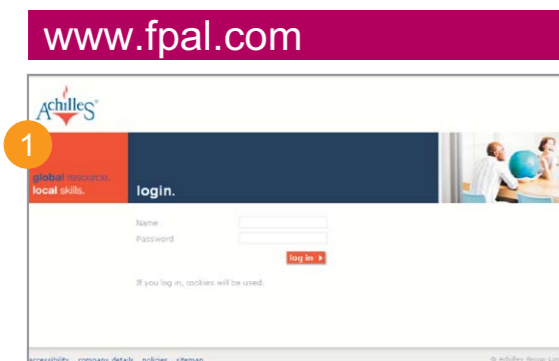
- Visible on FPAL database
- Companies can display bronze, silver or gold logos on their websites and company documentation
- Award results may be published annually by Oil & Gas UK



Is feedback anonymous?

The preferred method would be an agreed piece of feedback between purchaser and supplier; however there is scope for anonymous feedback in FPAL.

Where can I find the FPAL Purchaser Performance Report forms and guidance templates?



Login in to the FPAL Document Library. Only registered suppliers have access to document library. To receive access details contact fpal@fpal.com or contact a member of the customer support team on (01224) 337533.



Once you have accessed the document library click on **performance feedback**



Then click on **purchaser performance feedback form** guidance templates for filling out the form are also available in the document library click on **purchaser performance feedback guidance template**.

A NEW TIERED COMPLIANCE SYSTEM FOR THE SUPPLY CHAIN CODE OF PRACTICE

WORKING TOWARDS FULLER COMPLIANCE



The Supply Chain Code of Practice is changing...

The Supply Chain Code of Practice was launched in 2002 under the PILOT progressing partnership initiative and comprises of a set of best practice guidelines designed to enhance UKCS supply chain efficiency by:

- Improving performance
- Eliminating unnecessary costs
- Enhancing competitiveness

What will change and who does this apply to?

- The Changing Gear Initiative set out to improve compliance levels to all industry codes of practice and has introduced a new tiered compliance system specific to the Supply Chain Code of Practice which was launched in 2009.
- The new system automatically applies to all new and existing purchaser signatories to the Supply Chain Code of Practice.
- It enables suppliers to rate their clients (operator and contractor purchasers) in terms of compliance with various aspects of the Code.
- Following extensive industry consultation, it is believed that a positive change amongst major purchasers in the supply chain will drive good commercial behaviours and practices throughout.

What is the benefit to purchasers (operators and major contractors) of signing up to the Code?

Becoming a Code signatory demonstrates a willingness to conduct business ethically, professionally and efficiently and from a supplier's perspective, this makes the purchaser a more attractive organisation to work with.

Will suppliers also be rated under this scheme?

Not initially, but it may be considered as a logical progression once the scheme is underway. Note that there is an existing capability within FPAL to rate suppliers on performance (and benchmarking tool).







What will happen to new signatories to the Code?

New code signatories will receive an 'entry level' classification until their probationary period is over (which will not exceed 12 months), at which point they will be assessed under the same criteria as existing signatories and awarded a bronze, silver or gold rating.

What are the criteria for assessment of each tier?

[See table below]

- Oil & Gas UK will decide on tiered ratings based on the criteria displayed in the purchaser performance report relating to Plan, Contract, Perform & Pay (note the minimum number of reports received referred to in the table below should be from different suppliers)
- Companies' ratings will initially apply for two years and will be re-assessed on an annual basis thereafter
- The Oil & Gas UK annual compliance survey is sent to all Code signatories
- The Pilot Share Fair (hosted by Oil & Gas UK) is held in November each year (www.oilandgasuk.co.uk)
- The FPAL Forward Workplan tool allows purchasers to promote future activities

Criteria	 Bronze	 Silver	 Gold
Minimum number of FPAL Purchaser Performance Reports received (and average score for questions relating to the Code).	5 (score 5/ 'adequate')	5 (score 7/ 'good')	10 (score 8-10/ 'good to excellent')
Annual completion and return of the Oil & Gas UK Supply Chain Code of Practice Compliance Survey			
Demonstrable commitment every two years at the PILOT Share Fair and commitment to the PILOT Forward Workplan			