
xserve



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Performance Assurance Committee

Overview of PAFA Procurement Process – 27 July 2016

Background

- Gas Transporters have asked Xoserve to undertake a procurement exercise to appoint a Performance Assurance Framework Administrator (PAFA)
- Xoserve recently completed a regulated procurement exercise to appoint a new AUGE (Allocation of Unidentified Gas Expert)
- Experience from that exercise has been incorporated into the following slides
- Xoserve plan to use same resources for PAFA assignment wherever possible

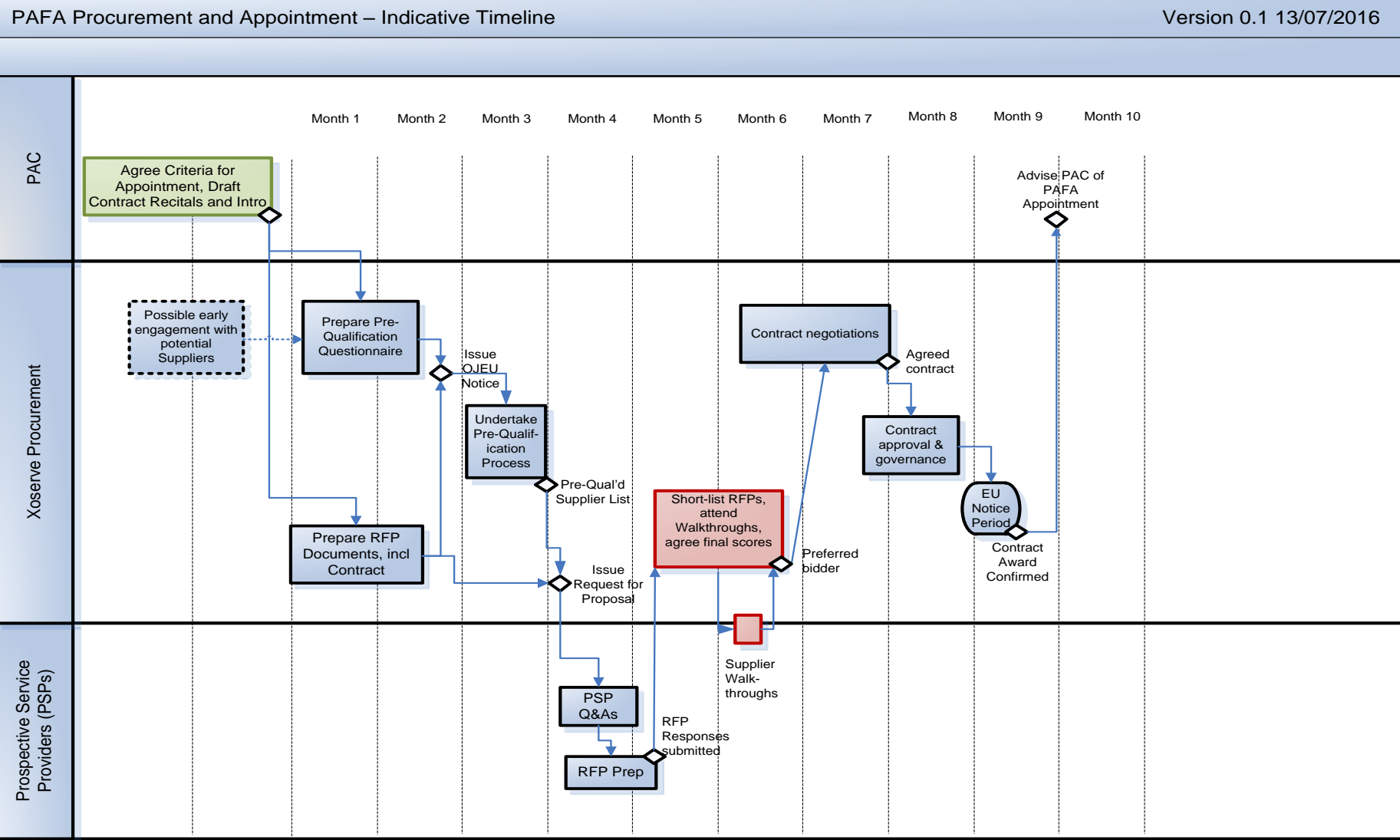
Proposed Approach to Procurement

- Higher value procurements need to follow “Public Procurement in the EU” process
 - Often referred to as OJEU process, because procurement starts with a formal notice in the “Official Journal of the European Union” – nowadays a virtual journal
- Smaller financial values do not need to follow OJEU process
 - However, non-OJEU procurement process would need to cease and switch to OJEU if value is likely to be higher than first thought
 - Established contracts could not be extended to breach OJEU threshold – would need to start a new procurement process
- Xoserve current view is that an OJEU process is less risky to overall timetable and scope of deliverables

Indicative Timeline

- The following slide sets out an indicative timeline
- Based on following OJEU regulated process
- Dates still subject to review depending on:
 - Date of receipt of completed deliverables from PAC
 - Availability of key resources
 - Scope of PAFA role
 - Approach to procurement
- Recent change to regulations means that all tender documents including draft contract need to be ready when the OJEU notice is issued
 - Unable to commence work based on only **Scope Statement for “Expression of Interest”** document

Indicative timeline – First Draft



Note: All Draft Contract Documents need to be available at the time that the OJEU notice is issued, under latest Procurement Regs

Procurement – Additional Considerations

- Early engagement with potential suppliers may be a possibility pre-OJEU – Xoserve investigating options
- Dependency on PAC to provide
 - Criteria for Appointment including weightings (Guidelines 6.1.1)
 - Draft recitals/introduction for the PAFA contract (Guidelines 6.1.3)
 - Responses to requests for clarification as they arise

Clarifications requested from PAC

- Clarification required on initial scope of role:
 - Per Guidelines:
 - “4. The Performance Assurance Scheme may extend to include:•
 - Management of a risk model developed by a third party”
 - Per “PAFA - Scope Statement for “Expression of Interest” stage”:
 - “undertake risk modelling and management of a risk register”
 - Is risk modelling now within initial scope?
- Further queries may arise from a more detailed review of the Guidelines and other documents