



FPAL

empowered by **Achilles**



Photo courtesy of ATP

services for professional procurement.

be better informed, make better decisions.

**FPAL – the direct route to business
in the Oil & Gas Sector**



www.fpall.com

FPAL providing supply chain solutions the direct route to business in the Oil & Gas Sector

FPAL works to identify, qualify, evaluate, and monitor suppliers on behalf of its purchasing members. We build and support buyer-supplier communities in the oil & gas industry, creating an effective Supply Chain network. Our services for professional procurement help create opportunities for business and reduce risk in the supply chain.

Identify & Qualify

FPAL offers a standard pre-qualification service, gathering information about suppliers (such as financial performance, health, safety & environmental policy, corporate responsibility, products and services), checking that it is accurate and current, and provides this online to buyer communities. Time, money and effort are therefore saved in the procurement process for all parties.

Evaluate

FPAL offers industry specific screening tools, allowing FPAL Purchasers access to up-to-date supplier information. Suppliers have access to services to evaluate their performance and similarly purchasers have routes available to evaluate their suppliers. Benchmarking facilities on FPAL provide benefit for all members; buyers can view supplier scores and compare performance. Suppliers can assess their performance by comparing their performance with competitors.

Monitor

FPAL provides monitoring tools to help both buyers and suppliers. Buyers can rate their suppliers and vice versa, resulting in the two parties working together to identify opportunities for improvement.

FPAL – Industry Steered, serving the Oil & Gas Sector

Established in 1996, FPAL is governed by an industry based Steering Committee which includes representatives by oil majors, main contractors, suppliers and trade organisations.

The FPAL Steering Committee as of 1st January 2012 has representation from:

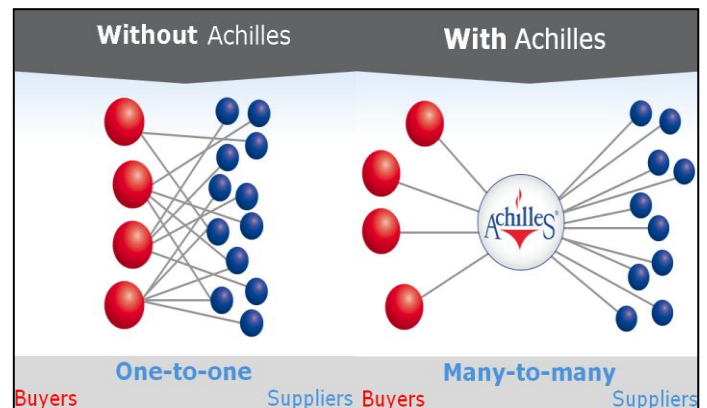


There are approximately 3000 suppliers registered and over 85 registered purchasing organisations:

The main drivers behind the creation of FPAL are:

- Sharing of information, audit and assessment costs
- Increase Supply Chain efficiency
- An ethical way to do business!

FPAL is one of a range of supplier management services provided by Achilles for different sectors and regions. The common feature of Achilles' schemes is to remove duplication, offer complete, validated and up-to-date supplier information and documentation, speeding up procurement cycles.





registration

Registration allows suppliers wishing to do business in the oil & gas industry to present their company to the industry's purchasers through the input of information using an online registration questionnaire.

Basic information is provided by the supplier about their company, including the products and services they can provide and the company's approach to doing business in certain areas. The information is gathered in a structured format and is subjected to checking controls. A structured coding system "Product and Service Codes" exists to provide a common basis for suppliers to register and for purchasers to search.

The FPAL system incorporates extensive search facilities, which allows the purchasers to identify suppliers that meet their needs. FPAL registration helps reduce repetitive, costly and time consuming pre-qualification exercises via 'one-time' submission of data.

- Provision and update of registration information is the suppliers' responsibility.
- Registration information which has not been updated within an 18 month period will be "flagged" as out-of-date.



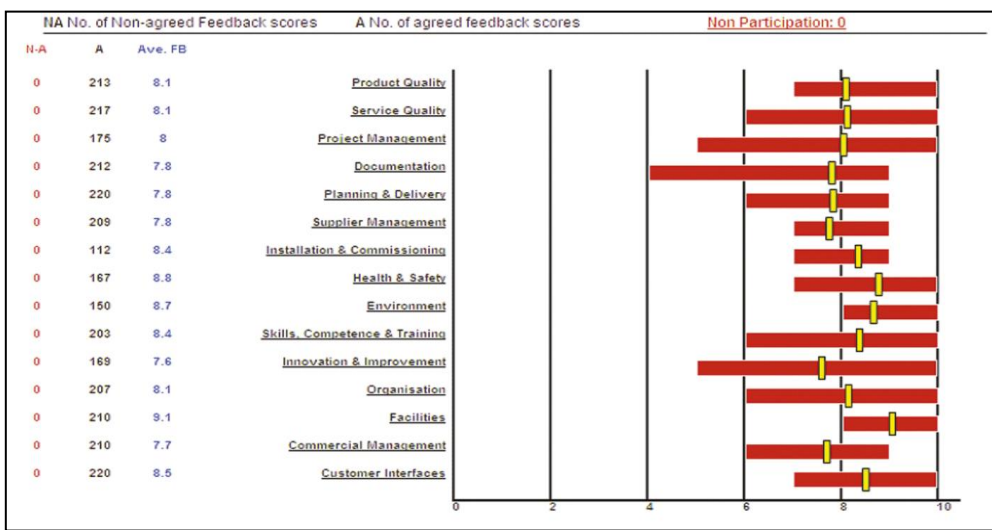
performance feedback

Performance feedback is an industry standard tool offered by FPAL purchasers and suppliers wishing to carry out a performance assessment during or following a piece of work. There are two main types of reports, Supplier Performance (Report 1) and Purchaser Performance (Report 3).

The supplier's performance is scored on up to 15 elements with the quantified results expressed as a company based graphic profile. Profiles can be analysed by product, service line, size of job and time.

performance feedback in practice

- Performance feedback reporting is completed manually through paper reports or through an online facility
- Both purchasers and suppliers should agree on the level of performance achieved and use the guidance templates provided as required
- Signed and agreed reports are returned to FPAL for data input
- Feedback is aggregated and displayed as a performance profile graph
- Feedback is valid for a maximum of 5 years



supplier benefits

- Helps meet customer satisfaction monitoring and continual improvement aspects of the ISO9001 standard
- Profiles and benchmarking information can be used as an effective business improvement tool
- Profiles can be used for marketing

purchaser benefits

- Provides an objective track record of supplier performance
- Helps manage supply chain responsibilities
- Can be used as a filtering tool to differentiate suppliers
- Reverse feedback from suppliers encourages more cost-effective procurement



Photo courtesy of Baker Hughes

"Performance feedback is not as time consuming as suppliers think. We have staff based at clients' offices and they take part in a quick face-to-face meeting to agree scores".

*Kelly Buchan,
Baker Hughes International*

advanced registration questionnaire

The advanced registration is an in-depth assessment conducted by FPAL from responses provided to an advanced registration questionnaire (ARQ), and once completed removes the need for repetitive and generic pre-qualification activity within the industry. It should be viewed as a pre-qualification of your company to all registered purchasers.

The assessment is carried out across a maximum of 11 business characteristics or elements (although not all elements may apply to a specific business) with the results being expressed as a profile display.

There is no pass, fail or overall single score as a result of the assessment. It is designed to represent company's capabilities and to allow clients to decide themselves on what is an acceptable standard for the work being considered.

The results of the evaluation, together with the submission responses and the evidence provided, are made available for purchasers.

how does it work?

- Suppliers complete the online advanced registration questionnaire
- FPAL evaluates the submission and prepares an advanced registration profile
- Profiles are supported by a benchmark facility to help understand the relativity of FPAL scores
- Evaluation results are available to the supplier for acceptance prior to data release
- Suppliers may suppress results in part or in full. Only agreed and accepted data is made available on FPAL
- Assessments are valid for 2 years, but should be updated by suppliers if circumstances change

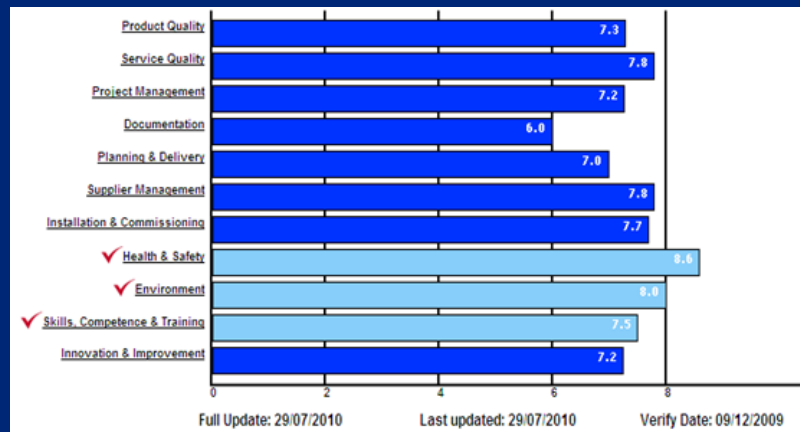


Photo courtesy of Stork Technical Services UK Ltd

supplier benefits

- Allows suppliers to promote their business capabilities to a specific target market more effectively
- Provides a consistent and open process for supplier evaluation
- Eliminates the preparation, dispatch and assessment of pre-qualification exercises every time a tender is issued by a purchaser
- Avoids duplication of questions when purchasers make ITT enquiries – saves time, effort and cost
- Highlights areas where improvement may be required

purchaser benefits

- Acts as a key filtering tool to help differentiate and understand suppliers they are considering doing business with
- Purchasers can use the scores to highlight supplier strengths and weaknesses
- Purchasers can spend less time and cost pre-qualifying suppliers for bid lists and concentrate on job specific pre-qualification
- Detailed, quality supplier information immediately available to purchasers
- Allows contracts to be awarded swiftly and with minimum risk

Verify is a supplier assessment service that involves a 'verification visit' to nominated suppliers' premises to assess Health & Safety, Environment and Competence & Training practices.

The Health & Safety and the Environmental practices are assessed in alignment with oil and gas industry's OGP & NORSOK standards. The results of the visit, along with individual supplier improvement plans are then shared online between those purchasers who participate in the Verify scheme.

The Verify scheme contributes towards raising industry standards and reducing the burden of repetitive audits by replacing them with a single shared audit which is valid for up to two years.

key benefits

fast track

Helps to fast track suppliers through the FPAL suppliers selection process by enhancing the quality of their FPAL supplier record.

commitment

Demonstrates commitment to improving standards by presenting unique supplier improvement plans.

reduce costs

Saves time and money by reducing repetitive client assessment visits.

consultation

FPAL's experienced assessors provide advice to suppliers.

Verify meets the specific needs of the oil and gas industry

Verify is oil & gas industry specific

Verify was developed by the industry for the industry. The content of the assessment focuses specifically towards the needs of the industry and FPAL assessors have a broad knowledge of oil & gas industry practices.

Verify gives the detail

When a company has been assessed through Verify, the report and the improvement plan enable FPAL Verify purchasers to see the full detail of the assessment.

Verify enables objective selection

Verify enables FPAL purchasers to make a fair comparison of suppliers and to identify those who exceed expectation rather than just meet a minimum certified standard.

Verify is assessed to a common standard

Verify is strictly governed by the Verify Steering Committee that has both FPAL purchaser and supplier representation and this ensures that there is a consistent approach. The assessors are highly trained, qualified and experienced and are subject to an ongoing competency programme. This methodology means that when reviewing Verify reports, the FPAL purchasers can be confident that they are directly comparable. With larger, less industry specific certification systems, it is harder to ensure the same level of consistency across the wide range of third-party certification providers.

Six steps to Verify...

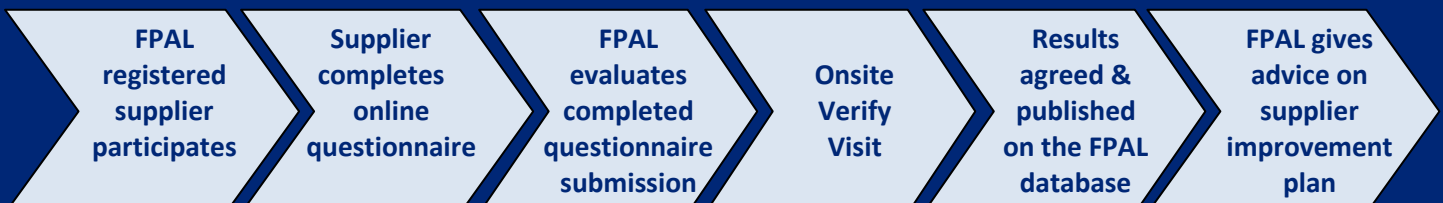




Photo courtesy of Total E&P UK Limited

notice

Suppliers who are registered with FPAL can also join the Notice service which not only allows suppliers to search for every public tender in the Official Journal of the EU (OJEU) but also provides a daily E-mail alert about current tenders appropriate to their own company profile, taken directly from the OJEU.

supplier benefits

- Automatically filter potential contracts based upon your company's capabilities. Identify relevant contract opportunities from across Europe from all industrial sectors, not just oil and gas.
- Marketing intelligence on contracts relevant to your business that have been awarded in the past, and to which companies they were awarded.



Photo courtesy of Odfjell Drilling (UK) Ltd

FPAL Training Awareness Workshops

Available to all suppliers and purchasers, these regular seminars provide:

- Advice on how to make the most from registration
- Guidance on how FPAL is used by the purchasers and suppliers
- Opportunity to network with other FPAL suppliers and purchasers
- Practical guidance on the use of Performance Feedback
- Information on Verify, Advanced Registration / Capability Profiling



Part of the Achilles Group

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Achilles and FPAL – working together to create supply chains

Since its creation in 1996, the FPAL Service was designed by the industry for the industry. FPAL was acquired by Achilles in 2004 and remains an industry governed supplier management system for the oil & gas industry. Achilles is one of the largest, most established supplier management companies in the world. It strives to identify, qualify, evaluate and monitor suppliers on behalf of major organisations worldwide – with services including supplier identification, pre-qualification, a unique total supplier management solution, performance feedback, auditing, benchmarking, and document control.

Its full range of identification, qualification, evaluation and monitoring services and tools help customers manage supply chain risk, with individual schemes for buyer and supplier communities available across a diverse range of industry sectors. Achilles has developed a unique role as a trusted third party, and its neutral stance, insightful approach and collaborative methods mean it is respected by government organisations, industry communities and suppliers around the world.

Our global/local approach means customers always have the benefit of the backing of an international organisation, while receiving the individual support and attention that comes from local, 'on-the-spot' resources. Achilles was founded in Norway in 1990, with the launch of a supplier pre-qualification service for the country's oil and gas industry. Today, it has approximately 32 established supplier management services, serving more than 750 of the world's largest companies and more than 77,000 registered suppliers in 8 industry sectors.

Achilles operates in eight main industry sectors



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