

SGN: Meet the Buyer

Online event

5 September 2024



SGN
Your gas. Our network.

SGN Meet the Buyer event - Agenda (Part 1)

Session	Activity	Lead
10:00 - 10:05 (5 mins)	Welcome & housekeeping	Scott Hone , <i>Facilitator</i>
10:05 - 10:20 (15 mins)	Introduction SGN's Procurement and Supply Chain team	Stuart Friar , <i>Head of Procurement & Contracts</i>
10:20 - 10:45 (25 mins)	Supporting the frontline	James Mooney , <i>Director of Operations South</i> Kevin Macdonald , <i>Director of Operational Support</i>
10:45 - 11:15 (30 mins)	How to find out about SGN opportunities – Achilles	Peter Heighway , <i>Customer Success Manager at Achilles</i>
11:15 - 11:30 (15 mins)	Q&A	
11:30 - 11:50 (20 mins)	Tendering Tips	Mike Reilly , <i>Lead Sourcing Manager</i>
11:50 - 12:00 (10 mins)	Q&A	Claire McGlynn , <i>Junior Sourcing Manager</i>
12:00 - 12:15 (15 mins)	BREAK	
12:15 - 12:35 (20 mins)	SGN Procurement and Commercial Overview	Jez Robinson , <i>Group Finance Director</i>
12:35 - 12:45 (10 mins)	Q&A	
12:45 - 13:05 (20 mins)	PROTECT	Julie Saville , <i>Senior Health & Safety Business Partner (Culture and Safety Improvement)</i>
13:05 - 13:15 (10 mins)	Q&A	
13:15 - 13:50 (35 mins)	LUNCH	

SGN Meet the Buyer event - Agenda (Part 2)

13:15 - 13:50 (35 mins)	LUNCH	
13:50 - 14:00 (10 mins)	Welcome back <ul style="list-style-type: none">Recap on what was heard in the pre-lunch sessionsIntroduction to the breakout sessions	Scott Hone, Facilitator
14:00 - 15:00 (60 mins)	Breakout sessions <i>Six topic session run in parallel.</i>	

1

REPEX and Ancillary Services

2

Future of Energy

3

Information Technology

4

Indirect (non-gas)

5

Gas Distribution and Asset Management

6

Transmission and Major Projects

Introduction to SGN's Procurement and Supply Chain team

Stuart Friar

Head of Procurement & Contracts

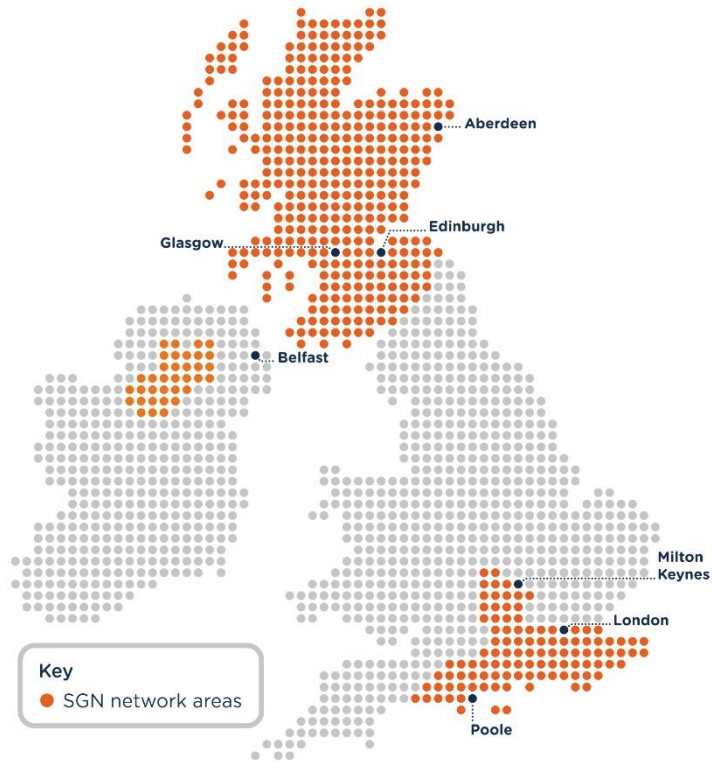


Welcome

- Who is SGN?
- SGN - Hopes and Expectations for Today
- SGN - Procurement & Supply Chain



Who is SGN?



SGN is a gas distribution company. We manage natural and green gas distribution networks in Scotland and the South of England, operating more than 44,000 miles of pipes.

The NI / West Network is operated by SGN Evolve and is bringing gas infrastructure to Northern Ireland.

Safety, innovation, and sustainability are at the heart of everything we do. We're committed to maintaining and upgrading our network, while embracing new technologies and approaches to meet the challenges of a low-carbon future.

24 hours a day, 7 days a week, 365 days a year, our teams are working behind the scenes and out on the streets to keep gas flowing to 5.9 million homes and businesses.

Our relationships with suppliers are crucial to achieving our goals.



SGN's Procurement Aspiration

To become the 'Client of Choice' by offering greater levels of commitment and transparency to secure a supply chain to deliver our ambitious delivery targets at a competitive price.

Drivers

- Keeping Customers Warm and Safe
- Regulatory Workload
- Decarbonising Network

Challenges

- Cost Pressures
- Competing Industries

SGN's Focus Areas

- Mains Replacement
- Distribution & Asset
- Transmission
- IT
- Future of Energy
- Indirect

Procurement Focus

- Contract Standardisation
- Strategic Relationships
- Long Term Commitment
- Growth Opportunities
- Security of Supply



Supporting the frontline

James Mooney

Director of Operations South

Kevin Macdonald

Director of Operational Support



SGN Operations

James Mooney
DIRECTOR OF
OPERATIONS (SOUTH)



Kevin Macdonald
DIRECTOR OF
OPERATIONAL SUPPORT



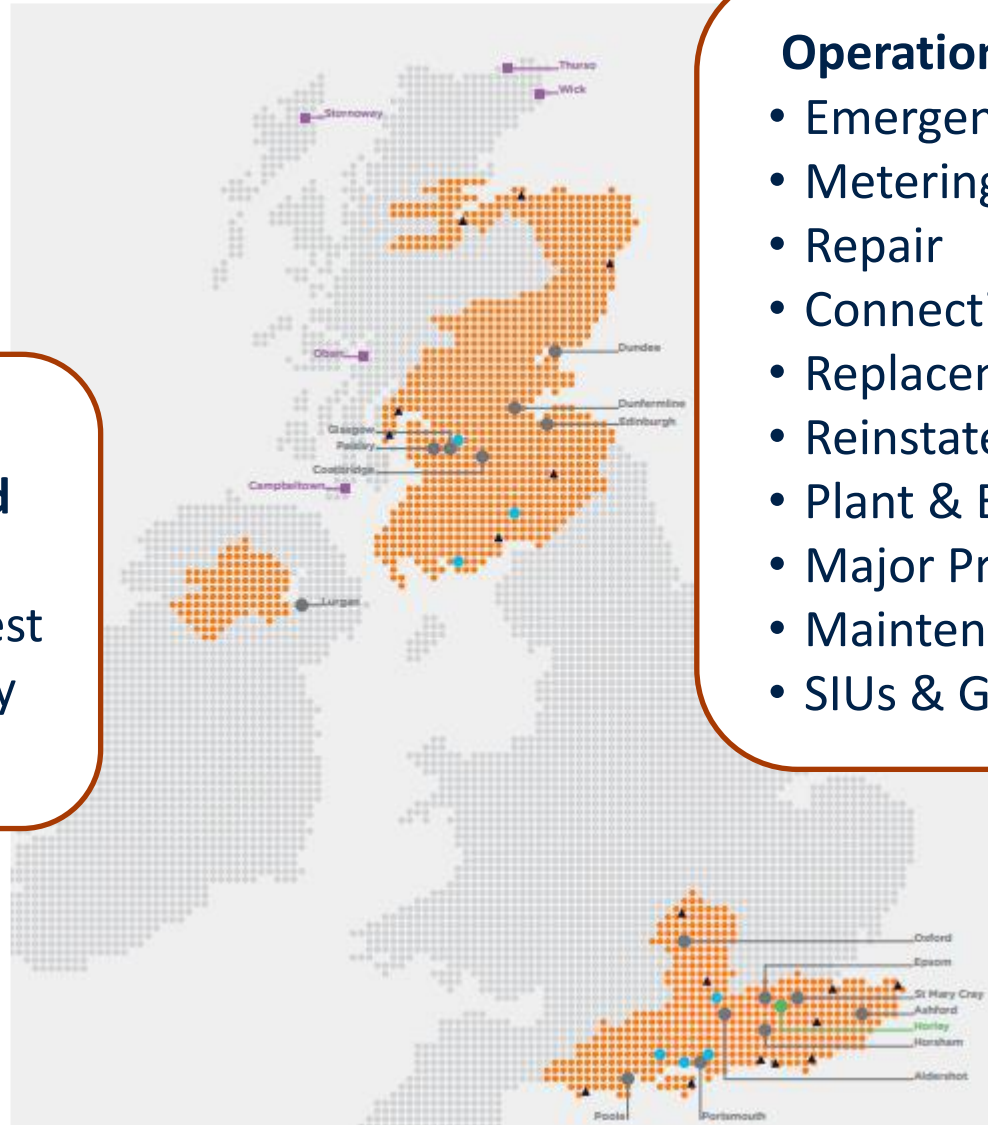
Geography & Workload

Northern Ireland

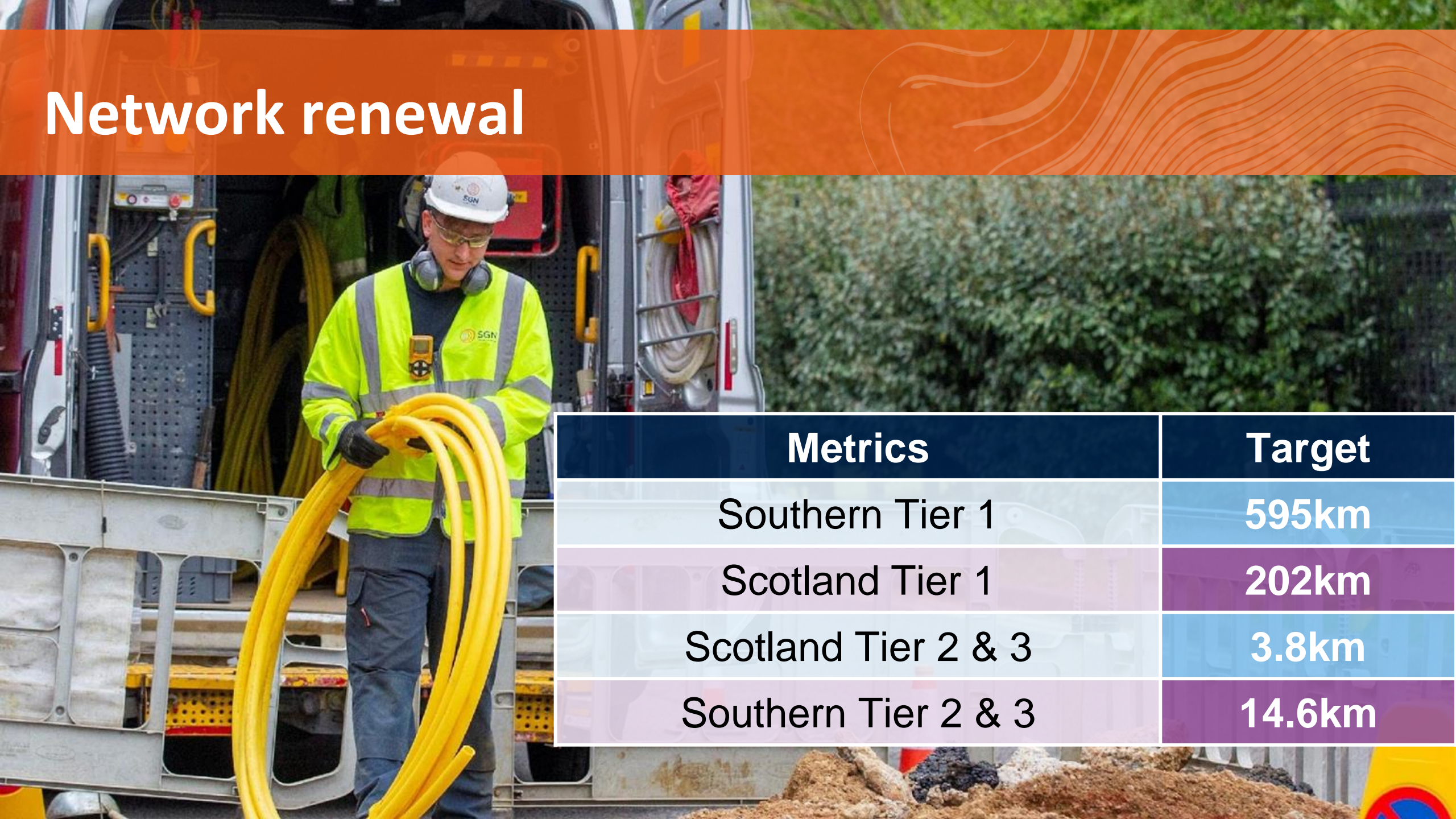
- Evolve
- Gas to the West
- Mutual Energy

Operations

- Emergency
- Metering
- Repair
- Connections
- Replacement
- Reinstatement
- Plant & Equipment
- Major Projects
- Maintenance
- SIUs & GNI contract



Network renewal



Metrics	Target
Southern Tier 1	595km
Scotland Tier 1	202km
Scotland Tier 2 & 3	3.8km
Southern Tier 2 & 3	14.6km

Standards of Service

Metrics	Target
Uncontrolled Scotland	98.50%
Uncontrolled Southern	98.50%
12-hour prevention (Sc and So)	> 60%
Outstanding repairs (Sc and So)	< 450



Connections



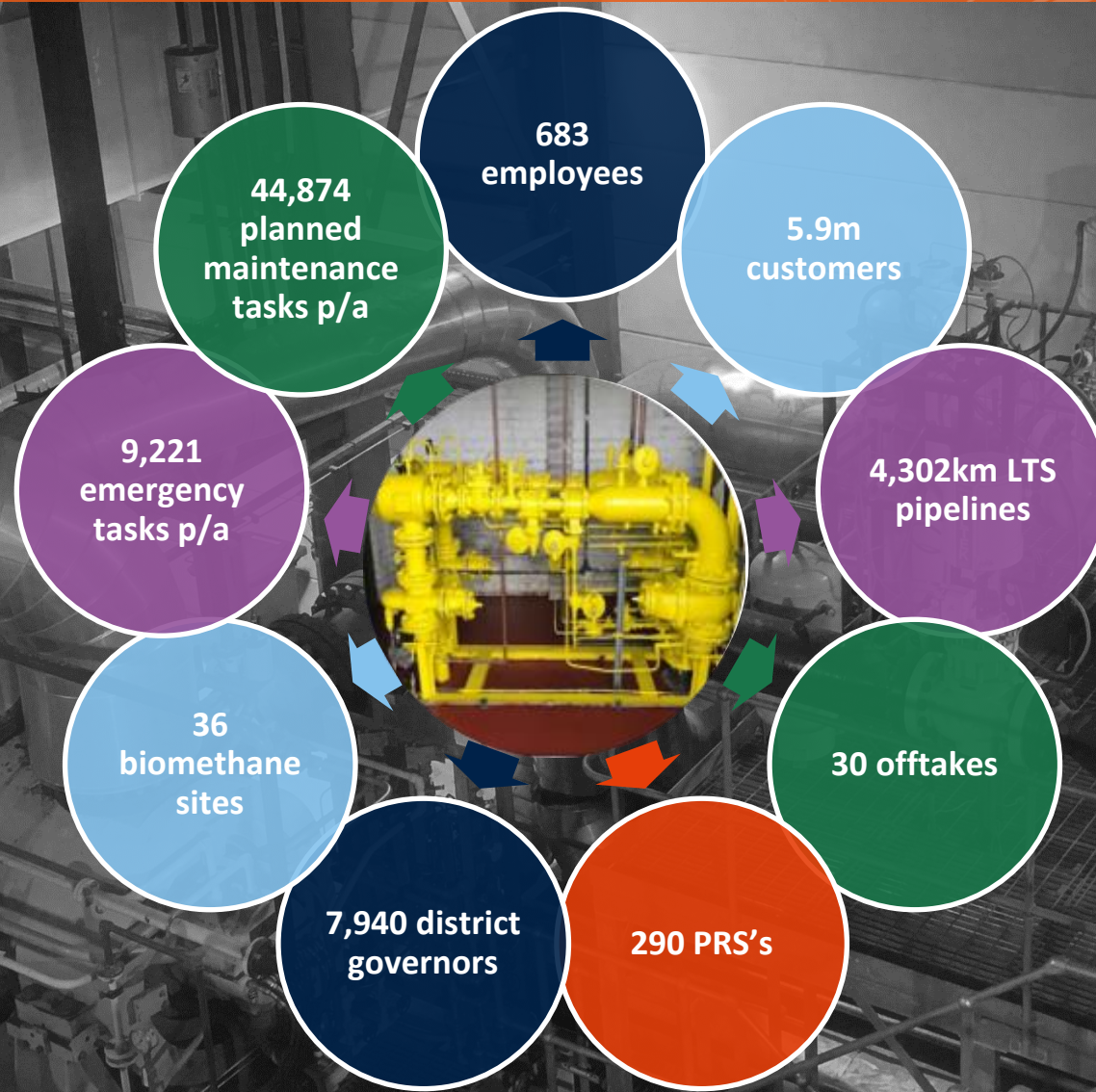
Scotland KPI	EOY actual	RAG	EOY target
Lead times (average)	7	Green	-
GSOPs 4-11	97.8%	Green	90%

Workloads	2022	2023	2024
Mains	20km	17km	10km
Services	4904	3129	2253

Southern KPI	EOY actual	RAG	EOY target
Lead times (average)	34	Yellow	-
GSOPs 4-11	98.0%	Green	90%

Workloads	2022	2023	2024
Mains	25km	25km	14km
Services	8555	6853	5096

Transmission – Key Metrics



Customer satisfaction

OVERALL	
Scotland	9.33
Eastern	9.33
NGN	9.26
North West	9.25
Southern	9.19
West Midlands	9.19
WWU	9.17
London	9.16

EMERGENCY/REPAIR	
WWU	9.70
Eastern	9.67
North West	9.67
Scotland	9.67
NGN	9.65
West Midlands	9.63
Southern	9.59
London	9.55

CONNECTIONS	
Eastern	9.27
Scotland	9.26
London	9.24
North West	9.16
NGN	9.12
West Midlands	9.08
Southern	9.00
WWU	8.98

PLANNED	
Scotland	9.07
Eastern	9.05
NGN	9.02
Southern	8.99
North West	8.91
West Midlands	8.85
WWU	8.83
London	8.68

in partnership with

Setting ourselves up for success



Pivot whole organisation to maximise the productivity of the front line



Invest in our people and professionalise our capabilities



Establish smaller and standardised regions that have an identity and a distinctive HQ



Minimise wastage by building 'lean' capability



Leaders and managers visible, feels local, strong employee engagement



Consistent processes across SGN and planning-led



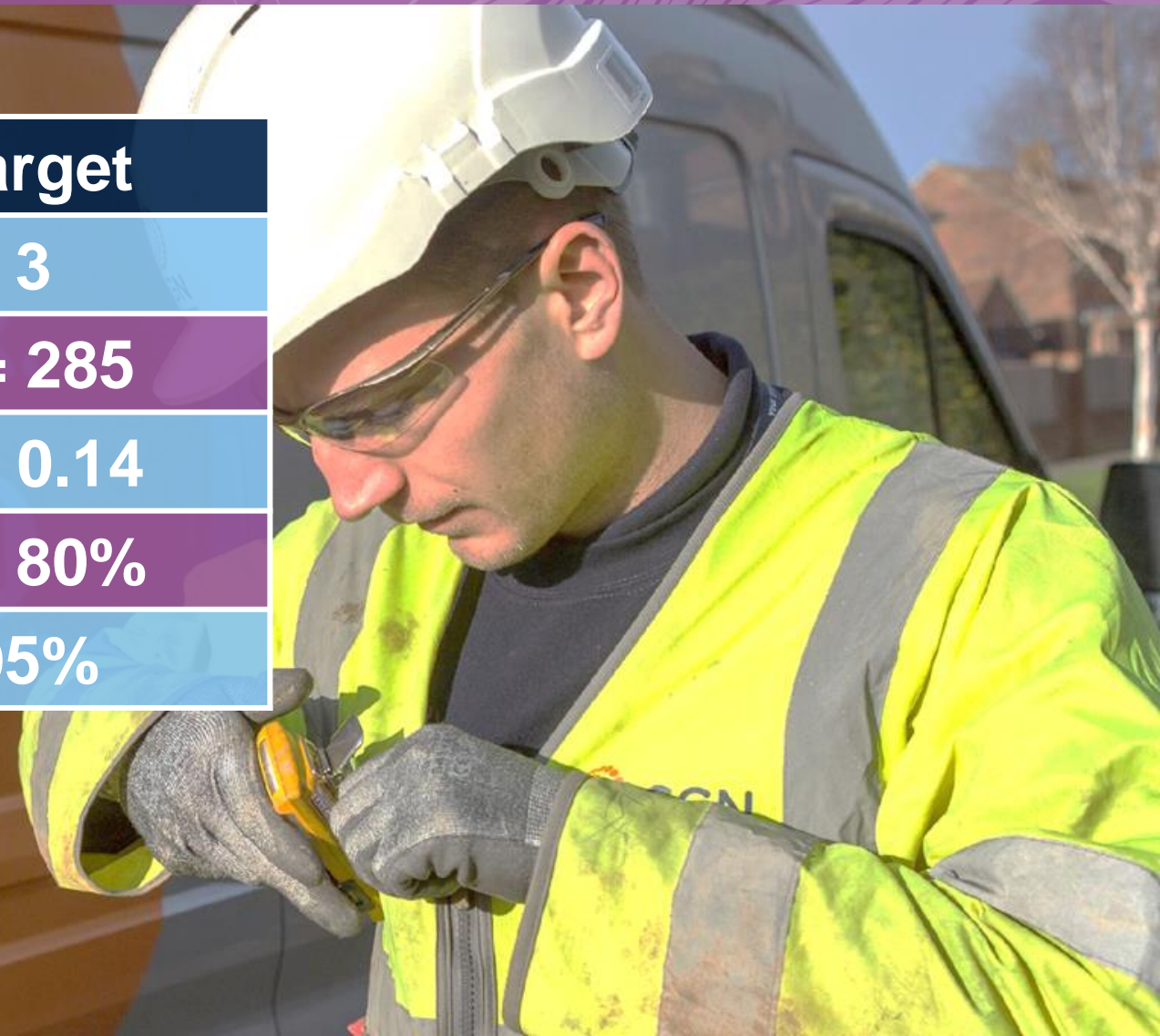
Guarantee customer satisfaction by doing our job well



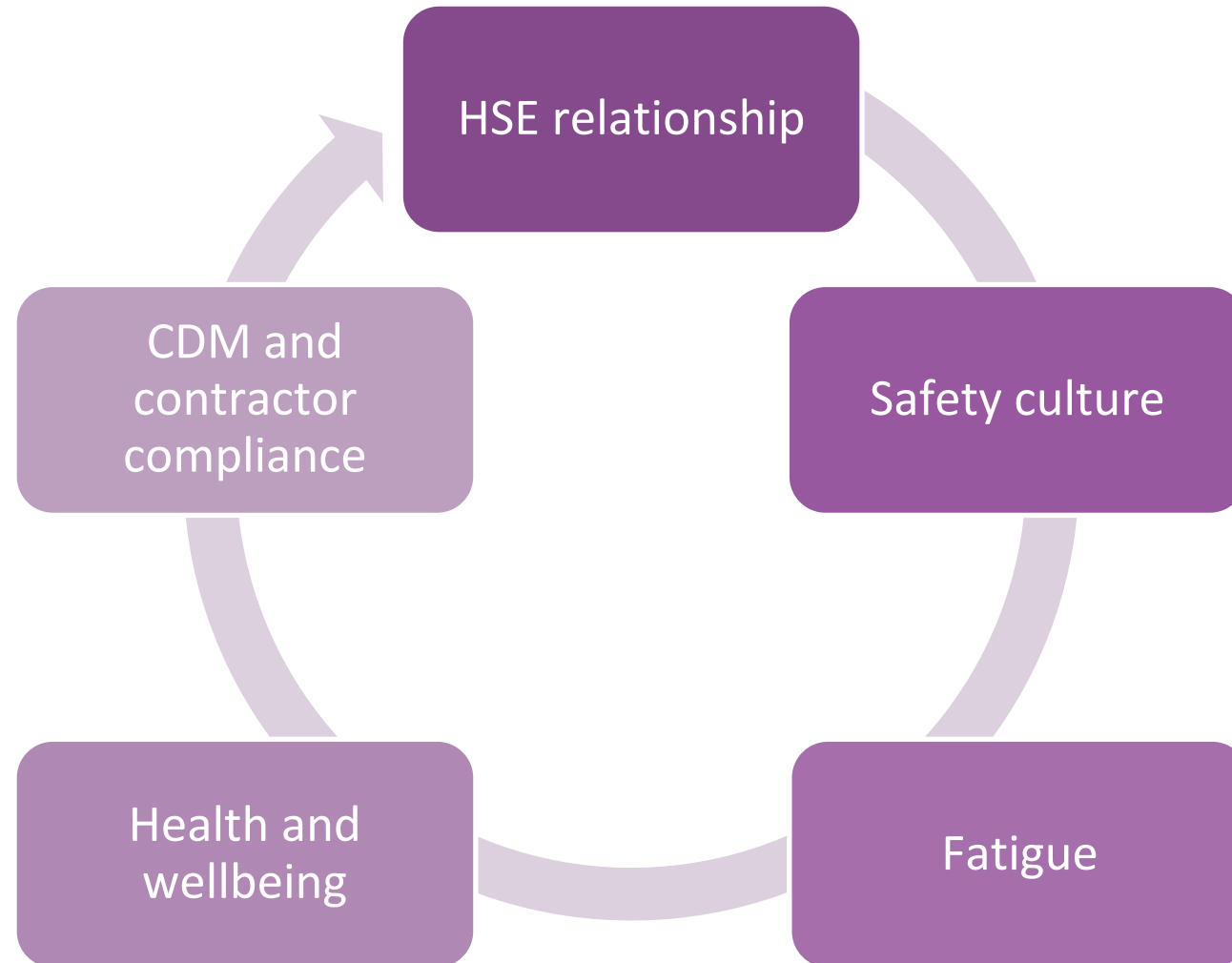
Be enabled by data and digitisation with performance dashboards providing local insight

Safety culture

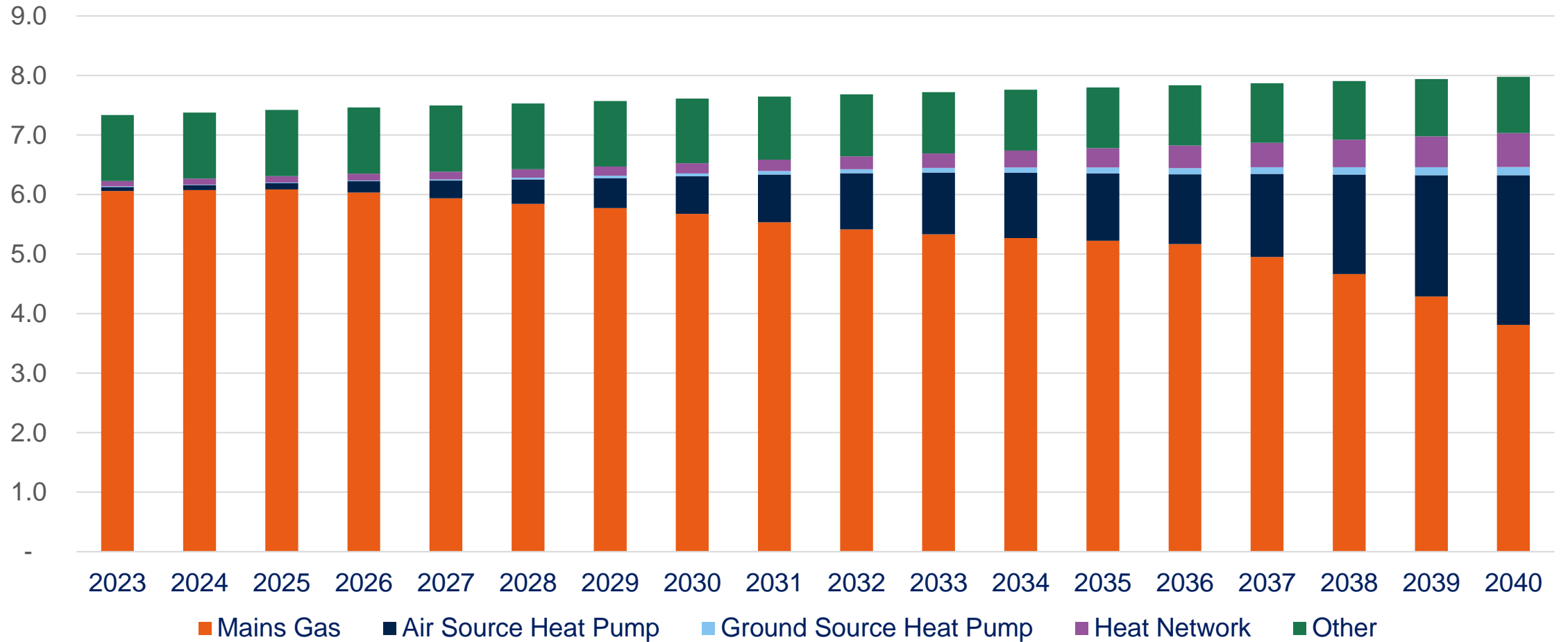
Metrics	Target
Safety culture maturity	3
Safe days	≥ 285
Accident Frequency Rate	≥ 0.14
Face-to-face briefings	$\geq 80\%$
CAS compliance	95%



Five strategic themes



Gas has a role today and tomorrow



Key take aways

- Safety centric business
- Significant volumes of work now and in the future
- We want to work with a supply chain with the same focus on quality standards as we do
- Agile and reactive supply chain partners who support our customer ethos



Thank you.



Finding out about SGN opportunities

Peter Heighway

Achilles





SGN & Achilles

Peter Heighway - Customer Success Manager

INTRODUCING ACHILLES

30

Years' experience

Achilles is one of the world's leading global supply chain risk management companies. We collect, validate and maintain essential supplier data through an online questionnaire and physical audits



11

Sectors

A global solution serving 11 industries with core in energy and infrastructure

550

Clients

Using our services to search, source and monitor compliance with their suppliers

100k

Suppliers

Vetted and qualified pool of suppliers



~500 Employees

A global team, headquartered in the UK servicing customers in over 20 languages



17 Locations

Offices in the Americas, Europe, Asia and the Middle East



OUR SOLUTION

Connecting the best in their industry by continually pushing for better practices. Ultimately creating safer, ethical, and more efficient supply chains



CONNECT

Connect buyers and suppliers, in, or across, sectors, and geographies to create a resilient supply chain.



COLLECT

Online, on-location and across the world, we collect all the information needed to help business relationships.



ASSURE

Unparalleled validation of the information we collect provides peace of mind.



MONITOR

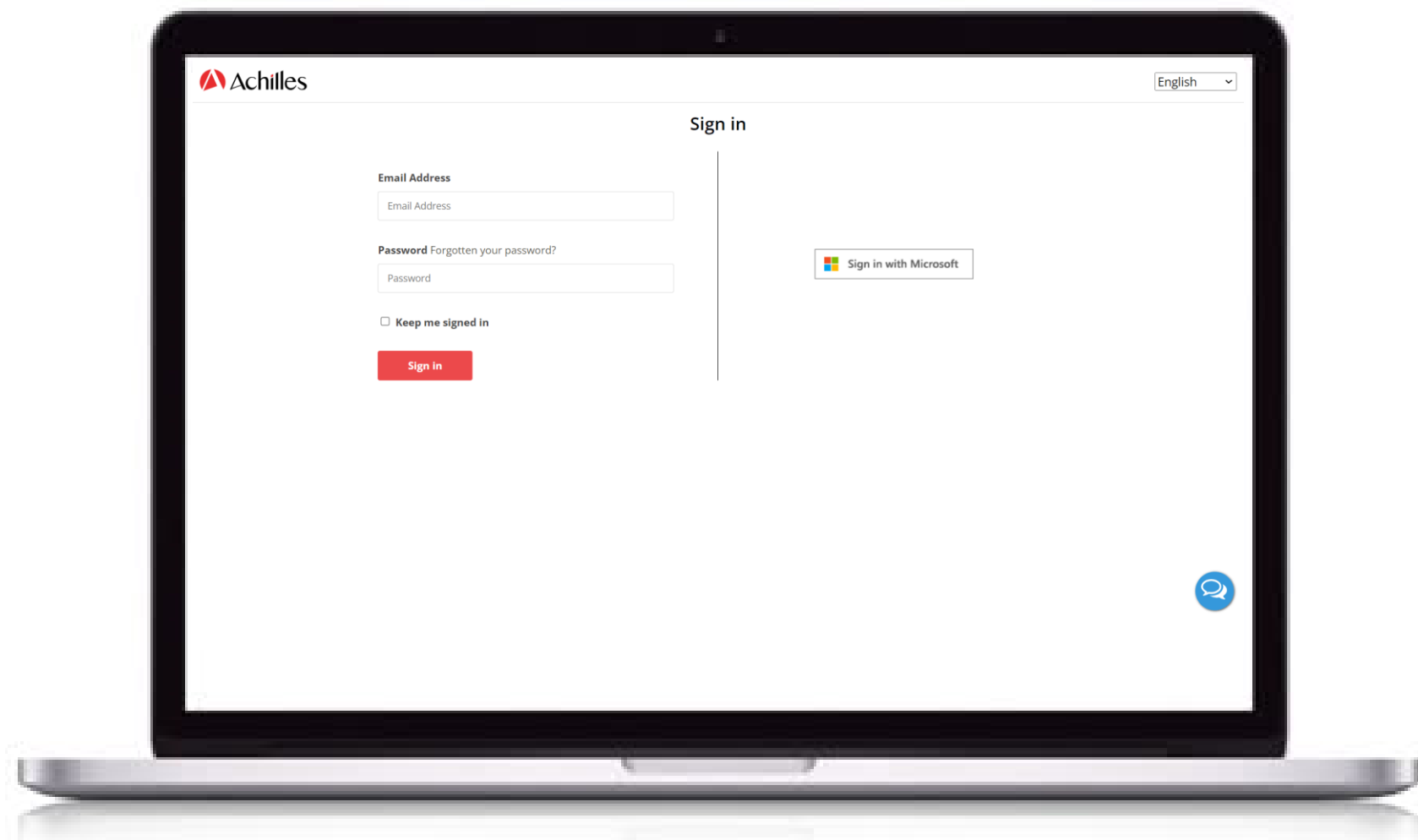
We continuously work to help suppliers keep their data up to date so they can offer on-going assurance.



IMPROVE

Our dedicated team of data scientists turn analytics into meaningful and actionable business intelligence to improve supply chain performance.

SYSTEM DEMO





Let's get started, Peter.

Welcome to Achilles, we're looking forward to welcoming you into Achilles Network.

You're only a few steps away from joining the network. Start by activating your account and then choose the package that is right for you.

[Get Started](#)

Next steps

Step 1 – Provide basic details about your company and the products or services you supply

Step 2 – Customise your package, tailoring it to your needs ensures you make the most of your subscription



Example SGN Supplier is being invited to join Achilles.

Connecting buyers and suppliers, streamlining procurement and raising standards.
An Achilles profile for your business gives you the opportunity to supply major
businesses all over the world.

[Continue](#)

If you already have an Achilles account, please [sign in](#)



[Create an account](#)

Fill out your user details and password

 [Sign in with Microsoft](#)

Create an account using your existing Microsoft credentials



Create your account

Email Address*

New Password*

Confirm New Password*

Given Name*

Surname*





Please tell us about your organisation

Is your company incorporated?

[Help text](#)

Registered address

Trading address

Incorporation number

[Help text](#)

Identification number

[Help text](#)

Registered name





What do you supply?

Achilles Commodity Code Set

Add Commodity Codes

Back

Next





What do you

Achilles Commodity

Add Commodity C

Choose Commodity Code



Filter by name or code

Clear Filter

- ▶ 1 Raw Materials And Minerals
- ▶ 2 Fuels, Gases And Chemical Products
- ▶ 3 Semi-finished Products And Materials
- ▶ 4 Manufactured Products And Equipment
- ▶ 5 Food, Drinks And Consumables
- ▶ 6 Energy Production And Utility Products
- ▶ 7 Electronics And Telecommunications
- ▶ 8 Paper And Packaging
- ▶ 9



Cancel

OK

Next





What do you supply?

Achilles Commodity Code Set

11.10.9 Electrical Installation Work 

11.10.10 Electrical Wiring And Fitting Services 

Add Commodity Codes

Back

Next





One last thing...

The network you are joining needs the following information.

Are you joining Achilles in order to work with SGN?

Back


Next





Your subscription

Your current selection

Achilles Network Member+ 	0 GBP	<i>Saving 120 GBP</i>
TOTAL COST	0 GBP	

 **Discount Applied**
100% off Achilles Network Member+ for SGN suppliers

Suggested additions

Upgrade to Achilles Network Silver 	360 GBP	<input type="button" value="Add"/>
1-Day add-on Audit	1,690 GBP	<input type="button" value="Add"/>
Audit Non-Conformance Re-audit – Achilles Network (in person)	1,435 GBP	<input type="button" value="Add"/>
Audit Non-Conformance Review – Achilles Network (online)	250 GBP	<input type="button" value="Add"/>
Ethical Employment Audit (S)	1,165 GBP	<input type="button" value="Add"/>
Ethical Employment Certification (S)	1,165 GBP	<input type="button" value="Add"/>



Audit Non-Conformance Re-audit – Achilles Network (in person)	1,435 GBP	Add
Audit Non-Conformance Review – Achilles Network (online)	250 GBP	Add
Ethical Employment Au		
Ethical Employment Ce		
Supplier Notice		
Mining Module		
BRSR Module		
SSiP Assessment (UK)	95 GBP	Add
Lieferkettengesetz / Åpenhetsloven / Transparency & Due Diligence Module	110 GBP	Add
Carbon Module	110 GBP	Add

Nothing to pay

Total to pay
Including VAT **0 GBP**

I confirm that I have read the [Achilles platform Terms and Conditions](#) and that my organisation agrees to them.

All prices are for annual subscriptions, excluding sales tax



UVDB Community Overview



Region: UK

Buyer Members: 65+

- Regulated Utilities
- Major Contractors (Buyer/Suppliers)
- Ports

▪ Searches performed per annum:
200,000+

Supplier Members: 6,300



Dŵr Cymru
Welsh Water



WALES & WEST
UTILITIES



YorkshireWater



BENEFITS OF JOINING UVDB



Pre-qualify to work with 30+ UK Utilities organisations and be visible to numerous other Buyers



A chance to demonstrate business capabilities and recognise potential improvements



Eliminate duplication of standard qualification data, saving time and cost



Network model means that suppliers can promote their products and services to Buyers and access tender selection opportunities.



ESG scorecard, Health & Safety and Cyber Security rating & Carbon Footprint measurement

Q&A

Submit your questions
through the Q&A channel



Tendering Tips - How to Tender Successfully

Mike Reilly

Lead Sourcing Manager

Claire McGlynn

Junior Sourcing Manager



Introduction

- Overview on how SGN engage with the market, tender process to award contracts.
- Aim to **improve understanding** of tender processes for incumbent and new suppliers.
- Continuous improvement of tender experience is our aim, ensuring SGN apply appropriate rigour:
 - **Technical, Quality, SHE, ESG, Data Security**
 - Commercials – optimal cost model
 - **Reasonable Contract Terms (SLAs & KPIs, payment terms)**
- Ultimately SGN wish to pass potential “GO/NO GO” gateways to elicit innovative, high-quality responses with competitive but sustainable costs to achieve mutual growth with our Supply Chain.



Our path to working together



Low Value Tenders:

Fairmarkit



SGN trial for Low Value Low Risk (LVLR) spend

- Centralised sourcing platform – efficient entry to SGN supply chain
- Business users engaged, trained and empowered to perform LVLR Request for Quotations (RFQs)
- Artificial Intelligence – facilitate scope generation

RFQ #MC-04224 Details

ADD NOTES ACTIONS

Closed Requested by: Creed Bratton Kelly Kapoor Created at: 9/30/20 at 5:58 PM Opened at: 9/30/20 at 6:04 PM Closed at: 4/8/21 at 12:00 AM Preferred delivery date: 4/15/21

Printers for Scranton Office

#	Item	Benchmark price	CDW Quote #424 (\$) Registered	SHI International WOBE Registered	Zones Registered	Staples Registered	Insight Registered
1.	Compact Wireless Laser All-in-One Brother Manufacturer #BRTMFCL2720DW	\$1,420.50 5 each × \$284.10	3d \$1,170.00 ↓ 5 × \$234.00	2d \$1,180.00 ↓ 5 × \$236.00	3d \$1,210.00 ↓ 5 × \$242.00	4d \$1,115.00 ↓ 5 × \$223.00	\$1,235.00 ↓ 5 × \$247.00
2.	Blk Toner Brother Manufacturer #TN660	\$628.90 10 each × \$62.89	3d \$340.00 ↓ 10 × \$34.00	2d \$430.00 ↓ 10 × \$43.00	2d \$420.00 ↓ 10 × \$42.00	4d \$540.00 ↓ 10 × \$54.00	2d \$430.00 ↓ 10 × \$43.00
Subtotal			\$1,510.00 ↓	\$1,610.00 ↓	\$1,630.00 ↓	\$1,655.00 ↓	\$1,665.00 ↓
Shipping			included	included	included	included	included
BID TOTAL			\$1,510.00 ↓	\$1,610.00 ↓	\$1,630.00 ↓	\$1,655.00 ↓	\$1,665.00 ↓

Requests

Vendor	Bid Received	Email, Phone	Delivery	Expiration	Bid Total	Awarded Total
✓ CDW Registered	Oct 1, 2020 2:54 PM	sales@cdw.com	3 days	30 days	\$1,510.00	\$0.00
✓ SHI International Registered WOBE	Mar 11, 2021 7:16 AM	sales@shi.com	2 days	30 days	\$1,610.00	\$0.00
✓ Zones Registered	Mar 11, 2021 7:16 AM	sales@zones.com	2 - 3 days	30 days	\$1,630.00	\$0.00

Sourcing Process

- **Pre-Qualification Questionnaire (PQQ) – Selection Criteria (backwards looking)**
- **Invitation To Tender (ITT) - Selection Criteria (forwards looking)**
 - Award Criteria commonly 70%:30% - Price:Quality with 50% overall quality pass mark
- **Contract Award**
 - Ratio Model or Total Evaluated Cost applied, fully detailed in tender documentation
- **Contract Management**
 - SLAs, KPIs
 - Causeway Tradex eInvoice system, SGN Contractor Invoicing Payment System (CIPS)
- **Dynamic Purchasing Systems (DPS)**
 - Remain open for new entrants for life of the DPS

Evaluation - Scoring Matrix

Score	Definition	Explanation
0	Unacceptable	No information included with the response or failure to satisfy the requirements within the response.
25	Inadequate	Inadequate response. Existence of numerous errors, risks, weaknesses or omissions from the response, which are difficult to correct, overcome and make acceptable. Some indication of compliance with the requirements but failure to provide evidence or otherwise demonstrate compliance.
50	Adequate	Adequate response with indication of compliance and understanding of the requirements and services, including provision of evidence demonstrating compliance. Some errors, risks, weaknesses or omissions from the response provide some cause for concern, which are possible to correct or overcome.
75	Good	Good compliance and understanding of the requirements and services, including provision of detailed and current evidence demonstrating compliance. Any errors, risks, weaknesses or omissions from the response could be corrected/overcome with minimum effort. Demonstrates some added value .
100	Excellent	Exceptional response fully meeting the requirements and understanding, including provision of detailed and current evidence demonstrating compliance, with no errors, weaknesses or omissions. Inclusion of possible benefits and demonstration of added value to the project/innovation/improved programme/extra resources.

Do's and Don'ts of Successful Tendering

Do

- Read all documents issued with the tender
- Read the question fully (note weighting)
- Cross reference all documentation
- Adhere to word/page limits
- Pose clarifications through the defined procedure e.g. platform messaging portal
- Submit realistic/sustainable prices - costs with reasonable profit
- Ensure your response is accurate
- Review any feedback provided

Don't

- Assume we know what you do
- Submit unnecessary documents that are not requested
- Copy and paste from previous tenders
- Leave submitting your response to the last minute
- Give a sales pitch in every response to the technical questions

ESG – Journey to Net Zero

SGN's Environment Strategy is our all-encompassing action plan for becoming a net zero business. It details the steps that we're taking to cut our greenhouse gas emissions across both our networks to net zero by 2045.

A brief roadmap of requirements of our Supply Chain to support the plan is as follows:

- Year 1 - Data capture
- Year 2 - Continue data capture and integrate KPIs, aligning to SGN expectations
- Year 3 - Target setting
- Year 4 - Implementation & monitoring of targets

Supply Chain Sustainability School – Suppliers can use this to improve ESG knowledge and integration into their business



ESG – Data Capture

Environment metrics – monthly

- Use of recycled material
- Water consumption
- Electricity usage and source of electricity (renewable, non-renewable, on-site generation)

Social metrics – 6 monthly

- Internships / apprenticeships / vocational training offered
- Charitable work the supplier is involved in
- Employment (employee numbers)
- Gender distribution

Governance metrics – 6 months

- Supply Chain Sustainability School training
- Legal compliance (modern slavery, money laundering, environmental, etc)



SGN Policies and Procedures

- SGN Sustainable Procurement Code
 - Health and Safety (PROTECT)
 - Verification and Vetting
 - Drug and Alcohol
 - Speak Up (Whistleblowing)
 - Anti Bribery and Corruption
 - Conflict of Interest
-

PROTECT
ZERO HARM DONE.
ZERO EXCEPTIONS.

Regulations

- Utilities Contract Regulations 2016 (England, Wales or Northern Ireland)
- Utilities Contract (Scotland) Regulations 2016



Useful Links

SGN Procurement and Supply Chain website

<https://www.sgn.co.uk/help-and-advice/potential-and-existing-suppliers>

Achilles Information Limited

<https://my.achilles.com/join-community?communitycode=ANT&lang=en-GB&buyerid=00072927>

Jaggaer Source to Contract System

<https://sgn.tlb.app.jaggaer.com/>

DPS Supplier Registration

<https://www.delta-esourcing.com/delta/signup.html?userType=supplier>

Major Works & Intermediate Pressure DPS

[FW Work - SGN Major Works \(MW\) DPS.MW.727 & Intermediate Pressure \(IP\) DPS.IP.727 - 0326 \(office.com\)](#)

Supply Chain Sustainability School

https://learn.supplychainschool.co.uk/auth/scss/register_form.php

Fairmarkit

<https://www.fairmarkit.com/>



Q&A

Submit your questions
through the Q&A channel



SGN

Meet the Buyer event

Break

We'll be back soon



SGN

Your gas. Our network.

SGN Procurement & Commercial

Jez Robinson

Group Finance Director



Q&A

Submit your questions
through the Q&A channel



PROTECT

Julie Saville

*Senior Health & Safety Business Partner
(Culture and Safety Improvement)*





**ZERO
HARM DONE.
ZERO
EXCEPTIONS.**





A SHARED COMMITMENT. INDIVIDUAL OWNERSHIP.

We work together
to achieve Zero
Harm because we
care

Everyone has the
right to go home
safe and well every
day

All harm to
people, property
and the planet is
preventable

Making our shared commitment to
delivering **Zero Harm** visible daily
through our individual words and
actions.

OUR LIFESAVING RULES



COMPETENCY

We only do work when competent to do so



POLICIES & PROCEDURES

We always follow all policies and procedures



RISK ASSESSMENT

We continually risk assess from start to finish



PLANT, TOOLS & PPE

We always use the right equipment for the job



SAFE DRIVING

We drive safely and responsibly at all times

PROTECT
ZERO HARM DONE.
ZERO EXCEPTIONS.

OUR HIGH-RISK ACTIVITIES



WORKING ON THE HIGHWAY

It is important to safely manage all the risks created by our work on open roads and streets.



WORKING IN CONFINED SPACES

It is essential that we recognise and understand all the risks associated with confined spaces.



WORKING AT HEIGHT

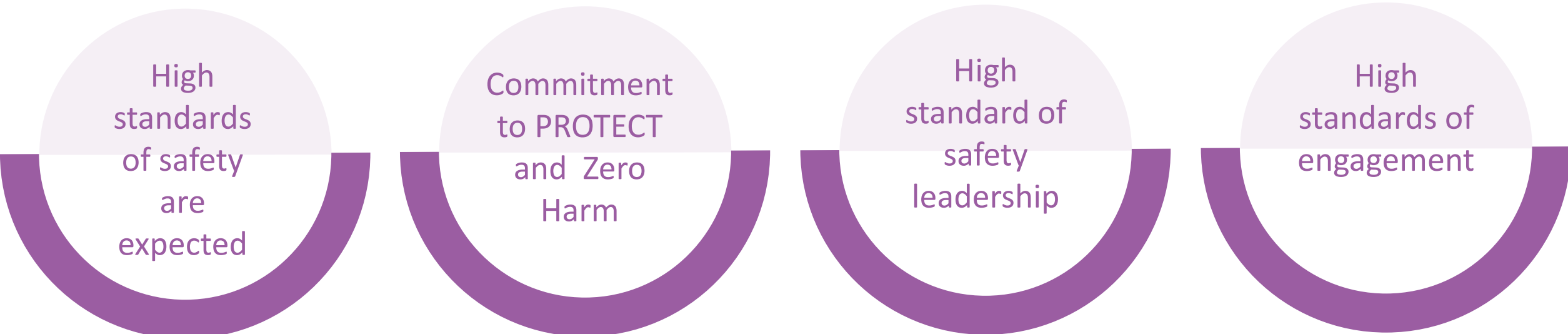

If work at height is necessary, and cannot be avoided, then we must always assess all the risks.



WORKING NEAR UNDERGROUND SERVICES

We must always recognise and mitigate the risks and hazards linked with any form of ground disturbance.

ONE TEAM APPROACH



High standards of safety are expected

Commitment to PROTECT and Zero Harm

High standard of safety leadership

High standards of engagement



ENGAGEMENT



Leadership
site
engagement
visits.

Monthly
face to
face
briefings

Engagement
with
PROTECT
Champions

Engagement
with
PROTECT
Forums

Q&A

Submit your questions
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SGN

Meet the Buyer event

Thank You



SGN

Your gas. Our network.