Administrative Procedures (AP) for supply contracts and related services

Department
Procurement

Report
Administrative Procedures (AP) for supply contracts and related services

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Preface

Gasunie’s objective is to provide a comprehensive and transparent overview to Suppliers on administrative procedures. Gasunie expects this overview to assist Suppliers in understanding "how Gasunie works”. This shall accelerate alignment between Gasunie and the Supplier and lead to a first time right delivery.
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1. Scope and application

This specification describes the administrative procedures for the Supplier and Gasunie for supply contracts and related services. These administrative procedures are only applicable to articles that have an Gasunie article number.

A number of subclauses from the General Terms & Conditions (GT&C) are elaborated in more detail in this specification.

The scope of this specification is the process of expediting, engineering, inspection, transportation and invoicing. This process starts at signing the Master Contract and/or issuing the Purchase Order. This process ends at payment of the invoice.

The scheme below shows the process and the activities.

Application

The sections in this specification apply to Master Contracts and/or Purchase Orders. The table below shows which section is relevant for the Master Contract and/or Purchase Order.
<table>
<thead>
<tr>
<th>Contract Management Requirements</th>
<th>Master Contract</th>
<th>Purchase Order</th>
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<td>Meetings and reporting</td>
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<td>Performance measurements</td>
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<td>Securities</td>
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<td>Concession Requests</td>
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<td>Expediting Requirements</td>
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<tr>
<td>Extended manufacturing progress reporting</td>
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<td>x</td>
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<tr>
<td>Standard manufacturing progress reporting</td>
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<tr>
<td>Engineering Requirements</td>
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<td>Gasunie Technical Standard (GTS)</td>
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<td>x</td>
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<td>Standard engineering and operating documents package</td>
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<td>Inspection Requirements</td>
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<td>Gasunie client inspection</td>
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<tr>
<td>Gasunie’s UI</td>
<td></td>
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<td>Test and Inspection Plan (ITP)</td>
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<td>Inspection at the Supplier’s premises</td>
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<tr>
<td>Inspections at Gasunie’s premises</td>
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<td></td>
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<tr>
<td>Transportation Requirements</td>
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<td>Central warehouse Deventer</td>
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<td>Other locations</td>
<td></td>
<td>x</td>
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<tr>
<td>Invoicing Requirements</td>
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<td></td>
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<tr>
<td>Invoicing Requirements</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
2. References

This specification is subject to the requirements of the Gasunie specifications mentioned in this clause. The applicable version can be found in the Purchase Order.

- **GT&C** General Terms and Conditions for deliveries and related services.
  - N.V. Nederlandse Gasunie, with registered office in Groningen.
- **MSA-25-E** Transport, packing and marking
- **GTS_RED-xxx** Requirements for Documents (RED)
- **GTS_REQ-003** Engineering and operating documents transmittal
- **GTS_W-089** Application form Pressure Equipment Directive
3. Definitions and abbreviations

Definitions

In this specification the following definitions are applicable:

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Impact</td>
<td>Supplier’s estimate of the impact of the Change Request.</td>
</tr>
<tr>
<td>Change Request</td>
<td>A request to change to the scope and/or method of carrying out the Delivery and/or Services.</td>
</tr>
<tr>
<td>Concession Request</td>
<td>Supplier’s request to deviate from the Technical Requirements.</td>
</tr>
<tr>
<td></td>
<td>A Concession Request shall neither be subject to compensation by Gasunie nor a change to the Master Contract and/or Purchase Order.</td>
</tr>
<tr>
<td>Delivery</td>
<td>See GT&amp;C</td>
</tr>
<tr>
<td>Master Contract</td>
<td>See GT&amp;C</td>
</tr>
<tr>
<td>Manufacturing Data Book</td>
<td>See GTS_RED-xxx</td>
</tr>
<tr>
<td>Lump sum</td>
<td>A fixed amount for which the Delivery and/or Services is supplied.</td>
</tr>
<tr>
<td>Purchase Order</td>
<td>See GT&amp;C</td>
</tr>
<tr>
<td>Technical Requirements</td>
<td>Drawings, specifications (amongst others GTS) and other binding documents.</td>
</tr>
</tbody>
</table>

Note: Technical Requirements are not Purchase Orders, award reports, clarification meeting reports, on-site scoping meeting reports, project conditions, Master Contracts and general conditions.

Abbreviations

In this specification the following abbreviations are applicable:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CE</td>
<td>Conformité Européene (European conformity)</td>
</tr>
<tr>
<td>E&amp;I</td>
<td>Electro &amp; Instrumentation</td>
</tr>
<tr>
<td>GTS</td>
<td>Gasunie Technical Standard</td>
</tr>
<tr>
<td>GT&amp;C</td>
<td>General conditions for supply contracts and related services.</td>
</tr>
<tr>
<td></td>
<td>N.V. Nederlandse Gasunie, with registered office in Groningen.</td>
</tr>
<tr>
<td>ITP</td>
<td>Inspection and Test Plan (in various specifications still shown as &quot;Quality Inspection Plan&quot; or &quot;QIP&quot;)</td>
</tr>
<tr>
<td>KIWA</td>
<td>Keurings Instituut voor Waterleiding Artikelen (Dutch Waterworks Testing and Research Institute)</td>
</tr>
<tr>
<td>MT</td>
<td>Magnetic particle testing</td>
</tr>
<tr>
<td>NCR</td>
<td>Non-Conformity Report</td>
</tr>
<tr>
<td>NDE</td>
<td>Non-Destructive Examination</td>
</tr>
<tr>
<td>PED</td>
<td>Pressure Equipment Directive</td>
</tr>
<tr>
<td>PIM</td>
<td>Pre Inspection Meeting</td>
</tr>
<tr>
<td>PQR</td>
<td>Procedure Qualification Record</td>
</tr>
<tr>
<td>PT</td>
<td>Penetrant Testing</td>
</tr>
<tr>
<td>PWHT</td>
<td>Post Weld Heat Treatment</td>
</tr>
<tr>
<td>QC</td>
<td>Quality Control</td>
</tr>
<tr>
<td>RED</td>
<td>Required Engineering Documents</td>
</tr>
<tr>
<td></td>
<td>(Requirements for Documents)</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>RT</td>
<td>Radiographic Testing</td>
</tr>
<tr>
<td>UI</td>
<td>User Inspectorate</td>
</tr>
<tr>
<td>UT</td>
<td>Ultrasonic Testing</td>
</tr>
<tr>
<td>WPS</td>
<td>Welding Procedure Specification</td>
</tr>
<tr>
<td>WTB</td>
<td>Werktuigbouw (mechanical engineering)</td>
</tr>
</tbody>
</table>
4. Contract Management Requirements

Contract management is performed by Gasunie department "Procurement".

All communication shall be sent to the relevant purchaser that is stated on the Master Contract or Purchase Order.

The purchaser is Gasunie's authorized representative for all contract management issues.

Quality Assurance and Control

Gasunie has the right to assess whether the Supplier meets the requirements of the Master Contract and/or Purchase Order by either audit, surveillance, inspection or documentation reviews or participation in Supplier-led audits, inspections or surveillance activities. The Supplier is required to cooperate with the above.

If the Supplier does not meet the requirements of the Master Contract and/or Purchase Order, the Supplier shall send an improvement plan for approval to Gasunie. The Supplier shall execute the agreed improvement plan.

Meetings and reporting

The Supplier shall provide an adequate facility for Gasunie for audits, inspection visits, business review meetings etc.

At Gasunie's request, the Supplier shall attend interface meetings with third parties. The Supplier shall attend all meetings at no cost to Gasunie.

The Supplier shall record minutes of all meetings unless otherwise instructed by Gasunie, and issue these minutes of meetings to Gasunie within five working days after the meeting for review and approval. The Supplier shall maintain an action log of all items arising from meetings and report status on same.

Performance measurements

Gasunie shall conduct performance measurements, such as delivery time and inspection findings to determine the Supplier's performance.

Securities

This paragraph is only applicable when securities are agreed in the Master Contract and/or Purchase Order.

The Supplier shall submit signed originals of the securities, such as performances bonds, advance payment bonds, parent company guarantees, within ten workings days of receiving the signed Master Contract and/or Purchase Order.
Changes to the (Master) Contract

If the supplier wishes to make changes to the contract, he must submit a request to his Procurement contact person.

Changes at Gasunie's request

If Gasunie wishes to submit a change, Gasunie shall describe the change to the Delivery or Service by a change request.

Changes at the Supplier's request

If the Supplier wishes to submit a Change Request, this shall be notified to Gasunie within five working days of occurrence by using a Change Request. If the Supplier fails to notify Gasunie within five days, Gasunie is not obliged to compensate for such events.

Gasunie shall inform the Supplier within five working days after receipt of the request on its decision to proceed with the determining the impact of the change. If the Change Request needs to be clarified, the Change Request shall be re-submitted in accordance with this subclause.

Determining the impact of the change

Within five workings days of the receipt of Gasunie's Change Request or Gasunie's approval of the Supplier's Change Request, the Supplier shall complete a Change Impact form. The Change Impact form shall be accompanied by clear and complete information supporting: the price and delivery time; any impact on the quality of the Delivery, such as technical changes or performance.

Within five workings days after receipt of the Change Impact form, Gasunie shall decide if the Supplier shall submit further clarification to the Change Impact form. If the Change Impact form needs to be clarified, the Change Impact form shall be re-submitted within five working days.

If Gasunie considers the Change Impact form to be sufficiently elaborated, Gasunie decides within five working days after receiving the Change Impact form, if the change(s) will be implemented.

Gasunie's approval

Fixed price
If the Change Impact form is accepted on the basis of fixed price, Gasunie shall countersign the Change Impact form within five working days of receipt of the Change Impact form.

Unit price/rates
If the Change Impact form is accepted on the basis of unit rates, Gasunie shall issue a maximum price limit to the change.
Concession Requests

Supplier shall complete a Concession Request to deviate from the Technical Requirements as soon as the Supplier becomes aware of the deviation, but ultimately before final inspection of the Delivery. The Supplier shall use its own document.

The Supplier shall submit a Concession Request supported with the required information to Gasunie that addresses as a minimum:

- Master Contract, Purchase Order, item number, material number, serial number;
- reference to the specification, not only the document but also the subclause of the specification;
- description of the Concession Request, including reason(s) (with detailed analysis) for deviating from the requirement;
- actions to improve (if any);
- any ITP that needs to be revised;
- any standard engineering and operating documents that need to be revised, and;
- the Supplier's request for approval of the Concession Request.

Gasunie shall within 5 working days of receiving the request for concession:

- decide if the request for concession is approved;
- if approved, sign the Concession Request and agree that the Concession Request is implemented.
- if rejected, return the rejected Concession Request and instruct the Supplier to comply to the Technical Requirements.
5. Expediting Requirements

Expediting is carried out by Gasunie Procurement department.

All communication is to be sent to: expediting@gasunie.nl.

Gasunie states in the Purchase Order what kind of expediting is applicable, this is:

- standard manufacturing progress reporting (Standard Expediting).
- extended manufacturing progress reporting (Extended Expediting).

Gasunie has the right to request a PIM to align with the Supplier on the expediting programme.

**Extended manufacturing progress reporting**

The Supplier shall submit a manufacturing schedule/plan and progress report detailing the applicable milestones concerning the progress of production and inspection. The milestones will be agreed in the contract.

Gasunie retains the right

- to depute its representative(s) to visit the Supplier for the field expediting of the Purchase Order, and/or
- to request additional information to verify the progress of manufacturing, and/or
- to increase the frequency of progress reports to every week.

**Standard manufacturing progress reporting**

The Supplier shall confirm the delivery date two weeks before the planned delivery date, when standard expediting is applicable. The Supplier is obliged to inform Gasunie of any delay as soon as the Supplier becomes aware of it.
6. Engineering Requirements

Engineering is carried out by Gasunie department "Operations & Projects; Technology".

All required engineering and operating documents are specified in the RED form (GTS_RED-xxx) that is included in the Master Contract and/or Purchase Order.

Gasunie has the right to request a PIM to align with the Supplier on the engineering and operating documents.

Gasunie Technical Standard (GTS)

When a GTS is applicable, the applicable version can be obtained at: documentsupport@gasunie.nl.

Standard engineering and operating documents package

This subclause is only applicable when Gasunie and Supplier agreed in the Master Contract that a standard engineering and operating documents package is to be supplied. Gasunie shall issue a separate Purchase Order for standardization of these documents under the Master Contract.

Gasunie and the Supplier shall agree a delivery and review schedule of the standardized engineering and operating documents as listed in the relevant RED form.

As soon as Gasunie approves this standard engineering and operating documents package, the Supplier is released from submitting the engineering and operating documents for each individual Purchase Order that is issued under the Master Contract.

After Gasunie's approval of a Change Impact that requires a revised standard engineering and operating package, the Supplier is responsible for submitting the revised standard engineering and operating package within ten working days of this approval.

After Gasunie's approval of a Concession Request that requires a revised standard engineering and operating documents package, the Supplier is responsible for submitting the revised standard engineering and operating package within ten working days of this approval.
7. Inspection Requirements

Inspection is carried out by Gasunie department "Verification & Inspection" or by a representative acting for and on behalf of Gasunie.

All ITP's and inspection invitations are to be sent to: inspectie@gasunie.nl.

Gasunie has the right to request a PIM to align with the Supplier on the inspection requirements.

Gasunie client inspection

Gasunie performs client inspections. These client inspections:

- are performed in accordance with the Technical Requirements;
- consist of a review of other specified requirements (PED, ATEX, KIWA, design codes and the like) and additional documents.

Gasunie's UI

If stated in the Technical Requirements, Gasunie acts like a Notified Body as User inspectorate, as written in article 16 "User inspectorate" Directive 2014/68/EU.

When Gasunie acts as UI, The Supplier needs to use form GTS_W-089. When Gasunie acts as UI, Gasunie also perform inspection as a client.

The ITP shall have a UI column and a client column. Both roles can have different Hold, Witness and Review points.

Test and Inspection Plan (ITP)

Gasunie strives to establish a standard ITP that covers the scope of a Master Contract. As soon as Gasunie approves the ITP for Master Contract materials, the Supplier is released from submitting ITP’s for each individual Purchase Order that is issued under the Master Contract.

After Gasunie's approval of a Change Impact that requires a revised ITP, the Supplier is responsible for submitting the revised ITP within ten working days of this approval.

After Gasunie's approval of a Concession Request that requires a revised ITP, the Supplier is responsible for submitting the revised ITP within ten working days of this approval.

Inspection at the Supplier's premises

The Supplier shall invite Gasunie in accordance with the ITP for the inspection at the Supplier's premises in writing at least 10 working days before Supplier's preferred inspection date. Gasunie has the right to request an alternative date.

During inspection, the Manufacturing Data Book shall be available to Gasunie. After performing inspection activities the Gasunie inspector will submit a visit report to the Supplier.
After successful completion of the inspection, Gasunie shall stamp and sign the Manufacturing Data Book. The Supplier shall submit Manufacturing Data Book to Gasunie.

https://qdocs.roundaboutbox.com/

Gasunie shall check the Manufacturing Data Book on completeness within five working days. Gasunie shall issue a release note when the Manufacturing Data Book is received in good order.

Note:
The Supplier is not allowed to ship materials before the issue of Gasunie's final inspection.

**Inspections at Gasunie's premises**

The Supplier shall submit all required test and inspection documents to Gasunie before shipment of the material to Gasunie. The Supplier shall submit Manufacturing Data Book to:

https://qdocs.roundaboutbox.com/

Note:
The Supplier is not allowed to ship materials before these documents are submitted to Gasunie.

Gasunie shall assess and approve/reject this inspection documentation and material within five working days. Gasunie's approval shall be notified by issuing a release note.
8. Transportation Requirements

The Delivery will be received by Gasunie department "Logistics & Supply".

All communication needs to be send to: cmdeventer@gasunie.nl.

The transport, packing and marking requirements are stated in MSA-25-E.

The Purchase Order contains the shipment location. This can either be the Central warehouse Deventer or an other Gasunie location.

Central warehouse Deventer

The Supplier shall notify Gasunie about a shipment at least five working days prior to the desired delivery date if one of the following is valid:

- pipe;
- more than 5 europallets or europallet places;
- heavier than 5000 kg;
- to be unloaded by crane;
- a Delivery that cannot be unloaded by Gasunie's standard unloading methods (see below).

Gasunie's standard unloading methods are:

- A fork-lift truck for loads up to 5000 kg;
- A crane for loads of more than 5000 kg and/or with specific lifting instructions;
- A crane with a vacuum system for pipes supplied by open trailer, for pipes with a diameter of up to and including DN 450 and a maximum weight of 2000 kg per pipe.

Pipe unloading capacity:

<table>
<thead>
<tr>
<th>Pipe diameter (DN)</th>
<th>Number of truckloads per half day</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 – 150</td>
<td>2</td>
</tr>
<tr>
<td>200 – 250</td>
<td>3</td>
</tr>
<tr>
<td>300 – 450</td>
<td>4</td>
</tr>
</tbody>
</table>

Unloading of pipe is done in the afternoon. Pipe cannot be unloaded in cold weather conditions, such as snow and frost.

The Supplier's shipment notification shall contain as a minimum:

- name of the Supplier;
- Purchase Order number and position;
- Volume of the consignment (# pallets or # kg);
- Unloading instructions for the articles;
- Release note (in case "Inspection at the suppliers premises" is applicable);
- Proposed date of delivery and whether the Delivery shall be in the morning (08:00 - 12:00 a.m.) or afternoon (13:00 - 16:00 p.m.).

Gasunie shall confirm the proposed date no later than the next day. Gasunie has the right to request an alternative date.
Other locations

As unloading facilities differ per Gasunie location, the Supplier shall notify the relevant Gasunie shipment location at least five working days prior to the desired delivery date, if the shipment cannot be unloaded manually. The contact details of this location shall be stated in the Purchase Order.

The Supplier shall also notify the expediting department at expediting@gasunie.nl about the shipment.

Supplier's shipment notification shall contain as a minimum:
- name of the Supplier;
- Purchase Order number and position;
- release note;
- volume of the consignment (# pallets or # kg);
- unloading instructions for the articles;
- proposed date of delivery and whether the Delivery shall be in the morning (08:00 -12:00 a.m.) or afternoon (13:00 - 16:00 p.m.).

Gasunie shall confirm the proposed date no later than the next day. Gasunie has the right to request an alternative date.
9. Invoicing Requirements

Invoice handling is carried out by Gasunie's Corporate Service Centre (Accounts Payable Department).

Invoicing of Purchase order via Ariba will be handled via Ariba. see https://www.gasunie.nl/en/suppliers/ariba.

All other invoices shall be sent to: digitalefacturen@gasunie.nl.

ANNEX A  Flow Chart Changes to the (Master) Contract

1. Change Request
   - Gasunie
   - Supplier determines the impact of change request

2. Change Impact
   - Supplier
   - Gasunie assesses the impact of change

3. Impact to be clarified
   - Yes
   - Change accepted
   - Approved by Gasunie
   - No
   - Change Request rejected by Gasunie

4. Occurrence of a Change
   - Supplier requests change
   - Supplier determines the impact of change request