



North Sea
Transition
Authority

Supply Chain Action Plan Guidance

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Introduction

The North Sea Transition Authority (**NSTA**) regulates and influences the oil and gas, offshore hydrogen, and carbon storage industries. We help drive North Sea energy transition, realising the significant potential of the UK Continental Shelf as a critical energy and carbon abatement resource. We hold industry to account on halving upstream emissions by 2030 using a range of powers, including acting in accordance with the OGA Strategy¹.

The OGA Strategy places an obligation on the oil and gas industry to assist the UK government in meeting the net zero 2050 target, alongside securing the maximum value of economically recoverable petroleum from UK waters.

The efficient procurement and delivery of goods and services is fundamental to safe, successful project delivery and also in delivering the strategy and the NSTA expects operators and the supply chain to demonstrate the right behaviours, adopting best practice to add value to the UK and meet the UK's energy needs now and in the future.

The NSTA helps to deliver the North Sea Transition Deal² (**NSTD**), supporting the transformation of the oil and gas supply chain to service low-carbon energy sectors at home and abroad, including championing and upholding the voluntary target of 50% local UK content across the lifecycle of all low-carbon projects and offshore decommissioning.

The NSTA is using its powers to help the supply chain evolve into a global future leader in energy transition projects while maintaining its lead in oil and gas exploration, production and decommissioning. Work is focussed in four areas:

- i. Embedding Supply Chain Action Plans (**SCAPs**) into core business to provide evidence that operators are securing maximum value from their projects through open and fair engagement with suppliers.
- ii. Setting clear expectations for industry, including Stewardship Expectation 12.
- iii. Improving visibility of upcoming tenders through Energy Pathfinder.
- iv. Stewarding industry to deliver obligations and meet expectations.

¹ The OGA Strategy

² North Sea Transition Deal

Scope and purpose

This guidance replaces previously available guidance on Supply Chain Action Plans. It details when a SCAP is required and provides information on the matters the North Sea Transition Authority normally consider.

The guidance is not a substitute for any regulation or law and is not legal advice and does not have any binding effect. It is intended that the guidance will be kept under review and be revised as appropriate in the light of experience and developing law and practice and any change to the NSTA's powers and responsibilities.

The purpose of a SCAP is to demonstrate that Relevant Persons are deriving maximum value from UKCS project activity, including, compliance with the OGA Strategy, meeting Stewardship Expectations, and delivering UK content commitments as set out in the NSTD.

SCAPs provide the opportunity for the NSTA to:

- Challenge and promote best practice.
- Identify and share lessons learned.
- Monitor trends and identify gaps in UK capability.
- Promote collaboration and early engagement between Relevant Persons as defined in the OGA Plan and the supply chain.

- Ensure that industry share plans of upcoming supply chain opportunities on the Pathfinder system.
- Improve understanding of project performance both positive and negative
- Monitor and report data in line with the NSTD

Relevant Persons must produce a SCAP as an integral part of the following processes:

1. Field Development Plans (**FDP**) and FDPa³.
2. NSTA response to consultation on Draft Decommissioning Programmes⁴.
3. Carbon Storage Permit⁵.
4. Emissions reduction projects with a capital expenditure over £10M and do not fall under the processes listed above⁶.

The NSTA recognises that the majority of project deliverables are often outsourced to tier one contractors, either via a specific tender process or as part of multi-project (or time-based) contract. Contractors with significant work scopes, with expected value greater than £25 million, are also required to provide information into the digital SCAP system⁷.

³ Development and production

⁴ Decommissioning Guidance Notes

⁵ Carbon Storage

⁶ Subject to change at a later date

⁷ Projects under 2,3 & 4 will require all contractors to provide a SCAP to aid the NSTA in monitoring voluntary UK content targets per the NSTD

For the avoidance of doubt, no contractor will be able to see information provided by the Relevant Person and vice-versa, a unique ID is created for each SCAP and this ID links to the relevant submission, which only the NSTA has sight of. The Relevant Persons are expected to require the Contractor to submit a SCAP through their contracting process.

The SCAP is a live document that will evolve over the life of the project, starting at an early stage in the planning process prior to any tendering activity being undertaken by the Relevant Person and its co-venturers, for example at concept select stage or equivalent. It is the responsibility of the Relevant Person to ensure contact is made with the NSTA supply chain team prior to starting the SCAP for a Kick off Meeting (KoM). At the KoM the parties shall discuss the project and in particular the required supply chain activity, overall plan and agree a timeline for SCAP submission. The end-to-end process is set out in Appendix 2.

Content and submission guidance

Introduction

SCAPs must be submitted using the online portal. Online portal users must register for access to the [NSTA Energy Portal](#), then request access to the digital SCAP system by emailing scaps@nstauthority.co.uk.

Content

The SCAP digital system has been laid out in such a way that each section can be completed in isolation as the project matures. Contract performance and project performance sections must be completed at the time of project completion.

The SCAP includes the following information.

- SCAP Operator
- Project Details
 - Including project overview, timelines, NSTD commitments etc. There is also an ability to upload any documentation (such as class 5 order of magnitude estimate) that the Relevant Person may wish to include.
- Planned Tender Activity
- Tendering activity for contracts / packages under the project with information required such as scope details, indicative tender start and end dates and cost estimates.

- Related Pathfinder Projects, with a link the relevant project in the Pathfinder system.
- Actual Tender Activity, including scope details, estimated value, tenderers, location, award rationale and country of origin of the contractor. This section should also be used for all contract awards, once known, and contracts placed not using a tender process should be input into this section.
- Contracting Performance
- Once contracts start to be closed out then this section will be used to show outturn costs and the rationale for any delta between original contract value and close out costs.
- Project Performance and Close-Out

Further information on the detail required is embedded in the digital system.

Evaluation

The SCAP will be assessed on the basis of meeting NSTA expectations per appendix 1, Stewardship Expectation 12 - Supply Chain Collaboration and the following four pillars:

- Engagement – the NSTA expects early and continued engagement with supply chain regarding the specifics of the project, aimed at improving project performance together with full participation on the NSTA Pathfinder portal.

- Trust – The NSTA expects a demonstration of trust and empowerment throughout the project life cycle – clearly identifying functional requirements and subsequently supporting the supply chain to deliver to their contractual commitments.
- Innovation – The NSTA expects encouragement and fair evaluation for the proposed use of alternative/new products, processes and/or contracting methodologies.
- Quality – Proper use of industry accredited metrics and tools (i.e. Supplier Qualification Systems) for contractor section, especially Health, Safety, Security, Environment, and Quality (**HSEQ**) data will reduce tender time and cost burden.

As the SCAP evolves over the life of the project it is likely to have multiple stages that will be agreed with the NSTA. At each stage, the NSTA will review the SCAP in accordance with the assessment criteria set out in Appendix 1, issuing a “request for further information” as required and confirming when there is “no objection” as appropriate.

The timeline of updates will be agreed between the NSTA and Relevant Person based on key milestones, with the date recorded in the “update due” function on the digital system.

The NSTA will undertake a post-execution review at the close-out of the project. Please see Appendix 2 for more details.

SCAP assessment process and monitoring

NSTA internal process

Early engagement between the NSTA and Relevant Persons is instrumental to the success of the SCAP process. Dialogue will start in advance of submission of the full SCAP with a minuted kick off meeting (KoM) to discuss SE-12 and the four pillars (Appendix 1 and Evaluation), as described above, and to enable a shared understanding around the opportunities for the supply sector.

The broad agenda for the KoM, amended as necessary, will be –

- Project outline
- NSTA expectations e.g. SE-12, evaluation criteria etc
- SCAP requirements and process
- Schedule
- Supply Chain engagement e.g. who, what, how and where
- SCAP submission schedule
- Date of next meeting

Once the SCAP is submitted there will be an initial appraisal to check all areas have been considered and completed.

The NSTA will review the SCAP at each stage of the project lifecycle, aiming to provide Relevant Persons with a response within 60 days. When all evaluation criteria are met, the SCAP will receive a no objection from the NSTA. For the avoidance of doubt a ‘no objection’ does not constitute endorsement of

any other required submissions, out with the SCAP, made to the NSTA.

In cases where one or more of the elements do not meet expectations, the NSTA will seek further information and justification.

In cases where expectations cannot be met, final endorsement will be withheld pending discussion between the Relevant Person and the NSTA including the relevant consenting authority in the NSTA responsible for the project.

Any additional information relating to the SCAP submission may be uploaded to the SCAP digital system as a supporting document e.g. project schedule / plan.

Appendix 1

Evaluation Matrix

These criteria will be measured throughout the SCAP process both through the NSTA's interactions with the relevant persons e.g. Kick-off-Meeting and through the digital SCAP submission.

Criteria	Below Expectations	Meets Expectations	Commendable
Engagement	ITTs issued without prior discussion with supply chain and the NSTA Operators look to their own requirements that need bespoke solutions	Pre-ITT discussion held with suppliers to present scope, expectations and contract award process Operators input project details into Energy Pathfinder prior to ITT	Engagement session held with the supply chain, where functional requirements were presented and integrated solutions sought Operators openly communicate project opportunities on Energy Pathfinder and are receptive to solutions and ideas. They also enter contract award details and comprehensive project information.
Trust	Operator requires extensive inspection team to oversee activity. Contracting model stifles supplier incentive to deliver increased value (e.g. by claiming 100% of savings)	Operators are open to supplier initiatives to reduce cost and are willing to share in savings	All parties are actively incentivised to benefit from successful project performance – proportionate to the level of exposed risk/responsibility. Potential win-win provision included in contract.

Criteria	Below Expectations	Meets Expectations	Commendable
Innovation	ITT issued and technical non-compliance leads to disqualification Operator not receptive to innovative ideas and solutions Contractual terms and strategy set out clearly within ITT	Alternative solutions requested as part of ITT process and considered where appropriate Operator receptive to supply chain company's innovative ideas, practices, solutions and commercial methods but none adopted in this instance Contractual terms and strategy set out clearly within the ITT with alternative proposals included for company consideration	Suppliers encouraged to provide alternative technical / commercial solutions for discussion prior to ITT release Operator adopts supply chain company's innovative ideas, solutions and commercial methods Contractual terms reflect responsibility and do not penalise innovative models. Mutually beneficial contract agreement in place incentivising efficiency and value creation through project lifecycle leading to potential upside for all parties.
Quality	ITT respondent list compiled via internal approved vendor list	Industry tool Supplier Qualification System (SQS) used to develop ITT list, in addition to companies previously known to buyer. All selected vendors required to complete a supplier audit assessment	Industry audit tool trusted to identify competent suppliers without additional pre-qual information

Lessons Learned: Lessons Learned from the completed project (both positive and negative) should be identified for the Close-out Meeting.

Appendix 2

SCAP process



1. Relevant Person to inform NSTA of intention to complete a SCAP KoM to be held to ensure requirements are understood. Project Pathfinder should be updated accordingly.



2. Relevant Person to develop draft SCAP (at select stage) before contracts and / or tenders and upload to the digital system for review and discussion.



3. Relevant Person to complete digital SCAP and submit for initial assessment.



4. NSTA assesses the SCAP against the criteria as defined by the guidance, taking account earlier engagement.



5. The NSTA will notify the Relevant Person of the outcome and agree what further action is required and agree when updates we be submitted by the Relevant Person.



6. The NSTA will request meetings to ensure commitments made are maintained and once project has completed a close out meeting to be held.

**Assessment
and continued
review**



North Sea Transition Authority

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