

1. PURPOSE:

To define the parameters for building the supply position of goods and services matrix by Transportadora de Gas Internacional S.A. ESP that will allow locating categories according to the criteria established in these guidelines.

2. SCOPE:

These guidelines apply to classifying goods, works and/or services included in the Annual Purchasing and Contracting Plan and categorized according to the provisions of the Contracting Manual.

The supply position matrix starts from the following comparisons:

- a) Impact vs. risk: It compares the impact of non-supply if the supply risk materializes in accordance with the criteria set forth in number 3 "Impact and risk evaluation criteria for the Annual Purchasing and Contracting Plan".
- b) Impact-Risk vs. Cost: From the evaluation related in the previous literal, by combining impact and risk (with an equitable weighting) and making the evaluation based on the acquisition cost, the result is the Supply Position Matrix.

It ends with the graphical result of the supply position matrix to adopt the different supply strategies from the Annual Contracting and Purchasing Plan.

3. DEFINITION OF TERMS

3.1 Supply position matrix: Matrix based on the supply position model that allows evaluating the relative importance of each of the various goods and services that are purchased taking into account the following two factors: Annual Spending Level on the item and the Impact, opportunity and risk of the supply. The foregoing in order to guide the prioritization of efforts and guide in the development of the supply strategy

3.2 Pareto Principle: Generally used principle that states that 20% of your purchase items are likely to represent about 80% of your total spend. Consequently, the remaining 80% of your purchase items will only account for about 20% of your total spending.

3.3 UNSPSC: It is a uniform classification methodology used to classify products and services based on a hierarchical arrangement and a logical structure. This classification system allows products and services to be clearly codified, since it is based on standards agreed by the industry which facilitate trade between companies and the government

(Bibliographic Source: Guide for the coding of goods and services according to the United Nations standard code of products and services V.14.080 https://www.colombiacompra.gov.co/sites/cce_public/files/cce_clasificador/manualclasificador.pdf)

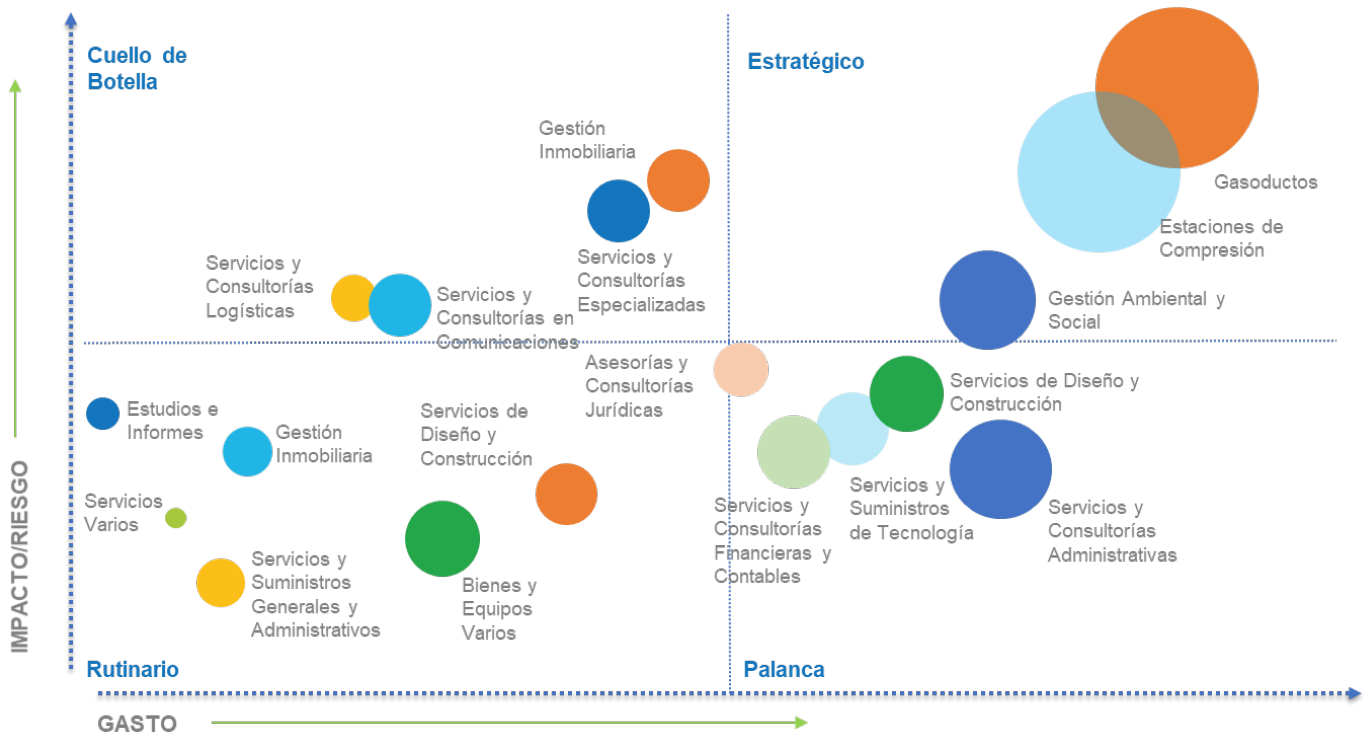
4. DEVELOPMENT OF ACTIVITIES:

ACTIVITY WHAT	HOW / WHEN	RESPONSABLE WHO	CHECKPOINTS	RECORD
4.1 Workshop with user areas	<p>Completion of the F-GAB-080 form, the Risk and Impact of Procurement of the categories defined in Level 3 (CLASS) are scored with the support of the user areas, according to the UNSPSC methodology of the United Nations, previously categorized for the Annual Purchasing and Contracting Plan by the Supply area.</p> <p>1) Risk and impact evaluation criteria.</p> <p>The criteria for qualify level of risk-impact of the planned goods and / or Services are summarized in 9 factors that are described below :</p>	Procurement Professional	Does not apply	Completion of the form F-GAB-080

ACTIVITY WHAT	HOW / WHEN	RESPONSIBLE WHO	CHECKPOINTS	RECORD																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #76b82a; color: white;"> <th colspan="2">PROCUREMENT RISKS</th> </tr> <tr> <th style="width: 20%;">PORTER FORCES</th> <th>NALYSIS</th> </tr> </thead> <tbody> <tr> <td>Internal market competition</td> <td>Is there internal competition between suppliers? (if the competition is high the risk is low)</td> </tr> <tr> <td>Entry barriers</td> <td>Is there a likelihood of new suppliers on the market? (if the probability is high the risk is low)</td> </tr> <tr> <td>Bargaining power of buyers</td> <td>If buyers' bargaining power is high, risk is low</td> </tr> <tr> <td>Substitute goods or services</td> <td>The greater the possibility of substitute products, the risk is low</td> </tr> <tr> <td>Change of supplier</td> <td>How complicated is the change of provider for the user?</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #76b82a; color: white;"> <th colspan="2">IMPACT OF PROCUREMENT</th> </tr> <tr> <th colspan="2">ANALYSIS</th> </tr> </thead> <tbody> <tr> <td>Impact on the cost structure of the product or service</td> <td>Category spending represents a significant impact on the cost structure of projects</td> </tr> <tr> <td>Impact on corporate strategic objectives</td> <td>The provision of the category has a direct impact on the achievement of the strategic objectives of the company</td> </tr> <tr> <td>Impact of market failure</td> <td>The shortage or non-compliance of the category would affect the entry into operation or commissioning of the company's projects</td> </tr> <tr> <td>Impact due to process failure</td> <td>The shortage or non-compliance of the category would affect the operation of the company. (High risk of paralysis of the operation)</td> </tr> </tbody> </table> <p style="text-align: center;">2) Risk and impact rating criteria.</p> <p>The risk and impact criteria are evaluated as: negligible, low, medium and high.</p> <p>a. Negligible: The probability that the risk factor analyzed will occur is almost nil and its impact on the organization, if it materializes, is too low.</p> <p>b. Low: The risk factor analyzed is unlikely to occur and its impact on the organization, should it materialize, is less.</p> <p>c. Medium: The risk factor analyzed is likely to occur and its impact on the organization, if it materializes. it is moderate</p> <p>d. High: The risk factor is very likely</p>	PROCUREMENT RISKS		PORTER FORCES	NALYSIS	Internal market competition	Is there internal competition between suppliers? (if the competition is high the risk is low)	Entry barriers	Is there a likelihood of new suppliers on the market? (if the probability is high the risk is low)	Bargaining power of buyers	If buyers' bargaining power is high, risk is low	Substitute goods or services	The greater the possibility of substitute products, the risk is low	Change of supplier	How complicated is the change of provider for the user?	IMPACT OF PROCUREMENT		ANALYSIS		Impact on the cost structure of the product or service	Category spending represents a significant impact on the cost structure of projects	Impact on corporate strategic objectives	The provision of the category has a direct impact on the achievement of the strategic objectives of the company	Impact of market failure	The shortage or non-compliance of the category would affect the entry into operation or commissioning of the company's projects	Impact due to process failure	The shortage or non-compliance of the category would affect the operation of the company. (High risk of paralysis of the operation)			
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ACTIVITY WHAT	HOW / WHEN	RESPONSABLE WHO	CHECKPOINTS	RECORD
<p>4.2 Supply Position Matrix</p>	<p>Under a Pareto analysis, the X-axis of the matrix is calculated on the planned value of the contracts and 2 classifications are determined, which in turn are divided into 2 as follows:</p> <p>a. 80% of the contracts that added together represent 20% of the total expenditure (left side of the matrix).</p> <p>b. 20% of the contracts that are added together represent 80% of the total expense (right side of the matrix).</p> <p>On the Y axis, its Risk-impact classification (insignificant, low, medium or high) appears for each planned good or service, which is evaluated from 1 to 5 as follows:</p> <p>a. If the average is greater than or = a 1 but less than 2, the result is "INSIGNIFICANT"</p> <p>b. If the average is greater than or = a 2 but less than 3, the result is "LOW"</p> <p>c. If the average is greater than or = 3 but less than 4, the result is "MEDIUM"</p> <p>d. If the average is greater or = 4, the result is "HIGH"</p> <p>The result of comparing the impact-risk vs the Pareto of costs in a Cartesian plane is a matrix of four quadrants that classifies each of the goods or services in any of the following classifications:</p> <p>I. Routines (low cost, low impact-risk). II. Restrictive (low cost, high impact-risk). III. Relevant (high cost, low impact-risk). IV. Critical (high cost, high impact-risk).</p>	<p>Procurement Professional</p>	<p>Does apply not</p>	<p>Supply Position Matrix (See Figure No. 1)</p>

FIGURE 1. Supply Position Matrix (Example)



Anexos:

- Formato evaluación riesgos e impacto con Proveedores

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Revised: GAB/Gabriel E. Lascano M.

Approved: VJ/Dalila A. Hernández Corzo.

Lista de distribución:

Risk Assessment Model - Suppliers Impact

F-GAB-080

PROCUREMENT RISKS				
PORTER FORCES	ANALYSIS	WEIGHING	ASSESSMENT (1 TO 5)	RESULTS
Internal market competition	Is there internal competition between suppliers? (if the competition is high the risk is low)			0
Entry barriers	Is it possible for new providers to enter the market? (if the probability is high the risk is low)	20%		0
Negotiation power of buyers	If buyers' power negotiation is high, risk is low	20%		0
Substitute goods or services	The greater the possibility of substitute products, the risk is low	20%		0
Change of supplier	How complicated is the change of provider for the user?	20%		0
			Summarize	0
IMPACT OF PROCUREMENT				
	ANALYSIS	WEIGHT	ASSESSMENT (1 TO 5)	RESULT
Impact on the cost structure of the product or service	Category spending represents a significant impact on the cost structure of projects	20%		0
Impact on corporate strategic objectives	The provision of the category has a direct impact on the achievement of the strategic objectives of the company	20%		0
Impact of market failure	The shortage or non-compliance of the category would affect the entry into operation or commissioning of the company's projects	30%		0
Impact due to process failure	The shortage or non-compliance of the category would affect the operation of the company. (High risk of paralysis of the operation)	30%		0
			Summarize	0
RESULT, RISK AND IMPACT				
		IMPACT	RIESk	RESULTS
		50%	50%	0
		0	0	0

