



*Promoting choice and  
value for all customers*

OAMIs  
MAMs  
Potential Service Providers  
Gas Suppliers

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Dear Colleague

### **Open Letter on the changes to the OAMI scheme**

The Ofgem approved Meter Installation scheme was previously carried out by CORGI in tandem with their gas safety governance responsibilities, which they managed on behalf of the HSE.

As you may be aware this function has recently transferred over to Capita, who administer the Gas Safe Register. The OAMI scheme was not a part of the core contract and therefore the scheme is temporarily being operated by Ofgem.

Ofgem has begun the tendering process to appoint a new Service Provider for the administration of the Ofgem Approved Meter Installer (OAMI) Registration scheme. The new Service Provider contract is anticipated to commence on 1<sup>st</sup> November, 2009.

The scheme sets out the requirements for gas metering activities and the governance framework for operatives. The OAMI audit regime will not require any physical metering works to be inspected, specific safety related competence and compliance of gas works and metering installations will be captured by the Gas Safe Register audit and monitoring regime. In addition to the safety requirements of the Gas Safe Register, Standard Condition 12 of the Gas Supply Licence places obligations on Suppliers to ensure that all meters are installed by operators who have been "approved" by Ofgem. Registration involves demonstrating compliance with the appropriate parts of the Codes of Practices (CoPs).

The OAMI scheme membership comprises both small and large businesses, who compete for installation work within the gas metering market. When developing the scheme in 1996, Ofgem was mindful not to impose undue costs on installers and ultimately the consumer. The application fee was therefore set at a nominal fee of £50; this ensured that small businesses were not deterred from competing for installation work.

The new contract award encompasses a competitive tender process in order to promote value to the consumer. The scheme will be structured as a concession contract under which the successful tenderer will be entitled to recover its costs for administering the scheme from the registration of new applicants and the planned auditing ("OAMI Surveillance Audits") of those already on the register. Tenderers will be asked to submit prices for administering the scheme to Ofgem and the proposed pricing schemes will be evaluated by Ofgem to ensure transparency and cost effectiveness.

The intention is that the contract will be awarded for an initial period of six years, with an option to extend for a further three years, with OAMI Surveillance Audits undertaken over a

three-year cycle. Given the three year cycle for audits, price uplifts and adjustments are also limited to three-yearly reviews. The evaluation process will be to determine the most economically advantageous tender with regard to the criteria specified in the evaluation matrix (located in the Scope of Work document), and the tenderer's commercial proposal.

Further information can be found on the Supply2Gov website, as well as Ofgem's website. If you have any further questions please contact [belinda.littleton@ofgem.gov.uk](mailto:belinda.littleton@ofgem.gov.uk) or [steve.rowe@ofgem.gov.uk](mailto:steve.rowe@ofgem.gov.uk).

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Rowe', with a stylized flourish at the end.

Steve Rowe