

Supply Chain Charter

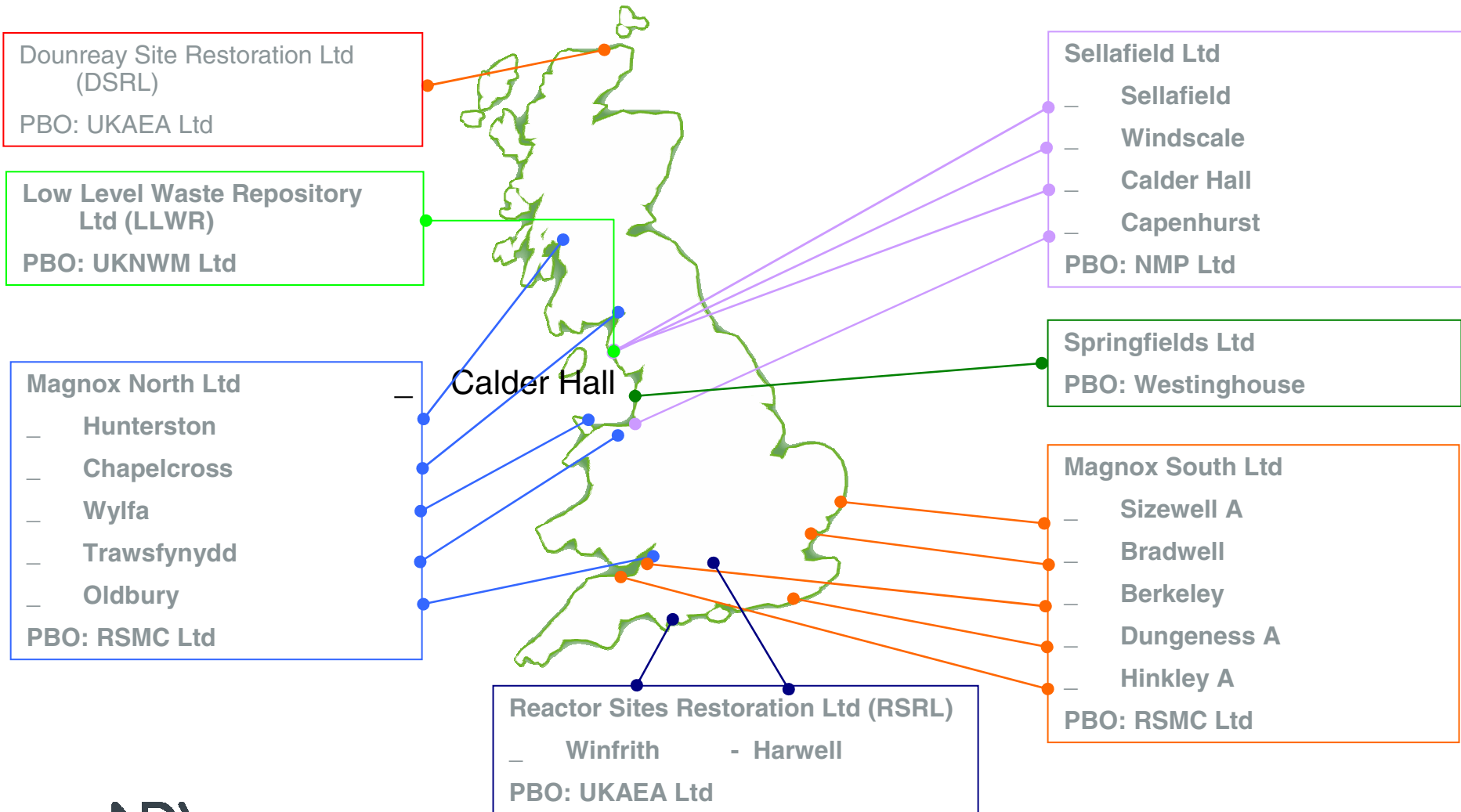
Sam Dancy
Market Development Manager

The Nuclear Decommissioning Authority (NDA)

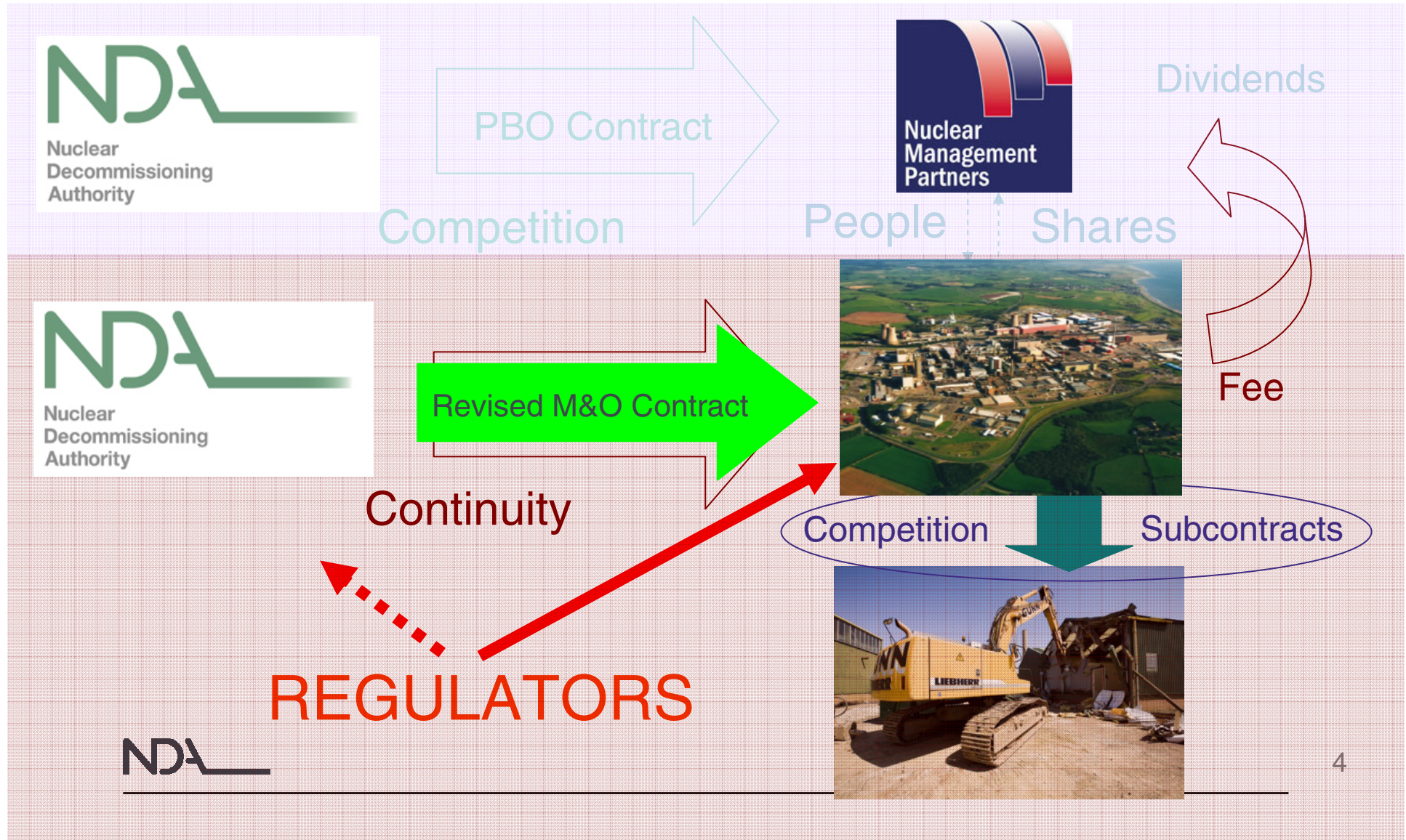
- **Arm of Government established in April 2005**
- **Remit to clean up the civil public sector nuclear legacy**
- **Annual funding of ~£2.8Bn**
- **Head Office based in West Cumbria**
- **Responsible for 19 sites & integrated waste strategy**
- **Sites and facilities built from 1940s onwards**



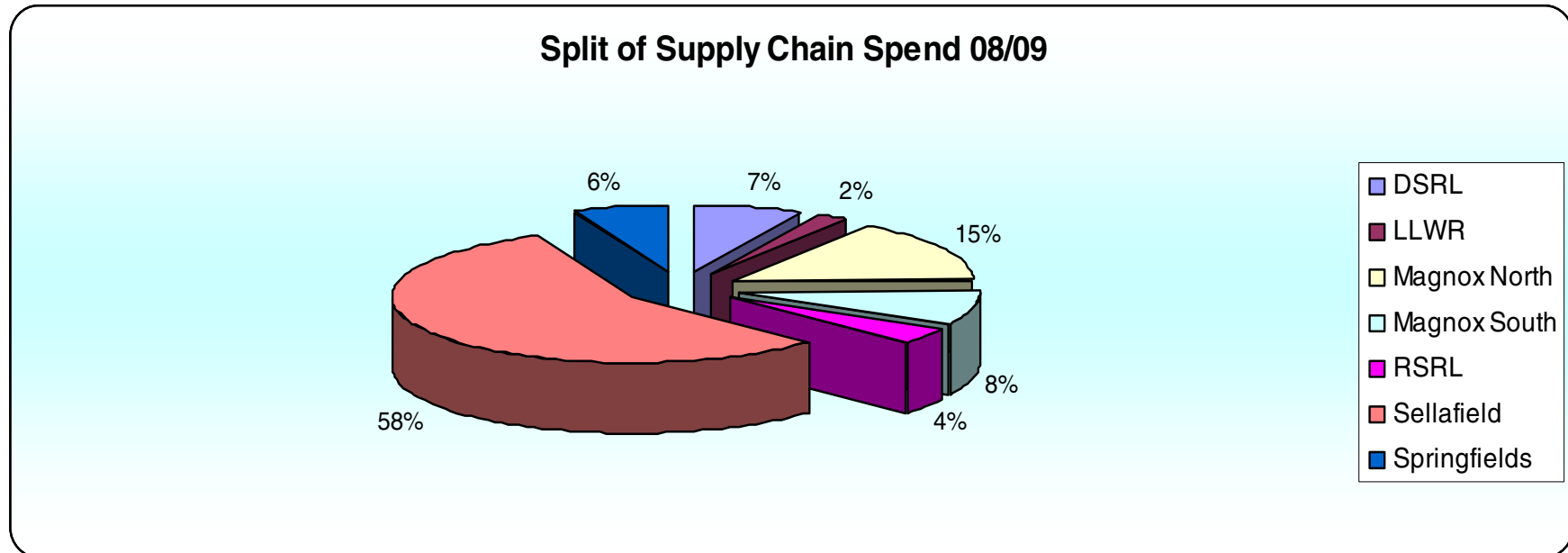
The Site Licence Companies (SLCs)



NDA Contract Model



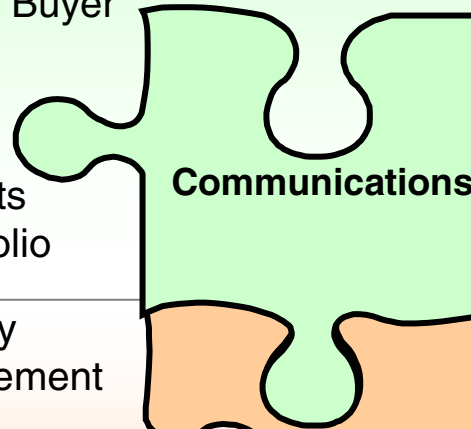
Supply Chain Spend



- For the second year running around £1.3bn was spent in the supply chain
- Spend in the supply chain accounts for the single largest proportion of NDA's budget

Supply Chain Strategy Underpinning Principles

- Transparent, timely, consistent
- Easily available Procurement Plans and tender information
- Assist SMEs with better information
- Key/Critical Supplier information
- Supplier Days/Meet the Buyer
- Supplier Network
- Route for complaints
- Procurement statistics
- Support other Gov Depts
- Promote the NDA portfolio



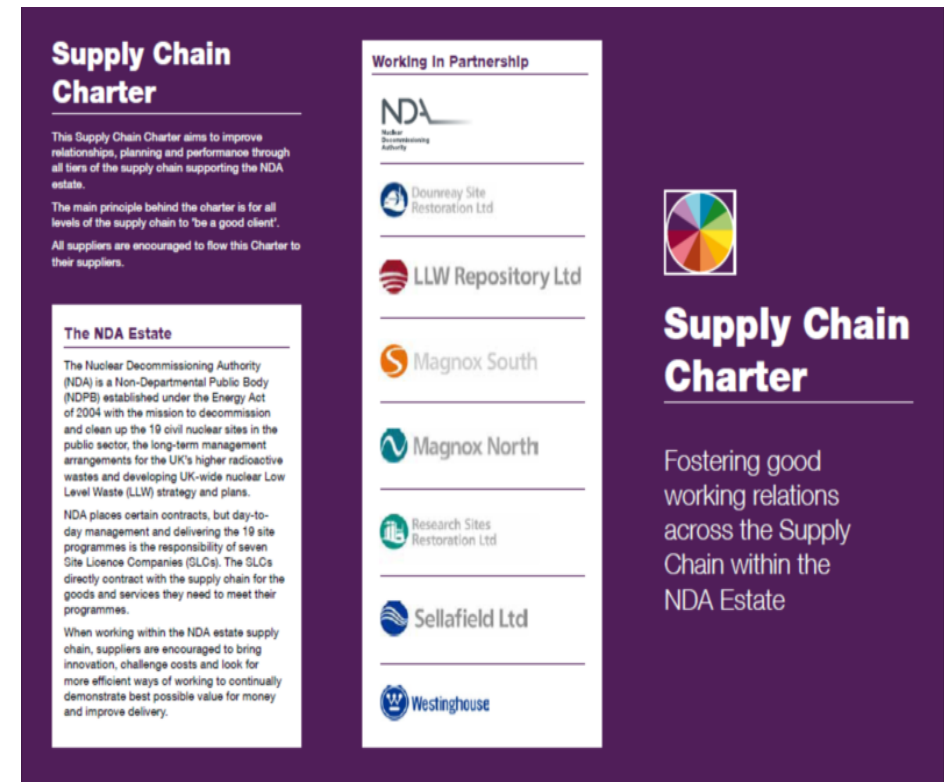
- Share best practice
- Support development of consistent processes
 - Increase consistency of tendering processes
 - Reduce cost and time for bidding
 - Improve consistency of terms and conditions

- Reduce barriers to entry
- Early Contractor Involvement
- Partnering
- Sustainable procurement
- Supply Chain mapping
- Socio-economic impacts
- **Supply Chain Charter**
- Improve HSSE, Skills

- Development programmes
- Share information
- Common processes
- Best Practice

Supply Chain Charter – What is it?

- Charter for boosting relationships across the Supply Chain
- Developed with all SLCs across the NDA Estate
- For all organisations no matter how big or small



The graphic is a purple rectangular box containing text and logos. On the left, under the heading 'Supply Chain Charter', there are three paragraphs of text. Below this is a section titled 'The NDA Estate' with two paragraphs. In the center, under the heading 'Working in Partnership', there is a list of logos for various organizations: NDA, Dounreay Site Restoration Ltd, LLW Repository Ltd, Magnox South, Magnox North, Research Sites Restoration Ltd, Sellafield Ltd, and Westinghouse. On the right side of the graphic, there is a circular logo with multiple colored segments, followed by the heading 'Supply Chain Charter' and a paragraph of text.

Supply Chain Charter

This Supply Chain Charter aims to improve relationships, planning and performance through all tiers of the supply chain supporting the NDA estate.

The main principle behind the charter is for all levels of the supply chain to 'be a good client'.

All suppliers are encouraged to flow this Charter to their suppliers.

The NDA Estate

The Nuclear Decommissioning Authority (NDA) is a Non-Departmental Public Body (NDPB) established under the Energy Act of 2004 with the mission to decommission and clean up the 19 civil nuclear sites in the public sector, the long-term management arrangements for the UK's higher radioactive wastes and developing UK-wide nuclear Low Level Waste (LLW) strategy and plans.

NDA places certain contracts, but day-to-day management and delivering the 19 site programmes is the responsibility of seven Site Licence Companies (SLCs). The SLCs directly contract with the supply chain for the goods and services they need to meet their programmes.

When working within the NDA estate supply chain, suppliers are encouraged to bring innovation, challenge costs and look for more efficient ways of working to continually demonstrate best possible value for money and improve delivery.

Working in Partnership

NDA
Nuclear Decommissioning Authority

Dounreay Site Restoration Ltd

LLW Repository Ltd

Magnox South

Magnox North

Research Sites Restoration Ltd

Sellafield Ltd

Westinghouse

Supply Chain Charter

Fostering good working relations across the Supply Chain within the NDA Estate

Supply Chain Charter – What is it?

- **Based on a series of simple principles:**
 - **Relationships**
 - **Planning**
 - **Performance**
- **Asks for a formal commitment to the Charter by each organisation**
- **‘Wordmark’ prominently displayed on company correspondence and websites**
- **Signatories publicised across NDA estate**



Supply Chain Charter - Relationships

- **Treat each other openly, fairly, without bias, and how you would wish to be treated**
- **Maintain the highest standards of honesty, integrity, impartiality and objectivity**
- **Only send genuine tenders or set out the basis for requesting a price estimate**
- **Agree objectives and make it clear what is expected of suppliers and potential suppliers**
- **Provide constructive feedback on performance and behaviour, and encourage 2-way feedback**
- **Define and publicise contact points for handling of supplier enquiries and complaints**
- **Protect commercially sensitive information and respect and protect other's intellectual property**



Supply Chain Charter - Planning

- **Make available as much information as practicable on future procurement plans**
- **Enter into early consultation on draft acquisition strategies, pricing options, specifications, and statements of requirement where appropriate**
- **Publish tender lists where appropriate**
- **Make available sufficient time and information for suppliers to respond to the bidding process appropriate for the work**
- **Provide accurate information and updates throughout the procurement process, and make visible to lower tiers**
- **All conflicts of interest identified and managed as early as possible**



Supply Chain Charter - Performance

- **Apply rigorous health, safety, security and environmental protection standards, and demonstrate responsible environmental performance**
- **Demonstrate the highest professional standards in the award and management of contracts**
- **Provide clear specifications which where appropriate encourage innovation and use industry standards**
- **Manage the bidding process so as to avoid/minimise the burdens on suppliers, while preserving genuine competition and avoiding discrimination**
- **Make available the criteria for evaluation of bids, evaluate bids objectively and notify the outcome promptly**
- **Not partake in Market Abuse or Anti-Competitive Behaviour**
- **Pay promptly for work done in accordance with contract conditions**



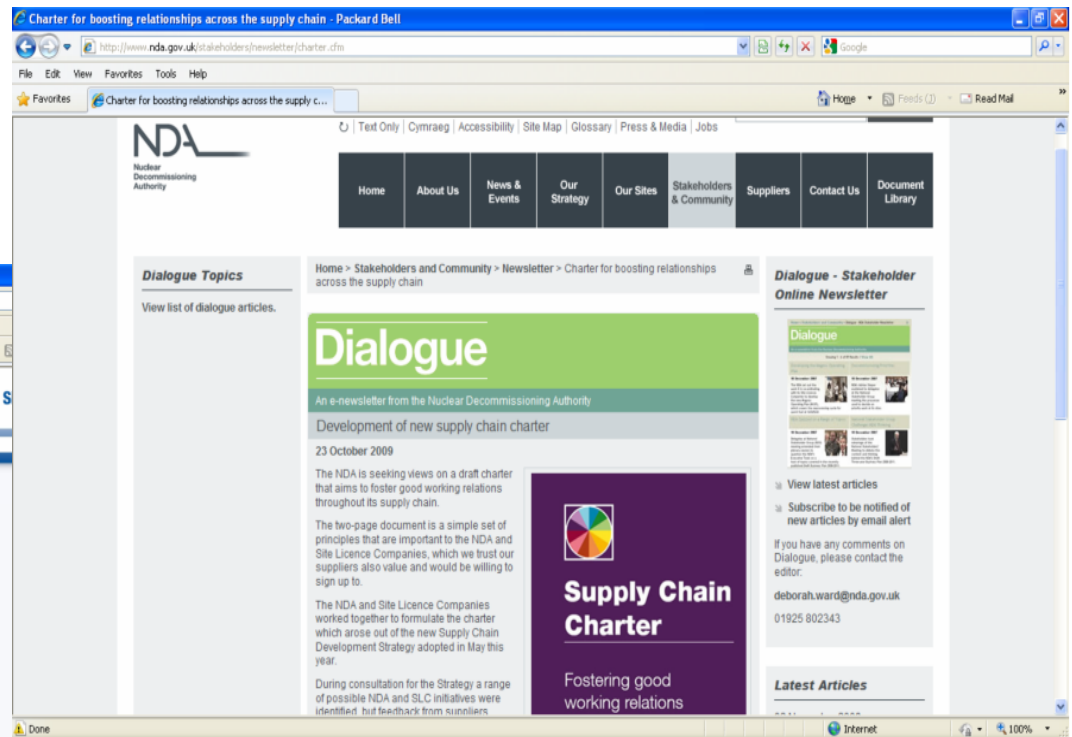
Why do we need it?

- **Feedback from suppliers indicated improvements that were desirable at the Tier 2, 3 and 4 levels of the Supply Chain**
- **Benchmarked in external industries, ie: Oil & Gas**
- **Aims to help deliver:**
 - **For all levels of the supply chain to be a ‘good client’**
 - **To foster good working relations**
 - **Improve planning and performance through**
 - **all tiers**
 - **Better all-round communication**
 - **Mutually beneficial relationships**



Consultation

- Consultation closed 16th December 2009



Consultation – feedback

- Welcomed by all levels of the supply chain, but it's important that it adds value
- Need a publicly available list of who's signed up
- Will companies be required to provide evidence to demonstrate application of the Charter principles?
- Will Contractors who sign up get a certificate for use in pre-quals or tender lists?
- Who will 'police' performance against the Charter?
- Will there be sanctions for Contractors not complying with the principles?



Next Steps

- Consultation comments reviewed with SLCs
- Charter updated to reflect consultation feedback
- Webpage created to list who's signed up
- Formal Implementation:
1st April 2010

