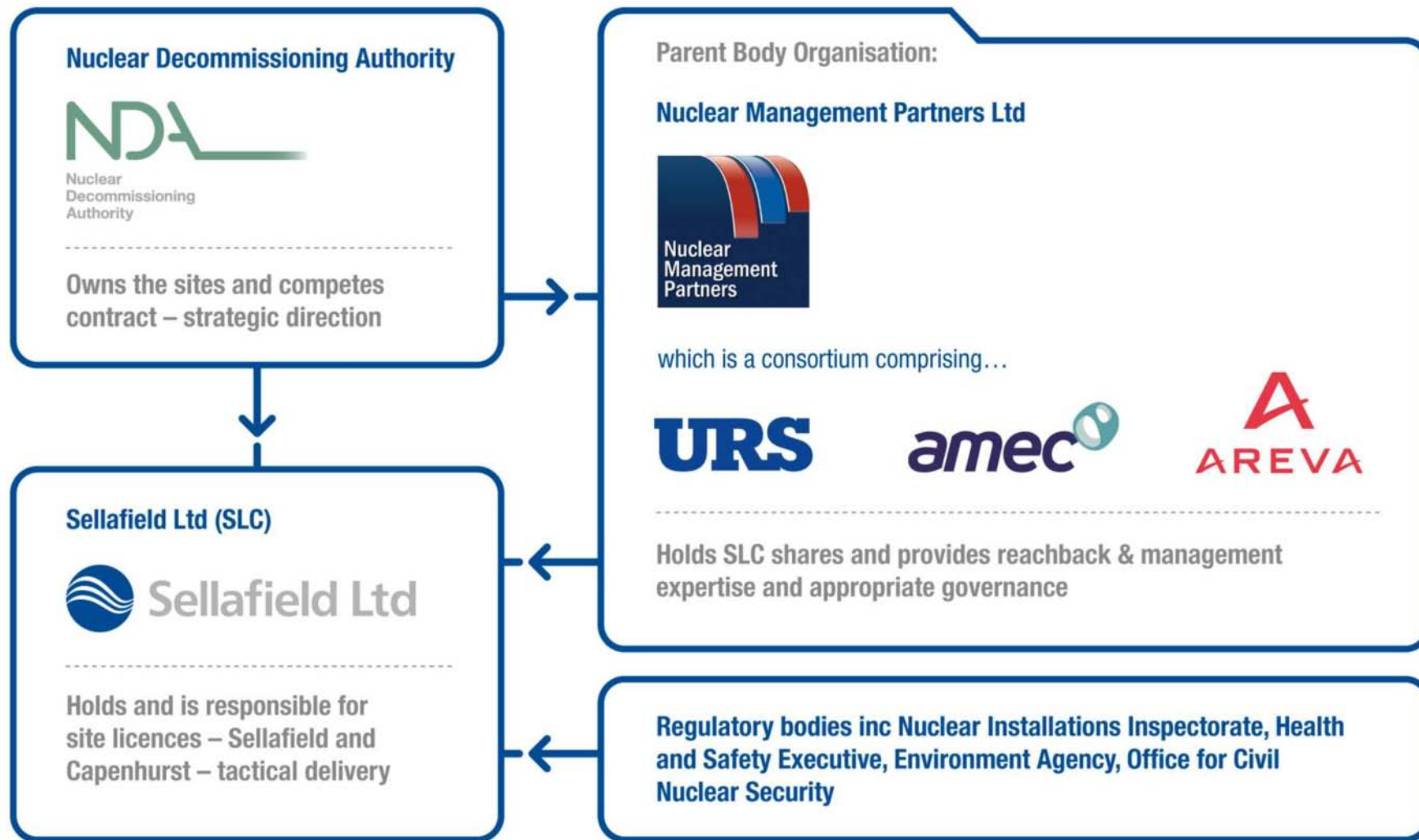


# An Introduction to working with Sellafield Ltd

**Zoe Whittle**  
**Supply Chain Ombudsman, Sellafield Ltd**





# Sellafield Ltd

- Sites at Sellafield, Capenhurst and Warrington
- Sites owned by NDA
- Sites operated by Sellafield Ltd
- Sellafield Ltd managed by PBO – Nuclear Management Partners (NMP)
- Workforce 12,000 across three sites
- 2010/11 Annual Site Funding Limit £1.5Bn



# History



**1940s/50s**

**Nuclear build begins**

**Initially a military programme**

**Later civil programme begins**



**1960s/70s**

**Waste stored safely pending treatment**

**Storage capacity extended incrementally**

**Coarse segregation of waste arising from process**



**1980s**

**Main expansion of site**

**Major waste treatment focus**

**Environmental impact substantially reduced**

**Decommissioning programme started**



**1990s**

**True commercialisation of reprocessing**

**Waste arising from processes treated in 'real time'**

**Product waste forms compatible with disposal concepts**

**HSE reports**



**2000s**

**Decommissioning gathering pace**

**Sellafield landscape changing forever**

## What We Do Today...

- Largest concentration of nuclear expertise in Europe in the areas of:
  - recycling operations
  - reactor operations
  - transportation of nuclear materials
  - fuel manufacturing
  - health physics
  - decontamination
  - decommissioning activities
  - waste management and storage

# What We Do Today ... High Hazard Reduction

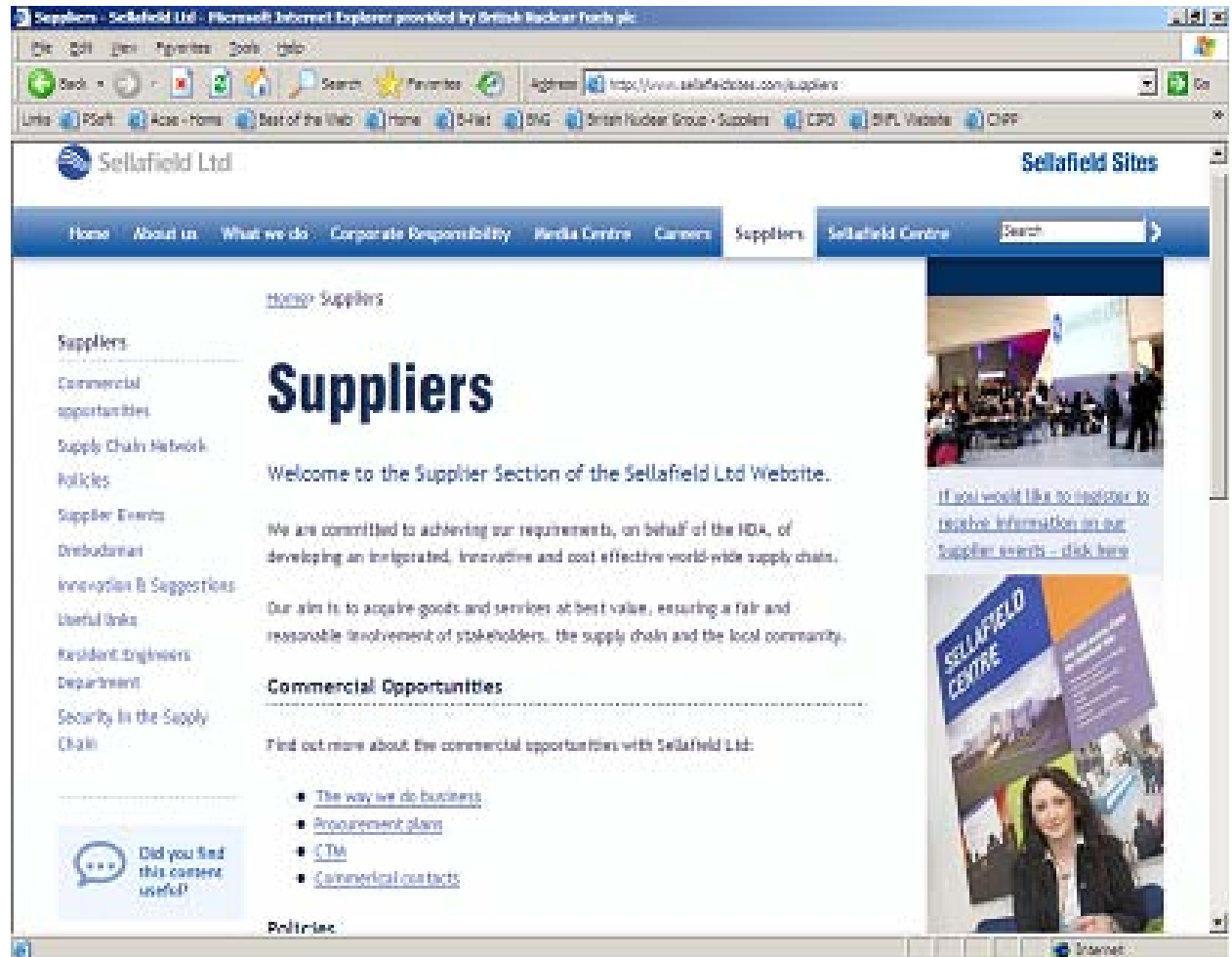
- Lifetime Plan [LTP] 2010/11 submission includes the top 5 High Hazard Programmes at Sellafield:
  - Highly Active Liquor
  - Pile Fuel Storage Pond
  - First Generation Magnox Storage Pond
  - Magnox Fuel Cladding Silos
  - Pile Fuel Cladding Silo

# Role of Supply Chain Ombudsman

- The only Nuclear Supply Chain Ombudsman in the UK – 3<sup>rd</sup> since 2005
- Independent [unbiased] and confidential route for complaints/issues
- Owner of ‘Code of Ethics in Procurement’
- Supply Chain ‘engagement’:
  - First point of contact for the Supply Chain, especially initial contact
  - Supply Chain relationship management:
    - Interface between Sellafield Ltd and the Supply Chain
    - Encouraging new entrants into the market
    - Market intelligence

# How Do I Engage with the Supply Chain?

- Being visible and accessible
- Presence at Forums/Groups, as appropriate
- With/for the NDA
- Sellafieldsites.com website – Suppliers area
- Hosting Events
- Visiting Suppliers
- Network with other SLCs



# Supply Chain Engagement

- Being visible and accessible
    - Based at the Sellafield Centre
  - Presence at Forums/Groups
    - ie: Today
    - Britain's Energy Coast Business Cluster
    - North West Supply Chain Project – local & regional
    - Energy Opportunities Supply Chain Project – local & regional
    - Furness Enterprise
    - Conferences, ie: EBOC09
    - Sellafield Contractors' Group
    - Supply Chain Working Group
    - NDA National Tier 3, 4 SME Forum
- etc



# Supply Chain Engagement

- With/For the Nuclear Decommissioning Authority [NDA]
  - Development of first UK Nuclear Supply Chain Charter
  - Benchmarking;
  - UK Site Licence Company engagement;
  - Supply Chain engagement/ feedback;
  - Facilitate launch to Supply Chain in 2010.

A graphic titled 'Supply Chain Charter' with a purple background. It contains text about the charter's purpose and a list of partner companies under the heading 'Working in Partnership'.

**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
- Osprey 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 Engagement

➤ Sellafieldsites.com website

Commercial Opportunities incl.

- ✓ Procurement Plan Schedule
- ✓ Supply Chain Network [900 members]
- ✓ Supply Chain Innovation Route
- ✓ Complete Tender Management [CTM]
- ✓ Supplier Events Calendar
- ✓ Resident Engineers' Department Info
- ✓ Security in the Supply Chain
- ✓ Useful Links



# The Route for Supply Chain Innovation Ideas & Proposals into Sellafield Ltd

Submit proposals online:

- New technology
- Technology Transfer
- Business Improvement



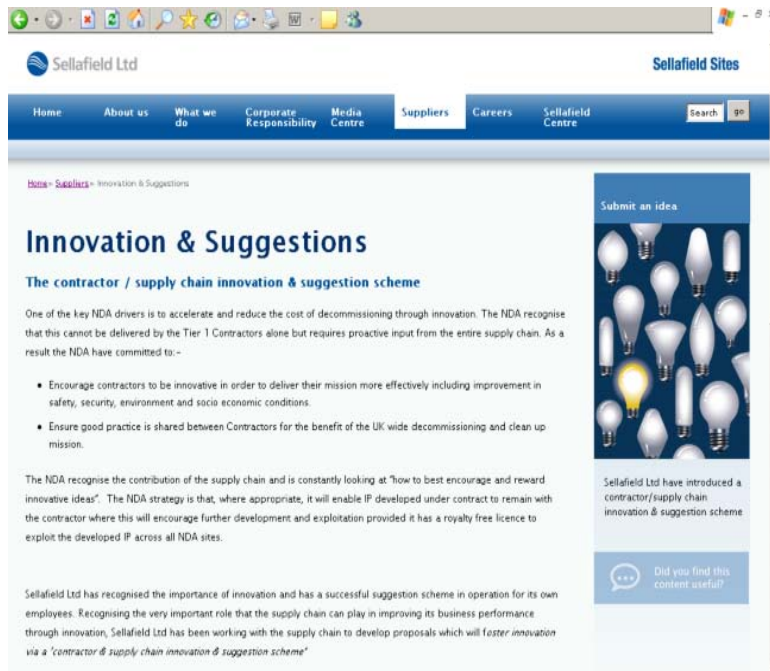
Intellectual Property is protected

Contact:

**Stuart Wilson**  
**Supply Chain Innovation Manager**

[stuart.a.wilson@sellafieldsites.com](mailto:stuart.a.wilson@sellafieldsites.com)

**Tel: 019467 81963**



# Supply Chain Engagement

- Hosting/Facilitating Events
- **Supplier Forum – Feb 2010**  
~500 Delegates/~400 Companies



**Sellafield Ltd**  
**Supplier Forum**  
"Preparing for the Challenges Ahead"

The Sellafield Centre, let us host your special event or conference

For further details please contact:  
**019467 27027**

Science  
Community  
Business

A promotional graphic for the Supplier Forum. It features the Sellafield Ltd logo and the event title "Supplier Forum" with the tagline "Preparing for the Challenges Ahead". Below the text is a collage of three photographs: a man in a suit talking to a group, a man in a suit at a table, and a group of men in suits standing together. At the bottom, there is a call to action to host events at the Sellafield Centre, a contact number, and a vertical bar with the words "Science", "Community", and "Business".

- **Meet The Buyer - Feb 2010**  
~210 Delegates/~200 Companies

# New Supply Chain Services

## Chaplains at work

Revd Lindsay Gray  
Deacon Tom Luke



We are here for you. Good news or bad news - share it with us.

We are available on site or off, to all employees and their families,  
For people of all faiths and those with none.

**Free** service available to all organisations involved in the Cumbrian nuclear industry:

- Independent
- Confidential
- Non-judgemental
- No faith required

Facilitation between management/employees/ unions;

Stress, work, family, illness; bereavement;

Dedication services for plant/equipment;

Memorials for colleagues no longer with us.

Revd Dr Lindsay Gray: [lgray782@btinternet.com](mailto:lgray782@btinternet.com)

Tel: 01946 822051

# Sellafield Ltd – Importance of Supply Chain

- Sellafield Ltd accounts for ~60% of the NDA fleet supply chain spend
- Around 30% of Sellafield supply chain spend is retained in Cumbria
- Supply Chain spend has increased year on year
- Ongoing challenge is how we engage with suppliers to get the best value from spend



# Sellafield Ltd's Supply Chain Approach

 Strong collaborative partnerships



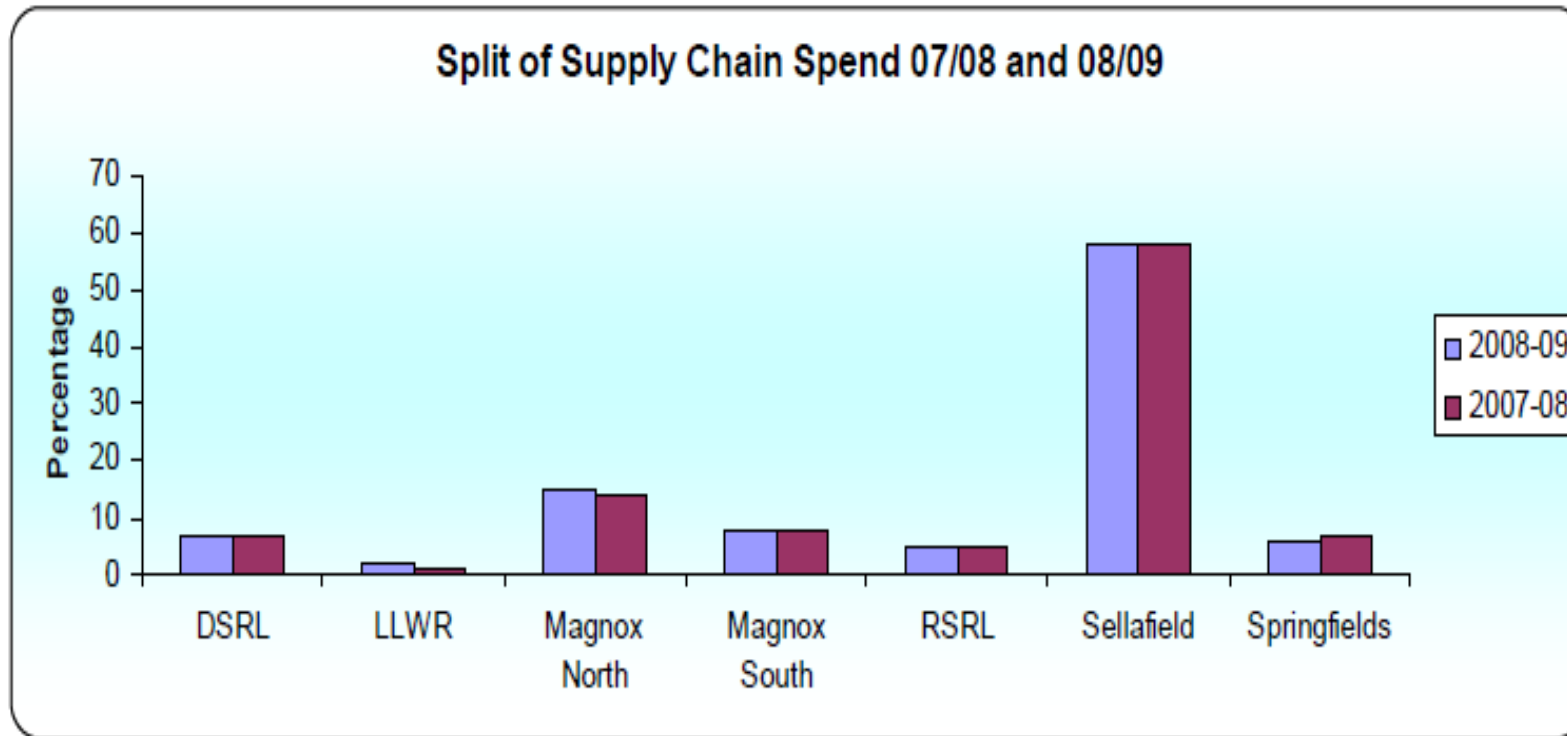
 Competitive tendering

Balanced assessment criteria incl:



Demonstrated capability;  
People, organisation, values;  
Innovation;  
Price – VFM;  
Socio-economic contribution

# NDA Supply Chain Spend



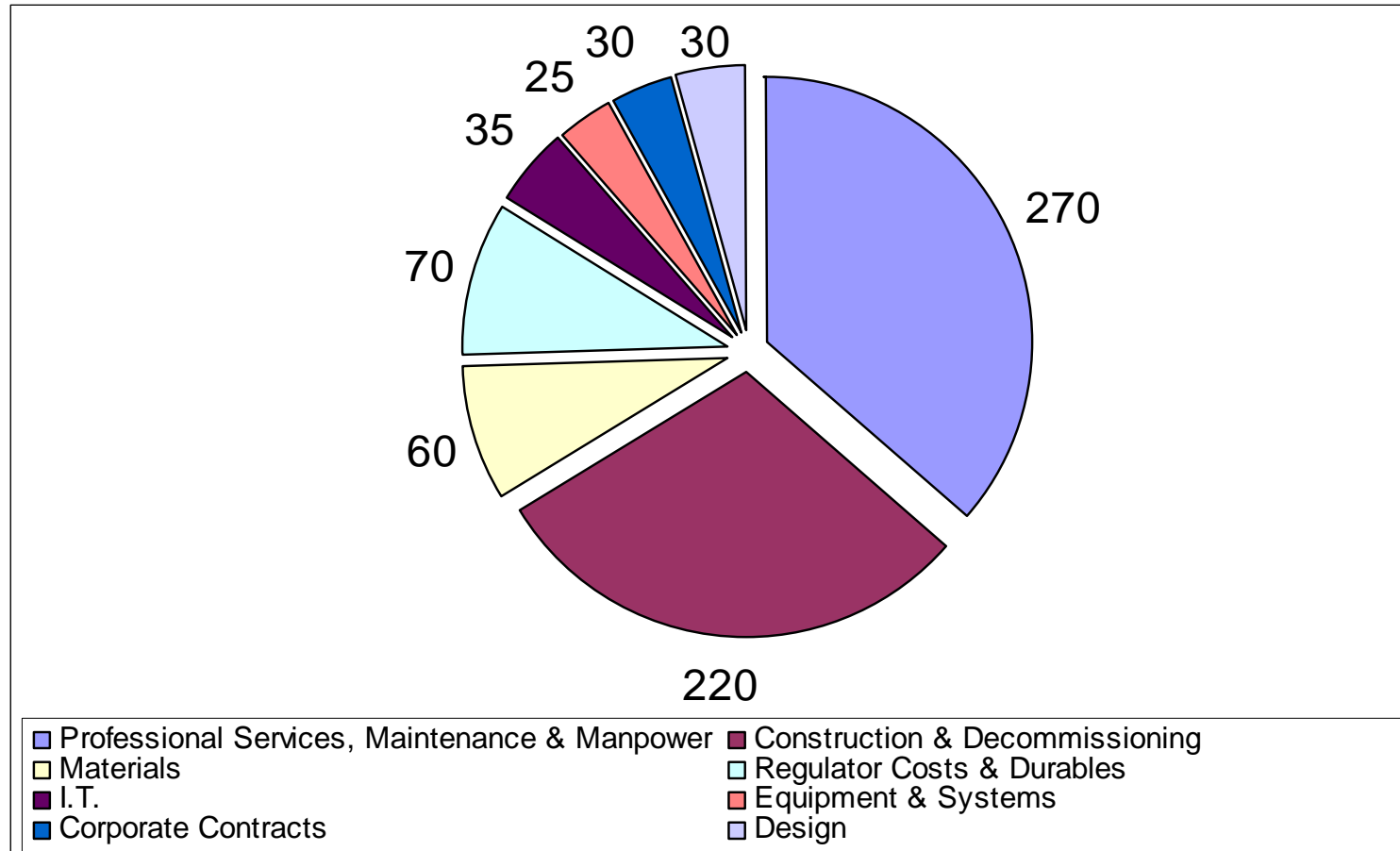
**In 2008/9 Sellafield accounted for 58% of the total NDA fleet supply chain spend £737M of £1.3Bn**

Fig 1b Breakdown of total supply chain spend 07/08 and 08/09 by SLC

NDA Supply Chain Development Statistics, Analysis and Summary of Findings 2008/9, Dec 09

# How Much Sellafield Ltd Spends and Where

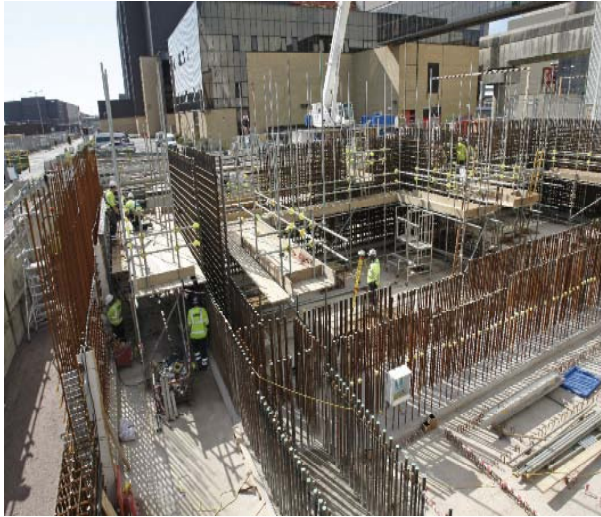
## Estimated Annual Expenditure £740M 2009/10



# Sellafield Ltd: How We Do Business

- **Open tendering is the ‘norm’ – notices advertised via OJEU and the Complete Tender Management [CTM] system [ $>£25k$ ].**
- **We publish a Procurement Plan Strategy, updated regularly, showing awarded Frameworks and Projects as well as forthcoming Procurements – continually being reviewed and updated, so keep checking it!**

# How Sellafield Ltd Contract with the Supply Chain



**Projects  
(One-offs)**

## Frameworks



**Call-Offs**



**Collaborative  
Procurements**



**Small Value  
Procurements**

# Collaborative Procurement



## SSA - Delivering Value Through Collaboration Across the NDA Estate



# Tender Management: Procurement Plan Schedule

- Awarded Projects and Frameworks [organisation/value]
- Forthcoming Projects and Frameworks
- Names Primary Contracting Officer and Project/Commercial Lead
- Updated and published on a monthly downloadable basis to website
- Dedicated improvement programme workstream

Unique Id	External Desc	Vendor	Commodity Hierarchy	Contract Actual
20001520	Windscale Enhancement resource contract	UKAEA	Management Consultancy (25)	04/01/20
10001366	West Cumb Eng - M & F Items - GEN.MM	West Cumberland Engineering Ltd	Operational Materials (4)	05/16/20
20000085	Welder Maintenance	Sciaky Electric Welding	Hard Services (18)	10/01/20
20000083	Weigh Package Maintenance	K-Tron GB Ltd	Hard Services (18)	10/01/20
20000378	WAMAC Boxes	Graham Engineering Ltd	Operational Materials (4)	10/10/20
20000100	Ventilation Maintenance	TAC UK Ltd	Hard Services (18)	10/01/20
20000050	Vent & Volt Drive Maintenance	Slater Drive Systems Ltd	Hard Services (18)	04/02/20
10001683	Use of Distribution System Charges	United Utilities Electricity PLC	Utilities (8)	03/23/20
20001764	UPS Maintenance	Chloride Industrial Systems	Hard Services (18)	04/01/20
20000040	UPS Maintenance	Master Power Electronics	Hard Services (18)	04/02/20
10001444	Treatment of Ponds Solids Target Cost	AMEC NHC Ltd	Hard Services (18)	05/12/20
10001441	Treatment of Clinoptilolite	Imerys Minerals Ltd	Hard Services (18)	03/23/20
20000466	Travel Booking Service	Chambers Travel Management	Business Expenses (1)	04/01/20
20001505	Training Programme for Project Management	2020 Business Insight	Other professional services (27)	05/07/20
20001507	Training Programme for Project Management	Project Management Professional	Other professional services (27)	05/07/20
20001506	Training Programme for Project Management	Edison Personal Development	Other professional services (27)	05/07/20
20001665	Torch Body DRG OBE1916122 item 9	PW Industrial	Plant Spares (3)	05/22/20
20000070	Titratort Maintenance	Metrohm UK Ltd	Hard Services (18)	10/01/20
20000020	Thorp Re-Agents	Lansdowne Chemicals plc	Operational Materials (4)	12/01/20
20000055	Thorp Plate Exchanger Maintenance	Thornhill Service (UK) Ltd	Hard Services (18)	04/02/20
10001360	Thomas Graham - Carbon Steels	Thomas Graham & Sons (Iron & Steel)	Operational Materials (4)	01/12/20
20000492	Telecomms technical support	Hyder Consulting	IT Hardware & Software (13)	01/03/20
20001512	Technical Author Support	Morson Projects Ltd	Design Support (23)	07/29/20
20000336	TDH Framework	Morson Projects Ltd	Design Support (23)	01/15/20
20000334	TDH Framework	MB Faber Ltd	Design Support (23)	01/15/20
20000338	TDH Framework	Multi-Dimension Consultants Ltd	Design Support (23)	01/15/20

# Tender Management: Complete Tender Management [CTM] System

The screenshot shows a web browser window displaying the Sellafield Ltd CTM system. The page title is "Ongoing public tenders". Below the title, there is a description: "In the list below you find ongoing public tenders. To see details, click on the description." There is also an "RSS Feed" link and a "Select view" dropdown menu set to "Issued RFI/RFOs".

The main content is a table of ongoing tenders. The table has columns for "No", "Category", "Description", "Site", and "End-time Quotation (GMT)". There are also filter options for "All categories" and "All sites", and date pickers for "Start date" (13/01/2010) and "End date" (13/01/2011). Buttons for "Apply filter" and "Reset" are present.

No	Category	Description	Site	End-time Quotation (GMT)
3194		<a href="#">Supply of Reciprocating Saw Blades for HLWP</a>	Sellafield	02/02/2010 11:00
3231	Materials	<a href="#">Supply of Cementitious powders</a>	Sellafield	05/02/2010 11:00
3245		<a href="#">CCW00261 - PFCS Superstructure Security Questionnaire OJEU Ref: 2009/S 190-273286 (CCW00261 - PFCS Superstructure Security Questionnaire)</a>	Risley	07/02/2010 11:00
3295	Plant & Equipment	<a href="#">EDS Assay Suite - Radiometric Drum Monitoring System (RDMS)</a>	Risley	26/01/2010 12:00
3321		<a href="#">EDS Assay Suite - Radiographic Drum Inspection System (RDIS)</a>	Risley	04/02/2010 12:00
3395		<a href="#">Analytical Support Services</a>	Capenhurst	25/01/2010 12:00
3446		<a href="#">Provision of a Private Health Care Insurance Scheme</a>	Risley	02/02/2010 11:00

# General Economic Environment

- Deepest recession worldwide for decades
- Internationally Government spending is coming under scrutiny
- Fiscal studies make visible the financial challenge facing any new government post election
- UK budget deficit £155Bn with £6.2Bn cuts already announced by new government
- Autumn Comprehensive Spending Review
- Sellafield Ltd mindful of our obligation to deliver added value for taxpayer £'s expended
- Accelerated hazard reduction remains a priority

# News Headlines

- Local, national and trade press are interested in every aspect of what goes on at Sellafield
- There have been weeks of speculation in the local media about funding issues at Sellafield and about the business going forward:
  - ~£100M funding shortfall
  - 800 redundancies
  - £500M supply chain cuts



# News Headlines



- News of potential redundancies was broken by the unions to the media in April
- Formal consultation began in May, once Sellafield Ltd had worked out the implications of our funding allocation
- Stories have appeared on an almost weekly basis since

# News Headlines

- Headlines have included things like the one on the right – which suggests that workers are being asked to carry out supply chain work already
- Other stories have included things like a proposed supply chain spending cut
- Articles are usually loosely based on something that has been discussed – in this case Make/Buy – but are presented in a negative way



## Headlines - £100M Shortfall

### Annual Site Funding Limit

- LCB 2010 built to around £1620M worth of scope
- NDA set the 2010/11 Annual Site Funding for Sellafield at £1500M
- Crucially this includes around £100M extra for work in High Hazard areas
- 2010/11 funding gap of about £120M

# Headlines – 800 Redundancies/ASWs

## Shaping Sellafield for the Future

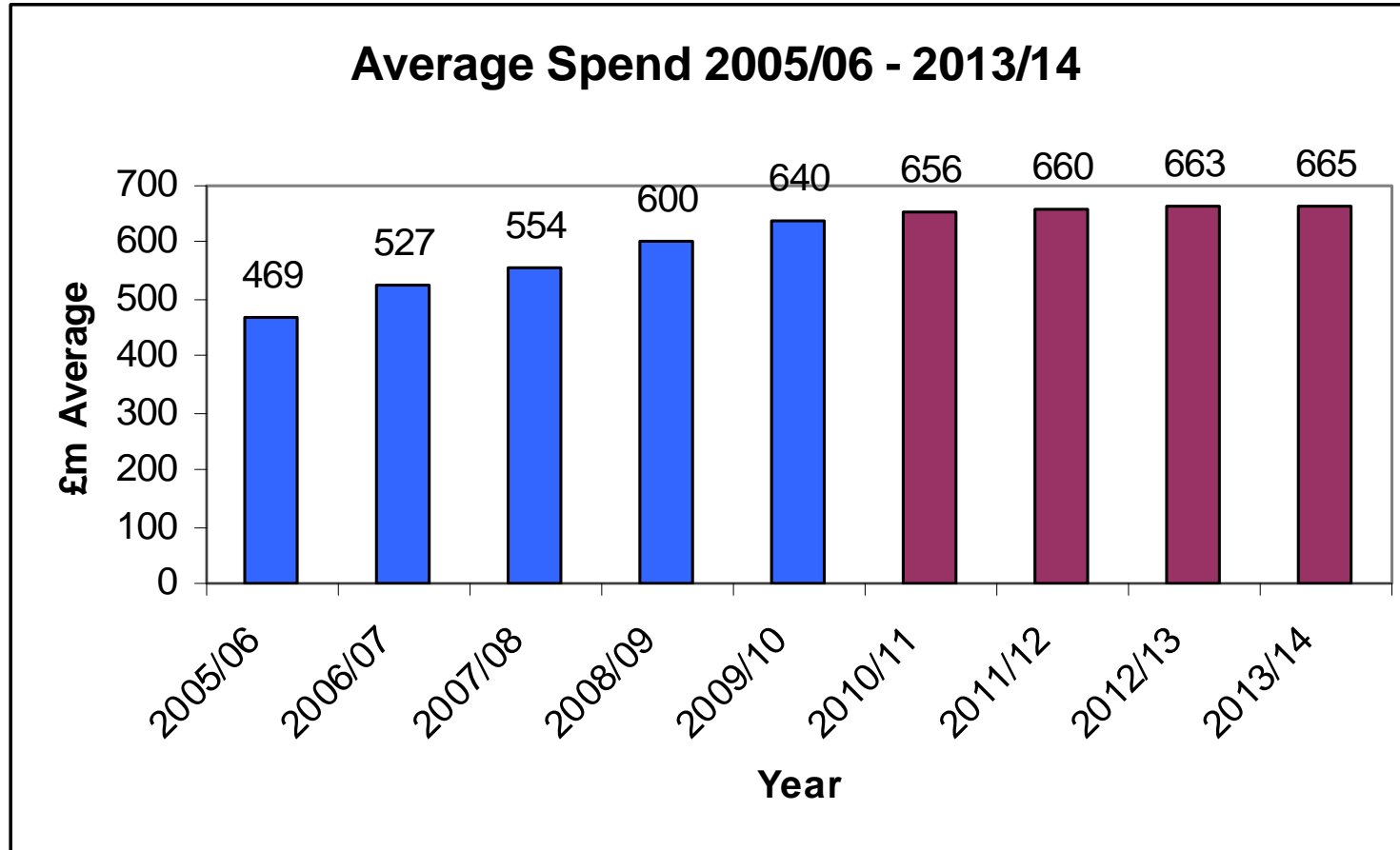
- Preparing Sellafield to effectively deliver future technical & operational requirements:
  - Changing the shape of our organisation:
    - Developed programme delivery structure
    - Undertaken organisational reviews
    - Currently analysing future skills requirements
    - Developing Nuclear Baseline to maintain nuclear safety capability
  - 90 day redundancy consultation process announced
  - Make / Buy process implementation commenced
  - Scope deletion/deferrals under consideration

# Headlines - £500M cut from supply chain

- 20% reduction in spend/5 yrs
- Establish the Base
- Effective working
- Resource mobility
- Project delivery improvement
- Support service efficiency
- Production Optimisation
- Accelerated hazard and risk reduction



# Average Supply Chain Spend Profile



## Examples of Projects potentially to be competed 2010/11

Contract Description	Approx Value	Forecast ITT/Contract Award
Decommissioning Services: Civil Dismantling of Pile Chimney	£5M-£10M	Jul10 / Feb11
Operational Support: Road Bridges & Car Park Plant Enhancements	£1M-£5M	Aug 10 / Apr 11
Electrical & Instrumentation: Instrumentation Refurbishment	£100k-£500k	Dec10 / Apr11
Soft Services: Catering Contract for Sellafield & areas	£100k-£500k	Jul 11 / Nov 11
Professional Services: Lab 28 Glovebox Commissioning Support	<£100k	Sept 10 / Dec 10

## Examples of Frameworks potentially to be competed 2010/11

Framework Description	Approx Value Up To	Forecast ITT/ Contract Award
<b>Minor Civils:</b>  <b>Civil &amp; Minor Maintenance [4 yrs]</b>	<b>£50M-£100M</b>	<b>Aug10 / Apr 11</b>
<b>Waste Handling:</b>  <b>Heavy Engineering [5 yrs]</b>	<b>£50M-£100M</b>	<b>Oct10 / Jun 11</b>
<b>Professional Services:</b>  <b>International HR Relocation &amp; Assignment [3 yrs]</b>	<b>£100k-£500k</b>	<b>Dec10 / Apr 11</b>

## What We Want From Our Suppliers

- ✓ Support through times of change
- ✓ Critically review your own opportunities to reduce cost and add value
- ✓ Engagement with the Commercial Change Programme, especially Quality improvements
- ✓ Ideas for change
- ✓ Innovation
- ✓ Ongoing identification of barriers to effective supply chain performance
- ✓ Set the bar higher on safety and quality
- ✓ Engage with us – opportunity for onward discussions

# Contact Details

**Supply Chain Ombudsman:**

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**My Deputy:**

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**[www.sellafieldsites.com/suppliers](http://www.sellafieldsites.com/suppliers)**