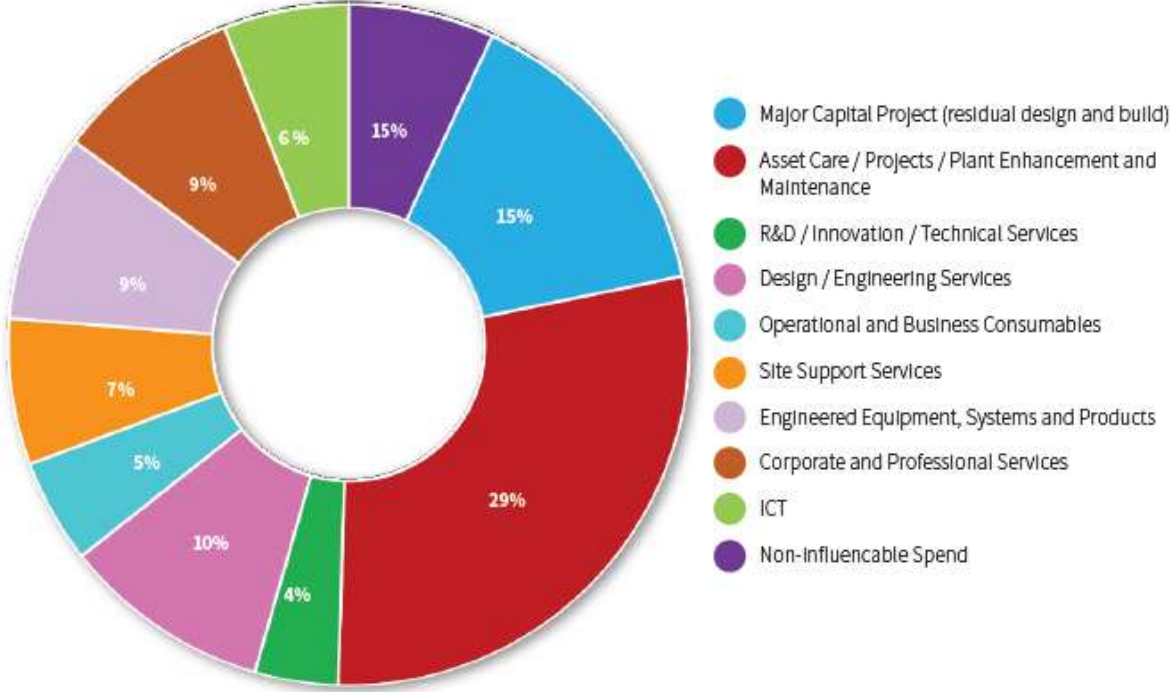


Sellafield

A Contract Insight

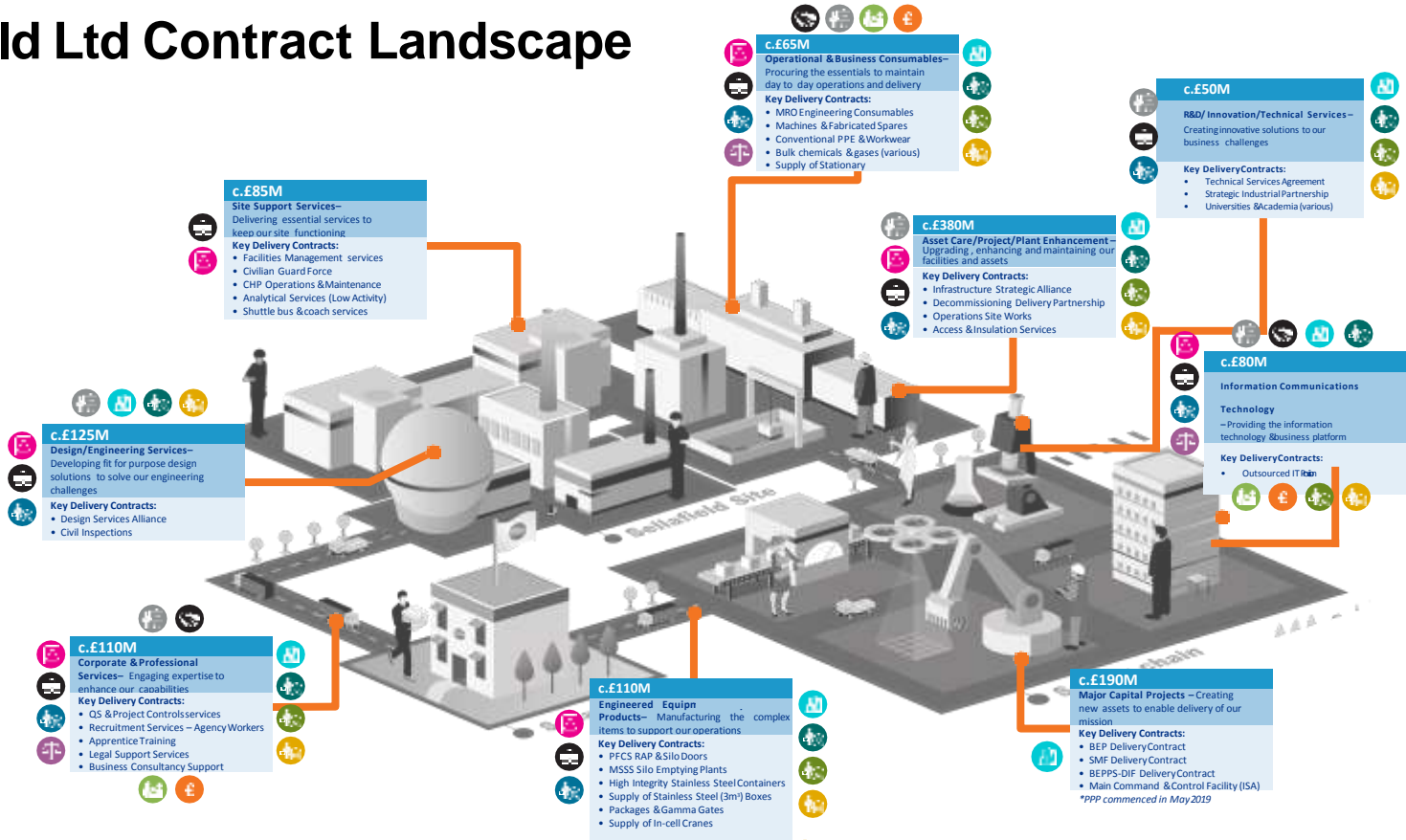
Emma-Jayne Gooch
Head of Supply Chain
Development & Innovation

Sellafield Limited spends in excess of £1.2bn externally per annum across a range of goods and services



£896m has been spent since April 2019

Sellafield Ltd Contract Landscape



Operational & Business Consumables c.£65m

Key Delivery Contracts:

MRO Engineering Consumables

- Lot 1 Electrical & Lot 6 Instrument – Rexel
- Lot 2 Valves, Lot 3 Pumps & Fans, Lot 4 Power Transmission, Lot 5 Seals & Gaskets – ERIKS
- Lot 7 Motor Rewinds – Parkgate & Co Ltd
- Lot 8 Lifting Consumables – Speedy Plc

Supply of Engineering Consumables

Thomas Graham Ltd

Machines & Fabricated Spares

Current Carrs Engineering, Furmanite and West Cumberland Engineering until March 2020

Conventional PPE & Workwear

Lot 1 Arco

Lot 2 & Lot 3 Romar

Bulk chemicals & gases (various)

Brenntag UK Ltd

Supply of Stationery

ACS

Asset Care/Project/Plant Enhancement c. £380m

Key Delivery Contracts:

Infrastructure Strategic Alliance

Morgan Sindall & Arup

Decommissioning Delivery Partnership

ADAPT, CNSL, IDS, Nexus, TDA & i3

Operations Site Works

OneAim

R&D/ Innovation/Technical Services c. £50m

Key Delivery Contracts:

Technical Services Agreement

National Nuclear Laboratory (NNL)

Universities & Academia

Various

Engineered Equipment Systems & Products c.£110m

- NIS
- Ansaldo
- TSP
- Cavendish
- Westinghouse
- Metalcraft
- Darchem

Site Support Services c.£85m

Key Delivery Contracts:

Facilities Management Services

Mitie

Civilian Guard Force

Mitie

Analytical Services (Low Activity)

Cavendish

Shuttle Bus & Coach Services

Stagecoach & Reays

Corporate & Professional Services c.£110m

Key Delivery Contracts:

Recruitment Services – Agency Workers

Capita

Apprentice Training

Gen2

Legal Support Services

- DLA Piper
- Freshfields
- Eversheds
- Pinsent Masons



Decommissioning Delivery Partnership (DDP)

DDP is made up of three Lots to support a number of Sellafield Ltd programmes:

- Lot 1 – Remediation Value Stream; Pile Fuel Storage Pond (PFSP); Pile Fuel Cladding Silo (PFCS); Site Security Enhancement Projects (SSEP) and Miscellaneous Programmes.
- Lot 2 – First Generation Magnox Storage Pond (FGMSP)
- Lot 3 – Magnox Swarf Storage Silo (MSSS)





Decommissioning Delivery Partnership (DDP)

Supporting Areas:

- Demolition and Decommissioning
- Asset Care & Plant Enhancements
- Design & Engineering Services
- R&D, Innovation & Technical Services
- Site Support Services

Critical Success Factors:

- Accelerated high hazard risk reduction
- Meet specification in full
- Ensure security of supply
- Deliver value for money and cost effectiveness
- Safe delivery
- Collaborative approach

Finance:

- Current sanction value £1.1Bn with a total OJEU limit of £1.5Bn. Permission in place to operate framework through to 2026
- Pd09 2019/2020 ~ £510m total contract value commitment. ~£430m scope delivered.

Decommissioning Delivery Partnership (DDP)

DDP to date...

£510m

of work
awarded



900+

People engaged
daily on DDP
works



50.4%

SME spend

118

Apprentices,
graduates &
trainees




5.2m+

Hours worked without a LTA



Decommissioning Delivery Partnership (DDP)

Lot 1				Lot 2	Lot 3	
 Remediation				 PFCS	 PFSP	
 Sellafield Ltd SSEP, Categorized Projects, PDD etc				 FGMSP	 MSSS	
Lot Delivery Partner:	 Orano Doosan Atkins	 cnsr nuclear solutions ltd	 INTEGRATED DECOMMISSIONING SOLUTIONS	 nexus	 The Decommissioning Alliance	 i3 DECOMMISSIONING PARTNERS Integrate Innovate Improve
	Comprising of:   	     	   	   	  	   



Decommissioning Delivery Partnership (DDP)

Sellafield Contacts

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Category Manager: paul.m.king@sellafieldsites.com
Senior Buyer: katy.wilson@sellafieldsites.com
Programme Support: declan.gilmartin@sellafieldsites.com

Partners Contacts

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IDS: dave.wilson@atkinsglobal.com	07730 815 778
Nexus: trevor.brown@costain.com	07825 247 432
TDA: carrutc@westinghouse.com	07791 384 754
i3: mike.lacey@hertel.com	07525 125 319



- DSA spend is £800m to date
- The DSA annual forecast spend is to reduce from the £80m - £100m per annum to circa £40m per annum in two years time as PPP consolidates
- DSA has delivered cashable savings of over £40million and non-cashable savings of over £150 million
- DSA has engaged its supply chain and typically spends 9% per year with SMEs
- DSA holds a workforce of circa 700 full time personnel from the Tier 2 Partners and the Supply Chain and circa 300 part time personnel
- DSA has worked circa 10.1 million hours without a lost time accident

Achievements

- East End Crane Handed over to Operations - This is key to Retrievals as it supports both the installation and operation of the SEP machines in MSSS as well as other Projects and Operations work.
- First MSSS Package Lifted into MSSS by Operations - The first group of Operators are now trained to lift packages and have recently brought one in to MSSS. This is another step closer to retrievals

Supply Chain Impact

- Tenet – Engineering Management services to Delivery SEP Machines (~£195k)
- DBD – Provides Technical Specialist services to MSSS Strategy & Technical Project – (~£675k)
- Morson's – Provides Technical Authoring services to MSSS & SMF Operations teams – (~£750k this FY)

Supply Chain Opportunities

- No new opportunities for the remainder of FY19/20 only support work or additional resources as and when required
- Need to jointly develop the programme for FY20/21

Achievements

- Ponds- Completion of SHEP Agitation Trials
- Ponds- Achievement of Diving MDDR Milestone
- Engineering- Completion of Initial HISSCC Package

Supply Chain Impact

- NSG- Proved Concept of Pulsar Technology, built relationship within SHEP team and laid ground work for future, larger scale trials (~£65k)
- NWP- Provided key mechanical expertise within Integrated Team on Diving and Mech Handling Packages on PFSP (~£380k year to date)
- PWHyTECH- Supported delivery of HISSCC utilising BS8888 and ISO GPS expertise (~£80k year to date)

Supply Chain Opportunities

- Extension of current integrated team services (multi discipline opportunities)
- Potential services to Packaged Work on PFDO and Remediation moving into next FY

SCP (Site Ion Exchange Effluent Plant Continuity Plant)

Achievements

- This new plant will use filtration to remove radioactive contaminants from site effluents prior to sea discharge, replacing current SIXEP facility
- Project team is currently delivering the Design for Manufacture (DfM) scope of work - on schedule with all milestones being met
- Project has recently transitioned to being under the management of Programme and Project Partners (PPP) with AXIOM retaining responsibility for delivery of design

Supply Chain Opportunities

- Ongoing design team design services through existing and potentially new sub-contracts – current spend is circa £450k pa
- Potential for self-contained design packages of work to be let depending on sanctioned approach for remainder of DfM

Targets for 2019/20

- Finalise commercial arrangements for AXIOM engagement in FY20/21
- Continue Design for Manufacture scope of work

RAP (Replacement Analytical Project)

Achievements

- Existing Analytical Services facility is over 60 years old – to be replaced by a repurposed National Nuclear Limited (NNL) Central Laboratory
- Integrated project team currently delivering the Preliminary Design scope of work across four main work streams
- Project has recently transitioned to being under the management of Programme and Project Partners (PPP)
- Commercial arrangements for AXIOM's continuation of services beyond end of FY19/20 are being developed with PPP and SL

Supply Chain Opportunities

- Ongoing design team design services through existing and potentially new sub-contracts - current spend is circa £1.5M pa
- PPP Procurement responsible for letting sub-contracts for site enabling works and analytical instrument development

Targets for 2019/20

- Finalise commercial arrangements for AXIOM engagement in FY20/21
- Continued delivery of Preliminary Design scope

Security, Infrastructure, Decommissioning & Engineering (SIDE)

- Multidisciplinary engineering design services to specific areas;

SECURITY	INFRASTRUCTURE	DECOMMISSIONING	ENGINEERING
SL Security Enhancement Environment, Safety & Security	Analytical Services Elec. Dist. Network Upgrade	Pile Fuel Cladding Silo First Gen Magnox Storage Pond Magnox Swarf Storage Silo	Plant Facing Design Office Drawing Update Service

Additional Services

- Project Management, Project Controls & Project Engineering Management
- Management Consultancy

Main Areas of Delivery

- Safety Case and Independent Safety Assessment
- Pre-Ops services to implementation phases (plant documentation)
- Drawing updates working within integrated teams
- Engineering support working within integrated teams

Areas of Growth and Opportunities for Supply Chain

- Westlakes based CE&I services

Site Management Project Office (SMPrO)

Multidisciplinary design services to Asset Care portfolio.

SNM	SFM (HALES/HLWP, THORP/MAGNOX, SWEEP)	CATEGORISED & STUDIES
Declan Cullinan	Dave Stafford	Sean Butler

Achievements

- Significant and continuous progress with ONR Level 1 risk reduction (SNM)
- Alignment of Axiom business operations to portfolios (SFM & CAT)
- Continued progression of SMPrO Improvements Programme

Supply Chain Impact

- Supply Chain Spend to P7 totals £2.2M with 17 supply chain members

Supply Chain Opportunities

- Safety Case Services
- Fire Safety Design
- Pre-Ops services to implementation phases (plant documentation)
- Rig and Trial work diminished – consolidated within Partners this FY



Work stream	Point of Contact	Role	Email address	Telephone
Ponds, Remediation, Engineering	Karen Allen	Business Manager	Karen.allen@cavendishnuclear.com	07892 708 596
SRP	Dave Fulton	Senior Project Manager	David.a.Fulton@cavendish nuclear.com	07817 173 391
SIDE	Paul Harding	Business Manager	Paul.Harding@jacobs.com	07792 293 620
MSSS, PFCS, BEP, BEPPS/DIF	Ron Johnson	Business Manager	Ron.Johnson@cavendishnuclear.com	07725 641 003
SMPrO	Charlie Roura	Business Manager	Charles.Roura@sellafieldsites.com	07758 680 443
SCP & RAP	Jon Thrush	Business Manager	Jon.Thrush@jacobs.com	07769 885 902

Contacts

Design Service Alliance Manager: graeme.telfer@sellafieldsites.com

Category Manager: Andrew.v.Schaick@sellafieldsites.com

Axiom Business Manager: mike.houghton@woodplc.com

Progressive Business Manager: Stephen.Davidson@cavendishnuclear.com

OneAIM joint venture consisting of Wood Group and Interserve

- OSW provides Sellafield access to core construction and asset care activities.
- A four-year framework enabling Sellafield Ltd access to Civil, Mechanical and Electrical disciplines through to 2021.
- The OSW Framework delivers Engineering Support including attendance at Design reviews, technical and working practice innovation, capability development and delivery of categorised programmes of works.
- Other services delivered include:
 - Fit for purpose design
 - Planning
 - Implementation planning and co-ordination
 - Project execution
 - Asset care and support activities
 - Co-ordination and collaboration with Sellafield Ltd's other framework agreements
 - Programmatic delivery to value streams where OSW is the optimal delivery route

Headlines

Current Framework Agreement:

- Contract Award: 28th July 2017
- Contract Expiry: July 2021
- Current Sanction: £140m

Framework Highlights:

- OSW has successfully delivered works supporting the retirement of four Level 1 ONR milestones.
- Key role in supporting Major Projects through the delayed transition to PPP
- Supported the ongoing close out of the site's reprocessing activities, in line with the original scope of work.

Financials

- Pd09 2019/2020 ~£97m Total Committed Contract Value
- Pd09 2019/2020 ~£70m Spend to Date

Framework Successes:

- Savings for period 2017 – 2019 achieved 10.02% of turnover.
- Forecast savings for financial year 2019/2020 to exceed 10% target.
- Total savings to date = ~£5m (£970k Cashable, £4.05m Cost Avoidance)

Tier 3 Opportunities:

- ~£9.7m spend with subcontractors to date, at 14.7% of total spend to date
- Forecast a further £10.3m spend with subcontractors to framework expiry

Typical Tier 3 Scope:

Steel Fabrication, Plant Hire, Civil Works, Road surfacing, Concrete Supply, Drainage Services, Construction Chemicals, Electric Panels, Drilling/Cutting/Blasting, Courier Services, Welding/Equipment Hire

Contacts

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Category Manager: Paul.m.king@sellafieldsites.com

Procurement Lead: Kevin.f.robertson@sellafieldsites.com

Framework Director: Rob.mcbride@woodplc.com

- The Infrastructure Strategic Alliance (ISA) commercial arrangement is a potential 15-year contract over three 5-year terms with the option to extend into the second and third term
- The contract has a maximum value of £1.154bn
- The contract was placed in 2012 with sanction for up to 15 years and £1.154bn
- Currently in year 8 with potential to run until 2027
- ISA is expected to spend c£100m in Financial Year 2020/21 across all aspects of Infrastructure:
 - Electrical
 - Water
 - Compressed air and steam distribution
 - Steam provision
 - Asset care of high priority utilities
 - Infrastructure master planning and studies

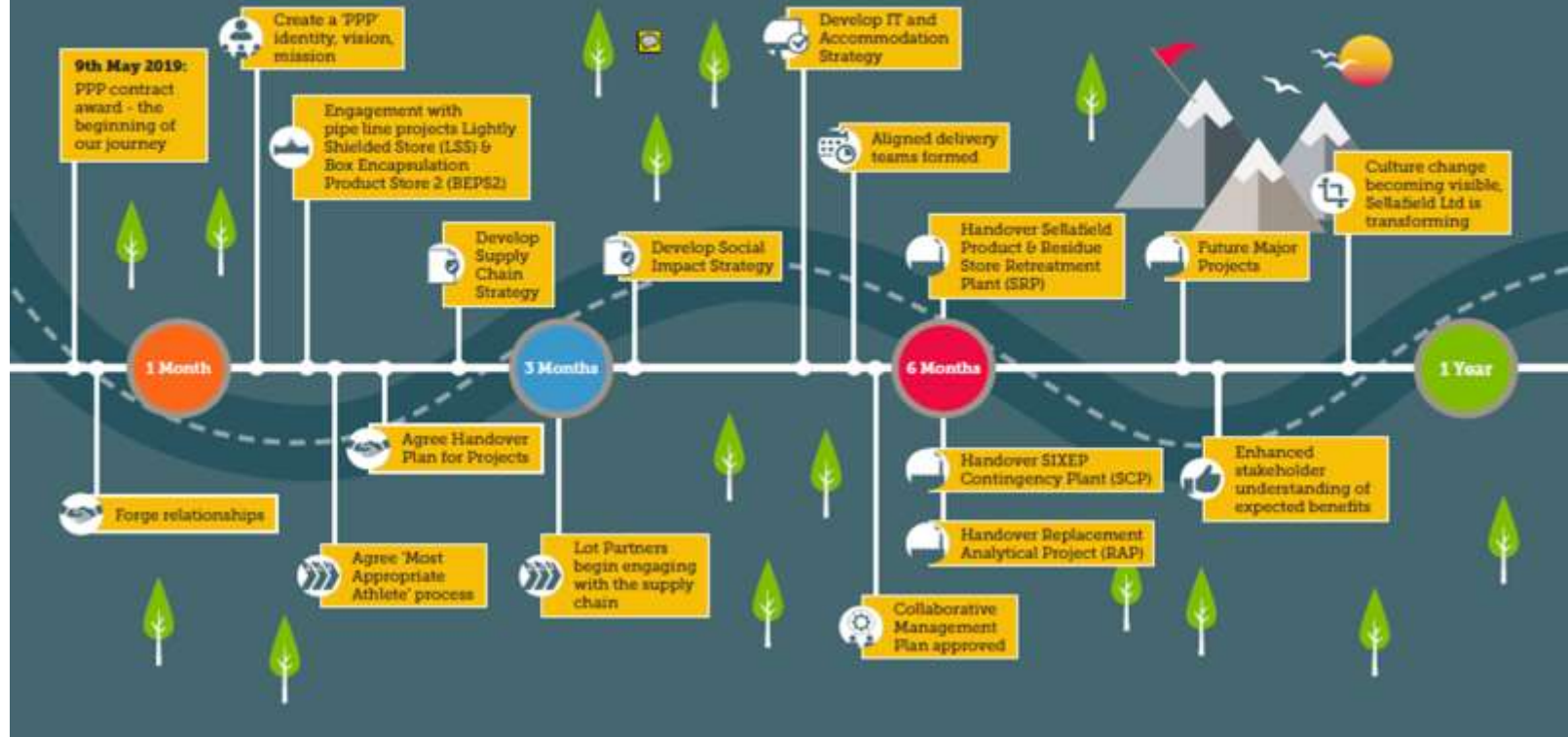
ISA Contacts

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ISA Supply Chain Manager: Mark.Homfray@morgansindall.com

ISA Procurements: Nicholas.Clarke@morgansindall.com

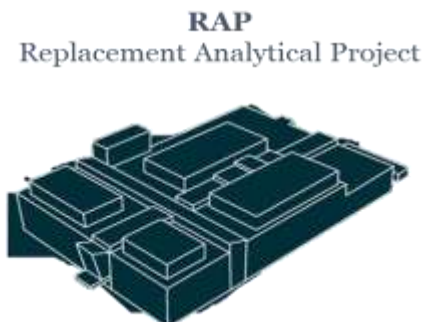
Programme and Projects Partners Mobilisation - the first 12 months



Pipeline Projects



Inflight Projects - Transitioned 8 November 2019



Directors' Forum Opportunities & Diversification

Speakers include:

HS2

Oil & Gas Authority

Rolls Royce on SMR's

PPP

NNL

LLWR

Heathrow

BP

UKAEA on ITER

Crown Commercial Service

Dounreay

Sellafield

www.sellafielddf.co.uk

#SLDF2020



Cost Variance Target

- This current financial year we need to demonstrate **£340m** in savings. This will be done through our Cost Variance (CV) which in essence demonstrates more for the same or less money. We want to demonstrate maximum value for every taxpayers pound we spend.

How can you help?

If you have an existing contract with Sellafield Ltd we are asking you to think about:

- Is there a way in which we can make savings?
- Is there additional value in your contract that we aren't paying for? (Work above and beyond etc)
- Are there documents, processes or procedures that we are paying for that aren't adding any value?
- Are there current savings that we aren't seeing or recording?
- Are there ways in which you could deliver your contract for less, with a benefit share incentive to create a win - win for all parties?

Supply Chain Development Team

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www.sellafielddf.co.uk

