

PROGRAMME + PROJECT PARTNERS

Multi-Project Procurements
June 2021

Agenda

- Welcome, Safety Share and Introduction
- Collaborative Procurement
- SME Matchmaker Service
- Implementation Update
- Q&A, Comments and Feedback
- Wrap Up & Close

Welcome, Safety Share and Introduction

Eldon Garnett

PPP Executive Head of Lot 3

Correct Tools

In a Rush

Safety Gear

Get Help

10 Dangers of DIY

What You Should Know Before Starting Your Next DIY Project

- #1: Not Using a Window Fan for Ventilation**
Prevent sanding dust from settling in other parts of your house and in your HVAC system.
- #2: Not Wearing Safety Glasses**
Safety glasses are shatterproof. Eyeglasses are not.
- #3: Not Wearing Hearing Protection.**
Always use foam earplugs or over-the-head headphones.
- #4: Not Getting Your Hair Out of the Way**
Loose hair needs a tight ponytail to prevent getting it caught in power tools.
- #5: Playing With Your Phone**
Limit distractions by putting down tools before using your phone.
- #6: DIY'ing in Your Jammies**
Wear work gear that's made for DIY; steer clear of loose and flowy clothing.
- #7: Not Wearing a Mask**
Save your lungs when sanding anything or using smelly chemicals.
- #8: Thinking All Gloves Are Created Equal (Or Not Wearing Them)**
Wear nitrile gloves when painting or staining; use chemical gloves when stripping.
- #9: Not Removing the Battery or Unplugging When Walking Away**
Prevent accidental injuries for kids and remove batteries or unplug immediately.
- #10: Acting Like It's a Race**
Take your time; accidents are more likely to happen when rushing.

What is the PPP model?

- Based on Project 13 principles of creating an 'Enterprise': Integrated organisation, aligned and commercially incentivised to deliver better outcomes.
- Outcomes are the PPP Critical Success Factors:
 - CSF 1 Cost management;
 - CSF 2 Employment
 - CSF 3 Outcome
 - CSF 4 Output
 - CSF 5 Workforce skills
- 2016-2020 Government Construction Strategy recommended 3 new procurement models: two stage open book, cost led and integrated project insurance. PPP is a form of two stage open book procurement.

Collaborative Procurement

John Rossiter

MPP Commercial Lead

More than buzzwords

- The PPP delivery model is different.
- Builds on key strategies and reports: Government Construction Strategy, CLC Procuring for Value, Farmer Report, IPA New Models of Construction Procurement, the Construction Playbook and the like.
- PPP are Project 13 early adopters, driving a shift towards outcome-based contracting, based on enterprise and not transactions.
- What does all this mean to you?



Why the need for change?

- Often projects are delivered
 - Over budget
 - Past deadline
 - Below par
- Supply chain characterised by
 - Low margins
 - Low investment
 - Dysfunctional relationships
- Modernise or die?

One

The industry has evolved a 'survivalist' shape, structure and set of commercial behaviours in reaction to the environment in which it operates. That environment is fundamentally characterised by low capital reserves and high demand cyclicality.

Two

The industry and its clients usually have non-aligned interests reinforced by traditional procurement protocols and a deep-seated cultural resistance to change pervading across both parties.

Three

There is no strategic incentive or implementation framework in place to overcome the issues above and initiate largescale transformational change. The issues of variable demand, resistance to change and lack of alignment / integration with clients have become *de facto* accepted norms for the industry.

Aims of Collaborative Procurement

- Move away from lowest price and risk transfer
- Improve on typical procurement models
- Deliver outcomes that add value

Supply Chain Sustainability School – Collaborative Procurement



What does it mean to me?

- Success is dependent on an integrated, aligned, commercially incentivised organisation.
- Cultural mindset and behaviours encouraged by most procurement models and contracts focusses on pushing risk down the supply chain.
- Change is possible. Right combination of collaboration and commercial factors can successfully shift mindset away from defensive standpoints.
- We want to see collaborations to create an enterprise, not extensions of transactional arrangements.
- Do you need to subcontract based on Option E?
- Principles flowed down through the supply chain, including SMEs.

The Constructing Excellence Guidance six critical success factors



CONSTRUCTING EXCELLENCE
delivered with bre

Playing by the rules

- SL created the environment and model for success with PPP; the Lot Partners now rolling out aligned models with MPP strategy.
- Followed principles of the various strategies, reports and Construction Playbook.
- Looking for supply chain to embrace the model, adopt it, create true integration and success of an aligned enterprise.
- Educate and embrace Collaborative Procurements and be part of driving the cultural shift in PPP and wider industry.
- Will it work? Defined by the Critical Success Factors.

More Information

- Supply Chain Sustainability School Collaborative Procurement modules
- Constructing Excellence
- Project 13 Blueprint
- Project 13 Commercial Handbook
- Government Construction Strategy
- Construction Playbook
- Youtube

SME Matchmaker Service

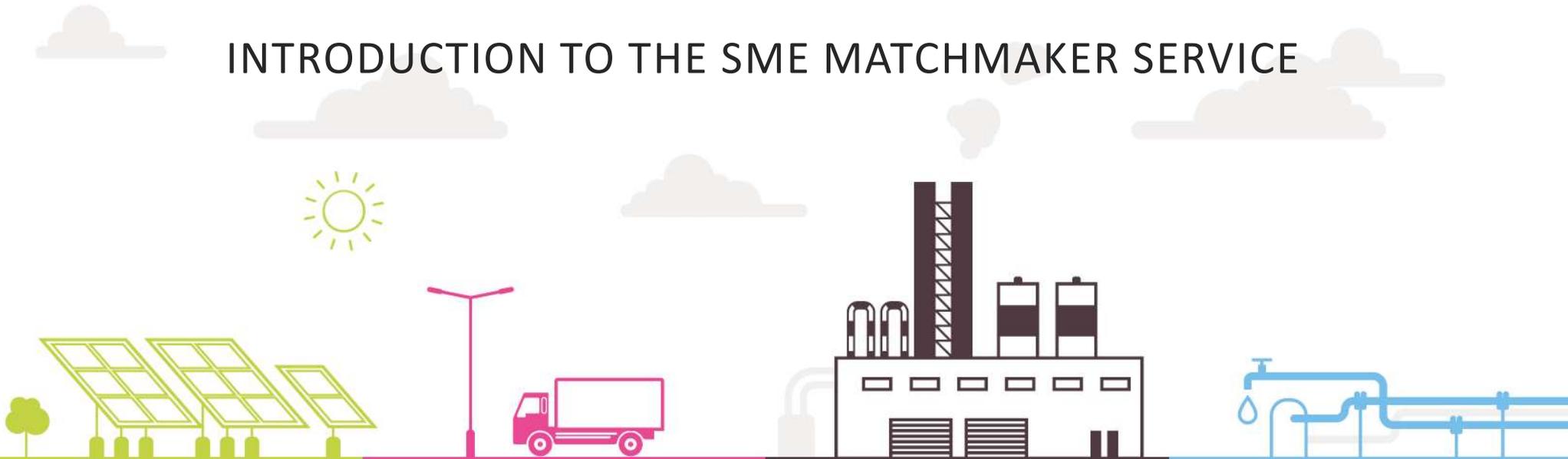
Dominic Doig
Managing Director
Solomons Europe



Swimming
with the big fish

PPP Multi Project Procurement Update

INTRODUCTION TO THE SME MATCHMAKER SERVICE



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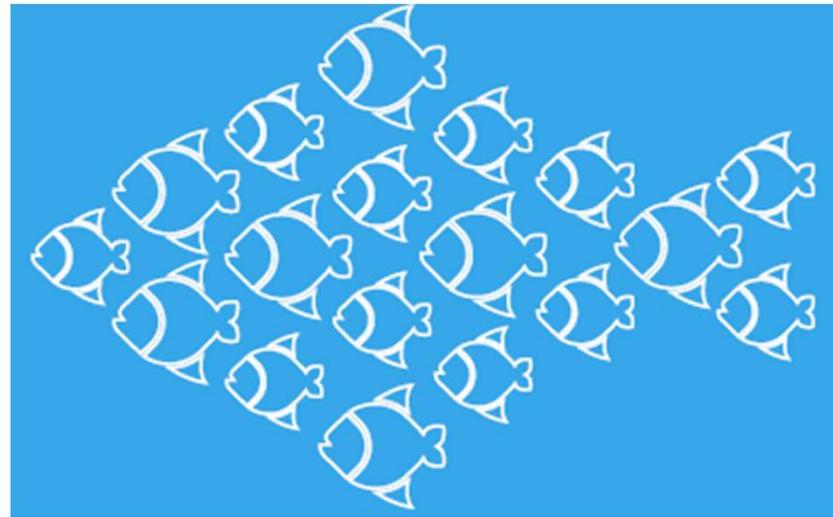
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A PASSION FOR SMEs

why is this important to us?

- Firstly, we are an SME
- We are agile, flexible, innovative with focus on client satisfaction
- Our closeness to communities means we deliver real, long-term social impact
- The new approach from Government is setting the tone for greater SME involvement
- The Programme and Project Partners (PPP) are now setting the tone for change in Cumbria

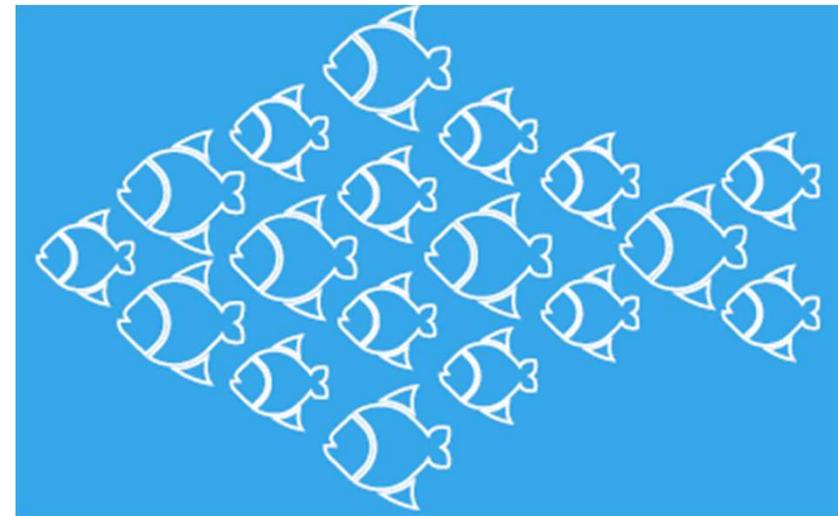




OUR CHALLENGE

how is this going to work in PPP world?

- Multi-Project Procurement (MPP) commercial strategy has been adopted by PPP
- The Strategy enabled through the ITT, scoring, and eventual NEC contract drives SME integration
- Key driver is Long-term relationships between its Key Delivery Partners (KDPs) and supply chain
- Promises will be set in contracts - so a key difference to previous aspirational goals
- And importantly, SME's should be supported in lower supply chains

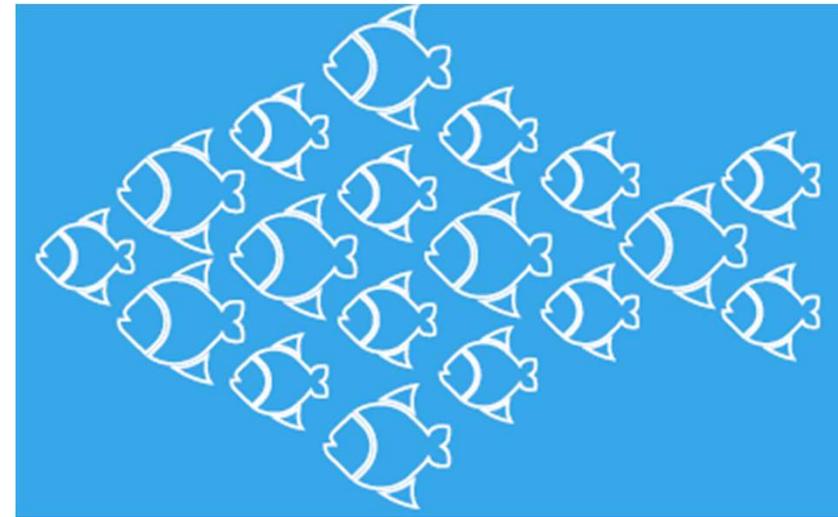




OUR SOLUTION

we are not going digital, we are getting personal

- We are looking to proactively seek out SMEs committed to growing in a strategic and sustainable way that supports the Cumbrian economy and communities and PPP KDP's
- We will identify and champion SMEs that can help KDPs deliver work packages and achieve meaningful socioeconomic impact
- We will work with SMEs willing to put the effort into being matched
- We will try to present their key qualities clearly to the KDP
- Our aim is to help SMEs have a greater chance of securing long term work



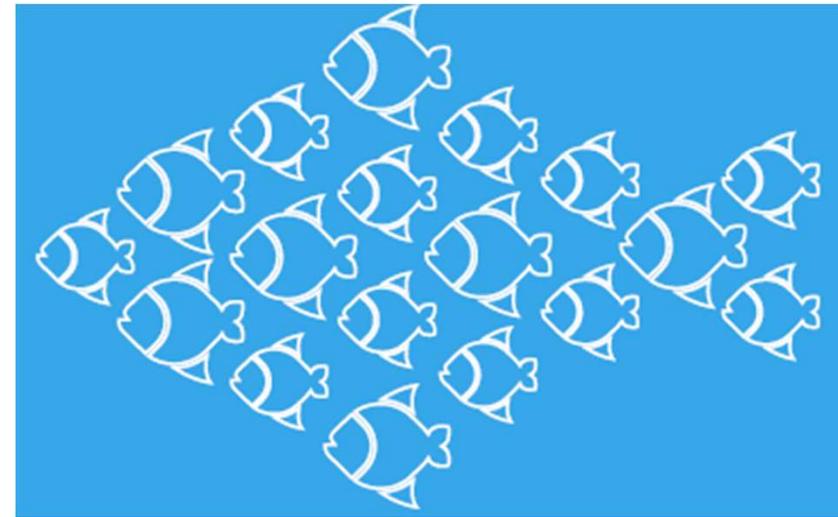


OUR SOLUTION

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We can

- Drill into KDP procurement strategy to get real understanding of SME opportunities
- Articulate the SME's challenge and barriers and help facilitate negotiations
- Provide independent facilitation to support compromises to bring the SME/KDP together
- Understand both sides of the fence, having worked with SME's and Main Contractors throughout our business lifetime
- Give SMEs the best possible chance of being matched and securing work
- Put forward a compelling case for a more informed approach to local SME procurement



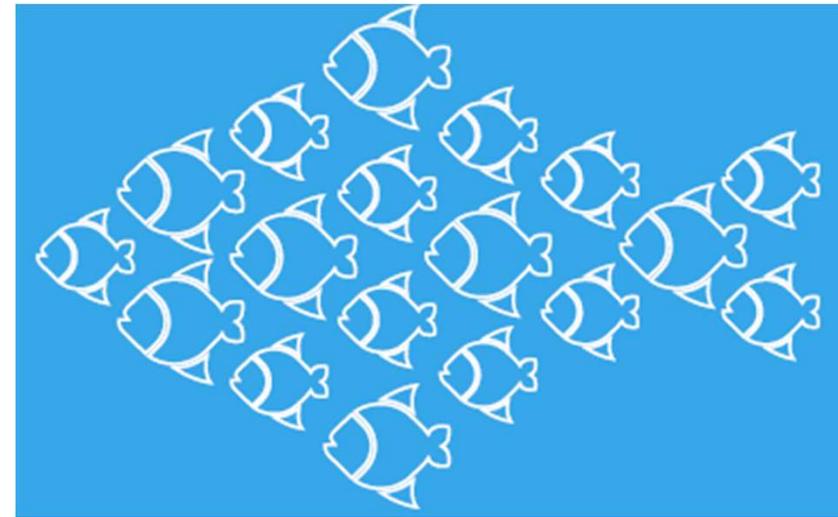


OUR SOLUTION

we are not going digital, we are getting personal

We don't

- Support large companies – they are capable on their own
- Provide a lip service database
- Help create Joint Ventures – we will happily make introductions but advising on JV's is above our pay grade!
- Identify synergies in business values – that's down to SMEs and KDPs to discover
- Force arrangements and can't influence the ultimate choices made by PPP and its KDP partners

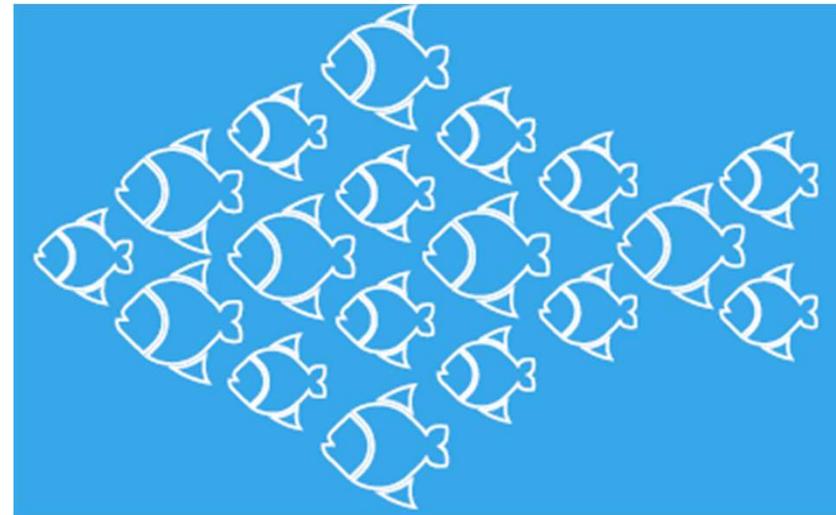




OUR FOCUS

the initial programme

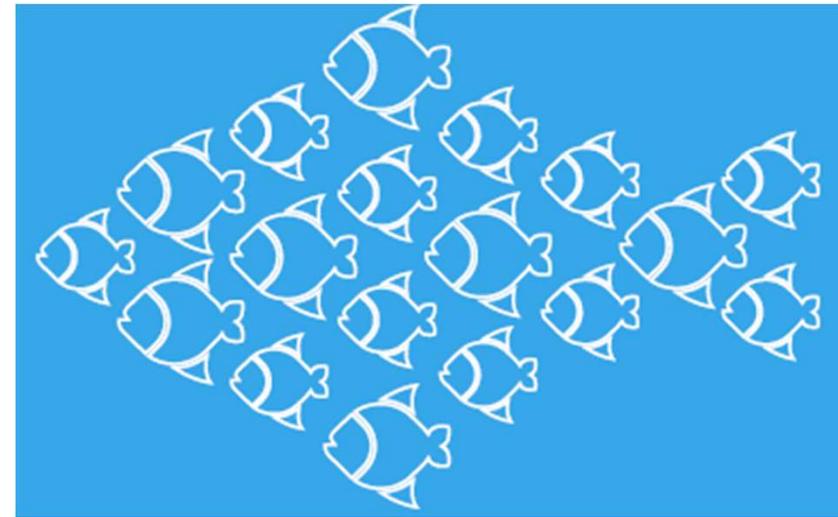
- To support the inclusion of SMEs in KDP supply chains tenders
- To support PPP Tranche 1 packages
 - Heating Ventilation and Air Conditioning (HVAC)
 - Building Interior Fit Out and Finishes
 - Fabrication and Manufacturing Goods Supply
 - Electrical & Instrumentation
 - Mechanical Pipework
- Aimed firmly at seeking SMEs that can directly support these packages with key significant work elements
- To review potential for 'Ancillary and Professional Services' categories





OUR PROCESS

- Register your interest in a Tranche 1 package with PPP Supply Chain
- Registration pack, including questionnaire issued by Matchmaker team
- Preliminary assessment made, further information gathered and, feedback given
- SMEs awarded Bronze, Silver or Gold depending on PPP CSF synergies
- Profiles for SME Matchmaker directory prepared for Silver and Gold SMEs
- We work to secure meeting and potential negotiations between SME and KDP
- We actively make links between Bronze SMEs and KDPs when we spot them

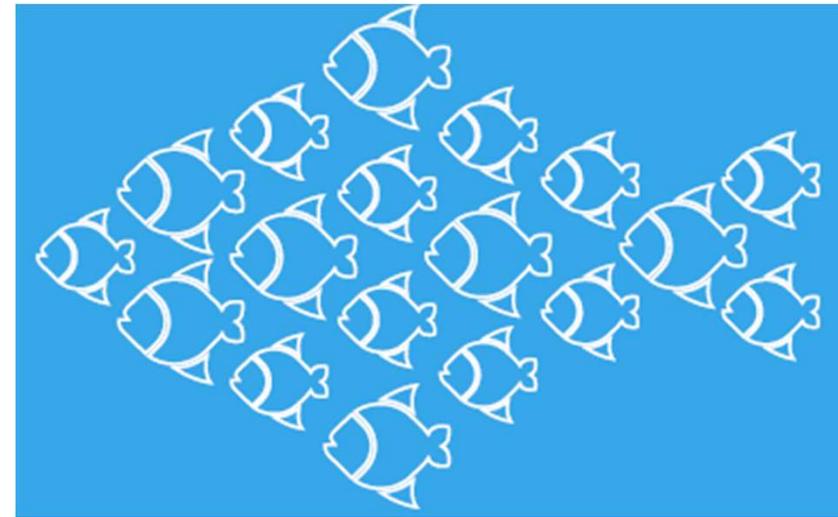




SCORING CRITERIA

Criteria developed to score questionnaire submissions with weighting given to the key areas underpinning Critical Success Factors

- **Local Investment and Employment** (jobs, training, growth plans, long term commitment to West Cumbria, diversity and minimal reliance on agency workers)
- **Project Delivery** (evidence of cost-effective delivery, willingness to contract on cascaded 'profit for performance' commercial model, experience of early contractor involvement, collaboration)
- **Social Impact** (employment, support to disadvantaged groups, health and wellbeing projects, commitment to school/ college engagement, recruitment policy that does not harm existing local supply chain and other Sellafield projects, addition social impact work that contributes to Sellafield Ltd's objectives)
- **The Environment and Sustainability** (commitment to best practice, waste/ energy management policies and Net Zero targets)

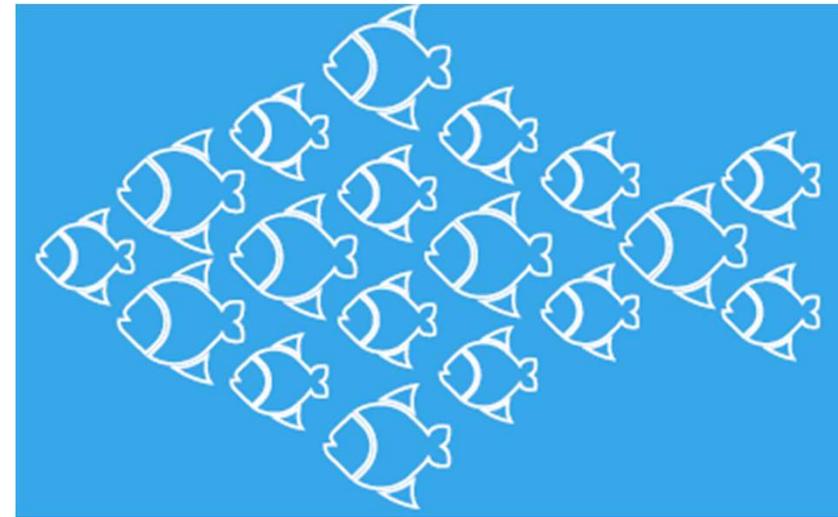




KEY MESSAGES

the big pitch....

- We need 'growth ready' SME businesses, ready to achieve the CSF's – local investment, employment and social impact
- Think hard about how you could help achieve the Critical Success Factors and deliver the best scores against the criteria themes identified earlier
- Help us help you. This requires effort, but the rewards could be a gamechanger for your business
- Focus on what the KDP needs to submit a successful tender. If you look great, they look great – if you're matched, you both win
- Play your part in getting across the message SMEs are not "little fish" but "small giants"
- Return the questionnaire – we want to know who is out there!
- Remember, if you don't register, we can't talk to you





CONCLUSION

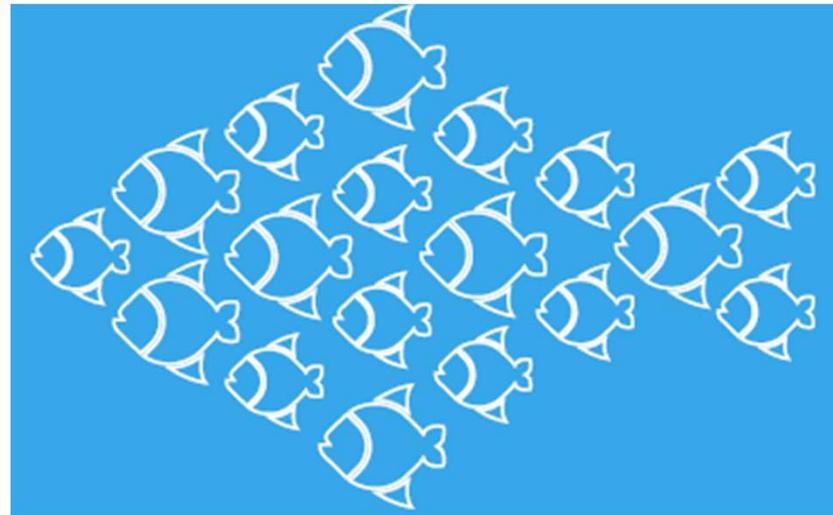
Thank you for your time

If you are an SME and wish to register for Matchmaker, please email Dawn Keenan at:

pppsupply.chain@sellafieldsites.com

If you need to know more about the Matchmaker process, contact Luke Diccio in the Swimming with the Big Fish Matchmaker team at;

luke.diccio@solomonseurope.co.uk



Implementation Update

Steve Topping

MPP Project Manager

Tranche 1 status

- Key procurement dates generally being achieved
- Independent assurance of overall strategy confirms KDP approach aligns to P13, PPP ethos, Construction Playbook and best practice social value
- First major ITT (HVAC) issued on time
- Positive supply chain engagement and feedback (Matchmaking, Market Engagement etc.)
- Positive progressive assurance with Sellafield IC
- Contract deviations process included within the ITT
- Project specific ITN's issued to tenderers e.g. SCP / SRP ITN's for HVAC
- PSC for ECI included as required

Package	PQQ	ITT	Contract Award (fully executed)
KDP 3 – HVAC	05/03/21 (Plan) 11/03/21 (Actual)	28/04/21 28/04/21	15/10/21
KDP 4 – Electrical & Instrumentation	05/05/21 (Plan) 18/05/21 (Actual)	08/07/21	21/01/22
KDP 9 – Building Interior Fit out & Finishes	16/04/21 (Plan) 26/03/21 (Actual)	21/06/21	17/01/22
GSA 1 – Fabrication / Manufactured Items	25/03/21 (Plan) 26/03/21 (Actual)	01/06/21 11/06/21 (forecast)	22/11/21
GSA 5 – Site Accommodation	30/03/21 (Plan) 11/03/21 (Actual)	N/A	21/05/21 21/05/21 (Actual)
KDP 5 (T2) – Mechanical & Pipework	21/05/21 01/06/21 (Actual)	12/07/21	04/01/22

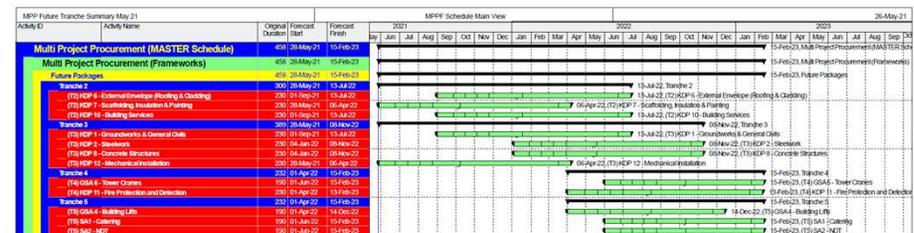
What We've Seen So Far

- High level of interest in model / responding to ME and questionnaire
- Level of engagement is helping to identify lead suppliers, potential partners and / or tiered suppliers
- Timely response to PQQ's to date
- Significant effort being made by supply chain companies
- Not always easy to say exactly what's needed and when
- Areas where we need to make changes / improvements(*long list*)

What comes Next T2-T5

KDP 3	HVAC	In Flight
KDP 4	Electrical and Instrumentation	
KDP 9	Building Interior Fit Out and Finishes	
GSA 1	Fabrication / Manufactured Equipment	
GSA 5	Site Accommodation	
KDP 5	Mechanical and Pipework	Next Tranche
KDP 7	Scaffolding, Insulation & Painting	
KDP 10	Integrated Building Services	
KDP 12	Mechanical Installation	
KDP 1	Groundworks and General Civils	Future Packages
KDP 6	External Envelope (Roofing & Cladding)	
KDP 2	Steelwork	
KDP 8	Concrete Structures	
KDP 11	Fire Protection and Detection	
GSA 4	Building Lifts	
GSA 6	Tower Cranes	
SA1	Catering	
SA2	NDT	

- Plan continues to develop in-line with current and near term project needs
- Model continues to be challenged as understanding increases
- Periodic review / re-visit of current packages and the “other” items list
- Next packages to commence June / July – then 7-8 weeks before ME to allow package specific strategy to be developed
- Key challenge to get ALL KDP’s in place by end of 2022



Q&A Comments and Feedback

Steve Dixon

Senior Supply Chain Manager

Wrap Up & Close