



Nuclear  
Decommissioning  
Authority

# Supply Chain Development

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Draft Strategy

NDA Response to Consultation Results

March 2009

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EDRMS No. 3.5.14.20.02.02.01

March 2009

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March 2009

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## Supply Chain Development – Analysis of revisions following Consultation

### 1.0 Introduction

This document analyses the responses to the consultation in 2008 on NDA's proposal to ensure the optimum use of the Supply Chain available to the NDA estate.

The draft NDA Supply Chain Development Strategy was published for consultation in July 2008, with the objective that the NDA portfolio is seen as the 'Market of Choice' by contractors. The document defined the NDA's role and responsibilities, and contained seven Supply Chain Aspirations, supported by a policy statement and a range of planned actions.

Two consultation workshops were held in September 2008 with representatives from Supply Chain companies, Regional Development Agencies, organisations supporting the Supply Chain and other Nuclear Clients. Responses were also received from the on-line questionnaire as well as detailed letters of response.

In October 2008, analysis of the feedback began. The various comments were categorised and filtered against the seven aspirations to establish the opinions on each and what topics had not been addressed. A separate report details the comments raised during the consultation workshops and on-line questionnaire comments.

Following assessment on the consultation comments, the strategy was revised into Strategic Underpinning Principles (SUPs) in line with NDA's Strategy Management System for 'critical enablers', under which Supply Chain Development sits. The SUPs combine the seven aspirations from the draft strategy into four key principles. The Site Licence Companies (SLCs) were very keen that the strategy was simplified and developed in such a way that they could take responsibility for the majority of actions required, and the SUPs will form part of the Site Specifications which translate the NDA strategy topics into SLC requirements.

This report details how the draft strategy has been evolved following consultation, and how the detailed principles were derived. The document also reviews the draft planned actions and how they will be dealt with going forward.

#### Consultation Messages and Comments

The key messages coming out of the consultation were:

- Positive views on working in the decommissioning sector
- General widespread agreement with the draft aspirations and planned actions
- High level alignment on "where we should all be" against aspirations, but
- Mismatch between the SLC's see "us" and where the Supply Chain see "us" – Supply Chain see greater improvements being needed
- Supply Chain expects NDA to deliver real improvements particularly in behaviours and consistency.

During consultation with the SLCs, they made it clear that they wanted to be the delivery vehicle for improvements, and NDA supports this.

The key issues raised by the consultation were:

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- Detail of Procurement Plans/Visibility of Opportunities
- Alignment of Terms & Conditions
- Standardisation of processes
- Cost of Tendering
- Predictability of Funding
- Socio-economic – ‘local suppliers’/Small and Medium Enterprises (SMEs)

These issues are addressed by the Supply Chain Development Strategy directly except for:

*Predictability of funding.* Where it impacts on longer term funding and prioritisation reducing available funds to SLCs needs to be addressed by the NDA’s Funding Strategy, and is not addressed by the Supply Chain Development Strategy directly. The ERP Improvement process may however improve predictability of funding at a project level, as ‘approvals in principle’ will be made earlier in the programme which should mean a greater probability of a project going ahead at contract let stage. The strategy therefore promotes avoidance of delays and cancellations of projects by optimising procurement planning and streamlining approval routes.

*Socio-economic – ‘local suppliers’/SMEs.* NDA and the SLCs are considered ‘Contracting Authorities’ under the European Union Procurement Directives, compliance with the Directives means that we cannot simply use geography as a basis for awarding contracts over the relevant thresholds. One of the benefits to these Directives is that it opens spend up to genuine competition. From a socio-economic perspective we are keen for local suppliers, who may be dependant on a particular site or economic area, to use any contracts it has within the NDA estate as a springboard into other industries. NDA therefore supports supplier development that will enhance capability for undertaking work across the whole NDA estate as well as growth into other sectors. Greater detail in procurement plans to assist SMEs and Tier 3/4 suppliers undertake business planning are encouraged, as well as considerations of Partnering and supplier initiatives that support SMEs and Tier 3/4 suppliers.

Where comments were raised that have links to the Supply Chain Development strategy but should be addressed by other Topic Strategies, eg, skills, the comments were shared with the other Strategy Owners.

### Reference documents

These related documents are available via [www.nda.gov.uk](http://www.nda.gov.uk) or by contacting [enquiries@nda.gov.uk](mailto:enquiries@nda.gov.uk):

#### **Supply Chain Development Strategy March 2009**

This document, based on consultation with stakeholders during 2008, aims to ensure the optimum use of the Supply Chain available to the NDA estate.

#### **A Consultation on NDA's Supply Chain Development Strategy**

Draft Supply Chain Strategy setting out the way forward for continued development in the decommissioning market. Consultation ended September 2008.

#### **Supply Chain Development Draft Strategy Summary of Consultation Responses March 2009**

This document summarises the responses to the consultation in 2008 on NDA’s proposal to ensure the optimum use of the Supply Chain available to the NDA estate.

#### **Supply Chain Development Background July 2008**

This paper provides a high level analysis of the Supply Chain as it applies to the NDA’s Statutory and Business objectives.

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### 2.0 Strategy Objectives

The consultation process and analysis of comments highlighted that, as the NDA estate was subject to prioritisation of funds, and suppliers were encouraged not to be dependant on a single SLC or site, then the objective should be amended from wanting Suppliers to see the NDA estate as '*the* Market of Choice' to '*a* Market of Choice'. In addition, the emphasis on 'management of the Supply Chain' was not seen as NDA's role, but the Supply Chain expected NDA to have influence to bring improvements. This has led to a revised overarching objective for Supply Chain Development:

*'to ensure the optimum use of the Supply Chain available to the NDA estate to enable a safe, affordable, cost effective, innovative and dynamic market for clean up and decommissioning'*

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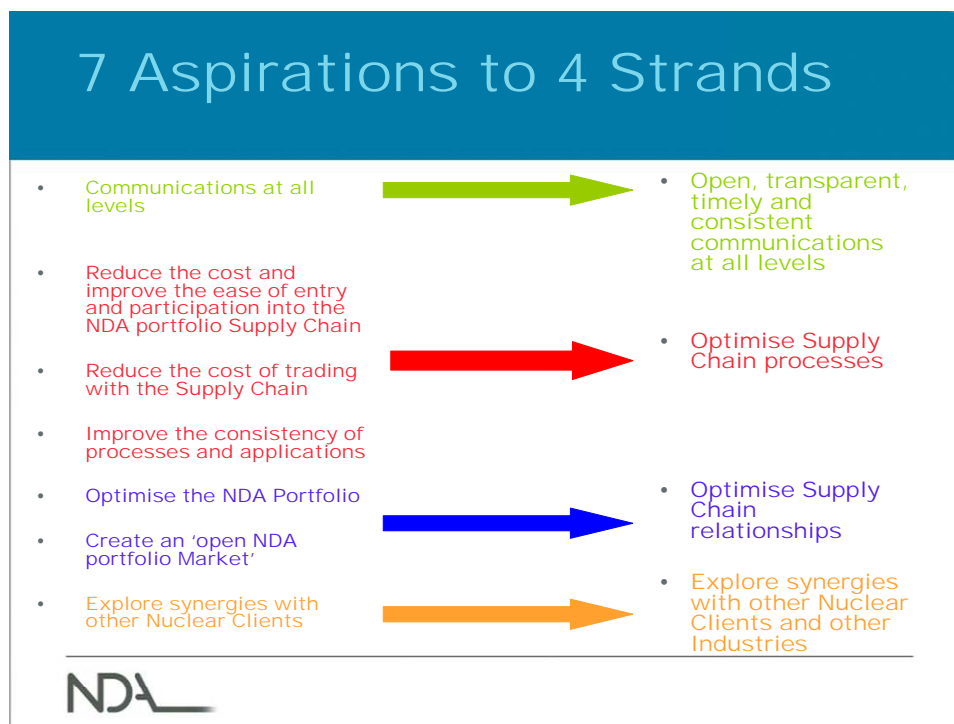
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The consultation process also showed that there were similarities between some of the aspirations around processes and relationships. The strategy has therefore developed from seven aspirations to four key principles:

- Open, transparent, timely and consistent communications at all levels
- Optimise Supply Chain processes
- Optimise Supply Chain relationships
- Explore synergies with other Nuclear Clients and other Industries

The following diagram shows how the seven aspirations match into the four strands:



Appendix 1 provides a summary of the comments against the seven aspirations and how they map into the four principles.

### 3.0 Strategy Principles

Using the consultation comments for each aspiration and emerging topics against the draft strategy, detailed principles have been derived for each of the four key headings.

The detailed principles and the consultation comments and issues used to derive the principles are detailed in Appendix 2.

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### 4.0 Planned Actions

The draft strategy proposed 17 planned actions. Many of the planned actions are already underway and sponsored by NDA, these include:

- Increased robustness of the Procurement plans
- Standardise Terms and Conditions
- Adoption of a more consistent (Kraljic) approach for key supplier management

The majority of planned actions around the procurement planning and key supplier management processes will be implemented via the Expenditure Review Panel Improvement project which aims to improve the NDA's sanction and validation process. Some planned actions will need to be revised to take into account NDA's plans, particularly around IT projects.

As the SLCs will need to adopt the strategy principles as appropriate to each SLC then some of the planned actions will need to be assessed by them in more detail for implementation, and may need to be revised further. It is proposed that the NDA/SLC Collaborative Working forum is the vehicle for agreeing future planned actions for implementing the strategy.

Appendix 3 provides a comparison between the draft planned actions and how the actions will be addressed by the revised strategy.

### 5.0 Summary

The Supply Chain does acknowledge that NDA is trying to improve the industry, but there is still work to do, particularly around communications and procurement processes.

The revised Supply Chain Development Strategic Underpinning Principles takes account of comments raised by Supply Chain representatives, other Nuclear Clients and the SLCs.

The revised Strategic Underpinning Principles provide a set of four key principles that the NDA and SLCs can apply to form the basis of improvement programmes for Supply Chain Development.

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## 6.0 Appendix 1 - Comparison of Draft Supply Chain Development Strategy versus Revised Strategy following Consultation

Draft Strategy 7 Aspirations	Consultation Comments/Issues	Revised Strategic Underpinning Principles
NDA will have open, transparent, timely and consistent communications at all levels of the Supply Chain	<p>Suppliers have to trawl 7 SLC websites and the NDA website to access information on procurement plans and tendering opportunities.</p> <p>Tier 2s require more detail and clarity of scope in procurement plans and advertisement of opportunities to plan their bids more effectively. Procurement plans should be kept live so that out of date information is not being provided, and that the status of bidding processes should be regularly updated. Tier 3/4 need more details on requirements to allow them to identify potential sub-contracting opportunities.</p> <p>There were numerous responses on standardising procurement plans, all saying that it would be a great help to Supply Chain companies.</p>	<b>Open, transparent, timely and consistent communications at all levels</b>
Reduce the cost and improve the ease of entry and participation into the NDA portfolio Supply Chain	<p>The cost to win a contract is viewed by all as currently being too high. This is a major factor having a strong negative effect on Supply Chain companies. The cost to win a contract should be more appropriate with respect to the contract value.</p> <p>Unnecessary costs are incurred by projects being withdrawn or tendering restarted after tenders have already been submitted. Contractors find this behaviour very frustrating as it is a waste of time and effort as well as money.</p> <p>The Supply Chain would encourage greater consistency with respect to Terms and Conditions (T&amp;Cs). A further review of the flow downs would be welcomed to achieve this, although it is recognised that a single set of conditions is not fit for all purposes.</p> <p>The Supply Chain produced more comments on having to provide generic contractor information repeatedly; it is seen as an unnecessary extra cost and a major</p>	<b>Optimise Supply Chain processes</b>

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Draft Strategy 7 Aspirations	Consultation Comments/Issues	Revised Strategic Underpinning Principles
	annoyance. There was a suggestion for standard information to be retained in one place which all the SLCs could access.	
Optimise the NDA Portfolio	Some compliment the openness of the market and the fairness of procurement. Others believe that the market can be considered as being closed, with an insular attitude existing amongst some SLCs.	<b>Optimise Supply Chain relationships</b>
Create an 'open NDA portfolio Market'		
Explore synergies with other Nuclear Clients	<p>There are issues, such as the scarcity of certain skills, which affect the whole nuclear industry. These issues should be tackled jointly by the Clients and should work together to develop an appropriate national nuclear infrastructure. It was also put forward that even wider supply chain activity should be co-ordinated as much as possible, due to clear synergies that exist. This will reduce any duplication of effort and allow sharing of resources where possible.</p> <p>Identifying common processes with other industries and seeing whether best practices can be implemented is seen as a valuable course of action. Best practice in the area of procurement processes from more mature contracting industries was singled out as being particularly useful.</p>	<b>Explore synergies with other Nuclear Clients and other Industries</b>

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## 7.0 Appendix 2 - Revised Supply Chain Development Strategy – Detailed Principles

Open, transparent, timely and consistent communications at all levels	
Strategy Principle	Issues
<p>Encourage open, transparent, timely and consistent communications at all levels of the Supply Chain, to ensure access to high quality data to enable improved business planning by all parties.</p> <p>Ensure the provision of easily available Supply Chain Information, including NDA and SLC Procurement Plans and tendering opportunities via web-sites</p>	<p>Suppliers have to trawl 7 SLC websites and the NDA website to access information on procurement plans and tendering opportunities.</p> <p>Best practice: single opportunities website to be set up by Government for 2010. Advertising all government opportunities over £20k to aid SMEs. Expecting all Government Departments to link into the system. (source: Pre-budget Statement 2008 and Accelerating the SME economic engine: through transparent, simple and strategic procurement, Nov 2008)</p> <p>Tier 2s require more detail and clarity of scope in procurement plans and advertisement of opportunities to plan their bids more effectively. Procurement plans should be kept live so that out of date information is not being provided, and that the status of bidding processes should be regularly updated.</p> <p>There were numerous responses on standardising procurement plans, all saying that it would be a great help to Supply Chain companies. The SLCs would like acknowledgement on work being done in this area.</p>
<p>Assist Small and Medium Enterprises (SMEs) and Tier 3/4 Suppliers by requiring the NDA estate to provide information on:</p> <ul style="list-style-type: none"> <li>• smaller packages of work (as a minimum £50k - £100k) in Procurement Plans,</li> <li>• details of work packages within larger projects to assist in the identification of potential subcontracting opportunities,</li> <li>• Suppliers who have won work, particularly for larger projects and frameworks,</li> <li>• tendering opportunities to Regional Development Agencies for use within their Supply Chain networks,</li> <li>• where possible, bidders for major procurements; and</li> <li>• Encourage Tier 2 Suppliers to advertise subcontracting opportunities;</li> <li>• Ensure appropriate policies and procedures which support this group</li> </ul>	<p>Lower tiers are having difficulty finding information on subcontracting opportunities. It was commented that they have to rely on the 'grapevine' to find out about opportunities. There were suggestions that Tier 2 activity should be monitored, and possibly develop contract criteria for utilisation of the lower tiers with incentivisation of 'good' Tier 2's. Suggestion that expressions of interest by lower tiers on CTM should be passed on to Tier 2 companies. There were also more general views saying that the visibility of low value contracts is poor, which includes contracts put out by SLCs as well as Tier 2's.</p> <p>Providing details on which companies contracts were awarded to, was described as being very useful on numerous occasions. A more common request was that information is provided on who is bidding for a contract. It was explained that knowing this at an early stage will allow contractors to plan more effectively and establish any necessary alliances.</p> <p>Best Practice: Better Regulation Task Force (BRTF) and Small Business Council (SBC) Report Government: Supporter and Customer? 2003 – Recommendation 2 re advertising of opportunities</p>

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of suppliers.	
Ensure the appropriate application of Supply Chain Management to manage Customer and Supplier performance including Key Supplier Management of strategic/critical suppliers across the NDA estate;	Identification of and retaining information on strategic/critical suppliers across the NDA estate is important for understanding commercial risks and mitigations for programmes and projects
Support initiatives that promote interaction and communications across the Supply Chain ie Supplier Days, Knowledge Markets, Meet the Buyer; and by <ul style="list-style-type: none"> <li>Promoting the use of the web-based Supplier Network (currently accessed via the Sellafield Ltd website) by all tiers of the Supply Chain to aid communications on Supplier capabilities</li> </ul>	<p>SLC events were praised for providing Contractors with an early indication of potential work. 'Meet the Buyer' events are seen as being very important, particularly for networking opportunities although the level of information provided could be improved.</p> <p>The Supplier Network is a tool that can be used by all Suppliers across the portfolio, even though it was set up by Sellafield. This could be a useful tool for the Supply Chain in promoting good communications across all Tiers, and supporting a virtual 'knowledge market' for suppliers needing partners or offering services.</p>
Ensure that there are routes for Suppliers to raise issues and complaints	The Supply Chain Ombudsman at Sellafield is an initiative praised by SLCs and Contractors. This role is seen as key for improving communications and increasing confidence within the Supply Chain. It was firmly recommended that the NDA encourages the appointment of Supply Chain Ombudsmen across the SLCs as soon as possible. It was suggested almost as frequently that the NDA appoint its own Ombudsman to improve its relationship with the Supply Chain. Role of Supply Chain Ombudsman recognised as best practice by CIPS with 2008 Procurement Award
Publish annual statistics regarding the value of work sub-contracted by each SLC, the percentage of Tier 2 contracts that are let competitively and other relevant data to increase transparency	The NDA's Strategy (2006) states that we will publish metrics on our website regarding the value of work subcontracted on each site, the percentage of Tier 2 contracts that are let competitively and other relevant data to increase transparency and value for money. SLCs will be required to produce metrics as part of the ERP improvement project in the transition from transactional approvals of subcontracts.
Provide procurement/supply chain information to other Government Departments and Agencies to support wider market initiatives	Currently providing information to OGC for the Construction Database.
Promote the NDA portfolio and the work and achievements of SLCs and Suppliers at all levels of the Supply Chain: <ul style="list-style-type: none"> <li>at conferences regionally, nationally and internationally held by professional bodies (eg ICEM, BNES, CIPS), Trade Association or other nuclear players,</li> <li>at conferences outside of the nuclear market to gain interest from other sectors whose Supply Chains may have synergies with the requirements of the NDA estate</li> <li>by contributing to Professional Journals and Trade Association news letters.</li> </ul>	NDA's continued participation in these events is welcomed, and there is a request for NDA to contribute to future events held by Trade Associations.

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<b>Optimise Supply Chain processes</b>	
<b>Strategy Principle</b>	<b>Issues</b>
<p>Provide leadership and support for initiatives to improve the ease of entry and participation into the NDA portfolio, improve the consistency of processes and applications, and decrease the risk of inappropriate contraction of the market, and foster a learning culture across our estate in order to secure appropriate continuous improvement by:</p> <ul style="list-style-type: none"> <li>• Actively participating in networks which share best practice and support development of consistent processes impacting on the Supply Chain across the NDA estate with the aim to:</li> <li>• establish appropriate make/buy processes and contracting strategies</li> <li>• increase consistency of tendering process across the NDA estate</li> <li>• reduce the cost and time of bidding for tenders</li> <li>• ensure the requirements for bidding are appropriate to the size and complexity of the task</li> <li>• avoid delays, cancellations and stop/start of projects by optimising procurement planning and streamlining approval routes</li> <li>• reduce need to re-bid work</li> <li>• increase consistency of terms and conditions used across the NDA estate, and seek to simplify where possible</li> <li>• increase standardisation of generic contractor information requirements and reduce repeat requests for generic contractor information across the NDA estate</li> <li>• reduce costs for Suppliers working on Sites ie impact of site access requirements and site procedures, consider flexible working</li> </ul> <p>with networks being internal within the NDA estate, across all representatives of the Supply Chain or cross industry networks.</p>	<p>The cost to win a contract is viewed by all as currently being too high. This is a major factor having a strong negative effect on Supply Chain companies. The cost to win a contract should be more appropriate with respect to the contract value.</p> <p>Unnecessary costs are incurred by projects being withdrawn or tendering restarted after tenders have already been submitted. Contractors find this behaviour very frustrating as it is a waste of time and effort as well as money.</p> <p>The Supply Chain would encourage greater consistency with respect to Terms and Conditions (T&amp;Cs). A further review of the flow downs would be welcomed to achieve this, although it is recognised that a single set of conditions is not fit for all purposes.</p> <p>More importantly to the Supply Chain, T&amp;C flowdowns need to be simplified and reduced. Over complicated T&amp;Cs are seen as being particularly damaging to the lower tier contractors. Similarly it was requested that flow downs are made more relevant; an example given was working offsite yet being given T&amp;Cs for onsite work.</p> <p>Consultation comments were received that transfer of risk through the Supply Chain was inappropriate and that it needs a 'code of practice' to bring in greater consistency.</p> <p>The SLCs agree that greater alignment should be worked towards, but state that different jobs will need different T&amp;Cs. There is also agreement that flow downs need to be simplified for the benefit of the Supply Chain. However, it is important that flow down requirements remain commensurate with Tier 1 contract responsibilities.</p> <p>The Supply Chain produced more comments on having to provide generic contractor information repeatedly; it is seen as an unnecessary extra cost and a major annoyance. There was a suggestion for standard information to be retained in one place which all the SLCs could access.</p>
<p>Benchmark Supply Chain processes to identify best practice and improvement opportunities</p>	<p>It was suggested that the cost of tendering should be measured by an independent body. From this, total procurement costs can be benchmarked and the effect of cost-saving activities can be measured.</p>
<p>Undertake such activities as are necessary to assure itself that appropriate standards</p>	<p>NDA via it's Site Facing Teams will assess the SLCs performance as part of its normal assurance activities.</p>

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of procurement and Supply Chain management are being achieved and sustained across the estate and act appropriately should appropriate standards fail to be met.	
<b>Optimise Supply Chain Relationships</b>	
<b>Strategy Principle</b>	<b>Issues/Best Practice</b>
<p>Provide appropriate support to better align objectives across all the tiers of the Supply Chain and to make the NDA portfolio a market of choice for Suppliers promoting a collaborative approach with all parties with:</p> <ul style="list-style-type: none"> <li>• open, transparent and fair procurement practices which reduce barriers to entry into the NDA portfolio</li> </ul>	<p>Some compliment the openness of the market and the fairness of procurement. Others believe that the market can be considered as being closed, with an insular attitude existing amongst some SLCs.</p> <p>Lacking experience in the nuclear industry was described as being a strong barrier to entry. Contractors feel that even though they have experience on doing the same project in other non-nuclear sectors, they are overlooked for work if they are inexperienced in working on a nuclear site. Conversely, there were numerous comments from contractors stating that if they have done an onsite job well, then they should be chosen for any repeat work.</p> <p>Aggregating work into larger contracts is another barrier to entry, as it reduces the number of smaller contracts available for new entrants to bid for. However, the SLCs believe that work should be consolidated to one contract where possible, and breaking up these contracts would be costly to the industry. A similar problem to this is the use of frameworks reducing the openness of the market, as it reduces the availability of low value contracts. An idea put forward was to use more creative 'tailor-made' framework agreements that help smaller companies partner to get work.</p> <p>Another complaint from contractors was that there appears to be a 'lowest price wins' approach to awarding contracts, which makes it difficult for new entrants to get work. This perceived approach is linked closely to the whole life costing principle, with long term value being overlooked by low initial costs.</p> <p>Lack of knowledge on the industry is another barrier that new comers have to overcome, so it was a common suggestion that a 'Beginner's Guide' to the industry is set-up.</p>
The use of Early Contractor Involvement on appropriate projects to develop realisable specifications, encourage innovation and reduce costs	<p>This is an initiative that everyone has a great deal of support for and would like to see used more, particularly on high risk and high value projects. It was said that innovative NDA solutions could be developed as a result of this process, although NDA involvement needs to be limited. The early engagement would help contractors have a better understanding of the work, giving them greater bidding confidence. The better understanding would also encourage networking and the formation of alliances or partnerships. British Energy was given as best practice in the area of Concept Viability.</p>
The use of partnering arrangements when appropriate, both between NDA/SLCs and vertically through the Supply Chain and within the lower tiers of the Supply Chain, using the PAS 11000 'Collaborative Business Relationships' framework specification or similar as a basis for such arrangements	<p>Partnering was identified as being best practice in order to reduce costs and add value, by both the Supply Chain and the SLCs. The sector was described as currently being poor in this area and it was recommended that the NDA increases its engagement to encourage networking which will allow partnerships to be formed. It was also suggested that partnering needs increased emphasis in the strategy.</p>
Responsible (including socio-	Providing consistent information on these topics is seen as something

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<p>economic/ethical and/or sustainable) procurement policies across the NDA estate, including where appropriate, the use of prequalification/tender assessment criteria, specification requirements and whole life costing principles to support these policies.</p>	<p>that would enhance the reputation of the industry and could help improve performance. Other comments said that sustainable procurement principles should be adopted, and that developing and publishing policies on it is a key action that the NDA should undertake. An opposing view was also provided, stating that it is the SLCs responsibility to provide policies to deliver these.</p> <p>Related to this, it was a shared view that whole life costing principles should be introduced across the NDA's portfolio.</p>
<p>Adoption of a standard supplier positioning model across the NDA estate to aid SLCs and NDA in recognising the strategic importance of individual or collective Suppliers and develop supply chain maps to identify Suppliers below Tier 2 who are key suppliers and/or dependent suppliers.</p>	<p>SLCs require greater definition of the roles for themselves and the NDA with respect to the Supply Chain. SLCs believe that the development of the Supply Chain is their responsibility, and that NDA should not try to directly interfere. The NDA's role is seen as providing strategic direction, over-arching policy and to set expectations of how the SLC should interact with the Supply Chain.</p> <p>Recent question from Government regarding 'Key Suppliers and risk mitigation' highlights the need for a good understanding of the Key Suppliers within the portfolio and how they are managed.</p> <p>Responses on supply chain mapping were limited, but it was described as being important to identify areas of expertise and establish in what areas UK contractors can compete for work. It was also said to be beneficial in recognising where there are weaknesses and how the different tiers work together. It was suggested that due to the mutual benefit of this for both Decommissioning and New Build, the Clients should work together on this initiative.</p>
<p>Establishment of statistics for each SLC/Site on the socio-economic impacts of their use of the Supply Chain.</p>	<p>Use of 'local' supply chains is an issue raised by RDAs and Site Stakeholder Groups. Availability of socio-economic/supply chain spend information provides greater visibility of spend in a community. Best Practice: 2 page socio-economic summary provided by Wylfa and Trawsfynnd on the sites input into the local community including spend by T2s.</p>
<p>Creation of a 'Supply Chain Charter' that respects all Tiers of the Supply Chain and encourage adoption by all, to help create better alignment of objectives between the various levels of the Supply Chain.</p>	<p>Greater alignment was highlighted as an area that requires improvement, and should therefore be promoted by the NDA. A genuine collaborative environment needs to be created, initiated through the M&amp;O contracts and flowed down the tiers. Vertical collaborative arrangements need to be developed where the different tiers are fully engaged with each other. It was added that this would be particularly useful for subcontract strategies, framework and alliances models. Issues have also been raised by SMEs with regard to 'misuse' by Tier 2s.</p> <p>Best Practice: Small Business Friendly Concordat – Good Practice Guide, Office of the Deputy Prime Minister, 2005</p>
<p>Encouragement of initiatives that:</p> <ul style="list-style-type: none"> <li>• continuously improve HSSE standards of Suppliers when working at Sites</li> <li>• support the NDA skills strategy within the Supply Chain</li> <li>• reduce the dependency of individual Suppliers on specific SLCs or sites.</li> </ul>	<p>Outside of the Supply Chain, the passport system was described as being important in reducing the barriers to the market and raising standards in safety, quality and efficiency. It was requested that the NDA supports this initiative so it can be embraced and used through out the industry. It also was seen as very positive that it is included in the strategy.</p> <p>Increased flexibility of working practices was identified as a way of decreasing costs for Supply Chain companies, with the example of being able to work offsite given.</p>

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	A view provided by an SLC was that although greater flexibility would be beneficial to contractors, the NDA portfolio is not homogenous and the licenses vary. Therefore, the flexibility of working practices should be improved where possible but should not be mandated.
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<b>Explore synergies with other Nuclear Clients and other Industries</b>	
<b>Strategy Principle</b>	<b>Issues/Best Practice</b>
<p>Explore synergies with other Nuclear Clients and seek to coordinate:</p> <ul style="list-style-type: none"> <li>• Supply Chain development programmes recognising the inter-linkages between Supply Chains across the sector;</li> <li>• sharing of information and best practice;</li> <li>• common working practices that reduce costs across the industry, avoiding duplication of activities and sharing resources.</li> </ul>	<p>Identifying best practice has been brought up as a key role for the NDA, and should be extended to looking at other Nuclear Clients. But the amount that can be achieved from common working practices is seen as limited. There was a request for the NDA to focus on internal issues first and not to 'run before it can walk' with respect to the idea of collaborative procurement with Nuclear Clients.</p> <p>However, it was also highlighted that there are issues, such as the scarcity of certain skills, which affect the whole nuclear industry. These issues should be tackled jointly by the Clients and should work together to develop an appropriate national nuclear infrastructure. It was also put forward that even wider supply chain activity should be co-ordinated as much as possible, due to clear synergies that exist. This will reduce any duplication of effort and allow sharing of resources where possible.</p> <p>It was also proposed that the New Build and Decommissioning clients should raise awareness of opportunities in each other's sector.</p>
<p>Explore synergies with other industries to help to promote cross fertilization of best practice and initiatives from other industries and markets.</p>	<p>The Supply Chain perceive innovation as not being encouraged, and that there is a 'not invented here' mentality instilled in the SLCs. It was also suggested that innovative solutions are only considered if they are supplemented by an alternative. This need to always provide a compliant bid is viewed as costly and discouraging to innovation.</p> <p>There was agreement from an SLC that there tends to be a conservative approach by SLCs. It was suggested by both Supply Chain and SLCs that innovation should somehow be incentivised and/or rewarded.</p> <p>Identifying common processes with other industries and seeing whether best practices can be implemented is seen as a valuable course of action. Best practice in the area of procurement processes from more mature contracting industries was singled out as being particularly useful.</p>

## 8.0 Appendix 3 - Revision of Planned Actions

No	Draft Planned Activity	Draft Timetable	Comment	Revised Planned Action	Revised Timetable
PA1	NDA to issue guidance on standardisation of Annual Procurement plans, including frequency of updates and publication protocol.	Q2 2008	Procurement Plan requirements being addressed by ERP Improvement project	NDA to issue guidance on standardisation of Annual Procurement plans, including frequency of updates and publication protocol.	In line with ERP Improvement programme
PA2	Support SCIP initiative on standardisation of communication of supply chain opportunities and information, including the potential for migration to a single information portal	Q3 2008	SCIP communication sub-group has encouraged some improvements to information on web-sites. Migration to a single information portal should be addressed as part of the 2010 IT project.	Support SCIP initiative on standardisation of communication of supply chain opportunities and information, including the potential for migration to a single information portal	Dependant on NDA initiated IT project scope and programme
PA3	NDA to encourage SLCs to provide more information on larger projects as to potential packages of work and main Contractors, including supply chain maps.	Q4 2008	Information Requirements being addressed by ERP Improvement project.	NDA to encourage SLCs to provide more information on larger projects as to potential packages of work and main Contractors.	In line with ERP Improvement programme
PA4	Review SLCs key supplier management processes and consider developing key supplier management with the top 10 suppliers across the portfolio.	Q4 2008	View that Key Supplier management was an SLC activity. Key Supplier Management addressed in ERP improvements – Procurement PCP	Review SLCs key supplier management processes and address supplier management for key suppliers supporting multiple SLCs	To be addressed by NDA/SLC Collaborative Working forum
PA5	Continue to use conferences and journals to promote NDA's Portfolio	Ongoing throughout period	Supported by industry	Continue to use conferences and journals to promote NDA's Portfolio	Ongoing throughout period

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## Supply Chain Development – Analysis of revisions following Consultation

No	Draft Planned Activity	Draft Timetable	Comment	Revised Planned Action	Revised Timetable
PA6	Initiate 'Phase 2' root and branch review of flowdown requirements with the aim of providing consistency across all SLCs.	Q1 2009	Flowdowns still seen as complex by supply chain and need consistency. Flowdowns being reviewed for ERP improvements. IP policy still being determined	Initiate 'Phase 2' root and branch review of flowdown requirements with the aim of providing consistency across all SLCs.	In line with ERP Improvement programme
PA7	'Collaborative procurement' to consider further harmonisation/simplification of systems for generic Contractor information across the NDA Portfolio.	Q2 2009	Provision of multiple generic contractor information across the estate is an irritant to suppliers	'Collaborative Procurement' and NDA initiated IT project to consider further harmonisation/simplification of systems for generic Contractor information across the NDA Portfolio.	Dependant on NDA initiated IT project scope and programme
PA8	Investigate whether collaborative procurement could be used with the wider Nuclear Clients	Q3 2009	Support from other Nuclear Clients on collaboration	Investigate whether collaborative procurement could be used with the wider Nuclear Clients	Q3 2009
PA9	Initiate discussions on the use of Concept Viability with SLCs and relevant Trade Associations.	Q3 2008	Early Contractor Involvement is supported by suppliers. SLCs see this as their area and want to manage.	SLCs to develop strategies for use of Early Contractor Involvement as necessary	As required by projects
PA10	Initiate a review of common processes across the SLCs and NDA to develop a project for distilling best practice by identifying processes and applications that could benefit from greater alignment between the SLCs.	Q2 2008 Noting that any implementation of actions would be over the 3yr period	A review of procurement processes was undertaken as part of the ERP Improvements Maturity Reviews. These reviews highlighted best practice and will be fed back to the SLCs	SLCs to review best practice highlighted from Maturity Reviews and identify processes and applications that could benefit from greater alignment between the SLCs.	To be addressed by NDA/SLC Collaborative Working forum
PA11	Consider developing and publishing NDA procurement policies in ethical and/or sustainable procurement.	Q3 2008	NDA are developing a CSR policy. ERP improvement requires SLCs to provide	SLCs will be required to address responsible procurement policies in their Procurement Strategies.	To be addressed by NDA/SLC Collaborative Working forum

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## Supply Chain Development – Analysis of revisions following Consultation

No	Draft Planned Activity	Draft Timetable	Comment	Revised Planned Action	Revised Timetable
			statements on their responsible procurement policies		
PA12	NDA to review its approval processes with the aim to streamline the systems in place and reduce involvement for low value, low risk transactional approvals.	Q2 2008 Noting that implementation and transition will take place beyond Q2 2008	ERP Improvement project is nearing completion with proposals for new sanction and validation process	NDA to review its approval processes with the aim to streamline the systems in place and reduce involvement for low value, low risk transactional approvals.	In line with ERP Improvement programme
PA13	NDA to develop and agree a portfolio wide supplier positioning model, to aid SLCs and NDA in recognising the strategic importance of individual or collective suppliers.	Q4 2008	Addressed by ERP improvement requirements with standard Kraljic matrix identified	NDA to develop and agree a portfolio wide supplier positioning model, to aid SLCs and NDA in recognising the strategic importance of individual or collective suppliers.	In line with ERP Improvement programme
PA14	Continue with the existing forums to build on work already done and continue to aid in the alignment of objectives.	Ongoing through period	Support given to current forums continuing	Continue with the existing forums to build on work already done and continue to aid in the alignment of objectives.	Ongoing through period
PA15	Initiate setting up a forum of Industry Bodies/Trade Associations who have a major influence over the NDA portfolio Supply Chain.	Q3 2008	Some support for this action	Initiate setting up a forum of Industry Bodies/Trade Associations who have a major influence over the NDA portfolio Supply Chain.	Q2 2009
PA17	Monitor the use of Contractors used across multiple sites.	Ongoing through period	Key suppliers will be captured by ERP improvement requirements	Monitor the use of Contractors used across multiple sites.	Ongoing through period
PA16	Initiate setting up a 'Clients Forum' to discuss issues of mutual benefit.	Q3 2008	Some initial meetings held with Nuclear Clients.	Initiate setting up a 'Clients Forum' to discuss issues of mutual benefit.	Q2 2009

In 2009/10 and 2010/11 we will continue to build on supply chain development activities following review of initiatives and feedback from the SLCs, Supply Chain and organisations supporting businesses.

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