



# Supply Chain Development

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## Statistics

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**Analysis and summary of findings 2008/9**



# Supply chain development Statistics Analysis and Summary of Findings 2008/9

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## Executive Summary

In 2008/09 the Site Licence Companies (SLCs) spent approximately £1.3bn in the supply chain.

The information provided in this report indicates the trends in supply chain spend.

Key findings for 2008/09 are:

- 4% increase in supply chain spend with a 3.4% increase in funding
- the percentage of competitive contracts spend has decreased by 5%
- £4,763,605,323 has been spent with the supply chain since NDA's creation in 2005
- the proportion of internal spend versus supply chain spend has remained the same
- 38% of spend in the supply chain is with 20 suppliers
- spend with the 'Top 10' suppliers for decommissioning, construction and engineering services organisations was £344m.

This very high level information will be progressively enhanced as the SLCs provide additional analysis over the coming year.

## Glossary

ASFL	Annual Site Funding Limit
DSRL	Dounreay Site Restoration Limited
ESTL	Energy Sales and Trading Limited
EU	European Union
FY	Financial Year
IT	Information Technology
LLWR	Low Level Waste Repository Limited
R&D	Research and Development
RSRL	Research Sites Restoration Limited
SLC	Site Licence Company
NDA	Nuclear Decommissioning Authority



## Introduction

The objective of the questionnaire was to obtain high level data on individual SLC's supply chain activity, in order that a global picture of the NDA supply chain could be presented, and comparisons made to previous years.

The report will also aid communication with the supply chain, by allowing accurate messages to be communicated, enabled by the fact that one set of consistent information on how much of NDA funding enters the supply chain.

The current report provides information at the Tier 2 level; direct suppliers to the SLCs (Tier 1); work is ongoing to find suitable methods for measuring the flow of monies through the rest of the NDA supply chain.

This report follows the same format as the first NDA Supply Chain Questionnaire published in June 2008.

All figures are based on actual expenditure, invoices paid.

For historic data LLWR figures have been included in the Sellafield data, but are separate for 08/09 as it is now a standalone SLC and no longer part of the Sellafield group of sites. DSRL have rationalised the external expenditure data to reflect relevant supply chain spend in the context of the report and hence there is less supply chain spend noted than previous years ie 06/07 and 07/08 supply chain spend data for DSRL has been amended.

### Note

This report has been prepared on the basis of information provided by the NDA's SLCs.

This information has not been validated by the NDA and the data is presented for information only.

No responsibility is accepted by the NDA for the contents and the reader accepts all liability for any interpretation placed on or use to which the contents of the report are put.

## Spend in the Supply Chain 2008/09

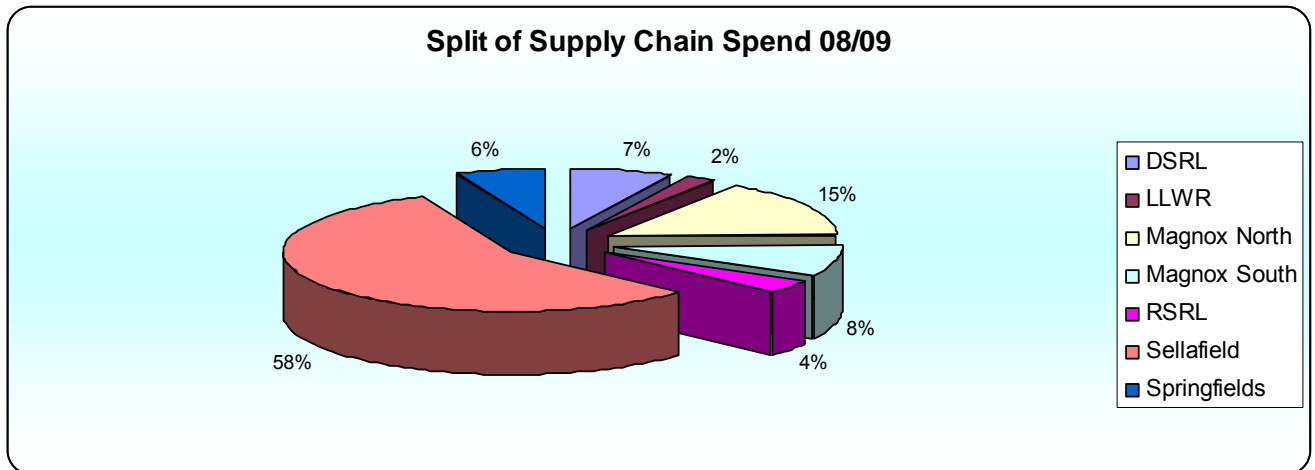


Fig 1a Breakdown of total supply chain spend 08/09 by SLC

Total SLC supply chain spend for 08/09 was £1,299,785,681 (actual expenditure)

This was an increase in supply chain spend from 07/08 of £56,386,561. Supply Chain spend was reported as £1,271,847,689 in 07/08, and revised to £1,243,399,120 with DSRL rationalisation.

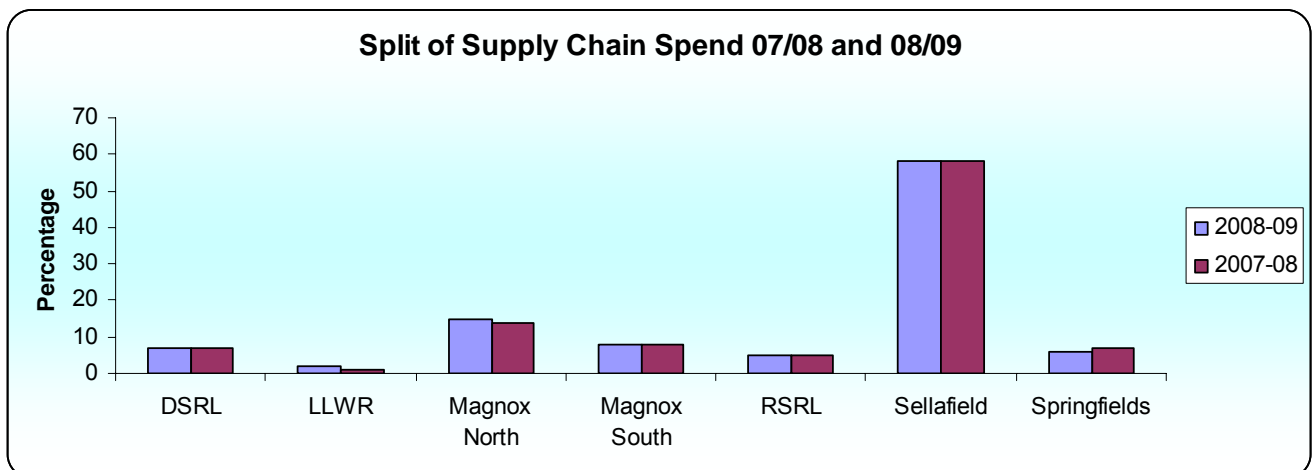
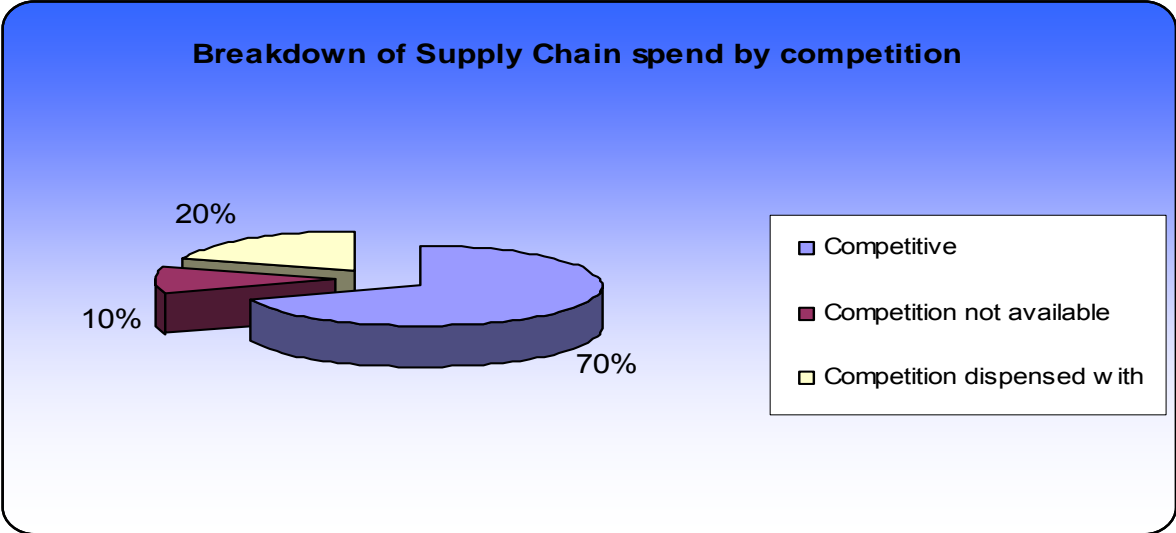


Fig 1b Breakdown of total supply chain spend 07/08 and 08/09 by SLC

## Competitive Breakdown of Supply Chain Spend



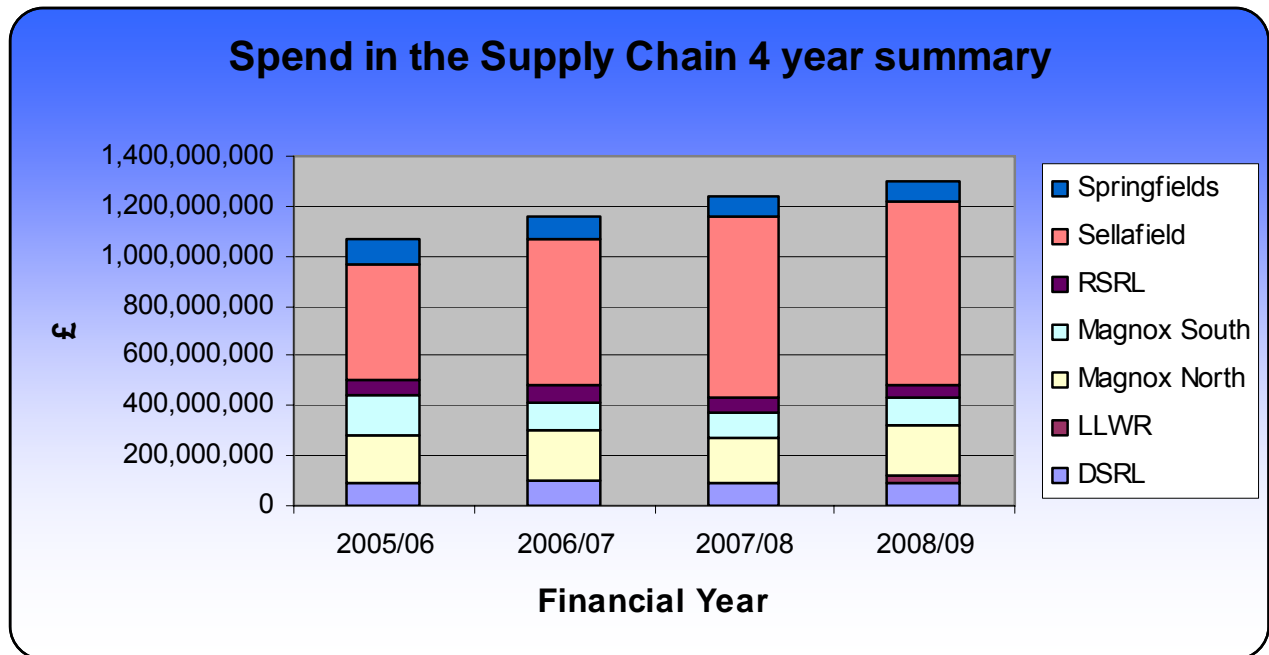
**Fig 2 Breakdown of competitive spend, competition not available and competition dispensed with**

SLCs were asked to break out the supply chain spend for 08/09 into three categories; competitive, competition not available and competition dispensed with.

Competitive Spend:	£906,225,149
Competition not available:	£134,564,183
Competition dispensed with:	£258,996,345

It should be noted that SLCs are required to comply with the EU Procurement Regulations.

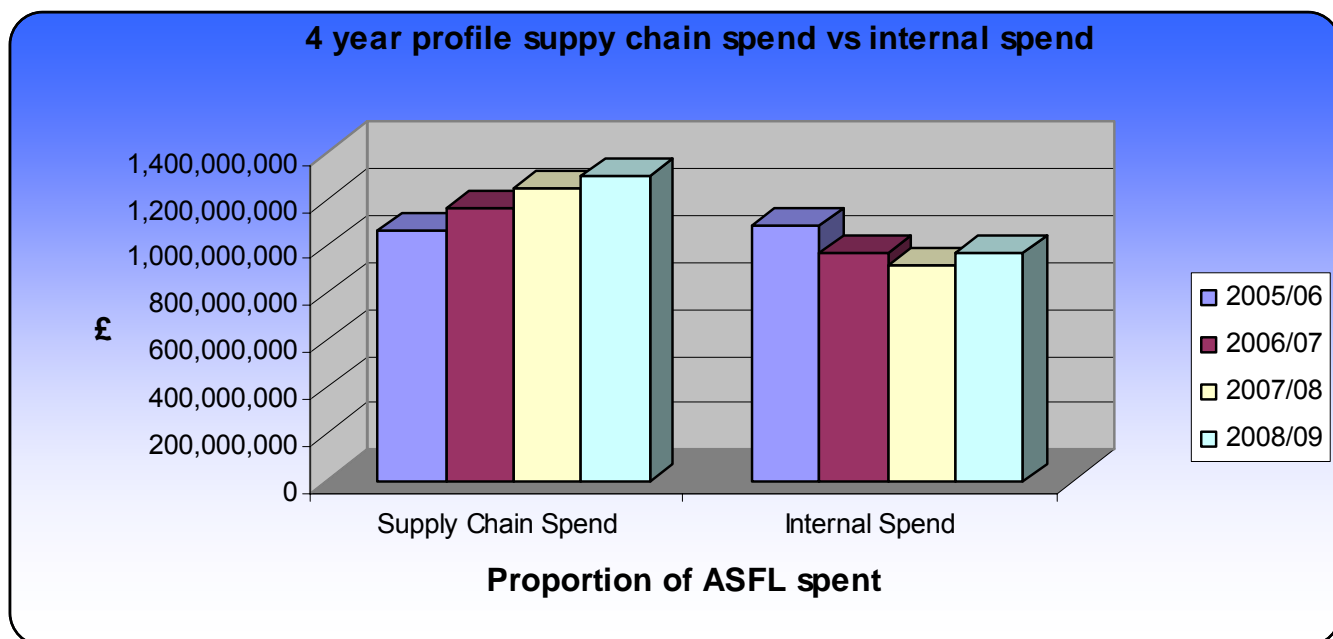
## 4 Year View



**Fig 3 Supply chain spend profile 05/06, 06/07, 07/08 and 08/09**

By the end of F/Y 08/09 £4,763,605,323 had been spent in the supply chain, via the SLCs, since the NDA was formed, 1 April 2005. (In year money values not adjusted to take into account inflation)

## Self Performance versus use of the Supply Chain



**Fig 4 Cross SLC split of ASFL spent internally versus in the supply chain – FY 05/06, 06/07,07/08, 08/09**

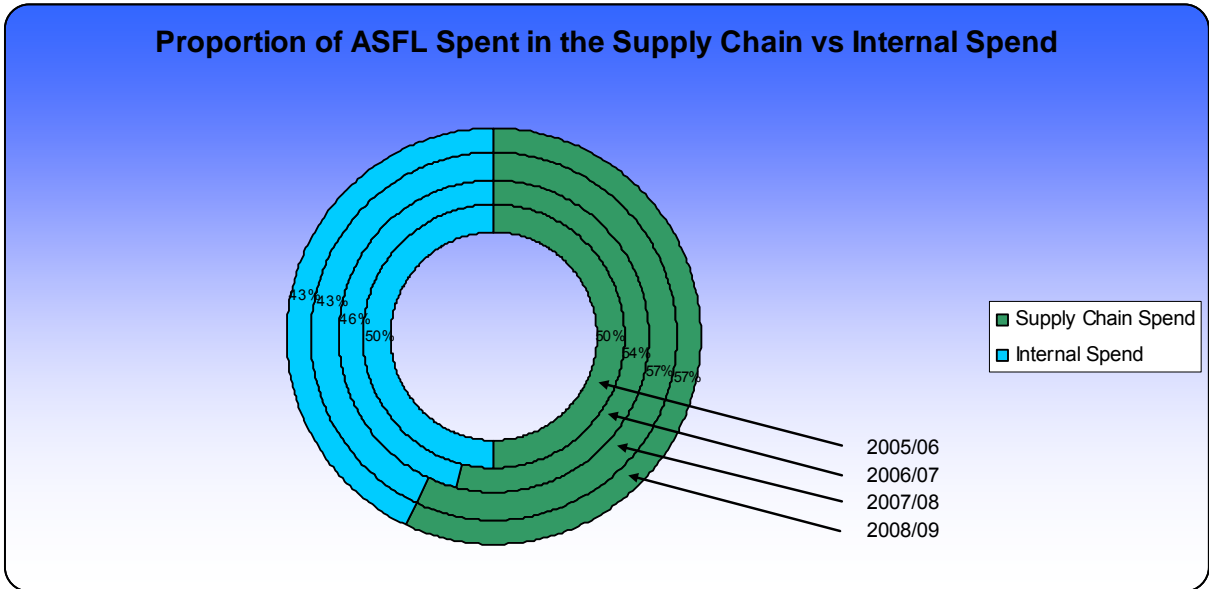
**08/09 funding £2,275,108,653** (Windscale now part of Sellafield Ltd)

**07/08 funding £2,198,606,676** (excludes Culham, Windscale and breakthrough funds)

**06/07 funding £2,126,634,309** (excludes Culham, Windscale and ESTL)

**05/06 funding £2,146,000,000**

NB: ASFL figures are as awarded at 01 April of the respective year and do not take into account over or under spend.

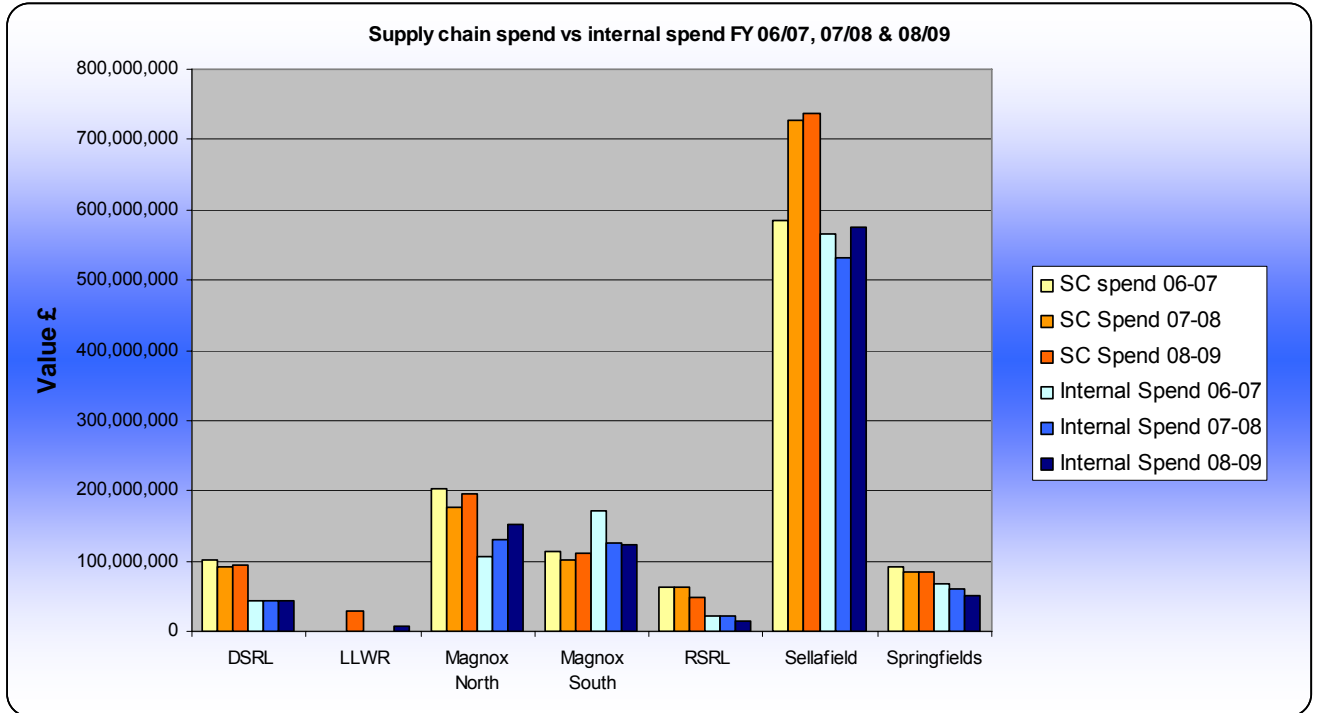


**Fig 5 % split of total cross SLC ASFL spent internally vs. in the supply chain**

Fig 5 shows the combined SLCs' proportionate use of the supply chain. In 08/09, supply chain spend (57%) remains greater than Internal spend (43%). 2007/08 supply chain spend figure has been adjusted downward by 1% with DSRL rationalisation.

The following table shows the percentage of ASFL spent in the supply chain in 08/09 broken down by SLC:

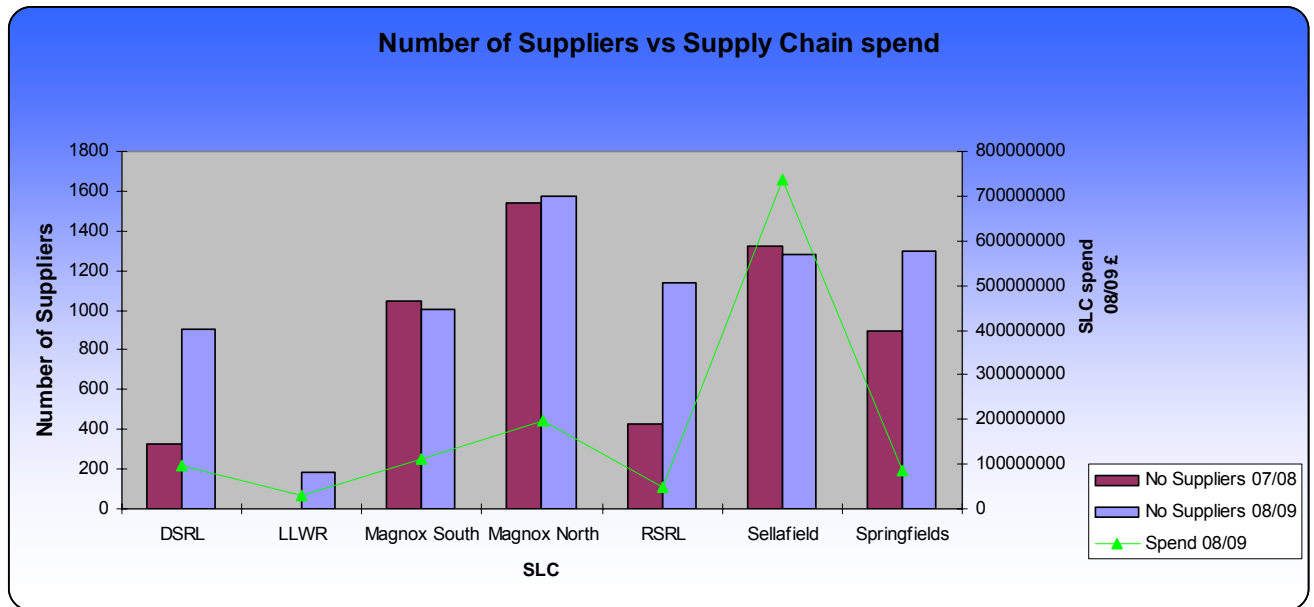
SLC	% of ASFL spent in the supply chain 08/09
DRSL	65
LLWR	79
Magnox North	56
Magnox South	47
RSRL	78
Sellafield	56
Springfields	62



**Fig 6 Internal spend versus spend in the supply chain FY 06/07, 07/08 and 08/09.**

Fig 6 provides the SLC by SLC picture of the split between funds spent internally and funds spent in the supply chain for the last three years.

## Number of Live Suppliers



**Fig 7 Number of live suppliers per SLC versus SLC spend in the supply chain**

DRSL and RSRL show a significant increase in the number of direct suppliers. This is due to the previous data only including for contracts placed by the Commercial Services function, and the revised number including for all purchase orders. Therefore, the number of suppliers now directly relates to the total supply chain spend declared.

Springfields have reduced the number of suppliers on their database from over 20,000 to 1,300. The figure of 900 in 07/08 was the number of suppliers that payment was made to.

## Top 10 Suppliers – Spend

SLCs were requested to provide a list of their top ten suppliers by spend, the list is as follows. Companies appearing in multiple top tens are asterixed. Accounting for overlaps there are 55 different organisations, 3 of which are marked ● these are for services which are non discretionary and non competable.

DSRL	LLWR	Magnox South	Magnox North
BAM Nuttall Ltd	Aker Solutions E&C Ltd	Atkins Ltd	Aker Solutions E&C Ltd*
BNS Nuclear Services	Birse Civils	British Energy Generation Ltd	BNS Nuclear Services Ltd
Civil Nuclear Constabulary●	Capita Resourcing Ltd	CSC Computer Sciences Ltd	Civil Nuclear Constabulary●
Doosan Babcock Energy Ltd	Environment Agency●	Deborah Services Ltd	CSC Computer Sciences Ltd*
EDF Energy	National Nuclear Laboratory Ltd	Doosan Babcock Energy Ltd	Direct Rail Services Ltd
Johnson Controls Ltd	Operon Ltd	Jacobs Engineering (UK) Ltd	Eurest Services
JGC Engineering & Technical Services Ltd	Sellafield Ltd	Morson Human Resources Ltd	Kitsons Environmental Europe Ltd
Nuvia Ltd	UKNWM Ltd	Promanex (Total FM & Environmental) Ltd	Serco Assurance
UKAEA Ltd	Westlakes Scientific	Radwise Ltd	Strachan & Henshaw Ltd
ISaT	Yorkshire Marine Containers	Rainham Industrial Services Ltd	VT Nuclear Services
<b>RSRL</b>	<b>Sellafield</b>	<b>Springfields</b>	
BNF	AMEC Nuclear Ltd	ATI Allvac Ltd	
CH2M Hill (UK) Ltd	Balfour Beatty Civil	Boulting Group plc	
Civil Nuclear Constabulary●	Balfour Kirkpatrick Ltd	British Gas Trading	
ISaT	Capita Resourcing Ltd	Civil Nuclear Constabulary●	
Johnson Controls Ltd	Costain Oil, Gas and Process Ltd	CSC Computer Science	
LLWR●	Hertel (UK) Ltd	EDF Energy Ltd	
Nuvia Ltd	Laing O'Rourke	Fine Tubes Ltd	
Scion Technical Services	National Nuclear Laboratory	Newburgh Engineering	
Southern Electric	Norwest Holst Ltd	Paul Fabrications Ltd	
UKAEA Ltd	Shepley Engineers Ltd	SGL Carbon SA	

In 08/09 analysis of spend with the top 55 companies showed that of the SLC supply chain spend for 08/09 (£1,299,785,681) approximately 38% was spent with 20 suppliers, those suppliers are:

<b>2008/09 Top 20 Suppliers by spend</b>
Aker Solutions E&C
AMEC Nuclear UK
Balfour Beatty Civil
Balfour Kirkpatrick
BNS Nuclear Services
Capita Resourcing
Civil Nuclear Constabulary
Costain Oil, Gas and Process
CSC Computer Sciences
Doosan Babcock Energy
Hertel (UK)
Johnson Controls
Laing O'Rourke
National Nuclear Laboratory
Norwest Holst
Nuvia
Serco Assurance
Shepley Engineers
UKAEA Ltd
VT Nuclear Services

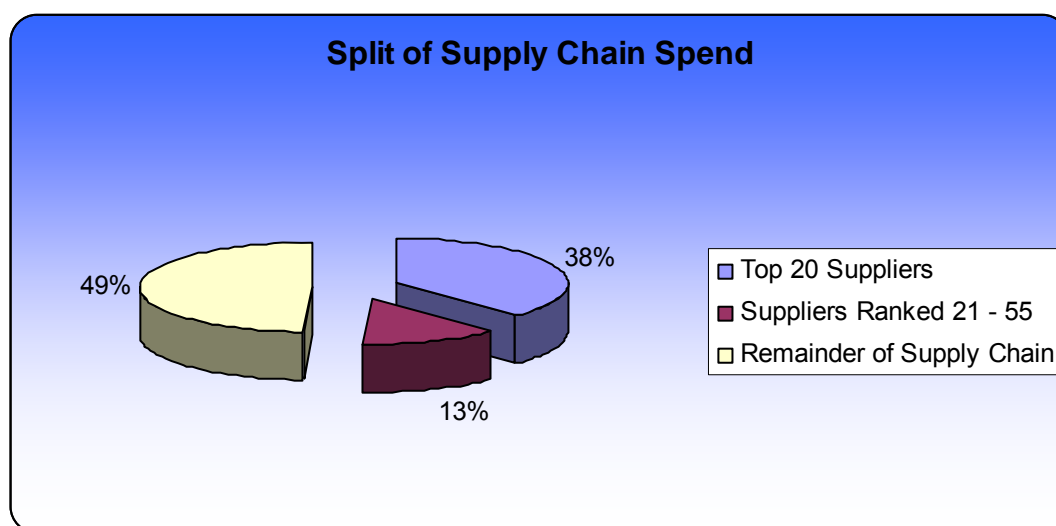
List is ordered alphabetically not by spend.

There has been some churn in the last 12 months in the top 20 suppliers.

New entrants to the Top 20 are: Balfour Beatty Civil, Balfour Kirkpatrick, Hertel (UK), Laing O'Rourke, Serco Assurance.

Leaving the Top 20 are: Alstec, Areva NC, Carillion Construction, Direct Rail Services, Edmund Nutall, Jacobs UK, Morsons International.

## Split of Supply Chain 'Top 10' Spend



**Fig 8 Split of supplier spend for 08/09 – split between the top 20 suppliers, suppliers ranked 21 – 55 and spend with the remainder of the supply chain.**

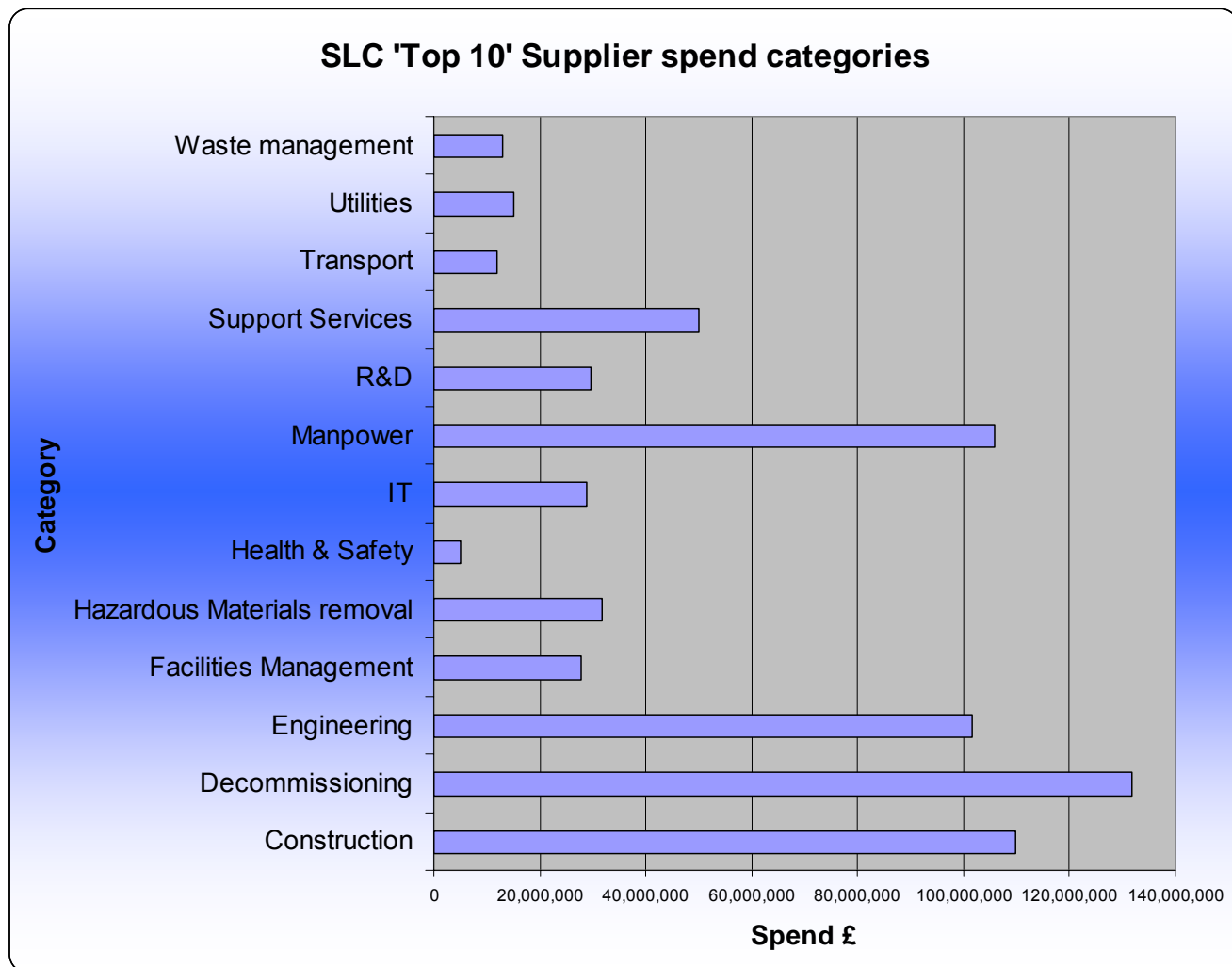
Of the SLC supply chain spend for 08/09 (£1,299,785,681) 38% was spent with 20 suppliers, in monetary terms this equates to £490m. 13% was spent with the remaining 35 'top ten' suppliers, circa £171m. The remaining £638m, 49%, was spent amongst the remainder of the supply chain.

As data gathered was for the top ten suppliers per SLC, some companies that feature in the top 55 list will be operating at other SLC's but may not have featured in multiple top tens, this could lead to the 49% figure above being reduced. This is expected to be a small percentage as the data does contain information for Sellafield spend against all of the 55 suppliers.

The figures could be skewed by large numbers at Sellafield so it is worth looking at SLC by SLC top ten supplier usage:

SLC	% of SLC supply chain spend spent with top ten 07/08	% of SLC supply chain spend spent with top ten 08/09
DSRL	49	77
LLWR		84
Magnox North	39	39
Magnox South	43	51
RSRL	53	62
Sellafield	40	49
Springfields	35	46
<b>Average</b>	<b>43</b>	<b>68</b>

## Supplier Categories



**Fig 9 Categorisation of SLC 'top ten' spend suppliers – this categorises the spend with SLC's top ten suppliers totalling £661m - not the entire expenditure for 08/09.**

The categorisation is based on the common procurement category codes used to categorise spend in the SLCs Procurement Plans although categories in this context are used to show spend by business type not lifetime plan project values.

This metric shows that the 55 suppliers listed in the SLC's 'top tens' fall into 13 categories.

The largest group are decommissioning services organisations (£132m), followed by construction (£110m). The third largest group are Manpower services providing resources to the SLCs (£106m), with the nuclear engineering firms in fourth place with a spend of £102m.

It should be noted that there is also considerable spend in the top four categories beyond the 'top ten' suppliers.