

SME Steering Group - North

Meeting 15 – 20 April 2016, Abbot Risk Consulting, Manchester

MINUTES

Attendees

SMEs: Chair: Mark Taylor (MT) ITS Ltd Aidan McManus (AMc) Tenet Mark Beirne (MB) CWG John Morris (JM) NSG Ltd Paul Read (PR) James Fisher Nuclear Jon Myers (JMy) Abbot Risk Consulting Dave Boxall (DB) K Home Intl	Tier 2s: Derek Waugh (DW) Jacobs Charlotte McLaren (CM) Atos
SLCs: Chris Stanger (CS) LLWR Michael Moore (MM) SL (guest)	Guests : Barnaby Beere (BB) Abbey Engineering (SME) Andrew Bradley (AB) Darchem Engineering
Apologies: Stuart Feather (SF) Firma Engineering, Alan Longfield (AL) Firma Engineering Taylor-Jayne Fox NIS, Juliet Frost NDA, Ron Gorham NDA, Gill Jakeman Atos, Martin Booth WITT UK Group	

1 Welcome and Introductions

Welcome was offered to the visitors to the meeting : Michael Moore – Sellafield Socio-economic Supply Chain Lead & SME Champion, Matthew Collantine – NDA Information Security Operations Manager, Barnaby Beere from Abbey Engineering and Andrew Bradley from Darchem Engineering.

2 NDA Update – SD

In future Juliet Frost will take responsibility within the NDA Supply Chain team for the SME Steering Groups

The NDA have now published the Strategy Document (see NDA website). There is an increased focus on the Critical Enablers, with Supply Chain being seen as one of the main topics. In addition, NDA has developed 14 Corporate Risks of which the Supply Chain is again seen as a key area, with the risk identified as ‘supply chain performance does not support the NDA mission’. The potential causes for this would be both on the side of the Client and Supplier, therefore it is key that focus is centred on being a ‘good client’ and supporting supplier performance.

The strategy is a development from the 2011 document and supply chain focus will be on category management, critical suppliers and supplier development in addition to the work on the SME agenda.

SL Model change has now been effected and should not make any difference to the contracting parties, as Sellafield remains as the client. Paul Foster continues to be the Managing Director with Tony Fountain appointed the new Chair of the Board. The focus at Sellafield will be on looking at simplifying processes and procedures to reduce waste.

The Government continue to promote the SME Agenda. John Manzoni (Chief Executive of the Civil Service), will be focusing on the UK Growth combined with the Apprentices & Skills and SME Agendas and this is reflected now in the new NDA Supply Chain Action Plan.

The SME Spend data is in the final quarter for collection and NDA recognise that there is likely to be a ‘dip’ in overall supply chain spend this year due to the Magnox consolidation and Sellafield model change both reducing the amount of work on offer. NDA continues to work on raising the accuracy of the data and the Cumbrian Steering group have taken the SME company names supplied by the Tier 2 companies and performed an analysis to eliminate any who are definitely not SMEs and

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those for whom more detailed data is required. This data will then be returned to the Tier2 companies for them to incorporate/remove from their reported figures.

The NDA have launched a 3rd SME Mentor Scheme for 2016 and are still looking for Mentors, applications to PK please.

Juliet Frost is investigating setting up of a new 'Expert' group who can focus on particular areas of concern such as IP, Terms and Conditions etc. JF would like to ask the group for any examples they may have where IP contract clauses have caused significant concern, enough to consider not taking the work.

Action : please send any examples of IP clauses that affected your work to JF – All

DW raised a question over whether there will be a change to the Flowdown terms from SL now that it is a subsidiary of NDA? These will be considered but the current 11 clauses continue to be obligatory with additional requirements added by the SLCs.

DW also asked how the NDA and its suppliers intend to achieve the final target of 31% SME spend across the Estate – it will require radical change.

There are a number of proposals being considered, amongst them the new Dynamic Market Place being introduced by LLWR. This gives suppliers the opportunity to register an interest in working for LLWR and proceeding with the initial paperwork in advance of work being advertised for tender. The system is aimed at work not suitable for large frameworks and is hoped that it will give SMEs a greater opportunity to bid for contracts within LLWR. The Government have used a Dynamic Purchasing system within other areas of public procurement and this is the first time it is being used within the NDA Estate.

JM raised the concern (echoed by others) that much of the current work being offered by the Estate is being held by Tier 2 companies as they have spare capacity in house and will favour this rather than outsourcing to SMEs. Whilst the rhetoric is that there is a requirement in the future for SMEs and new start-up companies, the work is not increasing and companies are planning for a 20% reduction. Work is still being channelled to the larger Tier 2 companies. Feeling is that the procurement departments are not focused on packaging work for SMEs but take the 'easier' option of feeding to Tier 2s and that work is being required of a higher standard than 'fit for purpose'.

Action : AMc to consider a question to SMEs - PK to send previous Survey Monkey results to AMc

AB raised the concerns of many – how to compete as a new supplier against the experienced company is it a matter of taking a risk with the new? Discussion over whether the 'risk' of using a new supplier is a nuclear risk ie lack of nuclear experience or lack of experience/knowledge on behalf of the supplier? One solution is to give more support to new companies hoping to win work on the estate, more early engagement discussions and tailoring tenders to the capabilities of the supply chain. MB suggested that there is more flexibility within OJEU than is assumed. A key element is to ensure that the correct, proportional and relevant information is issued at the pre-qualification stage. EDF use a phrase of 'appropriate rigour' when preparing for safety case and technical requirements rather than going to the highest possible requirements.

3 Presentation from Matthew Collantine, NDA – Cyber Essentials and Security

Matthew presented the outline of the mandated requirements on the NDA Estate and other Government Departments for Suppliers to complete the Cyber Essentials programme prior to

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working on the Estate. An explanation of what this entails, who can provide the information and what support is available to companies was included in his presentation that will be sent to all members of the Steering Group. For more information please contact Matthew.Collantine@NDA.gov.uk

4 SLC Update – Chris Stanger

The SSA (Shared Services Alliance) is currently a group of co-opted members from the NDA Estate who as part of their regular job, work on collaborative procurements for major contracts such as Facilities Management, IT etc. Recently there has been a plan to provide a more dedicated team to run the procurements (with continuing support from the SLC procurement teams). If approval is given by NDA at the next Exco meeting, both Jonathan Evans and Chris Stanger will be seconded into this group. Richard Jones will be replacing Jonathan in LLWR as Head of Procurement, with Tom Crowe supporting. Jonathan would like to continue to be a member of the SME SG – North as it will prove valuable when working on the T & C's, contract forms, standardisation, PQQ's, ITT's etc. The SSA hope to promote uniformity and simplification across the Estate and promote best practice. Relevant and proportionate are the key words for the new group!

5 Quality Standards

Action : Circulate the previous work on standards to the rest of the group – MT

Concern amongst both the SMEs and Tier2s that the quality standards being passed down the supply chain are beyond what is required. MM showed the Contract Quality Requirements Manual that was created to avoid confusion and ensure the standards required were clearly understood. SLCs set the quality standards for the initial contract however responsibility for devolved work and the standards required should be set by the Tier2 contractor. Therefore although the initial scope of the work may be set to a quality grade '2', the supplier of the toilet rolls would not be expected to maintain that level. Concern was raised in 2 areas :

- 1 Tier2 companies are not correctly 're-grading' the lower parcels of work
- 2 Where a supplier feels a quality grade is incorrect, it is difficult to challenge through the Tier2 to the SLC.

MM emphasised that the SLCs are open to questioning but the SMEs in particular do not feel they can raise concerns without the possibility of being classed as 'difficult' with unfavourable outcomes.

AB is hopeful that the introduction of real Category Management may eliminate some of these issues.

MT has particular examples of specifications that were impossible to meet but were not available until after the contract was awarded.

Action : SD would like this example to be escalated within the SLC – MM

Proposal within the group that allowing the Supply Chain to propose ultimate solutions rather than a prescriptive request allows for more imaginative (and cost effective) results. Examples of other industries incl Road & Rail where contracts are incentivised.

6 Presentation - Barnaby Beere, Abbey Group

The Abbey group are an Engineering company that have worked in the Oil & Gas, auto manufacturing and MOD industries. They also have worked within Facilities Management and have the distribution and manufacturing rights to a new product security blind system that could be of interest to the NDA Estate.

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They are interested to broaden their client base and have recently successfully undertaken the 'Fit 4 Nuclear' programme. Their facilities offer engineering manufacturing under one roof with the ability to produce large scale work in one building.

7 NDA SG – North – adding value, reviewing outcomes, next steps

General discussion over possible options to raise opportunities for SMEs – inclusion of Tier2s on CTM as a single reference for work, is a focus for the NDA/SLCs over the next year. SL had offered CTM training to suppliers but there were no takers – possibly not circulated widely enough? SL 'Opening the doors' recognised as a great event for SMEs to understand and discuss opportunities with Tier2 suppliers.

Action : SD to send a link to the copy of the (redacted) M & O contract policy to Paul Read.

Next meeting proposed for either NSG or James Fisher in September – PK to send doodle for dates