

# Supply Chain Strategy



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# Foreword

**I am delighted to welcome you to our 2019/20 Sellafield Ltd Supply Chain Strategy. This strategy builds on previous publications and offers one cohesive document designed to provide our key stakeholders, our supply chain, and our own people with an overview of our current landscape, the environment in which we operate and the key areas of focus over the coming three years.**

Sellafield Ltd is in a period of transition and, as part of that, with the end of Thorp reprocessing, we have redesigned our overall operating model. This has led to our supply chain directorate also being restructured to ensure clear business alignment, whilst embracing a category-based approach to supply chain management.

Our Supply Chain Strategy is a key enabler to the delivery of our corporate strategy and is focussed on four areas Business Alignment; People & Capability; Process, Technology & Assurance and External Supply Chain – all of which are integral in helping us achieve our vision: to be recognised partners in delivery and agents for change that enable the business to unlock significant value.

As underpinned within this strategy we continue to be committed to:

- Delivering our mission in a safe and secure manner alongside a motivated, diverse and resilient supply chain
- Demonstrating excellent value for money to maximise the impact of the funding we receive
- Embracing new and innovative ways of working, bringing together talented people and organisations to deliver innovative solutions
- Continue to focus on collaboration and mutually beneficial relationships
- Building long term partnerships that attract investment
- Engaging and supporting Small & Medium Enterprises to work with us
- Leveraging enhanced social value from the work we do to benefit the economy and the communities in which we operate.

For our Supply Chain, I am hoping our contract landscape on pages 6 and 7 will demonstrate to you the diversity of our contracts and where your business may be able to add value to our mission.

**Martin Chown**  
Supply Chain Director  
Sellafield Ltd



# Context

Today, and for the next 100 years, we are faced with the challenge of cleaning up the legacy of the site's early operations, including some of the most hazardous nuclear facilities in Europe. As a company we are facing these challenges whilst ensuring **safe & secure site stewardship**. As we conclude reprocessing and continue to make **demonstrable progress** as an environmental remediation business, we must continue to provide a **return on investment** for the public funding we receive.

Our mission requires us to develop and deploy a broad spectrum of skills and capabilities. As a business we face a choice of maintaining or developing those in-house (make) or procuring those from the market (buy). However the choice is rarely binary and the optimum solution often resides somewhere between the two.

By engaging with a diverse supply chain we can create an environment in which we are able to integrate our own internal experience, capabilities and know-how with the expertise, capacity and capability of the supply chain; developing fit for purpose, innovative solutions whilst demonstrating value for money to the UK taxpayer.

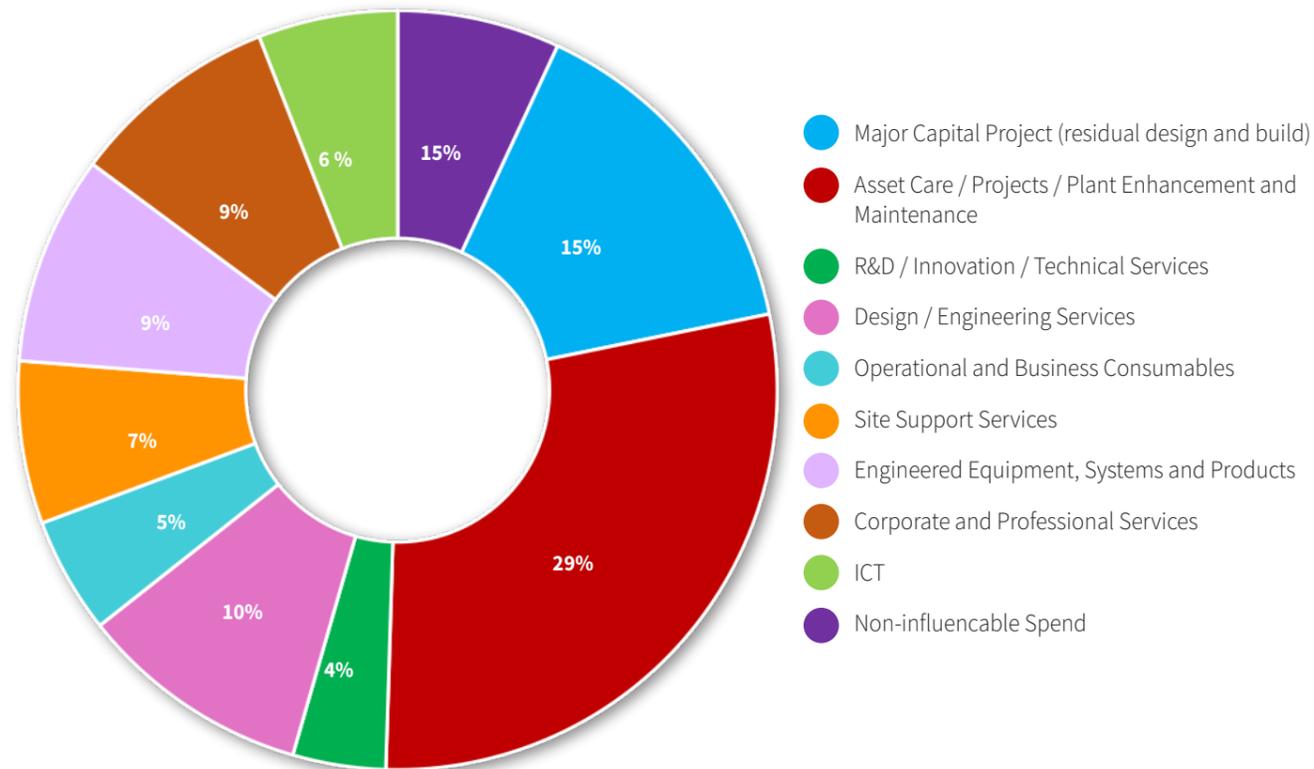
Furthermore, our mission affords us the opportunity to develop an innovative, diverse and robust supply chain at all levels, whilst also leveraging our expenditure to create resilient economies and thriving communities closest to our sites.

We currently spend in the region of £1.2bn a year with our supply chain and this is forecast to continue to do so for the forthcoming years. In representing over half of our annual site funding limit it is apparent that the supply chain is integral to us achieving our Transformation ambition:

- **25% schedule acceleration for high hazard risk reduction**
- **Ability to flex + / - £100m in any financial year by 2020**
- **Reduce cost by £2.4 – 2.8bn by 2029**
- **Long-term positive impact on UK and regional economies**
- **Empowered, collaborative and value driven culture**

We must work closely with our supply chain to achieve our goals whilst helping our supply chain and the wider economy to prosper.

A commodity-based breakdown is shown below to demonstrate the broad range of supply chain capabilities currently engaged in the delivery of our mission:



# Our Operating Environment

The way in which we engage and integrate the supply chain to support us in the delivery of our mission is influenced by a number of factors, which collectively establishes our operating environment. The factors which contribute to our operating environment include those specific to our enterprise and our ongoing transformation, the fact we are a subsidiary of the Nuclear Decommissioning Authority (NDA) and our role as part of wider industry.

**Government Policies:** Supporting wider Government policies such as the UK Growth Agenda allows us to demonstrate increased stakeholder value and enhances our reputation. Delivering upon the intent of the Public Services (Social Value) Act will help us to establish enhanced economic resilience.

- Leads the Government's relationship with business
- Ensures that the UK has secure energy supplies that are reliable, affordable and clean
- Ensures that the UK remains at the leading edge of science, research and innovation
- Tackles climate change

**Brexit:** It is important that we work closely with our supply chain throughout this transition period to secure the delivery of our mission and be responsive to emerging opportunities.

**Wider UK Industry:** We must be an attractive intelligent client to secure supply chain capacity and capability against competing opportunities; e.g. new-build, HS2 and Heathrow expansion.

**Nuclear Sector Deal:** Alongside our supply chain we will play an important role in the successful delivery of the Nuclear Sector Deal and in particular the 20% cost reduction target relating to decommissioning.

Owns the Sellafield site, its liabilities and assets: and the shares in the site license company Sellafield Ltd

**Funding:** Being publicly funded requires us to deliver value for money in all that we do and we must work to minimise any adverse impact of annual funding cycles.

Responsible for the safe, secure management of the company and operation of the nuclear licensed sites it occupies

Regulatory bodies include

Regulate Sellafield Ltd and site operations

**Our Strategic Framework:** Our Supply Chain Strategy must drive alignment between our supply chain and the aspirations and ambitions set out within our Strategic Framework.

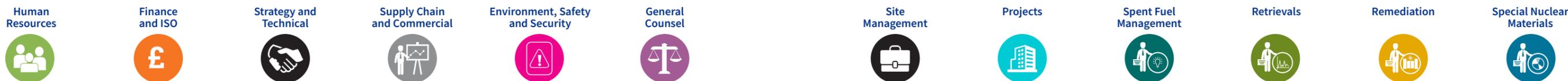
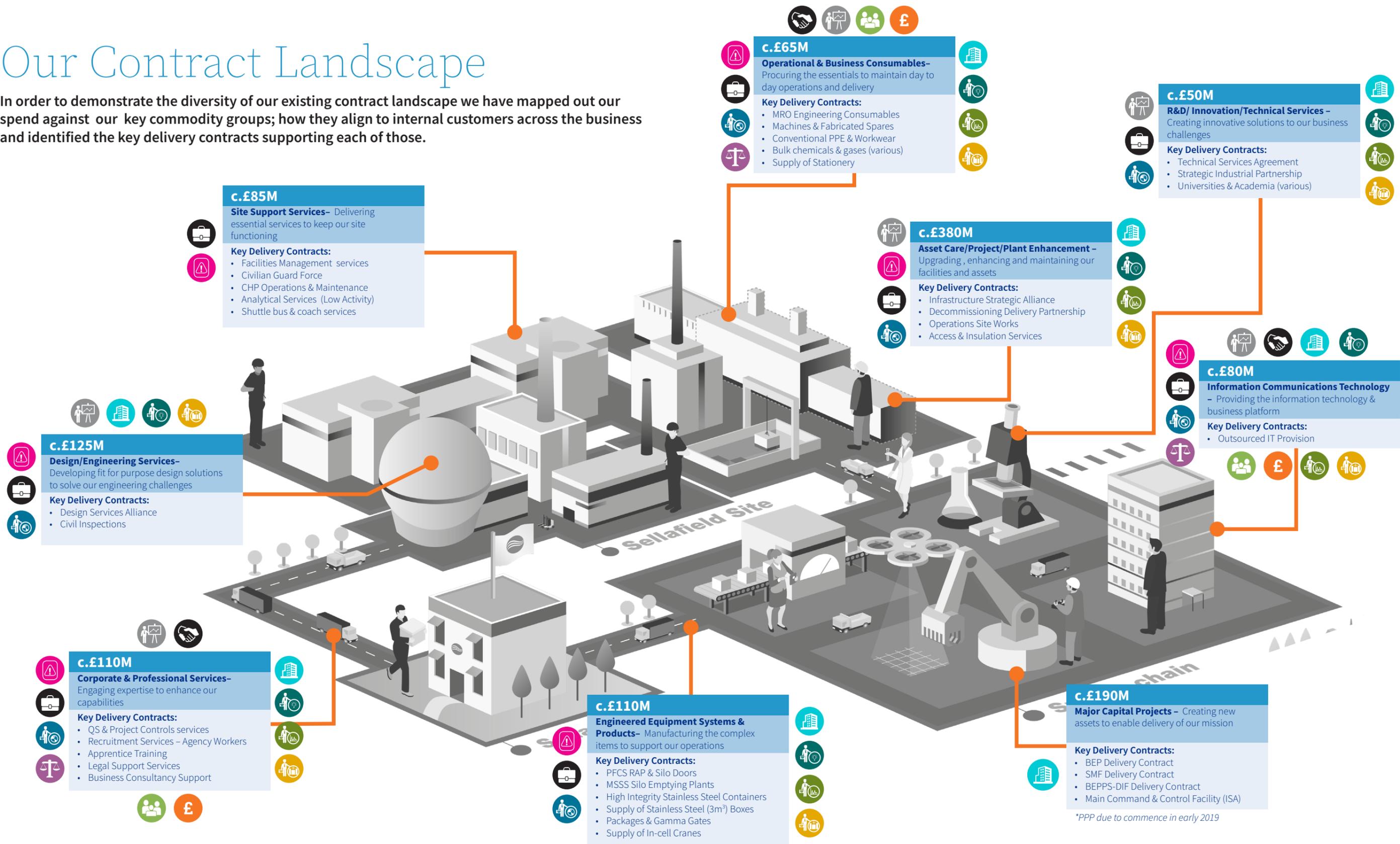
**Regulatory Framework:** How we work alongside our supply chain must meet the expectations of our Regulators – ONR and EA. We must conduct our procurements in accordance with PCR 2015.

**Our Corporate Values:** Our supply chain is an integral part of our extended enterprise and therefore we must engage in line with our values: Safety and Security; Integrity; Ambition and Inclusion.



# Our Contract Landscape

In order to demonstrate the diversity of our existing contract landscape we have mapped out our spend against our key commodity groups; how they align to internal customers across the business and identified the key delivery contracts supporting each of those.



# Our changing landscape

The nature of what we require to support our mission will change over the forthcoming three years as we move from a reprocessing business to one centred around projects and programmes delivering our four Value Streams; Retrievals, Remediation, Spent Fuel Management and Special Nuclear Materials (described in more detail in our corporate Transformation Plan). Key changes to our main areas of spend are set out below:



**Major Capital Project Construction** – we have a significant pipeline of major capital projects required to support our future operations. With the introduction of Programme and Project Partners (PPP) we will deploy a long-term, collaborative approach to integrate all of the project delivery disciplines to deliver on-time, predictable and cost-effective assets.

**Engineered Equipment, Systems & Products** – dealing with our legacy and delivering broad front decommissioning will require increased investment in containment products such as 3m3 stainless steel boxes. Establishing long term relationships with our supply chain will ensure there is the necessary platform for investment in capability and capacity to ensure predictable delivery which offers long term value for money.

**Information Communication Technology** – technology and ICT continues to develop, offering digital solutions to improve our efficiency and effectiveness. To ensure we are able to embrace emerging opportunities without putting at risk any of our day to day operations we are re-packaging our ICT requirements to take greater advantage of the range of supply chain capabilities.

**Operational & Business Consumables** – with the nature of our operational activity shifting from reprocessing to retrievals operations, Post Operational Clean Out (POCO) and broad front decommissioning the nature and frequency of our operational consumables demand will change, requiring different commodities as part of our future operational activities.

# Our changing approach

Whilst changes across the other key areas of spend may be more subtle over the next three years, we will continue to explore new and more effective ways of working alongside our supply chain.

Our investment in developing alternative contracting models (part of our Transformation Programme) will provide us with a broader spectrum of options, and greater opportunities to:

- Enhance our capabilities around core expertise and duties under our site licence
- Offer greater freedom to our supply chain in delivering outcomes rather than outputs
- Provide a baseload of demand to encourage supply chain investment
- Liberate our collective capabilities and know-how to exploit emerging opportunities; generating enhanced returns on investment and supporting economic growth

Early adoption of alternative delivery models is demonstrated in

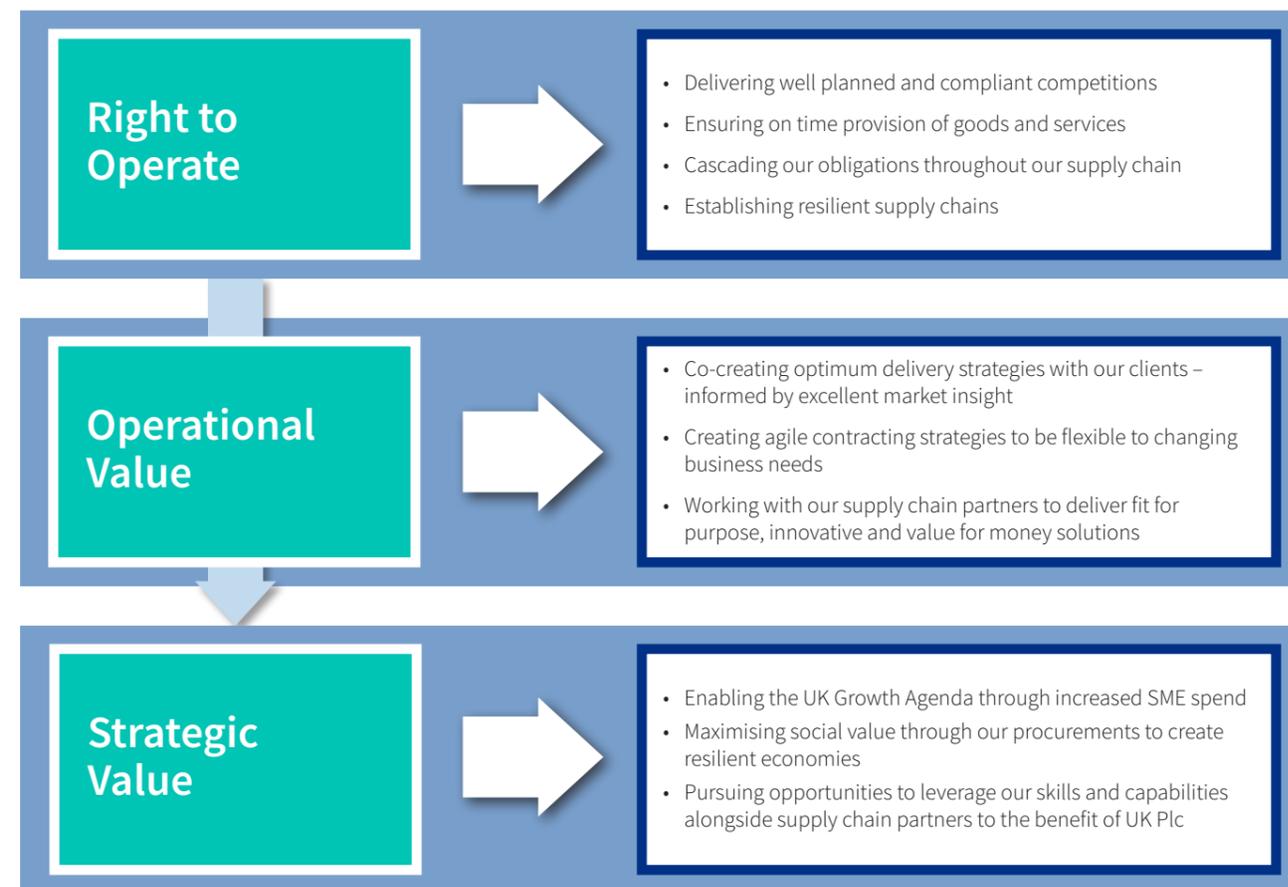
- The establishment of **Programme and Project Partners**;
- Use of **Outcome Based Contracting** in Remediation (working alongside our Decommissioning Delivery Partners);
- Ongoing development of the new **Training Delivery Model** joint venture proposition.



# Our Value Proposition

Our Supply Chain Directorate plays an important role in connecting our business to the supply chain to achieve value to benefit of the Value Streams, Enterprise and the broader eco-system in which we operate.

The way in which we consider value is in three distinct ways:



In delivering value at all three levels we will:

Enable the business to deploy fit for purpose, **value for money** solutions; working collaboratively with a diverse and innovative supply chain.

Create a **resilient** supply chain underpinned by continuity plans in order to minimise risk to our long term mission delivery.

Leave a **legacy** by investing in skills, capabilities and the communities in which we operate; to drive long term self-sufficiency and prosperity to the region and UK Plc as a whole.

# Our Strategy to deliver value

Our Supply Chain Directorate vision is to be a **recognised partner in delivery and an agent for change that enables the business to unlock significant value.**

We will realise our vision by investing in the four strategic pillars – Business Alignment; People & Capability; Process, Technology & Assurance and External Supply Chain.

To support those pillars we will deploy Strong Collaborative Leadership, embrace Externalisation and utilise Excellent Communications.



# Business Alignment

## - Our Operating Model

In order to become a partner in delivery and an agent for change that enables the business to unlock significant value the Supply Chain Directorate has structured itself to create stronger alignment with the values streams and enabling functions.

Investing in our people and developing them to become proactive business partners will enable us to integrate into stakeholder and multi-functional teams more effectively.

### To support our Clients we will be able to:

- Gain a greater understanding of the business needs
- Influence thinking and decision making through the market knowledge gained through category management and the supply chain, our externalisation activities and the provision of robust intelligent data
- Support the development of operational strategies which can then be translated into category plans and acquisition strategies
- Support the demand planning process ensuring sufficient time to run robust compliant competitions that deliver fit for purpose solutions, products and services to meet both current and future needs of the business
- Lead the establishment of effective cross-functional teams that drive collaborative working both within Sellafield Ltd and across the supply chain in the creation, sourcing and delivery of the fit for purpose solutions
- Leverage demand across the business to drive the lowest total cost of ownership in the solutions delivered

### To support our Supply Chain we will be able to:

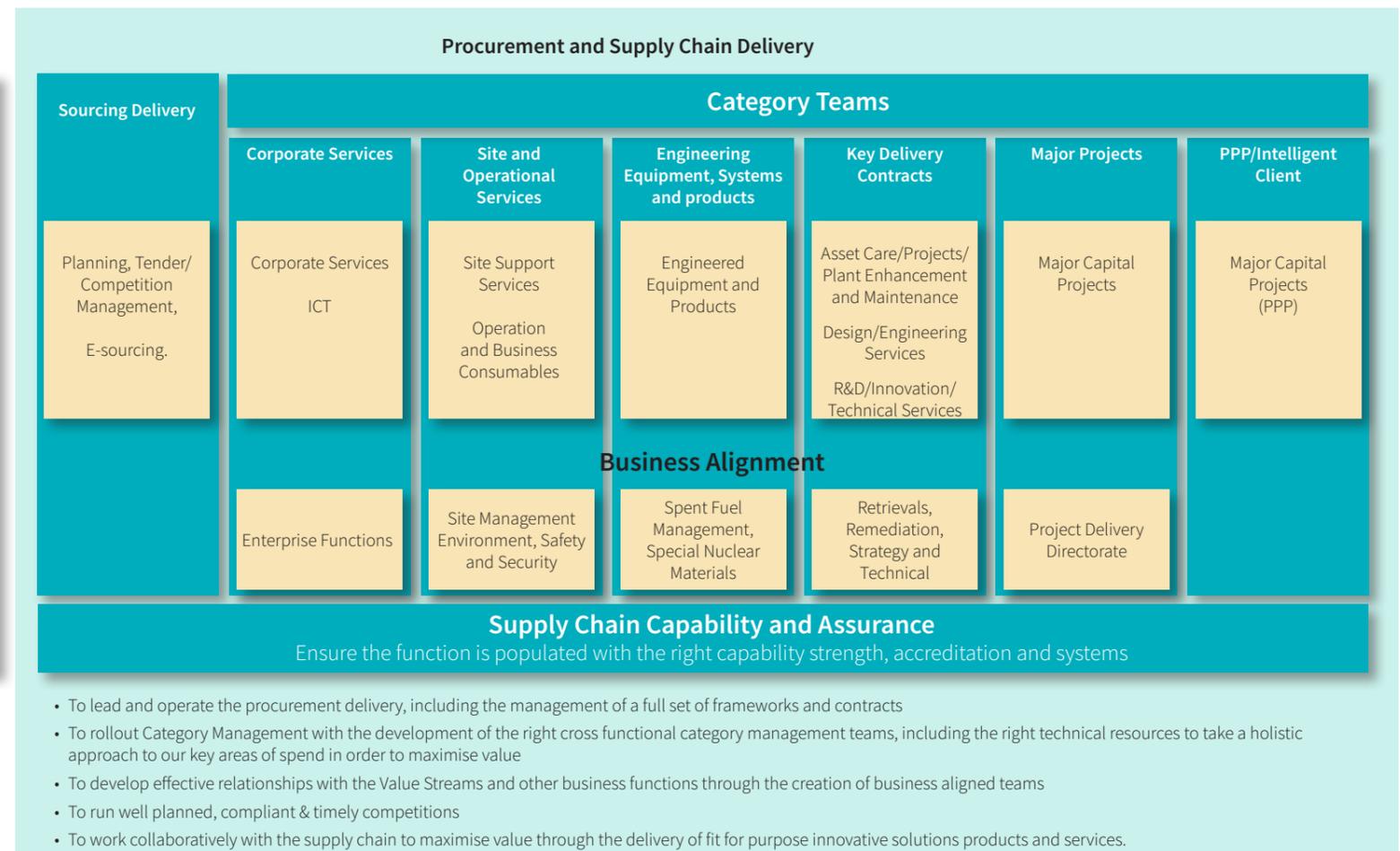
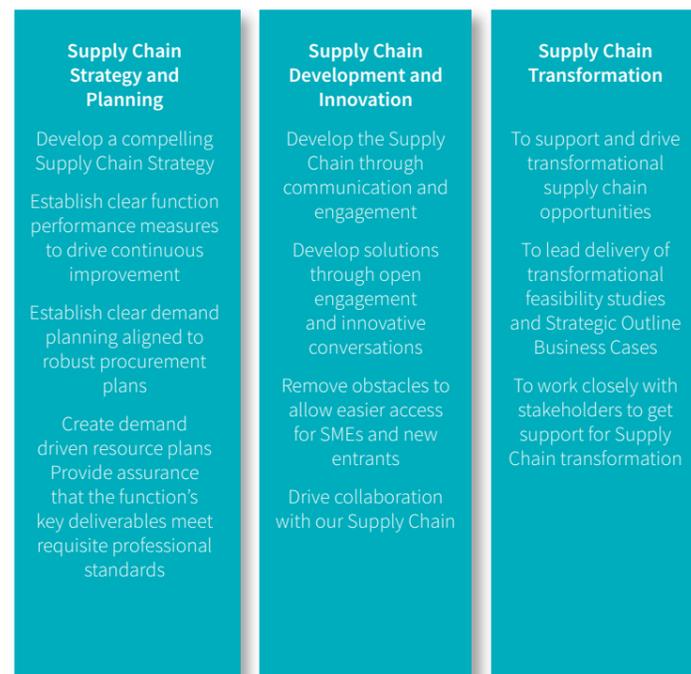
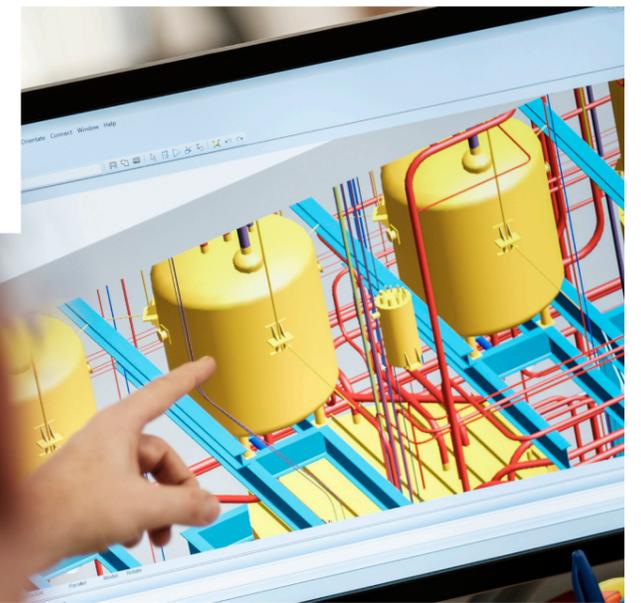
- Provide early visibility of forthcoming opportunities, packaged in a way which best aligns to supply chain capabilities
- Be an advocate of innovation and emerging supply chain opportunities
- Simplify interfaces to develop mutually beneficial and collaborative relationships

To deliver our strategy we have established a new operating model. At the heart of our operating model is the Supply Chain Delivery Team, consisting of category teams, supported by a Sourcing Team responsible for fit for purpose and compliant procurement processes.

Each category team will develop and maintain deep category knowledge in order to create and implement effective category strategies to support the business needs. Enhanced relationships with our supply chain will be achieved through the deployment of a Supplier Relationship Management programme, helping to explore mutual benefits for us and our supply chain.

Clear business alignment is maintained through Business Partners, aligned most closely to the dominant categories of spend and acting as single points of contact for the business.

Working alongside the Supply Chain Delivery Team are three value creation teams focused on Strategy & Planning, Supply Chain Development & Innovation and Supply Chain Transformation.



# People and Capability

**Our commitment is to create an upper quartile high-performing and agile function that meets and exceeds the expectations of the business and our stakeholders. Our people are the key to our success and therefore we need to invest in their capability and equip them with the skills, tools and behaviours to succeed.**

To achieve this we will:

- Build our forward resource plan in line with the structure and requirements of the Government Commercial Function Commercial Blueprint
- Ensure that robust up to date job descriptions are in place for all roles within the directorate
- Assess the capability of each member of the team against the requirements of their role, the Government Commercial Function people standards and an external benchmark
- Develop and execute a Procurement & Supply Chain Academy that provides the right development and blended learning solutions to meet the current and future capability needs of the business
- Ensure that prioritised individual development plans are in place for all members of the directorate and that appropriate development opportunities are secured through the Procurement & Supply Chain Academy
- Ensure that the function is populated with the right capabilities and behaviours to meet the future needs of the business
- Create an exciting environment that encourages different thinking and an entrepreneurial spirit that attracts and retains talented individuals, enabling them to thrive and maximise value to the business

To support our Supply Chain this will:

- Ensure our people are equipped with the skills, knowledge and behaviours to build and maintain mutually beneficial business relationships
- Enhance collaborative behaviours and skills throughout the supply chain, facilitated by our Supplier Relationship Management programme

# Process, Technology and Assurance

**The right blend of process, technology and assurance provides a platform to drive efficiency and compliance in the procurement of the right goods and services to meet the needs of our business as well as underpinning the effective management of our relationships with the supply chain. By using meaningful, intelligent data to support effective decision making, technology is a key enabler to our success.**

Our technology, processes and procedures need to be fit for purpose and clearly aligned to drive the right outcomes, while providing confidence to the business and our stakeholders that we are operating in a compliant manner and upholding our corporate values.

To achieve this we will:

- Create a rolling three year technology strategy with a focus on delivering the right functionality to our users
- Optimise the suite of systems and processes currently used to drive automation, improving the user experience and enhancing automated reporting capabilities
- Adopt best of breed intuitive technology platforms that provide an enhanced user experience
- Choose systems that will support NDA and HMG systems integration in order to leverage value and automate management information
- Seek to drive further automation into the Purchase2Pay (P2P) processes
- Create a robust category management commodity structure that is aligned across the NDA estate and underpinned by a user-friendly reporting suite to give our people real-time intelligent data to aid and underpin effective decision making
- Implement Supplier Relationship Management (SRM) platform to underpin and enable the success of our SRM programme

To support our Supply Chain this will:

- Enhance the accuracy of our forward demand management and provide earlier visibility of future procurement opportunities
- Engage with and use our SRM platform to drive enhanced value from our relationships
- Simplify technology interfaces and improve usability of our external systems
- Further streamline the P2P processes to enable prompt order placement and invoice payment



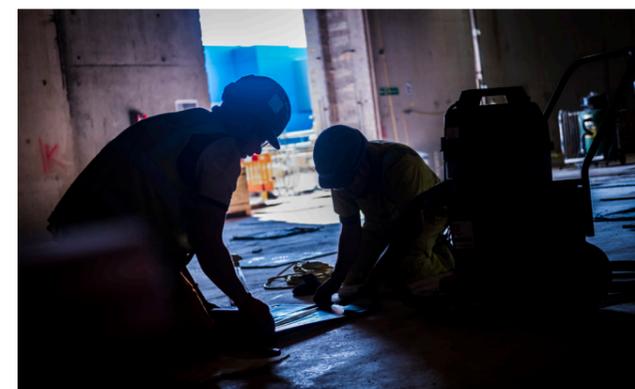
# External Supply Chain

The supply chain is fundamental to Sellafield Ltd's on-going success, creating significant value through the delivery of new thinking and innovative solutions, products and services to enable the delivery of our mission.

We must therefore regard our supply chains as an extension of our own organisation and invest in the relationships accordingly, creating an environment for true collaboration that harnesses the power of our collective knowledge.

To achieve this we will:

- Develop and execute robust category strategies together with the business, focused on maximising value across each of our key spend areas
- Seek to continually challenge ourselves, our processes and procedures to ensure that we are easy to do business with
- Continue to rollout such new approaches such as 'LINC with Sellafield Ltd' to drive SME engagement and accelerate effective solution delivery to meet our day to day challenges
- Continue the rollout of our SRM programme, focused on the creation of effective and collaborative relationships that drive mutual value
- Continue the rollout of outcome/ performance-based contracting to enable our suppliers to be at the heart of solution design and be rewarded against the delivery of business outcomes and enhanced performance
- Continue the rollout of agile contracting strategies focused on driving collaborative working in order to drive the right outcomes
- Train our people to become role-models in demonstrating the right collaborative behaviours and to become the enablers between our business and our supply chain in order to create effective collaborative relationships
- Continue to proactively engage and excite the market about the opportunity of working with Sellafield Ltd and with our tier 2 suppliers, including the creation of SME opportunities
- Provide our supply chain with early visibility of future procurement opportunities, underpinned by robust category strategies
- Adopt our Contracting Principles to build effective relationships throughout our supply chain



Our Corporate Values, the nature of our mission and the environment within which we operate defines who we are and what is expected when working with Sellafield Ltd. As part of our extended enterprise our Supply Chain will uphold our values when working with us, and in doing so:

- Put safety and security at the forefront of all that they do.
- Ensure all of their people are respected, included and able to perform at their best – embracing Equality, Diversity & Inclusivity and drawing a line under all forms of bullying & harassment.
- Deliver right first time, fit for purpose solutions to the appropriate quality standards.
- Drive environmental sustainability and help minimise our carbon footprint.
- Establish ethical supply chains to eliminate all traces of modern slavery.
- Leave a positive economic impression on the regions in which we work.



# Our Contracting Principles

To create effective relationships that drive value we will engage our supply chain in line with the following guiding contracting principles, tailored to suit the needs of a specific procurement:

**Effective Collaboration** – in line with the ISO44001 standards, to best combine the collective capabilities of Sellafield Ltd and the supply chain;

- Through the deployment of true collaborative behaviours we aim to co-create solutions to deliver enhanced value and mutual benefits

**Outcome and Output based functional specifications** – to drive innovation and Fit for Purpose solutions;

- By increasing flexibility in our specifications we will drive enhanced innovation without compromising performance

**Agility** - deploying contracting strategies which provide flexibility and responsiveness to changing demands;

- By increasing our contracting agility we can offer the business and our stakeholders greater choices as opportunities and risk arise

**Profit for performance** – linking contractual rewards to aligned objectives and value delivery

- Aligning profits to our performance requirements will create win : win scenarios and ensure alignment to common goals

**Benefit sharing** – encouraging innovation by sharing in savings delivered

- Increasing profitability in line with enhanced performance will allow us to focus on exploiting areas of mutual benefit

**Equitable terms and conditions** – to reduce barriers to entry and the cost of working with us

- By removing unnecessary obligations and requirements we can become a more attractive client

**Ownership of Intellectual Property Rights (IPR)** – to sit where they are most appropriate and can be best exploited

- By adopting a case-by-case approach to the ownership of IPR we can maximise the value to the UK taxpayer and stimulate supply chain prosperity

**Inclusive supply chain** – working alongside our Tier 2 supply chain partners to develop an innovative, diverse and resilient supply chain at all levels

- By distributing our expenditure across a broad supplier base we can reduce over dependency and encourage ideas from other markets & industries

**Social Value and Small to Medium Enterprise spend** – delivering on tender commitments throughout our contracts

- By ensuring commitments become a reality we can demonstrate the positive impact our mission has on the economy and the communities in which we operate

**Expectations of our Tier 2 Supply Chain**

Our Tier 2 supply chain partners play an important role as part of our extended enterprise and therefore we expect that the commitments we make are cascaded throughout our wider supply chain:

- Prompt payment in line with the NDA Supply Chain Charter
- Fair and reasonable terms and conditions, with an equitable balance of risk and reward
- Transparency with regards to the pipeline of future opportunities
- Hold one another to account in pursuit of delivery excellence

By collectively delivering on our commitments we can build a diverse, resilient, high performing supply chain which delivers exceptional value to Sellafield Ltd, the economy and the communities in which we operate.

# Enabling Foundations

## STRONG COLLABORATIVE LEADERSHIP

**Strong Collaborative Leadership:** The Supply Chain Directorate is in a unique position in that we touch every part of the business, the supply chain and stakeholder community and therefore will become an exemplar in collaborative leadership and the establishment of effective cross functional teams that deliver stunning results. To support this we will be seeking the ISO: 44001 accreditation and are working with the Institute of Collaborative Working to support the development of our people.

## EXCELLENT COMMUNICATION

**Excellent Communication:** Communication is critical to success and therefore we will develop our people to be confident communicators, conscious that every interaction counts, in terms of what we say and how we say it. We will use a blend of intelligent data, knowledge and external insight to create compelling and exciting messages to meet the audience needs, while also ensuring that we listen generously to individual, business and stakeholder needs.

## EXTERNALISATION

**Externalisation/ Knowledge Management:** Knowledge of what good looks like and what it doesn't for that matter will be a key enabler to support effective decision making and drive mission delivery. As a directorate, we will be launching our externalisation programme to enable just that. The programme will focus on our people developing effective networks within different sectors and organisations to understand their approaches to problems, challenges and effective management of supplier solutions in order to accelerate our knowledge development. Having gained such insight, our goal will be to use the knowledge not only shape our thinking, but that of the broader business and our stakeholders in the development and execution of robust strategies.

# Our reputation built through performance

**How we are perceived by our stakeholders and our supply chain has a material impact on our ability to achieve our ambitions and the level of interest in our procurement opportunities.**

To establish our reputation as an organisation at the forefront of public sector procurement and supply chain performance we have and will continue to engage regularly with a broad network of stakeholders and influential bodies. The networks we have built extend from central Government, national industry bodies such as the Nuclear Industry Council and Nuclear Industry Association through to regional and local

bodies such as the Northern Powerhouse and with Britain's Energy Coast and Britain's Energy Coast Business Cluster.

Over the past 12 months we have worked with a number of respected institutes to benchmark our performance and enhance our capabilities. Below are three examples:



In May 2018, Sellafeld Ltd was recognised as a Leading Procurement function via the award of the Chartered Institute of Purchase & Supply (CIPS) Gold Award and thus our aim has been to continue to invest in our capabilities, processes and technology platforms in order to become a strategic value creator for the Enterprise and our stakeholders. Feeding into our supply chain transformation programme we will continue to strive to deliver increased value and enhanced return on investment.



Our Programme and Project Partners Project (PPP) has been accepted as an early adopter of the Institution of Civil Engineers' Project 13 Initiative. The Initiative focusses on improved whole life outcomes and supports a more sustainable, innovative, highly skilled industry. PPP has many parallels with the Project 13 principles and through continued engagement with Project 13, PPP will lead and learn to demonstrate the benefits of the Project 13 initiative. Sharing learning across our business from our work with Project 13 will improve the way in which Sellafeld Ltd interacts with our supply chain to delivery better outcomes.

Being accepted as an early adopter on Project 13 signals our intent to do things differently. It demonstrates that we are at the forefront of what the industry considers to be best practice and that we will work with our supply chain to achieve shared goals.



Sellafeld Ltd aims to achieve ISO44001 certification against key projects. ISO44001 is a Collaborative Business Relationships Standard and was developed in conjunction with the Institute of Collaborative Working. Collaborative business relationships have been shown to deliver a wide range of benefits, which enhance competitiveness and performance whilst adding value to organisations of all sizes. In financial year 2019/2020, the first project is planned to achieve certification.

To support our journey towards certification we have Executive Membership to the Institute of Collaborative Working, helping us to learn from and input into the latest standards in collaborative working practices.

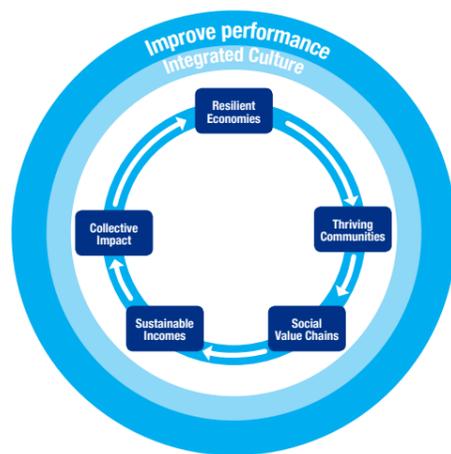


# Creating a resilient economy, thriving community & enabling UK Growth

The relationships we create with our supply chain allows us to create social and economic resilience and legacy, leaving a positive social impact and creating opportunities for Small to Medium Enterprises (SMEs) to prosper.

Through the way in which we package our opportunities, our procurement processes and our subsequent contract management we can leverage our direct investment to achieve the aspirations set out in the Sellafield Ltd Social Impact Strategy 2018, supporting the UK Government's 'Procuring for Growth' and 'Social Value' policies:

- **Resilient Economies** - To enable inclusive growth in the capacity, diversity and capability of our local economies.
- **Collective Impact** - To leverage collective impact and investment by engaging and working with our stakeholders, partners and communities.
- **Sustainable Incomes** - To improve access to sustainable incomes, beyond Sellafield Ltd, by increasing skills, knowledge, aspirations and access to opportunities.



- **Integrated Culture** - To practice an integrated social impact culture and co-ordinated approach to delivery.
- **Thriving Communities** - To assist our communities to thrive by supporting sustainable activities that create self-reliance and independence.
- **Social Value Chains** - To create a social impact with our supply chain.
- **Improve Performance** - By measuring and evaluating our performance.

We will work closely with our Social Impact team as we develop our contracting strategies to identify where we can best create a positive social impact and ensure these are tracked and delivered throughout the life of our contracts.



The SME Agenda has played a prominent role in our supply chain strategies for a number of years; supporting the Government Agenda to create greater economic resilience both locally and nationally as well as introducing new and innovative solutions to solve our complex challenges.

We will continue to build upon our successive year on year growth in spend with

SMEs, facilitated by our Supply Chain Development team and in conjunction with our major Tier 2 supply chain partners. Collectively we can bring added value in delivery which will create economic resilience and will leave a lasting legacy.

**Goal:** Sellafield Ltd aims to spend 31% with SMEs within this financial year (2019/20) and will continue to support and improve SME spend in the coming years. By 2020/21, Sellafield Ltd wants to be investing 32% into SMEs and increase this further to **33% in FY 2021/22**.

**Our Approach:**

- We will work with the business to create and advertise new opportunities for SMEs – published via our SME procurement Plan
- We will continue to grow our 'LINC with Sellafield Ltd' portal to engage SMEs in solving business challenges
  - We will work with regional and national bodies such as Britain's Energy Coast Business Cluster and Nuclear Industry Association to establish valuable networks for SMEs
  - We will work alongside our Tier 2 supply chain partners to enhance visibility of SME opportunities
  - We will create an innovation roadmap to enable inward and outward innovation engagement

# Our Strategic Procurement Pipeline

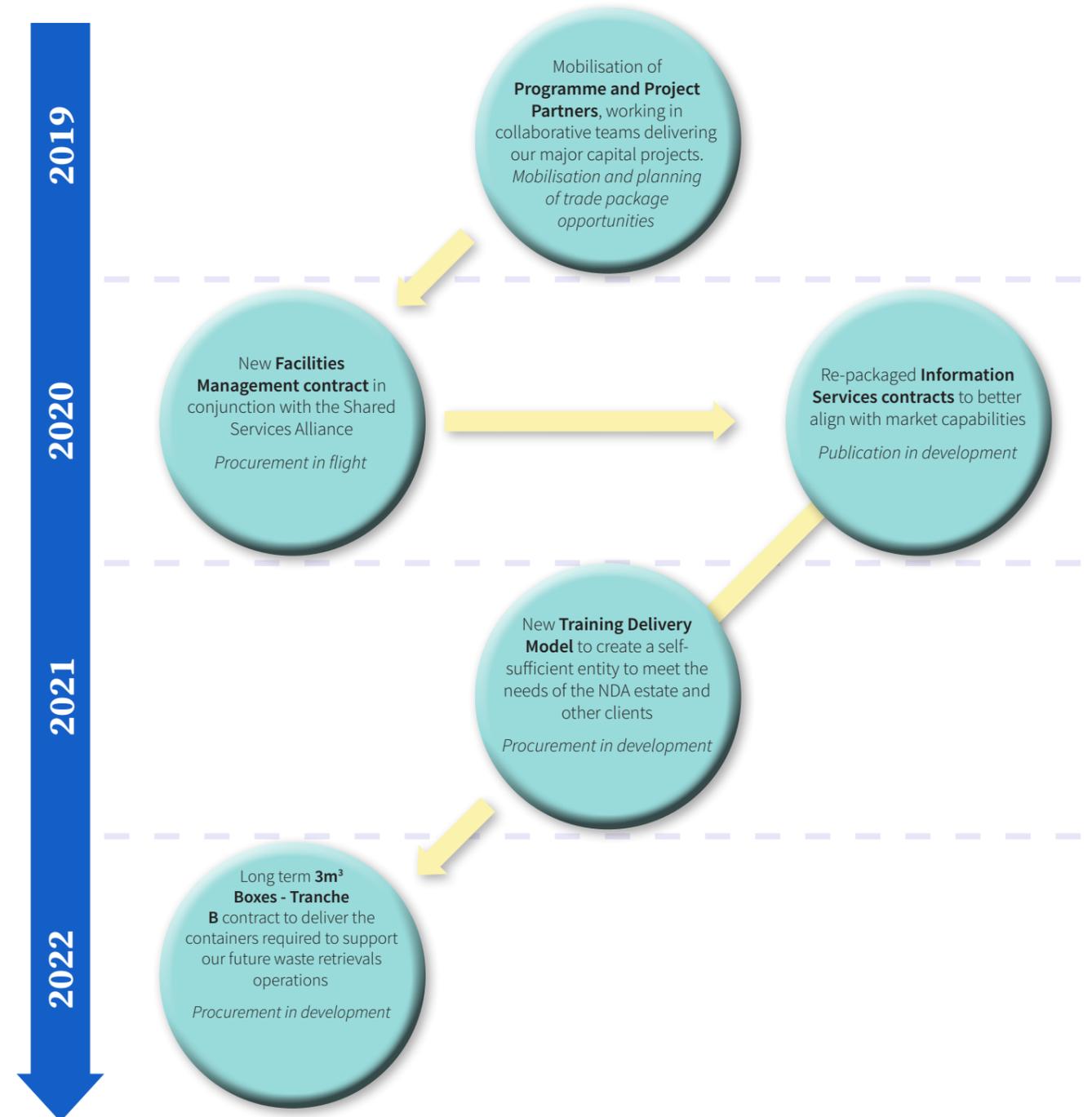
We are continuing to develop new and innovative ways in which we can engage and contract with our Tier 2 and Tier 3 supply chain.

Our aim is to leverage the external supply chain expertise and to build and develop Sellafield Ltd's own capability. We continuously welcome the contributions and ideas from our supply chain to help problem solve and bring innovative ideas to Sellafield Ltd.

Our procurement pipeline has been developed to provide forward visibility of our forthcoming demand and offers an opportunity for early engagement.

We believe by working together with our supply chain, we can create a brighter future for both our partners and our own workforce.

Detailed below are some of our strategically important forthcoming procurements which are either going out to market, in flight or due to be awarded in the near term.



# Our achievements so far

We continuously think of new ways to deliver what we do, embrace emerging innovation and seek opportunities that will leave a legacy behind for generations to come.

The investment we have made so far has allowed us to deliver a significant number of improvements to the benefit of our stakeholders, our people and our supply chain:

## Business Partnering & Alignment

Implemented a revised supply chain operating model that aligns to the Enterprise Operating Model, with Memoranda of Understanding and Key Performance Indicators in place with each of our Value Streams.

## People & Capability

Awarded the Chartered Institute of Purchase & Supply (CIPS) Gold Award, recognising our capability against a global benchmark.

Built our intelligent client capability for outcome-based contracting – developing processes, tools, skills, behaviours and organisational change.

Established functional intelligent client capability to support the delivery of Programme and Project Partners (PPP) through processes, tools and training.

## Process, Technology & Assurance

Deployed a new Procurement Portal; simplifying our management system and making it easier for our people to navigate.

Using CEMAR (contracting tool) to support the post contract management, and provide management information and reports on our NEC3 contracts.

## External Supply Chain

Successfully deployed an award winning Outcome Based Contracting approach on the first pilot project and scaling up to deliver the remediation of the Calder turbine hall.

Manufacture of the first 63 element rack via an integrated Sellafeld Ltd and supply chain delivery team.

Launched a Small & Medium Enterprise (SME) focused procurement portal, 'LINC with Sellafeld Ltd', to engage SMEs directly in solving our complex business and technical challenges.

Supported the UK Growth Agenda by increasing our direct and indirect SME spend over 30%.

Deployed a Supplier Relationship Management programme with our top 21 suppliers.

Established a real time, data driven risk management system to continually assess the health of our supply chain and inform robust continuity plans.

# Highlights from our improvement programme



# Our areas for future development

In line with our Supply Chain operating model we have focused our improvement themes around the four supporting pillars and three enabling foundations. Each of these will help to drive us towards realising our aims, delivering significant value for the customers and stakeholders and building a resilient and rewarding relationship with our supply chain.

	2019	2020	2021	
<b>Business Alignment</b>	<ul style="list-style-type: none"> <li>Category based operating model</li> <li>Effective knowledge management</li> <li>Intelligent client capability</li> <li>Procurement Plan accuracy</li> </ul>	<ul style="list-style-type: none"> <li>Deploy model and business partners</li> <li>Develop strategy</li> <li>Deploy on PPP</li> <li>Enhance integrity and usability</li> </ul>	<ul style="list-style-type: none"> <li>Implement and embed</li> <li>Deploy on key contacts</li> <li>Establish rolling-wave planning</li> </ul>	<ul style="list-style-type: none"> <li>Enhance corporate commercial acumen</li> <li>Expand planning horizon</li> </ul>
<b>People &amp; capability</b>	<ul style="list-style-type: none"> <li>Skills Enhancement</li> <li>Procurement and Supply Chain Academy</li> </ul>	<ul style="list-style-type: none"> <li>Category Mgm't, SRM and partnering</li> <li>Academy plan and capability assessment</li> </ul>	<ul style="list-style-type: none"> <li>Mature people plan updated annually</li> <li>Academy in-flight</li> </ul>	
<b>Process, Technology &amp; Assurance</b>	<ul style="list-style-type: none"> <li>Technology Roadmap</li> <li>Material Management</li> <li>Simplified Processes and Procedures</li> <li>Data Integrity</li> </ul>	<ul style="list-style-type: none"> <li>Create policy, roadmap and strategy</li> <li>Develop strategy</li> <li>Implement new portals and workflows</li> <li>Consolidate data and adopt commodity codes</li> </ul>	<ul style="list-style-type: none"> <li>Implement strategy</li> <li>Implement and embed</li> <li>Optimisation and rationalisation</li> <li>Decision based on accurate Management Information</li> </ul>	<ul style="list-style-type: none"> <li>Optimised delivery through systems</li> </ul>
<b>External Supply Chain</b>	<ul style="list-style-type: none"> <li>SME Spend</li> <li>SRM Rollout</li> <li>Supply Chain Mapping</li> <li>Outcome focussed contracts</li> </ul>	<ul style="list-style-type: none"> <li>Update strategy to drive SME spend</li> <li>Deploy SRM on Level 1 suppliers</li> <li>Map key supply chains and identify risks</li> <li>Deploy outcome based contracts</li> </ul>	<ul style="list-style-type: none"> <li>Drive direct and indirect SME spend</li> <li>Prioritised roll-out SRM beyond Level 1</li> <li>Resilience through risk based interventions</li> </ul>	<ul style="list-style-type: none"> <li>Achieve HMG target - 33%</li> </ul>
<b>Strong collaborative Leadership</b>	<ul style="list-style-type: none"> <li>Collaborative working - ISO:44001</li> </ul>	<ul style="list-style-type: none"> <li>Deploy - ISO:44001 on PPP</li> </ul>	<ul style="list-style-type: none"> <li>Deploy - ISO:44001 with level 1 suppliers</li> </ul>	
<b>Excellent Comms</b>	<ul style="list-style-type: none"> <li>Frequent inclusive communications throughout our directorate</li> <li>Regular supply chain events and forums</li> </ul>			
<b>Externalisation</b>	<ul style="list-style-type: none"> <li>Enhanced awareness and benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>Develop category based externalisation plans</li> </ul>		

# Making it easier to engage with us

We welcome and require a broad spectrum of skills and capabilities to work with our organisation and want to continue to deliver in innovative ways.

Working with our supply chain is vital to our site mission and in order to achieve the greatest value from our supply chain it is important that we continue to drive increased transparency of future opportunities and greater accessibility for new entrants and SMEs; creating a reputation as a 'client of choice'.

## To achieve transparency we will:

- Continue to publish our annual Procurement Plan on our website detailing forthcoming procurements, key dates and points of contact. This will be underpinned by monthly updates on our websites to maintain up to date visibility of opportunities
- Continue to highlight opportunities well suited to SMEs via our SME focused Procurement Plan
- Work with our Tier 2 Partners to create early visibility of Tier 3 opportunities
- Work closely with our internal customers to develop business and technical challenges to maintain a steady pipeline of SME focused opportunities via the LINC with Sellafield Ltd portal
- Progressively increase our demand forecasting horizon year on year to provide a clear forecast of work, enabling the supply chain to invest and establish a local presence where appropriate

Opportunities to engage with us will continue to be advertised and competed via our Complete Tender Management portal and published on the Official Journal of the European Union (OJEU) and Contracts Finder where relevant.

## To enhance our accessibility we will:

- Use our Supply Chain Development Team to provide a single point of contact for any supply chain queries, enquiries or issues as well as undertaking periodic supply chain 'pulse-checks'
- Host regular round table sessions with our supply chain to get regular feedback on our performance and to highlight opportunities
- Create a thirst for knowledge within our category teams to develop enhanced supply chain insight, driven through annual externalisation plans
- Host the annual Directors' Forum to bring our supply chain to share key messages and enhance networks throughout our supply chain
- Make effective use of social media, such as Twitter and LinkedIn to keep the supply chain up to date with emerging opportunities, news and events
- Maintain summary profiles and contract details of our Tier 2 supply chain partners on our website to create and foster healthy networks throughout all levels of our supply chain
- Continue to engage with our supply chain to enhance our procurement processes and portals to simplify the tendering experience and reduce bid costs

# What our Strategy means for you

In delivering our strategy we will benefit our stakeholders, our people and our supply chain in the following ways:

## The Nuclear Decommissioning Authority

In demonstrating procurement and commercial best practice at Sellafield and helping to leverage value across the wider Group we will support the NDA to meet its obligations under the Energy Act 2004:

- Engaging a resilient and innovative supply chain to deliver the decommissioning mission
- Creating a robust internal and supply chain skills pipeline fit for the future
- Enabling regional and national economic growth and enhanced social value

## Our External Supply Chain:

Through continued open and honest engagement and improved forward demand planning, we will create an environment where our Supply Chain can confidently invest and grow.

By collectively delivering on our commitments we can build a diverse, resilient, high performing supply chain which delivers exceptional value to Sellafield Ltd, the economy and the communities in which we operate.

## Our local, regional and national economies and communities:

In conjunction with our supply chain we will maximise the social and economic value of our expenditure wherever possible, having created and continuing to create opportunities that encourage inward investment and investment in future skills.

Our commitment to establishing an inclusive supply chain at all levels will provide us with greater collaboration and diversity of ideas whilst sharing the benefits across a wider supply chain.

## Our internal Clients:

Through strong business partnerships we can co-create optimum delivery strategies which make the best use of innovative supply chain solutions, delivering agile and fit for purpose approaches that provide excellent value for money and are delivered at the required time.

By investing in externalisation our category teams will identify and drive emerging opportunities to enhance value.

## Our People:

Through investment in our people and relationships we will shift from a good to great Supply Chain Directorate which is an exciting and rewarding place to work, built upon clear career and skills development pathways, access to emerging best practice and an environment built upon professionalism over process adherence.

## Closing Message

As we become more successful in delivering our mission our direct economic footprint will reduce. But by creating and investing in strong supply chain relationships we can leverage our collective skills, expertise and know-how; generating economic growth for the UK and the regions in which we operate.

Should you have any queries or would like to discuss any aspects of this document please get in touch with our Supply Chain Enquiries Team: [supply.chain.enquiries@sellafieldsites.com](mailto:supply.chain.enquiries@sellafieldsites.com)





