



# Magnox and our supply chain

working together for a better future



Following months of global change and challenge brought by the Covid-19 pandemic, at Magnox we are creating our “new norm”. We are moving, in a phased and safe manner, to mobilise physical decommissioning, working with trusted suppliers and contractors.

**O**ur key priorities remain business alignment, maximising value delivery and professional excellence. And, in these times of change, one thing is constant – our number one priority is health and safety. This is the core of everything we do and we expect our supply chain to operate to equally high standards. As a result of the pandemic we have added safety and security measures for staff and contractors, and introduced ‘reset’ training for people returning to sites.

Despite challenges brought by the pandemic, work has been continuing towards achieving our

decommissioning goal. In August 2020 the Nuclear Decommissioning Authority (NDA) announced its intention to change the strategy for decommissioning the Magnox reactor sites from blanket deferral to site-specific strategies, taking into account the unique features of each site.

We want to hear from suppliers, large and small, about how we can work together to deliver greater value and efficiency for the UK taxpayer while maintaining the highest standards of safety and environmental performance. We are interested in innovative solutions – technology, partnering arrangements and delivery models,

for example – which will bring major project and programme delivery and site remediation.

We want to work with you, the supply chain, to develop a strategy which could include longer term partnerships as well as provide opportunities for small and medium-sized enterprises (SMEs).

Please get in touch – contact details are available in this booklet. I look forward to working with you.

Kind regards

*Paul Winkle*

**Chief Operating Officer**  
*Magnox Limited*

# The Magnox story

Magnox is a wholly owned subsidiary of the NDA, a non-departmental Government organisation, which is responsible for the decommissioning and remediation of 12 nuclear licensed sites.

**T**hese include 10 Magnox reactor sites plus the Harwell and Winfrith research sites. The Magnox reactor sites are all now defueled and at various stages in their decommissioning journey. The Magnox mission is currently estimated to cost approximately £20 billion and will take decades to complete.

The NDA's announcement of its intention to change from blanket deferral to

site-specific strategies follows a review at all Magnox reactor sites. Increased costs and a better understanding of lifecycle risks have resulted in the intention to adopt site-specific decommissioning strategies, best suited to each individual site.

The new programme will start at Trawsfynydd Site, with the intent to bring forward dismantling of the two reactors. Site-specific strategies for the other

Magnox reactor sites are intended to be developed before the end of 2022.



Berkeley



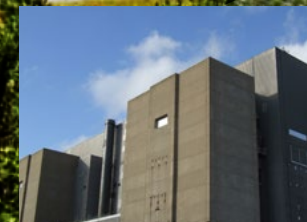
Bradwell



Dungeness A



Chapelcross



Sizewell A



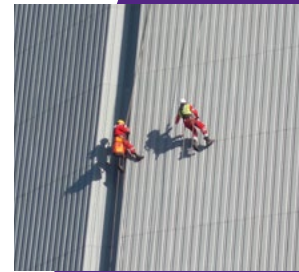
Hunterston A

# Projected spend within programmes

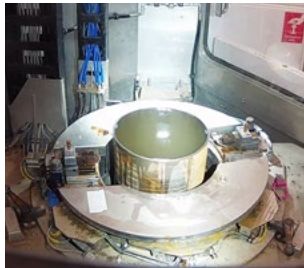
Magnox funding levels tend to be between approximately £450 and £550 million per annum and typically we spend around 60 per cent of this in the supply chain.



Our biggest spend area during the last three years has been in **construction** with particular focus on demolition, asbestos and civil enabling works. This trend looks set to continue.



**Asset management** spend has remained fairly constant over the three years, but we do anticipate some growth in this area as assets continue to age and need more attention.



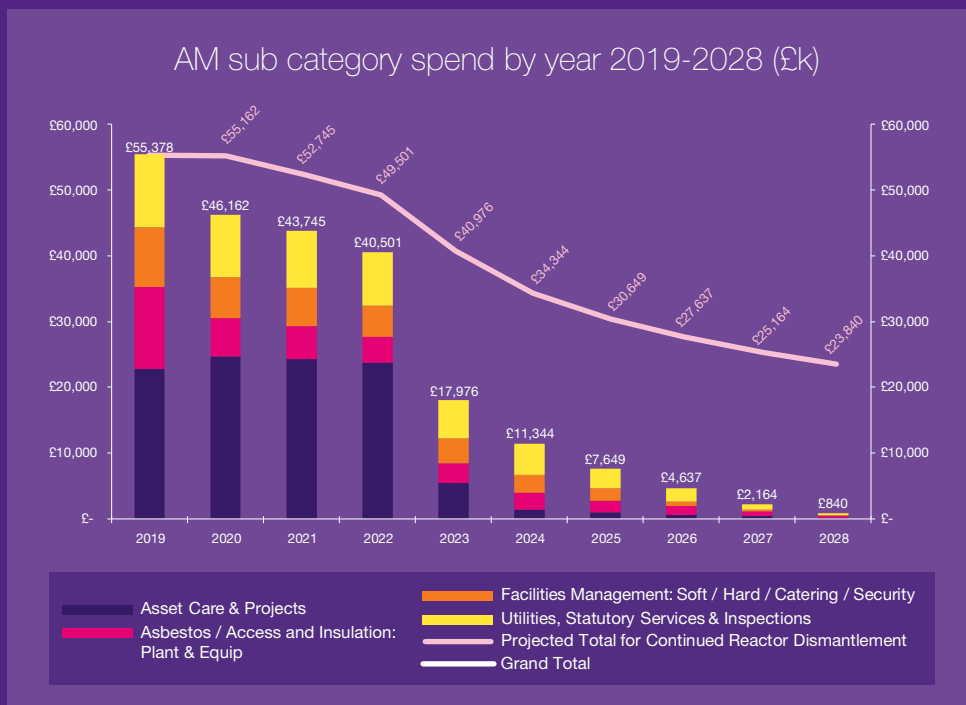
**Engineering** is another large spend area, with focus on consumables to support engineering maintenance, as well as health physics and waste containers.



**Professional services** has remained constant over the period, with continued support on engineering design and scoping, as well programme management support such as project managers and project controls resource. While we are planning a 'make versus buy' assessment in this area, in the short term the spend levels are unlikely to change considerably.

# Asset management

The graph below indicates spend across asset management (AM) for the financial years 2019 to 2028, a projected spend of £230 million.

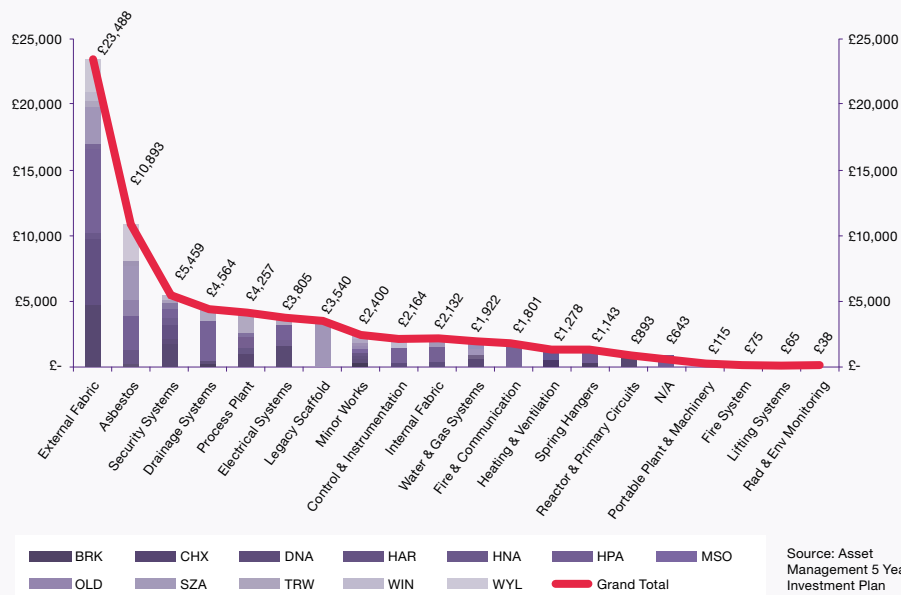


Asset care and projects	Utilities, statutory services and inspections	Facilities management – soft, hard, catering and security	Asbestos / Access & Insulation – plant and equipment
£104.3 million	£53.9 million	£36.7 million	£35.6 million
Asset care projects	Business rates	Cleaning and catering	Asbestos characterisation and monitoring
Maintenance	Carbon reduction scheme	Grounds maintenance and pest control	Access solutions
Minor works	Utility supplies	Security system maintenance	Transport maintenance
Buildings and civils	Periodic Site Safety Review (PSSR) Lifting Operations and Lifting Equipment Regulations (LOLER)	Systems maintenance	Plant spares
	Ground leases	Non-active laundry	Modular buildings
	Metrology	Electrical services	
	Active laundry		

# Asset management (cont.)

The total projected spend identified in the five-year investment plan is approximately £70.7 million. This covers financial years 2019-20 to 2022-23.

Investment plan budget by asset type 2019-2023 (£k)



Source: Asset Management 5 Year Investment Plan



Hinkley Point A

The largest spend allocated is at Hinkley Point A (£19.4 million), Chapelcross (£10.7 million) and Sizewell A (£10.0 million). No spend has been allocated to Bradwell as the site is

now in the quiescent care and maintenance phase. Primary categories for spend are external fabric, asbestos, security and drainage systems. These account for 62 per cent of all asset investment spend.

The asset management procurement and supply chain will focus on providing solutions in civils and building fabric services and access and insulation projects that cannot be delivered through the new framework.



Sizewell A

# Waste

Below is a chart illustrating the waste programme anticipated spend from the financial year 2020 to 2028.

It is split into sub-programmes, the larger areas being containers which are used to store waste. Magnox has several types of container currently in use

depending on waste streams, with contracts in place for supply.

The second of the larger areas of spend is fuel element debris (FED), which has to be recovered and disposed

of appropriately. The current intermediate level waste (ILW) framework is due to expire in 2021 and options are currently under consideration for a replacement to address the remaining workscope within the waste programme.

Future Spend by Sub-Programme – Breakdown of £485m



Moving forward, the waste team strategy is aligned to the following six areas:



Simpler repeat projects



Learning from experience



Multiple interfaces due to greater use of the supply chain – tier three and below



Greater portfolio of containers – more suppliers



Technical change in the conditioning of waste through the introduction of encapsulation – more suppliers



Greater demand from the supply chain for a multi-disciplined, multi-skilled workforce





# Magnox principle and One NDA approach

Our aim is to achieve value for money for the UK taxpayer while developing a resilient, diverse, ethical and innovative supply chain.



## Business alignment

- We shall collaborate across the NDA estate where value can be best achieved, but will contract as a single entity where requirements are Magnox specific.
- Planning is key to helping the supply chain understand our business and to maximise value opportunities.



## Maximise value delivery

- Seek opportunities for value, recognising this could come from efficiencies, reduced hazard and social value as much as cash savings.
- Use larger frameworks where appropriate to harness skills of major supply chain partners, but recognising that smaller, specialist work packages may sit better with SMEs.
- Drive supplier relationship management for our more strategic contracts.
- Ensure wider social issues are addressed such as sustainability, modern slavery and fraud prevention.
- Work with our local communities to develop a socio-economic agenda that works for all parties.
- Share contractual risk equitably.



## Professional Excellence

- Ensure high standards of competence within the procurement function.
- Adopt standard processes based on Government guidelines.
- Share best practice and common processes across the NDA estate to make dealing with the NDA companies easier for the supply chain.
- Improve our technology base to increase efficiency and make communication easier.
- Magnox is an active partner in the NDA's Project Victory, an NDA group-wide project to enhance our commercial IT systems capability (excluding Requisition to Pay). It will introduce an integrated suite of systems to manage the cradle to grave procurement and contract management, supply lifecycle of sourcing, market intelligence and supplier assurance.

# How we do business

Magnox does not operate a preferred supplier list and is governed by public contract regulations.

**W**e use an approach based on the value of the contract, and whether an existing public sector framework can be used. Where existing frameworks cannot be used, contract opportunities are awarded through open competition in line with

the general principles of non-discrimination, equal treatment and transparency, to ensure we provide value for money to the taxpayer.

The Magnox Procurement Plan details procurement opportunities at the Magnox sites over the next 12 months. Published

monthly on our website, the detail contained in the plan is subject to review to meet the needs of the business. If you have questions regarding procurement opportunities and/or contracts that have been awarded, please contact the named point of contact in the plan.



We operate a strict “no purchase order, no pay” policy. All invoices will need a purchase order reference. Your procurement contact should be able to supply this if you do not already have it.

We publish payment performance reports on a six-monthly basis. The figures included in

the report highlight our promptness in paying our suppliers and are expressed in percentage of payments made within 30 days and payments made in excess of 30 days.

If your business has processes or engineering technologies that could support Magnox’s work

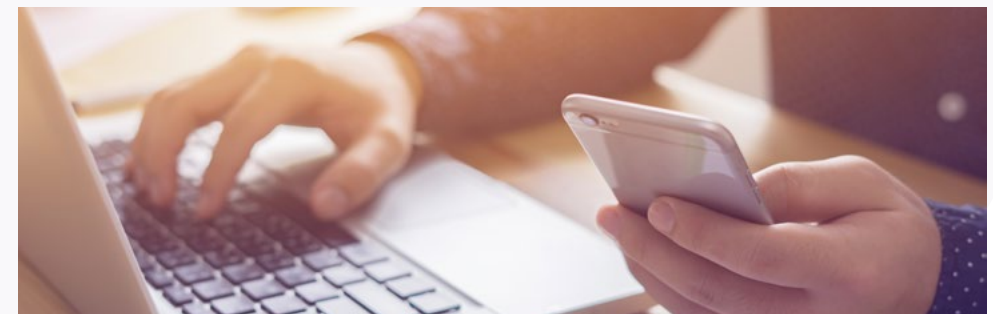
at any of our 12 sites, please contact our supply team. The team can also answer questions about working with Magnox.

There are different ways to access contract opportunities with Magnox:

## **Framework contracts awarded by Crown Commercial Services (CCS):**

Magnox procures contracts through frameworks awarded by CCS or other procurement hubs which can be used by the wider public sector.

**Complete Tender Management (CTM):** Magnox and the other site licence companies within the NDA use CTM to advertise and manage all tendered opportunities. To use CTM you will need to register your company. Once registered on the system, you can use it to manage your tendering activities.



Contact our supply chain team: [Magnox.supplier.queries@magnoxsites.com](mailto:Magnox.supplier.queries@magnoxsites.com)

## Lead team and their reports

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