

Session 62
**Panel: Opportunities in the United Kingdom at the
Nuclear Decommissioning Authority Sites**

Panel Reporter: Fred Sheil, BNGSL

The panel session was aimed at providing information on the opportunities at the NDA sites in the UK for those non UK contractors that may be interested in considering entering the market but who were unfamiliar with the nature and scale of the upcoming procurements.

The following individuals participated in the panel:

- Ron Gorham, Head of Supply Chain Development and Commercial Relationships NDA
- Peter Walkden, Commercial Manager British Nuclear Group Reactor Services
- Colin Bayliss, Director, Major Projects & Engineering UKAEA
- Steve Morgan, Commercial Director British Nuclear Group Sellafield Limited
- Rosie Mathieson, Nuclear Opportunities Manager, Westlakes Renaissance (UK).

The panel was asked to address the following issues:

- The overall structure of the NDA market in the UK including funding
- A description of the forward work programs, the scale of the associated procurement plans and any areas of particular interest
- The potential obstacles and methods of entry to the UK

Ron Gorham opened the presentations outlining the organisation of the NDA and the arrangement by which NDA contracts with the 20 Site Licence Companies to deliver the Lifetime Plans for the sites. The Licence Companies are then responsible for developing and implementing their procurement plans. Procurements are required to demonstrate best value for money, not cheapest, and in most cases must comply with the EEC procurement rules for public bodies. The NDA is committed to fair and open competition to deliver the best demonstration of value for money. As far as the funding issues are concerned the NDA can confirm that the funding for 2007/8 is about \$4.5 billion and the NDA work on agreed 3 year funding cycles unlike DOE who are more dependent on annual budgets.

Peter Walkden outlined the forward work program for the Magnox reactor sites. The sites are divided into two bundles, North and South. The two bundles make up the second and third largest site license companies after Sellafield and each have budgets of about \$855M of which about 60% is placed into the supply chain. Peter outlined the major near term procurements.

Colin Bayliss presented the forward procurement program for the United Kingdom Atomic Energy Authority Sites (UKAEA). The UKAEA splits into north, Dounreay, and South, Harwell and Winfrith. Dounreay was the research site for fast reactor development and has two fast reactors, a materials test reactor and associated fuel reprocessing and waste treatment facilities. Dounreay places about \$95M per annum into the supply chain. The Harwell and Winfrith sites house a variety of research

facilities and development reactors including the Steam Generating Heavy Water Reactor of about 325MW. The two sites currently place about \$57M into the supply chain.

Steve Morgan explained the developments to the procurement methods developed at Sellafield. Steps have been taken over the last few years to bring the commercial organisation up to world leading status. The emphasis has been to move from a very dependent supply chain and a large number (>15000) contracts to one where open competition at a sensible value is encouraged. The number of contracts has been reduced by rationalization and bundling, the opportunities have been made more open and much has been moved to online methods. The result has been faster and fairer competition and a reduction of the number of contracts to about 600. The procurement process at Sellafield is huge with annual procurements of about \$1.2 billion and about 85% of procurements competed. The aim is to ensure that rewards adequately reflect contribution and risk and innovation are openly encouraged. The opportunities remain huge over the next decade.

Rosie Mathieson explained the benefits and obstacles to exploring the opportunities by locating to West Cumbria. She explained the advantages of having a presence in the area and provided case studies of successful US contractors both large and small. In particular were the benefits of operating in a teaming arrangement and this offered a large potential. The market is truly open and particularly responsive to innovation and commitment to the area.