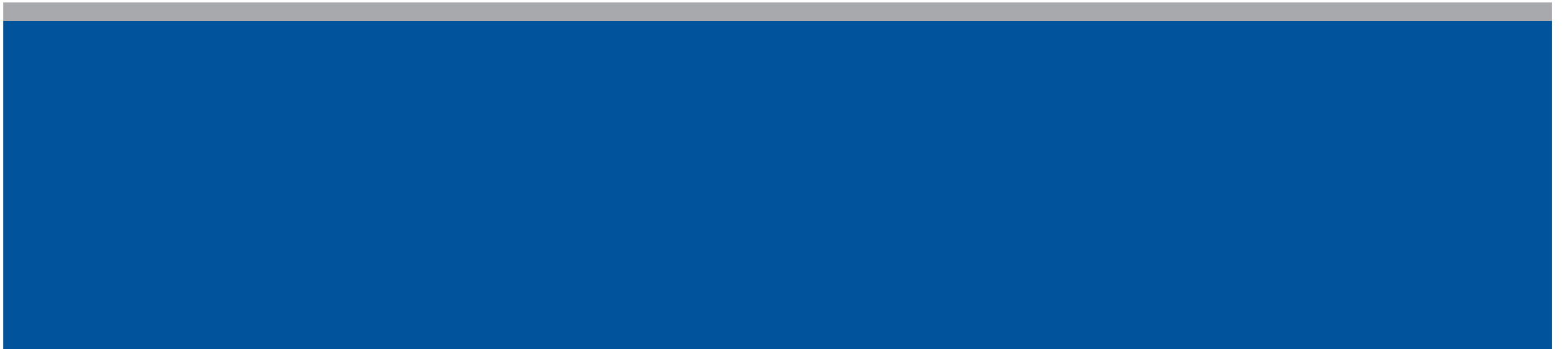




Sellafield Ltd



# Doing Business in Nuclear Britain

*Steve Morgan*

*Commercial Director*

*Sellafield Ltd*

# A Comparison and Contrast: Britain and America

- The Waters Are Different
- The Market Is Different
- The Language is Different
- The Values and Attitudes Are Different
- The People Are Different
- Beware of Language Similarities
- The UK is NOT an American Colony!
- Cumbria is Pro-Nuke
- Safety is More than a Passion



# Market Potential

- £1.4 Billion Awarded at Sellafield
  - £2 Billion all of NDA
  - About 530 Contracts (vs. 15,000 in 2004)
- 2/3 Already Outsourced
- 94% Competitive (vs. 18% in 2004)
- Performance Based Contracts
  - Target Cost and PBIs Typical
- Many Framework Agreements (BOAs)
- Higher Fees/Profits than US



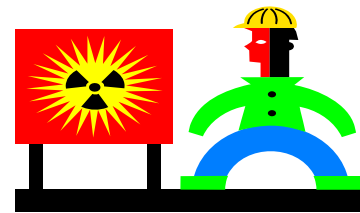
# The Differences

- EU Procurement Rules Apply
  - No Buy America Preference
  - Fully Open Market
  - Rigid Rules and Time Frames
- No Small Business Preferences
- No Price Anderson Act Protection
- Regulators More Powerful
  - Regulations Not as Specific
  - Safety is a Very Big Selection Criterion
- Trade Unions Have No First Right of Refusal



# What We Need

- Sellafield is Still An Operational Site
- Major Construction Project
- Huge Hardware Systems
- Specialist Labor
- Clean Up Projects
- Consumables
- Maintenance Services
- Design and Engineering Services
- Agency Supplied Workers



# Sellafield Procurement Plan – Top 10 Procurements (next 14 months)

Directorate	OU	Internal Description	ITT Issue Forecast Date	Contract Award Forecast	Contract Award	PCO
Nuclear Decom. & Major Projects	Legacy Ponds & Silos Project	WP2 Box Contract 3	01 May 2008	17 October 2008	500,000,000	R McGarel
Framework	Framework	Recruitment Services - Temporary External Workers (Shared Services)	27 February 2008	15 October 2008	300,000,000	J Burnell
Nuclear Decom. & Major Projects	Legacy Ponds & Silos Project	General Maintenance Facility Design, Build, Install, Operate (CCW00239)	30 August 2007	11 April 2008	40,000,000	D Brown
Nuclear Decom. & Major Projects	Decom. Project	Separation Area Ventilation System (SAV) Main Design & Build Contract (CCW00297)	13 April 2007	02 May 2008	76,000,000	D Brown
Nuclear Decom. & Major Projects	Legacy Ponds & Silos Project	WP3 BEPPS1 & CIEF FEL3 Contract (CCW00324)	27 February 2008	15 October 2008	68,000,000	D Brown

# Sellafield Procurement Plan – Top 10 Procurements (next 14 months)

Directorate	OU	Internal Description	ITT Issue Forecast Date	Contract Award Forecast	Contract Award	PCO
Nuclear Decom. & Major Projects	Legacy Ponds & Silos Project	Sellafield Sludge Conditioning Contract FEL4 Construction	20 April 2008	30 November 2008	38,943,168	K McCloghrie
International Nuclear Services	International Nuclear Services	Replacement - Atlantic Osprey	07 August 2008	01 April 2009	30,100,000	M Hall
Framework	Framework	Framework for Installed Radiation Protection Instruments 1000 Instruments annually	29 April 2008	16 December 2008	16,000,000	A Dunne
Framework	Framework	Framework for Radiological Nuclear Material Assay Instruments 170 Instruments annually	29 April 2008	16 December 2008	16,000,000	A Dunne
Nuclear Decom. & Major Projects	Legacy Ponds & Silos Project	B & C Detail design and build contract of B41 Retrievals Building Superstructure(CCW00261)	28 July 2008	16 March 2009	14,000,000	D Brown

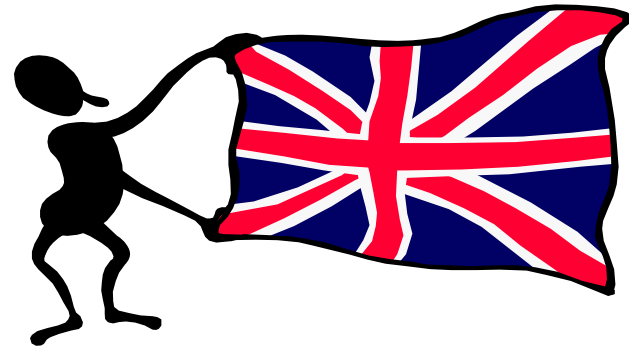


## Sellafield Procurement Plan – Noteworthy Upcoming Procurements

Directorate	Internal Description	ITT Issue Forecast Date	Contract Award Forecast	Contract Award	PCO
Production Operations	(Project: 35/08956) HALES Evaporative Capacity (Evap "E")	02 February 2010	28 September 2010	140,000,000	D Brown
Production Operations	(Project: 35/08955) HALES Storage Tank Capacity - Construction Contract	23 September 2009	08 June 2010	70,000,000	D Brown
Functional Summary	Outsourced IT Provision	01 October 2008	31/03/2010	76,000,000	R Haslam

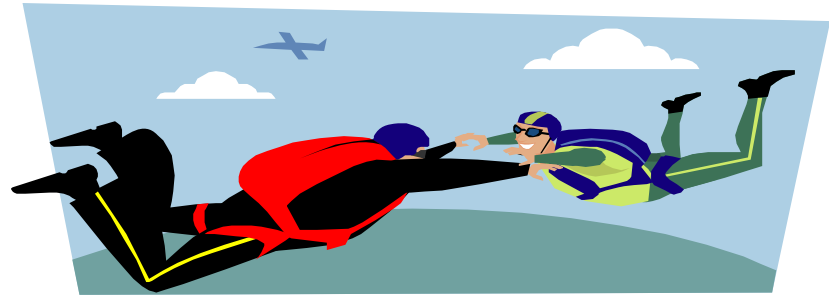
## How to Market to the U.K. Nuclear Industry

- On Line Procurement Plans
- Supply Chain Ombudsman
  - See Dave Henderson
- Visit and Influence: Evangelists Welcome
- Alliances with Local Brits
- On Site Presence
- Vendor Conferences and Meet the Buyer
- Unsolicited Proposals



## Shared Services: One Face to the Marketplace?

- Shared Services Alliance Today
- Proposal for Jointly Owned SSO
- Common Goods and Services Buying
- Consolidation
- Standardisation
- Simplification
- Commercialisation



## Shared Services: The Possibilities

- Procurement Function
- Financial Services
  - Payroll, Payables, Insurance, Pension Mgt
- IT and IP Management
- Logistics
  - Inventory Control, Warehousing, Real Estate
- Personnel Services
  - Recruiting, Redeployment, Common Training
- Laboratory Services
- Safety Case Analyses



# The Market is a Two Way Street

- Sellafeld as Buyer
- Sellafeld as Seller
  - Sweating Our Assets
  - Hardware, IP, People
  - Encouraged by NDA to Generate Revenue
  - Pricing Flexible
  - Short Term, Not to Interfere
- Contact Simon Martin, BD Boss



# Sellafield of the Future: Possibilities



- Additional Reprocessing?
- New Mixed Oxide Fuel Plant?
- GNEP and MOX for the Third World?
- Extra Evaporative Capacity for Increased Throughput?
- Remediation of Ponds and Silos!!!!
- Contaminated Land Campaign!!
- New Build Nukes?
  - Wheeling Power to Scotland?
  - Creating Hydrogen for Autos, Homes and Industries



# The Nuclear Renaissance Will Begin in Britain

- Because it Must
- Cumbria is Pro-Nuke Like No Other
- A Great Place to Work
- A Great Place to Live
- A Great Place to Set Up Shop
- A Great Place to Invest

