

Nuclear

The Market of Choice

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Relations



Agenda

- The proposition – why is Nuclear the Market of Choice?
- The NDA's clean-up mission as it impacts upon the Market
- NDA's relationship with the Market
- Market opportunities
- The "sales" pitch

Why is Nuclear the Market of Choice?

- Duration – decades through to millennium
- Socially, politically and environmentally acceptable
- Technically and commercially challenging
- Strategically important
- Regional, national and world opportunities

The NDA's mission as it impacts upon the Market

- Encouraging the highest standards in safety, security and environmental management; 
- Driving hazard reduction; 
- Securing our funding framework; 
- Gaining the support and confidence of our stakeholders; 
- Achieving more for less; 
- Developing integrated waste solutions; 
- Maximising commercial value; 
- Building an effective industry; and 
- Creating a world-class organisation. 

NDA's relationship with the Market

- Two direct relationships
 - PBO competitions*
 - Programmes and Projects*
- Indirectly via the Site Licence Companies (SLC)
- Overarching objective:
 - The NDA portfolio as attractive as it can be*

Procurement/Acquisition methods

- NDA has a continuing preference for competition and a legal obligation to compete all work above defined thresholds
- Direct NDA work advertised on our website;
<http://www.nda.gov.uk/contracts/>
- Work above \$288k is also advertised via the Official Journal of the European Union;
<http://ted.europa.eu/>
- UK does not have “small business set asides”

Programme and Project Opportunities

- Designing and building the UK's geological disposal facility – cost \$10-20bn

Provision of scientific consultancy services to support the implementation of the UK geological disposal facility

Closing Date: 04 March 2008

OJEU ref: 2008/S 25-033554

Contract duration: 3 years (est). Estimated value for full term: \$2m

Peer review of documentation associated with a geological radioactive waste disposal facility

Closed: 19 February 2008

OJEU ref: 2008/S 11-012976 and 2008/S 14-017963

Contract duration: 3 years (est). Estimated value for full term: \$500k

Innovative Concepts

Overview

- For two years NDA has run an annual competitive process for innovative ideas
Seed corn support (up to \$100K) available

Status

- Over 170 proposals assessed, approximately 20 ideas funded

Benefits

- The ability to support a wide variety of organisations, particularly small/medium enterprises

Current example - Development of "Ice Pigging"

Technology has developed to the stage where four commercial applications are now proposed

Ice Pigging: Nature's way



National solutions to National problems

- Innovations, Concepts
- Industry-wide pension scheme
- National Skills Academy for Nuclear with regional hubs
- National Supply Chain forums
 - Aspiring PBO community
 - Supply Chain Improvements Project
 - National forum for Tier3/4 and SME's

NDA's PBO Competitions

A model designed to introduce competition on a world stage



PBO Competitions

- Low Level Waste Repository
 - **Estimated Contract value \$400-\$1000m**
 - **Contract negotiations in final stages with US/French/Swedish/UK consortium**
- Sellafield
 - **Estimated Contract value \$34bn**
 - **4 bidders pre-qualified (Bechtel, CH2M, Fluor, WGI)**
 - **Invitation to submit final tenders published 21 December 2007**
 - **Preferred bidder to be announced May 2008**
 - **Contract award summer 2008**
- Other site competitions: timetable under review

The Market and the Site Licence Company (SLC)

A very significant market
opportunity for decades to come

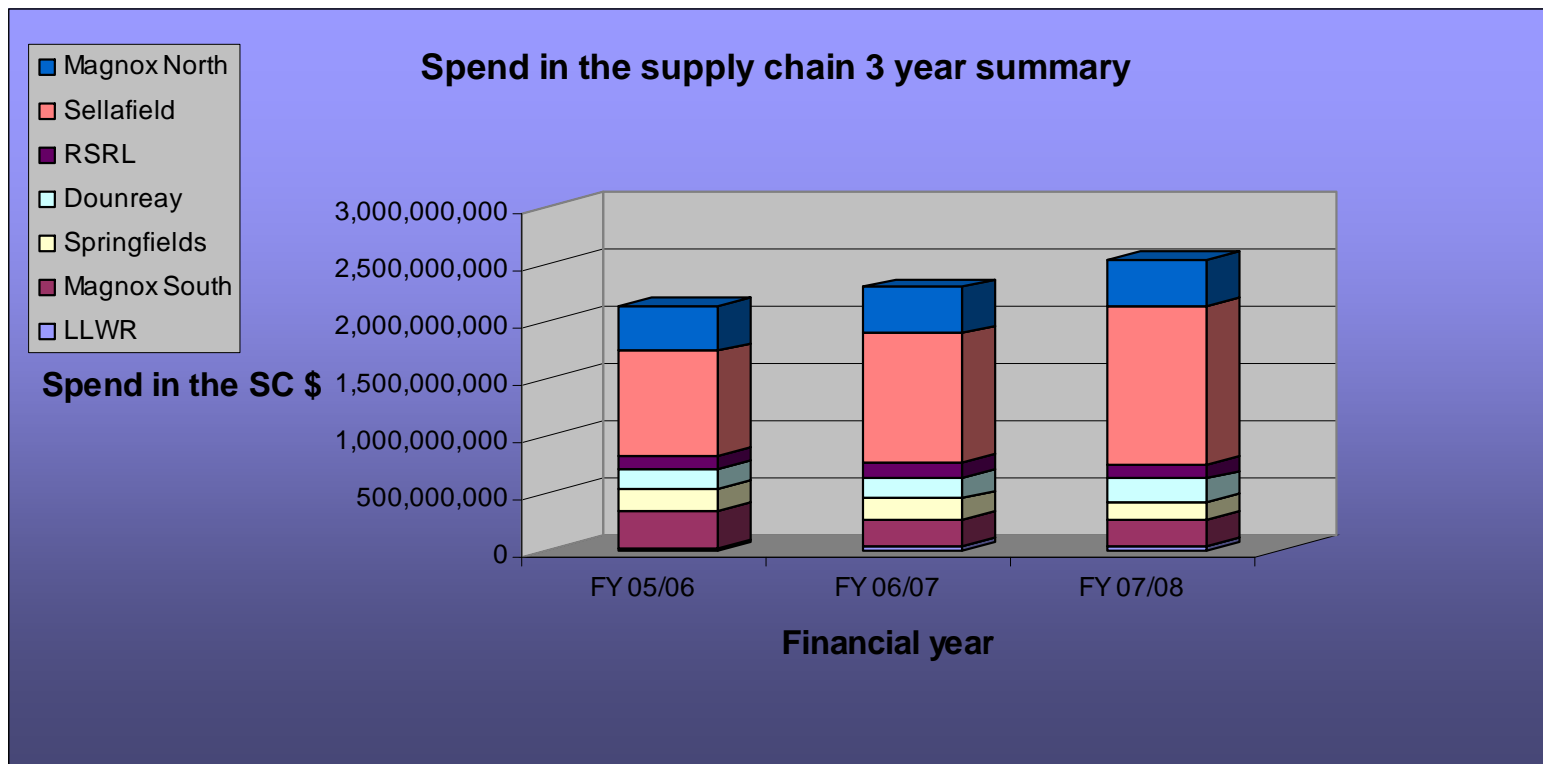


The SLC and the Market

- The SLCs work with the NDA to develop the Market
- Each SLC publishes an Annual Site Procurement Plan
- Each SLC has the same drivers to compete work as the NDA
- Work is awarded into the Market by the SLC, not the PBO
- Work at Tier 2 is not linked in any way to the PBO competition
- Movement towards “portfolio buying”

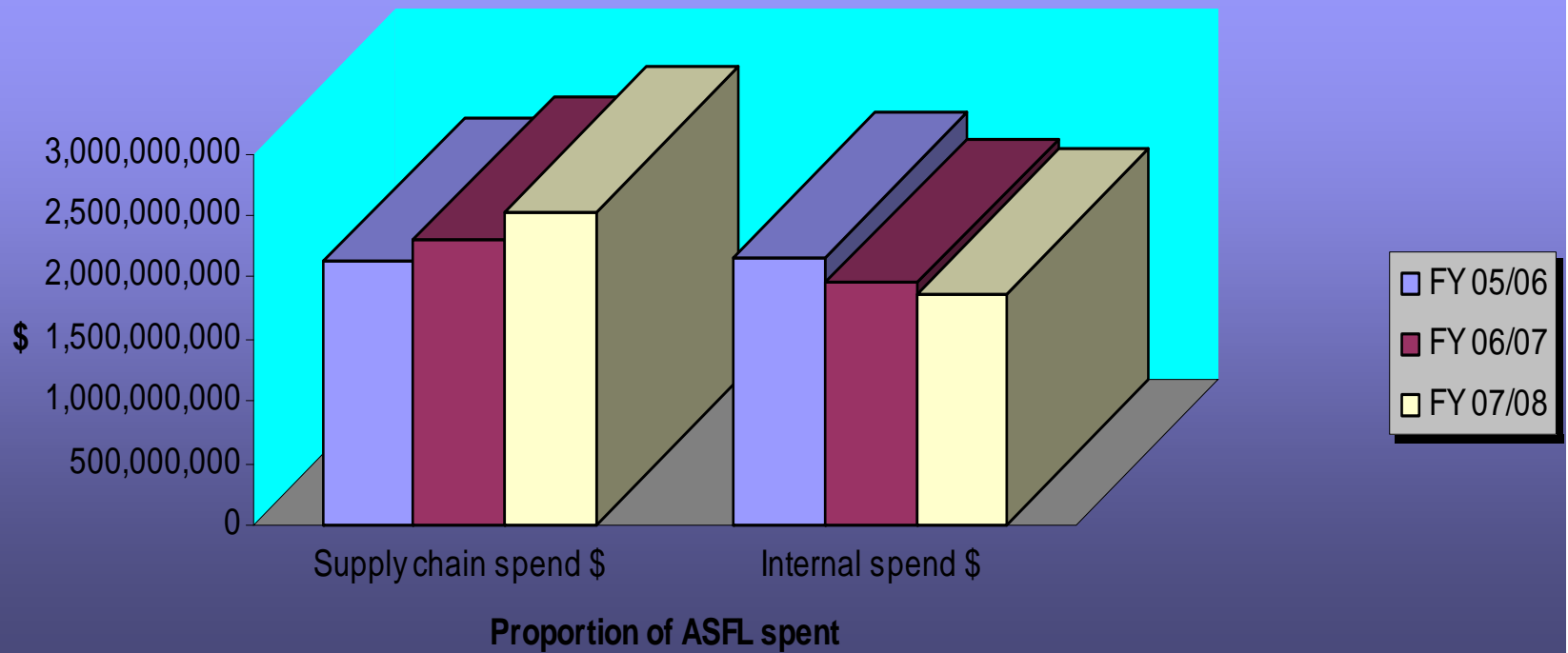
Spend in the supply chain

Since NDA was formed almost \$7bn is forecast to be spent in the supply chain at Tier 2 and below.



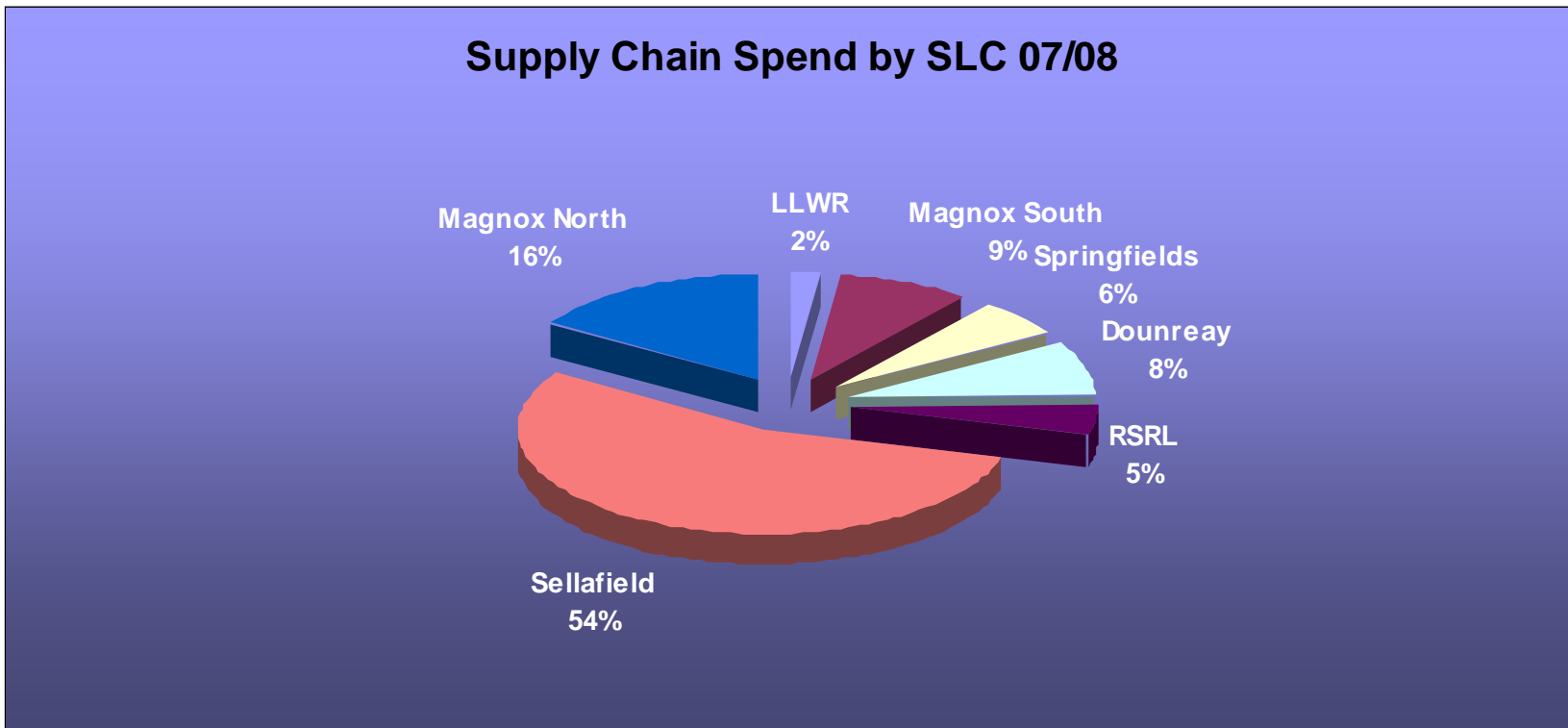
Supply chain vs internal spend

3 year profile supply chain spend vs internal spend



Supply chain spend by SLC

Forecast spend at tier 2 and below for 07/08 \$2.5bn



The sales pitch

- NDA funded on a three year cycle – the next cycle starts 1st April 2008
- Significant spend at Tier 2 and below
- Focused on “achievements” not inputs
- Reward excellence
- Looking for World Class Contractors with World Class Performance



— **If you share this vision please contact me;
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