

Market Enhanced Model – Update – August 2016

1 Introduction

Since January last year, we have been working to determine the best way the market can enhance our business and in the early stages of the transition to new management arrangements, we referred to this support coming in the form of a strategic partner or partners. During this time we have taken the opportunity to consider the options in more depth and refine our thinking further in relation to the overall Sellafield Model Change and our overall transformation programme.

2 Current Status

The process of engaging key stakeholders is continuing in order to support the further development and refinement of the proposed scope and procurement arrangements. However the proposed scope and requirements as currently envisaged are as follows

Transformation Partner(s)

- The Transformation capability is being further shaped by the Executive Team, to include both the internal transformational aspects as well as noting the need for a capability to support SL's external supply chain development.

In order to support the SL executive and the transformation programme a number of activities have been identified which are required in the near term in order to enable and augment the transformation agenda. Those activities will be delivered through shorter term tactical business as usual procurements over the forthcoming weeks rather than through longer term strategic transformation capability.

Programme and Project Partners (PPP)

- The original Programme and Project Partners proposition, shared with the supply chain late in 2015, was reviewed by the new Director of Projects and his team with a view to identifying possible scope for a Major Project delivery partner in addition to the originally contemplated client side capability. It was recognised that this work is a fundamental part of our new operating model and is likely to feature longer term arrangements with suppliers with a contract to enable work across our programme of major projects on site.

On 24 June 2016 Sellafield Ltd published a Prior Information Notice (PIN) in the Official Journal of the European Union (Ref: 2016/S 124-221784) as the next step in a process to acquire Programme and Project capability for the company. This notice signalled the beginning of the technical dialogue phase of the Programme and Project Partners procurement which took place in the middle of July 2016. Feedback on the technical dialogue will be available on SL's CTM system in due course and will be provided at the Industry Day.

The competitive phase of this procurement will be initiated through the issuing of a contract notice in the Official Journal of the European Union (OJEU) – this is currently anticipated to be published Autumn 2016 (subject to Governance approvals).

The Prior Information Notice for the Programme and Project Partners does not signal the start of the competitive process for the Transformation Partner(s) which will be subject to a separate PIN. The proposition for the Transformations Partner(s) will be worked up over the coming weeks and when completed, the partner or partners will play a key role in supporting the transformation of the Sellafield Ltd organisation as it enters a period of managing significant change at the site.

3 Next Steps

The following activities will be required to be completed prior to the issuing of the contract notice that will initiate the Market Enhanced Model Transformation Partner(s) procurement.

- Operating Model approval by SL Board
- Further definition by key stakeholders to identify the tactical, short term and strategic, long term requirements to support SLs Transformation Programme;
- Completion of the Transformation Partner proposition;
- Business case assurance and approval by SL/NDA/BEIS,
- Industry Event (Prior to the publication of a Contract Notice to commence the formal procurement process) the project team intends to host an industry event to advertise the forthcoming procurement and allow the market time to express interest and prepare,
- Launch competition(s)

For the Programme and Project Partners capability

- It is anticipated that an Industry Event and the issuance of the Contract Notice will take place Autumn 2016 (subject to Governance approvals).

Whilst SL is working to the indicative timescales above, compliance with these timescales will be subject to SL ensuring that it undertakes a high quality procurement process and as such these timescales could be subject to change

4 Further Information

Information relating to the transition to a Market Enhanced SLC is detailed within a series of documents released by the NDA and particularly in 'Sellafield Options – Outline Business Case'. These documents are available on the NDA website (<http://webarchive.nationalarchives.gov.uk/20150717155707/http://www.nda.gov.uk/publication/sellafield-options-outline-business-case-november-2014/>)

Communications on the developments of the Market Enhanced SLC process have been made available via our corporate website (www.sellafieldsites.com).

A Complete Tender Management project (CTM 8397) was created in November 2015 to act as an MEM Pre-Procurement Portal to enable the MEM team to share documents and communications with those members of the supply chain and stakeholders who have expressed an interest in the programme. CTM 8397 currently holds all of the documents relating to the Technical Dialogue held in November 2015. To get access to CTM 8397, organisations will have to register on CTM in the first instance through the Sellafield website (<http://suppliers.sellafieldsites.com/procurement-opportunities/complete-tender-management-ctm/>) and then agree to participate in CTM 8397

Programme and Project Partner capability:

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