

CONTROLLING SUPPLY CHAIN INFLATION UNDERPINS FINANCIAL STABILITY



Sellafield is a complex and major nuclear re-processing plant and also includes legacy facilities which are in the process of decommissioning. It covers 262 hectares and sits on the west coast of Cumbria.

EC Harris' nuclear delivery entity is the Programme Controls Partner for Sellafield Limited's decommissioning programme. An incorporated Joint Venture (JV), it controls the delivery of approximately £1 billion per annum of project, operation and maintenance work at Sellafield.

Inflation levels through the project controls supply chain were running high. The demand for resources had significantly out-stripped supply, resulting in a significant rate/salary escalation which averaged over 10% per annum.

Creating solutions

To gain financial stability and reduce the volatility initiated by the project controls supply chain, the EC Harris JV set a target rate per manhour. Although an open-book approach was adopted, a number of steps were taken to contain charge rates to Sellafield Limited including:

- Setting caps on what the JV would be prepared to pay based on market assessment
- A review of personnel and their accreditation status to ensure the right person was in the right job. This encouraged Sellafield Limited to accept lower competency and experience levels where job requirements could be met through less-experienced and cheaper personnel.

£1 million
Savings for the client over 1 year

- Resisting requests for rate increases which was supported by sound market judgement in respect of market conditions and retention risks
- Undertaking recruitment programmes locally to minimise travel and subsistence costs.

Adding value

The solution delivered by the JV stabilised manhour inflation for Sellafield Limited. Over a year this generated savings for the client in excess of £1 million.

Excellent financial controls and forecasts have been provided which has enabled the client to manage accurately against their contract limits with the NDA.

The recruitment drive provided new personnel into the sector which helped to address the ageing demographic of the workforce. The EC Harris accreditation process also achieved a significant improvement in the consistency of service delivery.

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