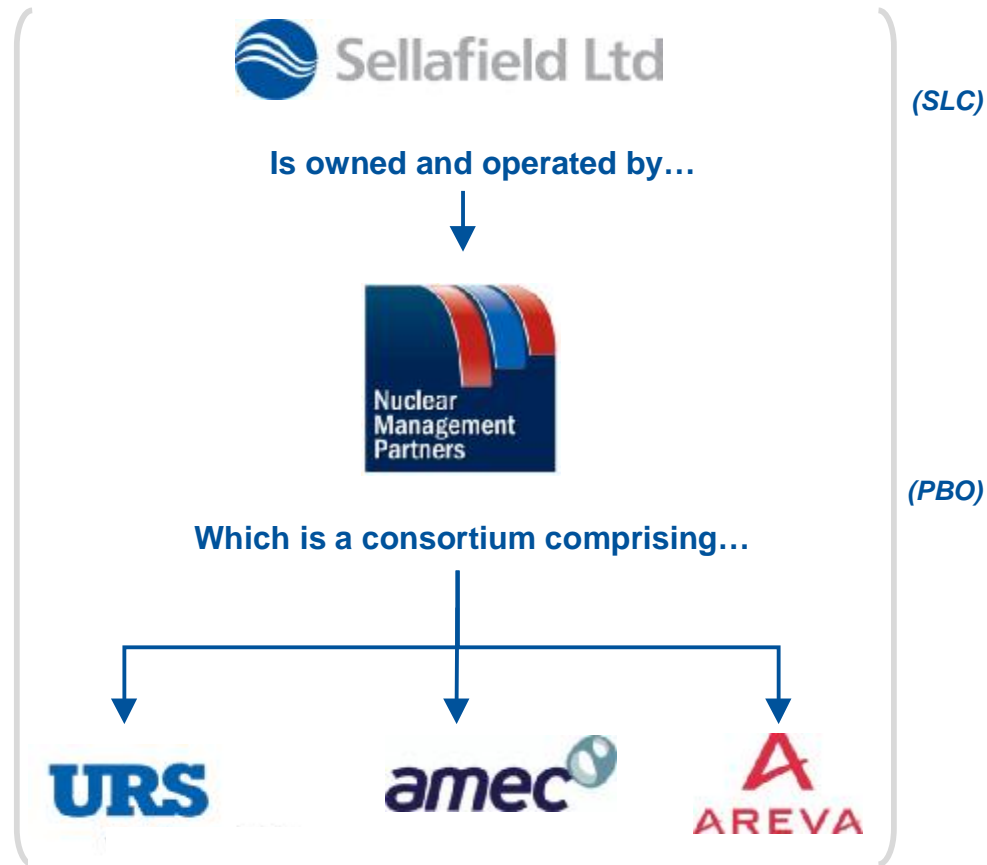


# An integrated approach to project risk management

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Date: 28<sup>th</sup> October 2009

# Sellafield Ltd Overview





## Our business...

- Sites at Sellafield, Capenhurst and Risley offices
- Sites are owned by the Nuclear Decommissioning Authority
- Sites operated by Sellafield Ltd
- Sellafield Ltd managed by parent body organisation - Nuclear Management Partners (NMP)
- Workforce: 12,000
- Supply chain spend last year - approx £710m
- Expenditure in 2008-9: £1.3bn
- Income in 2008-9: £811m

## Case Study – working with the supply chain in the delivery of the Evaporator D Project

The aim of the presentation is to share the issues we experienced in implementing an integrated approach to risk management with a major EPCC contractor and its subcontractors, how those issues were overcome and the positive lessons Sellafield Ltd has learnt from this experience

# Evaporator D Overview

- Existing evaporator fleet is nearing end of operational life and there is a requirement for evaporative capability some way into the future
- Strategic Risk exists relating to unexpected loss or deterioration of available evaporative capacity
- Mission to support ongoing reprocessing and POCO activities
- Project scope:
  - Design, build and inactively commission a new evaporator facility
- Project is in the Execution Phase having been sanctioned by our customers (NDA/ DECC) at £397M @ P50
- EPCC contractor engaged
- Construction has commenced
- Major module contracts placed in July 2009
- Inactive commissioning complete July 2014 (P50)

## Building the relationship

- When a client and a subcontractor come together after contract placement it should be just like the first date, or is it?

# Obstacles to building the relationship

- Client vs Contractor Positioning
  - Historical baggage
  - Understanding of requirements
  - Understanding Sellafield
  - Organisational issues and accountabilities
  - Formal communication routes
- Availability of sub contractor supply chain
  - Limited number of companies
  - Market factors
  - Niche market
  - Overselling skills

# Obstacles to building the relationship

- Organisation
  - Level of Integration
  - Location
  - Who's in charge
- Risk Management process
  - Who's do we use?
  - How many risk and opportunity registers exist?
  - Who owns the risk?

## How the obstacles were removed

- Client vs Contractor Positioning
- Organisation and location
- Risk Management approach
- Availability of sub contractor supply chain

# Lessons Learnt

- Working Methodology
  - Location
  - Communication
  - Continual improvement
- Sub Contractor strengths
- Point of Engagement
- Managing the supply chain through risk

**Thanks very much for your attention**

Any questions or observations?