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## Report Title : Sellafield - Observations as a Contractor and a user of Sub-Contractors

**Body or group producing this report : British Nuclear Group Sellafield Limited**

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### **Executive Summary**

This paper provides both an update to NuSAC (2005) P6 “Management of Contractors at Sellafield”, presented to the July 2005 meeting of NuSAC, and offers some observations from the perspective of being one of NDA’s Tier 1 contractors.

### **Introduction**

Arrangements for the management of contractors and sub-contractors working under the control and supervision of British Nuclear Group Sellafield Limited (BNGSL) have developed at Sellafield over a period of two decades. These arrangements were enhanced from April 2005 in order to respond to the new situation created by “Nexia” and “BIL” (both corporate entities within the BNFL Group) having the potential to undertake licensable activities on behalf of a customer other than BNGSL, in facilities leased from NDA within the BNGSL Sellafield nuclear licensed site. Principles guiding the development and enhancement of these arrangements, their application in practice and aspects targeted for continuous improvement were described in NuSAC (2005) P6.

### **Developments Since July 2005**

There have been no significant changes to these arrangements during the period. Necessary adaptations continue to be made, for example to encompass NDA employees occupying office accommodation on the licensed site. Further steps have been taken to give greater clarity and simplification through the use of standards which apply to work irrespective of which organisation carries that out on behalf of BNGSL.

### **Observations as a Tier 1 Contractor**

BNGSL has 18 months experience as a Tier 1 contractor to NDA. During that period staff in the site licence company have learned how to work with the NDA’s system of programme controls including financial sanctioning, within an increasingly projectised environment for the delivery of the clean-up mission. There have been many examples of NDA acting in the role of intelligent customer. Particularly noteworthy is their pivotal position in the development and deployment of guidance for the preparation, by site licensees, of integrated waste strategies

capable of providing a picture for the NDA estate and informing policy development at a national level.

Of vital interest to BNGSL is clarity around carrying out the “controlling mind” duty of a site licensee and legal duty-holder. NDA has facilitated several discussions which have led to the following understandings:

**Short term:** Where matters concern the day-to-day control of safety the primary interaction is between duty-holder and regulator.

**Medium term:** Where matters extend beyond issues of immediate concern to safety and are the subject of optioneering, prioritisation and ALARP, the timescales allow an inclusive dialogue with NDA.

**Long term:** As the timescale of issues extend the dynamics of interaction change and the NDA has a more pivotal role and national role. This is particularly relevant when looking at the national prioritisation and management of decommissioning and radioactive waste strategy. In these circumstances the contractor facilitates the generation of information and options for discussion with the NDA, regulators and other stakeholders. The integrated waste strategy for Sellafield is a case in point.

The NDA has established governance arrangements for the control of expenditure and delivery of scope and schedule of work that are embodied within the contract and span these time-frames of the “controlling mind” duty.

### **NDA Procedures**

NDA procedures require the contractor to seek approval for new customer contracts involving lifetime costs over £3M or if they are contentious because of the business risk to the NDA (because, for example, it has a high level of innovation, a high impact on programme, or is sensitive from a stakeholder and or regulatory perspective).

NDA has the right to reject a proposal provided it gives its reasons for doing so, and has the right to seek clarification from the contractor. The exceptions to this right include circumstances where the contractor is subject to regulatory requirements, for example such as a Specification.

Experience shows that interpretation of the contract is not “black and white”, particularly where the timescales of the regulatory requirements extend beyond the term of the contract and the risks of non-compliance can transfer to a new Tier 1 contractor or under Health and Safety law on to the NDA. In these circumstances the NDA has exercised stringent control of its procedures such that the delays introduced challenge the legal duty of the site licensee to act in good time to do all that it reasonably can to demonstrate commitment and ability to comply.

There have been examples of this in relation to the Legacy Ponds and Silos and the Specifications for waste retrieval and conditioning. If there had not been good dialogue and pragmatic solutions the NDA could have assumed a controlling mind and the contractor faced with an unethical contract.