



QUARTERLY CONNECT

NEWSLETTER 6 August 2024



**Better success for us
is better success for the
supply chain partners**



JAMES FENNELL
HEAD OF COMMERCIAL
PPP Client





Swimming
with the big fish
SME MATCHMAKER SERVICE



QUARTERLY CONNECT

Helping high-performing SMEs to secure high value,
long-term framework contracts on major projects

Our latest Swimming with the Big Fish Matchmaker Quarterly Connect meeting took place on Wednesday 19 June 2024 at Solomons Europe's Papcastle Depot.

More than 40 people attended and heard updates from SWTBF and PPP, along with SME showcases from Delkia, ES Steel and ITI, as well as the latest news from Growing Well.



There is £1.5 billion of contracts in the supply chain. This all makes sure money is going to the core region.

STRATEGY AND ENTERPRISE UPDATE

In a positive presentation, John Rossiter, PPP Head of Supply Chain, showed a slide he's pretty proud of. Packed with hexagons carrying the names of businesses and organisations, it shows off the stakeholders, Lot Partners, Framework Partners Tier 2 and Framework Partners Tier 3.

Describing the slide, he said: "This is not hierarchical – this is a partnership. Everyone on that slide has engagement with PPP. We should be really proud of that."

"There is £1.5 billion of contracts in the supply chain. This all makes sure money is going to the core region."

He discussed CompeteFor, the supplier platform which enables businesses to bid for contract opportunities linked to large scale public and private sector buying organisations.

"CompeteFor is there as a shop window for PPP," he added, saying that, by registering, SMEs opened up opportunities on

other sites, such as Sizewell.

"Please register, please use it."

John also showed a slide of the forthcoming project pipeline, from 2024 through to 2043, looking at the pre-construction, construction and commissioning phases.

"These are projects that are transitioning from Sellafield to PPP in the next six months," he added.



MAKING POSITIVE PROGRESS

James Fennell, Head of Commercial, PPP Client, opened the event with a look into PPP's background and some insight into the client's perspective. He described how Sellafield currently has 12,000 employees, £2 billion of work, on a site covering two square miles, for the next 100 years.

James gave a sobering look back at how a 2012 National Audit Office report didn't have much positive to say about how remediation work was taking place. He remembered 'Sellafield, you don't learn' was the overriding message, with situations occurring which drove 'adversarial relationships'.

A key finding highlighted the perceived lack of learning from one project to the next, from each major project having a bespoke supply chain to a fragmented procurement strategy and an inappropriate risk transfer to supply chain partners.

"This was the driver for PPP," he added. **"The cliff edge moment.**

"That's when we said we will do things differently. Better success for us is better success for the supply chain partners. We started to embed what we learnt on one project on to the next.

"Major projects did not have a good reputation. We started big and delivered small. We are

in a different world now. A lot of it is about confidence."

The PPP response saw a collaboration of four Lot Partners – KBR, Jacobs, Morgan Sindall and Altrad – in partnership with Sellafield Ltd, to deliver the major projects portfolio.

He also said the National Audit Office, on a recent visit, said they were hoping for a more positive response once they see the changes PPP has made.

"PPP has been built to address concerns," he added. **"Things have moved on. We are five years in to PPP. We understand what a major project is and we are on track to deliver to time and cost. We are on track to achieve what we said we would deliver. We have the ecosystems to do what we said we would do."**





MATCHMAKER UPDATE

PROGRESS SINCE LAST QC MEETING – FINANCIAL YEAR TO DATE

Ewan Peacock

In the period since the last Matchmaker Quarterly Connect meeting, in February 2024, progress has been made in getting SME Frameworks 'over the line'. Of the expected total 48 individual frameworks, there are now 24 in place or pending. Whilst this shows good progress, work still needs to be done and we have only just started the process.

This is not an insignificant number of Frameworks in place; however the work has only just begun. Benefits and meeting PPP's Critical Success Factors via SMEs will only truly happen when call-off notices (contracts for actual work) are issued to SMEs.

Matchmaker will be supporting PPP and KDPs to ensure that the call-off notices are appropriate, and vitally, that they include appropriate Enterprise Incentivised Profit (EIP) KPIs. These include the pledges and inclusions in Heads of Terms for Matchmaker SMEs. The ability to deliver these EIP KPI targets is part of the 'Golden Thread,' with all of the PPP Enterprise Model (PPP, KDPs and the Supply Chain, including SMEs) pulling in the same direction.

Matchmaker will continue to act as a 'trusted advisor' and facilitator for the KDPs and SMEs, to ensure the 'correct' EIP KPIs are included, as well as supporting them to make sure they are achieved.

By achieving the KPI targets, SMEs are investing in a sustainable future, including growth via new employees, trainees, upskilling workforce, increasing capability, etc.

This is a win-win situation for the SMEs, as well as the KDPs and PPP. It helps the KDPs hit their KPIs and realise their incentivised profit and also enables PPP to achieve its Critical Success Factors.

Matchmaker SMEs, that do not currently have a pipeline of work with KDPs, still have the opportunity to work with other SMEs as part of their supply chain. We encourage SME collaboration at events (such as the Quarterly Connect Meetings), as well as other local events, as these provide the opportunity for networking and relationship building.

In addition, the KDP frameworks still have 16 years to run. During this time new scope and requirements for other supply chain members may arise – Matchmaker SMEs

could help deliver in this scenario and Matchmaker will continue to champion our SME portfolio of companies.

Another part of the 'Golden Thread' is the agreement of the KDPs annual Key Performance Indicators (KPIs) for 2024/25, including the target to produce 'Three-year SME Strategy Plans' to include:

- Identification of proposed SME subcontractors
- Appendix 12 approved supply chain – current and planned
- Pipeline forecast of work for KDP supply chain, including SMEs
- SME supply chain plan (including commitments to help SME's grow and improve capability and invest in West Cumbria, via EIP KPIs agreed with SMEs)
- Plans to deliver specific KDP ITT SME supply chain bid promises

These plans will provide the 'pathway' to deliver a forward thinking SME strategy, allowing SMEs to see the pipeline of work and have confidence to invest and plan for the future. The Matchmaker team will be at the forefront on making this happen.

SME UPSKILLING AND MATCHMAKER SUPPORT

Dominic Doig

One of the PPPs Critical Success Factors is CSF 5: Workforce Skills:

'Upskilling of Sellafield Limited and supply chain capability through porosity and longevity of the relationship. Investment in training and apprentices'

As SMEs form a key part of the PPP Enterprise Model it is vital that the relevant support and training opportunities are provided via PPP and KDPs. Working via PPP on Sellafield projects has a number of specific requirements that KDPs and their supply chain has to comply with, including access to site, cyber security, safety, specialist working methods, etc; the KDPs should support SMEs meet these requirements and there is evidence of this happening already.

Another element, that some SMEs need guidance on, is the PPP contracts and, in particular, the NEC4 suite of contracts, how they work and the terminology being used. The contract templates that PPP use are based on NEC4, however they include amendments (Z clauses) that need to be understood, such as inclusions for Corporate Overhead, as well as Nominal and Incentivised Profit.

SMEs working with KDPs will get tailored support. This should be detailed in the aforementioned 'Three-year SME Strategy Plans' and Matchmaker will support, as

required, and in particular provide support in understanding the commercial aspects of the amended NEC4 contracts, including:

- **NEC Suite of Contracts**
e.g. *Professional and Services Sub Contract (PSSC)* and *Engineering and Construction Subcontract (ECSC)*
What is the difference?
- **NEC Main Options – Options A through F**
When are these used?
What is Option E?
- **Defined Cost and Schedule of Cost Components**
What are they and how are these applied?
- **Corporate Overhead, Nominal and Incentivised Profit**
Amendments from original NEC terms, terms – how are these applied?
- **Key Performance Indicators / Incentivisation**
Why are these important?
Who sets what the KPIs are?
- **Roles, Responsibilities and Timescales**
Vital for the administration of NEC based contracts

The KDPs and the Matchmaker team will be able to provide support, training and clarity on the specific NEC4 amended contracts.





SME SHOWCASE

DELKIA

Dick Monaghan, Business Development Director at Delkia, the electrical control and instrumental specialist, gave what he called a 'personal reflection' on the company's experiences. He outlined how, initially, all their work was in nuclear. Now it's spread across maritime and defence too, with the latter currently making up 70% of their business. He says PPP has given them 'confidence' to expand and diversify.

He said: "Matchmaker started back in the pandemic. We asked, 'how can we collectively get together and make sure procurement works for all of us?' We were operating from a single unit, it was hand to mouth, and we couldn't see beyond three months.

"The PPP model has been quite transformational for us. I was knocking on doors – now they are knocking on our door asking us to be part of their supply chains."

Delkia's initial turnover at the start of the Matchmaker process was £0.9 million – now it's £14 million. The company's permanent employee numbers have risen from 13 to 67, contract staff have climbed from 13 to 34, and there are now 8 apprentices where originally there were none. Their locations are growing too, with plans for a STEM facility in Egremont.

ES STEEL

Jonathan Law, Managing Director of ES Steel, gave an update on his company's progress with SWTBF. He outlined how they have been working on the Sellafield site for nearly 10 years and signed up to be a SME in PPP, being awarded silver status.

He added: "Over the last 13 months, Sellafield makes up 50% of what we do as a business and we can only see that significantly growing again. What that growth has enabled us to do is move up to West Lakes, increase our head count and bring in our first QS apprentice.

ES Steel's original Matchmaker profile had a turnover of £3.8 million, which has increased to £6.2 million today. It is anticipated this will reach £7.5 million in 2025. Permanent employee numbers have stayed static at 33, but the number of contractors on its books have jumped from 34 to 50. Both figures are expected to rise again by next year. "It's a snowball effect," said Jonathan of his experience with SWTBF. "It trickles down from Sellafield to PPP to us. It is all really positive from our perspective."



ITI

ITI Group is a systems integrator and offers services like simulation modelling from its teams across the UK and Europe. It has just opened its first office in North America too.

Its original Matchmaker profile showed a turnover of £10.7 million. That's now increased to £12.6 million, forecast to rise again to £15.5 million by 2025. Permanent staff numbers started at 140 and are planned to rise to 220 by 2025. If their involvement with PPP succeeds, they've pledged to open a West Cumbrian office, and offer training for West Cumbrian students.

Ben Pyne is the Sales Director for the nuclear side of the business. He grew up in Cumbria, then moved away, but says his ties to the area remained.

He is keen to see the company's footprint firmly back in the county and said: **"Through PPP and SWTBF, we have got re-engaged again. Our first full-time employee in Cumbria started on 17 July and the aspiration is for 5 full-time employees here. We have opened a facility in Cleator Moor and got 2 apprentices."**

Ben also said appointing those trainees has been difficult:

"Apprentices are our biggest challenge. One thing I think we can do better is work as a group to share skillsets. We can work more closely."

He wants to see those apprentices grow throughout the business – in nuclear and beyond, particularly in oil and gas where it is 'fast paced'. He added: "By moving engineers through different projects, that keeps them hungry."



CERTIFICATED MATCHMAKER SME FRAMEWORK SUCCESS

RC Civils was announced as one of the latest recipients of a KDP Framework with Sir Robert McAlpine and will receive a Matchmaker SME Framework Certificate.

Dominic said: **"This is a fantastic story of a company doing something really well. They are investing, making significant spend."**

Other Matchmaker SMEs that have, or will soon have, frameworks finalised with KDPs are:

- Cidon Construction Limited
- Cumbria O&M Services Ltd
- Fox Reinforcement Limited
- ES Steel Limited
- Flamguard
- Fluidic Limited
- ITI
- Meldrum Ltd
- Oldham Engineering
- West Coast Thermal

BUILD OUR 'EVIDENCE WALL'

John Rossiter, of PPP, made an appeal for companies to keep him informed about their success stories as part of the SME Matchmaker service.

He said: **"We struggle to capture the information, so if you are doing something, feed it through the KDPs. We want to be able to look at our evidence wall."**

John also urged firms not to be shy about their achievements: **"Don't take it for granted. Celebrate it."**

To be part of the story, email hazel.duhy@solomonseurope.co.uk

We're eager to share your contract wins, news about work you're undertaking with fellow Matchmaker companies and examples of your commitment to investing and growing in the Cumbria region.

To share your story in future newsletters, please get in touch with Hazel Duhy at hazel.duhy@solomonseurope.co.uk



A new face from the Growing Well team was introduced at the Quarterly Connect 6 event.

Hannah Wright is the recently appointed Manager at the charity's Egremont site, which is transforming a former council plant nursery into the county's third therapeutic facility. They take self-referrals or clinician referrals to offer proven support with mental health. She and Ben Quitman gave an update on progress and thanked the supply chain community for helping them to get the job done. Ben emphasised the importance of the charity's work and said: "The NHS waiting list for mental health services is an average of six months. A lot can happen in six months if you can't get that help. At Growing Well we've got people on site in about two weeks for therapeutic growing. The positive effects on the service users go beyond just the daily sessions the charity offers. Hannah added: "It is empowering for people to give back to the charity while they are getting their help."

GROWING WELL UPDATE

Citing Stobbarts, William King, RC Civils, Altrad and West Coast Thermal in the list of firms which have shared their expertise, Ben said: "The pure number of in-kind man hours provided by these firms is huge – it would have blown the budget before we even started. None of this would have been possible without your help."

If you are interested in supporting Growing Well, they are seeking corporate partners for their crop share and collaboration opportunities in supporting both your company and their mission. They offer corporate mental health days and mental health first aid training, enhancing employee resilience and performance while funding their charitable work. For every £1 spent on supporting the mental health and wellbeing of their workforce, employers get (on average) about £4.70 back in increased productivity.

If you want to get involved or know someone who could benefit from Growing Well's services, email ben.quitman@solomonseurope.co.uk or info@growingwell.co.uk



WHO WE ARE AND HOW
OUR FUTURES
We are a... and passionate... integrated te...
professional... core project team...
Our people bring diverse... across the process, en...
and operate as an... Partner, supporting o...
commercial project dr... staff team is support...
be the best they can be... entrepreneurial...
Our northern roots mean...
Teesside and Tyne &...
and aspiration to...

OUR COMMUNITIES
Who wants to be a...
ENTREPRENEUR...
A dedicated inve...
fund to support...
and micro busi...
growth:
Little Liters
Red Pile
Cable & Skate
Junior projects:
Magic Club
£11,000
1 Year Programme
& 1 Year Open 2019



Swimming

with the big fish

SME MATCHMAKER SERVICE

Solomons Europe is regularly publishing news and views on the Swimming with the Big Fish SME Matchmaker Service on its website and social media channels.

Visit the website and follow them on the handles below to keep up to date.

Website: www.solomoneurope.co.uk/blog

LinkedIn: [@solomons-europe](https://www.linkedin.com/company/solomons-europe)



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