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Small Businesses See Gains as Overhaul of SRNS Supply Chain Approach Brings Efficiencies

AIKEN, S.C. (Dec. 11, 2017) – Small businesses working for the Savannah River Site (SRS) are the big winners as a revamp of management and operating contractor Savannah River Nuclear Solutions' (SRNS) supply chain approach is yielding significant gains in small business subcontracting in addition to a suite of other improvements.

Following a nearly three-year effort to improve the performance of its supply chain organization, SRNS in FY 2017 has exceeded every socioeconomic subcontracting goal, including more than doubling its goal for subcontracting to small, woman-owned businesses.

Specifically, SRNS exceeded goals for subcontracting to small businesses overall (71 percent vs. 52 percent), Small Disadvantaged (18.8 percent vs. 13 percent), Small Woman-Owned (23.9 percent vs. 11.4 percent), HUBZone (2.7 percent vs. 2.5 percent), and Service Disabled Veteran (4.3 percent vs. 2.0 percent).

"Our supply chain is a vital part of our success at Savannah River Site, and exceeding these small business goals is a reflection of our emphasis on continuous improvement across the board," SRNS President and CEO Stuart MacVean said.

The effort to improve performance of the supply chain organization began in 2014, a time when SRNS had a backlog of more than 5,400 requisitions. SRNS took several initial steps, including establishing a set of metrics to measure performance, increasing training and



Personnel from Universal Supplies and Services, a small business subcontractor for SRNS, perform work in a non-nuclear facility.

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driving decision-making down to the lowest accountable level, said Mike Newman, SRNS' Senior Director for Supply Chain Management, who joined SRNS in 2014 from Honeywell's Kansas City Plant.

SRNS has also benchmarked with industry leaders in supply chain to ensure delivery of high value services at a competitive price to the government, while increasing quality, speed and efficiency, Newman said. For example, SRNS supply chain managers traveled to the Kansas City facility to discuss electronic purchasing and cost/time materials processes, bringing best practices back to SRS.

"There's only so many ways in the government system to go buy products and services—it's really more about knowing how to go do what you need to do most effectively," Newman said.

Within a few months, SRNS had eliminated the backlog of 5,400 requisitions and was able to shift the focus to institutionalizing longer-term improvements, including:

- Putting in place strategic agreements instead of completing repetitive buys for the same good or service;
- Taking one hour each week to train staff on procedures and efficient approaches;
- Setting clear business rules and measuring performance with appropriate metrics; and
- More effectively using EM's Strategic Sourcing Initiative, under which EM prime contractors work together to leverage common commodities, thus enabling pricing and processing efficiencies.

"We're using smarter tools in our toolbox," Newman said. "And the results have been dramatic." The SRNS Supply Chain organization was recognized by DOE-EM in May 2017 for significantly driving a \$16.9M cost savings in FY16, which exceeded the goal by 88 percent.

Additionally, SRNS has made marked improvement in two of its key metrics, improving on-time delivery by 20 percent since 2014 and decreasing receipt to delivery cycle time by 50 percent over same period.

Going forward, Newman said SRNS will focus on increasing its performance against small business sub-contracting goals even more, with additional staff assigned to that effort in FY 2018. SRNS will also put significant emphasis on furthering partnerships with vendors.

"Sharing the best practices that we've incorporated with our vendors will help ensure all of us are in the best possible position to support the SRS mission," Newman said.

Savannah River Nuclear Solutions is a Fluor-led company whose members are Fluor Federal Services, Newport News Nuclear and Honeywell, responsible for the management and operations of the Department of Energy's Savannah River Site, including the Savannah River National Laboratory, located near Aiken, South Carolina.

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SRNS-2017-622