

News from the Savannah River Site

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SRS Contractor Receives National DOE Awards for Saving Millions

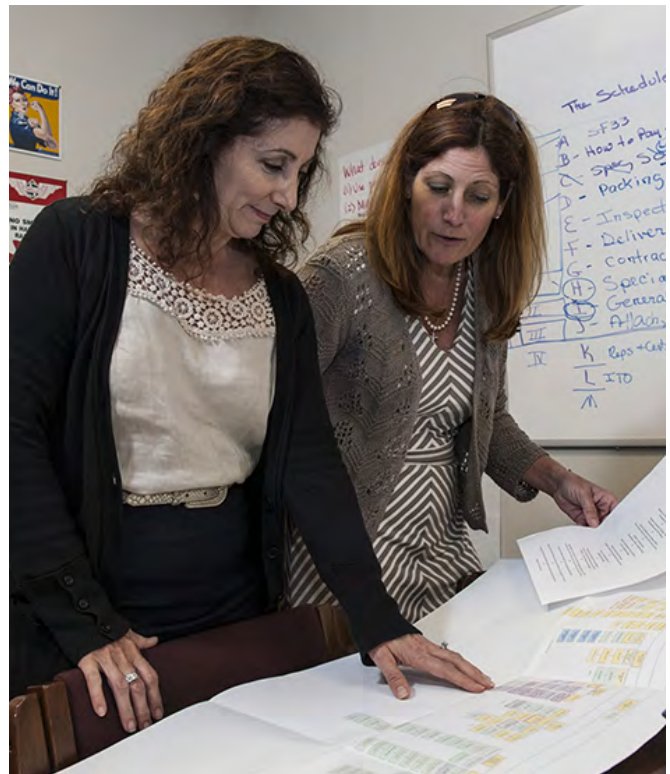
AIKEN, S.C. (August 1, 2014) – The Department of Energy’s National Nuclear Security Administration (NNSA) and Office of Environmental Management (EM) recently honored the department’s management and operations contractor at the Savannah River Site, Savannah River Nuclear Solutions (SRNS), with three Supply Chain Management Center (SCMC) achievement awards for 2013.

The awards were presented during the EM SCMC Biannual Face-to-Face Meeting, hosted by SRS.

SRNS employees received the “NSE (National Security Enterprise) Strategic Sourcing – FY 13 Commodity Achievement” award for spending a total of \$3.1 million using an innovative process that maximizes cost-savings under the NSE enterprise agreements.

SRNS was also recognized with the “EM Strategic Sourcing and eCatalog Achievement” award for the largest number of transactions within EM complex using an electronic catalog system containing thousands of preapproved, volume-discounted items. SRNS employees used the e-catalog purchasing process with specially-developed contracting tools for a record 8,248 transactions last year.

SRNS Director of Supply Chain Management Helena Tirone also received the “Outstanding Leadership Award” for her efforts involving these accomplishments.



SRNS Director of Supply Chain Management Helena Tirone and SRNS Manager of Procurement Lorri Wright discuss plans to further improve a SRNS procurement process that recently received three awards from the U.S. Department of Energy and created significant cost savings in 2013 by adopting successful purchasing practices used by several of America’s top companies.

In March 2012, SRNS became the first EM contractor to use these strategic sourcing contracting tools, such as reverse bidding and e-auctioning, from SCMC's program. During fiscal year 2012 (the first year participating in the program), SRNS achieved significant cost savings.

"Instead of saving in the range of a couple hundred thousand, SRNS is saving several million dollars a year, and that's after operating this program for just two years," said Ralph Tennant, Contracting Officer, DOE-NNSA Kansas City Field Office. "SRNS has gone from just being on board and agreeing with us philosophically to now being one of the leaders among the Environmental Management sites."

Established in 2006 by the NNSA, SCMC began as a center focused on improving the procurement of products and services at seven NSE sites. The SCMC program, based out of an NNSA plant in Kansas City, MO, implemented best practices of spend analysis, reverse bidding and e-auctioning tools for strategic sourcing in order to maximize the value of taxpayer dollars spent at NNSA sites.

This new system made collaboration across NSE sites possible with a new secure internet portal for common access to all sites and procurement software called Ariba, a reverse bidding software in which the vendor with the lowest bid wins the auction. Ariba also involves an automated system that tracks the amount of money spent as well as commodity opportunities.

Each time a transaction or "event" is completed through Ariba, the data is automatically sent to SCMC to keep track of the amount saved. Some of the items procured through Ariba for SRS include commercial commodities such as roofing materials, safety goggles and machine parts as well as services including construction work and staff augmentation, according to Tirone.

When SRNS initially took part in the SCMC initiative, the procurement office had to work through a number of challenges. SRNS employees had recently implemented a complex business and financial software called PeopleSoft. SRNS Information Technology personnel also had to integrate the new SCMC tools with all the existing firewalls.

According to Tirone, learning how to use the new SCMC tools was one of the biggest challenges. Before the change to SCMC in procurement, employees had used the previous system for more than 15 years. The procurement employees had to continue fulfilling their day-to-day, normal process to support SRS while learning how to use brand new tools, such as Ariba, for high-volume purchases as well as the PeopleSoft system.

To help employees stay motivated, Tirone allowed a revised work schedule, developed additional training opportunities and hosted off-site events for the team.

“Our job as an M&O (management and operating) contractor is to achieve the best value for the government and to protect the interests of both the government and SRNS,” said Tirone. “We strive for Savannah River Nuclear Solutions’ procurement group to be the benchmark that everybody uses.”

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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