

DT Townsend
Savannah River Nuclear Solutions
(803) 952-7566
dt-lawrence.townsend@srs.gov

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Savannah River Nuclear Solutions Procurement Practices Saves More Than \$100 Million

AIKEN, S.C., January 9, 2023 – Through strategic enterprise-wide commodity agreements, shared procurement tools and Savannah River Nuclear Solutions (SRNS) innovation, SRNS has saved more than \$124 million over the last six years. During FY22 alone, SRNS, the Department of Energy (DOE) Environmental Management (EM) management and operations contractor at the Savannah River Site (SRS), saved nearly \$20 million.

“SRNS led its peers across the DOE EM complex leveraging various cost savings initiatives. The greatest savings are coming from use of the Supply Chain Management Center’s (SCMC) digital procurement tools and multi-site procurement agreements,” said David Dietz, SRNS Supply Chain Procurement Director.

“I have to commend our people for their dedicated resolve to fully engage and use every resource available to meet and exceed our goals year after year,” he added.

The SCMC, managed by Honeywell FM&T at the Kansas City National Security Campus, is a strategic supply chain program dedicated to simplifying the buying process to help enable savings for EM and National Nuclear Security Administration (NNSA) prime contractors.

Founded in 2006, SCMC works collaboratively with the prime contractors to develop purchasing agreements that can be used by multiple sites across the enterprise. This saves time by reducing duplication of effort, freeing up buyers to focus on site-specific needs. By leveraging a combined \$5 billion in annual spending, SCMC can negotiate lower prices, avoiding cost and providing more money for more mission.

“We’re taking full advantage of the incredible savings opportunities through the SCMC and its ability to act as a hedge against rising costs,” said Dietz. “This practice -- combined with shared procurement tools and apps, smart data analytics and advanced procurement training also provided by the SCMC -- accounts for much of the impressive savings our SRNS team has been able to achieve.”

Jay Johnson, Senior Director, Contracts and Supply Chain Management, said, “Achieving cost savings through these strategic methods and tools is essential, as we face an inflationary market with a host of global supply chain challenges. But it’s not just about saving money, it’s about supporting small businesses, including our mentor-protégé businesses. The more money we save through strategic procurement practices, the more we can invest in these same companies.”

Approximately 60 percent of the agreement value available through the SCMC is with small businesses.

“So fundamentally, it’s building strong relationships and trust then working to grow and develop these small businesses that extends what we define as success for all involved. And, in turn, these same companies help us to provide the best



John O'Connell, with the Supply Chain Management Center (SCMC), trains Savannah River Nuclear Solutions procurement employees on enterprise-wide strategic sourcing tools and programs.

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possible service to our customers.”

According to Johnson, nearly \$70 million in local small business contracts were issued in 2021 within the five counties near SRS.

SRNS serves as a major driver of economic growth in the greater Aiken and Augusta area and beyond, through procurement contracts, local workforce development and encouraging innovation.

“We appreciate the collaboration and dedication SRNS consistently displays when it comes to strategic sourcing. The enterprise looks to your site as a leader,” said John O’Connell, SCMC Principal Customer Programs Leader.

Savannah River Nuclear Solutions, a Fluor-led company with Newport News Nuclear and Honeywell, is responsible for the management and operations of the Department of Energy’s Savannah River Site located near Aiken, South Carolina.