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Strategic sourcing saves DOE more than \$800 million since 2006

SCMC, located at KCNSC, works with NNSA and EM prime contractors nationwide

KANSAS CITY, Mo. (Jan. 31, 2017) – Formed a decade ago as a focused, funded approach to facilitate strategic sourcing within the U.S. Department of Energy's (DOE) nuclear security enterprise, the Supply Chain Management Center (SCMC) has enabled contractors to generate more than \$800 million in savings since its inception.

"The SCMC was designed to enable greater efficiency and effectiveness across the enterprise by encouraging collaboration among the various prime contractors across the National Nuclear Security Administration (NNSA)," said Scott Bissen, SCMC director. "Since 2012 we've also worked with the DOE's Environmental Management (EM) sites. When we work together to make informed spending decisions on goods and services, we're better, more responsible stewards of taxpayer dollars."

The SCMC, authorized in 2006, is managed and operated by Honeywell and located at the Kansas City National Security Campus (KCNSC). The purpose of the SCMC is to help better enable cost and performance improvements within a large, complex nationwide supply chain. The combined purchasing power of the DOE's NNSA and EM sites total more than \$4 billion annually. Strategic savings are earned when awarding multi-site commodity agreements for products and services like commercial software, travel, lab supplies, bulk fuel, and safety glasses.

"Yet it's important to remember we're more than just commodity agreements," Bissen said. "We also serve as a center of excellence across the enterprise, providing tools and technology as well as facilitating the flow of information, best practices and cost reduction processes among the sites."

That includes the development and introduction of new e-tools, such as the online Enterprise Supply Base Reviews, introduced last fall, that allow sites to share evaluations of suppliers, much like Angie's List allows consumers to evaluate and compare home service providers.

In addition, the SCMC also reaches out to increase engagement with the small business supplier base through national conferences and regional information meetings and roundtable sessions. Last fall, staff visited one-on-one with companies in Tennessee and southern New Mexico.

“Small businesses have an important role to play in our strategic sourcing efforts,” Bissen said. “That provides some with an opportunity for revenue growth. We’re looking for best-in-class small businesses who could be potential multi-site strategic suppliers.”

When assessing potential suppliers, Bissen said SCMC commodity managers may look for a variety of characteristics that align with the nature of the agreement and its scope of work, such as previous DOE/NNSA experience, best-in-class performance and a regional or national footprint. They also rely on market research as well as recommendations from individual site’s prime contractors.

The SCMC has produced a website where small businesses can learn more and register for possible consideration, thescmcgroup.com.

About the Supply Chain Management Center

Serving as a contractor to the U.S. Department of Energy, the SCMC has helped enable more than \$800 million in savings to taxpayers since 2006 by taking a common sense approach to strategic sourcing and leveraging common commodities for federal sites. The SCMC uses contracting criteria that ensures fair market competition resulting in the overall best value for contract awards while supporting the development of local, small and minority owned businesses. Learn more at www.thescmcgroup.com.