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NNSA Saves More Than \$519M Through Strategic Sourcing

Press Release

Oct 31, 2012

WASHINGTON, D.C. – The National Nuclear Security Administration (NNSA) today announced that the agency has saved taxpayers \$519.3 million since 2007 through strategic sourcing.

In 2010, Secretary Chu recognized NNSA for saving \$213 million over the prior four years, but challenged the agency to increase cumulative savings to \$450 million by 2012. NNSA achieved this goal by implementing an enterprise-wide strategic sourcing solution, which includes the processes of the Supply Chain Management Center (SCMC) created by NNSA Administrator Thomas D'Agostino in late 2006 and other management and operating (M&O) contractor strategic sourcing initiatives.

"NNSA is fully committed to the responsible stewardship of our nation's tax dollars," said NNSA Associate Administrator for Acquisition and Project Management Robert Raines. "Given the current budget environment, we are making every effort to increase our spending power by taking a common sense approach to saving taxpayer money across our enterprise."

The majority of the \$519 million in savings was achieved using SCMC processes. Using basic strategic sourcing tools, NNSA's seven M&O contractors analyze their purchases to identify common commodities. They then combine their purchasing power to achieve savings by awarding multi-site commodity contracts and eCatalogues from which all the M&O contractors may place orders. Examples of commodities include commercial software, travel services, laboratory supplies, ammunition and safety glasses.

By far, the greatest SCMC savings were generated through eSourcing, wherein contracts are placed online for a reverse auction seeking to drive down the purchase price. Suppliers enter prices until the timed bid auction ends with the contract going to the lowest-price supplier. Just as eBay allows buyers to enter a higher price for an item if they are outbid, eSourcing allows a supplier to reduce its price if another supplier has offered a lower price.

For more information on NNSA's SCMC, please [click here](#).

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Established by Congress in 2000, NNSA is a semi-autonomous agency within the U.S. Department of Energy responsible for enhancing national security through the military application of nuclear science. NNSA maintains and enhances the safety, security, reliability and performance of the U.S. nuclear weapons stockpile without nuclear testing; works to reduce global danger from weapons of mass destruction; provides the U.S. Navy with safe and effective nuclear propulsion; and responds to nuclear and radiological emergencies in the U.S. and abroad.



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