

**Natural Resources Canada
Public Works and Government Services Canada
Atomic Energy of Canada Limited**



Industry Day AECL GoCo Procurement: Introduction

June 20, 2013



Objectives

- Engage industry early in Government-owned, Contractor-operated (GoCo) procurement process
- Provide information on restructuring AECL's Nuclear Laboratories, the regulatory environment, and the procurement
- Encourage industry to provide input and constructive feedback
- Provide industry with information to prepare for upcoming procurement

Nature of Industry Day

- Industry day is an open information forum for suppliers interested in this procurement process
- Participation in industry day is optional
- Not attending does not preclude suppliers from participating in the procurement
- This industry consultation process is not a bid solicitation
- Substantive questions and answers will be summarized and made available

Agenda

Item	Length	Time
Welcome and introduction	20 min	8.30 – 8.50
Restructuring context and objectives	20 min	8.50 – 9.10
Overview of AECL	25 min	9.25 – 9.50
Canada's nuclear regulator	25 min	10.20 – 10.45
Contract overview	35 min	11.00 – 11.35
Procurement strategy and industry engagement	45 min	13.00 – 13.45
Security requirements	20 min	14.00 – 14.20
RFRE pre-screening	20 min	14.50 – 15.10
Conclusion and next steps	5 min	15.40 – 15.45

Fairness Monitor (FM)

- Provides independent third party monitoring of the procurement process to confirm the process is fair, open, transparent and consistent
- Key FM activities and deliverables
 - Confirm procurement process is conducted in a manner congruent with the procurement document(s), policies, legislation and evaluation protocol(s)
 - Review and monitor all procurement documentation, correspondence and any interaction with prospective suppliers
 - Identify any potential fairness issues and resolution
 - Develop fairness report

Other Stakeholder Communications

- Communities and other interested parties will be kept informed through ongoing communication from Natural Resources Canada (NRCan) and Atomic Energy of Canada Limited (AECL)
- An NRCan webpage will provide further details on the restructuring process as a whole

The Fine Print

- Note that information received by Government of Canada (“Canada”) from third parties is subject to the *Access to Information Act*
- Any feedback received by Canada in response to this industry consultation process may or may not be used by Canada in the development of future solicitation documents
 - This process does not create an obligation for Canada to accept any suggestions received
- Material presented at industry day is for information purposes only and may be subject to change without notice. Release of this information does not constitute a commitment on the part of Canada

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Restructuring Context and Objectives



Objective

- Through implementation of a GoCo model and this procurement process, the core objective remains:
 - Reduce and contain costs and risks for Canadian taxpayers
 - Leverage Nuclear Laboratories capabilities and resources to successfully deliver science and technology services, commercial activities, and radioactive waste and decommissioning management

Context: AECL Restructuring

- 2008: Canada launched review of AECL
- 2009: Canada announced decision to restructure AECL
- 2011: Phase 1 completed with sale of the assets of the CANDU Reactor Division to Candu Energy Inc. (wholly-owned subsidiary of SNC-Lavalin)
 - Candu Energy has related agreements with AECL for provision of services and an intellectual property licence

Phase 2: Nuclear Laboratories

- February 2012 - Request for Expression of Interest (RFEOI)
 - Sought stakeholder views regarding future of the Nuclear Laboratories
 - 46 responses from industry, local government, academics, universities, communities and others

RFEOI Feedback: Nuclear Laboratories

- Recognition that Laboratories have unique assets, services and expertise
- Private sector interest in managing the assets, identifying least-cost solutions, and leveraging value of assets through commercial solutions
- Public-private partnerships may be a viable model for capital projects

Respondents are interested in being part of the future of the Nuclear Laboratories

RFEOI Feedback: Opportunities

- Find efficiencies to reduce costs
- Seek collaborative relationships
- Some users willing to pay full costs for services and expertise
- Revenue generating opportunities through building S&T client base

RFEOI Feedback: Contracting

- Clear vision needed to define contract goals
- Long-term contracts essential to achieve:
 - sustainable change
 - benefits from early investments
- Various contracting models were suggested

Path Forward

- February 2013 – Minister of Natural Resources announced:
 - Competitive procurement process seeking contractor to manage and operate Nuclear Laboratories using GoCo model
 - Mandate going forward:
 - Address Canada's radioactive waste and decommissioning obligations
 - Perform science and technology to meet core federal responsibilities
 - Offer services to third parties on a commercial basis
 - In parallel, Canada to explore business case for industry-driven innovation agenda

In Summary

- Your input is appreciated
- Continued engagement is key to success
 - We will continue to take your feedback into consideration going forward
 - Further opportunities for input will be described later today

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AECL NUCLEAR LABORATORIES



AECL Profile

- Home of Canada's largest research and development complex
- Exploits nuclear technology for peaceful applications
- Generates highly qualified people through robust nuclear S&T
- Supports the CANDU industry and build private sector capability
- Operates >50 facilities including reactors, labs and infrastructure
- Conducts waste and decommissioning activities
- Produces medical isotopes to help meet global demand
- Regulated by the Canadian Nuclear Safety Commission
- Workforce of 3340 including 13 bargaining units

A photograph showing a complex network of industrial pipes, valves, and gauges, likely from a nuclear reactor or power plant. The scene is dimly lit with a blueish tint, emphasizing the metallic and technical nature of the equipment.

History & Achievements

- Birthplace of Canada's nuclear industry
- Developed Canada's nuclear power reactor technology
 - Today a \$5 billion / annum business
 - 23,000 direct jobs, 200 companies
- Pioneered use of nuclear technology for medical applications
- Major generator of highly qualified Canadian engineers and scientists for private and public sectors
 - Nobel prize winner + numerous Discovery 100 Awards



AECL Operations

Chalk River Laboratories, ~2800 people

- Canada's premier nuclear science & technology campus

Whiteshell Laboratories, Pinawa, MB, ~350 people

- First licensed nuclear site to be decommissioned in Canada

Prototype Reactor Sites: Rolphton; Douglas Point; Bécancour, QC

Federal Historic Waste Liability Management: Across Canada

- Liabilities for which the waste generator either no longer exists, or, for which the current owner cannot reasonably be held responsible

Other: Ottawa; Oakville; Glace Bay, NS; Fredericton, NB; LaPrade, QC

Chalk River Laboratories



**200 acre campus
10,000 acre (3700 ha) site**



**17 nuclear S&T; 35 +
non-nuclear facilities**



**70 major buildings
and municipal
infrastructure**



**Safety & Controls
Requirements**



**Waste Management
Obligations**



**Multi-purpose research
reactor**



Programs – What AECL Does

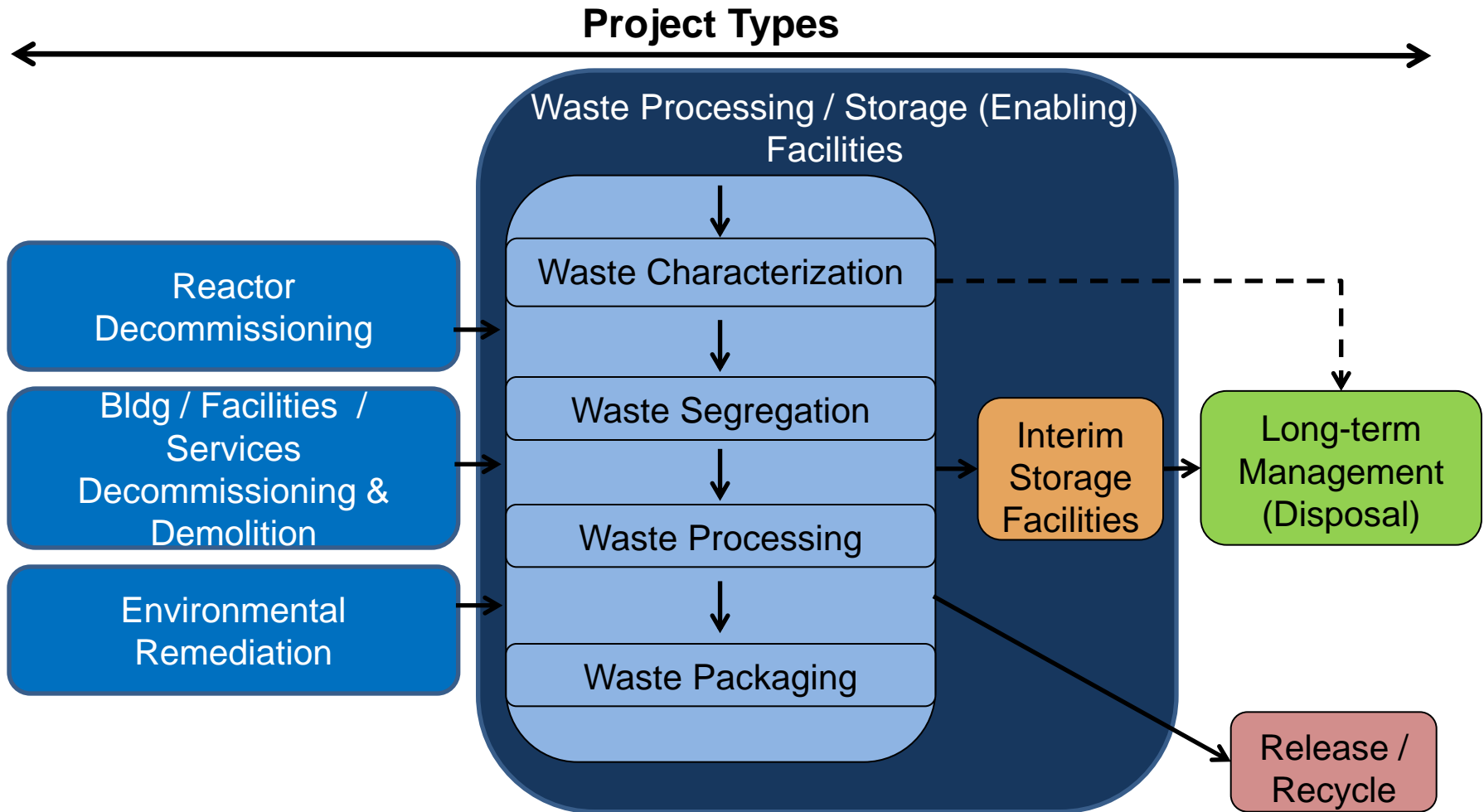
Outputs:

- Nuclear Industry Capability
- Nuclear Safety and Security
- Clean, Safe Energy
- Health, Isotopes and Radiation
- Nuclear Environmental Stewardship
- Nuclear Innovation Networks

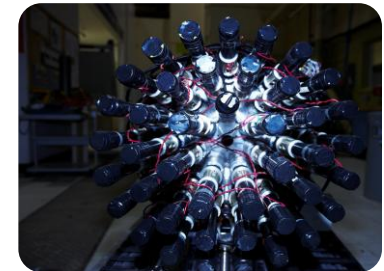
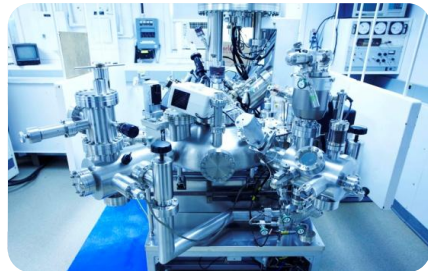
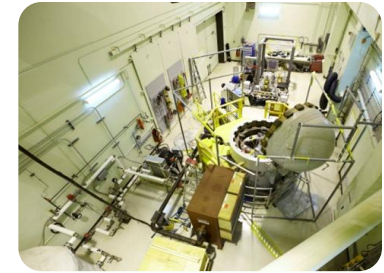
Enablers:

- Mission ready S&T infrastructure
- Internal Services

Addressing Liabilities



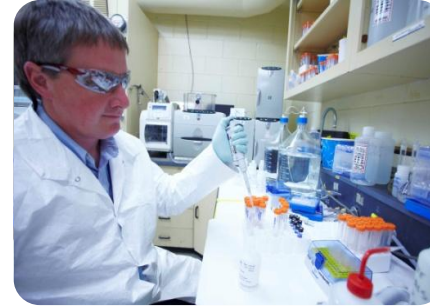
Unique & Powerful S&T Facilities



- Nuclear research reactors
- Nuclear fuel fabrication facilities
- Radioisotope laboratories
- Radioactive waste storage facilities

- Shielded facilities
- Engineering test facilities
- Biological research facilities
- Specialized research facilities

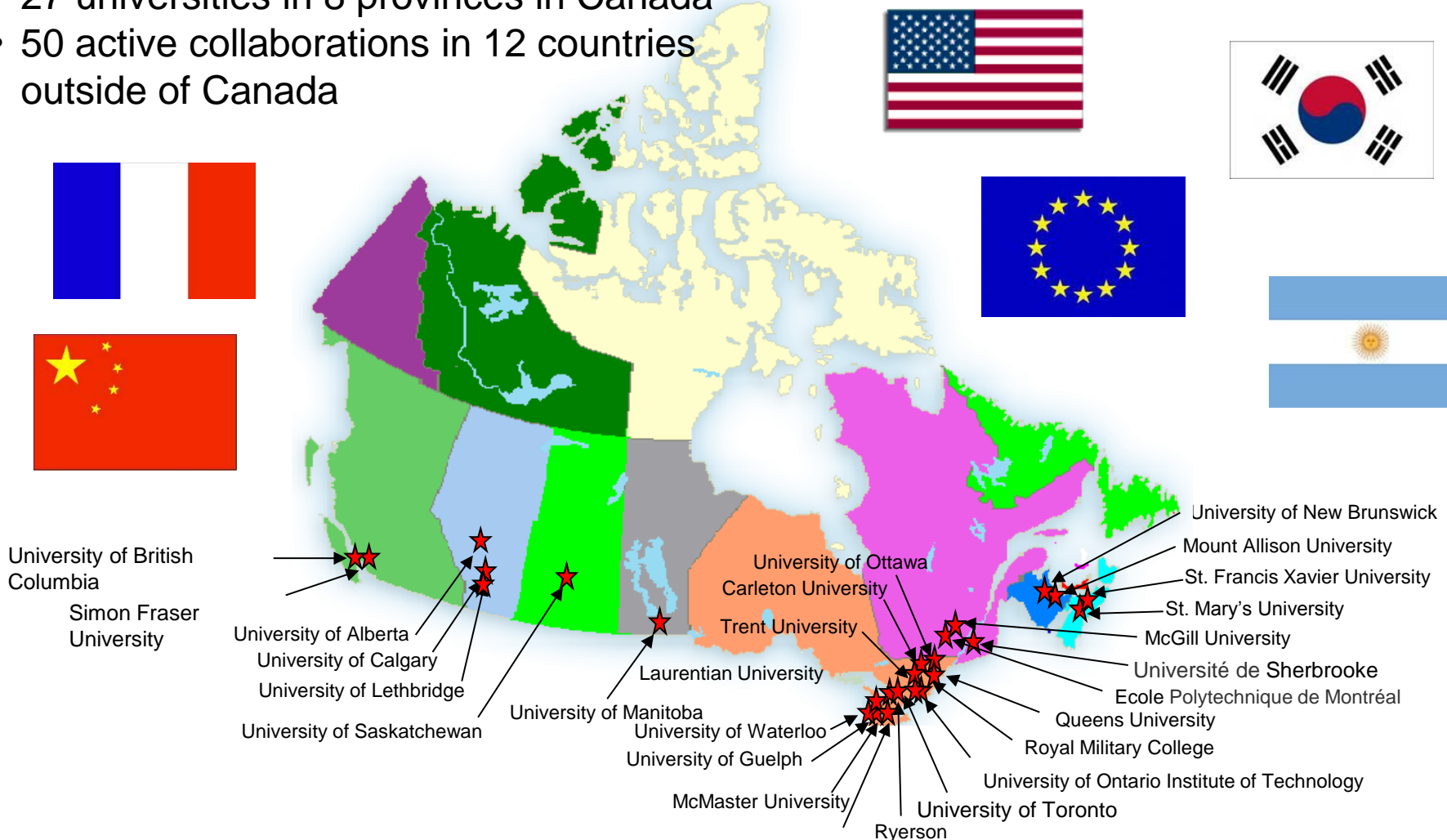
Highly Qualified People



- Instrumentation
- Decommissioning
- Thermalhydraulics
- Nuclear science
- Emergency preparedness
- Life sciences
- Engineering
- Environmental science
- Materials science
- Nuclear safety
- Mechanical design
- Chemistry
- Metallurgy
- Computer modeling
- Physics

Academic & Global Collaborations

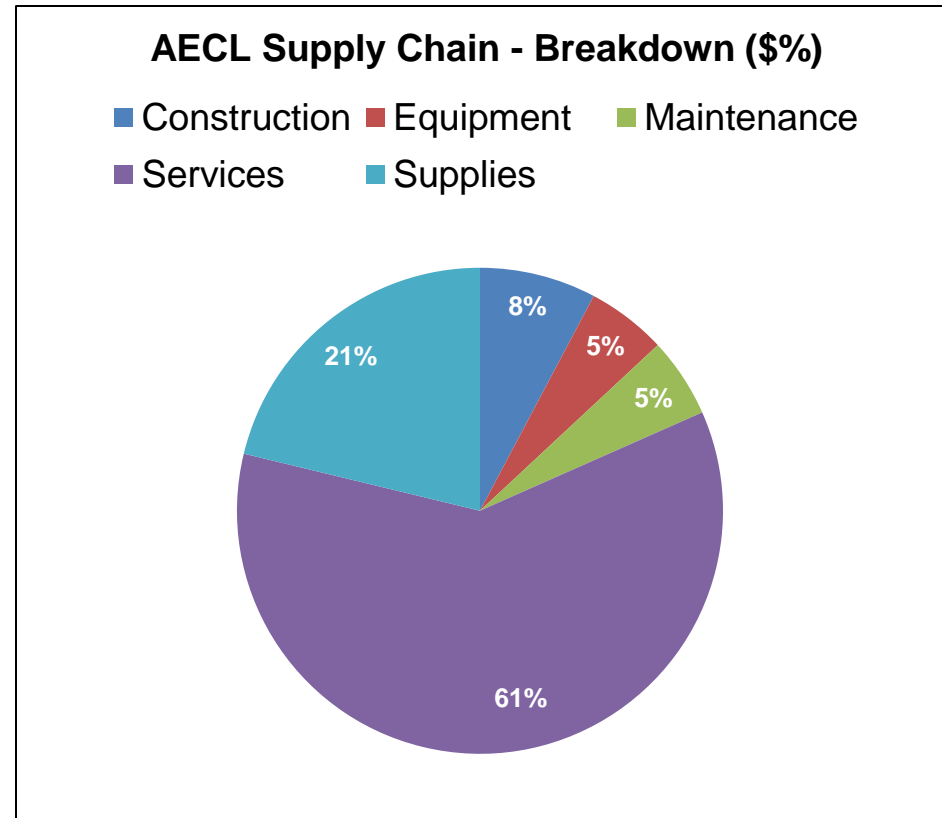
- 27 universities in 8 provinces in Canada
- 50 active collaborations in 12 countries outside of Canada



Customers & Supply Chain

Some Key Customers

- Government of Canada
 - Health Canada
 - CNSC
 - Emergency Response
- Candu Energy Inc
- CANDU Owner's Group
- Canadian, US and International Utilities
- Other organizations (beyond power generation)



Financial Picture

	Actuals 10/11, \$M	Actuals 11/12, \$M	Budget 12/13,\$M	Budget 13/14, \$M
Government Funding	500	485	520	575
Third Party Revenues	105	115	120	115
Total	605	600	640	690



AECL Summary

- Canada's leading nuclear S&T organization, operating in 5 provinces
- Plans and implements Canada's legacy liability program
- Strategic supplier of nuclear S&T services to Government of Canada and the Canadian nuclear industry
- Knowledge leader and generator of highly qualified people
- Achieves outcomes through employees, collaborations and a diverse supply chain

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Canadian Nuclear Safety Commission - Canada's Nuclear Regulator

Industry Day
June 20th 2013

Peter Elder



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Canada

Agenda

- The CNSC as Canada's Nuclear Regulator
- The Commission and CNSC Staff
- The CNSC's Regulatory Framework
- Regulatory Oversight: Licensing and Compliance

The CNSC's Role in the Procurement Process

- The CNSC is providing regulatory information and expertise to NRCCan to ensure that any potential applicant will understand its licensing obligations
- The CNSC will interact on an equitable basis with potential applicants to assist their understanding of regulatory requirements

Canadian Nuclear Safety Commission

- Established in May 2000, under the *Nuclear Safety and Control Act (NSCA)*
- Replaced the Atomic Energy Control Board (AECB), established in 1946, under the *Atomic Energy Control Act*
- Exclusive jurisdiction over all nuclear-related matters in Canada

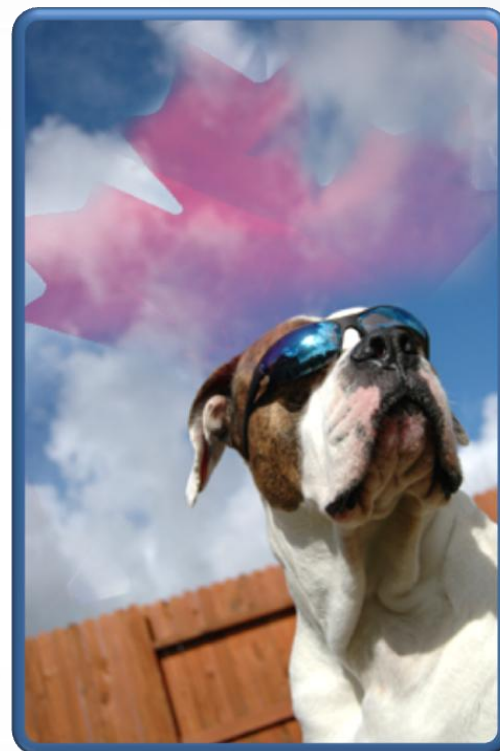


**Canada's Independent Nuclear Regulator –
Over 65 Years of Experience**

CNSC Mission

- To regulate the use of nuclear energy and materials so that the **health, safety and security** of Canadians and the **environment** are protected, and to implement Canada's **international commitments** on the peaceful use of nuclear energy.

Canada's Nuclear Watchdog



Nuclear Fundamentals:

Regulatory Policy P-299, *Regulatory Fundamentals*

- What are the licensees' responsibilities?
 - Persons and organizations that are licensed by the CNSC are responsible for conducting regulated activities in a manner that protects health, safety, security and the environment, while respecting Canada's international obligations
- What are the CNSC's responsibilities?
 - The CNSC is responsible to Canadians, through Parliament, for assuring that the licensees' responsibilities are properly discharged. The CNSC does this by:
 - setting requirements and assuring compliance
 - basing regulatory action on the level of risk
 - making independent, objective and informed decisions
 - serving the public interest

nuclearsafety.gc.ca/pubs_catalogue/uploads/P-299FinalPublicationApril05_e.pdf

Independent Commission

- Quasi-judicial administrative tribunal
- Commission members are independent
- Commission hearings are public and webcast
- Decisions can only be reviewed by Federal Court



Transparent, Science-based Decision-making

CNSC Commission Members



Dr. Michael Binder
President and Chief Executive
Officer, CNSC



Mr. André Harvey
Former President, Bureau
d'audiences publiques sur
l'environnement (BAPE)
Québec, Québec



Dr. Ronald J. Barriault
Practising physician, member of
the Canadian Medical
Association, College of Family
Physicians of Canada and the
New Brunswick Medical Society
Charlo, New Brunswick



Mr. Dan D. Tolgyesi
President, Quebec Mining
Association
Québec, Québec



Dr. J. Moyra J. McDill
Professor, Department of
Mechanical and Aerospace
Engineering,
Carleton University
Ottawa, Ontario



Ms. Rumina Velshi
Former Director, Planning
and Control, Darlington
New Nuclear Project
Brampton, Ontario

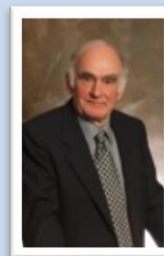


Dr. Sandy McEwan
Professor and Chair,
Department of Oncology,
University of Alberta
Cross Cancer Institute
Edmonton, Alberta

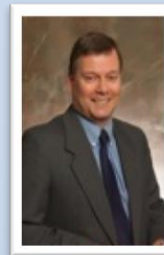
Deep Geologic Repository Joint Review Panel



Dr. Stella Swanson
Biologist and environmental
consultant
Rockglen, Saskatchewan

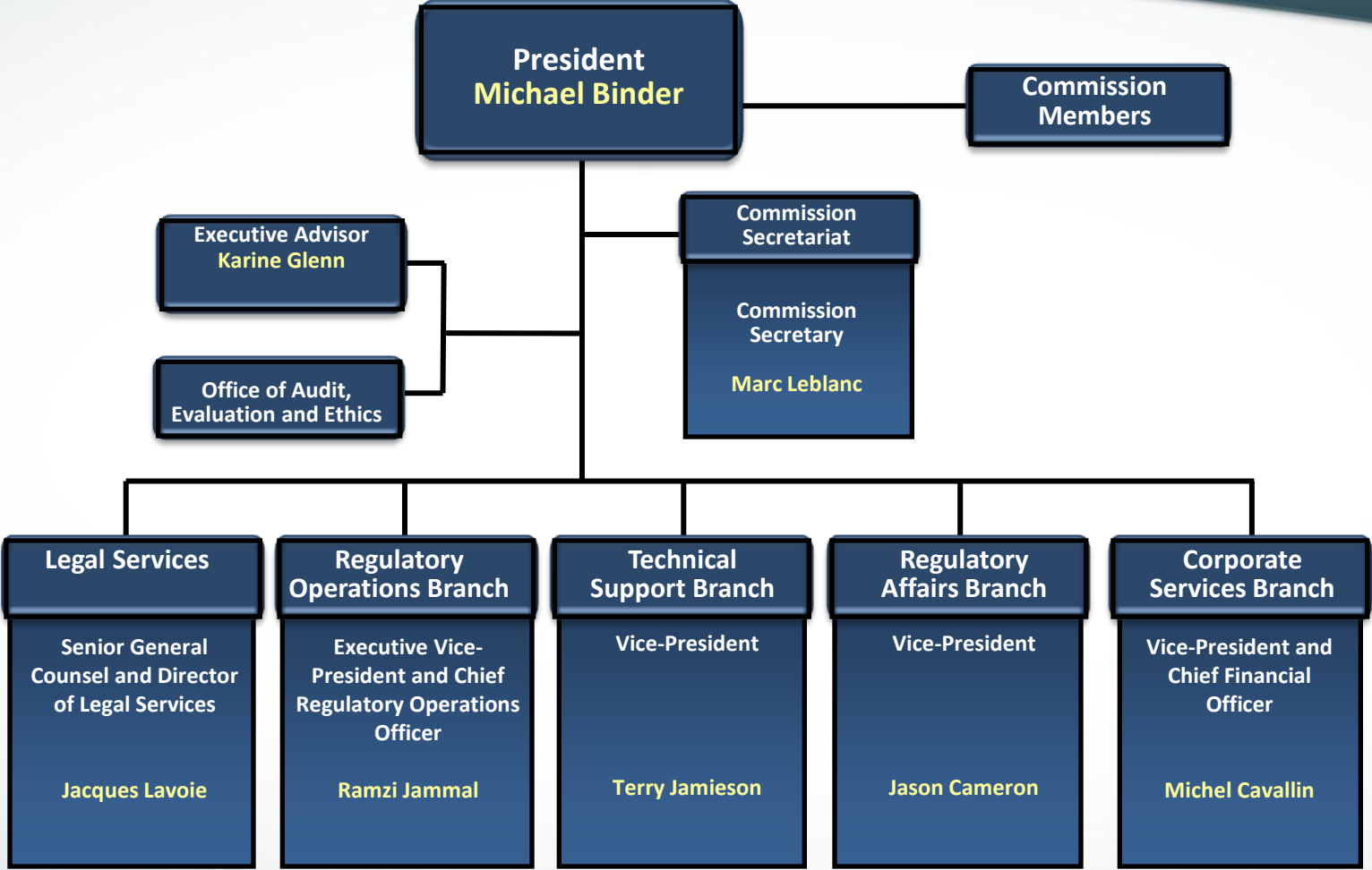


Dr. Gunter Muecke
Professor in the Department of
Geology at Dalhousie University
Halifax, Nova Scotia



Dr. James F. Archibald
Professor in the Department of
Mining at Queen's University
Kingston, Ontario

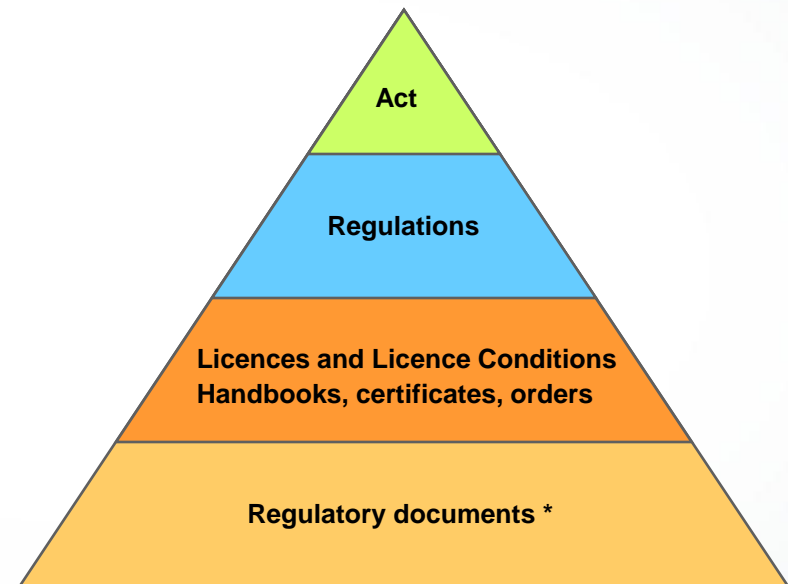
Executive Structure



Overview of the CNSC's Regulatory Framework

- *Nuclear Safety and Control Act (NSCA)*
 - enabling legislation
- Regulations
 - high-level and generally applicable requirements
- Licences and Licence Conditions Handbooks, certifications, orders
 - facility and/or activity specific requirements
- Regulatory documents
 - include requirements and guidance

Elements of the Regulatory Framework



* Include requirements and guidance

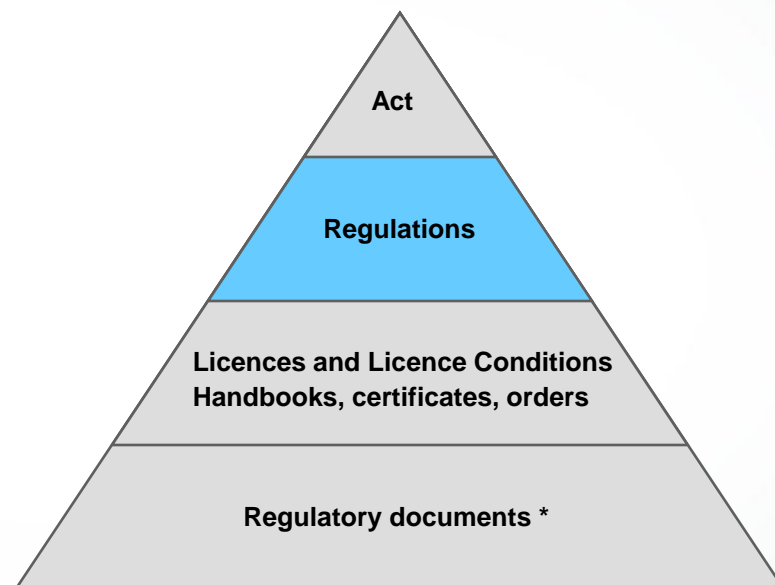
Other Federal Acts That May Apply to the CNSC Licensees

- Federal/provincial and municipal acts, regulations and policies may apply to CNSC licensees
- Examples of other federal acts which may apply to licensees include:
 - *Canadian Environmental Assessment Act, 2012*
 - *Canadian Environmental Protection Act*
 - *Canada Labour Code*
 - *Fisheries Act*
 - *Migratory Birds Convention Act*
 - *Navigable Waters Protection Act*
 - *Nuclear Fuel Waste Act*
 - *Nuclear Liability Act*
 - *Species at Risk Act*
 - *Transportation of Dangerous Goods Act*

NSCA Regulations

- *General Nuclear Safety and Control Regulations*
- *Radiation Protection Regulations*
- *Nuclear Security Regulations*
- *Uranium Mines and Mills Regulations*
- *Class I Nuclear Facilities Regulations*
- *Class II Nuclear Facilities and Prescribed Equipment Regulations*
- *Nuclear Substances and Radiation Devices Regulations*
- *Packaging and Transport of Nuclear Substances Regulations*
- *Nuclear Non-proliferation Import and Export Control Regulations*
- *CNSC Cost-Recovery Fees Regulations*
- *Canadian Nuclear Safety Commission Rules of Procedure*
- *Canadian Nuclear Safety Commission By-laws*

Elements of the Regulatory Framework



* Include requirements and guidance

Radiation Protection Regulations

- Regulations set out:
 - as low as reasonably achievable principle (ALARA)
 - radiation dose limits
 - requirements for action levels
 - requirements for labeling, signage and reports



Nuclear Security Regulations

- Part I
 - sets out security-related information requirements and general obligations for application for a licence in respect of Category I, II, III nuclear material (as defined in the Regulations), or for a nuclear power plant (NPP), and provides for certain licence exemptions
 - sets out security requirements for high-security sites (NPP or locations of Category I or II nuclear material)
- Part II
 - sets out security-related requirements in respect of licensing and operation of lower-risk facilities



CNSC Cost Recovery Fees Regulations

- The fees must be cost based and must be consistent with the Federal Cost Recovery Policy
- Several methods for calculating fees depending on the facility or activity being regulated
- Exemptions for certain types of facilities and activities
- Licensees have opportunities for input to the cost recovery program

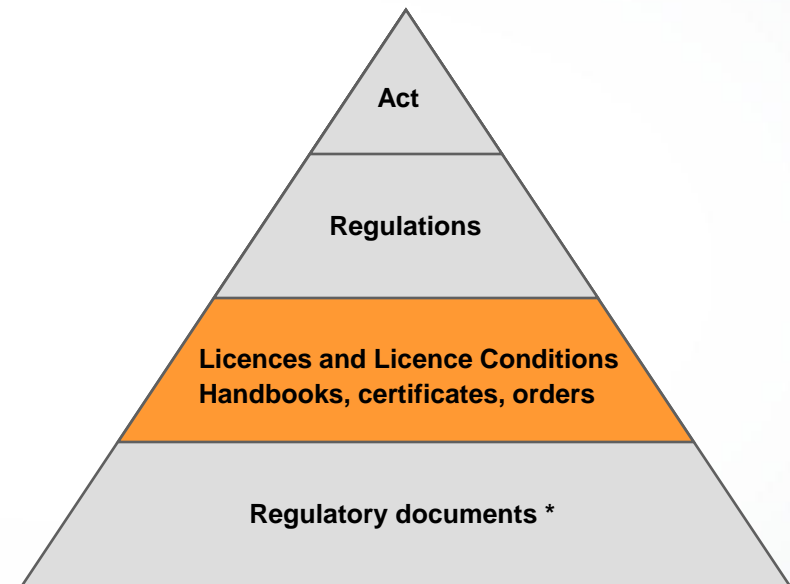


nuclearsafety.gc.ca/eng/licenseesapplicants/costrecovery/crag/index.cfm

Licences and Licence Conditions Handbooks

- In addition to obligations set out under the Act and the Regulations, potential applicants must understand additional obligations under the licence
- The Licence Conditions Handbook provides specific criteria on how to comply with the conditions of the licence
- The Canadian definition of “licensing basis” can be found in INFO-0795, *Licensing Basis and Definition*.

Elements of the Regulatory Framework



* Include requirements and guidance

Financial Guarantees

Section 24(5) of the Act states:

“A licence may contain any term or condition that the Commission considers necessary for the purposes of this Act, including a condition that the applicant provide a financial guarantee in a form that is acceptable to the Commission.”

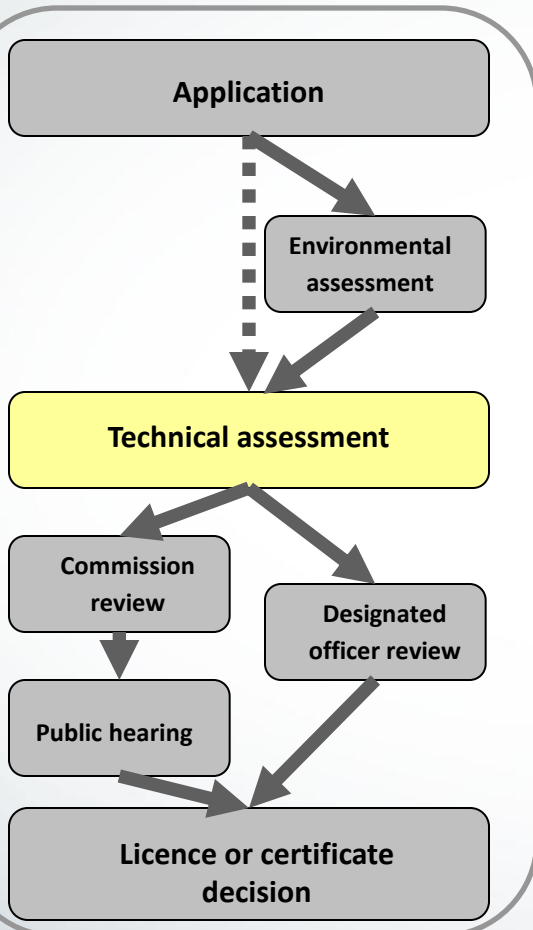
- Financial guarantees have generally been required to cover decommissioning costs
- Financial guarantees have also been required in order to demonstrate remediation capability in cases of emerging safety issues

Effective Regulatory Oversight

- **Licensing** of nuclear facilities, substances and activities
 - The licensing process ensures that applicants demonstrate adequate provisions for the protection of the environment, the health and safety of persons and for the maintenance of national security, and measures required to implement international obligations
- Assuring **Compliance**
 - The CNSC holds licensees accountable to regulatory requirements through a process of verification, enforcement, and reporting

Licensing Process

Licensing Process



Canadian Nuclear Safety Commission

Safety and control areas

- Management system
- Human performance management
- Operating performance
- Safety analysis
- Physical design
- Fitness for service
- Radiation protection
- Conventional health and safety
- Environmental protection
- Emergency management and fire protection
- Waste management
- Security
- Safeguards
- Packaging and transport

Other areas

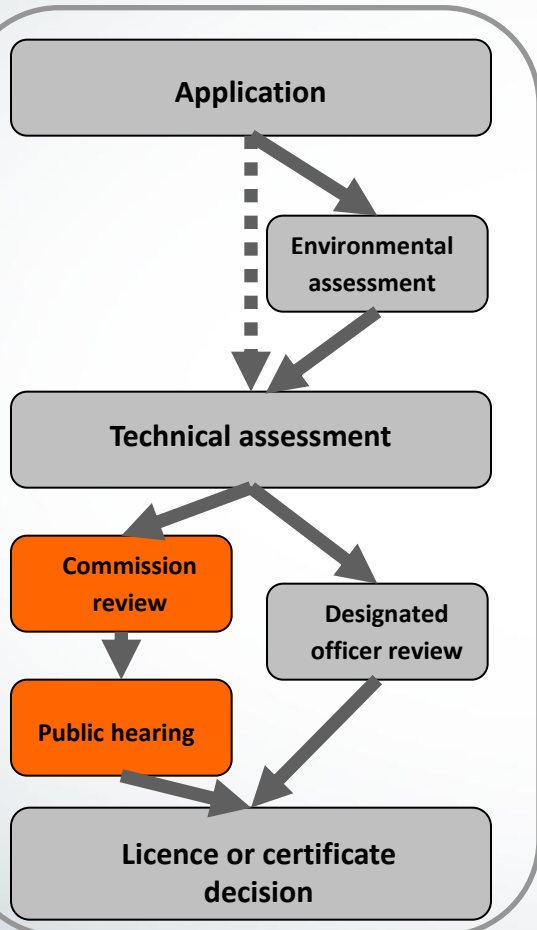
- Financial guarantees
- Consultations and communications



Assessment

Commission Hearings and Meetings

Licensing Process



- The Commission makes independent, fair and transparent decisions through public hearings and meetings
- Proceedings are as informal and expeditious as fairness allows
- The Commission makes decisions on the basis of the evidence brought before it

The CNSC's Licensing Role in the Process

- Before issuing a new licence or transferring one, the CNSC will determine whether the applicant is qualified and will make adequate provision for the protection of health, safety, the environment, national security and international obligations
- The CNSC will particularly focus on some key areas...

The CNSC's Licensing Role in the Process

- Organizational change management – maintaining safety and safety culture
- Management system
- Regulatory commitments – understanding commitments already made by Atomic Energy of Canada Limited
- Qualified licensee – understanding all that this implies

Final Remarks...

- The CNSC is independent of the procurement process
- The CNSC is open to providing clarity on how it regulates

nuclearsafety.gc.ca



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Canada 

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Contract Overview



Purpose

To provide high-level expectations for the GoCo contract:

1. Development of terms
2. Contractor responsibilities
3. Financials
4. Contracting model

1. Development of Contract Terms

- Informed by RFEOI
- Drawing on UK and US precedents
 - modified for Canada
- Terms to be refined during Request for Response Evaluation (RFRE) detailed consultation process
 - Help ensure clear expectations and value for money
 - Comments from suppliers will be considered throughout
 - Anticipated solicitation document (including resultant contract) will be the subject of detailed consultations with pre-screened suppliers

1. Key Expected Commercial Terms

- While contract terms to be developed by Canada, in consultation with pre-screened suppliers, some basic terms:
 - Term of ten years plus options to renew
 - Site assets and existing waste liabilities remain with AECL
 - Contractor to be responsible for managing the delivery of the scope of work
 - Liability for failure to deliver all or part of the scope of work rests with contractor
 - Detailed consultation anticipated during the RFRE
 - Canada will require a parent guarantee from the contractor

2. Contractor Responsibilities

- Deliver go-forward missions:
 - Decommissioning and waste management programs
 - Nuclear services to meet federal needs and priorities
 - Offer services to third parties on a commercial basis
e.g., S&T and testing
- In addition:
 - Operate the National Research Universal (NRU) reactor
 - Operation post 2016 is pending government decision on intent to seek relicensing
 - Produce medical isotopes
 - Canada announced intention to cease molybdenum-99 production from the NRU by 2016

2. Contractor Expectations

- Safely and securely manage the Nuclear Laboratories
 - Lead and manage all operations
 - Deliver the statement of work
 - Meet AECL's obligations
- Develop and deliver innovative approaches to foster improvements and efficiencies
 - Cost-savings
 - Identify and solve technical, financial and regulatory issues
- Revenue-generation, including through opportunities to leverage unique capabilities and resources, subject to existing commitments
- Maintain capabilities, resources and infrastructure, including real property essential to support the mission

3. Financials: Current AECL Cash Flow*

Sources of funds

Third-party	\$ 115 M
Canada	<u>\$ 575 M</u>
	\$ 690 M

Uses of funds ¹

Decommissioning and waste activities	\$ 250 M
S&T and other activities ²	\$ 350 M
Capital	<u>\$ 90 M</u>
	\$ 690 M

¹ Includes \$200M in operating site and back-office function costs

² Includes approximately \$100M in fully allocated NRU costs

* *Illustrative 2013-14 figures include one-time costs but exclude wrap-up office costs. These figures are not intended to portray forecast of future financial environment*

3. Financials: Payment Structure

- Long-term contract to provide flexibility to address:
 - Innovation in technology and leading practices
 - Evolving needs of Canada and industry
 - Changing regulatory and health, safety, security and environmental standards
- Funding from Canada will change as the contractor:
 - Achieves savings
 - Increases revenues
 - Responds to changes in annual plans and programs

3. Financials: Payment Structure for Decommissioning and Waste Management

- Liability for waste and decommissioning recognized in financial statements of AECL and Government of Canada
 - A multi-year plan, target outcomes, and funding will be provided to pre-screened suppliers for consultation
 - Opportunity for proposals to increase value-for-money with associated incentive structure
- Canada exploring mechanisms such as:
 - Target-cost pricing for specific projects
 - Evolving performance measures for
 - Delivering annual program of work
 - Advancing work safely, timely, and cost-effectively
 - Efficiency targets to reduce sustaining costs (e.g., monitoring)

3. Financials: Payment Structure for S&T and Other Activities

- Performance measures to provide incentives for:
 - Moving to sustainable rates, covering fully-allocated costs
 - Ensuring users have access to services
 - Maintaining capabilities and flexibility to support, enable and deliver nuclear S&T, as determined and directed by Canada
 - Renewing facilities, as appropriate and required

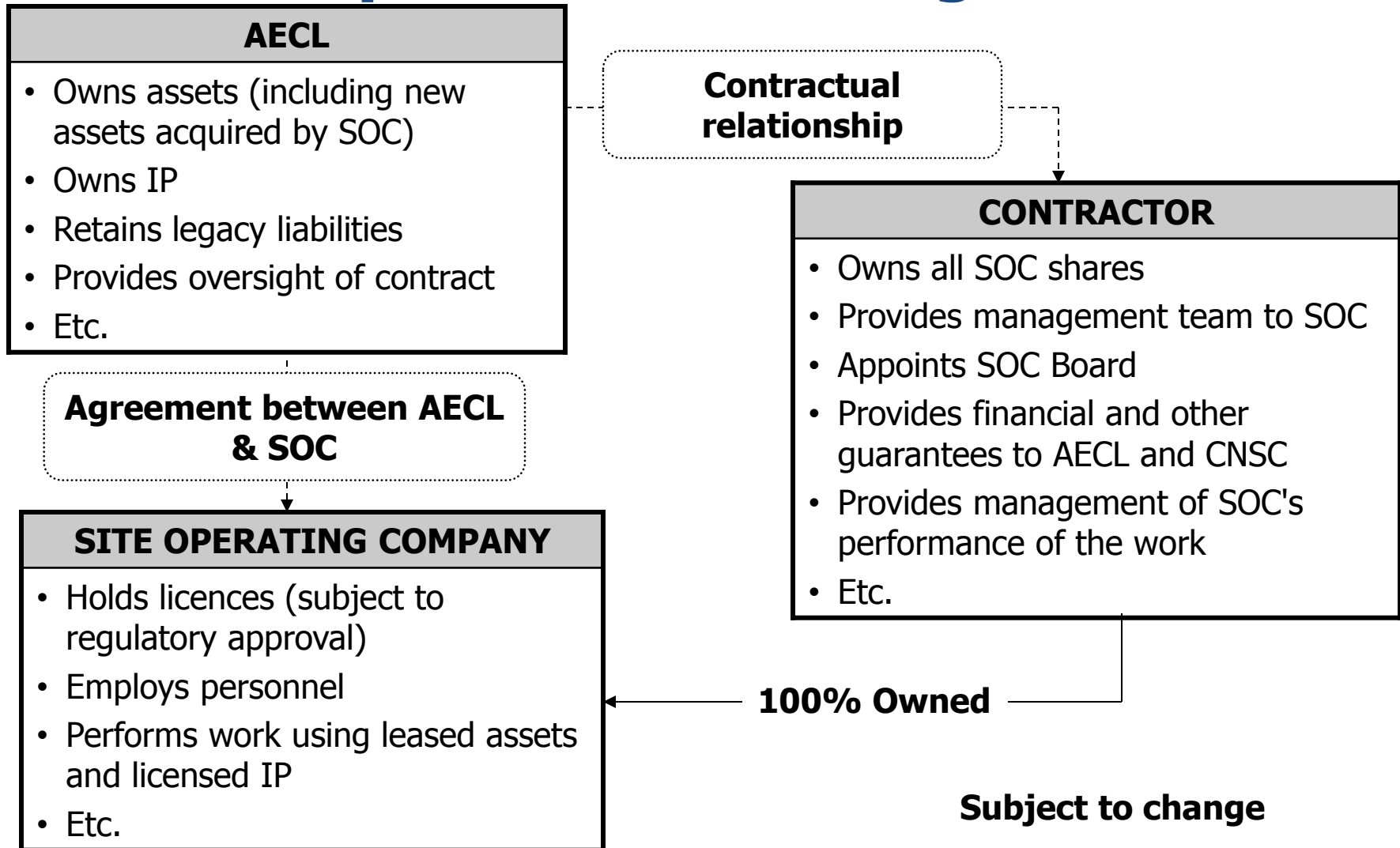
3. Financials: Payment Structure for Supporting Site and Back-office Functions

- Costs to be fully allocated and covered through revenues from government and third parties users of waste and S&T services
- Performance measures to provide incentives for:
 - Cost-effective delivery on a life-cycle basis
 - Robust planning
 - Appropriate maintenance
 - Delivery of capital projects on time and on budget
 - Meeting regulatory and health, safety, security, and environment requirements

4. Proposed Contracting Model

- A Site Operating Company (SOC) will be created – an enduring entity
 - Mechanism to move employees, contracts, and leases from government to contractor, and then to any subsequent contractors
 - Majority of current AECL employees will transfer to the SOC
 - AECL will continue to own assets and IP – there will be agreements in place between AECL and SOC to lease/license assets and IP needed to perform the contract
 - AECL will contract for services to deliver the scope of work determined for the SOC
 - 100% of the SOC shares will be owned by the contractor for the duration of contract
 - Feedback on model will be sought in the RFI
- It is proposed that the SOC would become licensed by the Canadian Nuclear Safety Commission to carry out the activities required to operate the Nuclear Laboratories

4. Proposed Contracting Model



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Procurement Strategy and Industry Engagement



Procurement Strategy

- **Effective governance:** oversight
- **Independent advice:** use third party advisors
- **Early engagement:** robust and collaborative
- **Clear process and expectations:** commitment to a fair, competitive, open and transparent process

Effective Governance

- Canada and AECL's Senior management is committed and engaged
- Internally organized for effective direction
 - Deputy Minister Governance Committee
 - Director General Oversight Committee

Independent Advice

- Canada is receiving third party advice
 - Financial Advisors – IT/NET (KPMG LLP)
 - Nuclear Advisors – (forthcoming)
 - Legal Advisor – Davies Ward Phillips & Vineberg LLP
 - Fairness Monitor – PPI Consulting Ltd.
- Fine print
 - Third party advisors will not be eligible to bid or to assist, either directly or indirectly, any party that may bid on any future competitive solicitation(s) for a contractor to manage and operate the Nuclear Laboratories

Engagement

- Early and ongoing consultation to refine needs, requirements, solutions, terms, and procurement
- Prior to procurement with industry and other stakeholders
 - Industry day; Request for Information: one-on-one consultations, site visits, written submissions
- During procurement with pre-screened suppliers
 - Greater access to procurement-specific information and substantive consultations regarding GoCo details

Procurement Overview

- Canada will select a contractor through a competitive procurement
 - Request for Information (RFI)
 - To seek feedback on procurement process and proposed screening criteria and process
 - Request for Response Evaluation (RFRE)
 - Pre-screen suppliers
 - To seek feedback on RFP, including statement of work and anticipated resulting contract, developed through detailed consultations with pre-screened suppliers
 - Request for Proposal (RFP) to select Contractor
 - Pre-screened suppliers submit binding proposals
 - No further opportunity to negotiate terms

Launch Dates

- Request for Expression of Interest (February 2012)
- Industry Day (June 2013)
- Request for Information (July 2013)
- Request for Response Evaluation (September 2013)
- Request for Proposal (late Spring 2014)
- Bid submission and evaluation (late Summer/Fall 2014)
- Contract Award (Winter 2015)
- Transition (Winter/Spring 2015)

All dates are tentative and subject to change

Request for Information

- Opportunity for industry to engage
 - Comment on draft RFRE
 - One-on-one consultations: July 22-26 (to be confirmed)
 - Site visits:
 - Chalk River: July 23 and 24
 - Whiteshell: July 29
 - Details and registration to follow
- Fine Print
 - Participating in the RFI process is for consultation purposes only
 - Times and dates are subject to change

Request for Response Evaluation

Pre-screening

- Suppliers will be pre-screened against minimum mandatory requirements and national security

Industry consultation

- Screened-in, security cleared suppliers may participate in consultations on elements of the RFP

Fine print: Canada has invoked the National Security Exception for this procurement, which excludes this procurement from all of the obligations of the trade agreements to which Canada is a party

Rules of Industry Engagement

- PWGSC is your **ONLY** point of contact for the procurement
 - EACLLab.AECLLab@pwgsc-tpsgc.gc.ca
 - RFI and RFRE to be posted on Government Electronic Tendering Service (GETS) site
 - Updates on procurement process on buy and sell
 - <https://buyandsell.gc.ca/>
- Canada's third-party advisors are ineligible to participate in the procurement or advise suppliers

In Summary

- This initiative is a key procurement priority for Canada
- Canada is committed to a fair, open and transparent process
- Ongoing consultation and communications
- Security clearances are important

Canada

Natural Resources Canada
Public Works and Government Services Canada
Atomic Energy of Canada Limited



Serving
GOVERNMENT,
Serving
CANADIANS.

Industrial Security Program

**AECL GoCo Procurement - Industry Day
June 20, 2013**



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Industrial Security Program (ISP)

Our role is to help industry participate in Government of Canada and foreign government contracts by providing security screening services for contractors before they are entrusted with Protected and Classified information and assets.

How? By ensuring that:



- ➔ Organizations obtain necessary security clearances
- ➔ Contracts contain necessary security clauses
- ➔ Contractors comply with these clauses

Why Does an Organization Need a Security Clearance?



- ➔ Meet contract security requirements
- ➔ Allow their security screened employees access to government information/assets and work sites
- ➔ Ensure they are properly protecting and safeguarding government information and assets entrusted to them

Approved Source

Organizations requiring a security screening must to be sponsored by an Approved Source:

- Procurement Officers/Contracting Officers
- Government Security Officers or Project Managers
- Designated or National Security Authorities
- Prime Contractor (for approved subcontracts only)



Nuclear Laboratories Restructuring: Security Requirements at Secret level

Facility Security Clearance (FSC) allows organizations to access Classified (national) information and assets through the security screening of employees to the level of the organization

Document Safeguarding Capability (DSC) allows organizations to safeguard protected/classified information and assets at their own site(s)

Organization will have to make the required changes to their facilities as per recommendation by the Field Industrial Security Officer (FISO)

Requests for Visit

- Required when an individual must go to a government or private organization in Canada or abroad to access sensitive information/assets as part of a government contract, program, project or conference.
- ➔ Required for accessing Protected/Classified information or assets or where access to installations is restricted in the interest of national security
- Must be accompanied by supporting documentation, such as Letters of Invitation, justifications, contract number or Security Aspects Letter

Your role and responsibility



Obtain and maintain organization security clearance



Appoint Company Security Officer (CSO)



Screen personnel involved in contract



Meet physical security requirements if necessary



Identify subcontractors and ensure security of subcontracts



Safeguard information and assets



Monitor compliance



Client Service Centre

National Capital Region 613-948-4176

Toll Free 1-866-368-4646

ssi-iss@pwgsc-tpsgc.gc.ca

Web Site

<http://ssi-iss.tpsgc-pwgsc.gc.ca>



Contracting Opportunities Nuclear Laboratories Restructuring

If you are interested in contracting opportunities with the **Nuclear Laboratories Restructuring** project, you must register with the Industrial Security Program.

For sponsoring opportunities by an Approved Source please contact:

EACLLab.AECLLab@pwgsc-tpsgc.gc.ca



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Stage 1: Request for Response Evaluation Pre-screening



RFRE Goals

- Identify suppliers who meet Canada's minimum requirements for screening to participate in the RFRE
- Permit suppliers to organize themselves to meet Canada's requirements
- Detailed consultation with pre-screened suppliers regarding Canada's requirements

Anticipated Mandatory Requirements

- National security and industrial security
- Financial capability
- Demonstrated experience in:
 - i. Laboratory management
 - ii. Managing nuclear sites
 - iii. Service delivery

National Security Exception

- During the restructuring process, Canada will take all steps necessary to protect national security
- To protect its essential security interests, including ensuring compliance with its national nuclear policies and its international nuclear non-proliferation agreements, Canada has invoked the National Security Exception for this procurement, which excludes this procurement from all of the obligations of the trade agreements to which Canada is a party

National Security Requirements

- The Bidder and any parent of the Bidder must be domiciled in Canada or a country that has:
 - a government-to-government arrangement with Canada for the exchange and safeguarding of protected and classified information and assets; and
 - a Nuclear Cooperation Agreement with Canada
- The countries that currently meet these criteria are: Australia, Canada, Finland, France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland, United Kingdom, and the United States
- The Contractor will be subject to ongoing review pursuant to Canada's nuclear safety, non-proliferation and security considerations

Financial Capability

- Suppliers must have the financial capability to fulfill the contract
- Will review:
 - Corporate ownership structures
 - Financial statements
 - Other information

Anticipated Experience Measures

<u>Area</u>	<u>Indicators*</u>
i. Laboratory management	<ul style="list-style-type: none"> • Size of laboratories • Duration of experience • Size of capital projects • Size of workforce under management
ii. Managing nuclear sites	<ul style="list-style-type: none"> • Experience with D&WM • Experience in operating a nuclear reactor
iii. Service delivery	<ul style="list-style-type: none"> • Size of service contracts delivered • Size of S&T programs managed

* Threshold levels to be determined – draft issued through Request for Information

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Conclusion and Next Steps



Next Steps

- Review feedback from industry day
 - Post materials from industry day
- Issue Request for Information
- Further engagement of industry

Questions?



For any additional information or inquiries related to this industry day session, please contact us:

EACLLab.AECLLab@pwgsc-tpsgc.gc.ca

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