

**AECL GoCo Procurement
Questions and Answers from Industry Day
June 20, 2013
Government Conference Centre
Ottawa, ON**

Note: This document includes the questions that were asked by participants at Industry Day on June 20, 2013. Questions are organized by theme and as such are not necessarily in the order that they were asked. Some questions and answers have been amended to ensure that the appropriate and official answer is being provided in writing through this document.

FINAL VERSION – July 19, 2013

Future of AECL and Innovation Agenda

Q1. In a general sense, what does the Government of Canada and Natural Resources Canada (NRCan) expect to do in the future with existing assets at the Chalk River Nuclear Laboratories?

A1: Under the Government-owned Contractor-operated (**GoCo**) model, Atomic Energy of Canada Limited (**AECL**) will maintain ownership of the assets. A Site Operating Company (**SOC**) will be created, which will become the employer of a majority of AECL's current workforce, and will also lease or licence all assets from AECL that it needs to carry out the work of the Nuclear Laboratories, including land, facilities and intellectual property. The contractor will have the responsibility of managing the SOC.

Q2. Will AECL establish the SOC entity prior to contract award of the GoCo contract?

A2: While the exact timing of the establishment of the SOC has yet to be determined, the SOC will be in place at contract award.

Q3. What will be the role of AECL once the contract is in place?

A3: AECL will remain a crown corporation, and as such, will maintain its relationship with the Government of Canada (Canada). The main role of AECL once the contract is in place will be to oversee the contract and monitor the GoCo contractor's performance. AECL will be staffed appropriately to ensure it delivers on its responsibilities.

Q4. What will be the role of the current AECL Board of Directors going forward?

A4: AECL will remain a Crown corporation. In the Canadian context, that means it will have a board of directors, will report to Parliament through the Minister of Natural Resources, and will continue to have corporate plans that will be tabled in Parliament for approval. The main aspect that will change will be the role of AECL, which will become focussed on overseeing the GoCo contractor. The role of the AECL Board of Directors will be to ensure that AECL continues to fulfill its mandate through the contracts.

Q5. How can we expect AECL to change – from the AECL that we know today – as it prepares to implement the GoCo model?

A5: AECL's corporate plan already outlines the shift and the transition to the new GoCo model. There is a lot of planning that is going into ensuring that AECL is ready when the GoCo contract is awarded so that the transition goes as smoothly as possible. Natural Resources Canada (**NRCan**) and AECL are working very closely to align planning activities and processes.

- Q6. One of the objectives of the restructuring is described as “leveraging the Nuclear Laboratories capabilities and resources to successfully deliver S&T services.” In the event that this could not be achieved through the restructuring, does Canada have an alternative process which could be taken in order to successfully deliver nuclear Science and Technology (S&T)?**

A6: Based on the responses received to the Request for Expression of Interest (**RFEOI**) in 2012, it is clear that industry relies on the expertise and facilities of AECL. Given this, and given the needs of Canada for nuclear S&T, there is no reason to believe that it would not be possible to achieve the objectives of the restructuring in terms of leveraging the capabilities and resources of AECL.

- Q7. When will we know about any decisions made on the future of the National Research Universal reactor (NRU)? Will a decision be taken before we respond to the Request for Proposal (RFP)?**

- Q8. Can you explain how the timeline for Canada’s decision on the license extension for the NRU aligns with the timeline for the AECL GoCo Procurement? How can the scope of work for the SOC be defined if the fate of the NRU has not yet been decided?**

A7 and A8: Broadly speaking, we anticipate a decision to be made on the future of the NRU in 2014. The timing is driven, in part, by conditions that the Canadian Nuclear Safety Commission (**CNSC**) has placed on AECL’s site licence regarding notification of AECL’s intention to seek (or not) relicensing of the NRU post-2016.

We recognize that the timelines for decisions on the future of the NRU create some uncertainties with respect to determining activities under the scope of work related to the S&T missions post-2016. However, we do know at this point that the SOC will be responsible for managing the production of isotopes for a period of time. The scope of work will thus include all the current activities associated with the operation of the NRU. Interested GoCo suppliers will be engaged accordingly through the RFRE. This engagement will also include seeking stakeholder’s views regarding the case for an industry-driven cost-shared innovation agenda.

In terms of the scope of work post 2016, when the NRU’s licence is scheduled to expire, this will have to be decided at a further date and those uncertainties will be accounted for in the procurement process.

- Q9. Are you planning a separate process to engage industry in a discussion about what is going to happen to the NRU?**

A9: Yes, in the coming months there will be further engagement with stakeholders on a possible innovation agenda, and this will include a discussion on the future of the NRU.

- Q10. How can Canada anticipate keeping Chalk River as a world-class nuclear laboratory with no research reactor?**

A10: That is one of the many questions that is being explored in the context of the innovation agenda. We will be looking to obtain industry and stakeholder feedback on that very question and the broader nuclear innovation agenda in the coming months.

Q11. What type of information or input is NRCan seeking to influence its decision on the innovation agenda that has yet to be defined?

A11: Through the procurement process, potential GoCo suppliers will have an opportunity to put forward ideas on industry-driven nuclear innovation activities for consideration. The next steps in the engagement with industry and the documentation for the Request for Information (**RFI**) and Request for Response Evaluation (**RFRE**) will provide more information in this regard. For more details, please refer to the RFI notice (number 23240-120758/D) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Steps will also be taken to engage stakeholders who would like to provide input on the innovation agenda without necessarily having an interest in participating in the procurement process.

Procurement Process

Q12. Will Public Works and Government Services Canada (PWGSC) procurement and contracting policies apply for this procurement process?

A12: Yes, Canada's procurement policies, as set by the Treasury Board and further elaborated by PWGSC, apply to this procurement.

Q13. What are the main differences between the UK GoCo model and the Canadian GoCo model?

A13: Conceptually, the UK and Canadian GoCos are similar in many respects. However, there will be differences to reflect Canada's laws and other unique circumstances and requirements.

Q14. What are the main lessons learned from the UK model?

A14: One of the lessons learned from the UK model relates to the sense of stability that an enduring entity, the SOC, provides for employees, suppliers and clients, particularly in transition phases.

Q15. Is there any precedent in Canada of a GoCo model? What were the lessons learned?

A15: There isn't a precedent of this scale. However we are learning from the experiences of other jurisdictions and drawing from their best practices to deliver the AECL GoCo Procurement.

Q16. Will there be a role for Industry Canada in this procurement process, and/or specific requirements established such as Industrial and Regional Benefits?

A16: The Industrial and Regional Benefits policy administered by Industry Canada applies to defence and security contracts; therefore, the AECL GoCo Procurement is not captured by the policy.

That said, Canada is still exploring the feasibility of establishing industrial and regional benefits requirements as part of the AECL GoCo Procurement, while not compromising

opportunities for cost reduction and containment. Decisions on this have not yet been made.

Q17. Can companies that did not participate in the RFEOI bid in this procurement?

A17: Yes. Companies do not need to have participated in the RFEOI, nor in the RFI, to participate in the RFRE.

Q18. Is the purpose of the RFRE to have all the terms and conditions negotiated?

A18: No. Negotiation per se is not part of a procurement of this nature. The detailed consultations in the RFRE stage are an opportunity to have back and forth feedback, which is necessary in a context such as this where the requirements are extremely complex and there needs to be a good understanding between Canada and potential GoCo bidders.

Q19. Is the RFRE process a pure pass/fail?

A19: Yes. The RFRE is anticipated to be a pass/fail based on mandatory requirements, including mandatory technical criteria.

Q20. When is the actual RFRE going to come out? Timelines look tight with an RFI launched in the summer.

A20: The timelines are tight. We are planning to adjust the RFRE documents fairly quickly following receipt of comments/feedback from the RFI. It is currently planned that the RFRE would be launched in the early Fall.

Q21. Can you provide information on the scope and the extent of the Request for Information?

A21: Broadly speaking, the RFI is seeking feedback from industry on the procurement process overall, the steps in the process and the timing of those steps. Through the RFI, suppliers will also be given a draft of parts of the draft RFRE documentation. For example, it is anticipated that one of those documents will be a draft of the mandatory technical criteria that will be used to pre-qualify suppliers. Participants in the RFI will have the opportunity to comment on those documents verbally through one-on-one sessions and in writing, as responses to the RFI. Please refer to the RFI notice (number 23240-120758/D) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Also, please note that the specific dates for the one-on-one sessions, as presented at Industry Day, may have changed. Please refer to Amendments 003 and 004 of the Industry Day Notice (number 23240-120758/C) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-419-26063>.

Q22. How much time will we have to respond to the RFI?

A22: The RFI was posted on July 19 and the deadline for providing response is August 23. Please refer to the RFI notice (number 23240-120758/D) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Q23. Will the RFI include input or consultation on the scope of the contract, or will that be a part of the RFRE process?

A23: The RFI seeks feedback on the overall procurement process, the steps in the process and the timing. It also invites comments on the draft RFRE documentation that has been provided as part of the RFI phase, including a high-level description of the types of work to be performed.

Participants in the RFI will have the opportunity to comment on any aspect of those documents, including the type of work to be performed, through one-on-one meetings and in writing. Participation in this process is encouraged, but is optional for industry participants. Please refer to the RFI notice (number 23240-120758/D) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Q24. When will the data room be open? Before or after the RFRE?

A24: It is anticipated that the data room will be open throughout the RFRE period. The nature of the content of the data room and the access to that content will change. Closer to the beginning of the RFRE stage, where not everyone may have their security clearances, the dataroom will not contain any classified information. As the process continues, Qualified Respondents who have met the requirements of the RFRE will have access to additional information in the data room. Qualified Respondents will be required to enter into a non-disclosure agreement with Canada and AECL prior to receiving classified information.

Q25. Will GoCo bidders and other suppliers be able to access the waste management plan or other information provided in the RFRE or RFP if they are not Qualified Respondents in the RFRE?

A25: Only Qualified Respondents – potential GoCo bidders that meet the qualification requirements in the RFRE and have the appropriate security clearances – will be able to access classified information, including the waste management plan.

Q26. AECL currently has qualified, pre-screened suppliers who provide services to the Nuclear Laboratories as sub-contractors. Can those companies have access to the information in the RFRE or the RFP?

A26: No. The AECL GoCo Procurement has its own pre-qualification requirements. The reference to pre-screened suppliers in the context of the AECL GoCo Procurement refers specifically to organizations who want to participate in the procurement to become the GoCo contractor. Any company wishing to bid in the AECL GoCo procurement, including current suppliers to AECL, will need to respond to the RFRE and demonstrate how they meet all the mandatory technical requirements and national security requirements set out in the RFRE.

Q27. Can the winner of either the Port Granby or Port Hope remediation contracts participate in the GoCo Procurement? Will they be allowed to perform remediation work in the future under the GoCo contractor?

A27: The fact that an organization would currently have, or have had in the past, a contract with AECL or a partner organization, does not, in and of itself, put that organization in a conflict of interest position.

That said, there are important conflict of interest considerations, which are presented below.

Statement from PWGSC to current and future AECL's contractors

PWGSC, in its role as Contracting Authority for future solicitation(s) for the restructuring of AECL, would like to communicate the following to current and future AECL contractors:

PWGSC includes in their procurements the 2003 Standard Instructions - Goods or Services – Competitive Requirement (2012-11-19), which sets out in clause 13 related to communications with bidders during solicitation period and clause 18 on how PWGSC deals with conflict of interest and unfair advantage. These clauses are included below. It is PWGSC's intention to include similar clauses in the future solicitation(s) for the restructuring of AECL.

13 (2008-12-12) Communications - Solicitation Period

To ensure the integrity of the competitive bid process, enquiries and other communications regarding the bid solicitation must be directed only to the Contracting Authority identified in the bid solicitation. Failure to comply with this requirement may result in the bid being declared non-responsive.

To ensure consistency and quality of information provided to bidders, significant enquiries received and the replies to such enquiries will be provided simultaneously to bidders to which the bid solicitation has been sent, without revealing the sources of the enquiries.

18 (2012-03-02) Conflict of Interest - Unfair Advantage

In order to protect the integrity of the procurement process, bidders are advised that Canada may reject a bid in the following circumstances:

- *if the bidder, any of its subcontractors, any of their respective employees or former employees was involved in any manner in the preparation of the bid solicitation or in any situation of conflict of interest or appearance of conflict of interest;*
- *if the bidder, any of its subcontractors, any of their respective employees or former employees had access to information related to the bid solicitation that was not available to other bidders and that would, in Canada's opinion, give or appear to give the bidder an unfair advantage.*

The experience acquired by a bidder who is providing or has provided the goods and services described in the bid solicitation (or similar goods or services) will not, in itself, be considered by Canada as conferring an unfair advantage or creating a conflict of interest. This bidder remains however subject to the criteria established above.

Where Canada intends to reject a bid under this section, the Contracting Authority will inform the bidder and provide the bidder an opportunity to make representations before making a final decision. Bidders who are in doubt about a particular situation should contact the Contracting Authority before bid closing. By submitting a bid, the bidder represents that it does not consider itself to be in conflict of interest nor to have an unfair advantage. The bidder acknowledges that it is within Canada's sole and absolute

discretion to determine whether a conflict of interest, unfair advantage or an appearance of conflict of interest or unfair advantage exists.

Futhermore, PWGSC has included the following clause in two RFPs soliciting advisory services to assist in the planning of the future solicitation for the restructuring of AECL:

Ineligibility to Participate in the Future Competitive Solicitation(s)

The work under the GoCo contract is related to the restructuring of Atomic Energy of Canada Limited Nuclear Laboratories and will be relied upon and utilized by Canada should Canada proceed with a future competitive solicitation(s) for a contractor to manage the Nuclear Laboratories. The Contractor will be ineligible to bid or to assist, either directly or indirectly, any party that may bid in any future solicitation(s) that may result from the work.

Q28. It is my understanding that under the National Security Exception, Canada is permitted to sole-source a contract. Is this correct, and is this a possibility in this contract?

A28: It is not Canada's intention to sole source the AECL GoCo Contract under a National Security Exception as the objective is to have a truly competitive process that will bring best value to Canada.

Q29. With regard to national security requirements, how are the terms "domiciled" and "bidder" defined?

A29: Definitions have been provided in the RFI for comment by industry. Please refer to the RFI notice (number 23240-120758/D) found here:
<https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Q30. The timeline for this procurement will overlap with a federal election. What impact will that have on both the scope and the timeline?

A30: We recognize the timelines are tight; however they are consistent with the experience of other jurisdictions. We also recognize that a process of this complexity takes time, and that this will inevitably overlap with a variety of events external to this initiative, including political ones. Canada still conducts its operational procurement work during many events, including elections, if and when they occur.

That said, the timelines have been set and Canada is committed to seeing this process through. Most of the consultations are up front and a lot of the work will be done in the next year.

Q31. Will NRCan impose a total blackout on lobbying activity and government relations related to this process?

A31: PWGSC's Code of Conduct for Procurement applies to this initiative and includes restrictions related to lobbying. Please refer to this link for additional details on the Procurement Code of Conduct: <http://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/contexte-context-eng.html>

Canadian Nuclear Safety Commission

Q32. As a member of the federal family, what are the CNSC's expectations of AECL as a national laboratory?

A32: Historically, AECL has played a role as a national laboratory in supporting regulatory needs. The CNSC is currently examining how it may use the services of the Nuclear Laboratories under a GoCo model.

Q33. Once the GoCo is implemented, who will hold the site licence?

A33: It is currently anticipated that the SOC will be the licensee (i.e. will hold the licence) once the GoCo contract is implemented. Licensing decisions are made by the CNSC pursuant to the Nuclear Safety & Control Act and its regulations.

Q34. Should we go directly to CNSC to access information and for questions on clearances that are independent of this procurement process?

A34: Most of the information the CNSC would provide is publicly available information. Any relevant sensitive or confidential information will be made available to Qualified Respondents via PWGSC in the procurement process.

Q35. Can you elaborate on the financial guarantees that may be required?

A35: The CNSC requires financial guarantees for decommissioning. Also, in the past, additional financial guarantees were required from private companies. These were to ensure that should any unanticipated issues or events occur that require immediate financial resources to address, these funds would be available.

Outside of the financial guarantees required by the CNSC, other types of financial guarantees and indemnities may be required from the GoCo contractor by Canada. An appropriate framework will be developed to that effect and will be included as part of the consultation materials in the RFRE process.

Q36. How are costs such as licence fees likely to be allocated (e.g. in the case of a small project involving our employees on an AECL site)?

A36: The CNSC is able to break down licence fees by facility. Licence fees would form part of overhead costs that would be recovered through full-cost recovery rates.

Contract Overview

Q37. Will the GoCo contract include all of the AECL sites?

Q38. Will the GoCo contractor be responsible for all the contracting associated with the Port Hope Area Initiative (PHAI)?

A37 and A38: Yes, the scope of work for the GoCo contract will include all AECL-owned sites, including the Chalk River Laboratories, the Whiteshell Laboratories, the three prototype reactor sites and the Laprade heavy water storage site.

It is expected at this point that the GoCo contractor will be managing the performance by the SOC of the work that AECL is currently performing on sites that fall under the

historic waste program (such as in Port Hope, Ontario). Final decisions on this are expected shortly.

Q39. Is it the intent that the SOC will hold the site licence, and therefore assume all of the nuclear liability?

A39: It is expected that the SOC will be the licensee (i.e. hold the site licence). Site assets and existing waste liabilities will remain with AECL.

Regarding future waste liabilities, the GoCo contractor will be responsible to manage operations according to best industry standards, as will be outlined in the GoCo contract, and in compliance with regulatory requirements. Furthermore, we anticipate that the SOC will be responsible for including in the rates for services to users an appropriate charge to cover new waste and decommissioning liabilities that will be created.

Q40. At some point during the process, will there be clarification as to which of the facilities and programs will need to be maintained (and which will not) to meet Canada's mandate relating to its S&T agenda?

A40: Currently, it is expected that at the time of contract award, most, if not all, of AECL's capabilities would be maintained for a period of time.

Going forward, the Canada's decision whether to seek the relicensing of the NRU could impact the capabilities to be maintained post 2016. Also, it is expected that the GoCo contractor will be responsible for bringing forward to Canada information regarding facilities for which costs cannot be recovered, or equally, ideas for growing existing areas of capability or identify new areas of capability.

Q41. Are there any expectations to maintain the current employee base (i.e. head count) of the AECL Nuclear Laboratories?

A41: It is early in the process to talk about specifics, and there are decisions to be made going forward. That said, the expectation is that the Nuclear Laboratories, through the delivery of its S&T and waste and decommissioning missions, will remain an important source of quality employment under the direction of the GoCo contractor.

AECL has been and will continue to be very active in engaging its employees throughout the restructuring process.

Q42. When it was stated that the SOC would assume employees and obligations, does that include pension liabilities and collective agreement obligations? Do successor rights apply?

A42: Existing collective agreements will be respected by the SOC as the successor employer. It is anticipated that current employee arrangements will be the same or substantially similar when the employees become employed by the SOC. Going forward, employee arrangements will be subject to negotiation between employees and/or their representatives and the SOC.

Q43. When will AECL's unions be engaged in the process?

A43: AECL is committed to a transparent communication with union stakeholders, subject to the limits necessary to protect the competitive procurement process. The AECL

CEO and VP HR meet regularly with the union executives to update them on the AECL restructuring.

Q44. Canada announced its intention to cease molybdenum-99 production from the NRU by 2016. Does that prevent anyone else from taking that on?

A44: Canada's decision to cease publicly-funded molybdenum-99 production from the NRU by 2016 does not preclude others from bringing forward proposals for production that would be at its own full cost and risk, and would not require any public investment.

Q45. Are the Maple Reactors still intact and could they be available for the SOC to license and operate?

A45: The Maple Reactors are currently in an extended shut down state.

Q46. How much of the \$115M third-party sources of funds come from NRU commercial activities (non-isotopes)?

A46: The breakdown cannot be provided at this time because it is confidential information. The information may become available at a future date to Qualified Respondents who have met the requirements of the RFRE and who execute non-disclosure agreements with Canada and AECL.

Q47. Will AECL hold legacy intellectual property (IP) and all new IP coming out of the GoCo?

A47: AECL will continue to own all IP created to date. AECL will licence to the SOC the IP that is necessary to perform the contract. AECL will retain ownership of all IP that is developed or improved using the Nuclear Laboratories' facilities or in the delivery of the contract. That said, there may be opportunities to consider a move from that position on a case-by-case basis, depending on a number of factors, including any financial investments made, who brings forth the ideas, and how it links with AECL's mandate going forward.

Q48. We understand there may be commercial constraints on AECL as a result of existing contracts and IP agreements (e.g. Nordion and Candu Energy Inc.) Will sufficient details be provided at some point in the process to ensure that the bidders are aware of any such constraints?

A48: There are some obligations and constraints arising from current AECL contracts and agreements. It is our intention to make as much information as possible available to Qualified Respondents who have met all of the requirements of the RFRE, while respecting the provisions of AECL's confidentiality obligations.

Q49. Are contractors liable for any nuclear incident up to \$1B under the newly-proposed Nuclear Liability Act? This needs to be clarified to ensure the GoCo contract is commercially-viable.

A49: The new act will include an updated compensation and civil liability regime to address damages resulting from a nuclear accident.

As with the current Nuclear Liability Act, the new act will apply to Canadian nuclear installations and will be based on risk. To the extent that increased liability limits for

AECL installations result in increased liability insurance, they will be addressed through the framework that will be developed for the contract.

More generally, the contract will specify how nuclear liabilities, including the maintenance of nuclear liability insurance, will be treated. The responsibility of the GoCo contractor and the transfer of risk will be discussed through the RFRE.

Q50. After the GoCo contract has been signed, will the GoCo contractor be able to provide services through subcontracts to the SOC or would they be precluded from acting as a supplier to the SOC?

A50: A framework for subcontracting will be included in the GoCo contract that will ensure value to Canada through fair subcontracting practices that will have appropriate provisions on self-dealing to avoid conflicts of interest.

Q51. Will current suppliers to AECL who are not interested in becoming the GoCo contractor continue to be suppliers to AECL, or will they have to reapply to become a qualified supplier again?

A51: AECL currently procures a vast array of products and services from a wide range of suppliers. At this point, it is anticipated that the SOC will continue to need many products and services. However, it is too early to speculate on the GoCo contractor's specific needs for supply or for subcontracting, or the parameters that may be set out in the GoCo contract in terms of sub-contracting.

Security and Qualification Requirements

Q52. When do security clearances need to be obtained?

A52: The earliest date at which security clearances would likely be required would be during the detailed consultation phase of the RFRE, which will occur once respondents to the RFRE have been confirmed as Qualified Respondents, most likely in November 2013. Given the time requirements for obtaining security clearances, anyone interested in participating in the RFRE should be initiating the security clearance process as soon as possible.

Q53. Does every member of a consortium who could encounter classified materials at one point or another in the procurement process require the security clearance?

A53: Yes. Anyone accessing classified information will require security clearance at the appropriate level. The Industrial Security Program at PWGCS can provide advice and guidance on this and any particular situations.

Q54. Is there a provision in the security clearance for the “need to know basis” – i.e. that only people who will be looking at classified information require a personnel security clearance? From what I understand, the security requirement here is for a blanket clearance that will cover everyone involved in the procurement process, which will bog down the process.

A54: Yes. Clearances can be obtained only for those individuals who will need to access classified information. It will be up to the companies to identify those individuals and to obtain security clearances for them. There may be individuals within companies or a consortium who may be called upon to work on the procurement but who will not need to have access to classified materials, in which case these individuals will not require a security clearance.

However, it should be noted that some clearances will need to be obtained for organizations as a whole. This may require other particular personnel to be cleared. It is advisable to contact the Industrial Security Program at PWGSC, as they can provide additional details on the required clearances and their implications.

Q55. What can we expect in terms of volume of data in the secret category?

More details have been provided on this, including the timing and general subject matter of classified documents, as part of the RFI. Please refer to RFI notice (number 23240-120758/D) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Q56. How do security clearances work for foreign firms or foreign partners of Canadian firms?

A56: Canada has agreements with certain countries to recognize the security clearances obtained in those countries. Any firm recognized as a legal entity in the following countries can seek a security clearance for their personnel in their country: Australia, Finland, France, Germany, Israel, Italy, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United Kingdom, or United States. An application will still need to be submitted to PWGSC in order to trigger the appropriate processes to ensure that security clearances obtained elsewhere will be recognized. The Industrial Security Program in PWGSC may be contacted to provide additional clarification on clearances involving international organizations.

Q57. Do you anticipate any restricted sites that will need a secret-level personnel clearance to enter?

A57: We anticipate that during the procurement process, there will be visits to AECL sites, including Chalk River Laboratories. AECL coordinates all of the visits to their own sites and has the responsibility for ensuring that appropriate security considerations are addressed.

Please note that the specific dates for the one-on-one sessions, as presented at Industry Day, may have changed. Please refer to Amendments 003 and 004 of the Industry Day Notice (number 23240-120758/C) found here: <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-419-26063>.

Q58. I understand that facility security clearances may take months to complete. Can the security clearance of individuals be done in conjunction with the sponsorship?

A58: Applications for facility security clearance can be submitted at the same time as applications for security clearance for individuals.

In the context of the AECL GoCo Procurement, the contracting authority has already been recognized as an approved source for sponsoring. Requests for sponsorship should be made as soon as possible by sending an email to EACCLab.AECLLab@pwgsc-tpsgc.gc.ca.

Q59. My firm was told by the Industrial Security Program that security clearances were not required to participate in the RFP, but that it may only be needed at time of contract award. Is this the case?

A59: In traditional procurements, this is often the case. However, in the case of the AECL GoCo Procurement, we expect that there will be sensitive information contained in the RFRE. Therefore, anyone viewing that information will need to have obtained their security clearance.

The earliest date at which security clearances would likely be required would be during the detailed consultation phase of the RFRE, which will occur once respondents to the RFRE have been confirmed as Qualified Respondents. Clearances are likely to be required by November 2013, although dates may change. Given the time requirements for obtaining security clearances, anyone interested in participating in the RFRE should be initiating the security clearance process as soon as possible.

Q60. The minute our office officially requests that a company in another country obtain a security clearance, we need to provide proof there is a contract security requirement. Is there an official document that shows that? Has that been issued?

A60: In the context of the AECL GoCo Procurement, the contracting authority has already been recognized as an approved source for sponsoring. Requests for sponsorship should be made as soon as possible by sending an email to EACCLab.AECLLab@pwgsc-tpsgc.gc.ca. The Industrial Security Program in PWGSC will work with organizations to facilitate the clearance process.

Q61. Is there a separate clearance program for legal advisors or will the firm need to comply as a participant?

A61: There is no separate clearance program for legal advisors. Any party who has access to sensitive information as part of the RFRE process must go through the security clearance process.

Q62. There is significant complexity to the security clearance process. Will full written details on who requires clearances and how to achieve these clearances be made available following this event?

A62: Yes, more detailed information on the security clearance process have been provided in the RFI, including references to the full industrial security manual. Please

refer to the RFI notice (number 23240-120758/D) found here:
<https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZG-411-26264>.

Q63. The security clearance on all personnel capacities is very complex. Why doesn't NRCan mitigate this barrier to entry in the best interest of the process and the taxpayers of Canada?

A63: We realize that the security clearance process is time consuming. However, this is necessary in order to ensure that protected and secret information is safeguarded. We believe that the security requirements are in the best interest of the process and the Canadian taxpayers.

We have given indications of the security requirements early in the process through the RFEOI and a notice of sponsorship that was posted in March.

Q64. Do stakeholder groups – beyond companies or consortia that are interested in bidding on the GoCo Procurement – need to obtain a security clearance in order to be engaged in the broader restructuring process?

A64: No. We recognize that there are many important stakeholders interested in the restructuring of AECL that are not potential GoCo suppliers and that need or want to be engaged. There will be processes to engage with those organizations to hear feedback regarding the restructuring process and innovation agenda.

In terms of those engagement activities, we do not anticipate any requirement for accessing sensitive information; therefore there is no foreseen need for stakeholders other than companies interested in bidding on the GoCo Procurement to obtain security clearances.

Current AECL Business

Q65. Are the details of AECL's Project New Lease available for review, and specifically, the details of the serviceable life of the facilities at Chalk River and the estimated costs of renewing them?

A65: Project New Lease is a current AECL project deals with health and safety, regulatory, security, environmental, and aging infrastructure requirements to ensure compliance with its CNSC site licence and other regulatory requirements.

Some information on Project New Lease can be found in AECL's Corporate Plan. Details of the serviceable life of the facilities and materials will be made available to Qualified Respondents during the RFRE stage of the procurement process.

Q66. AECL is the owner of a number of Safety Analysis Codes as part of the Industry Standard Toolset. Is it Canada's intention that AECL will continue to maintain and validate the Safety Analysis Codes it owns?

A66: AECL, in cooperation with the CANDU Owners Group (COG), currently has a program that looks at validating the Safety Analysis Codes. Going forward, decisions will be needed on how the costs of maintaining the codes will be distributed among the users of the codes.

Q67. What is the intended fate of the collaborative research agreements?

A67: All agreements that AECL currently has in place are expected to be respected, including the collaborative research agreements. Going forward, the renewal of existing agreements or the implementation of new agreements will be under the responsibility of the GoCo contractor.

Q68. What will happen to the cementation bid currently underway at AECL?

A68: The cementation bid is a current AECL project and is not related to the AECL GoCo Procurement. During the procurement process, AECL is carrying on business as usual. The cementation project is continuing as planned: bids came in 2012 and a review is underway.