



ADVANCE CONTRACT AWARD NOTICE (ACAN)

1. Title

Borehole Logging Measurements at the New Afton Mine, British Columbia

2. Definition

An Advance Contract Award Notice (ACAN) allows departments and agencies to post a notice, for no less than fifteen (15) calendar days, indicating to the supplier community that it intends to award a good, service or construction contract to a pre-identified contractor. If no other supplier submits, on or before the closing date, a Statement of Capabilities that meets the requirements set out in the ACAN, the competitive requirements of the government's contracting policy have been met. Following notification to suppliers not successful in demonstrating that their Statement of Capabilities meets the requirements set out in the ACAN, the contract may then be awarded using the Treasury Board's electronic bidding authorities.

If other potential suppliers submit Statement of Capabilities during the fifteen calendar day posting period, and meet the requirements set out in the ACAN, the department or agency must proceed to a full tendering process on either the government's electronic tendering service or through traditional means, in order to award the contract.

3. Background

As part of the Phase 5 of the Targeted Geoscience Initiative (TGI-5), the Earth Science Sector (ESS) of Natural Resources Canada (NRCan) want to acquire *in situ* physical rock property measurements in six (6) boreholes located underground at the New Afton Mine near Kamloops, British Columbia. The *in situ* physical rock properties will be used to define the key characteristics of the New Afton porphyry deposit including host rocks and alteration, guide interpretation of geophysical data sets, and help to make linkages between geophysical measurements and geological formations.

4. Objective

The Contractor shall provide all of the necessary facilities, equipment, materials, competent and experienced crew with supervisory and administrative support to collect and deliver high quality borehole logging data for approximately 4.3 km of the entire depth range as outlined in the detailed technical specifications and task list.

5. Detailed Technical Specifications

The Contractor shall conduct borehole logging measurements for the following properties:

- Density
- Full waveform Sonic for compressional – and shear-wave velocities
- Induced Polarization (IP)
- Inductive Conductivity
- Magnetic Susceptibility
- Mechanical Caliper
- Natural Gamma
- Spectral Gamma (K, Th and U)

Those measurements will cover the entire depth range of the six NQ size boreholes (provided that they are open



and accessible) listed below with a sampling interval of 10 cm. **Collars of all boreholes are located underground at the New Afton Mine.**

Hole ID	Dip for horizontal (degrees)	Total Depth (m)
EA16-167	-50	680
EA16-168	-44	505
EA16-169	-63	764
EA16-170	-55	739
EA16-171	-70	874
EA16-172	-62	725

In addition, one of those boreholes (EA16-171) will be surveyed with a rate gyro for orientation. Each borehole will have to be dummy-probed by before starting any real measurements to make sure that boreholes are open and accessible. The boreholes and total meters to be surveyed might change in the eventuality that part of the boreholes listed above are blocked locally (to be determined by the TA).

6. Tasks and Deliverables

The Contractor shall conduct borehole logging according to the **Detailed Technical Specifications**, conduct regular system tests and calibration, and deliver wireline logging data, and report to the Technical Authority (TA).

6.1 Tasks

Permits:

The Contractor must obtain all the necessary permits and clearances to transport the borehole logging equipment to and on site and do the work from the Federal, Provincial, Municipal and other agencies.

Equipment Tests and Calibration:

The Contractor must run the complete manufacturer recommended equipment tests and calibration prior to going to the survey site and prior to making production measurements. All equipment shall be checked and comply with manufacturer’s specifications prior to making any measurements. Source for spectrometry will have to be checked on site and calibration results recorded pre and post each run in any specific borehole. Equipment tests and calibration performed must be included in daily field survey logs.

Borehole Logging Survey:

The Contractor must conduct wireline logging according to the detailed technical specifications and make daily backups of digital data collected.

Daily Field Survey Logs:

The Contractor must create and store a daily, detailed log of equipment tests and calibration, line meters surveyed including borehole ID, probes used, depth sampling interval. These logs will be given to the TA in electronic form at the end of each day.

Safety and Environment:

The Contractor must provide and enforce a safe work environment to all members of the field crew, including sub-contractors. The Contractor shall ensure that crew members have valid licenses or permits required to perform



their specific task and follow safety protocols (including the use of personal protective equipment, where required) and Emergency Response Plan of the New Afton Mine. A site orientation and safety training course will be provided by New Gold Inc. (owner of the New Afton Mine) prior to the beginning of the survey. All crew members must take this course before entering the mine site. All health, safety and environmental incidents shall be reported immediately to the TA. Daily logs shall include all health, safety and environmental incidents and concerns (including near-miss) related to the borehole logging survey.

6.2 Deliverables

Daily Field Survey Logs:

A daily, detailed log of equipment tests and calibration performed, line meters surveyed including borehole ID, probes used, depth sampling interval. These logs will be given to the TA in electronic form at the end of each day.

Digital Data and Media:

- a) Digital data for all logs in all boreholes in las format, including appropriate headers and units for each of the logs (multiple las files can be used per borehole).
- b) Digital data (binary format) for the full waveform sonic data. Details on the binary format utilized must also be provided.
- c) Plots in .pdf format showing the logging results (final) in each borehole. The plots must show each logs and appropriate units following standard “track” display.
- d) All digital data must be provided on new DVD or new USB drive.

Field Survey Report:

Creating a detailed log of the following:

- The name and location of the borehole logging survey;
- The name and address of the Contractor, the phone and fax numbers of the company;
- The dates of the survey;

The text will including discussion of:

- The problems encountered during the survey (if any) and how they were dealt with (e.g. shut down for instrumental problems, etc.);
- Details of the recording equipment and field parameters used for the borehole logging survey;
- Key processing steps (if any) applied to the data;
- Wireline logging results (figures included or attached to the main report).

An annex will contain:

- Daily progress reports;
- Equipment tests and probe calibration results;
- Personnel list showing who was in charge for the survey over what time interval, Party Manager, etc.;
- Copies of licenses, permits and other government approval documents required to conduct the borehole logging survey.



6.3 Schedule

The borehole logging survey shall be conducted during the time period of November 15, 2016 to February 15, 2017. All final deliverable items shall be received by **March 30, 2017**.

7. Constraints

The borehole logging survey will occur within the operational area of New Gold Inc. Once at the mine site and after the mandatory site induction and safety orientation training (provided by New Gold Inc.), the borehole logging survey will have to be coordinated with New Gold who will provide access to their private roads, personal protective equipment, and transportation of equipment and staff to each borehole collar location underground and back up to surface. New Gold will also provide coordinates of borehole collar locations and clean 110V power underground at the location of the borehole collars.

8. Indemnification

The Contractor shall indemnify and save harmless NRCan and its employees and agents, from and against all claims, demands, losses, costs including lawyer's fees, damages, actions, suits or proceedings, that are in any manner based upon, arising out of, or attributable to the wilful or negligent acts or omissions of the Contractor or its employees and agents in carrying out the Work. NRCan shall have the right to defend any such action or proceeding with counsel of its own choosing.

9. Estimated Cost

The estimated maximum value of the contract is \$90,819.18, including all applicable taxes.

10. Trade Agreements

Applicable Limited Tendering Provision under NAFTA (Article 1016.2)

1016.2(b) - where, for works of art, or for reasons connected with the protection of patents, copyrights or other exclusive rights, or proprietary information or where there is an absence of competition for technical reasons, the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

Applicable Limited Tendering Provision under Canada-Chile (Article Kbis-09)

Kbis-09 (b) - where, for works of art, or for reasons connected with the protection of patents, copyrights or other exclusive rights, or proprietary information or where there is an absence of competition for technical reasons, the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

Applicable Limited Tendering Provision under Canada-Peru / Canada-Colombia (Article 1409)

1409 (b) where the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:

- (i) the requirement is for a work of art,
- (ii) the protection of patents, copyrights or other exclusive rights, or
- (iii) due to an absence of competition for technical reasons

Applicable Limited Tendering Provision under AIT (Article 506.12)

506.12(b) – where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;



11. Exception to the Government Contracts Regulations and applicable trade agreements

Sole Source Justification - Exception of the Government Contract Regulations (GCR):

(d) Only one person or firm is capable of performing the contract

The proposed Contractor is the only known provider who meets all of the following criteria:

1. Must have a minimum of five (5) years of experience in wireline logging requiring slim probes fitting in small diameter wellbore typically found in Canadian Mines.
2. Must be authorized by New Gold Inc. to work on their premises and access their mines.
3. Must have the appropriate software and knowledge to process and interpret the data collected.
4. Must have completed a minimum of twenty-five (25) projects underground.

12. Name and Address of the Proposed Contractor

DCI Geoscience Inc.
#405 - 119 Spadina Avenue
Toronto, Ontario
M5V 2L1

13. Inquiries on Submission of Statement of Capabilities

Suppliers who consider themselves fully qualified and available to provide the services/goods described herein, may submit a Statement of Capabilities in writing, preferably by e-mail, to the contact person identified in this Notice on or before the closing date and time of this Notice. The Statement of Capabilities must clearly demonstrate how the supplier meets the advertised requirements.

14. Closing Date

Closing Date: 18 October 2016
Closing Time: 2:00 p.m. EDT

15. Contract Authority

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