



ADVANCE CONTRACT AWARD NOTICE (ACAN)

1. Title

Comprehensive British Columbia Fibre Supply and Use Database and Scenario Analysis

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 a result of the mountain pine beetle (MPB), wildfire and policy changes, British Columbia's (B.C.) fibre supply has dramatically changed over the past fifteen years and is forecast to decline into the mid-term. The reduction in fibre supply is expected to have material impact on industry and communities that rely on the forest sector. This change will also affect Canada's position as a leading forest products producer and exporter as B.C. is one of Canada's main forest product producing provinces. The Canadian Forest Service (CFS) supports the Minister of Natural Resources in his mandate to ensure forest sector competitiveness and in this framework seeks a comprehensive and detailed database, of B.C.'s fibre supply and use, including at the mill (e.g. sawmill, panel, pulp, paper, pellet and other) and regional (e.g. timber supply areas), historical information and forecasts, as well as user-driven scenario analysis capabilities.

4. Objective

Obtain a comprehensive and detailed fibre supply and use database of B.C.'s fibre supply and use, including at the mill and regional level, historical information and forecasts for at least 10 years, as well as user-driven scenario analysis capabilities. Fibre refers to all softwood biomass. The supply information should be regional and as specific as a Timber Supply Area (TSA), while the demand information should be at the mill level and include at least major producers according to the B.C. government list of forest product facilities. The database should be able to answer questions such as: Is there excess fibre in any region of B.C.?; Which region is the most fibre-constrained and how will this change in the next 5 years?; Is there any biomass available to non-primary producers? Which mills have to buy fibre on the open market? Who buys sawmill residuals? Where do pulp and paper mills source their fibre from? What is the Annual Allowance Cut (AAC) forecast for 2025? What is the average delivered cost of fibre to pulp mills?

CFS needs an established, widely-used and recently updated database and forecasts ready for delivery as soon as the contract is awarded. The supplier should have intimate and current knowledge of B.C.'s fibre supply and use to support t CFS questions, including at the regional level and accounting for the shelf-life of MPB affected timber.



5. Project Requirements

5.1 Tasks, Deliverables, Milestones and Schedule

| Task | Deliverables | Time Schedule |
|--|---|--------------------|
| A. Presentation/Demo | Presentation (~3-4 hours) to demo the database capabilities and run through at least 3 scenarios; answer CFS questions about database, data, sources, etc. | By August 10, 2018 |
| B. B.C. Fibre Supply and Use Database and Scenario Analysis (as requested by CFS) | <p>Database and forecasting of B.C.'s fibre supply and use, including at least the following elements:</p> <ul style="list-style-type: none"> Fibre supply including annual allowable cut by Timber Supply Area (TSA) and tenure allocations by company or mill Fibre input volume at mills, including all softwood sawmills, wood panel, pellet, pulp and paper mills. Fibre input type at mills (i.e. logs, chips, hog fuel, sawdust and biomass) Residuals output by softwood sawmills, by residual type (chips, sawdust, hog fuel). Comparison of fibre supply and use by TSA Ability to model fibre supply and use changes (e.g. AAC reduction, mill closure) and interpret regional and company-level impacts. At least 10 years of history and 10 years of forecasts Average delivered cost of fibre types Biomass availability Fibre flows between regions in B.C. <p>Ability to answer the questions specified in section 4.</p> | By August 10, 2018 |
| C. Residual Fibre Movement (as requested by CFS) | <ul style="list-style-type: none"> A current snapshot of how wood residuals flow between mills (e.g. who gets fibre from who and in what form), including estimated volumes. | As requested |
| D. Custom reports, calls, analysis (as requested by CFS) | <p>As requested by CFS, phone call, email or custom reports to answer questions related to B.C.'s fibre supply and use, and detailed analysis</p> <ul style="list-style-type: none"> CFS will work with the supplier to ensure availability and discuss reasonable timelines and supplier quote for work to be performed. | By March 31, 2019 |

6. Estimated Cost

The approximate cost of this requirement is \$85,000+GST CAD, including all applicable taxes.



7. 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 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;

Applicable Limited Tendering Provision under Canada-Honduras (Article 17.11)

17.11.2 b) a good or service being procured can be supplied only by a particular supplier and a reasonable alternative or substitute does not exist because:

- (i) the good or service is a work of art,
- (ii) the good or service is protected by a patent, copyright or other exclusive intellectual property right, or
- (iii) there is an absence of competition for technical reasons;

Applicable Limited Tendering Provision under Canada-Panama (Article 16.10)

16.10.1b) a good or service being procured can be supplied only by a particular supplier and a reasonable alternative or substitute does not exist because:

- (i) the good or service is a work of art,
- (ii) the good or service is protected by a patent, copyright or other exclusive intellectual property right, or
- (iii) there is an absence of competition for technical reasons;

8. 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 Supplier must be able to meet all of the following criteria:

- Have experience working in the B.C. forest industry and analyzing the regional and mill-level impacts of changes in fibre demand or supply as a result policy changes, mountain pine beetle, or economic cycles.
- Able to use proprietary knowledge or data (previously acquired or developed) for database on B.C. sawlog consuming mills (sawmills and veneer plants), softwood chip-consuming mills (pulp and paper and Oriented Strand Board (OSB) engineered panel boards) and all biomass consumers (including power boilers, pellet plants and MDF fibre board plants);
- Have a previously established fibre supply and use database with at least ten (10) years of history and at least ten (10) years of forecasts and the ability for user-defined scenario analysis.

The selected Supplier is the only vendor able to meet all of the above criteria as well as meet all of the requirements described in Section 5 – Project Requirements.

9. Name and Address of the Proposed Contractor

MDT Management Decision & Technology Ltd.
13689 Big Bear Terrace



Ladysmith, British Columbia
V9G 1G4

10. 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.

11. Closing Date

Closing Date: August 14, 2018
Closing Time: 2:00 p.m. EDT

12. Contract Authority

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