Competitive Procurement Process: Contract to Manage Canadian Nuclear Laboratories Beyond 2025

Update to the Environmental Stewardship Council

March 30, 2023







Agenda

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 - Objectives/Priorities for the Next GoCo Contract Period
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 - Schedule
 - What to Expect

Overview of AECL











Driving nuclear innovation

Science is at the core of everything we do

Cleaning up the Government of Canada's radioactive waste

To protect the environment and enable nuclear science and technology, we are addressing legacy wastes and new liabilities



AECL Sites and Assets

- Laboratories: Chalk River
 Laboratories and National Innovation
 Centre for Cyber Security
- Legacy AECL research sites (in decommissioning): Whiteshell, Nuclear Power Demonstration, Douglas Point, Gentilly-1, + large decommissioning and remediation scope at Chalk River
- Sites contaminated with historic low-level radioactive waste and/or NORM for which the government has accepted responsibility: Port Hope Area Initiative and Northern Transportation Route





Government-owned, Contractor-operated model

AECL (Owner)

- Delivers its mandate through contract arrangements with the Contractor and CNL
- Sets priorities for CNL and oversees the contract and overall performance
- · Owns assets, IP and liabilities

Contractor (currently Canadian National Energy Alliance Contract or CNEA) · Owner of CNL · Develops vision for CNL Monitors CNL's performance and earns fee based on results · Appoints CNL's senior leadership and **Board of Directors** Canadian Nuclear Laboratories (Operator) Operator and licensee · Enduring entity and employer · Access rights to AECL's assets and IP to CNSC deliver on obligations of the agreements



Roles and Responsibilities

- AECL's role is to oversee CNL's performance against the Government-owned, Contractor-operated contract and support its priorities and those of the Government of Canada.
 - AECL sets priorities for CNL these are not expected to change with this procurement process.
- CNL is an enduring entity responsible for operating AECL's sites.
 - We expect that only individuals in senior management positions will change with a new contract being issued.

Objectives and Priorities for the Next GoCo Contract Period



Objectives for Next Contract: Three Missions

AECL's intent is that CNL leverages its capabilities and resources to successfully deliver on the 'Primary Missions' and their individual and collective objectives. The Missions are:

- Science & Technology (S&T): Strengthen CNL's role as Canada's National Nuclear Laboratories by delivering on federal priorities in science & technology, pursuing valuable collaborations and partnerships, and advancing nuclear innovation for the public good. Grow third party commercial services and revenue by leveraging existing capabilities and assets.
- Decommissioning & Waste Management (DWM): Optimize, with consideration for acceleration opportunities, decommissioning, environmental remediation and waste management activities to reduce AECL liabilities, as well as risks and costs over the long term; and
- Site Development & Investment (Capital): Deliver an integrated, optimally configured capital expenditure and asset management program. Ensure that AECL's real property, sites, buildings and facilities are safely and securely managed, and capabilities, resources and infrastructure are maintained.



Objectives for Next Contract

In delivering the Mission work, CNL is expected to:

- Drive innovation through the enhancement and development of new collaborations across academic and research networks and national and international industries
- Leverage capabilities to deliver on federal research priorities and grow third-party revenues
- Continue the revitalization of the Chalk River Laboratories to transform it into a more efficient, modern nuclear science and technology campus
- Optimize the delivery of the decommissioning and waste management program to reduce AECL's liabilities safely and cost effectively
- Build and maintain meaningful collaborative relationships with Indigenous communities based on healing and reconciliation
- Ensure that CNL sustains a robust health, safety, security and environment culture, that it is compliant and efficiently managed, and that capabilities, resources and infrastructure required to satisfy AECL's mandate are maintained
- Drive organizational transformation and build the capabilities of CNL staff
- Optimize delivery and cost of site operations

Procurement Process





Procurement Process



The Request for Expression of Interest ("RFEOI") issued September 2022 to solicit input and feedback from interested parties on various elements of a potential competitive procurement process to manage Canadian Nuclear Laboratories under a GoCo model.

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The Request for Pre-Qualification ("RFPQ") and Draft RFP stage

- Qualification, confirm that mandatory technical criteria, financial capability requirements, security requirements, and integrity criteria are met to be deemed a Qualified Respondent (QR).
- Detailed consultations, draft Request for Proposal ("RFP") and form of contract made available for feedback from Qualified Respondents.

3

The Final Request for Proposal ("RFP") stage

• Bids will be solicited from QRs. Only Qualified Respondents from the RFPQ stage will be eligible to submit bids in the Final RFP stage. Bids will typically be evaluated against rated criteria.

4

Contract Finalization Stage and Transition-In/Out stage

- Selection of the Preferred Bidder and execution of a final contract
- A Preferred Bidder Agreement is signed, followed by execution of the Contract
- Overlap of Transition-In/Out activities between incumbent and awardee



Anticipated Schedule

Date	Milestone
Fall 2022	Procurement Planning
Spring 2023	Release Request for Pre-Qualification
Spring 2023 – Spring 2024	Engage Qualified Respondents in a Draft Request for Proposal process
Spring 2024	Release Final Request for Proposal
Spring/Summer 2024	Bid Preparation (Qualified Respondents)
Fall 2024 – Spring 2025	Bid Evaluation
Spring/Summer 2025	Selection of Preferred Bidder
	Contract Award and Transition-In

What to Expect – Procurement Process

- AECL will run a fair and transparent process
- AECL does not have a real or apparent preference for the incumbent contractor
- AECL is looking for the best possible bidder and expects robust competition
- Looking to qualify respondents (either individual companies or teams) who can deliver all of the scope
- Once qualified, Qualified Respondents will have access to data room, draft documents
- Detailed consultations on draft RFP (including draft contracts) with Qualified Respondents: group and individual
- Additional site tours anticipated
- Role of Fairness Monitor (Samson and Associates)

What to Expect – CNL

CNL is an 'enduring entity', meaning that contractors can come and go, but CNL remains.

- CNL remains the employer of the workforce, licensee and enduring entity responsible for the operations of AECL's sites.
 - What may change is the ownership of CNL (currently Canadian National Energy Alliance)
- Ongoing work, projects and priorities of CNL remain
- We expect stability in CNL's workforce in order to deliver on the important work and initiatives underway, including nuclear science and technology activities, decommissioning and waste management, as well as capital projects.
- All of the contracts that CNL has in place will remain, including those that may run into the next GoCo contract period.

What to Expect – Community/Indigenous Engagement

- AECL will be seeking feedback on the draft contractual requirements
 - Looking for community input: what is important to community, what should be reflected in contract, procurement, etc.
- In coming months, we expect to engage with local communities and Indigenous communities and Nations, including sharing some documentation when available
 - Exact format/mechanisms TBD
 - Will look at ways to maintain fairness in the process, confidentiality as required, etc.



Questions

