



*Contaminated Site Cleanup Under the Federal
Contaminated Sites Action Plan (FCSAP)*



Clayton Traux
PWGSC

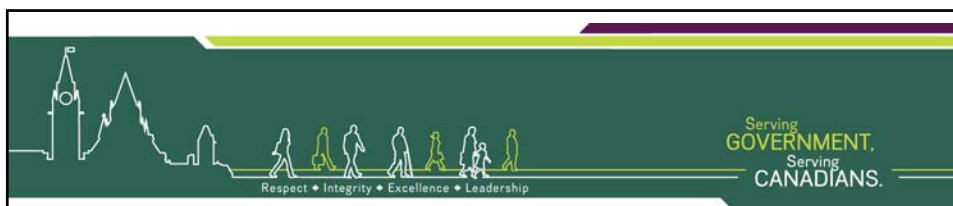
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PWGSC and the Federal Contaminated Sites Action Plan (FCSAP)

February 12, 2015

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Overview

- Background and progress in addressing federal contaminated sites
- Role of Public Works and Government Services Canada in FCSAP delivery
- PWGSC procurement and private sector engagement

2

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FCSAP – Background

- 2002 Report of the Commissioner of Environment and Sustainable Development (CESD) was critical of the federal government's awareness of its contaminated sites' obligations.
- The Government of Canada launched a contaminated sites program in 2003 now the Federal Contaminated Sites Action Plan (FCSAP).
- FCSAP objectives are to reduce environmental and human-health risks from known federal contaminated sites and the associated federal financial liabilities.
- This horizontal initiative is lead by Environment Canada and Treasury Board Secretariat, currently involves 11 federal custodians, and has total program funding of \$4.23B over 15 years (FY2005-06 through FY2019-20).

3



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FCSAP – Progress

- Phase I FY2005-FY2010 (actuals): \$205M spent on the assessment of 9,431 sites (4,765 sites closed) and \$1B spent on remediation of 1,412 sites (357 closed)
- Phase II FY2011-FY2015 (projected): \$52M spent on the assessment of 1,544 sites (447 sites closed) and \$890M spent on remediation of 611 sites (356 closed)
- An estimated 11,000 private sector jobs have been created as of March 31, 2014.
- Federal Contaminated Sites Inventory database has over 22,000 entries – more than 9,000 sites “active” or “suspect” with over 13,000 sites “closed”

4



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Contaminated Sites By Custodian

Reporting Organization	Suspected	Active	Closed	Total
Aboriginal Affairs and Northern Development Canada (Indian and Inuit Affairs Program)	898	1169	2045	4112
Aboriginal Affairs and Northern Development Canada (Northern Affairs Program)	133	200	687	1020
Agriculture and Agri-Food Canada	39	136	177	352
Canada Border Services Agency	1	4	29	34
Canadian Food Inspection Agency	0	0	11	11
Canadian Museum of History	0	0	1	1
Correctional Service of Canada	3	83	54	140
Environment Canada	40	132	1030	1202
Fisheries and Oceans Canada	1621	2662	6574	10857
Foreign Affairs, Trade and Development Canada	14	0	77	91
Health Canada	0	1	63	64
Industry Canada	0	2	0	2
Marine Atlantic	0	1	0	1
National Capital Commission	8	116	48	172
National Defence	196	863	748	1807
National Research Council	6	12	4	22
Natural Resources Canada	1	14	28	43
Old Port of Montreal Corporation Inc. (Canada Lands Company)	0	0	16	16
Parks Canada Agency	22	214	231	467
Public Works and Government Services Canada	11	94	217	322
Royal Canadian Mounted Police	23	81	866	970
The Jacques-Cartier and Champlain Bridges Incorporated	0	2	3	5
Transport Canada	6	346	522	874
Veterans Affairs Canada	0	3	1	4
Totals:	3022	6135	13432	22589

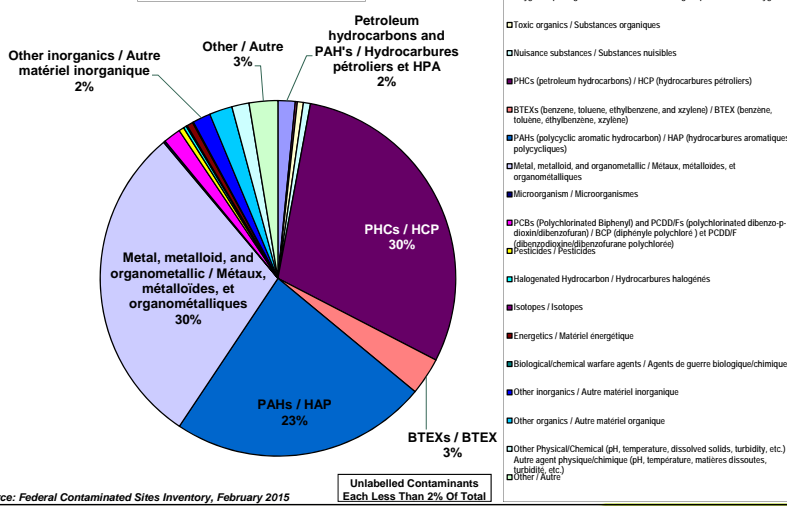


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FCSI Contaminant Types



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Federal Contaminated Sites Liability

Custodial Entity	\$ Millions
Aboriginal Affairs Northern Development Canada	2,603
NRCan	988
National Defence	462
PWGSC (includes former Enterprise Cape Breton Corporation)	279
Crown Corporations	61
Transport Canada	164
Environment Canada	111
Fisheries & Oceans	96
Others	31
Total estimated liability from 2013-14 Public Accounts	4,795

Note

Parliamentary Budget Office estimated that federal contaminated sites could cost an additional \$2.1B.

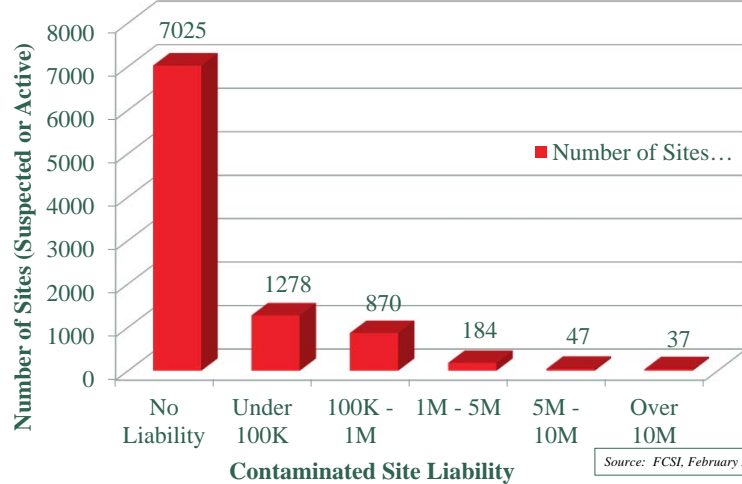


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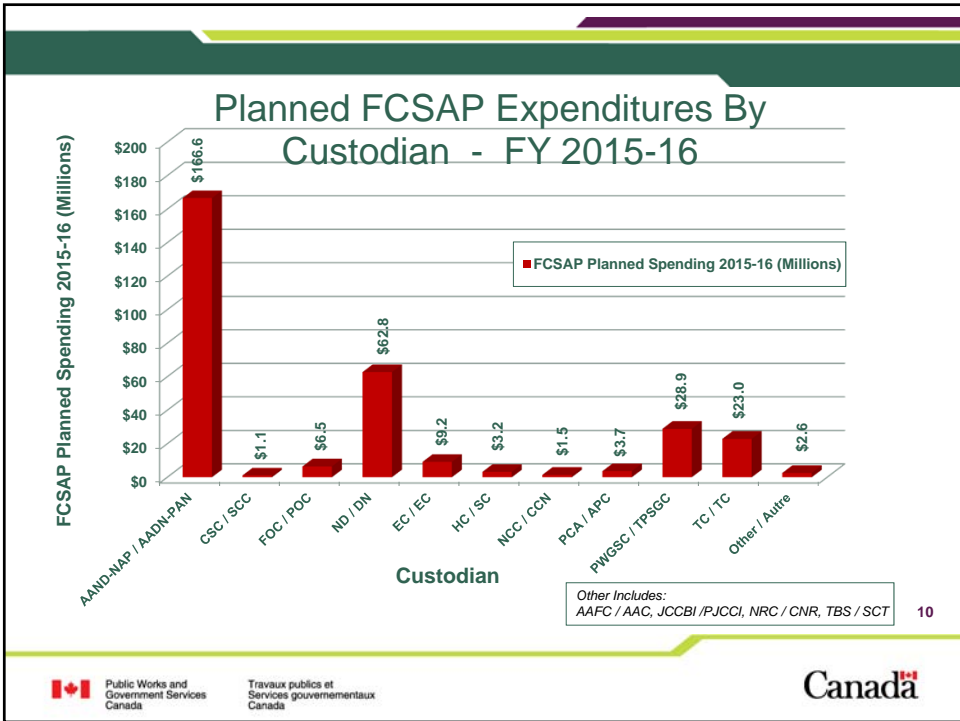
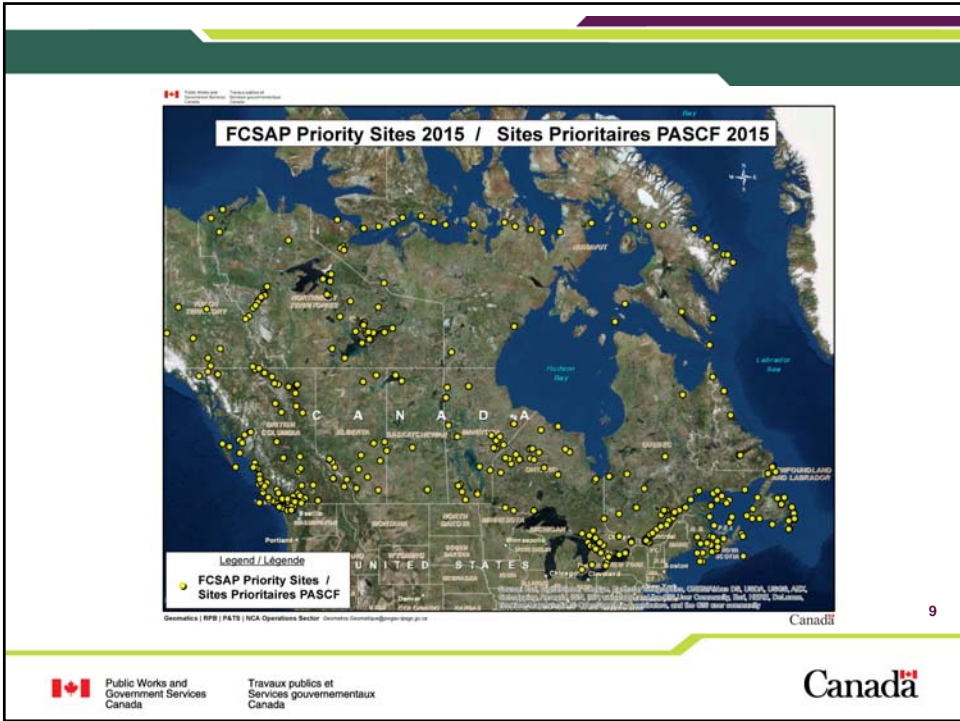
Federal Contaminated Site Liabilities



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Forecast for FCSAP Phase III

- Approvals for Phase III in progress to extend FCSAP from April 1, 2016 to March 31, 2020 with potential aggregate projects of \$1.38B.
- Continued emphasis on remediation with a minor ongoing assessment
- Major federal participants include Aboriginal Affairs Northern Development Canada, National Defence, Transport Canada, and Environment Canada.



11

PWGSC Roles in FCSAP

PWGSC performs three roles within FCSAP:

- Custodian -- responsible for its contaminated sites;
- Expert support -- sharing best practices, innovative/green/sustainable technologies, communicating federal demand, and addressing procurement.
- Common service provider -- managing projects and programs for other federal custodians (e.g., Aboriginal Affairs and Northern Development Canada, Environment Canada).

12

PWGSC as Common Service Provider

- Most significant role for PWGSC
- Types of support provided
 - Procurement
 - Project management
 - Technical expertise
- External private sector support retained for project implementation and oversight role retained by federal government for quality assurance (scoping, results, recommendations)



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Common Service Provider (cont'd)

- PWGSC acted as federal lead for non-FCSAP projects such as Argentia and Sydney Tar Ponds
- Along with Aboriginal Affairs and Northern Development Canada abandoned mines and Port Hope Area Initiative, these projects establish PWGSC as a leader in federal contaminated site remediation.
- Large complex projects requiring a combination of technical, procurement, and project management expertise



14



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Private Sector Leveraging

- Role of public sector is quality assurance – scoping projects, identifying procurement approaches, and retaining qualified consultants/contractors/specialists to implement the projects (“boots on the ground”).
- Role of public sector relates to safeguarding public interest without duplicating existing private sector capacity.
- Recent analysis by PWGSC indicated that 90% of contaminated sites project value was outsourced to private sector.

15



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Private Sector Leveraging (cont'd)

- Significant private sector capacity exists and is essential for service delivery
- Industry has almost 2,000 firms working equally with public / private sectors
- Economic Action Plan (FY2009-10 and FY2010-11) created spike in demand and led to competitive private sector response



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Current Procurement Approaches

Environmental Site Assessment/Risk Assessment

For projects involving site or risk assessment and monitoring, Consultants are typically retained through various procurement methods:

1. Standing Offer, Task Authorization, Supply Arrangement
2. Open Agreements - SELECT contracts
3. Contracts awarded resulting from a single or two stage RFP process

17



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Current Procurement Approaches

Remediation and Risk Management Projects

For projects involving remediation and risk management, Contractors are typically retained via competitive tendering process (e.g., www.buyandsell.gc.ca)

Typically Consultant design (e.g., tender specifications) followed by Contractor implementation ("Design-Bid-Build").

Alternative approach is performance based (e.g., identify desired outcome without prescriptive requirements) ("Bid-Build")

18



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Potential Procurement Approaches

- PWGSC has been transforming its real property management through the use of performance-based RP contracts (“what not how”).
- PWGSC will be evaluating similar approaches for other real property service lines such as contaminated sites.
- Office of Small and Medium Sized Enterprises (OSME) is evaluating the utility of a National Procurement Strategy for Environmental Remediation.

19



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Procurement and Innovation

- Potential for contractor/consultant to propose alternative/innovative approaches
 - e.g., LIF at Goose Bay, KB-1 at Gloucester Landfill
- OSME Build in Canada Innovation Program – GoC acts as “first consumer” to support innovative Canadian products
- Sustainable Development Technology Canada – funding to bridge commercialization gap for soil remediation and clean water technologies



20



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Summary

- FCSAP is the central program for federal contaminated sites assessment and remediation. Despite the progress, there is still much work to do.
- PWGSC participates in FCSAP as Custodian, Expert Support, and Common Service Provider. The last role is most significant in terms of level of engagement and responsibility.
- PWGSC's approach is to maximize the leveraging of the private sector while providing appropriate oversight to protect the federal Crown's interests (i.e., ensuring value for money).
- Opportunities to improve procurement are being evaluated to increase the efficiency and effectiveness of FCSAP.

21



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Questions/Comments?

- Thanks for your interest!

22



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