

OFFICAL

ONR NGO Forum – 26 June 2020	
Title	ONR's use of Technical Support Contracts
From	ONR Policy & Communications
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1. Purpose

- 1.1 To address questions from ONR NGO Forum members relating to ONR's Technical Support Framework (TSF), the use of Technical Support Contracts (TSC) and the arrangements to manage perceived and/or actual conflicts of interest (COI).

2. Background

- 2.1 In March 2017, ONR's Executive Management Team agreed to the development of a 'new' ONR TSF to replace the extant framework which was due to expire in October 2018.
- 2.2 In developing this model, expert advice was sought to develop a model that included best practices from the public and private sector. The new TSF that came into effect on 1 November 2018 has been established to provide a renewed and modernised framework for procuring technical support. The TSF enables ONR to access specialist software and/or modelling, and niche skill sets which are not retained within ONR.

3. ONR's response to questions submitted by members of the Forum

- 3.1 **Question 1** – What areas of work does ONR engage nuclear industry contractors (e.g. Serco) to assist with?
- 3.2 **ONR response** - We utilise TSCs to provide expert support in niche areas and/or supplement ONR resources on a short term basis. The majority of TSC used are in our New Reactors Division, supporting Generic Design Assessment. However, we do also commission other, smaller contracts across our different regulatory divisions
- 3.3 **Question 2** - What steps are taken to establish whether there may be a conflict of interest in engaging a contractor?
- 3.4 **ONR response** - There is tiered system for identifying whether there is a potential and/or actual COI during the procurement process. When the TSF was introduced all organisations were required to sign up to a COI protocol as per Clause 17, Schedule 4 of the ONR Standard Terms for the Provision of Services.
- 3.5 For each specification that is issued for tender, organisations are expected to declare if there is an actual or perceived COI. In the case of actual COI, our experience has been that organisations will routinely inform us if there is a COI that cannot be mitigated, and will voluntarily withdraw from the procurement process. If

there is a potential COI, the bidders are required to declare this using Schedule C of the procurement documentation (Supplier Potential Conflict of Interest Declaration Form) in which they outline the details of the potential COI and what actions they intend to take in order to mitigate the risk. ONR reserves the right to challenge all declarations and/or nil responses.

- 3.6 **Question 3** - On how many occasions have conflicts of interest been identified?
- 3.7 **ONR response** - It is not possible to provide details of the exact number of times an actual COI has been identified, as a supplier is not required to stipulate a reason for not bidding on potential work. However, through discussions with suppliers, we have been informed that on a number of occasions, suppliers have declined to bid for work due to COI.
- 3.8 **Question 4** – Contractors been turned down for work on these grounds?
- 3.9 **ONR response** - There has been no specific instances of ONR declining a contractor on the grounds of COI. This is primarily due to the robust COI self-declaration and governance arrangements that we have in place.
- 3.10 **Question 5** – What safeguards are taken to minimise risks if a conflict of interest cannot be avoided?
- 3.11 **ONR response** - In all instances where a potential COI is declared, the ONR Conflict of Interest Panel will review the position and determine the feasibility of proceeding with the work. As a result of these reviews, ONR can request that delivery and/or personnel strategies be deployed with the supplier to avoid an actual COI prior to commencing a contract. This has, in the past, included personnel, geographic and/or IT segregation.
- 3.12 **Question 6** - What assurances are obtained from the contractor in such an instance, and do these have legal standing?
- 3.13 **ONR response** - If a COI is confirmed, the contractor is required to provide written assurance stipulating how they intend to manage and mitigate the COI. The mitigation measures will be recorded by ONR, under clause 7 of the Framework Standard Terms & Conditions with ONR having the right to audit the measures put in place. Clause 17 of the Standard Terms & Conditions also outlines the contractor's responsibilities for COI. Both terms have legal standing and if the contractor was found to be in breach of these terms, ONR could, if it wishes to do so, terminate the contract.