

## For sale: NATO Flying Training in Canada program

**B**ombardier Inc., as part of its new global consolidation strategy, is in the process of divesting itself of its Military Aviation Training business including its participation in the much-publicized [NFTC] program, according to Zev Rosenzweig, vice president of aviation training, Bombardier Aerospace.

The sale of NFTC is close at hand. “We are currently entertaining one bid that may go forward, with another company waiting in the wings,” says Rosenzweig. The sale will bring a close to Bombardier’s exciting but sometimes bumpy ride on what has been, at \$3.3 billion, the largest ever long-term service agreement in Canada between government and the private sector.

Officially opened in July 2000, the NFTC program established an entirely new model for training Canadian and foreign military pilots in Canada. Operating from new facilities in Cold Lake, Alberta, and Moose Jaw, Saskatchewan, the program combined the resources of Bombardier, the prime contractor, and six other private sector participants, with those of the Department of National Defence. Using state-of-the-art equipment and planes, and advanced training, NFTC promised to save the Government of Canada \$200 million over 20 years.

But during its start-up period, the program was plagued with technical problems primarily involving its new aircraft. In mid-2002, the Auditor General stated that the NFTC had paid money – specifically \$65 million – for training not obtained. Both DND and Bombardier begged to differ, maintaining that the “lost” training would be made up over the life of the contract.

Today, they maintain that the NFTC is on track. “We are very proud of what we have accomplished, says Bombardier’s Rosenzweig. “Since the beginning of October last year, we’ve have met every single

requirement of the program.” Jim Richardson, the project’s procurement director for DND concurs: “Bombardier is now meeting or exceeding the daily contracted sortie rate.”

The result has been the promise of increased business. Bombardier expects an additional foreign participant within the next nine months adding to the six countries, including Canada, already on board. Exactly which country remains unspecified at this time but it is noteworthy that Finland recently sent a flight instructor to check out the program, and Sweden has signed an MOU to do likewise.

Richardson makes the point that despite the fact that there are “lots of discussions” taking place behind the scenes between DND and Bombardier about the upcoming sale, its basically “business as usual” for the program. However, he explains, once a conditional sale takes place, the Crown must approve assignment of the contract and it will fall on DND and PWGSC to assess if the risks are reasonable, a process that will take weeks, even months, and may be prolonged by the need to satisfy International Trade in Arms Regulations.

In the end, both Bombardier and DND maintain that the NFTC program will benefit. “We don’t necessarily see the sale as a bad thing,” says Richardson. “The purchaser, whoever it may be, will be a world player and should add value to the program.”

Rosenzweig agrees. “We are only considering companies of major stature that are world players in defence aerospace. BBD is principally a civilian company and we have taken the program about as far as we can. While we have contacts with every *airline* in the world, what NFTC really needs to prosper further is a company that has contacts with every *air force* in the world.” —Brad Latta, Ottawa



## Halifax Harbour – on again, off again, on again

**I**n what seemed like a done deal, Halifax Regional Municipality (HRM) opted out of the harbour clean-up deal concerned that its P3 partners wanted changes that could cost the taxpayers a lot more money.

The Halifax Regional Environmental Partnership wanted taxpayers to pay for any penalties that could result from failure to meet water cleanliness standards – contrary to the agreement HRM had with the group. The consortium wanted changes that would see HRM assume responsibility if the treated sewage pumped into the harbour didn’t meet government environmental standards.

In an HRM press release announcing the changes, HRM Mayor Peter Kelly stated, “Council was not prepared to place the citizens of HRM at increased financial risk in the event the effluent does not meet its quality requirements. The RFP (Request for Proposals) process and the Agreements signed last fall clearly required the successful proponent to assume all risks and responsibility to meet the effluent quality requirements at all times, except when HRM delivered “abnormal influent” (the sewage going into the sewage treatment plants). The

changes recently proposed by HREP would redefine what would be considered “abnormal influent.”

Kelly says there is little concern about water cleanliness standards. “Under the regulations, 50 milligrams per litre of soluble and non-soluble BOD [Biochemical Oxygen Demand] must be retained. When they did the testing, the Halifax side [of the harbour] was 22, and the Dartmouth side was 29. We felt with our source implementation program and a potentially conflicting treatment with the plant being built, we were on strong grounds to move forward.” The federal government gave approval based on provincial standards.

BOD is a measure of the quantity of oxygen consumed by micro-organisms during the decomposition of organic matter. It is the most commonly used parameter for determining the oxygen demand on the receiving water of a municipal or industrial discharge. BOD can also be used to evaluate the efficiency of treatment processes, and is an indirect measure of biodegradable organic compounds in water.



HRM began negotiations with various partners in the group and on July 15 approved an agreement with Dexter Construction Co. Ltd. to design and build a collection system for three sewage treatment facilities. Kelly says the \$116-million deal is \$18-million less than the same segment of the \$264-million contract the municipality had with its former P3 partners.

Kelly is confident this doesn't open a can of worms that may be of concern to future P3

partners. Intellectual property rights could be a major issue, however, Kelly says it is not a concern, particularly with this phase of the project. Although Kelly was on the previous council that approved the contract, he was adamant in saying that this time, "We're going to do it right, and should be able to reach time frames as laid down by the previous council." ❧

—Barb Webber, Halifax



## Changes for MERX

A new e-tendering system for the Government Electronic Tendering System (GETS), commonly known as MERX, will be begin in June 2004 under the management of Mediagrif Interactive Technologies of Longueuil, Quebec. In late July, Canada awarded a 5-year contract to Mediagrif, the firm that is currently running MERX. The contract can be extended for four, one-year terms. The new service, designed to be more accessible to small- and

medium-size business, offers registered subscribers the ability to view the complete Request for Proposal online before purchasing and reduced fees – monthly subscription becomes \$21.95 instead of \$29.95 and the one-time fee to purchase documents goes from \$55 to \$39.95. As well, amendments to solicitations will be published online and available to bidders at no charge. ❧

## Florida county installs fingerprint security system

According to a press release in late July, Brevard County, Florida has installed bioLock, the first and only access-control-via-fingerprint software solution for SAP systems. The county chose bioLock, made by realtime North America, Inc. ([www.realtimethenorthamerica.com](http://www.realtimethenorthamerica.com)), because it needed a secure single sign-on to multiple systems, providing extra security for access to their HR systems and to comply with US federal security standards. The next step will limit and control access to purchasing functions. Previous passwords (8-digits including lower case, upper case and numbers) proved inconvenient, insecure, and time consuming to retrieve from PDAs, where they were typically stored and accessed with another easy-to-remember password. Most importantly, Brevard County, which includes the NASA space facilities at Cape Kennedy and Cape Canaveral, and lies in a hurricane prone area, needed to provide extra-secure access to emergency preparedness supplies. Brevard operates its emergency preparedness

command headquarters from an underground bunker capable of withstanding a nuclear blast, and needed comparable IT security to protect their systems.

Not only does bioLock protect the logon, but also individual transactions and fields within the SAP system. The system is installed in hours and does not alter the existing SAP system. Using the system is intuitive and convenient. No programming skills are necessary to protect the transactions – it can be done in a minute by any SAP supervisor. The system uniquely identifies the user and also logs the complete execution information of the protected transaction, including the attempt of an unauthorized person to execute the protected transaction.

To utilize fingerprint technology combined with smart cards and RFID, realtime partnered with Cherry, whose keyboards come with the award winning capacitive Infineon fingerprint sensors, plus smart card and RFID readers. ❧