

Appel de candidatures

Pour une licence globale et exclusive relative à une technologie de cathode efficiente pour la fabrication du chlorate de sodium (CEC[®])

Call for Expressions of Interest

For a worldwide exclusive license of the Sodium Chlorate Efficient Cathode Technology (CEC[®])



**Document d'appel de candidatures
Document - Partner qualification**

Call for Expressions of Interest Sodium Chlorate Efficient Cathode Technology (CEC®)

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NOTICE TO INTERESTED PARTIES

Issued: January 10th 2014

⇒ **Closing date: March 11th 2014 ; 2:00 PM Montréal time**

Subject: *Call for Expressions of Interest and qualification of a partner for the valorization of a Sodium Chlorate Efficient Cathode Technology*

Important notice: Hydro-Québec and Meeir Technology Inc. (the "Offering Organizations") will undertake the negotiation and, should an agreement be reached, will grant the qualified partner an exclusive licence of the Technology

For more information or to submit questions:

Bruno Marcotte, Hydro-Québec

Tel.: 514 840-3000, ext. 6765

E-mail: marcotte.bruno@hydro.qc.ca

Submission of Expressions of interest

In a sealed envelope on which both the name of your organization and the object of this process shall be indicated, please submit **two (2) complete copies** of your response duly signed by an authorized person in addition to the original.

Please also include a **soft copy on CD-ROM or USB key**.

EXPRESSIONS OF INTEREST CAN BE SUBMITTED AT
ONE THE FOLLOWING ADDRESSES :

BY MAIL

DELIVERED BY CANADA POST ONLY
(standard, express or courier service)

Hydro-Québec
Bureau des soumissions
(*Tenders Management Office*)
C.P. 1030
Succ. Desjardins
Montréal (Québec)
H5B 1C2

IF DELIVERED BY HAND

DELIVERED BY HAND OR BY COURIER
(excluding all Canada Post services)

Hydro-Québec
Bureau des soumissions
(*Tenders Management Office*)
800, boulevard de Maisonneuve Est
2e étage, bureau 2-007
Montréal (Québec)
H2L 4M8

Although Hydro-Québec does not favour this sending method, should you have no other alternative to meet the deadline, your response can be sent by fax to +1(514) 289-6441.

You are still required to send the original and the two copies to Hydro-Québec's representative, by regular mail or courier, within a reasonable time following the deadline, at : 855, rue Sainte-Catherine Est, 7^e étage, Montréal (Québec) H2L 4P5 Canada.

Sodium Chlorate Efficient Cathode Technology (CEC®)

1. Introduction and background

- 1.1. The cathodes, currently used for the production of sodium chlorate, represent the principal source of energy loss in the electrochemical process. In response to this enduring problem, the Offering Organizations have developed a new generation of efficient cathodes called CEC® (Chlorate Efficient Cathode) which can reduce cell voltages by several hundreds of millivolt.
- 1.2. This call for expressions of interest (EOI) aims at the attribution of a worldwide exclusive license for the valorization of this Chlorate Efficient Cathode Technology (the Technology). It has been issued to selected parties that have interests in sodium chlorate production technologies.
- 1.3. The Offering Organizations have started the development of this Technology in 2007. The new cathodes can provide up to approximately 10% of energy savings to the sodium chlorate production process depending on operating conditions. These electrocatalytic electrodes which are highly resistant to corrosion are dimensionally stable and lead to very low levels of iron impurities as a result of their utilization. The licensed Technology comprises several patents covering material compositions as well as processes and uses of technologies. The intellectual property associated with the Technology is well documented in numerous internal reports that will be made available during a due diligence examination that will take place further down the line.
- 1.4. Over the last three years, the Technology has been tested in various industrial conditions in several sodium chlorate production plants and laboratories around the world. The exclusive license will include an access to a small scale fully equipped electrode manufacturing plant, as well as to a list of active contacts regarding raw material supply. For more information on the CEC® Technology, please refer to <http://www.meeir.com>

2. Ownership of the call for EOI document

- 2.1. The present document is the property of the Offering Organizations and may not be used for any purpose other than preparing a response.

3. Purpose and scope

- 3.1. The purpose and scope of this document are to :
- explain to participating organizations the timetable and stages of the licensing project ;
 - set out the requirements and outline the main provisions required by the Offering Organizations which will have to be addressed by participating organizations in their responses to this call for EOI ;
 - explain the administrative procedure for submitting a response ;
 - set out the evaluation criteria that will be used to evaluate the responses and to identify which participating organization(s) will be qualified to take part in a later due diligence process.

4. Qualification process

- 4.1. This process is subject to the conditions set out in the section of this document titled "Call for EOI conditions".
- 4.2. The key steps leading to the granting of an exclusive licence are as follows :
- receipt of responses by the Offering Organizations ;
 - notification of qualified participating organization(s) ;
 - beginning of the due diligence process for the qualified organization(s) upon payment of the due diligence fee (see hereinafter) ;
 - end of the due diligence process ;
 - if necessary, receipt of revised responses (in light of the due diligence process, the qualified participating organization(s) may want to revise the content of its/their initial response) ;
 - negotiation with the qualified organization(s) ;
 - selection of the successful organization for a worldwide exclusive license.

- 4.3. You must submit your response to this call for EOI by the closing date mentioned in the initial section of this document (the “Deadline”), in accordance with the provisions mentioned herein. The Offering Organizations reserve the right to extend the Deadline. Any extension granted will apply to every participating organizations. The Offering Organizations reserve the right to reject any responses received after the Deadline.
- 4.4. On receipt of the responses, the Offering Organizations will perform an evaluation of responses, with a view of selecting at least one participating organization to participate in a due diligence process.
- 4.5. The Offering Organizations may, in their absolute discretion, require that you attend a meeting or a conference call to discuss any aspect of your response, or any other matter related to this call for EOI.
- 4.6. After the due diligence process, the qualified organization(s) will be invited to revise its/their response and could be asked by the Offering Organizations to specify in greater detail the extent of the commitments to be taken. This, in view of the negotiation of an exclusive license agreement between the successful organization (should there be more than one qualified organization) and the Offering organizations.
- 4.7. The licensing of the Technology to the successful participating organization will be subject to the formal approval of a license agreement by the Parties.
- 4.8. Subject to the final agreement reached by the parties, the licence under consideration is expected to have the following specificities :
 - coverage: worldwide ;
 - initial duration: 7 years, renewable upon signature of new agreements ;
 - field of application: production of sodium chlorate ;
 - as of the date and within the period to be determined, the licensee shall have an option to purchase the Technology.

5. Rules of ethics

A. Ineligible persons and companies

5.1. The following persons are ineligible to participate to this call for EOI process:

- Hydro-Québec employees ; and
- corporate entities, corporations, partnerships or firms in which a Hydro-Québec employee holds a direct or indirect interest, except where such interest can be acquired without restriction by the public.

Any licence awarded to any such person or entity may be terminated and Hydro-Québec shall be entitled to any damages arising thereof.

B. Mandatory disclosure of any possible conflict of interest

5.2. Any person who holds an important position within or has a significant interest in the organization of a participating organization and who is related by blood or marriage (father, mother, son, daughter, brother, sister, legal or common-law spouse) to a Hydro-Québec employee shall notify Hydro-Québec thereof. Such a relationship shall not prevent the participating organization from taking part to this process. The declaration of such relationship allows the licence to be awarded and administered in compliance with Hydro-Québec's rules of ethics.

Any such declaration shall be made in a letter enclosed with the response, stating the name of the persons in question and their roles with respect to the participating organization or Hydro-Québec.

Failure to make such a declaration at the proper time could result in the rejection of the response submitted pursuant to this call for EOI or the termination of any licence that may arise out of it, as the case may be.

C. Anti-competitive practices

5.3. The participating organization, by the very fact of submitting its response in the context of this call for EOI process, declares that it has not acted, either personally or through their employees, representatives or agents, contrary to the

federal *Competition Act*, R.S.C. 1985, c. C-34, which Act provides, in particular, that the fact of being party to bid-rigging, namely :

- an agreement or arrangement between or among two or more persons whereby one or more of those persons agrees or undertakes not to submit a record in response to a call or request for EOI's, bids or tenders ;
- the submission of responses that are arrived at by agreement or arrangement between or among two or more participating organizations ;

constitutes an indictable offence.

5.4. The participating organization consequently declares that there has been no communication, agreement, or arrangement with a competitor in respect of :

- prices,
- methods, factors, or formulas to set prices,
- whether to submit a response,
- deliberately submitting a response that does not meet the specifications of this document , in violation of the Act.

5.5. Bid-rigging is an illegal commercial practice under the *Competition Act*, R.S.C. 1985, c. C-34 and constitutes a form of price fixing. Every person who is a party to bid-rigging is guilty of an indictable offence and is liable on conviction to a fine in the discretion of the court or to imprisonment for a term not exceeding 14 years, or to both.

5.6. Moreover, the participating organization declares that it has not obtained nor attempted to obtain privileged information from the Offering Organization employees or from any natural or legal person, partnership or corporation that has been involved either directly or indirectly in the preparation of the response.

D. Warning

5.7. Any offer, gift, payment, remuneration, or benefit made or offered with a view to obtaining a licence that may arise from this call for EOI, is liable to result in the rejection of the response or cancellation of the awarded licence, as applicable.

6. Queries and notification of changes

- 6.1. By no later than March 5th 2014, 12:00PM (Montréal time), you may submit any queries you might have relating to this process. Please submit such queries by email to the person identified in the Notice to Interested Parties of this document. As far as is reasonably possible, the Offering Organizations will respond to all reasonable requests for clarification of any aspect of this call for EOI document and supporting documents.
- 6.2. You must inform the Offering Organizations in writing if there is any change in control, composition or membership of your organization subsequent to your expression of interest in this process. The Offering Organizations reserve the right to disqualify you from this process as a result of any such change.

7. Form and content of responses

- 7.1. To be eligible to this call for EOI process, responses, all documents and correspondence shall be written either in English or French and cover the following issues.
- 7.2. For your response, you shall only consider the information contained within this call for EOI document and other supporting documents, or otherwise formally communicated to you in writing.
- 7.3. A presentation of your organization (activities, upper management, main subsidiaries, affiliates, key technical resources etc).
- 7.4. An overview of your strengths as a potential licensee for the Technology, from a technical and a commercial standpoint, as well as your vision of the nature of an eventual partnership between you and the Offering Organizations.
- 7.5. You shall enclose the following information and/or documents :
 - the name, title, address, phone number and e-mail address of the person dully authorized to sign your response, a proof of that authorization and a chart showing his position within the management structure of the company ;

- the 2012 Annual Report of your company ;
 - the total investment of your company in 2012 in R&D and the total number of R&D staff (PhD, engineers and other technical and supporting staff) currently working for the company in the field of sodium chlorate ;
 - list of subsidiaries, associated firms or R&D institutions working with your organization in the field of sodium chlorate ;
 - any quality insurance certifications you have (e.g. ISO 9001).
- 7.6. Specify the amount in Canadian dollars the participating organization is prepared to pay in an upfront payment to acquire an exclusive license of the CEC® Technology. This amount may be revised by the participating organization after due diligence, prior to the final selection step.
- 7.7. The participating organization should indicate how much in Canadian dollars it plans to invest in the next five (5) years to develop and use the CEC® Technology in its operations (business plan). The participating organization should also indicate the amount it is prepared to spend to participate in the protection of Intellectual Property. A more specific commitment will need to be made after the due diligence, prior to the final selection step.
- 7.8. The participating organization should indicate whether it plans to contract the Offering Organizations in the next three (3) years to support the company in the valorization of the CEC® Technology. It should also indicate if it is interested in discussing a partnership or a contract regarding the use of the electrode manufacturing capabilities of the Offering Organizations. (please give detailed information – no more than 300 words).
- 7.9. Give a brief description (no more than 500 words) of the participating organization's interests, objectives and future plans in regards to the CEC® Technology. Please outline the company R&D plans regarding high performance electrodes for the production of sodium chlorate.
- 7.10. Any other complementary information vis-à-vis the evaluation criteria set out hereinafter in this document.

8. Due diligence process

- 8.1. Should you qualify pursuant to this process, you will be invited to take part to a due diligence examination where you will have access to detailed information concerning the Technology, including the underlying industrial processes developed throughout the different R&D phases.
- 8.2. Any participating organization called on to take part in the due diligence process shall previously sign a written undertaking of non-disclosure and confidentiality and send a check or draft in the amount of 10,000.00\$ CAD labelled and sent to :

Hydro-Québec - Obtention des revenus autres

Re: Call for EOI – Sodium Chlorate

Banque Nationale du Canada
324, des Forges Street
Trois-Rivières, (Québec)
Canada, G9A 2G8

The account number including codes is:

SWIFT Code: BNDCCAMMINT

Bank no. : 006

Transit no.: 00261

Account no.: 02-868-26

- 8.3. Please notify **Thérèse Loiseau** (at +1 (450) 652-8384 or loiseau.therese@hydro.qc.ca) from Hydro-Québec after sending your payment to the above mentioned account in regards to this call for EOI.

9. Call for EOI conditions

- 9.1. The process described in this document is highly confidential. All information exchanged between the Offering and participating organizations, either in writing or orally, must be treated in confidence and not disclosed to any third party (except to participating organizations' legal advisers), unless the information is already in the public domain.
- 9.2. By submitting a response to this call for EOI, you will be deemed to adhere to the

provisions and to any conditions stated herein, unless of a clear statement from your part to the contrary, which nevertheless may result in the rejection of your response.

- 9.3. Any answers to any clarification requests received by the Offering Organizations will be forwarded to all participating organizations, without specifying the name of the organization which submitted the request.
- 9.4. The information contained in this call for EOI document and in any related written or oral communication is believed to be correct at the time of issue but the Offering Organizations will not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such.
- 9.5. By issuing this call for EOI document, the Offering Organizations are not bound in any way to enter into any contractual or other arrangements with you or any other party.
- 9.6. It is intended that the remainder of the call for EOI process will take place in accordance with the provisions of this document, but the Offering Organizations reserve the right to terminate, amend or vary the process by notice to all participating organizations in writing. The Offering Organizations will accept no liability for any losses caused to you as a result of this.
- 9.7. You will not be entitled to claim from the Offering Organizations any cost or expenses that you may incur in preparing your response, regardless of whether your response is successful or not.
- 9.8. No publicity regarding the matter at stake in this document shall be made by you unless the Offering Organizations have given express written consent to the communication project.
- 9.9. The Offering Organizations reserve the right to disqualify you if you do not submit your response in a manner consistent with the provisions set out in this call for EOI document.
- 9.10. By preparing, signing and sending a response to this call for EOI, the participating organization confirms alignment with the rules of ethics stated above.

9.11. Your response should remain valid for acceptance for a minimum of 120 days from the date it is submitted.

10. Rejection of a response

10.1. The Offering Organizations reserve the right to reject any or all responses received.

10.2. Specifically, the Offering Organizations may reject any response that it considers incomplete, non-conforming or not balanced. The Offering Organizations shall reject any response that does not comply with the law.

11. Evaluation criteria

11.1. Here are the criteria and the relevant weightings that the Offering Organizations will use to evaluate the responses and qualify the participating organizations. You shall thus make sure that your response adequately covers each and everyone of them.

Description	Rating (%)
General quality of the financial situation of the participating organization (ref.: 2012)	6%
2012 total R&D expenses and staff number	7%
Qualities of main R&D partners	5%
Quality insurance certifications	7%
Consent to the principle of an upfront payment to acquire an exclusive licence	5%
Upfront payment: extent and nature of the proposed financial commitment	15%
Extent and nature of commitment towards the evolution of the Technology (over a 5 year horizon) and IP protection	15%
Proposed contracts to the Offering Organizations (re: par.7.8)	15%
Participating organization's interest, objectives and plans	25%
Consent – 10 000\$CAD fee (upon selection for and previously to the due diligence process)	Compulsory
TOTAL	100%

12. Miscellaneous

- 12.1. All modifications to the contents of this call for EOI document shall be made by means of addenda issued by Hydro-Québec's IT Procurement Unit and are deemed to form an integral part hereof. Any addenda issued will be published on Hydro-Québec's website and sent by e-mail (as well as by fax if expressly required) to the designated representative of each participating organization, at the address that will have been provided initially to Hydro-Québec.
- 12.2. It is the responsibility of the interested parties to check out Hydro-Québec's website regularly in order to be aware of any addenda that may have been issued.
- 12.3. Interested parties shall bear all costs and expenses they incur related to their response to this call for EOI and therefore should not be entitled to any claim in that regard against either of the Offering Organizations.
- 12.4. The Offering Organizations reserves the right to cancel this call for EOI process at any time and not to award any contract.

13. Patents / Intellectual property

- 13.1. Nanocrystalline Alloys of the $Fe_3Al(Ru)$ Type and Use Thereof Optionally in Nanocrystalline Form for Making Electrodes for Sodium Chlorate Synthesis
- CAN appl. # 2.588.906; Patent # 2.687.129 ;
 - International appl. PCT/CA2008/000947 ;
 - US appl. # 12/599.856 ;
 - Chinese appl. # 200880023201.6 ;
 - European appl. # 08 757099.0 ;
 - Brazilian appl. # 0810310-0.
- 13.2. Bipolar Electrodes with High Energy Efficiency and Use Thereof for Synthesising Sodium Chlorate
- CAN appl. # 2.671.211
 - International appl. # PCT/CA2010/000531
 - European appl. # 10796605.3
 - Chinese appl. # 201080039525.6

13.3. Alloys of the Type $\text{Fe}_3\text{AlTa}(\text{Ru})$ and Use Thereof as Electrode Material for the Synthesis of Sodium Chlorate

- CAN appl. # 2.778.865
- International appl. # PCT/CA2013/050323

13.4. Techniques for Production of Chlorated Products and Prefabricated Cathode Structures

- CAN appl. # 2.750.881
- International appl. # PCT/CA2012/050582 => PCT/CA2013/050136

A p p e n d i c e s

- *Identification of participating organizations*
- *Mandatory Disclosure of Potential Conflict of Interest*
- *Pre-requirements*
- *Main questionnaire*
- *Past Projects*



1. IDENTIFICATION OF PARTICIPATING ORGANIZATION

Re: *Call For Expressions of Interest for the Sodium Chlorate Efficient Cathode Technology (CEC®)*

Company name: _____

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Number of addenda received: _____

We, the undersigned, have reviewed the documentation received and have filled in the information requested above and on the following pages in accordance with the conditions stated, all of which becomes our EOI.

SIGNING OFFICER: _____ **Date:** _____
Signature YYYY / MM / DD

Name

Function



2. MANDATORY DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

CALL FOR EXPRESSIONS OF INTEREST for the Sodium Chlorate Efficient Cathode Technology (CEC®)

COMPANY NAME: _____

I, the undersigned, _____, hereby attest that :

Check appropriate box

No one in our company is in a conflict of interest with regard to this Call for Expressions of Interest.

or

The following person(s) in our company is/are in a real or apparent conflict of interest:

	Participating organizations		Hydro-Québec		Relationship
	Name	Function	Name	Function	
1					
2					
3					

Name of representative

Title

Signature

Date

3. Pre-requirements

The Offering Organizations have identified the following essential criteria that participating organizations must meet. Please check () the appropriate box :

Question	TRUE	FALSE
1. The participating organization is not under the protection of a legislation on bankruptcy and insolvency or on creditors' arrangements, or the object of proceedings under such a laws.		
2. The participating organization is not the object of a proceeding that could affect its financial position.		
3. The participating organization is not in a real or perceived conflict of interest with the Offering Organizations.		

4. Main Questionnaire

Please answer the questions below and provide the necessary explanations

Questions
<p>1. Briefly describe your company.</p> <ul style="list-style-type: none"> a. Mission, vision, year of inception, number of employees, etc. b. Area(s) of activity c. Quality of the organisation financial position (sales, debts, ref.: 2012) d. Other
<p>2. Describe your organization (facilities, number of internal and external experts, personnel, budget, etc.) with regard to the following activities :</p> <ul style="list-style-type: none"> a. Research and development, testing facilities b. External R&D partners c. Electrode manufacturing capabilities
<p>3. Specify any quality insurance programs / activities /certifications you have.</p>
<p>4. Outline the main aspects of your proposal to acquire an exclusive license of the Technology, including its scope / extent and the nature of the proposed financial commitment (upfront payment).</p>
<p>5. Describe your plans regarding the evolution of the Technology on a five year horizon, as well as your willingness to contribute to the development of the intellectual property and its protection.</p>
<p>6. Describe your plans regarding future partnership or contractual arrangements with the Offering Organizations as to the valorization of the Technology, including as to the use of the Offering Organization’s manufacturing facilities described herein.</p>
<p>7. More broadly, briefly summarize your general interest, objectives and plans regarding the Technology.</p>
<p>8. Specify your interest in participating in the due diligence process described herein, as well as your vision of the suitability of the 10 000\$CAD amount to be paid in that regard.</p>

NOTE: THE OFFERING ORGANIZATIONS RESERVE THE RIGHT TO VERIFY THE ANSWERS PROVIDED AT ANY TIME.

5. PAST PARTNERSHIP PROJECTS

In the form below, provide the information requested for the most relevant projects you have participated in over the past five (5) years.

Partner's name :		Number of partner employees assigned to the project :
Partner's address :		Project duration (in months, weeks or days) :
Project start date (month/year) :	Project end date (month/year) :	Approximate value of project :
Name of associated consultants/partners :		Effort (in person-months) by you :
Name and contact information of a customer reference - Name : - Title : - Telephone :		Effort (in person-months) by the partner :
Project description :		