SCORCAN

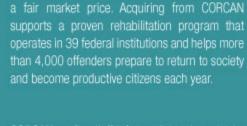
Canadian values AT WORK

Les valeurs canadiennes

AU TRAVAIL

CORCAN prides itself on offering customers high-quality, high-value products and services at









CORCAN est fier d'offrir à ses clients des produits et des services de très grande qualité à des prix plus que raisonnables. En faisant vos acquisitions auprès de CORCAN, vous soutenez un programme de réadaptation éprouvé qui est mis en oeuvre dans 39 établissements correctionnels fédéraux et qui aide chaque année plus de 4 000 délinquants à se préparer en vue de leur retour dans la société et à devenir des citoyens productifs.





CORCAN Canadian values at work Quality from the inside out SCORCAN SCORCAN





CORCAN Governance

CORRECTIONS AND CONDITIONAL RELEASE ACT

CSC MISSION STATEMENT

CORCAN MANDATE

CORCAN STRATEGIC VISION

CORCAN's mandate is to aid in the safe reintegration of offenders into Canadian society by providing employment and employability skills training to offenders incarcerated in federal penitentiaries and, for brief periods of time, after they are released into the community.

By providing offenders with the employment experience and skills they need to become productive citizens when they return to the community, we play a key role in CSC's mandate to enhance public safety.

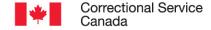
CORCAN's strategic vision: contributing to safer communities through innovative and effective client-oriented partnerships that assist offenders in more successful reintegration.





Key CORCAN Characteristics

- CORCAN is a key rehabilitation program of the Correctional Service of Canada (CSC)
- Part of CSC (COP Sector) with Special Operating Agency status
- Operates under Treasury Board Charter
- Costs recovered from revenues and training fee
- Requirement for annual external financial audit
- Advisory Board appointed by Minister





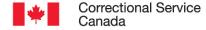
CORCAN Organisation

NHQ

 Finance, Employment and Employability Program, Corporate Affairs, CEO and administrative supports

Operations

- 5 regions (same as CSC) in 36 institutions (and 3 sites in the community)
- 450 staff, train over 4000 offenders each year
- Over 2400 offenders are working in CORCAN on an average day
- 4 business lines: textiles, manufacturing, construction, and services (such as printing and laundry)
- Provide dynamic security within the institutions





CORCAN Employment & Employability Program

CORCAN's objective is to assist offenders to be employment ready upon release by providing opportunities to learn and develop technical and essential skills required for today's labour market.

The role of the Employment & Employability Program is to support this objective through the delivery of:

- Vocational training (knowledge and soft skills) enhances offenders' job readiness and employment skills through community recognized certificates linked to the labour market. CORCAN focuses its vocational training related to trades in industries that have demonstrated a high probability of employment for offenders and matches the needs of the labour market: Manufacturing, Construction, Accommodation & Food Services.
- On-the job skills training (technical and hard skills). CORCAN shops offer offenders real-life experiences similar to what they would find in the private sector, preparing them for entry level positions in many industries.

Employability is as much about the "soft" skills (e.g. communication, working in a team) as it is about the "hard" (technical) skills and offenders are provided the opportunity to learn the skills necessary for success – to enter, stay in and progress in the working world individually, or as part of a team. Many of the hard and soft skills acquired in CORCAN shops are transferable as they are generic to many trades and industrial situations.





CORCAN Manufacturing

- CORCAN shops operate in as businesslike a manner as possible given their institutional setting
 and training imperatives. Products and services meet private sector norms and standards
 because research indicates that the more realistic the work experience, the more effective the
 rehabilitation experience.
- With ISO certified production plants across the country, CORCAN was the first ISO certified prison industry in the world.
- In 2012-2013 CORCAN generated revenues from operations of \$68.6 million.
- To meet today's market requirements, CORCAN adopted current manufacturing sector standards such as the International Standards Organization (ISO); Leadership and Energy and Environmental Design (LEED); CAN/CSA Barrier Free Design, Canadian General Standards Board (CGSB) and Architectural Woodwork Manufacturer's Association of Canada (AWMAC) protocols, ANSI/BIFMA, Cal TB for fire retardancy, VOC emissions, etc. and other international standards. Our products also meet Greenguard requirements, although the cost is too significant for us to formally adhere.
- Investments in new equipment / technology are from operating surpluses (as we operate on a cost recovery basis).





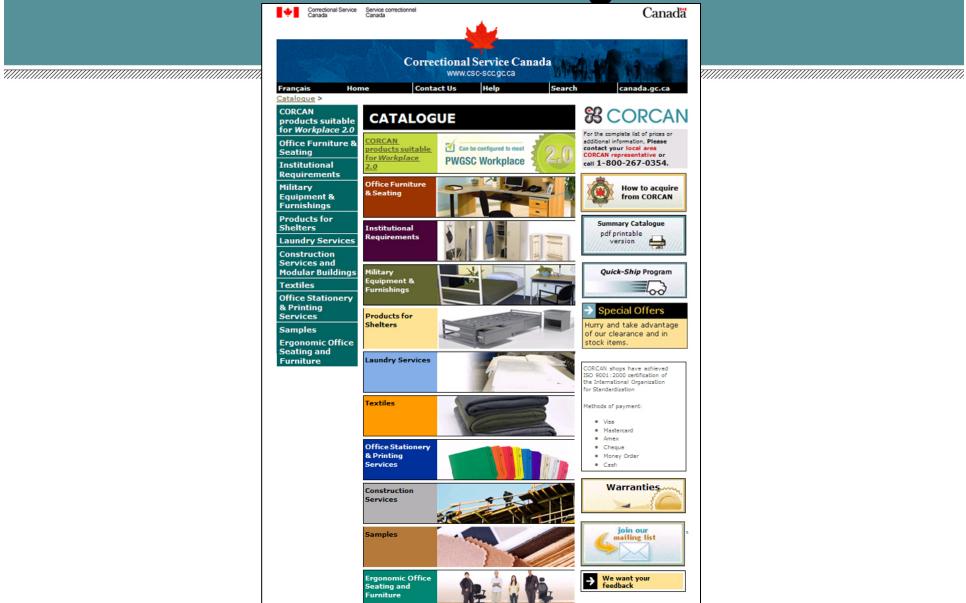
CORCAN Manufacturing (cont'd)

- Products are made across Canada in multiple shops, giving us flexibility & low freight costs; product prices are freight included across Canada with the exception of Nunavut, NWT and Yukon.
- Components and raw materials are purchased via National Individual Standing Offers (NISO) to
 ensure quality and consistency (meets rigorous specs prior to awarding competitive SOs), we
 currently have about 60 SOs in place/being put in place that have been done via a competitive
 process with the help of PWGSC Procurement Officers/Supply Specialists.
- We offer recycling and zero to landfill programs. We are mindful of the lifecycles and sustainable procurement, and PWGSC green procurement checklist.
- We are up to date with PWGSC fit-up standards/footprint and produce and stock typical workstations that respect those guidelines. We are also staying abreast of Workplace 2.0 initiatives and how this will influence workstations and other products.
- 3D drawings and large format printing capabilities; Inventory and retrofit capabilities.
- Our product have a 10 year warranty against all defects in materials, operation and workmanship, excluding fabric, mechanical and electrical parts which are warranted for a period of 5 years. Mattresses, textiles and custom products are warranted for one year.





www.CORCAN.gc.ca



CORCAN Products Suitable for Government of Canada Workplace 2.0 Fit-up Standards







CORCAN produces and stocks typical workstations and other products that meet Government of Canada Workplace 2.0 standards.

www.gcpedia.gc.ca/wiki/Workplace_2.0

Resources

CORCAN: Buying Furniture for Workplace 2.0





CORCAN Business Lines: Manufacturing

CORCAN operations focus on products and services that are marketed primarily to the Correctional Service of Canada and other federal government departments.

- 990 Inmate Trainees
- Revenue 2012-2013 of \$44 million











CORCAN Business Lines: Manufacturing (Products)

- Workstations
- **Ergonomic Seating**
- **Acoustical Screens**

- Lockers, Shelving, Bookshelves and Kiosks
- **Executive Office Furniture**
- Shelter Furniture
- **Barrack and Dormitory Furniture**





















CORCAN Business Lines: Manufacturing (Products)

Quality from the inside out





Ergonomic seating:

Annual production 6,200@ 3 offender training hours per chair

=18,600 training hours

Archambault and Mountain Institutions



Canada





CORCAN Procurement Challenges

Components and raw materials are purchased via Standing Offers.

Typically CORCAN products are developed for a minimum of 10 years of life cycle; therefore, we must ensure we are able to produce the raw materials to produce a consistent product for the entire product's life span.

For example, in order to produce one chair, CORCAN has put in place 11 NISOs



- Seat plywood
- Seat molded foam
- Glue
- Fabric
- Back rest
- Mechanism

- Gas cylinder
- Arm rest
- Base and casters
- Packaging
- Hardware



CORCAN Procurement challenges (cont'd)

CORCAN eSpace panel system workstations are manufactured by procuring 16 standing offers.

The challenge is to establish SOs for the longest possible period of time (minimum 5 years) while avoiding to pay a premium on the components. Some raw material prices vary significantly during a one year period. In order to guarantee a price for several years, suppliers increase their prices to be on the safe side. If for each of the SO CORCAN pays a high price, we would not be able to sell our products at the market price.

CORCAN had to find, with the help of PWGSC, innovative ways to do our procurement.

One of the innovative ways would be to be able to adjust, in a timely, simple and transparent manner, the prices of the aluminum extrusions for the structural elements of our eSpace panel system in the NISO.







CORCAN Procurement challenges (cont'd)

Since the price of aluminum is established by the London Metal Exchange (LME), CORCAN asked PWGSC if we could use this variable in our RFSO.

We asked the bidders to base their prices according to the LME aluminium price of the day and to write it down in their tender. This information played 2 roles: the first was for the price evaluation of the bids and the second, enable us to adjust the prices according to the fluctuation of the aluminium price over the period of the SO.

In the resulting NISO, the supplier has the possibility to adjust its prices on a monthly basis if the LME aluminium price varies more than 3% than the last established price. For them, it provides a security of pricing and for CORCAN, we pay the right price and not an inflated one.







CORCAN Business Lines: Textiles

CORCAN operations focus on products and services that are marketed primarily to the Correctional Service of Canada and other federal government departments.

- 908 Inmate Trainees
- Revenue 2012-2013 of \$5.6 million

- Mattresses
- Commercial clothing including uniforms, sweat shirts, pants, aprons, parkas, jackets, undergarments, etc.
- Custom clothing
- Sheets, towels











CORCAN Business Lines: Services (laundry and printing)

CORCAN printing operations service federal government clients. Laundry operations support Quebec Health Services operations.

- 250 Inmate Trainees
- Revenue 2012-2013 of \$5.6 million

- File folders and other office supplies
- Industrial laundry for health-care facilities









CORCAN Business Lines: Construction

CORCAN operations focus on products and services that are marketed primarily to the Correctional Service of Canada and other federal government departments.

- 621 Inmate Trainees
- Revenue 2012-2013 of \$13.3 million

- Infrastructure maintenance, construction
- Institutional construction and refurbishment
- Modular buildings
- Ready-to-move housing











CORCAN Kingston National Warehouse

- Warehouse Space: 6,605.43 square metres (71,100 square feet)
 Office Space: 609.68 square metres (6,562 square feet)
- The National Warehouse maintains an inventory level that ranges from \$5 to \$6 million. Offenders learn valuable material management skills, including certified lift truck training.
- The National Warehouse processed over 4000 sales orders and 400 customer service reports, generating over \$20 million in revenues.
- Quick ship program orders of product that is stocked at our National Warehouse leave our docks within 72 hours.
- Own fleet of 3 highway tractors and 14 trailers.









CORCAN National Engineering and Technical Support Centre (NETSC)

- During 2012-2013 the NETSC produced 1375 sales quotes which translated to \$70 million potential revenue with four full time staff, two temporary helps and six inmates and parolees.
- An integral part of the NETSC is the Offender Parolee Employment Program
 which offers employment exclusively to offenders and parolees who have
 successfully graduated from the College/Cegep level Industrial Drafting Program
 offered at two CSC Institutions in the Quebec Region.
- The Industrial Drafting diploma, developed as per the Ministere de l'éducation – Quebec (MEQ) guidelines, is a challenging 1800 hrs. long program that requires a 2 week internship (work term) be completed within a working industrial environment.







CORCAN Procurement Advantages

For over 30 years, CORCAN, has been supplying federal government clients with a full range of products and services. CORCAN is part of the federal government, so an order from CORCAN is not a purchase, but a transfer of Crown assets between departments.

- (Effective April 2012) Simply generate a Stores Transfer Order (STO) referencing CORCAN's Stores Transfer Guideline (STG) #E60PQ-050000/001/PQ. Individual Store Transfer Orders (STO) can be issued for any value; this form is available in both languages on our website.
- Acquiring from CORCAN saves our clients time and money, because Treasury Board has given CORCAN preferred supplier status. This means that federal departments and agencies can acquire from CORCAN without following regular tendering/contracting processes. When departments and agencies acquire goods and services from CORCAN, these acquisitions are not subject to the provisions of any of the trade agreements as they represent a transfer of goods or services between departments. These transactions are also excluded from the Treasury Board's *Contracting Policy*.
- If a department or agency is satisfied that a particular good or service offered by CORCAN provides good value and funds are available, then the acquisition may take place without calling for bids, and without reference to the traditional Treasury Board contract entry levels.
- Acquisitions can be paid for with your government acquisition card (VISA and MasterCard credit cards) will be accepted. Payment by Canada for each delivery shall be made by Interdepartmental Settlement Process, as per the Receiver General Manual (Chapter 12).





CORCAN Benefits

- The Canadian public see offenders gainfully employed and contributing to the cost of their incarceration.
- Clients see CORCAN as a quality supplier of products and services that meet all
 private sector standards for design and quality, and an opportunity to contribute to
 safer communities by providing the work and surpluses needed to support its
 mandate (instead of contributing to the corporate profits of our private sector
 competitors).
- Ease of acquisitions between CORCAN and other OGDs.
- Potential employers value the CORCAN work experience, respecting the ISO certified production processes and the level of quality and productivity demanded of our offender workers.
- International corrections visitors comment favourably on the quality and value of the work experience CORCAN provides to offenders, seeking our ideas and best practices that can be transferred to their systems.









www.corcan.gc.ca

1 800.267.0354

Lynn Garrow – <u>lynn.garrow@csc-scc.gc.ca</u> Pierre Carmona – <u>pierre.carmona@csc-scc.gc.ca</u>



