

## Consultancy Specifications

### ***NCP Project on 'Third Party Certification'***

#### Background and Issues

Third party certification is a useful device for authorities to divest themselves of certain regulatory functions and to foster competition among firms that wish to provide accredited services. Using third party certification to outsource some regulatory functions enables cost-savings for governments and creates opportunities for firms and persons to provide accredited services in a competitive environment.

However, costs to users could increase as any existing government subsidy may be removed. Outsourcing may also require expenditure to enact standards to ensure that accreditation and certification processes and outcomes are objective and reliable. It is also impossible for radiation safety agencies to outsource all their regulatory functions as a certain level of control over licensees and registration holders is desirable in the interest of public health and safety. Care must also be taken to ensure that there is no misuse of processes by unscrupulous service providers or industry.

Third-party certification is already in use in some jurisdictions for the testing and certification of certain equipment and apparatus. However, there is no nationally consistent approach to issues such as which activities can be outsourced and how third-party service providers could be licensed or accredited.

The Nuclear Energy Agency (NEA) of the Organisation for Economic Cooperation and Development (OECD) said in a recent report<sup>1</sup>, that third-party certification could benefit regulatory effectiveness and efficiency but its cost-effectiveness and the merits of involving outsiders in regulatory affairs must be thoroughly assessed. The report recommended that formal accreditation should only be pursued if the regulatory authority is convinced that it will bring some extra benefits. The report also noted that third-party certification may be of benefit only if quality standards can be readily established.

The NCP review concluded that jurisdictions should consider outsourcing some activities to accredited third-party service providers to provide the industry a choice of service providers. The increased competition could ultimately benefit consumers through lower prices.

However, there is a need to ensure that certification services are performed against well-defined standards and only qualified and capable service providers are accredited or licensed. As the development of radiation protection standards under the National Directory for Radiation Protection will be a national effort, there is merit in adopting a nationally coordinated approach to ascertain what activities can be outsourced to third-party providers and how service providers can be licensed or accredited.

#### Supported NCP Review Recommendations

Recommendation 7: “Jurisdictions are to develop a uniform set of protocols on functions that can be outsourced to third-party service providers and establish national accreditation processes and guidelines for such providers.” (The recommendation included an observation that this could be done as part of the National Directory for Radiation Protection.)

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<sup>1</sup> *Improving Regulatory Effectiveness*, Committee on Nuclear Regulatory Activities, Nuclear Energy Agency, OECD, January 2001, p.24.

Planned outcome

Lower costs to industry and regulatory agencies through more competition in providing testing and certification services.

Required outputs from consultant

The consultant will develop a protocol for a nationally uniform system of third party certification. This is to include all activities that can be outsourced and principles and guidelines for the development of accreditation standards and processes. The protocol should be developed in a manner suitable for incorporation into the National Directory for Radiation Protection.

In developing the protocol, the consultant is to have regard to the current status of outsourcing activities in all jurisdictions and all existing accreditation standards and processes and will facilitate the negotiation of a national position among jurisdictions on activities that can be outsourced and the procedures for the development of accreditation standards and processes.

Expected start and end dates of consultancy

**Start date:** Date of execution of contract.

**End date:** To be proposed by tenderer.

Selection Criteria

- Extensive knowledge and experience in the area of radiation health and protection.
- Ability to complete short-term public sector projects within tight deadlines.
- Experience in the review of requirements for the outsourcing of government regulatory functions and/or demonstrated knowledge of principles for the outsourcing of government regulatory functions.

Closing date for expressions of interest:

28 February 2003