



Request for Proposals (RFP)

Arctic and Cold Climate Oil Spill Research Facility – Phase I

January 4th, 2013

Table of Contents

- 1 Definitions and Project Introduction 3**
 - 1.1 Definitions..... 3
 - 1.2 Introduction and Background 4
 - 1.3 Objective of the Request for Proposal..... 4
- 2 Administrative 4**
 - 2.1 Technical and Contractual Contact..... 4
 - 2.2 General Instruction for Preparing Proposal 5
 - 2.3 Proposal Requirements..... 5
 - 2.3.1 Location and Regulatory Requirements..... 5
 - 2.3.2 Proposal Submission Requirements 5
 - 2.4 Submission Instruction and Deadline 6
 - 2.5 Discrepancies, Omissions or Clarifications..... 6
 - 2.6 Rejection of Proposal 7
 - 2.7 Preparation and Submission of Proposal..... 7
 - 2.8 Contract..... 7
 - 2.8.1 Additional Future Work 8
- 3 Scope of Work 8**
 - 3.1 Scope of Work Description 8
 - 3.2 Market Study Overview 9
 - 3.3 Overview of Potential Follow-on Activities..... 10
- 4 Deliverables and Reporting 10**
 - 4.1 Project Deliverables 10
 - 4.2 Meetings 10
- 5 Proposal Selection 10**
- 6 Project Timeline..... 11**
- 7 No Liability 11**

1 Definitions and Project Introduction

1.1 Definitions

For the purposes of this RFP, the following definitions are provided:

“Addendum” means the document issued by Petroleum Research to all Service Providers during the open period of the RFP, containing additional information or corrections, made by Petroleum Research, to the RFP already issued.

“Budget” shall mean the budget for the Project as set forth in the Proposal.

“Contract” means the legal written agreement to be negotiated and entered into between the Service Provider and Petroleum Research to provide the research and development services and deliverables as stated in the Scope of Work under any specified negotiated conditions.

“Deliverable(s)” mean the deliverables as described in Section 4.1 of this RFP.

“JIP” means a Joint Industry Project.

“May” shall indicate something that is not mandatory but permissible.

“Project” means Arctic and Cold Climate Oil Spill Research Facility – Phase I, as more particularly described in the Scope of Work.

“Proposal(s)” means the document(s) submitted by the Service Providers in response to the RFP.

“Request for Proposal (RFP)” means the documents issued to the Service Providers by Petroleum Research in connection with the preparation of the Proposal, including all Addendums.

“Scope of Work (SOW)” means a formal written description that captures and defines the work activities, deliverables and timeline a Service Provider will execute against in performance of the specified work for Petroleum Research, as more particularly described in Section 3 of this RFP.

“Service Provider(s)” means any person(s), corporation(s), partnership(s), joint venture(s), company(s) or other organization(s) which may submit a Proposal to Petroleum Research in response to the RFP.

“Shall/Must” shall indicate a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a Proposal.

“Should” shall indicate something that is recommended but not mandatory. If the Service Provider fails to provide recommended information, Petroleum Research may, at its sole option, ask the Service Provider to provide the information or evaluate the Proposal without the information.

“Steering Committee (SC)” means a committee composed of representatives as identified to the Service Provider by Petroleum Research to address project execution and governance decisions.

“Successful Service Provider” means the Service Provider whose Proposal has been accepted by Petroleum Research and with whom Contract negotiations will be undertaken.

1.2 Introduction and Background

Petroleum Research Newfoundland & Labrador (Petroleum Research) is a federally-incorporated, not-for-profit corporation that identifies opportunities, develops proposals, funds, and manages the execution of research and technology development projects on behalf of the Newfoundland and Labrador offshore oil and gas industry. Research and technology development projects funded must be strategically and commercially relevant, create value for members, be compliant with Canada-Newfoundland and Labrador Offshore Petroleum Board (“C-NLOPB”) research and development (“R&D”) guidelines, enhance local R&D capacity and capability in strategic research areas and enable broader application of technologies developed through Petroleum Research.

It is required that all work and expenditures will take place in Newfoundland and Labrador. The Successful Service Provider (and any consultant(s)/sub-contractor(s)/vendor(s) where used) will be required to have a base of operations in Newfoundland and Labrador from which the Scope of Work (SOW) will be executed and where the Contract will be administered.

Oil spill prevention and response are integral aspects of offshore petroleum exploration and development emergency preparedness activities. Conducting full scale in situ tests of oil spill response (OSR) technologies and processes are costly and complex exercises. Simulated environments are an alternate means by which OSR technologies and processes can be safely developed and validated. There is an interest in investigating the feasibility of establishing a research facility that will permit oil and gas industry stakeholders to perform full scale testing of OSR technologies in cold and harsh environments. The aim of Phase I of this project is to determine whether sufficient demand exists or is expected to exist for a cold climate oil spill research facility to be established in Newfoundland and Labrador.

1.3 Objective of the Request for Proposal

Petroleum Research, by means of this RFP, is seeking Proposals from qualified Service Providers to form the basis for the negotiation of a Contract to conduct project work as detailed in the SOW. The objective of Phase I of this project is to determine and characterize the overall demand that exists or is foreseen for a cold climate oil spill research facility. Phase I work will consist of a market study, whereby potential users and usage modes and the requirements of such a facility will be established. If the results of the market study show that sufficient demand exists for such a facility, later phases of this project would potentially involve determining the feasibility of establishing a facility that meets the identified requirements in Newfoundland and Labrador.

2 Administrative

2.1 Technical and Contractual Contact

Any questions regarding this RFP should be submitted by e-mail to the contact stated below with the project name written in the email subject line.

Petroleum Research Contact:

Name	Susan Hunt
Phone	(709) 738-7904
E-mail	susan.hunt@petroleumresearch.ca

2.2 General Instruction for Preparing Proposal

Service Provider shall prepare and submit the Proposal according to the instructions of this RFP.

Service Provider shall not be reimbursed for any costs, expenses or charges which the Service Provider incurs or is required to expend in its preparation of a Proposal, including travel and attendance at any clarification or pre-award meetings. Petroleum Research shall not be under any liability whatsoever for or in respect of payment of any said costs, expenses or charges.

This Request for Proposals is not a tender call. The lowest cost Proposal will not necessarily be accepted. Petroleum Research reserves the right to accept the Proposal which it deems most advantageous to accomplish the SOW, and also reserves the right to reject any or all Proposals, in each case without notice, and to not complete the Project.

Petroleum Research reserves the right, at its sole discretion, to negotiate with any Service Provider it believes has the most advantageous Proposal or with any other Service Provider or Service Providers concurrently. In no event will Petroleum Research be required to offer any modified terms to any Service Provider prior to entering into a Contract with the Successful Service Provider. Notwithstanding the evaluation contained herein, Petroleum Research reserves the right to evaluate Proposals, negotiate the Contract and/or to execute the Project, in whatever fashion is, at Petroleum Research's sole discretion, most advantageous to Petroleum Research.

2.3 Proposal Requirements

2.3.1 Location and Regulatory Requirements

- The work must be compliant with C-NLOPB R&D guidelines; and,
- The Service Provider must carry out all work in Newfoundland and Labrador.

2.3.2 Proposal Submission Requirements

The Proposal must demonstrate how the Service Provider will fulfill the SOW and meet all proposal requirements as described herein. Petroleum Research will evaluate the Proposal based on the guidance provided in Section 5, herein. The Proposal shall include:

- The official registered name and contact information (title, telephone number, fax numbers and e-mail address) of the Service Provider and other parties who will be involved in the Project;
- An Executive Summary presenting a high-level synopsis of the Service Provider's response to the RFP. The summary should be a brief overview of the proposal and should identify the main features and benefits of the proposed efforts to be undertaken;
- A Preliminary Project Execution Plan, including:

- Description of the technical approach that will be taken to complete the SOW;
- A description of the project management approach; including third party subcontractors that will be used, the specific tasks for which they will be responsible and a description of how the Project will proceed from beginning to end;
- A Project Schedule showing the duration of major tasks, timing of milestones and completion date of project deliverables;
- A Project Budget that provides a detailed breakdown of all estimated costs for the work proposed and an overall project cost. The Project Budget breakdown shall:
 - Be in Canadian dollars;
 - Include all costs associated with project management, administration, professional services, personnel, materials, and travel, incidental costs and contingency costs; and,
 - Identify hours worked and cost per hour for all resources, including contractors, subcontractors or technical experts;
- Listing and description of the identified risks and constraints of the project;
- Listing and description of any assumptions; and,
- A listing of all key project team personnel, including a description of the roles and responsibilities of each team member, demonstrating their ability to complete the project and the qualifications of the key management and technical staff (e.g. resumes, references, qualifications and experiences).

2.4 Submission Instruction and Deadline

The Proposal should be signed on the Service Provider’s behalf by a duly authorized signing officer of the Service Provider and submitted in a manner consistent with the requirements of this RFP. One (1) electronic copy of the Proposal should be submitted as a single package by email in PDF format and received by Petroleum Research on or before the closing date; **Friday, February 8th, 2013, 2:00PM (Newfoundland Time).**

Proposals are to be identified in the subject line as follows:

Identification	Proposal: Arctic and Cold Climate Oil Spill Research Facility – Phase I Attention: Susan Hunt
E-mail	susan.hunt@petroleumresearch.ca

2.5 Discrepancies, Omissions or Clarifications

The Service Provider is required to study the RFP and to obtain all information they may require to enable submission of the Proposal. In responding to the RFP, the Service Provider shall be deemed to have satisfied itself as to the correctness and sufficiency of its Proposal as submitted. No Proposal shall be conditional upon the availability of labor, staff, equipment, materials, permits, authorizations or anything whatsoever which the Service Provider is required to provide.

Should Service Provider find discrepancies in or omissions from the RFP, or have any doubts as to the meaning or intent of any part thereof, Service Provider shall notify Petroleum Research by e-mail to the contact as specified in Section 2.1, herein. Questions and comments that are deemed to materially affect the RFP SOW, time line, etc. or that may be of interest to all prospective Service Providers will be handled as an Addendum while the RFP is open and will be made available to all Service Providers on Petroleum Research's website and by email to the same persons as who were emailed the initial RFP information if the RFP was initially disseminated by email.

2.6 Rejection of Proposal

Any Proposal or part thereof which is incomplete, conditional or obscure, contains additions not called for, contains irregularities of any kind or does not fulfill the mandatory requirements listed in this RFP or does not offer sufficient information and opportunities to complete the SOW may be rejected by Petroleum Research in its sole discretion.

2.7 Preparation and Submission of Proposal

In order to address the needs of this RFP, Service Providers may work cooperatively. Service Provider team arrangements may be desirable to enable the parties involved to complement each other's capabilities and expertise, while offering the best combination of performance, cost and deliverables to be provided under the RFP. Petroleum Research will recognize the integrity and validity of Service Provider team arrangements provided that:

- The arrangements are identified and relationships are fully disclosed; and,
- A prime Service Provider is designated that will be fully responsible for all Contract performance and requirements.

If a partnership or joint venture submits a Proposal, a one member of the partnership or joint venture shall be identified in the Proposal as the lead Service Provider for the project and shall be responsible for all duties and obligations assumed by the Service Providers under the Proposal and Contract, if negotiated and entered into.

2.8 Contract

Any Contract resulting from this RFP shall be governed by the laws of the Province of Newfoundland and Labrador and shall be issued in the legal entity name of the Successful Service Provider(s) exactly as that Service Provider's legal name is stated in the response document.

Any provision in the Proposal may be included in the Contract as a direct provision thereof. Petroleum Research has no liability unless and until a Contract is negotiated and signed. Petroleum Research does not guarantee or warrant that it and the Successful Service Provider will successfully negotiate and execute a Contract. Petroleum Research will not be responsible for any of the Successful Service Provider's legal costs associated with Contract development, negotiation or execution.

The Contract will provide for the following minimum terms and condition:

- Petroleum Research’s standard payment terms which are net 30 days from receipt of the invoice. All applicable taxes must be shown separately on all invoices. All invoices will be subject to a 10% holdback, which will be released upon satisfactory completion of the Deliverables;
- The Contract shall be reimbursement based and all progress payments requested by the Successful Service Provider must be supported by sufficient detail regarding the work completed, resources used, costs incurred, and hours worked and must be approved by Petroleum Research before payment;
- Throughout the Project period the Successful Service Provider will be accountable to Petroleum Research for all deliverables;
- It will be the responsibility of the Successful Service Provider to sub-contract all consultant(s) that will be used for the duration of the project;
- The Successful Service Provider and consultant(s) may be expected to meet periodically with Petroleum Research and the SC to review the Project progress; and,
- No payment will be made for the cost of work incurred to remedy errors or omissions for which the Successful Service Provider is responsible.

In the event of a decision by Petroleum Research to terminate the Project at any point after entering into a Contract with the Successful Service Provider, liability to the Successful Service Provider will extend only to those costs actually and properly incurred up to the time of such termination.

2.8.1 Additional Future Work

Petroleum Research may amend or replace any Contract that may emerge from this RFP to complete future work related to this Project. Petroleum Research may also issue a subsequent Expression of Interest (EOI) and/or RFP to address any future work related to this Project or subject matter area, without awarding such work to the Successful Service Provider. The decision to amend or replace an existing Contract and/or to issue a subsequent EOI and/or RFP is at the sole discretion of Petroleum Research.

3 Scope of Work

3.1 Scope of Work Description

The following general approach will be used to complete Phase I of this project:

- Determine the overall anticipated usage profile of the prospective facility, including numbers and types of potential customers, usage modes and usage rates;
- Identify the features, services and capabilities that are required to be present in the facility in order to meet user needs;
- Specify the requirements needed to deliver the identified facility features;
- Identify how the prospective facility would differ and be superior to other alternatives;
- Develop overall demand estimates with consideration for uncertainties and external dependencies;

- In consultation with the project steering committee, determine whether sufficient demand exists to investigate the technical feasibility of establishing such a facility in Newfoundland and Labrador; and,
- Develop user requirements that can be used as the ‘to-be’ state of the prospective facility.

3.2 Market Study Overview

The market study will obtain information from parties that would potentially be interested in using the prospective facility or who can provide insight as a result of their subject-matter expertise. Study subjects will include: oil and gas operators and their contractors/sub-contractors, public and private research organizations, marine technology & service providers, OSR service providers, OSR responders, government agencies, regulators, education and training companies/organizations and other R&D facility operators. The scope of this work will be international, and will focus on, but will not be limited to:

- The type, nature and details (who, what, when, where, why, how, how much) of OSR-related activities (ex. mechanical recovery testing, surface and sub-surface dispersant testing, OSR process development, OSR training, technology prototype validation, equipment testing and certification, etc.) that subjects currently conduct or are involved in at existing facilities, as well as estimates of the timing, frequency and duration of these activities;
- The type, nature and details of any OSR-related activities that subjects plan to conduct over short, medium and long term, the driving force(s) behind foreseen usage, and the uncertainties/dependencies associated with these projections;
- The challenges/obstacles subjects currently face or expect to face if only existing alternatives are available, details of activities that cannot be performed given the existing situation;
- Types of activities and services that subjects envision a facility would need to offer to meet their short-long term needs, which of these they would consider ‘standard’, ‘price-sensitive’, ‘premium’, ‘world-class’, ‘must-have’, ‘nice-to-have’;
- Details of any desired performance criteria;
- How subjects expect regulatory developments, existing gaps in worldwide capabilities, ongoing/expected R&D project work or other external factors to possibly influence their potential usage of the facility, and details about other facilities/capabilities being planned or in development; and,
- Perceived advantages/drawbacks associated with locating a cold climate OSR facility in NL and how this might affect their interest in using such a facility vs. other options, and how the presence or absence of a given capability may affect interest in using the facility.

Note: The scope of this project does not include an exhaustive review of OSR facilities worldwide, but it should provide a general, user-centric assessment of global OSR R&D capabilities. Some supplemental information will likely be required (e.g. capabilities and usage details of specific facilities) for Phase I decision-making.

The data collected will help to determine what features the facility would need to offer to meet potential user needs, as well as which users and usage modes would potentially provide the largest, most stable and most likely sources of revenue over the lifetime of the facility. (The risks associated with meeting demand for project-driven specialized capabilities required by a small number of users are higher. It will

be important to gauge the uncertainty associated with a prospective user and type of usage in consideration of the investment required to deliver a given feature/capability.)

A set of requirements will then be developed based on the identified set of features and capabilities required of the facility. Some requirements may be ascertained directly from subject statements made by study subjects (ex. tank size, ice thickness, and environmental conditions) while other requirements will need to be generated indirectly (space requirements, technical expertise, etc.) by the project team. Where appropriate, the requirements will be grouped to indicate what is needed to deliver on each major facility feature (ex. ice thickness, oil spill capability, waves and wind, etc.), and will define the 'to-be' state of the prospective facility.

3.3 Overview of Potential Follow-on Activities

If the results of the market study show that sufficient demand exists for such a facility, later phases of this project would potentially involve determining the feasibility of establishing a facility that meets the identified requirements in Newfoundland and Labrador.

4 Deliverables and Reporting

4.1 Project Deliverables

Project deliverables are defined as follows:

- Project Execution Plan, including Market Study Plan;
- Monthly Status Reports;
- Market Study Report, detailing potential customers and identified needs, features/capabilities required to meet these needs, and estimated demand for the facility; and,
- Statement of Requirements, based on the results of the Market Study, a grouped and prioritized listing of what is required to deliver each desired feature/capability.

4.2 Meetings

Regular meetings will be scheduled between the Successful Service Provider and Petroleum Research and/or the Steering Committee. These meetings will cover progress completed, discuss future work, evaluate project outcomes and update on any risks to Project schedule or Project Budget. The frequency of these meetings will be determined by Petroleum Research.

5 Proposal Selection

Petroleum Research may consider the following criteria in the selection of the Successful Service Provider:

- The approach that will be used to conduct the work;
- Project management experience and technical knowledge and experience of the proposed investigators, consultants and/or others assigned to the project;

- The number of person hours required to complete the work, the allocation of hours among tasks and the overall time to complete the work;
- The reasonableness and accuracy of the estimated costs to conduct the proposed project and the effort applied by the Service Provider relative to the time and resources used;
- Contribution to the development of Newfoundland and Labrador research and development capacity; and,
- Such other matter as Petroleum Research considers appropriate in respect of the Scope of Work.

6 Project Timeline

The following is the estimated timeline for the project procurement process:

Submission deadline	2:00 p.m. NST, Friday, February 8 th , 2013
Project start	March, 2013

7 No Liability

No claim whatsoever shall be entertained arising out of a Service Provider's failure to study the RFP or to submit the required information as stated in Section 2.3.

Service Provider shall not hold Petroleum Research or any of its officers, employees, assigns, independent contractors, subcontractors, agents or representatives liable for any error or omission in any part of this RFP. While considerable effort has been made to ensure that all information contained in the RFP is accurate, Petroleum Research does not represent or warrant that the information contained in this RFP or any supplemental documents is accurate, comprehensive or exhaustive. Nothing contained in this RFP is intended to relieve the Service Provider from forming its own opinions and conclusions with respect to the matters addressed in this RFP.

Petroleum Research and any of its officers, employees, assigns, independent contractors, subcontractors, agents or representatives shall not be liable to the Service Provider or any of its officers, employees, assigns, independent contractors, subcontractors, agents or representatives for any losses (including damage for loss of anticipated profit), expenses, costs, claims, damages, including incidental, indirect, special or consequential damages, or liabilities arising out of or by reason of or attributable to this RFP or arising out of, submitting a Proposal, requesting clarification, the communication of any information contained in the Proposal to any party, or due to Petroleum Research's selection or non-selection of any Proposal received, or as a result of the termination of this RFP or the cancellation of the Project.