



REQUEST FOR PROPOSALS

Project Title:

Beaufort Delta Regional Energy Feasibility Study

Project Lead: Inuvialuit Regional Corporation

Reference Number: RN20170001

Proposal Call Date: August 9, 2017

Proposal Submission Deadline: August 24, 2017

August 2017

REQUEST FOR PROPOSALS

Inuvialuit Regional Corporation (“IRC”) is requesting Proposals from interested and qualified Proponents for the provision of services as outlined in this Request for Proposals (“RFP”).

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SECTION I GENERAL INFORMATION AND INSTRUCTIONS

1. Proposals must be received **prior to 15:00 Mountain Time on Thursday, August 24, 2017** (the "Proposal Submission Deadline"). Proposals are to be submitted by **email** to:

Email: kdarling@inuvialuit.com; DRodgers@inuvialuit.com

Attention: **Kate Darling and Denny Rodgers**

Reference: **RN20170001**

2. Proponents are encouraged to identify themselves to the Contact early in the RFP notice period to advise of their interest in submitting a proposal.
3. One or more amendments to submitted Proposals may be sent by email to the Contact above and will be accepted if the amendment is received prior to the Proposal Submission Deadline.
4. The IRC may extend the deadline for proposals for any reason. If the IRC extends the Proposal Submission Deadline, IRC will notify all proponents that have provided contact information to the IRC Contact.
5. Proponents may not amend their Proposal after the Proposal Submission Deadline, unless as a result of negotiations commenced by the IRC, but may withdraw their Proposal at any time.
6. If a Proposal or amendment contains a defect, or fails to comply with the requirements of this RFP, the IRC at its sole discretion reserves the right to accept the Proposal if it determines that the defect or failure to comply is not material.
7. In the event all Proposals or amendments have material defects with the requirements of this RFP, the IRC reserves the right to cancel the RFP, or to accept the Proposal deemed to be in the best interest of the IRC.
8. This is **not** a Request for Tenders or otherwise a bid. The IRC is not bound to accept the Proposal that provides for the lowest cost or price to the IRC nor any Proposal of those submitted.
9. Notice in writing to a proponent and the subsequent execution of a written agreement shall constitute the making of a contract. No proponent shall acquire any legal, equitable, or contractual rights or privileges whatever until the contract is signed.
10. The IRC reserves the right to negotiate price, scope of work, or both, with the chosen proponent.
11. If a contract is to be awarded as a result of this RFP, it shall be awarded to the proponent who is responsible and responsive and whose Proposal provides the best potential value to the IRC. Responsible means the capability in all respects to perform fully the contract requirements and the integrity and reliability to assure performance of the contract obligations.
12. If a written contract cannot be negotiated within a time frame fixed by the IRC, the IRC may, at its

sole discretion, terminate negotiations with that proponent, or proponents, and either negotiate a contract with another proponent or choose to cancel this RFP process and not enter into a contract with any of the proponents.

13. Should a contract be awarded as a result of this RFP it is expected that the contract to be entered into with the successful proponent will be substantially in the form of the Pro-Forma Contract set out in Section V of this RFP. Proponents are cautioned to thoroughly review the Pro-Forma Contract to ensure, before incurring the expense of Proposal preparation, that they are capable of meeting the terms and conditions of the contract.
14. In the event of any inconsistency or conflict between the provisions contained in this RFP or the successful Proposal and the contract to be entered into with the successful proponent, the provisions of the executed contract shall govern.
15. The IRC has the right to cancel this RFP at any time and to reissue it for any reason whatsoever without incurring any liability and no proponent will have any claim against the IRC as a consequence.
16. Addenda to this RFP issued by IRC prior to the Proposal Submission Deadline are incorporated into and form part of this RFP. By submitting a Proposal the Proponent acknowledges having received all Addenda issued with respect to this RFP. It is the responsibility of all Proponents to contact the Contact Person referenced in Section I, paragraph 23, of this RFP to ensure receipt of all potential Addenda prior to submitting a Proposal.
17. The IRC is not liable for any costs of preparation or presentation of Proposals even if this RFP is cancelled pursuant to paragraphs 10 or 13.
18. An evaluation committee will review each Proposal. The IRC reserves the exclusive right to determine the qualitative aspects of all Proposals relative to the evaluation criteria.
19. Proposals may be short-listed. Proponents who are short-listed may be requested to make a formal presentation. Should this occur, marks for presentation will be allocated by a reassessment of the original scoring. Such presentations shall be made at the cost of the proponent.
20. The Proposal and accompanying documentation submitted by the proponents will not be returned.
21. The IRC will not be held responsible for errors or omissions contained in a Proposal.
22. If a proponent intends to use subcontractors, the Proposal should include the name(s) of the subcontractor(s) and the portion of the work the subcontractor(s) will perform. Proposals should also include the complete address of the subcontractor, the type of work the subcontractor will perform, and the percentage of work to be performed by the subcontractor.
23. Proponents and their employees and representatives involved with the Proposal, will not discuss or communicate, directly or indirectly, with any other proponent or any director, officer, employee, consultant, advisor, agent or representative of any other proponent regarding the preparation,

content or representation of their Proposals.

By submitting a Proposal, a proponent, on its own behalf and as authorized agent of each firm, corporation or individual member of the proponent and proponent team, represents and confirms to the IRC, with the knowledge and intention that the IRC may rely on such representation and confirmation, that its Proposal has been prepared without collusion or fraud, and in fair competition with Proposals from other proponents.

24. If submitting a Proposal as a joint venture, the proponent should include with their Proposal a copy of the joint venture agreement, identifying the principals involved and their rights and responsibilities with regard to performance and payment. If this information is not provided with a Proposal it will be requested by the IRC, and failure to provide the joint venture agreement within the time frame stipulated by the IRC may result in disqualification of the Proposal.
25. All questions or enquiries (“Enquiries”) concerning this RFP must be in writing and be submitted no later than five (5) calendar days prior to the Proposal Submission Deadline and directed to the following Contact Person:

Attention: Kate Darling and Denny Rodgers
Address: Inuvialuit Regional Corporation
107 Mackenzie Rd, Inuvik, NT
X0E 0T0

Phone: Kate - (867)777-7077; Denny - (867) 777-7035
Email: kdarling@inuvialuit.com; drodgers@inuvialuit.com

The following applies to any Enquiries:

- (a) responses to Enquiries will be in writing;
- (b) all Enquiries, and all responses to Enquiries from the Contact Person, will be recorded by the IRC;
- (c) the IRC is not required to provide a response to any Enquiry;
- (d) Proponents are encouraged to submit Enquiries at an early date to permit consideration by the IRC;
- (e) a Proponent may request that a response to an Enquiry be kept confidential by clearly identifying the Enquiry as “Commercial in Confidence” if the Proponent considers that the Enquiry is commercially confidential to the Proponent;
- (f) if the IRC decides that an Enquiry marked “Commercial in Confidence”, or the IRC’s response to such an Enquiry, must be distributed to all Proponents, then the IRC will permit the Proponent to withdraw the Enquiry rather than receive a response, which election must be made by the Proponent within three (3) business days of being informed of the IRC’s decision. If the Proponent does not withdraw the Enquiry, then the IRC may provide its response to all Proponents;
- (g) notwithstanding sections (e) and (f) above:
 - i. if one or more other Proponents submits an Enquiry on the same or similar topic to an Enquiry previously submitted by another Proponent as “Commercial in

Confidence”, the IRC may provide a response to such Enquiry to all Proponents;
and

- ii. if the IRC determines there is any matter which should be brought to the attention of all Proponents, whether or not such matter was the subject of an Enquiry, including an Enquiry marked “Commercial in Confidence”, the IRC may, in its discretion, distribute the Enquiry, response or information with respect to such matter to all Proponents.

- (h) The IRC reserves the right of the Contact Person to contact a Proponent (including by telephone) to clarify a written communication, including to avoid a proliferation of written communication in respect of the same subject matter.

Proponents may only rely on written communication from the Contact Person. Information offered from sources other than the Contact Person with regard to this RFP is not official, may be inaccurate, and should not be relied on in any way, by any person for any purpose.

SECTION II TERMS OF REFERENCE

1. PROJECT IDENTIFICATION

Project Title: **Beaufort Delta Regional Energy Study**
Location: **Inuvik**
Issuer: **Inuvialuit Regional Corporation**

2. BACKGROUND

With many communities relying on barged diesel and existing gas wells proximate to Inuvik nearing depletion, energy costs and insecurity are on the rise for residents in the Beaufort Delta region of Northwest Territories, Canada. Currently, Liquefied Natural Gas (LNG) and Propane are imported from the south in order to meet demand. More secure and cost effective and alternatives are required.

In response to this challenge, the IRC will undertake a detailed study to determine natural gas economic feasibility, resource viability and regional market opportunities to develop local and regional economic models to ensure energy security, and, to develop business, employment and investment opportunities in the Beaufort Delta.

The project will be conducted in two phases. The first phase will assess the resource viability and develop a local model for energy supply and distribution, focusing on the communities of Aklavik, Fort McPherson, Inuvik, Tsiigehtchic, and Tuktoyaktuk. The second phase of the study will develop a broader regional model and will include the communities of Paulatuk, Sachs Harbour and Ulukhaktok and consider extra-regional distribution to communities outside of the Beaufort Delta.

Study will be conducted in the following areas:

Phase 1: Local Energy Security Model

- (a) Source Gas Analysis
- (b) Local Distribution Study
- (c) Local Gas Utilization Study
- (d) Local Market Study and Development of Economic Model

Phase 2: Regional Energy Security Model

- (e) Regional Pipeline Distribution Study
- (f) Regional Utilization Study
- (g) Regional Market Study and Economic Model

This Terms of Reference sets out anticipated scopes of work, options, required input information,

schedules, and deliverables for each Component. It will also require the Proponent to specify in its report the specific work plans, including proposed schedules and budgets.

3. OBJECTIVES

The objectives are to: 1. Complete a detailed feasibility study to determine natural gas economic feasibility, resource viability and regional market opportunities to develop local and regional economic models to ensure energy security, and to develop business, employment and investment opportunities in the Beaufort Delta region of the Northwest Territories, Canada; 2. Complete interim and final reports on project activities as detailed below.

4. SCOPE OF WORK

The feasibility will be conducted in two phases from August 2017 – December 2018.

Phase 1: Local Energy Model

The first phase of the study will assess the resource viability of ten (10) local gas wells, which will the IRC will identify for the successful proponent, and determine the economic feasibility of supplying and distributing gas to local communities including Aklavik, Fort McPherson, Inuvik, Tsiigehtchic and Tuktoyaktuk. The determination of the viability of a local supply strategy will be conducted through Association for Advancement of Cost Engineering (AACE) level 5 cost estimates. The budget for the first phase is **\$359,500** and must be completed by **December 2017**.

(a) Source Gas Analysis

The successful proponent will evaluate ten (10) candidate gas wells as identified by the IRC, and the necessary facilities to extract and process the gas for further utilization. This includes their locations and accessibility implications, such as proximity to the Tuktoyaktuk Highway. The available reservoir data will need to be reviewed to determine the anticipated productivity of the field. A rough pass design and cost estimate of the well head gathering systems will need to be developed. A conceptual receiving gas processing facility to produce a salable gas will be required. This may also include consideration of the potential for the continued utilization of the current Substitute Natural Gas facility as a support facility.

Deliverables for Phase 1(a) are as follows:

- **Option Identification and Reservoir Analysis:**
 - Estimated Natural Gas Consumption
 - Estimated Well Productivity
 - Identification of most suitable wells for meeting potential natural gas demand

- **Well Head Equipment and Gathering System:**
 - Major Equipment/package lists
 - Proposed location of gas processing facility
 - Preliminary layout of access roads
 - Factored capital cost and operating cost estimates
 - Block flow diagram

- **Central Gas Processing Facility:**
 - Technology selection of process units
 - Factored capital and operating cost estimates
 - Product slate produced by the Gas Processing Facility
 - Block flow diagram of plant

Inputs for Phase 1(a) are as follows:

- Energy consumption of all identified communities and variation throughout calendar year
- Access to the 2011 Drummond Report on the 10 candidate gas wells
- Supporting Data from 2011 Drummond report and any other reservoir data that can be made available
- Deliverables from WP1-A upon approval
- Site topography
- Site conditions and regional stake holder considerations
- Anticipated well head gas composition
- Site conditions
- Desired gas specification

(b) Local Gas Distribution Study

This component seeks to measure the various options for local distribution of the locally sourced gas. The options that will be considered in this work are trucked Compressed Natural Gas (CNG), trucked LNG, and barged LNG. Deliverables for this component of Phase 1 are as follows:

- **Trucked CNG:**
 - List of major equipment and/or packages
 - Factored capital and operating cost estimate
 - Block flow diagram

** Note: Should provide for any facilities that may be required within the identified recipient communities for accepting and using CNG.*

- **Trucked LNG:**
 - List of major equipment and/or packages
 - Factored capital and operating cost estimate
 - Block flow diagram

** Note: Should be able to use certain aspects of the trucked CNG option to*

expedite the completion of this deliverable. The new power general equipment required at the recipient sites should not change in any material fashion.

- **Barged LNG:**
 - High level assessment of seasonal restrictions
 - Factored capital and operating cost estimate of marine and facilities, LNG barge and off-loading equipment
 - Block flow diagram

Inputs for Phase 1(b) are as follows:

- Phase 1(a) results
- Detail pertaining to the current, existing gas distribution; receiving and dispatch infrastructure and systems at the candidate communities.
- Further guidelines as to the considerations pertaining to, but not limited to, the following:
 - Availability of human resources qualified to work in the governing environmental conditions at site
 - Heating and hording considerations for hot mechanical work and civil works
 - Geotechnical data at identified sites
- Conceptual production and recipient points for CNG
- Map of waterways in region
- Calendar periods when waterways free of ice
- Conceptual plant and load out facility location
- Conceptual recipient marine locations
- Distances from marine locations to communities

(c) Local Gas Utilization Study

Switching from diesel to natural gas is generally an environmental benefit and in most instances, more cost effective. The amount and severity of processing required to produce saleable natural gas versus diesel is considerably less. This work component will quantify, in this setting, the environmental benefits achieved by switching fuel for the three local distribution options, and the associated costs to do so. This component should also provide a high level comparison of the cost and consumption of diesel and other fuels in the region, and quantification of the potential savings and environmental benefits that may be achieved by developing a regional gas infrastructure project.

Deliverables for Phase 1(c) are as follows:

- **Environmental Benefits:**
 - An estimate of the bulk differences in CO₂, particulate matter, NO and SO emissions for the use of diesel vs. natural gas in the end-user communities.

- **Switching Costs:**
 - Normalized, delivered cost of energy at end user for options considered versus incumbent energy value chain.

Inputs for Phase 1(c) are as follows:

- Regional diesel consumption and other fuels to be displaced by LNG and anticipated contribution of LNG and/or CNG towards this.
- Factored cost estimate for all four regional distribution value-chain options
- Factored cost associated with upstream work packages
- Cost of current energy sources and regional consumption rates
- Amortization period of project

(d) Local Market Study & Development of an Economic Model

This component comprises the development of a local market study and conceptual level economic modeling of the local delivery options. The purpose is to consolidate the outputs generated in the other work packages into a robust economic model within the context of a local market study in order to assess the relative merits of the various gas extraction, distribution and utilization scenarios contemplated as part of Phase 1 of the feasibility study.

Deliverables for Phase 1(d) are as follows:

- **Local Natural Gas and Natural Gas Liquids Market Study:**
 - Identification of target markets based on proximity
 - Projected product sales prices
 - Projected minimum cost of sales of products delivered to priority market or markets
- **High Level Economic Model**
 - Key financial metrics such as net present value and internal rate of return for the base case as described
 - Impact on preliminary sensitivities on the financial metrics such as internal rate of return (IPR) and net present value (NPV)
 - Initial comment on viability options

Inputs for Phase 1(d) are as follows:

- Nearest market(s) for products
- Connectivity to identified market(s) e.g. road, pipeline, sea
- Available market data on product price; transport costs
- Summary costing information from other work packages
- Deliverables from previous components

Phase 2: Regional Energy Model

The second phase of the feasibility study will develop a broader regional model and will include the communities of Paulatuk, Sachs Harbour, and Ulukhaktok. It will also consider opportunities for extra-regional distribution outside of the Beaufort Delta. The successful proponent will explore opportunities brought through economies of scale (regional distribution and/or export) for production of higher value products from the gas, requiring consideration of different LNG technologies. The successful proponent will ultimately determine the relative technological and economic merit of monetization options. The budget for the second phase is **\$204,500** and must be completed by **November 2018**.

(a) Regional Pipeline Study

For the purpose of producing an AACE Class V cost estimate of the pipeline, the successful proponent will perform preliminary engineering in order to size the pipeline, complete a high-level assessment of construction methods to be used and to establish and assess a conceptual pipeline route. Specific consideration will be given to a pipeline routing trade-off study, which will consider the comparative cost-benefit of adopting a routing along existing, firm foundations (e.g. roads and highways) vs. a more direct routing.

The Deliverables for Phase 2(a) are as follows:

- Preliminary pipeline route selection and analysis
- Preliminary design of pipeline (size, material of construction)
- Preliminary Arctic constructability analysis
- Capital cost estimate

The Inputs for Phase 2(a) are as follows:

- Regional topography and geotechnical data
- Maps identifying locations of key project stake holders (Inuvialuit and other Aboriginal rights holders, private land, environmentally sensitive areas, etc.)

(b) Potential Further Gas Monetization Study

The two options identified for regional utilization with respect to further monetizing the gas were: (a) a small scale LNG plant that services a larger region in the Arctic; and (b) an appropriately sized Gas-to-Liquids (GTL) plant which produces diesel and naphtha for the same market. This work package requires completion of the market study, which is another component of the intended feasibility study, such that appropriate capacities can be identified for the plants. This component should also consider technology selection for the two options. It is recommended that these two options be examined from the perspective of a prospective plant owner and producer.

The Deliverables for Phase 2(b) are as follows:

- **Export LNG Facility**
 - Preliminary sizing of LNG plant in line with anticipated market demand and typical, standardized LNG facility capacities
 - Factored capital and operating cost estimates
 - Block flow diagram

- **GTL Facility**
 - Production capacity of plant
 - High level section of technologies to be used in major processes areas
 - Block flow diagram of plant
 - Factored capital and operating costs
 - Preliminary assessment as to potential load out strategies

The Inputs for Phase 2(b) are as follows:

- Estimation of the regional energy consumption by all forms, with consideration for specific diesel demand from heavy industrial diesel users such as regional mining operations, etc., in addition to the existing demand from the local communities.

(c) Regional Market Study & Development of Economic Model

This part develops a regional market study and associated economic model for the purpose of evaluating the options presented in the previous components of the intended feasibility study, in a similar fashion to that of Phase 1. This will include an analysis of nearest point of sale, selling price of products, method of delivery to market and all-in delivery cost and production cost determination.

The Deliverables for Phase 2(c) are as follows:

- **LNG, Natural Gas Liquids and GTL Products Market Study**
 - Prioritization of possible target markets based on proximity
 - Projected product sales prices
 - Projected minimum cost of sales of products delivered to priority market(s)
 - High level assessment of export opportunities beyond the regional market

- **High Level Economic Model**
 - Key financial metrics such as net present value and internal rate of return for the base case as described
 - Impact of preliminary sensitivities on the financial metrics such as IRR and NPV
 - Initial comment on viability of options considered

The Inputs for Phase 2(b) are as follows:

- Nearest market(s) for products
- Connectivity to the identified market(s) e.g. road, pipeline, sea, etc.
- Available market data on product price and transport costs, etc.
- Summary costing information from other work packages
- Results from other components of the study, and parameters for sensitivity analysis

Key Parameters:

For the purpose of maintaining a balance between the levels of detail required vs. the associated cost, deliverables such as process flow diagrams, data sheets, sizing criteria, design bases and detail drawing may be excluded from the intended feasibility study and left to detailed processes of future implementation.

The study should include, where possible: block flow diagrams and factored costs, adjusted for the Arctic, in order to assist sufficient initial justification for a specific option(s). This can not only facilitate the demonstration of the underlying concepts for an option, but also would provide the basis for the pursuit of further, more detailed engineering to refine the selected option(s).

With respect to the market study and economic modeling aspects of the intended feasibility study, the study should focus on the NWT. If a product is not sellable within the NWT the closest market will be identified and used. Markets beyond this, i.e. global, continental and national markets, are excluded from the study. The economic models should consider the local and regionally accessible markets for natural gas, LNG and GTL diesel and naphtha, as well as the necessity of extracting and processing of natural gas liquids as co-product enabling the various gas utilization options.

5. BUDGET

The maximum budget for the feasibility study is \$564,000. The maximum budget for Phase 1 is \$359,500 and the maximum budget for Phase 2 is \$204,500.

6. CONSTRAINTS

In pursuit of budget containment, while not sacrificing the quality of information upon which the eventual option selection will be based, the level of engineering provided during the intended feasibility study may have to be limited to appropriate for the objectives of the study. In doing so, certain assumptions will have to be made, and these assumptions will mainly relate to the data available and the level of detail appropriate to an AACE Class V level of accuracy cost estimate.

7. IRC RESOURCES

IRC's Contacts for this matter, Kate Darling and Denny Rodgers, will be available for discussions, and for providing IRC-owned data and information required for the intended feasibility study.

8. DELIVERABLES

Six deliverables are anticipated, and timing should be as follows:

- 1) Phase 1 Interim Report of Activities – September 31, 2017
- 2) Phase 1 Final Report of Activities and draft feasibility study – December 31, 2017
- 3) Phase 1 Feasibility Study and Presentation of Findings – January 31, 2018
- 4) Phase 2 Interim Report of Activities – April, 30 2018
- 5) Phase 2 Final Report of Activities and draft feasibility study – December 31, 2018
- 6) Final Feasibility Study and Presentation of Findings – January 31, 2019

The interim report provides the results of work completed on the project to date and for the proponent and the IRC to discuss major decision points and early findings of the project. The timing and content of the report are for the proponent to determine and outline in their proposal.

The interim report is not intended to replace regular meetings or communication between the successful proponent and the IRC. The successful proponent is expected to provide updates and communications to the IRC as may be requested by the IRC to comply with its own funding and reporting requirements.

The final presentation of the findings should be made in person in Inuvik. The audience will include up to ten people including IRC personnel and government employees invited by the IRC that could be considered energy literate.

9. TERM OF THE PROJECT

The contract for the intended feasibility study will run until January 2019 or as otherwise extended and/or negotiated by the Parties.

10. ANTICIPATED SCHEDULE

Phase 1 Interim Report of Activities	September 31, 2017
Phase 1 Final Report of Activities and draft feasibility study	December 31, 2017
Phase 1 Feasibility Study and Presentation of Findings	January 15, 2018
Phase 2 Interim Report of Activities	March 31, 2018
Phase 2 Final Report of Activities and draft feasibility study	October 31, 2018
Final Feasibility Study and Presentation of Findings	November 30, 2018

SECTION III PROPOSAL EVALUATION CRITERIA

1. MANDATORY REQUIREMENTS

The IRC has several requirements that are deemed Mandatory when submitting a response to this RFP. **Failure to comply with the mandatory requirements will result in disqualification of the proponent's Proposal and removal of the Proposal from further considerations during the evaluation process.**

The IRC has identified the following criteria to be mandatory and therefore critical to the success of the project:

- Proposals **must** be received prior to the specified Proposal Submission Deadline.
- Proposals **must** clearly state the total proposed fees and expenses.
- Prices proposed **must** be stated in actual dollars and cents expressed in Canadian funds.

2. RATING

Proposals shall be evaluated and rated by an evaluation committee, using the predetermined criteria set out below in this Section, to determine which Proposal potentially provides the best value to the IRC.

Detailed ratings and comments will be confidential.

In terms of relative importance, each criterion is given a pre-assigned weight, as outlined on the Proposal Rating Schedule provided at the end of this Section, by which each Proposal will be evaluated.

Each criterion is rated on a scale of 0 to 10 (see Table 1 on the following page). Each criterion's rating is then multiplied by the assigned weight to yield a total for that element. Summation of the individual totals yields a total score, which represents the overall degree of satisfaction for the respective submission. This procedure is repeated for each of the responsive Proposals.

The highest total score will determine the Proposal that potentially provides the best value to the IRC.

Table 1

Score Legend (Unit Points)				
0	1-3	4-6	7-8	9-10
<p><u>Deficient</u></p> <p>The Proposal fails to meet the requirements of the applicable RFP references and associated scoring criteria in a suitable and documented manner. The Proposal has little merit and fails to demonstrate that the work will be performed in an acceptable manner.</p>	<p><u>Poor</u></p> <p>The Proposal fails to meet the requirements of the applicable RFP references and associated scoring criteria in a suitable and documented manner. The Proposal has some merit, but there are significant weaknesses that could result in unacceptable shortcomings in performance of the work.</p>	<p><u>Fair</u></p> <p>The Proposal barely meets the requirements of the applicable RFP references and associated scoring criteria in a suitable and documented manner. The Proposal has substance but there are weaknesses that could result in tolerable or reasonably correctable shortcomings in performance of the work.</p>	<p><u>Good</u></p> <p>The Proposal reasonably demonstrates that the requirements of the applicable RFP references and associated scoring criteria are met in a documented and suitable manner. The Proposal is comprehensive but there are minor weaknesses that should not significantly impact performance of the work.</p>	<p><u>Excellent</u></p> <p>The Proposal fully demonstrates that the requirements of the applicable RFP references and associated scoring criteria are met in a documented and suitable manner. There are no apparent weaknesses.</p>

3. EVALUATION PROCESS

The IRC will evaluate Proposals in accordance with the proposal rating schedule provided in table below.

This RFP has detailed guidelines regarding the format of Proposal submissions. Proponent should ensure they thoroughly review Section IV (Response Guidelines) when preparing their Proposal.

The evaluation process shall consist of three stages: Review of Mandatory Requirements; Rated Requirements; and Fees & Expenses.

- **Stage 1:** Review of Mandatory Requirements – Each Proposal will be reviewed by the IRC to ensure compliance with the stated mandatory requirements.
- **Stage 2:** Evaluation of Rated Requirements – The evaluation of the rated requirements shall consist of a detailed review of the Proposal to determine the extent to which to the Proposal addressed the requirements set out in this RFP. Rated Requirements Criteria are:

1) Team

- 2) Methodology / Approach
- 3) Proponent's Past Relevant Experience
- 4) Project Schedule

- **Stage 3:** Evaluation of Fees – The IRC will utilize a Lowest Cost Ratio approach to evaluate the total proposed fees and expenses of each Proposal. Lowest Cost Ratio is an evaluation approach whereby the Proposal with the lowest cost received the maximum points available and all other Proposals receive a percentage of the points based on their cost relation to the lowest. This is determined by applying the following formula:

$$(\text{Lowest Cost} / \text{Cost Being Evaluated}) \times (10) = \text{Awarded Points}$$

4. PROPOSAL RATING SCHEDULE

Item	Rating Criteria	Assigned Weight (A)	Unit Points Awarded (B)	Total Points (A) x (B) = (C)
1	Team	25		
2	Methodology / Approach	25		
3	Proponent's Past Relevant Experience	20		
4	Project Schedule	20		
5	Fees and Expenses*	10		
Total Score		100		_____ / 1000

*Note: Fees and expenses will be rated as proposed.

SECTION IV RESPONSE GUIDELINES

Except as noted, the following information should be provided in each proposal. As this information will be utilized in evaluating each responsive proposal submitted, Proponents are encouraged to use the same headings to present their offer.

1. TEAM

Describe the team in terms of responsibilities, decision-making and the role each member of the team will play. In particular:

- Who will have the overall responsibility for managing the project team? What experience does this person have managing an interdisciplinary team on similar projects? In particular, describe the manager's experience on at least two similar projects.
- Identify the major technical leads, including who will handle power generation, natural gas production and processing, gas pipelines, site consideration, civil and geotechnical.
- Identify the amount of time key members are expected to put into this project.
- Provide resumes for key members of the project team, including back-up members.
- Identify the permanent residence of each team member (City/Town and Province/Territory).
- Identify relevant experience for key team members in power generation, natural gas, NGL, and northern/remote projects.

2. METHODOLOGY

Proponents should demonstrate their understanding of the work involved, and explain their approach to meeting the stated objectives, identifying significant factors, objectives, site trips, meeting, schedule, budget, various concerns, client reporting, and other significant events or activities.

3. PROPONENT'S PAST RELEVANT EXPERIENCE

Proponents should describe similar services they have provided in the past. Identify the location and dates of the work performed. Projects for the IRC are of particular interest. However, other projects that indicate the proponent's experience and ability to undertake the work should also be described. Note that this section focuses on the firm's experience, whereas the Team section focuses on the team's individuals. Any actual or perceived potential conflicts of interest should also be disclosed.

4. PROJECT SCHEDULE

The Proponent's proposed schedule should be consistent with the project schedule identified in the Terms of Reference. Proponents should indicate significant milestone events and if changes to the proposed schedule are anticipated.

5. FEES AND EXPENSES

The Proposal **must** clearly state the proposed total fee, plus estimates for disbursements. Other requirements could include:

- a) Total cost of the project including the role for each team member, daily rate for each team member, and estimated total number of days for each member.
- b) Provide a statement of charges to be incurred for:
 - overtime charges, if applicable;
 - miscellaneous expenses;
 - travel;
 - secretarial support/word processing; and,
 - other charges.
- c) Prices proposed **must** be stated in actual dollars and cents expressed in Canadian funds.

6. REFERENCES

Proponents should provide names, telephone numbers and e-mail addresses for references.

Only those references of proponents who are short-listed may be contacted to determine the level of satisfaction with work performance.

The IRC reserves the right to obtain references and conduct reference checks of the proponent from sources other than those given in the Proposal.

**SECTION V
PRO-FORMA CONTRACT**

The following Pro-Forma contract outlines key contractual requirements of the IRC, which are considered important to the IRC and will be substantially incorporated into any resultant contract.

THIS AGREEMENT MADE this ___ day of _____, 20___
(the "Effective Date")

BETWEEN:

INUVIALUIT REGIONAL CORPORATION
(the "IRC")

AND:

(CONTRACTOR)
of the City/Hamlet of _____, in the _____
(the "Contractor")

(hereinafter referred to collectively as the "Parties" and individually as a "Party")

WHEREAS the IRC issued a Request for Proposals, reference number: RN20170001 (the "RFP"), for [add description of services];

AND WHEREAS the Contractor has responded to the RFP by way of a formal proposal (the "Proposal") dated _____;

AND WHEREAS the Parties have agreed to enter into this Services Agreement in which the Contractor will provide certain Services in accordance with the terms hereof;

NOW THEREFORE, in consideration of the mutual covenants set forth herein and the exchange of other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

DEFINITIONS:

In this Agreement, including the Appendices, unless the context otherwise requires, or unless expressly stated:

"Agreement" means this agreement and the attached appendices;

“Main Body” of the Agreement means this Agreement minus the appendices;

1. SERVICES AND PAYMENT

- 1.1. The Contractor agrees to provide to the IRC those services set out in the Request for Proposal "*(TITLE OF THE RFP)*" attached as Appendix A and the Contractor's Proposal attached as Appendix B (hereafter the "Services") to the full satisfaction of the IRC.
- 1.2. The Services shall be provided by the Contractor at the rate mutually agreed to by both Parties and attached as Appendix C, and except as may be agreed upon between the IRC and the Contractor, the total amount payable to the Contractor for fees shall not exceed _____ (_____) Dollars.
- 1.3. The IRC agrees to pay the Contractor, in addition to the Contractor's fees, the expenses set forth in Appendix B attached hereto.
- 1.4. From time to time, the IRC may add to, delete from, or revise the Services by providing written notice to the Contractor, providing such additions, deletions, or revisions are reasonable and do not fundamentally alter the Agreement and the Contractor, in consultation with the IRC, shall determine how such additions, deletions or revisions shall be implemented.

2. TERM

- 2.1. This Agreement shall commence on the Effective Date and shall continue in force until _____, unless otherwise terminated in accordance with the terms of this Agreement.
- 2.2. This Agreement may be extended, at the sole discretion of the IRC, for _____ additional terms of one (1) year each.

3. ENTIRE AGREEMENT

- 3.1. This Agreement and the attached appendices hereto comprise the entire Agreement between the Parties hereto and supersede and shall take effect in substitution for all previous Agreements and arrangements whether written or implied between the Parties relating to the Services to be provided by the Contractor and all such prior agreements, arrangements and understandings shall be deemed to have been terminated by mutual consent with effect from the Effective Date of this Agreement. Where there is a conflict between the Main Body of this Agreement and any incorporated Appendix, the terms of the Main Body of this Agreement shall prevail, to the extent of the conflict, unless there is a provision in an Appendix which provides that a clause in the Appendix takes precedence over a provision in the Main Body.

4. CONTRACTOR RESPONSIBILITIES

- 4.1. The Contractor shall defend, indemnify and hold harmless the IRC, its officers, employees, servants and agents from and against all claims, actions, causes of action, demands, costs, losses, damages, expenses, suits or other proceedings by whomever made, brought or prosecuted in any manner based upon or related wholly or partially to the acts or omissions of the Contractor in its performance of this Agreement. The obligation to indemnify and hold harmless shall not apply to the extent that a court of competent jurisdiction finally determines that such losses or damages were caused by the intentional or negligent acts or omissions of the IRC, its officers, employees, servants or agents.
- 4.2. The Contractor shall be liable to the IRC for any loss or damage to property or equipment that is supplied to or placed in the care, custody or control of the Contractor for use in connection with the Agreement whether or not such loss or damage is attributable to causes beyond the Contractor's control.
- 4.3. The Contractor shall not assign, transfer or sub-contract any of the Services, or any part thereof, to any Party without written consent from the IRC. If, with the consent of the IRC the Services or any part thereof is performed by a sub-contractor, the Contractor shall be fully responsible to the IRC for the acts and omissions of the sub-contractor and all its officers, servants and agents.
- 4.4. The Contractor shall give notice to the IRC immediately of any claim, action, or other proceeding made, brought, prosecuted, or threatened in writing to be brought or prosecuted that is based upon, occasioned by or in any way attributable to the performance or non-performance of the Contractor in its performance of the Services under this Agreement.
- 4.5. The Contractor shall comply with all legal requirements, and shall have and maintain, at its cost, all permits and licences required for its performance of the Services.
- 4.6. The Contractor will not provide any Services to any person in circumstances, which, in the reasonable opinion of the IRC, would likely give rise to a conflict of interest between the Contractor's obligations to that person and the Contractor's obligations to the IRC under this Agreement.
- 4.7. Upon completion of the Services the Contractor shall deliver to the IRC, if requested in writing, in addition to anything specifically required herein, all correspondence, documents, papers and property belonging to the IRC which may come into the Contractor's possession or control by virtue of this Agreement.
- 4.8. The Contractor declares that the Contractor has no pecuniary interest in the business of any third Party that would cause a conflict of interest in carrying out the Services. In the event such an interest is acquired, in the IRC's opinion, during the life of this Agreement the Contractor shall be required to remedy the conflict of interest

forthwith to the IRC's full satisfaction. If the Contractor refuses to remedy the conflict of interest the IRC may terminate this Agreement.

5. FINANCIAL PROVISIONS

- 5.1. Upon completion of the Services, or any agreed upon part thereof, and provided all terms and conditions hereof on the part of the Contractor have been complied with, the IRC shall pay each invoice from the Contractor within thirty (30) calendar days after its receipt, or thirty (30) calendar days after delivery of the Services, whichever is later.
- 5.2. The Contractor may invoice the IRC from time to time. All accounts shall be itemized giving details with dates, activities and time spent on each activity. The amounts will be based upon the Contractor's rates as represented in Appendix "_". All invoices are to be addressed and sent to:

**Denny Rodgers
Inuvialuit Regional Corporation
Bag Service 21
107 Mackenzie Rd
Inuvik, NT X0E 0T0**

Email: DRodgers@inuvialuit.com

Invoices should clearly indicate the reference number RN20170001 to avoid delay in payment. Invoices that do not indicate the reference number may be returned to the Contractor.

- 5.3. The IRC, having given written notice of a breach, may withhold or hold back in whole or in part any payment due the Contractor without penalty, expense or liability, if in the opinion of the IRC, the Contractor has failed to comply with or has in any way breached an obligation of the Agreement. Any such holdbacks shall continue until the breach has been rectified to the satisfaction of the IRC.
- 5.4. The IRC may, in order to discharge lawful obligations or to satisfy lawful claims against the Contractor or a subcontractor arising out of the execution of the Services pay any amount, which is due and payable to the Contractor under the Agreement, if any, directly to the obligee of and the claimants against the Contractor or subcontractor.

6. TERMINATION

- 6.1. The IRC may terminate this Agreement at any time in the event that, in the opinion of the IRC, the Contractor is unable to perform the Services, the Contractor's performance of the Services is faulty, the Contractor becomes insolvent or commits an act of bankruptcy, any actual or potential labour dispute delays or threatens to delay

timely performance of the Services, or the Contractor defaults or fails to observe the terms and conditions of the Agreement in any material respect.

7. CONFIDENTIALITY

- 7.1. The Contractor shall ensure that all and any information related to the affairs of the IRC to which the Contractor becomes privy as a result of this Agreement, is confidential and shall be treated as confidential during and after the term of this Agreement and shall not be divulged, released or published without the prior written approval of the IRC. The Contractor is fully liable for any damages arising from a breach of this provision.

8. GENERAL TERMS

- 8.1. This Agreement shall be interpreted and governed in accordance with the laws of the Northwest Territories and the laws of Canada as they apply in the Northwest Territories.
- 8.2. The Contractor is an independent Contractor, and nothing in this Agreement shall be construed or deemed to create the relationship of employee and employer or of principal and agent between the IRC and the Contractor. The Contractor is solely responsible for payments of all statutory deductions or contributions including but not limited to pension plans, employment insurance, income tax, workers' compensation and Payroll Tax.
- 8.3. There shall be no waiver of a breach of any term or condition of this Agreement unless the waiver is in writing and signed by the Party, which has not committed the breach. A waiver with respect to any specific breach shall not affect the rights of the Parties relating to other or future breaches.
- 8.4. The IRC, its servants and agents, shall not be liable to the Contractor, its officers, servants, agents or sub-contractors for any loss, damage or injury (including death) or for any loss or damages to the property of the Contractor, or property of others for which the Contractor is responsible, however arising or in any manner based upon, arising from or attributable to the performance of this Agreement; and the Contractor waives all rights and recourse against the IRC for any such loss, damage, or injury or loss or damage to the Contractor's property or property of others for which the Contractor is responsible.
- 8.5. This Agreement may be amended, extended or renewed in writing only.
- 8.6. It is intended that all provisions of this Agreement shall be fully binding and effective between the Parties, but in the event that any particular provision or provisions or a part of one is found to be void, voidable or unenforceable for any reason whatsoever, then that particular provision shall be deemed severed from the remainder of this

Agreement and all other provisions shall remain in full force.

- 8.7. Time is of the essence of this Agreement, both with respect to times, dates, or periods specified in the Agreement; and at any times, dates, or periods that may be substituted for any of those in the Agreement, by agreement between the IRC and the Contractor.
- 8.8. No implied terms or obligations of any kind by or on behalf of either Party to this Agreement shall arise from anything in the Agreement and the express covenants and agreements therein contained and made by the Parties to this Agreement are the only covenants and agreements upon which any rights against the Parties are to be founded.
- 8.9. The failure of either Party at any time to require the performance of any provision or requirement of this Agreement shall not affect the right of that Party to require the subsequent performance of that provision or requirement.
- 8.10. All information, including documents, submitted to the IRC are in the custody and control of the IRC and thus subject to the protection and disclosure provisions of the *Access to Information and Protection of Privacy Act*. This Act allows any person a right of access to the records in the custody or under the control of the IRC subject to limited and specific exemptions.
- 8.11. The provisions of this Agreement that by their nature extend beyond the expiration or termination of this Agreement shall survive any termination or expiration of this Agreement.
- 8.12. Title to any report, drawing, photograph, plan specification, model, prototype, pattern, sample, design, logo, technical information, invention, method or process and all other property, Services or materials which are produced by the Contractor in performing the Agreement or conceived, developed or first actually reduced to practice in performing the Agreement (herein called "the property") shall vest in the IRC and the Contractor hereby absolutely assigns to the IRC the copyright in the property for the whole of the term of the copyright.
- 8.13. This Agreement shall enure to the benefit of and be binding upon the administrators, executors, successors, and assigns of Contractor and the successors and assigns of the IRC.
- 8.14. The Contractor shall keep proper accounts and records of this Agreement for a period of three (3) years after the expiry of this Agreement. At any time during the term of this Agreement, or the three (3) years after the expiry of this Agreement, the Contractor, upon request of the IRC shall produce such accounts and records.
- 8.15. In the event the Contractor is, in the opinion of the IRC, in default in respect of any of

the obligations under this Agreement hereunder the IRC may do any act it deems necessary to rectify such default and may deduct or set off the cost of such rectification against any amount or payment due to the Contractor.

8.16. There shall be no presumption that any ambiguity in this Agreement is resolved in favour of either Party, and the contra proferentem rule shall not be applied in interpretation of this Agreement.

9. INSURANCE

9.1. The Contractor shall, without limiting its obligations or liabilities hereunder, obtain, maintain, and pay for during the currency of the Agreement, and any renewal hereof, the following insurance with limits not less than those shown:

- a) Workers' Safety and Compensation Commission (WSCC) insurance covering all employees engaged in the Services in accordance with the statutory requirements of the Territory or Province having jurisdiction over such employees. If the Contractor is assessed any additional levy, extra assessment or super-assessment by a Workers' Compensation Board as a result of an accident causing injury or death to an employee of the Contractor or subcontractor, or due to unsafe working conditions, then such levy or assessment shall be paid by the Contractor at its sole cost and is not reimbursed by the IRC.
- b) Employer's liability insurance with limits not less than \$500,000 for each accidental injury to or death of the Contractor's employee engaged in the Services. If WSCC insurance exists, then in such event, the aforementioned Employer's Liability insurance shall not be required but the Commercial General Liability policy referred to in item (e) herein shall contain an endorsement providing for Contingent Employers' Liability insurance.
- c) Motor Vehicle, water craft and snow craft standard liability insurance covering all vehicles and/or craft owned or non-owned, operated and/or licensed by the Contractor and used by the Contractor in the performance of this Agreement in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, death and damage to property; and with respect to buses used by the Contractor in the performance of this Agreement limits of not less than one million dollars (\$1,000,000) for vehicle hazards and not less than one million dollars (\$1,000,000) for Bodily Injury to or death of one or more passengers and loss of or damage to the passengers property in one accident.
- d) Aircraft Liability insurance covering all aircraft, owned or non-owned, operated and/or licensed by the Contractor and used by the Contractor in the performance of this Agreement with a bodily injury, death and property damage and passenger hazard limit of five million dollars (\$5,000,000) (inclusive).

- e) Commercial General Liability Insurance with limits of not less than two million dollars (\$2,000,000) (inclusive) per occurrence for bodily injury, death and damage to property including loss of use thereof. Such insurance shall include but not be limited to the following terms and conditions:
- Products & Completed Operations Liability *
 - contractor's Protective Liability
 - Blanket Contractual Liability
 - Broad Form Property Damage
 - Personal Injury Liability
 - Cross Liability
 - Medical Payments
 - Non-owned Automobile Liability *
 - Contingent Employers Liability *
 - Employees as Additional Insured *

* WHERE APPLICABLE

- f) Professional Liability Insurance with limits of not less than five hundred thousand dollars (\$500,000) per claim and one million dollars (\$1,000,000) in the annual aggregate, to cover claims arising out of the rendering of or failure to render any professional service under this Agreement.
- g) Motor Truck Cargo insurance, against all risks of physical loss or damage in an amount not less than \$500,000, covering the property of the IRC while in the care and custody of the Contractor during any transit, warehousing and delivery services **required in the performance of this Agreement.**

All policies shall provide that thirty days written notice be given to the IRC prior to any material changes or cancellations of any such policies.

The policies shall name the IRC and all subcontractors as additional insured only with respect to the terms of this Agreement (except on WSCC insurance and Professional Liability insurance) and shall extend to cover the employees of the insured hereunder.

The Contractor shall be responsible for any deductibles, exclusions and/or insufficiency of coverage relating to such policies.

The Contractor shall deposit with the IRC prior to commencing with the Services a certificate of insurance evidencing the insurance(s) required by this Agreement in a form satisfactory to the IRC and with insurance companies licensed to conduct business in Canada that are satisfactory to the IRC.

10. NOTICE AND ADDRESS

10.1. All notices between the IRC and the Contractor may be sent by registered or certified mail, email, or by facsimile transmission, addressed to the Party to whom it is sent at the address shown below or such other address as either Party may specify to the other in writing. All notices, invoices or other documents shall be deemed to have been received on the date of delivery, when transmitted by email or facsimile transmission; or on the fifth business day, when sent by registered or certified mail.

i) If to the Inuvialuit Regional Corporation:

Inuvialuit Regional Corporation
Bag Service 21
107 Mackenzie Rd
Inuvik, NT X0E 0T0

Attention:
Email:
Phone:
Facsimile:

ii) If to the Contractor:

Company Name
Address

Attention:
Email:
Phone:
Facsimile:

[The rest of this page is left intentionally blank. The next page is the signature page]

IN WITNESS WHEREOF the Contractor has signed this Agreement on the ____ day of _____, 20__.

CONTRACTOR

Per: _____
Authorized Signature

Print Name / Title

Witness

IN WITNESS WHEREOF the IRC has signed this Agreement on the ____ day of _____, 20__.

INUVALUIT REGIONAL CORPORATION

Per: _____
Authorized Signature

Print Name / Title

Witness