

MERC Request for Proposals (RFP) for: British Columbia Top-down Survey and Root Cause Analysis

Closing Time: Proposal must be received electronically before 5:00 PM Pacific Time on:
May 28, 2021

Delivery of Proposals

Proposals must be submitted electronically.

To: Chris Bosson
Policy Analyst
Chris.Bosson@gov.bc.ca

Organization Overview

A joint initiative between industry, government, the regulator and non-profits is advancing research on methane emissions from oil and gas activity to support B.C.'s methane emission reduction targets.

The BC Oil & Gas Methane Emissions Research Collaborative (MERC) is composed of the Ministry of Environment and Climate Change Strategy; the Ministry of Energy, Mines and Low Carbon Innovation; the BC Oil and Gas Commission; the Canadian Association of Petroleum Producers; the Explorers and Producers Association of Canada, Geoscience BC, and the Pembina Institute.

Administrative Requirements

The project contract will be with the BC Oil and Gas Research and Innovation Society (OGRIS) with guidance and oversight by the BC MERC. Additional contract related information (including cost guidelines, deliverable guidelines, and invoicing guidelines as well as additional terms) are included as separate attachments. Exceptions to these guidelines must be included in the proposal and will be considered by MERC and BC OGRIS as part of the review process.

Requirements and Responses

The Methane Emissions Research Collaborative (MERC) has supported research in BC that assessed methane releases at oil and gas facilities using both bottom-up methods (i.e. site visits with experienced technicians using optical gas imaging (OGI) cameras) and top-down methods (e.g. aerial surveys) in 2018 and 2019. Ongoing analysis of the top-down survey data suggests that certain identified equipment and source types may be poorly characterized in emissions inventories and modelling assessments. Additional study is required to understand the major sources and causes of these releases, and to estimate their magnitude on an annual basis.

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The overarching objective of this project is to provide the MERC with further information on the prevalent potential causes of methane releases and their magnitude to inform the review of BC's current regulatory framework.

The successful proponent will:

1. Review available bottom-up data (e.g. data captured through the Greenhouse Gas Emission Reporting Regulation and through the Cap-Op Energy British Columbia Oil and Gas Methane Emissions Field Study in 2018) and top-down survey information (e.g. 2019 BC Top-Down Survey Report) and subsequent analysis.
2. Develop a scientifically defensible field program, which is expected to include a 'top-down' screening survey, to identify and quantify methane emissions at the source level, and follow-up with OGI ground surveys, to identify the methane releases from the top-down survey at the source level and determine the root cause(s) for those releases.
 - a. The field program will involve data collection over at least the same number and type of sites assessed in the 2018 and 2019 bottom-up and top-down surveys (2018/2019 locations provided in the Appendix), which can include the same locations as assessed in the 2018 and 2019 campaigns. The field program should be able to detect emissions quantities and concentrations similar to those found in the 2019 BC Top-Down Survey (which used Bridger Photonics LiDAR-based airborne Gas Mapping LiDAR™). Greater coverage including more sites in the same geographic area is preferred. These sites include smaller facility types (wells and batteries) as well as some larger facilities (e.g. compressor stations).
 - b. The ground-survey crews will not be required to complete full leak detection and repair (LDAR) surveys at each site. The ground surveys will only be required to use OGI cameras to confirm the source-level releases observed during the initial screening survey and will not be expected to confirm/estimate the quantity of methane released from each observed source.
 - c. Proponents may propose alternate initial screening technologies (to the 2019 aerial survey technology) to be used in the top-down survey. Any top-down survey method used must:
 - i. provide source-level quantification estimates that can be further investigated to understand the root cause(s) of the observed methane releases, and
 - ii. cover at least as many sites as the 2018 and 2019 surveys did.
 - d. Proponents must provide the minimum detection level of the methane screening technology proposed, including uncertainty ranges and relevant factors that may affect the measurement accuracy (e.g. wind speed, cloud cover, etc). The proposal should outline the impact of these factors to the measurement and any mitigations as appropriate.

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- e. Sources of interest for the study may include compressors and/or compressor buildings, tanks, flares along with other types of major equipment that may be found at a producing wellsite/batteries and other facilities in the Montney region.
3. Coordinate the implementation of the top-down data collection field program (the initial screening survey) by a sub-contractor.
4. Coordinate the implementation of the follow-up ground surveys to be completed within a reasonable amount of time from the initial screening survey to ensure the root cause of the methane release can be determined. Support will be provided by the OGC to the successful proponent to liaise with operators to ensure site access is available when required.
5. Develop an inventory of oil and gas sector methane sources in the selected areas, by equipment type, using the initial screening survey data and ground survey results. This will include determining the magnitude of each source, the frequency of each release based on contractor and operator expertise (if possible), and the proliferation of the equipment associated with each source, and using these three factors to determine the significance of each source type.
6. Identify the extent to which each emissions source is covered by BC's methane regulation, including those that are not expected to be covered. Support from the MERC will be provided to ensure an adequate understanding of BC's current regulatory framework.
7. Determine the root cause(s) of each release, categorized by type (types to be determined with support from the MERC). The contractor will ensure that operator input into the root cause of the releases is sought and considered in this determination.
8. Recommend potential solutions to mitigate each source of emissions, which could be preventative or post-detection. It should be noted that some emissions sources may have several potential solutions.
 - a. Solutions should consider the cost implications of the proposed approaches. Full costing of solutions is not required, however factors that should be considered include a relative ranking of capital costs, as well as whether or not the proposed solutions could impact production at the facility. The length of time required to address the solution should also be provided (e.g. 30, 60, 90, 90+ days).
 - b. Solutions should also consider other relevant challenges to of the proposed approaches (e.g. requirement for operational shut down, lack of accessibility, need for speciality equipment or expertise, etc.).
9. Provide an overview of lessons learned for consideration by the MERC.

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Anticipated Schedule

The following table outlines the anticipated schedule for this project. The proponent should propose their own schedule, aligned to the methane screening technology and other project specific requirement. The final report is required by March 1, 2022 and any alternate schedule must meet that deadline.

Event	Anticipated Date
Anticipated Project start date	June 15, 2021
Field campaign coordination meeting	July 2021
Expected field campaign	August 2021
Post field campaign report	October 1, 2021
Final report due	March 1, 2022

Scope of Services

The services outlined in this RFP are anticipated to commence on June 15, 2021 and be complete on March 1, 2022.

The project is expected to:

1. Determine the root causes of methane emissions and potential solutions to both inform policy and understand the discrepancy between top-down and bottom-up inventories.
2. Inform better management of methane emissions, e.g. inform the likely corrective action the industry can take, and better policy framework to support those effective corrective actions.
3. Provide insight to whether sources of methane are being effectively captured in current bottom-up inventories.
4. Allow for the trend of methane emissions over time to be identified at a similar set of sites observed in 2018 and 2019, in order to monitor the progress of the methane regulations.
5. Support ongoing policy development related to emissions quantification, management, and reduction.

Deliverables

The project deliverables prepared by the successful Proponent will include:

1. Multiple progress updates to be presented to the MERC through the duration of the project. The number and frequency of the updates will be determined based on the methane screening technology of the successful proponent and other project details,

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once finalized. It is anticipated that updates will be required at least the following milestones:

- a. Pre-field campaign launch - to review final field campaign details
 - b. During campaign update (20%-30% complete field campaign) - to ensure the field campaign is on the right track
 - c. Initial findings post-campaign update - to review the initial data provided from the field campaigns. This will include the post field campaign report.
2. A final written report that includes:
- a. A top-down methane emissions inventory for defined areas of the Montney, including the magnitude of emissions from each identified source, the expected frequency of release from each identified source, and the proliferation at the sector level of the equipment responsible for each identified source.
 - b. Determination of the root cause(s) of the releases observed in the top-down survey, by source type.
 - c. Descriptions of the possible corrective actions in each case.
 - d. Discussion of the challenges to these corrective actions, and identification of likely corrective actions.
 - e. Identification of data gaps and recommendations to address those gaps.
 - f. Uncertainty analysis.
3. Data and illustrations collected and/or created during project.
4. A final administration report (1-2 pages) confirming that the funds provided for this project were used in entirety as per the project proposal and workplan.
5. Written or verbal status reports at periodic points throughout the project, usually in advance of MERC meetings, if requested by the project manager.
6. A presentation to the MERC and invited guests on the findings and implications of the project.

Note: all reports and updates to the MERC shall use the unit 'm³/d' when addressing a methane emission quantity.

Format Requirements

The following format, sequence, and instructions should be followed in order to provide consistency in Proponent responses and ensure each Proposal receives full consideration. With all pages consecutively numbered, the Proposal should meet the following requirements:

- a) Signed cover page
- b) A short (one or two page) summary of the key features of the proposal.

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- c) The body of the proposal, i.e. the “Proponent Response”.
- d) Appendices, appropriately tabbed and referenced.
- e) Identification of Proponent (legal name)
- f) Identification of Proponent contact

The Proposal must be written in accordance with the above content requirements. It is not to exceed **10 pages** of combined text, tables, graphics and other written materials in support of the content requirements, not including appendices.

Data management

The contractor will be required to provide a brief description on how they will ensure data or information generated or used in the project will be managed to ensure business sensitive or confidentiality of the information is maintained. It is expected that during the project, only anonymized datasets or information will be shared with the project team. If there is a requirement or desire to share non-anonymized data or information, approval for sharing this information should be received from the MERC Technical Advisory Committee (MERC TAC) chair prior to the release of the data or information.

Public discussions about the project results, either during the project, or afterwards, must be approved by the MERC TAC chair in advance. It is expected that any materials (slides, write-ups, etc.) that reference the project will be shared with the MERC in advance for approval – this will be required for projects that are currently underway. All data, observations, and results collected and/or determined through this project will remain the property of the MERC. Any use of the data, observations, and results beyond the scope of this project must be approved by the MERC.

Project Budget and Term

The term of any contract formed subsequent to this RFP process is from the date of signing to March 31, 2022. All contracted work must be completed by this date.

A maximum of \$297,000 Canadian Dollars (subject to financing) is available for this contract, which must include all fees, expenses and taxes.

The proposal should include a short workplan and budget breakdown based on the anticipated phases of the project, along with deliverables proposed for each phase of the project.

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Evaluation

The evaluation of responses will be conducted by a team consisting of a subset of members of the BC Oil & Gas Methane Emissions Research Collaborative (MERC) Technical Advisory Committee. All members of the team will be bound by confidentiality.

This section details all the mandatory and desirable criteria against which Proposals will be evaluated. Proponents should ensure that they fully respond to all criteria in order to receive full consideration during the evaluation.

The lowest price or any Proposal will not necessarily be accepted. Proposals may be refused based on quality, service, price, reputation, experience, availability of funding, and other criteria.

The Preferred Proponent will be the Proponent scoring the most points after evaluation. The evaluation process will consist of the following stages:

- Stage One – Mandatory Criteria
- Stage Two – Desirable Criteria

Project Team

The proposal should clearly list the proposed project team members and identify and sub-contractors with a brief description of their relevant skills and experience.

Mandatory Criteria

Proposals not clearly demonstrating that they meet the following mandatory criteria will be excluded from further consideration during the evaluation process.

- The Proposal must be sent and received before the designated closing date and time.
- The Proposal must be in English and submitted electronically to Chris Bosson.

Failure to meet all mandatory criteria above will disqualify the Proponent's Proposal from further review.

Desirable Criteria

An agreement with the Proponent who, in the opinion of the evaluation committee, has the resources, knowledge and competence to provide the greatest value is being sought. Proposals meeting all the mandatory criteria will be further assessed against desirable criteria as follows:

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A. Qualifications

- subject matter expertise
- academic track record
- understanding of upstream oil and gas operations

B. Quality of Proposal

- technical content
- organization
- specificity and comprehensiveness in addressing deliverables, scope, and questions posed

C. Relevant Experience

- experience with statistical analysis
- experience with methane emissions sources, causes and quantification methods
- experience with field program coordination, ideally in British Columbia's upstream Oil and Gas sector

D. Familiarity

- familiarity with Canadian emission inventory methodologies and data systems with an emphasis on British Columbia
- experience with Canadian regulatory requirements and operations with an emphasis on British Columbia

E. Pricing

- total pricing and hourly rate for study design and project execution

The weight of different evaluation criteria.

Evaluation Criteria	Weight
Qualifications	30
Quality of Proposal	20
Relevant Experience	20
Familiarity	10
Pricing	20
TOTAL	100

Important References

[BC OGC Methane emissions website – includes link to British Columbia Oil and Gas Methane Emissions Field Study in 2018](#)

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Appendix A: List of Survey Sites from the 2019 BC Top-Down Survey

Aerial Site Index	Aerial Survey Site Latitude	Aerial Survey Site Longitude
1	56.7860888	-121.9210956
2	56.90616575	-120.3420429
3	56.89781027	-120.3588056
4	57.34854927	-122.3022539
5	57.33893381	-122.3231263
6	57.35529407	-122.3048181
7	56.54587625	-120.7298805
8	56.54930657	-120.7453161
9	57.35165274	-122.3186223
10	57.28993035	-122.2920375
11	56.790009	-122.0312524
12	57.33055974	-122.3306789
13	56.5782032	-122.096954
14	57.34250521	-122.3303505
15	57.35769347	-122.3267745
16	57.35904497	-122.3100414
17	56.5912325	-122.1394526
18	56.51629534	-122.0516527
19	56.54797268	-122.0710994
20	56.5553115	-122.0937648
21	56.06434407	-120.0931702
22	56.57694136	-122.1041577
23	56.55730745	-122.1614466
24	57.36555575	-121.4090831
25	56.90616799	-120.3546628
26	57.40882599	-121.9804316

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27	57.44782776	-122.0295596
28	57.44079789	-122.0512068
29	57.43743344	-122.0743492
30	57.42982351	-122.1725558
31	57.3736202	-122.2889537
32	57.37705175	-122.3014295
33	57.36740189	-122.2943535
34	57.01023885	-122.1486088
35	55.2186571	-120.0434297
36	56.31995933	-120.1312073
37	56.3086834	-120.1229426
38	56.3107979	-120.1793064
39	56.30194811	-120.1992328
40	56.33886761	-120.0991409
41	56.27987695	-120.1728077
42	56.34248405	-120.0733259
43	56.34264706	-120.0988846
44	56.36036175	-120.0995064
45	56.36768542	-120.1167414
46	56.2582419	-120.0390211
47	56.38305129	-120.0882929
48	56.38926725	-120.0790221
49	56.38899615	-120.0741788
50	56.60644915	-122.1298182
51	56.59689675	-122.1568133
52	55.27728806	-120.2156026
53	55.27353659	-120.2676944

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Aerial Site Index	Aerial Survey Site Latitude	Aerial Survey Site Longitude
54	56.6080218	-122.2376369
55	55.87232884	-120.5540411
56	55.28278945	-120.2598752
57	55.25197172	-120.1827703
58	55.95003861	-120.3723666
59	55.2705236	-120.2215268
60	55.27151208	-120.1987038
61	55.25086881	-120.1829018
62	55.26950691	-120.2216329
63	56.28040987	-120.050366
64	55.88186353	-120.555621
65	55.27295469	-120.1938019
66	56.3396208	-120.0934233
67	56.33905565	-120.07359
68	56.04478187	-120.5905983
69	55.96260544	-120.3599967
70	54.5786735	-120.0616842
71	56.06334659	-120.1177089
72	56.06601132	-120.1160432
73	55.89693725	-120.3177206
74	55.8065144	-120.7381428
75	55.06544375	-121.1182889
76	55.89985083	-120.5552826
77	55.9526904	-120.3951802
78	56.07377324	-120.1121834
79	56.0707178	-120.1176668
80	55.81890952	-120.7441019

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81	56.79946202	-121.930897
82	56.79382019	-121.9280981
83	56.82152295	-120.5504062
84	56.7878693	-120.5418487
85	56.841293	-121.625941
86	57.43186296	-122.1720792
87	56.49742931	-120.3661363
88	56.55297091	-120.7341222
89	56.05857696	-120.6988687
90	56.27352116	-120.0471736
91	55.95515505	-120.0346483
92	56.0610536	-120.6392263
93	54.5636954	-120.0710505
94	56.05570595	-120.1168593
95	56.05238605	-120.7942146
96	56.80445547	-121.9349916
97	56.94697365	-121.4391544
98	57.34500744	-122.6080842
99	56.79081663	-122.2905335
100	56.81058231	-122.0928298
101	56.78136739	-121.93746
102	55.94565137	-120.3994946
103	56.83952179	-122.0406172
104	56.39003679	-120.9824753
105	56.7750087	-122.1473165
106	56.79929699	-121.8714026
107	56.48178394	-122.3230755

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108	57.28166023	-122.7643295
109	57.30887282	-122.3248191
110	56.842897	-122.300737
111	56.9762808	-121.9893016
112	56.74017928	-122.1977747
113	56.80069329	-122.3248982
114	57.36233359	-121.4039954
115	57.01128918	-122.0018625
116	57.09049202	-122.0846491
117	57.00830738	-122.1613077
118	57.03180295	-121.4869288
119	55.21711989	-120.0439033
120	56.66715027	-122.2414718
121	56.38827034	-120.6438961
122	56.4854299	-120.792275
123	55.19189275	-120.090926
124	55.12074128	-120.0289152
125	55.2786214	-120.2536324
126	56.02077355	-120.5069401
127	55.27264144	-120.2099377
128	56.25748211	-120.0473231
129	56.0671387	-120.1044237
130	56.33902745	-120.086846
131	55.94247005	-120.1905444
132	56.05213305	-120.5914913
133	55.95909283	-120.3731744
134	56.03542192	-120.0900019

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Aerial Site Index	Aerial Survey Site Latitude	Aerial Survey Site Longitude
135	55.90330396	-120.3215034
136	55.04757445	-121.1181039
137	55.1088854	-121.1568375
138	55.80923809	-120.4867496
139	55.81195489	-120.74281
140	55.93904816	-120.752306
141	57.1694169	-122.2769147
142	56.78865546	-121.8685582
143	57.29890213	-121.318495
144	57.33537926	-121.4006741
145	56.90133285	-120.3508123
146	55.29467543	-120.4871293
147	55.27900132	-120.2531608
148	55.97263883	-120.3002906
149	55.27409106	-120.2079341
150	55.87808791	-120.5613728
151	54.5503818	-120.0544663
152	55.89611407	-120.5694306
153	55.79472921	-120.5181984
154	55.91418446	-120.3834798
155	55.88170875	-120.5673851
156	55.957214	-120.2035071
157	55.92540563	-120.1863436
158	56.0531316	-120.7404412
159	55.78488022	-120.5311205
160	55.80891422	-120.6614865
161	56.51843886	-122.0503147

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Aerial Site Index	Aerial Survey Site Latitude	Aerial Survey Site Longitude
162	55.79736088	-120.5381799
163	55.9286878	-120.6431453
164	55.9280437	-120.7766186
165	56.33729966	-120.0853197
166	56.34383845	-120.0721492
167	55.87446877	-120.5791372

Appendix B: BC OGRIS Cost Guidelines

1 Introduction

This appendix provides guidance on project costs that are eligible for reimbursement under a BC OGRIS Funding Agreement.

Researchers, and organizations undertaking programs supported by BC OGRIS, should be reimbursed up to an amount equivalent to the full incremental cost of undertaking the project, excluding overhead costs such as office space and services (e.g., electricity, telephone) and basic office equipment (e.g., computers for word processing, printers, photocopiers, fax machines).

Only those project costs (e.g., fees and expenditures) identified in the proposal and subsequent Funding Agreement will be eligible for reimbursement.

2 Fees

The BC OGRIS reimburses time spent on projects in one of the following ways:

- the portion of a salaried employee's time spent on a BC OGRIS project (applies to employees of companies and non-government organizations, and post-secondary graduate students).
- the portion of salaried academics as described in section 2.2 below.
- the hours spent on a BC OGRIS project by a consultant (applies to sole proprietors or incorporated firms).

The BC OGRIS also does not cover any tuition expenses.

2.1 Salaried Employees (companies, non-government organizations, graduate students)

Salaries claimed must not include any bonus or pay-for-performance component. Costs of employee benefits (e.g., Employment Insurance, Canada Pension Plan, medical, vacation pay to a maximum of three weeks per year, etc.) are eligible to a maximum of 20% of salaries. Claims for benefit amounts must reflect the proportion of employment time spent working directly on the BC OGRIS project.

For billing purposes, salaries and benefits must be translated into equivalent hourly rates and documented on invoices.

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2.2 Academic Faculty

Salaries of full- or part-time faculty members must be translated into equivalent hourly rates and documented on invoices.

The following maximum salary levels apply to graduate students and post-doctoral fellows engaged on BC OGRIS projects:

	Annual Salary	Monthly Salary
Students in first or second year of graduate studies	\$28,800	\$2,400
PhD students in third or fourth year of graduate studies	\$36,000	\$3,000
Post-Doctoral Fellows	\$57,600	\$4,800

2.3 Employees of Government Agencies (provincial, federal)

Salaries of full- or part-time provincial or federal government employees are not reimbursable by the BC OGRIS. The salaries of individuals hired temporarily to relieve government personnel of their regular duties, thereby allowing the government employees time for BC OGRIS research, may be eligible if the employee is devoting the majority or all of his (her) time to working on the project. Salaries of government personnel hired to conduct incremental research funded by the BC OGRIS are eligible. Governments must document personnel that are classified as incremental.

For billing purposes, salaries must be translated into equivalent hourly rates and documented on invoices.

2.4 Consultants (sole proprietors and incorporated firms)

The BC OGRIS reimburses consultants and subcontractors at applicable charge-out rates for the documented time spent working on BC OGRIS projects. Time sheets or similar records of hours worked must be documented and included with the invoice.

3 Administrative Allowances

Administrative costs described in this section are assumed to be covered in consultant charge-out rates; accordingly, there is no administrative allowance for consultants.

Established businesses, associations, academic institutions, and government agencies are allowed to charge a flat rate of 5% of total actual project costs for administrative costs. First Nations and not-for-profit organizations are allowed to charge a flat rate of 10% of total actual project costs for administrative costs.

These flat rates are meant to cover incremental administrative costs associated with an approved project, including:

Appendix B: BC OGRIS Cost Guidelines

- project time tracking, accounting, and invoicing;
- preparation of progress reports and communications with the Fund Manager not included in specific activities of the project work plan; and
- photocopying, long-distance telephone, courier, and other consumable office materials and supplies pertaining to work set out in the Project Plan.

These costs are not to be included as line items in the proposal or subsequent Funding Agreement unless the nature of the project requires special consideration (e.g., a project involving a significant telephone survey).

Preparing interim and final project reports should be identified as tasks in the project work plan and budget, and are therefore not considered to be covered under the administrative cost allowance.

4 Reimbursable Project Costs

4.1 Fixed Asset Costs

All dollar amounts noted below are inclusive of taxes.

Only the costs of fixed assets directly related to performing the BC OGRIS project are eligible for reimbursement. Fixed assets should be leased or rented wherever possible. All fixed assets must be itemized in the work plan. Quotes must be obtained and documented for all fixed assets in excess of \$2,000. Recipients must justify the need to purchase additional fixed assets rather than use existing equipment.

The BC OGRIS will not reimburse the purchase cost of major assets (greater than \$5,000) or the depreciation cost of existing equipment or facilities.

Where the life of the fixed assets purchased exceeds the length of the project, only the percentage of the costs directly related to the duration of the BC OGRIS project are eligible. Depreciation is eligible only on assets purchased for the project, and only for the award period.

The approved annual depreciation amount is 20% (i.e., five-year life) for capital assets except computers, for which the approved annual depreciation amount is 33% (i.e., three-year life).

Multi-year projects are subject to annual renewal based on availability of funds and project performance; therefore, depreciation for equipment purchased for the project is applied as for single-year projects.

Fixed assets that cost less than \$1,000 are classified as consumables, and can be expensed in one year. Recipients must obtain permission from the Fund Manager to classify fixed assets that cost greater than \$1,000 as consumables.

4.2 Materials and Supplies

Materials and supplies required to carry out the BC OGRIS project must be itemized and estimated in the proposed project budget. These may include raw materials, tools, and software. Charges for journal reprints and large-document reproduction may be eligible provided they are detailed in the project work plan.

4.3 Training

Where capacity building is an approved objective of a project funded under the Indigenous Programs and Restoration envelopes, the costs of training personnel directly engaged in the project may be reimbursable. To be eligible for this allowance, the recipient organization must show that the skills acquired through such training would increase its capacity for other work. Only training that begins after the initiation of the project is eligible. Eligible training costs may not exceed 10% of total project value (excluding the training).

BC OGRIS does not cover the cost of tuition or related expenses. For example, the cost of tuition cannot be claimed under the BC OGRIS on projects where the participants are undertaking the project as part of a Masters or PhD program.

4.4 Project-Related Conferences and Workshops

Attendance at Conferences

Some costs for attending a conference related to a BC OGRIS project may be reimbursable in cases where the recipient can confirm how the conference will contribute to the project work plan. Conference details and location must be documented in the work plan.

Contributors to BC OGRIS Project Workshops

Travel costs and fees for presenters at a workshop that is part of a BC OGRIS project are eligible if the presenter and estimated costs are documented in the work plan. Eligible travel costs are provided in sections 4.5 to 4.7.

Expenses and fees for workshop participants who are not presenting are not eligible for reimbursement.

4.5 Travel

The following travel policies apply on all travel associated with projects supported by the BC OGRIS. Recipients will be reimbursed only within the parameters described

Appendix B: BC OGRIS Cost Guidelines

herein. Any exceptions to the policies described below must be approved in advance and in writing by the BC OGRIS Fund Manager.

Recipients claiming travel expenses must maintain detailed, comprehensive travel records noting dates and locations, and include original receipts for all travel expenses claimed. Only expenses for which a receipt is attached will be eligible for reimbursement.

Air Travel

Recipients claiming air travel expenses must obtain the most economical airfare. The BC OGRIS will only reimburse air travel costs at the advance purchase economy rate unless otherwise approved in advance in writing by the BC OGRIS Fund Manager.

When there is not enough time for approval in advance, documentation must be forwarded to the BC OGRIS Fund Manager upon return. If not approved, then recipients may charge only the cost of the applicable advance purchase economy rate.

Fees for changing air tickets are reimbursable only with advance written approval from the BC OGRIS Fund Manager. Recipients are not authorized to fly or charter private or rented aircraft on project business without prior approval in writing from the BC OGRIS Fund Manager.

Vehicular Travel

For all recipients and all types of vehicles, parking charges, toll charges, and ferry charges will be reimbursed at cost, based on original receipts. The cost of a ferry stateroom will be reimbursed only if it is used for overnight travel.

Private and Company Owned Vehicle Allowance

The private and company owned vehicle allowance is intended to cover fuel and maintenance costs associated with operating a personal or company vehicle while traveling on project business. The vehicle allowance does not apply when using a rental or leased vehicle. The allowance for operating a private or company vehicle on project business is: \$0.55 per km.

Proponents may claim the vehicle allowance where they are driven to the departure location (i.e., airport, bus, ferry or train terminal) and picked up upon return.

When daily travel distance exceeds 150 km (about the cost of a daily vehicle rental), a rental vehicle rather than private or company vehicle should be used.

Vehicle Rentals

Recipients are required to use rental vehicles where they represent a lower cost alternative to the use of private vehicles. Proponents must obtain a competitive rate for

Appendix B: BC OGRIS Cost Guidelines

vehicle rentals; only compact or midsized rates will be reimbursed, unless usage requires otherwise. Cost savings (e.g., unlimited mileage) should be negotiated as appropriate.

Insurance Requirements

Proponents are responsible for obtaining adequate insurance coverage for using their private vehicle for business purposes and when using rental vehicles.

Taxi Charges

When another, more economical, means of transportation is not available or suitable while traveling on project business, taxi costs will be reimbursed at cost, based on original receipts.

4.6 Accommodation

Accommodation expenses are reimbursed at cost, based on the most cost effective property selected to meet the business requirements. RECEIPTS REQUIRED (the BC OGRIS may conduct an audit of the receipts to ensure costs are appropriate).

Where private accommodation is used, a maximum of \$40 per day is payable – no receipts are required.

Recipients are responsible for canceling hotel reservations in time to avoid "no show" charges. "No show" hotel costs will not be reimbursed by the BC OGRIS.

4.7 Meal Allowances

No receipts are required. Meals will be reimbursed at the following rates:

- Breakfast \$18.00 (travel starts before 7 am),
- Lunch \$22.00 (travel starts before noon)
- Dinner \$35.00 (travel ends after 6 pm)
- Full day \$75.00

No meal allowance should be claimed when a meal has been provided by another source such as an airline, hotel or at a conference or meeting.

Travel status begins and ends at the designated departure and return locations, which may be the recipient's headquarters, personal residence, or other point of assembly.

Appendix B: BC OGRIS Cost Guidelines

4.8 Extension

The BC OGRIS will reimburse costs associated with the extension of project results (e.g., publications, presentations, or other activities) as specified in the proposal and subsequent Recipient Agreement.

Examples include the page costs for journal publications or conference attendance costs where the recipient is presenting information directly related to a BC OGRIS project. Eligible costs include travel to and from the conference, and expenses related to the presentation day (e.g., if the presentation is only on one day of the conference, expenses for one night accommodation are eligible). Conference details and location must be documented in the work plan. Expenses claimed must be net of reimbursements provided by the conference.

5 Non-reimbursable Project Costs

The following expenses are **not reimbursable** by the BC OGRIS:

- Gratuities;
- parking fines, traffic violation fines (including photo radar), impoundment/towing fees when driving a company, leased, rented or personal vehicle on project business;
- entertainment;
- subscriptions to scientific journals and other publications;
- advertising, travel or other expenses associated with hiring personnel for a project;
- professional membership fees;
- protecting intellectual property rights (e.g., patents, licenses, copyright); and
- product marketing or commercialization.

Appendix C: Sample Funding Agreement

BC Oil and Gas Research and Innovation Society (BC OGRIS)

Fund Manager:
PO Box 9331 Stn Prov Govt
Victoria, BC V8W 9N3

Funding Agreement

{date}

{name of recipient}

Dear _____:

Re: Recipient Agreement Number: _____

This letter confirms that the BC Oil and Gas Research and Innovation Society (the "BC OGRIS") has agreed to provide funding to _____ (the "Recipient"), for _____ (the "Project"), upon and subject to the terms and conditions specified below.

The Fund Manager ("Fund Manager") is the designated representative of the BC OGRIS with respect to all matters arising under this Agreement and relating to the Project.

1. Purpose

The BC OGRIS contribution is to be used solely for the purpose of the Recipient in carrying out and completing the Project as described in the Project Proposal (the "Proposal") attached as Appendix II and the Terms and Conditions attached as Appendix I to this letter.

The Recipient will not authorize or make any material alteration to the Workplan described in the Proposal without the prior written consent of the Fund Manager, not to be unreasonably withheld.

Initials:

BC OGRIS	Recipient

Appendix C: Sample Funding Agreement

2. Amount

The BC OGRIS will provide a grant to the Recipient to a maximum of _____ (Canadian dollars)—inclusive of all fees and expenses. Funds provided by the BC OGRIS that the Recipient does not use in the Project will be returned to the BC OGRIS at the end of the Project. The BC OGRIS reserves the right to audit expenses or receive copies of invoices, as it deems appropriate, including those of any parties not at arm's length that will incur expenses on behalf of the Recipient.

3. Disbursements

The BC OGRIS will disburse funds to the Recipient based on the schedule of payments listed below. The BC OGRIS will pay the Recipient within 45 days following receipt of the submitted invoice and the completion of the corresponding accountability for each milestone listed in the schedule of payments. Deliverables without a contribution amount must be submitted and accepted before the next contribution, or holdback, is released.

Milestone	Accountability (Deliverables)	Contribution Amount (CDN\$\$\$)	Estimated Date
1. Project Started with kick-off meeting	<ul style="list-style-type: none"> Signed funding (recipient) agreement. BC OGRIS Fund Manager acceptance of: <ul style="list-style-type: none"> Project Profile—template will be provided by the Fund Manager. Email (short) summarizing the results of the kick off meeting (e.g., date, participants, topics discussed, decisions made). 		
2. _____	<ul style="list-style-type: none"> BC OGRIS Fund Manager acceptance of: <ul style="list-style-type: none"> {deliverable} 		
3. {repeat for each milestone}	<ul style="list-style-type: none"> BC OGRIS Fund Manager acceptance of: <ul style="list-style-type: none"> {deliverable} 		
4. Project Complete	<ul style="list-style-type: none"> BC OGRIS Fund Manager acceptance of: <ul style="list-style-type: none"> Final Report with Executive Summary and Acknowledgements section and review comments on draft report incorporated. Report may be posted on the BC OGRIS website. Final Administration Report—see Deliverables section below for content. Presentation to the BC OGRIS and invited guests to review project 		

Appendix C: Sample Funding Agreement

	<p>findings and implications to the Regulator, government and industry.</p> <ul style="list-style-type: none"> • Copies of scientific papers, media releases and other extension activities undertaken on the project and its findings. • Data, maps and illustrations produced and/or collected during project. • Copies of any photos taken of project (field) activities (if any). Credit will be given if photos used (e.g., BC OGRIS Annual Report). 		
Total			

4. Deliverables

The Fund Manager may request a verbal or written status report at periodic intervals through the Project.

Final Administration (Internal) Report

The Recipient will provide the Fund Manager with an internal Final Administration Report containing:

- Statement confirming funds provided by BC OGRIS were used in entirety in the Project as per the Proposal in Appendix II. Any unused funds will be returned to the BC OGRIS.
- A statement confirming the project was undertaken as per the Proposal (e.g., methodology, deliverables, governance, team members). A short explanation of any major variances in methodology, deliverables, governance, team members, etc. should be provided.
- A listing of all extension activities carried out regarding the project and its findings. This includes presentations, media coverage and publications. Copies of extension materials will be provided to the Fund Manager. Suggestions for further extension activities are welcome and encouraged.
- A brief report on any “lessons learned” for *internal* use of the BC OGRIS. The lessons learned report will not be posted to the BC OGRIS’s website. The Lessons Learned will contain the following:
 - a) reflecting on variances between what was planned and what actually occurred, and recommending ways to improve future projects of a similar nature, and
 - b) providing advice on how to improve the effectiveness of the program, the quality of project deliverables, and the experience of recipients.

5. Project Initiation and Completion Dates

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The Project will commence on or before {start date} with completion on or before {end date}.

6. Acceptance

Please confirm your agreement with the foregoing terms and conditions by dating and executing all copies of this agreement in the space and manner indicated below and return it to the BC OGRIS, free of any conditions.

Agreed to this:
 _____ day of _____, 202_

Agreed to this:
 _____ day of _____, 202_

Fund Manager

Authorized Recipient Representative

BC OGRIS Fund Manager

Name:

BC OGRIS

Title:

Company:

Address:

Tel:

Email:

Appendix C: Sample Funding Agreement

Recipient Agreement Number: _____—Appendices

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APPENDIX II – Proposal **Error! Bookmark not defined.**

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AI-1 Project Management

The Recipient is expected to manage the Project prudently, use funds cost-effectively, and ensure timely completion to a standard of care in a manner consistent with that level of care and skill ordinarily exercised by other professionals currently practicing under similar conditions, according to the terms of this Agreement.

The Recipient will ensure the Fund Manager is advised, as soon as reasonably practical, of any expected cost overruns and/or delays in completing the Project. The Recipient will also provide status updates, verbal and/or written, upon reasonable request by the Fund Manager.

The Recipient will notify the Fund Manager, in writing, of any change in project leadership or governance processes. A change in project leadership must be accompanied by a meeting with the Fund Manager to reconfirm the Project and Workplan outlined in this funding agreement.

The Recipient will maintain proper work, personnel, and financial records. Financial records are to clearly separate and identify the receipt and expenditure of contributions from the BC OGRIS, cash contributions from other sources, and in-kind contributions from all sources.

The Recipient will provide the BC OGRIS with copies of all data, working papers and information produced, received or acquired by the Recipient during the process of working on the Project.

AI-2 Insurance

The Recipient, and its subcontractors, shall ensure they have appropriate insurance to operate and address potential liabilities resulting from the Project.

AI-3 Acknowledgement

In all publications and other forms of release or communication pertaining to the Project, the Recipient and its subcontractor(s) shall acknowledge the funding provided by the BC OGRIS and the assistance provided by subject matter experts.

AI-4 Ownership of Technology and Intellectual Property

The BC OGRIS will retain any intellectual property rights in project deliverables. This applies to all reports, data and other materials produced from this Project.

The BC OGRIS's use of the deliverables is for the purposes of providing the research findings to the oil and gas industry, regulators, applicable government agencies, other applicable stakeholders and the general public. This includes members of organizations contributing funding to BC OGRIS for use in the project.

Data Management and Security

Appendix C: Sample Funding Agreement

The Recipient will make appropriate arrangements to obtain and protect data collected during the project. This may include obtaining data sharing agreements with external parties. The Recipient will work with the BC OGRIS Fund Manager to ensure approvals and data security is obtained.

Copyright

The Recipient, and all its sub-contractors, for good and valuable consideration under this Agreement, do hereby acknowledge, confirm and perfect the assignment to BC OGRIS, all of their rights in the Copyright in all the produced deliverables from this Agreement—with the exception of any journal publication.

Moral Rights

The Recipient and all its sub-contractors, for good and valuable consideration under this Agreement, hereby waive all moral rights established under the *Copyright Act*, as amended from time to time, in all the produced deliverables from this Agreement—with the exception of any journal publication. They further agree not to institute legal proceedings against the BC OGRIS with respect to these moral rights.

AI-5 Subcontractors

The Recipient must provide the Fund Manager with prior notice in writing of any intended or actual use of subcontractors in carrying out the Project or change in the use of subcontractors. No subcontract, whether consented to or not, relieves the Recipient from any obligations under this Agreement. The Recipient must ensure that:

- (a) Any person retained by the Recipient to perform obligations under this Agreement fully complies with this Agreement in performing the subcontracted obligation; and
- (b) Any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligation.

AI-6 Audit

The Fund Manager may engage an auditor or conduct an audit to review the Workplan and any records, reports, accounting procedures, and other information of the Recipient as may be desirable in its opinion relating to the Project, its disbursements, or this Agreement, provided that such auditor is subject to confidentiality obligations similar to those contained in AI-14 below.

The Fund Manager shall have the right to request specific and general information from the Recipient that is reasonably necessary or desirable under generally accepted auditing standards; the Recipient will provide such information in a timely fashion.

The Recipient will assist the audit by whatever means are necessary and reasonable to facilitate any such audit or request for information. Where the Fund Manager or an auditor requires access to, or copies of, information, data, or documents for the requirements set out in this Agreement or other related documents,

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the Recipient (and its Subcontractor(s)) will, at no cost to the Fund Manager or the auditor, ensure that the person who has control of such information, data, or documents provides full access to them; and provides appropriate space for the BC OGRIS or the auditor to carry out the audit at reasonable times during business hours.

Any obligation imposed on the Recipient under AI-6 to provide or cause to be provided certain information, data or documents is subject to such information, data and documents not being subject to written confidentiality obligations imposed on the Recipient or other person who has control over such materials, by another person.

The Fund Manager may use its findings from an audit or the findings of the auditor as one means to assess the performance of the Recipient under this Agreement.

The Recipient acknowledges that, in addition to the audits conducted by and on behalf of the Fund Manager, other types of audits may be conducted on the BC OGRIS. In these cases, the Recipient will assist in the audit of the BC OGRIS by providing information as requested by the auditor, subject to the terms and conditions of this funding agreement. All audits shall be subject to thirty days prior written notice to the Recipient before commencement, save and except where otherwise required by law.

AI-7 Assignment of Rights or Responsibilities

The Recipient is not to transfer to any person any rights or responsibilities of this Agreement without the written consent of the Fund Manager. The Recipient must ensure that subcontractors comply with the Agreement.

AI-8 Confidentiality and Freedom of Information

All material, information and reports produced under this agreement may be subject to disclosure in accordance with the *Freedom of Information and Protection of Privacy Act*. Any party required to disclose any material information or reports pursuant to the Act will first notify the other party of such requirement and will cooperate with the other party to only disclose information to the extent required by the Act.

AI-9 Conflict of Interest

The Recipient will, concurrently with the delivery of this Agreement, disclose to the Fund Manager the existence of any conflicts of interest between the obligations of the Recipient to the BC OGRIS under this Agreement and the obligations of the Recipient to another person (“Conflicts”) and will, during the term of the Agreement, notify the Fund Manager in the event that any Conflicts arise.

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AI-10 Termination

The Fund Manager may terminate this Agreement:

1. Immediately—if the Recipient has failed to comply with this Agreement and has not within 5 days of notice from the BC OGRIS of such non-compliance, addressed such non-compliance. Written notice of termination must be given to the Recipient, and
2. With at least 30 days' notice—for any other reason. Written notice of termination must be given to the Recipient.

The Recipient may terminate this Agreement on giving at least 30 days' written notice of termination to the Fund Manager.

This Agreement may also be terminated immediately, by written notice of the other party, if such party becomes bankrupt, insolvent, makes a general assignment for the benefit of creditors or has a receiver appointed.

If we terminate this Agreement under AI-10(2) above, the BC OGRIS will pay the Recipient that portion of the fees and expenses detailed in this Agreement representing the portion of the services that were completed to our reasonable satisfaction before termination. Such payment will discharge the BC OGRIS from all liability to the Recipient under this Agreement. The Recipient will return that portion of any pre-payments made by the BC OGRIS that is above the fees and expenses for services listed in the Proposal that are completed.

Upon termination, the other party may attempt to undertake the remainder of the Project on their own or with other parties.

Notwithstanding any termination of this Agreement, the obligations set out in AI-14 [Confidentiality] below shall survive and continue to bind the parties and their successors and assigns for a period of six years following any termination of this agreement.

AI-11 Failure to Complete

If, for any reason, the Project is not completed, the BC OGRIS will pay the Recipient that portion of the fees and expenses detailed in this Agreement representing the portion of the services that were completed to our reasonable satisfaction. The Recipient will return that portion of any pre-payments made by the BC OGRIS that is above the fees and expenses for services completed.

The BC OGRIS will not entertain future proposals from organizations where previous projects were incomplete or deliverable(s) not received. This refers to situations in which the organization failed to complete the Project.

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AI-12 Settlement of any Disputes

All disputes arising out of or in connection with this Agreement or in respect of any defined legal relationship derived from it must, unless the parties otherwise agree, be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre under its rules.

AI-13 Governing Laws

This agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and, subject to AI-12 above, the Parties hereto hereby submit to and attorn to the non-exclusive jurisdiction of the Courts within the Province of British Columbia.

AI-14 Confidentiality

Both parties agree that all confidential information communicated by one party to the other party for the purpose of this Agreement, including but not limited to the terms of this Agreement, will be held in strict confidence and will be used only for the purposes of this Agreement, and that no such confidential information will be disclosed by the receiving party, agents or employees without the prior written consent of the disclosing party or unless disclosure of such confidential information is compelled by judicial process or otherwise by law, or if the information has been made public without any action by the receiving party. Both parties will exercise due diligence not to use or commercialize, or to disclose the other party's confidential information to any person or entity, except to its own employees having a "need to know" and other recipients approved by owner in writing. Neither party will alter or remove from such confidential information any confidential or proprietary rights legend.

Both parties agree that any information encountered by either party to this Agreement where such information is the property of the other party shall be treated as being confidential and shall be safeguarded in the same manner as each party to this Agreement safeguards information regarding its own business.

The Recipient may communicate with the BC OGRIS or others via telephone, facsimile, post, courier and e-mail transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, the Recipient cannot guarantee or warrant that communications from the Recipient will be properly delivered only to the addressee. Therefore, Recipient specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by the Recipient in connection with the performance of this agreement. The BC OGRIS acknowledges and agrees that the Recipient shall have no liability for any loss or damage to any person or entity resulting from the interception or unintentional disclosure of communications, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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AI-15 Indemnity and Limitation of Liability

Each party shall indemnify, defend and hold harmless the other and each of their respective directors, officers, servants, employees and agents from and against, and shall be responsible for, all actions, suits, claims, demands, losses, costs, charges, damages and expenses, including reasonable legal fees incurred, suffered, sustained by or claimed against the other party, arising out of or resulting from any negligent acts or omissions of such indemnifying party or its directors, officers, servants, employees or agents or such other persons for whom it is in law responsible in connection with the subject matter of this Agreement and from breaches of the covenants and obligations of such party under this Agreement, except to the extent caused by the negligence or willful act of the other party or persons for whom such other party is in law responsible.

Each party's total cumulative liability, if any, to the other party, or any third party for direct damages arising out of or in connection with this Agreement will in no event exceed the cash portion of the fees payable by the BC OGRIS under this Agreement. Each party's entire liability, regardless of the form of action, whether based in contract or tort, including negligence, shall be for direct damages only. In no event shall one party be liable to the other party for damages under or related to or arising from this Agreement for special, incidental or consequential damages (even if the party has been advised of the possibility of such loss) including lost business revenue, loss of profits, loss of data, failure to realize expected profits or savings or other commercial or economic loss of any kind or any claim against any party by any other person.

AI-16 Other Terms and Conditions

The relationship of the parties is that of independent contractors. Nothing herein contained shall be deemed to constitute a joint venture relationship or partnership among the parties. Neither party shall have any authority to assume or create any obligation whatsoever, express or implied, in the name of the other party nor to bind the other party in any manner whatsoever, except as herein specifically provided.

This Agreement contains the entire understanding of the parties relating to the subject matter herein contained. Any amendment to this Agreement must be in writing and executed by the proper officers of the parties.

Each provision of this Agreement is intended to be severable. If a court determines that any provision is unenforceable for any reason, that provision will be severed from this Agreement and will not affect the enforceability of the remainder or any other provision of this Agreement.

Appendix C: Sample Funding Agreement

Waiver by any party of any provision of this Agreement in one instance shall not constitute a waiver as to any other instance and any waiver must be in writing to be effective.

If the performance of this Agreement is interfered with, in whole or in part, by circumstances beyond the reasonable control of any party such as fires, labour unrest such as strikes and picketing, floods, acts of God or war, the party affected shall be excused from performance of its obligations on a day-by-day basis provided that the party so affected shall use reasonable efforts to remove the cause of non-performance.

Both parties agree not to assign or otherwise dispose of any of their rights, obligations or interests in this Agreement without the prior written consent of the other party, which consent may not unreasonably or arbitrarily be withheld. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

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