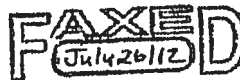




ALBERTA  
ENERGY

Office of the Minister  
MLA, Calgary-West



JUL 26 2012

Mr. Dan McFadyen, Chair  
Energy Resources Conservation Board  
1000, 250 - 5 Street SW  
Calgary, Alberta T2P 0R4

Dear Mr. McFadyen: *Dan*

I am writing to ask the Energy Resources Conservation Board to examine the adequacy of regulatory requirements with respect to pipelines under its jurisdiction and industry best practices in three aspects of the pipeline industry in Alberta and other jurisdictions: public safety and responses to pipeline incidents, pipeline integrity management, and the safety of pipelines near water bodies.

I ask that you contract with a third-party independent group to conduct this examination and provide a report, following which the ERCB would consult with key stakeholders regarding its conclusions and to determine appropriate next steps.

Based on the results of the report and consultation and where appropriate please also recommend:

- 1) changes to the *Pipeline Act*, or other regulatory instruments;
- 2) revisions to or improvement of industry best practices regarding pipeline construction, operation and maintenance, and
- 3) changes or opportunities in any other relevant policy matters.

While Alberta pipelines have had a consistently solid safety record, recent incidents have highlighted the importance of pipeline safety to our province's local, national, and international reputation. It is important to do this work both thoroughly and quickly, and I look forward to receiving your report before the end of the year.

Sincerely,

*317(1)*

Ken Hughes,  
Minister of Energy

*Alberta*

01

## Proposed ERCB Pipeline Safety Review July 19, 2012

### **Issue:**

Recent pipeline related incidents, combined with international focus on pipeline regulation and public safety, have resulted in increased questions about how pipelines in Alberta are safely regulated by the ERCB and operated by industry.

### **Background:**

The ERCB has regulated pipelines in Alberta for decades. During that time it has built significant experience and technical and regulatory expertise. The ERCB regulatory approach is based on informed risk assessment and management to guide its ongoing pipeline inspection program. The ERCB system is based on continuous improvement and relies on and uses experience from past inspections and previous incident investigation and response to inform and design its annual pipeline inspection program each year and to update and upgrade its regulations and requirements.

### **Objectives:**

Through the development and implementation of the Pipeline Safety Review, the ERCB seeks to determine whether its regulation of pipelines remains relevant and adequate and whether industry best practices are aligned with regulatory requirements. The ERCB views this as an opportunity to build on continuous improvement of its regulations related to pipeline construction, operation and maintenance, risk based inspection and enforcement system and incident and emergency response.

### **Approach:**

The Pipeline Safety Review will include the following components:

- The ERCB will engage a third party independent expert to conduct a review of its current pipeline regulatory system and industry best practices. The review will focus on three main issues:
  - public safety and response to pipeline incidents,
  - pipeline integrity management requirements, and
  - pipeline crossings at water bodies.

The review will include examination of the current regulatory requirements in each of these three areas and a comparison to other comparable jurisdictions to determine if they remain relevant and accurately reflect the risk profile of ERCB regulated pipelines. It will also include a review of the results of ERCB investigations and related conclusions and regulatory responses by both licensees and the ERCB to major pipeline incidents completed within the last five years and recommendations for related changes to ERCB regulations and inspection programs arising from the conclusions in the report.

The resulting report would be published on the ERCB website along with a request for stakeholder response/feedback.

- Following receipt of feedback on the third party review report, the ERCB would hold stakeholder feedback forums at which the comments and feedback received in response to the report would be discussed in a public forum. Participation would include all parties who provided feedback in response to the report and other invited representatives from the Canadian Standards Association, producing and pipeline industry operators, suppliers and manufacturers, service providers, landowners, municipalities and ENGOs.
- Following the third party review and public forum/feedback process outlined above, the ERCB will:
  - i) make the appropriate changes to the *Pipeline Act*, *Pipeline Regulations* and other applicable regulatory instruments to incorporate the results of this initiative;
  - ii) make recommendations to industry regarding adoption of revised or improved best practices relating to pipeline construction, operation and maintenance; and
  - iii) make recommendations to the Government of Alberta on any relevant pipeline policy matters that fall outside the ERCB's jurisdiction and other related matters that may arise from the Pipeline Safety Review.

**Dan McFadyen**  
Chairman

August 7, 2012

The Honourable Kenneth Hughes  
Minister of Energy  
404 Legislature Building  
10800-97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister Hughes,

**RE: REQUEST FOR PROPOSAL FOR ERCB PIPELINE SAFETY REVIEW**

Further to your letter dated July 26, 2012, please find enclosed, for your information, a copy of the draft Request for Proposal (RFP) regarding the Energy Resources Conservation Board's (ERCB) solicitation of proposals from potential vendors to conduct the Pipeline Safety Review. In order to complete the work required for this review in the time frame you have indicated, the ERCB intends to post the RFP on August 9, 2012 with a closing date of August 22, 2012.

Through the RFP, the ERCB seeks to engage an independent third party to perform an assessment of the ERCB's current regulatory requirements and framework and industry best practices for ERCB regulated pipelines relating to:

- public safety and response to pipeline incidents;
- pipeline integrity management; and
- safety of pipelines near water bodies.

The purpose of the assessment is to determine if the regulatory requirements and best practices remain relevant and accurately reflect the risk profile of ERCB regulated pipelines and to identify areas for improvement. It will also include an assessment as to how the ERCB's pipeline regulatory requirements and framework and industry best practices for existing pipelines compare to other comparable jurisdictions (including other Canadian pipeline regulators).


The ERCB has requested the vendor to submit a final report by the end of November 2012. The ERCB will provide you with a copy of the final report no later than December 31, 2012. Following completion of the third party review, the ERCB will complete its own assessment of the final report, engage in the key stakeholder consultation as you requested, and provide a full final report that includes our recommendations by March 31, 2013. These timelines have been established to ensure the review is thorough and comprehensive while at the same time conducted in a timely manner.

04

2

Please do not hesitate to contact me if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "D. McFadyen", followed by a long horizontal line extending to the right.

Dan McFadyen

cc Jim Ellis, Deputy Minister  
Alberta Energy

**COPY**

# **REQUEST FOR PROPOSAL (RFP)**

**RFP Number: ERCB-12-FSOB-PSR-001**

**RFP Name: ERCB Pipeline Safety Review**

<b>RFP Issue Date</b>	<b>August 15, 2012</b>
<b>RFP Closing Date</b>	<b>August 28, 2012, 14:00 Alberta Time</b>
<b>Procurement Contact</b>	<b>Nicole Lannard</b>
<b>Contact Info:</b>	<b>procurement@ercb.ca or fax 1-403-297-8688</b>

## Table of Contents

1.0 GENERAL .....	4
1.1 About the ERCB.....	4
1.2 Introduction and Overview.....	4
1.3 Summary of the Work Required by the ERCB .....	5
2.0 REQUEST FOR PROPOSAL TERMINOLOGY .....	6
3.0 REQUEST FOR PROPOSAL PROCESS.....	8
3.1 RFP Availability.....	8
3.2 Changes to the RFP .....	8
3.3 Proponent Questions.....	8
3.4 RFP Schedule .....	8
3.5 RFP Closing .....	9
3.6 RFP Cancellation.....	9
3.7 Proposal Submissions (Mandatory Requirements) .....	9
4.0 PROPOSAL TERMS AND CONDITIONS.....	10
4.1 Eligibility.....	10
4.2 Working Language of the ERCB .....	10
4.3 Modification of Terms.....	10
4.4 Liability for Errors.....	10
4.5 Acceptance of Proposals .....	10
4.6 Ownership of Proposals.....	10
4.7 Confidentiality and Security of Information .....	11
4.8 Freedom of Information and Protection of Privacy Act.....	11
4.9 Conflict of Interest.....	12
4.10 Consent to Collection and Use of Information.....	12
4.11 Notification of Award .....	12
4.12 Proponents' Expenses.....	12
4.13 Waiver of Claims.....	12
4.14 Form of Agreement .....	13
4.15 Definition of Contract .....	14
4.16 Negotiation Delay.....	14
4.17 Use of Request for Proposal .....	14
4.18 Irrevocability of Proposals .....	14
4.19 Proposal Validity.....	14
4.20 Choice of Law and Forum.....	14
4.21 Agreement on Internal Trade (AIT).....	14
4.22 Receipt of Goods and/or Services .....	14
5.0 PROPONENT RESPONSE GUIDELINES .....	15
5.1 Proposal Format .....	15
5.2 Proposal Content .....	15
6.0 PROPOSAL EVALUATION PROCESS .....	17
6.1 Evaluation Process .....	17
6.2 Evaluation and Selection .....	17

*Energy Resources Conservation Board*

---

6.3	Evaluation Criteria/Weightings .....	17
6.4	Short List .....	18
6.5	Proponent Profile & References .....	18
7.0	PROJECT INFORMATION AND REQUIREMENTS .....	19
7.1	Project Statement of Work .....	19
7.2	Project Time Frame .....	21
	APPENDICES .....	22
	Appendix 1: Proposal Submission Form .....	23
	Appendix 2: ERCB Service Contract .....	24
	Appendix 3: Proponent Profile .....	29
	Appendix 4: Client References .....	30
	Appendix 5: Innovation/Value.....	31
	Appendix 6: Proponent Questionnaire.....	32
	Appendix 7: Pricing Template.....	34



## **1.0 General**

### **1.1 About the ERCB**

The Energy Resources Conservation Board (ERCB) is an independent, quasi-judicial administrative tribunal established under the *Energy Resources Conservation Act*. The ERCB reports to the Government of Alberta through the Minister of Energy. Our mission is to ensure that the discovery, development, and delivery of Alberta's energy resources take place in a manner that is fair, responsible, and in the public interest.

The ERCB is Alberta's primary energy regulator. The ERCB regulates the public safety, environmental protection, orderly development, and resource conservation of Alberta's energy resources: oil, natural gas, oil sands, coal, and pipelines.

For further information, please go to [www.ercb.ca](http://www.ercb.ca).

### **1.2 Introduction and Overview**

Alberta has almost 400 000 kilometres of provincially regulated pipeline.

The ERCB regulatory approach uses informed risk assessment and management to guide its regulatory and technical pipeline application requirements, approval processes, and inspection programs.

Provincial legislation and regulations governing pipeline safety in Alberta incorporate specific requirements covering all aspects of pipeline design, application requirements, construction, operations, maintenance, incident response, discontinuance, and abandonment.

The ERCB ensures that industry complies with the requirements of the *Pipeline Act*, *Pipeline Regulation*, and applicable Canadian Standards Association (CSA) standards through ongoing surveillance, including operational inspections.

The ERCB requires licensees to report all pipeline incidents, not just spills. This includes even minor contact that does not result in pipeline damage or a release. In recent years the number of pipeline incidents has been steadily declining. When an incident does occur, the ERCB holds licensees responsible for prompt, effective, and efficient response. ERCB *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry* outlines emergency planning and response requirements.

### **1.3 Summary of the Work Required by the ERCB**

The Government of Alberta has requested the ERCB to engage an independent third party to perform an assessment of the ERCB's current regulatory requirements and framework and industry best practices for existing ERCB-regulated pipelines relating to

- public safety and response to pipeline incidents,
- pipeline integrity management, and
- safety of pipelines near water bodies.

The purpose of the assessment is to determine if the regulatory requirements and best practices remain relevant and accurately reflect the risk profile of ERCB-regulated pipelines and to identify areas for improvement. It will also include an assessment as to how the ERCB's pipeline regulatory requirements and framework and industry best practices for existing pipelines compare to other comparable jurisdictions (including other Canadian pipeline regulators).

On completion of the assessments, and examining existing regulatory requirements and framework and industry best practices relating to ERCB-regulated pipelines, the Vendor will complete and submit a final report to the ERCB no later than November 30, 2012, providing recommendations for improvements for ERCB-regulated pipelines in each of the three areas noted above.

The final report of the Vendor will be made publicly available by the ERCB and/or the Government of Alberta. The Vendor will be expected to make appropriate staff available to present the final report and address any questions related to it.

It is the ERCB's preference to select only one Proponent to perform the work contemplated in this RFP. However, given the scope of the work required, the ERCB may find it necessary, and reserves the right at its sole discretion if deemed appropriate and beneficial, to select more than one Proponent to perform the work contemplated in this RFP.

The Vendor will be expected to execute the standard form of the ERCB Service Contract (see Section 4.14 for further details regarding the ERCB Service Contract).

If, at the ERCB's sole discretion, a Proposal submitted in response to this request for Proposal does not clearly and conclusively demonstrate that it satisfies the criteria, including the mandatory competencies as described in Section 7.0, the ERCB may reject the Proposal without further notification to the Proponent.

*Note: Proponents are advised to pay careful attention to the wording used throughout this RFP. Failure to satisfy any term or condition of this RFP may result in an unacceptable Proposal.*

## **2.0 Request for Proposal Terminology**

Throughout this RFP, terminology is used as follows:

**"Alberta Purchasing Connection" (APC)** means the Government of Alberta's electronic tendering system.

**"Agreement or Contract"** means any written agreement between a Vendor and the ERCB which allows for the supply of goods and services, with pricing and/or discounts off a manufacturer published price list resulting from this RFP.

**"Alberta Time"** means Mountain Standard Time or Daylight Saving Time as provided for in the *Daylight Saving Time Act* of Alberta.

**"Business Day"** means 8:00 a.m. to 4:30 p.m., Alberta time, Monday to Friday, excluding holidays observed by the ERCB.

**"ERCB"** means the Energy Resources Conservation Board.

**"Equivalent"** means equal to or better than the functionality and performance of the item specified in the RFP.

**"Evaluation Team"** means the individuals who will evaluate the Proposals on behalf of the ERCB.

**"FOIP"** means the *Freedom of Information and Protection of Privacy Act*.

**"Goods"** means the products proposed by the Proponent, including all the components and any products to be produced and/or any services to be provided under the Agreement.

**"Mandatory"** means a requirement that must be met in order for a Proposal to receive consideration.

**"Optional"** means a requirement not considered essential, but for which preference may be given.

**"Proponent"** means an individual or a company that submits, or intends to submit, a Proposal in response to this Request for Proposal.

**"Proposal"** means the Proponent's response to the RFP and includes all the Proponent's attachments and presentation materials.

**"Purchaser"** means the ERCB.

**"Request for Proposal" (RFP)** means this solicitation for Goods and/or Services including attached appendices.

**"Service Level"** means the specific value of a service performance measure that indicates a standard of quality of service which must be attained or bettered.

**"Services"** means the contracted Services as specified in the RFP and any resulting agreement executed by the parties.

**"Should"** or **"desirable"** means a requirement having a significant degree of importance to the objectives of the Request for Proposal.

**"Software"** means the programs, procedures, rules, and any related documentation associated with the electronic hardware of the Goods.

**"Validation"** means the stage in the RFP process where the ERCB confirms, through environment testing, that the Proponents' proposed devices comply with the requirements of the RFP.

**"Validation Period"** means the period of time the Goods proposed shall be provided to the ERCB for Validation.

**"Vendor"** means the successful Proponent chosen by the ERCB and who enters into a binding agreement with the ERCB in connection with this RFP.

## 3.0 Request for Proposal Process

### 3.1 RFP Availability

Proponents must obtain this RFP directly from the Government of Alberta's electronic tendering system (Alberta Purchasing Connection [APC]) or the Proposal will be rejected. The APC website is: [www.purchasingconnection.ca](http://www.purchasingconnection.ca).

### 3.2 Changes to the RFP

The ERCB can waive or change any of the stated requirements, at our discretion, by notifying all Proponents of the revision(s). In the event that there are modifications or additions to the RFP, all Proponents who have obtained the RFP from APC will be notified of those changes through the APC site.

### 3.3 Proponent Questions

All questions regarding the RFP must be directed to the procurement contact, by e-mail or fax, as indicated on the cover page. Information obtained from any other source is not official and should not be relied upon. Questions must be submitted no later than **August 21, 2012**, at 14:00 Alberta Time. The ERCB will endeavour to answer questions as we receive them. Enquiries and responses will be distributed to all Proponents through the APC site.

The Proponent has the responsibility to notify the procurement contact of any ambiguity, divergence, error, omission, oversight, contradiction, or item subject to more than one interpretation in this RFP, as it is discovered, and to request any instruction, decision, or direction required to prepare the Proposal.

### 3.4 RFP Schedule

Planning dates are subject to change at the discretion of the ERCB. Any changes will be communicated as described in Section 3.2.

RFP issue date	August 15, 2012
Questions accepted until	August 21, 2012, 14:00 Alberta Time
Answers to questions will be summarized and posted to APC	Up to and including August 23, 2012
RFP closing date	August 28, 2012, 14:00 Alberta Time
Contract negotiations to be complete by	September 7, 2012
Delivery of Services	<b>No later than November 30, 2012</b>

### 3.5 RFP Closing

This RFP will close on **Tuesday, August 28, 2012, at 14:00 Alberta Time**. See Section 3.7(4) for submission requirements.

### 3.6 RFP Cancellation

The ERCB has the right to cancel this RFP at any time (without selecting any Proposal), to award the work to any Proponent, or to enter into contract negotiations, and in any such case without liability to any Proponent.

### 3.7 Proposal Submissions (Mandatory Requirements)

Proponents must submit two printed copies and one electronic copy in PDF format of their Proposal. Proposals may be delivered by hand, courier, or mail during ERCB Business Days.

Failure to comply with the following *mandatory* requirements will result in Proposal rejection:

1. Proposals must be submitted no later than the RFP closing date and time.
2. The Proposal Submission Form in the RFP (Appendix 1) must be completed, signed by an authorized representative of the Proponent, and included in the Proposal.
3. All prices must be quoted in Canadian funds and must exclude GST and HST.
4. Proposals must be sealed and clearly marked with the **RFP's number** and **RFP closing date** and addressed as follows:

CONFIDENTIAL  
RFP: **ERCB-12-FSOB-PSR-001**  
Mailroom 10<sup>th</sup> Floor  
ERCB Procurement  
Suite 1000, 250 - 5 Street S.W.  
Calgary, Alberta, Canada  
T2P 0R4

## **4.0 Proposal Terms and Conditions**

### **4.1 Eligibility**

Proposals will not be evaluated if the Proponent's current or past corporate or other interests may, in the ERCB's opinion, give rise to a conflict of interest in connection with this project.

### **4.2 Working Language of the ERCB**

The working language of the ERCB is English, and all responses to this RFP must be in English.

### **4.3 Modification of Terms**

The ERCB reserves the right to modify the terms of this RFP at any time at its sole discretion. This includes the right to cancel this RFP at any time prior to entering into a Agreement with the successful Proponent.

### **4.4 Liability for Errors**

While the ERCB has used considerable efforts to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the ERCB, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

### **4.5 Acceptance of Proposals**

This RFP should not be construed as an offer to purchase or an agreement to purchase Goods or Services. Notwithstanding anything contained in or arising from this RFP, the ERCB is not bound to award business to the Proponent who submits the lowest priced Proposal or to any Proponent. Proposals will be assessed in light of the evaluation criteria. The ERCB will be under no obligation to receive further information, whether written or oral, from any Proponent.

Neither acceptance of a Proposal nor execution of a Agreement will constitute approval of any activity or development contemplated in any Proposal that requires any approval, permit, or licence pursuant to any federal, provincial, regional, district, or municipal statute, regulation, or by-law.

### **4.6 Ownership of Proposals**

All documents, including Proposals, submitted to the ERCB become the property of the ERCB.

#### **4.7 Confidentiality and Security of Information**

The Proponent and the Proponent's employees, subcontractors, and agents shall

- (a) keep strictly confidential all information concerning the ERCB and any knowledge of the business or activities of the ERCB acquired as a result of participation in this RFP and
- (b) only use, copy, or disclose such information as is lawful and necessary for the purpose of submitting a Proposal, unless otherwise authorized in writing in advance by the ERCB.

The Proponent shall maintain security standards, including control of access to data and other information, consistent with the highest standards of business practice in the industry.

#### **4.8 Freedom of Information and Protection of Privacy Act**

Each Proponent and the Vendor acknowledges the following:

- (a) The *Freedom of Information and Protection of Privacy Act* (FOIP) applies to all information and records relating to, or obtained, generated, created, collected or provided under, this RFP or the Agreement and which are in the custody or control of the ERCB. FOIP allows any person a right of access to records in the ERCB's custody or control, subject to limited and specific exceptions as set out in FOIP.
- (b) FOIP imposes an obligation on the ERCB, and through this RFP and the Agreement on the Proponent, to protect the privacy of individuals to whom information relates. The Proponent shall protect the confidentiality and privacy of any individual's personal information accessible to the Proponent or collected by the Proponent pursuant to this RFP or the Agreement.
- (c) The Proponent, if it considers portions of its Proposal to be confidential, shall identify those parts of its Proposal to the ERCB considered to be confidential and what harm could reasonably be expected from disclosure. The ERCB does not warrant that this identification will preclude disclosure under FOIP. The ERCB may not be able to meet the Proponent's confidentiality expectations in every instance.
- (d) Materials produced by the Proponent, in connection with or pursuant to this RFP or the Agreement, which are or become the property of the ERCB pursuant to this RFP or the Agreement, could be considered records under the control of a public body and could therefore also be subject to FOIP before delivery to the ERCB. As such, the Proponent must conduct itself to a standard consistent with FOIP in relation to such materials.
- (e) For the records and information obtained or possessed by the Proponent in connection with or pursuant to this RFP or the Agreement, and which are in the custody or control of the ERCB, the Proponent must conduct itself to a standard consistent with FOIP when providing the Services or carrying out the duties or other obligations of the Proponent under this RFP or the Agreement.



#### **4.9 Conflict of Interest**

Proponents must fully disclose in writing to [procurement@ercb.ca](mailto:procurement@ercb.ca) on or before the closing date of this RFP the circumstances of any possible conflict of interest or what could be perceived as a possible conflict of interest if the Proponent were to become a contracting party pursuant to this RFP (refer to Appendix 2, Schedule E). The ERCB shall review any submissions by Proponents under this provision and may reject any Proposals where, in the opinion of the ERCB, the Proponent could be in a conflict of interest or could be perceived to be in a possible conflict of interest position if the Proponent were to become a contracting party pursuant to this RFP.

#### **4.10 Consent to Collection and Use of Information**

The Proponent consents, and has obtained the written consent from any individuals identified in the Proposal, to the collection and use of their confidential or personal information in the Proposal by the ERCB and/or individuals providing services to the ERCB to enable it to evaluate Proposals.

#### **4.11 Notification of Award**

At the conclusion of the RFP process, the outcome shall be posted on APC where all Proponents can view it. Unsuccessful Proponents may request a debriefing meeting with the ERCB. During a debriefing meeting the unsuccessful Proponent's Proposal may be discussed, but the ERCB will not discuss the details or the evaluation of other Proponents' Proposals.

#### **4.12 Proponents' Expenses**

Proponents are solely responsible for all costs and expenses incurred in preparing a Proposal and for subsequent negotiations with the ERCB, if any.

#### **4.13 Waiver of Claims**

By submitting a Proposal, each Proponent acknowledges and agrees that if the ERCB elects to reject all Proposals, or chooses to end this RFP process without selecting a preferred Proposal, awards the work to a Vendor, or executes an agreement, the ERCB will not be liable to any Proponent for any claims of any nature or kind, including costs or damages incurred by the Proponent in preparing the Proposal, loss of anticipated revenues or profit in connection with any sale of goods and services, or any other matter whatsoever. By submitting a Proposal, each Proponent agrees that it will not claim damages and hereby waives any claim against the ERCB, for whatever reason, relating to the award or refusal by the ERCB to award any work contemplated in this RFP or in respect of the competitive process, including but not limited to any claim for loss of revenues or profits if the ERCB does not award the work contemplated by this RFP to the Proponent.

#### **4.14 Form of Agreement**

By submission of a Proposal in response to this RFP, each Proponent agrees that, should it be identified as the successful Proponent, it agrees to and will execute the standard form of the ERCB service contract. A copy of the ERCB service contract is provided in Appendix 2. By tendering to this RFP, each Proponent and the Vendor agrees that it will sign the ERCB service contract without alteration of any of its provisions; however, the ERCB may consider reasonable changes to one or more terms of the ERCB service contract provided that any requested change be clearly identified in the Proposal and be supported by compelling reasons that outline how or why the ERCB service contract or a provision thereof is not appropriate or applicable in the circumstances. Any changes to the ERCB service contract proposed by a Proponent that are not included in its Proposal may not be considered by the ERCB. Each Proponent and the Vendor acknowledge that, by tendering to this RFP, they are bound to execute a standard form of the ERCB service contract in the event the ERCB does not agree to make changes as proposed by the Proponent or Vendor during the tendering process.

In filing a Proposal in response to this RFP, each Proponent acknowledges that

- any indication of unwillingness to execute,
- proposal of materially different terms than, and/or
- inclusion of any licensing or other agreements in the Proposal that contain terms that differ from or contradict

the ERCB service contract may result in the ERCB refusing to further consider the Proposal without notification or explanation to the Proponent.

Proponents must also include in its Proposal a sample of each licensing agreement, or any other form of contract, that it will request the ERCB to enter into if the Proponent is identified as having the successful Proposal. Proponents must ensure that any additional agreements included with the Proposal do not contain terms that contradict any term or provision of the ERCB service contract and, if so, acknowledge and agree that the provision of the ERCB service contract that is inconsistent with or contradicts any provision of any additional agreement proposed by the Proponent or Vendor will always take precedence. Proponents should be aware that contract terms (including forms of contract proposed by the Proponent and requested changes to the ERCB service contract) will be considered as part of the Proposal to meet the requirements of this RFP and therefore may affect the ERCB's evaluation of the Proposal.

The Proposal of the Vendor will be attached to and form part of the final agreement governing the terms and conditions of service unless the ERCB, at its sole discretion, chooses not to include the Proposal as an attachment to the final agreement.

#### **4.15 Definition of Contract**

Notice to a Proponent that it has been identified as the Vendor and the subsequent written agreement executed by the Vendor and the ERCB will constitute a contract for the Goods. No Proponent will acquire any legal or equitable rights, entitlement, or expectation of benefit relative to the Goods until both have occurred.

#### **4.16 Negotiation Delay**

If a written agreement cannot be negotiated and finalized within five business days following notification to the successful Proponent, the ERCB may, at its sole discretion at any time thereafter, terminate negotiations with that Proponent and either negotiate an agreement with another Proponent submitting a valid Proposal or choose to terminate the RFP process and not enter into an agreement with any Proponent.

#### **4.17 Use of Request for Proposal**

This document, or any portion thereof, may not be used by a proponent for any purpose other than the submission of Proposals.

#### **4.18 Irrevocability of Proposals**

By submission of a clear and detailed written notice, the Proponent may amend or withdraw its Proposal prior to the closing date and time. Upon closing time, all Proposals become irrevocable. The Proponent will not change the wording of its Proposal after closing and no words or comments will be added to the Proposal unless requested by the ERCB for purposes identified in this RFP.

#### **4.19 Proposal Validity**

Proposals will be open for acceptance for at least 90 days after the RFP closing date. Prices will be firm for this period unless this RFP specifically states otherwise.

#### **4.20 Choice of Law and Forum**

This RFP, all Proposals submitted in response hereto, and any final agreement shall be construed and governed by the laws of the Province of Alberta and the laws of Canada in force in Alberta. Each Proponent shall and does hereby agree to attorn to the exclusive jurisdiction of the courts of the Province of Alberta for all matters relating to this RFP and the RFP process established herein.

#### **4.21 Agreement on Internal Trade (AIT)**

This RFP is subject to Chapter Five of the Agreement on Internal Trade.

#### **4.22 Receipt of Goods and/or Services**

Delivery will be negotiated as part of the award.

## **5.0 Proponent Response Guidelines**

### **5.1 Proposal Format**

To facilitate ease of evaluation by the Evaluation Team, and to ensure each Proposal receives full consideration, Proposals should be organized in the following format using the section titles and sequence listed below:

- a) Proposal Submission Form (Appendix 1)
- b) Table of Contents
- c) Executive Summary
- d) Proponent Profile (Appendix 3)
- e) Client References (Appendix 4)
- f) Innovation and Value (Appendix 5)
- g) Response to RFP Requirements (Section 7.0 & Appendix 6)
- h) Pricing Template (Appendix 7)
- i) Contracts (Appendix 2)
- j) Appendices

Each of the above sections is described in more detail in Section 5.2: Proposal Content.

### **5.2 Proposal Content**

**a) Proposal Submission form**

Appendix 1 of this RFP is required and must be completed and signed by an authorized representative of the Proponent and included in the Proposal.

**b) Table of Contents**

A table of contents listing all key sections of the Proposal must be included. All pages are to be numbered consecutively.

**c) Executive Summary**

The Proposal shall include an executive summary of the key features of the Proposal.

**d) Proponent Profile**

The Proponent must provide full responses to all questions in Appendix 3.

**e) Client References**

Provided references and detailed responses to the items listed in Appendix 4

**f) Innovation and Value**

Provided informative and detailed responses to the items listed in Appendix 5

**g) Response to RFP Requirements**

Proposals submitted in response to this RFP must address all items in Section 7.0 and provides answers to all questions in Appendix 6.

**h) Pricing**

Proponents are encouraged to use the provided template in Appendix 7 or must include one in the same format as part of their submission.

All prices must be quoted in Canadian funds and must exclude GST and HST.

**i) Contracts**

See Section 4.14.

**j) Appendices**

If the Proponent wishes to include any other material not specifically requested by this RFP, it may do so by including additional appendices in the Proposal. Examples may include case studies, white papers, client testimonials, reference material, etc.

## 6.0 Proposal Evaluation Process

### 6.1 Evaluation Process

An Evaluation Team, formed by the ERCB, will evaluate and score the Proposals using the criteria and weightings described below.

During the evaluation process, a Proponent may be required to provide additional information to clarify statements or any other matter raised in its Proposal.

The Evaluation Team may, at its absolute discretion, contact a Proponent to discuss possible alternatives, options, or flexibility in relation to any matter raised in the Proponent's Proposal. Such discussions are non-binding on the ERCB and may be discontinued by the Evaluation Team at any time. No Proponent will acquire any legal or equitable rights, entitlement, or expectation of benefit relative to the Goods or Services as a result of such discussions, regardless of their outcome. Any alternatives, options, or further flexibility proposed by a Proponent in relation to its Proposal as a result of such discussions will supplement and/or modify and form part of the Proposal unless the ERCB, at its sole discretion, chooses not to include the proposed modifications, in whole or in part, in the Proposal.

### 6.2 Evaluation and Selection

The Evaluation Team formed by the ERCB will check Proposals against the stated mandatory requirements as outlined in Section 3.7. Proposals that do not meet all the mandatory requirements will be excluded. Those Proposals meeting the mandatory requirements will be further assessed against the evaluation criteria as stated in the RFP.

### 6.3 Evaluation Criteria/Weightings

Proposals will be evaluated based on best value to the ERCB, taking into consideration the criteria and weighting outlined in the table below:

<b>Criteria</b>	<b>Weighting (%)</b>
Proposed solution meeting the requirements	35
Technical skills, demonstrated qualifications, and experience to complete the required work	35
Pricing	15
Overall suitability and capacity to perform the required work	15
Total	100%

Provided functional specifications are met, preference may be given to Proponents with valid standing offer agreements with the Government of Alberta or those Proponents from which the ERCB has already purchased goods and/or services.

#### **6.4 Short List**

Based on initial evaluation scores, a possible short-list of potential proponents may be established. Proponents selected for the short-list may be contacted to enter into discussions with the ERCB pursuant to Section 6.1 above, or they may be invited to make either formal presentations regarding their Proposal to the Evaluation Team or provide an on-site demonstration to validate that the proposed solution meets the ERCB requirements.

#### **6.5 Proponent Profile & References**

To validate Proponent and product qualifications, ERCB shall conduct reference calls. Proponents must provide at least three current client references. References should be able to verify the satisfactory provision of Services similar to those being requested in this RFP.

The ERCB may contact references without prior notification to the Proponent. Proponents who receive unsatisfactory references, in the opinion of the ERCB, may have their Proposal removed from further consideration.

## 7.0 Project Information and Requirements

### 7.1 Project Statement of Work

#### Problem Definition

Recent pipeline-related incidents, combined with international focus on pipeline regulation and public safety, have resulted in increased questions about how and whether ERCB-regulated pipelines in Alberta are safely operated by industry and effectively regulated by the ERCB.

The ERCB seeks to engage an independent third party to perform an assessment of the ERCB's current regulatory requirements and framework and industry best practices for existing ERCB-regulated<sup>1</sup> pipelines relating to

- public safety and response to pipeline incidents,
- pipeline integrity management, and
- safety of pipelines near water bodies.

The purpose of the assessment is to determine if the regulatory requirements and best practices<sup>2</sup> remain relevant and accurately reflect the risk profile of ERCB-regulated pipelines and to identify areas for improvement. It will also include an assessment as to how the ERCB's pipeline regulatory requirements and framework and industry best practices for existing pipelines compare to other comparable jurisdictions (including other Canadian pipeline regulators).

#### Objectives

The Vendor will be tasked with examining existing regulatory requirements and framework and industry best practices relating to ERCB-regulated pipelines and completing a report for ERCB-regulated pipelines in each of the three areas noted above.

#### Project Description

Examine elements of the province's existing pipeline system in three specific and integral areas of pipeline safety in Alberta as outlined above, including pipeline abandonment. Examine how pipeline integrity is managed, how safety of pipeline crossings at or under water bodies is ensured<sup>3</sup>, and how pipeline incident management, emergency response, and public safety are approached. This will include an examination of existing regulatory requirements and framework and industry best practices from Alberta<sup>4</sup> and other comparable jurisdictions and

---

<sup>1</sup> This assessment is for ERCB-regulated pipelines and does not include Alberta gas utility pipelines regulated by the Alberta Utilities Commission or the pipelines partially located in Alberta but regulated by the National Energy Board.

<sup>2</sup> Based on information gathered from the main pipeline industry associations in Canada and, if time permits and considered advisable, from pipeline operators chosen by the Vendor.

<sup>3</sup> This will entail examination of other requirements of other regulatory bodies, including but not limited to Alberta Environment and Sustainable Resource Development, Environment Canada, Fisheries and Oceans Canada, etc.

<sup>4</sup> Including the regulatory requirements of the Alberta Utilities Commission and the National Energy Board and industry best practices of the pipeline industries regulated by those entities.



completion of a report summarizing the analysis and findings and providing recommendations on whether existing regulatory requirements and industry best practices remain relevant and accurately reflect the risk profile of ERCB-regulated pipelines and areas for improvement in each of the three areas noted. The final report is to be submitted to the ERCB by November 30, 2012.

**Scope**

The scope of the review will include all existing pipelines regulated by the ERCB, including production oil and gas pipelines. The Vendor must adhere to applicable ERCB policies and procedures unless otherwise directed.

**Mandatory Competencies**

The Proponent must demonstrate significant experience and a strong working knowledge of and engineering expertise in all, or a majority of, the following areas:

- Canadian and international pipeline industry regulatory frameworks; industry best practices; and standards in design, construction, operation, monitoring, and maintenance for the types of pipelines within ERCB jurisdiction
- The Alberta pipeline industry
- Root cause analysis for pipeline failures
- Safety and loss management systems for pipelines
- River and stream pipeline crossing requirements and industry best practices in Alberta, Canada, and internationally
- Leak- and failure-detection systems (including methodologies used)
- Pipeline operator record-keeping requirements and practices
- Pipeline incident response protocols and actions once a pipeline failure is detected, including the emergency response plans and oil-spill preparedness and response cooperatives
- Pipeline discontinuance and abandonment

Given the scope of this engagement and the aggressive time frame for completion of the project, the Proponent must demonstrate availability of sufficient expertise and resources to complete the engagement to the ERCB's satisfaction by the deadline specified.

The ERCB retains complete and sole discretion to refuse to consider and/or reject any Proposal submitted by a Proponent that, in the ERCB's sole opinion, does not possess any one or more of the mandatory competencies outlined above.

**Reporting**

The Vendor will report to the executive manager of Field Surveillance and Operations or the designated project lead and will provide status updates every two weeks.

**Deliverables:**

The Vendor will provide a final report to the ERCB and will provide appropriate staff to present the final report and address any questions related to it. The Vendor will permit the ERCB to confirm the accuracy of information, data,

statistics, and factual information included in the report delivered by the Vendor prior to finalizing such report.

The final report will include the following and become the property of the ERCB:

- The final report in Word and PDF format (and any other electronic format if requested by the ERCB)
- Two printed copies of the final report, including appendices
- PowerPoint presentation of the final report
- Copyright permission for any images and information contained in the final report and accompanying materials
- All data collected and referenced in the final report, including supporting files

The final report of the Vendor will be made publicly available by the ERCB and/or the Government of Alberta. The Vendor will be expected to make appropriate staff available to present the final report and address any questions related to it.

**Other**

This statement of work is incorporated into and forms part of RFP# ERCB-12-FSOB-PSR-001

**7.2 Project Time Frame**

The project time frame dates are based on the best information available to the ERCB at the date of the RFP and may change at the discretion of the ERCB.

- Work to start no later than September 10, 2012
- Draft report submitted to ERCB no later than November 19, 2012
- Final report submitted to ERCB no later than November 30, 2012
- Presentation of the report to ERCB no later than December 15, 2012
- Supply of appropriate staff to support and address any questions related to the final report for approximately two months after the report has been released to the public

## **APPENDICES**

## Appendix 1: Proposal Submission Form

**Request for Proposal (RFP) Name: Pipeline Safety Review**

**RFP Number: ERCB-12-FSOB-PSR-001**

**Issue Date: August 15, 2012**

**Closing Date/Time: August 28, 2012, 14:00 Alberta time**

---

### Proponent Information

**Legal name of Proponent:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

---

### Completing and Submitting This Form

1. Proponents are required to complete the information above regarding legal name, address, and contact.
2. The signature of an individual authorized to sign on behalf of the Proponent is required where indicated below.
3. Proponents are required to submit the completed form with their Proposal(s).

Enclosed is our Proposal submitted in response to the above noted RFP. Submission of a Proposal indicates acceptance of all terms and conditions as stated in the RFP. We agree to be bound by statements and representations made in this Proposal and to any Agreement(s) resulting from the Proposal.

The Proponent consents, and has obtained written consent of any individuals identified in the Proposal, to the collection and use of the information in the Proposal by the ERCB and/or individuals and providing services to the ERCB to enable it to evaluate Proposals.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

## Appendix 2: ERCB Service Contract

**ERCB SERVICE CONTRACT # : ERCB- (For Sample Only)**

<p>This service contract is between</p> <p>The Energy Resources Conservation Board (the "ERCB", "we", "us", "our" as applicable) at the following address:</p> <p>Suite 1000, 250 5 Street SW Calgary, Alberta T2P 0R4</p>	<p>AND</p> <p>(the "Contractor", "you", or "your" as applicable) at the following address:</p>
--	--

CONTRACTOR CONTACT INFORMATION		LEGAL IDENTITY OF CONTRACTOR	
Contact Name		Corporation	<input type="checkbox"/>
Telephone	( ) -	Professional Corporation	<input type="checkbox"/>
Fax	( ) -	Sole Proprietor/Partnership	<input type="checkbox"/>
E-mail	(@) . ca	S.I.N. No. (if sole proprietor)	

ERCB CONTACT INFORMATION (for invoices)		ERCB CONTACT INFORMATION (for contract questions)	
Contact Name		Contact Name	
Telephone	( ) -	Telephone	( ) -
Fax	( ) -	Fax	( ) -
E-mail	(@) . ca	E-mail	(@) . ca

The parties agree to the terms, conditions and provisions outlined in the following attachments:

1. Schedules A, B, C, D, E, F and G;
2. Documents outlining the services to be provided under the agreement ("Attachments").

The parties acknowledge and agree that the Attachments are incorporated into and form part of this agreement.

<p><b>SIGNED</b> on behalf of the ERCB by its duly authorized representative(s)</p> <p>Signature: _____</p> <p>Name: _____</p> <p style="text-align: right;">(print)</p> <p>Date: _____</p> <p>Position/Title: _____</p> <p style="text-align: right;">(print)</p> <p>Signature: _____</p> <p>Name: _____</p> <p style="text-align: right;">(print)</p> <p>Date: _____</p> <p>Position/Title: _____</p> <p style="text-align: right;">(print)</p>	<p><b>SIGNED</b> by or on behalf of the Contractor (or by its authorized signatory or signatories if the Contractor is a corporation)</p> <p>Signature: _____</p> <p>Name: _____</p> <p style="text-align: right;">(print)</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">For SAMPLE only</p> <p style="text-align: right;">(print)</p> <p>Date: _____</p> <p style="text-align: right;">(print)</p> <p>Position/Title: _____</p> <p style="text-align: right;">(print)</p>
---	--

**SCHEDULE A - SERVICES**

- A proposal prepared by the vendor that describes the services to be provided with respect to this contract has been accepted by the ERCB and forms part of this contract.
- A description of the services to be provided has been created by the ERCB. The services as described are agreed to by the vendor and form part of this contract as an attachment entitled 'Statement of Work'.

The services are to be provided by the following individual(s):

The term of this contract is from and including: \_\_\_\_\_ to and including: \_\_\_\_\_

**SCHEDULE B - FEES AND EXPENSES**

Payment for services is as follows:

a) Single, fixed fee amount of \_\_\_\_\_ OR,

Per diem rate \_\_\_\_\_ /hr to a daily maximum of \_\_\_\_\_ /day for \_\_\_\_\_ hrs/day OR,

As follows:

- b) Maximum amount payable (including reimbursement for expenses) shall not exceed \_\_\_\_\_
- c) Invoices are to be issued after receipt of the service and are to be submitted monthly  OR one time only
- d) Invoices must include (and be sent to) the name of the ERCB contact for invoices as indicated on page 1.
- e) Expenses incurred in addition to fees for Services shall be paid provided that the ERCB has authorized the expense in advance and that each expense is supported by receipts. *Reimbursement shall not include any GST paid by the contractor.*

Unless otherwise agreed upon, reimbursement for travel and subsistence is as follows:

- Mileage - \$0.505 per km
- Travel time - \$30 per hour
- Meal Allowance - \$41 per day max
- Overnight accommodation - \$125 per day max

For SAMPLE only

**SCHEDULE C - INSURANCE**

Contractor is responsible for maintaining and paying for insurance as indicated during the term of the contract and any amendments to this contract. Contractor must provide 30 days notice of cancellation in the event that insurance coverage is cancelled. *Certificates of insurance (provided by insurance company) stating limits of coverage and expiry dates must be provided to the ERCB prior to signing of the contract.*

- General Liability Insurance (in accordance with the Alberta Insurance Act) in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury, and property damage including loss of use thereof. Such insurance shall include blanket contractual liability, and non-owned automobile liability.*
- Automobile Liability Insurance in an amount of not less than \$1,000,000 for Contractor's vehicles used in performance of the Services.*
- Professional Liability Insurance in an amount not less than \$1,000,000 for liability arising out of a professional's errors or omissions.*
- Insurance not required as determined by the ERCB for the services being provided by this contract.

**SCHEDULE D - WORKERS' COMPENSATION INSURANCE**

The following statement indicates the Contractor's standing with the Workers Compensation Board (WCB) during the term of the contract and any amendments to these contracts.

- Contractor has an account in good standing (letter of confirmation from the WCB must be provided to the ERCB prior to signing of the contract and thereafter upon request by the ERCB).
- Contractor is operating as a sole proprietor/partnership and cannot have an account with the WCB.
- Service to be provided is listed as an exempt industry by the WCB (letter of confirmation from the WCB must be provided to the ERCB prior to signing of the contract and thereafter upon request by the ERCB).
- Insurance not required as determined by the ERCB for the services being provided by this contract.

**SCHEDULE E - CONFLICT OF INTEREST**

The Contractor and the Contractor's employees providing the Services under this Contract:

- a) shall conduct their duties related to the contract with impartiality, and shall, if they exercise inspection or other discretionary authority over others in the course of those duties, disqualify themselves from dealing with anyone with whom a relationship between them could bring their impartiality into question;
- b) shall not influence, seek to influence, or otherwise take part in a decision of the ERCB, knowing that the decision might further their private interests;
- c) shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance or their duties related to the contract, that causes, or would appear to cause, a conflict of interest;
- d) shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of their duties related to the contract, and if such financial interest is acquired during the term of the Contract, the Contractor shall promptly declare it to the ERCB; and
- e) shall, prior to entering into this contract, disclose to the ERCB:
  - any business relationship that the Contractor or any of its related parties (i.e. persons who have a material ownership interest in the Contractor, or are directors or officers of the Contractor) has with any ERCB personnel,
  - the name of any ERCB personnel who is a relative of the Contractor or any of its related parties, and
  - the name of any ERCB personnel with whom the Contractor or any of its related parties is connected by frequent or close association.

Any relationships disclosed under subparagraph e) hereof shall be reviewed by the ERCB for a determination whether the ERCB can accept the Contractor as a provider of the Services. If, during the course of this contract, a previously undisclosed relationship as described in e) above arises between any ERCB personnel and the Contractor or the Contractor's employees providing the Services, that relationship must immediately be disclosed in writing to the ERCB. The ERCB shall have the right to terminate this contract if it determines (acting reasonably) that the relationship gives rise to an unacceptable conflict of interest.

Any material breach of these conflict of interest clauses constitutes sufficient grounds for termination of the agreement by the ERCB in its sole discretion.

**SCHEDULE F – ERCB CONFLICT OF INTEREST POLICY REQUIREMENTS**

- a) The nature of the services provided by this contract require the individual(s) named in section a) of Schedule A to comply with the ERCB Conflict of Interest Policy and Procedure as it applies to ownership and divesting of specific financial assets.  
 Yes       No

- b) If the response from above is 'yes' then the Contractor must complete the following section:

Each individual named in section a) of Schedule A is required to divest financial interests (as specified in Section 12 of the ERCB Conflict of Interest Policy and Procedure) on or before the date that marks 24 months of services (continuous or otherwise) within a 48 month period starting with the first contract with the ERCB after 31 March 2005.

The time period of this contract (plus any previous contracts dated after 31 March 2005):

- Exceeds the specified time limit as described in b), above, therefore divesting of financial assets as specified by Section 12 of the ERCB Conflict of Interest Policy and Procedure is required on or before

I certify that I will comply with the requirement to divest all applicable financial interests as required on or before the date as indicated (signature required by each individual named in section a) of Schedule A).

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

For SAMPLE only

Refusal to divest interests as required may result in the termination of this contract and/or refusal by the ERCB to enter into future contracts.

- Does not exceed the time limit as described, therefore divesting of financial interests (as specified by Section 12 of the ERCB Conflict of Interest Policy and Procedure) is not required for this contract.

The ERCB Conflict of Interest Policy and Procedure can be viewed in the 'About the ERCB' section of the ERCB web-site ([www.ercb.ca](http://www.ercb.ca)).

**SCHEDULE C - TERMS AND CONDITIONS**

**CONTRACTOR'S OBLIGATIONS**

1. You must provide the services as described in the attachment referred to in Schedule A ("Services") in accordance with this agreement. You must provide the Services during the term described in Schedule A, regardless of the date of execution or delivery of this agreement.
2. Unless the parties otherwise agree in writing, you must supply and pay for all labour, materials, facilities and approvals necessary or advisable to perform your obligations under this agreement.
3. Unless otherwise specified in this agreement, you must perform the Services to a standard of care, skill, and diligence maintained by persons providing, on a commercial basis, services similar to the Services.
4. You must ensure that you and all persons you employ or retain to perform the Services comply with all relevant health and safety policies of the ERCB, the Occupational Health & Safety Act and all applicable regulations thereunder, when on ERCB or Government of Alberta premises and that all persons you employ or retain to perform the Services are competent to perform them and are properly trained, instructed, and supervised.
5. We may from time to time give you reasonable instructions (in writing or otherwise) as to the performance of the Services. You must comply with those instructions but, unless otherwise specified in this agreement, you may determine the manner in which the instructions are carried out.
6. You must fully inform us of all work done by you or a subcontractor in connection with providing the Services.
7. You must maintain time records and books of account, invoices, receipts, and vouchers of all expenses incurred, in form and content and for a period satisfactory to us. We reserve the right to take copies and extracts from such accounts, records or documents at any time.
8. You must permit us at all reasonable times to inspect and copy all material that has been produced or received by you or any subcontractor as a result of this agreement ("Material"), including, without limitation, accounting records, findings, software, data, specifications, drawings, reports, and documents, whether complete or not.
9. You must treat as confidential all Material and not permit its disclosure without our prior written consent except as required by applicable law.
10. The Material and any property we provide to you or a subcontractor is our exclusive property. You must deliver it to us immediately upon our request.
11. You shall not originate publicly, news releases, public statements or announcements, relating to the Services or this agreement, without the prior written consent of the ERCB, which consent may be arbitrarily withheld.
12. The copyright in the Material belongs exclusively to us. Upon our request, you must deliver to us documents satisfactory to us waiving in our favour all rights (including moral rights) which you or your employees or subcontractors may have in the Material and confirming the vesting of the copyright to us.
13. You must maintain and pay for insurance on the terms outlined in Schedule C, as modified from time to time in accordance with our directions. You must maintain Workers Compensation Insurance during the term of the contract subject to the declaration in Schedule D.
14. You must apply for and, immediately on receipt, remit to us any refund or remissions of federal or provincial tax or duty available with respect to any items which we have paid for or agreed to pay for under this agreement.
15. You must comply with all applicable laws.
16. You must indemnify and save harmless us and our employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that we or any of our employees or agents may sustain, incur, suffer or be put to at any time, either before or after this agreement ends, which are based upon, arise out of or are caused, directly or indirectly by reason of, any act or omission by you or by any of your agents, employees, officers, directors, or subcontractors in providing the Services.
17. The ERCB shall not be liable or responsible for death, bodily or personal injury or property damage of any nature whatsoever that may be suffered or sustained by the Consultant or any of the Consultants' employees, subcontractors or other representatives relating to the performance of the Services. It shall be the sole responsibility of the Contractor to decide whether or not any insurance coverage, in addition to that required by this agreement, is necessary for its own protection or to fulfill its obligations under this agreement. All insurance policies shall be provided and maintained by the Contractor at its own expense.
18. You must not assign any of your rights under this agreement without our prior written consent.
19. You must not subcontract any of your obligations under this agreement other than to persons listed in Schedule A without our prior written consent. No subcontract, whether consented to or not, relieves you from any obligations under this agreement. You must ensure that any subcontractor you retain fully complies with this agreement in performing the subcontracted obligations.
20. You must not provide any services to any person in circumstances which, in our reasonable opinion, could give rise to a conflict of interest between your duties to that person and your duties to us under this agreement.
21. You must not do anything that would result in personnel hired by you or a subcontractor being considered our employees.
22. You must not commit or purport to commit us to pay any money unless specifically authorized to do so.
23. You acknowledge that the Freedom of Information and Protection of Privacy Act ("FOIP") applies to all information and records provided by you to us and to any information and records which are in our custody or control including this contract. You acknowledge that Part 2 of FOIP applies to you during the currency of this agreement.
24. You must comply with all security policies, procedures and regulations in effect when using ERCB premises and/or property.
25. You must comply with section 12 of the ERCB Conflict of Interest Policy and Procedure (Conflict Policy). If applicable, you must disclose all assets and/or interests referenced in section 12.1 of the Conflict Policy that are directly or indirectly owned by you, your spouse or minor children and, if applicable, you must divest of all assets/interests as required under section 12 of the Conflict Policy.



SCHEDULE G - TERMS AND CONDITIONS

**PAYMENT**

26. If you comply with this agreement, we must pay you
- a) The fees described in Schedule B, and
  - b) The expenses, if any, described in Schedule B if they are supported, where applicable, by proper receipts and, in our opinion, are necessarily incurred by you in providing the Services.
- We are not obliged to pay you more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.
27. In order to obtain payment of any fees and expenses under this agreement, you must submit to us a written statement of account in a form satisfactory to us upon completion of the Services or at other times described in Schedule B. Please include the ERCB contact name (invoices) as indicated on page one on all documents requesting payment.
28. Unless otherwise specified, payment terms are net 30 days from date of invoice (provided date of receipt is within 5 days of the invoice date).
29. We may withhold from any payment due to you an amount sufficient to indemnify us against any lien or other third party claims that could arise in connection with the provisions of the Services.
30. Our obligation to pay money to you is subject to the Financial Administration Act which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.
31. Unless otherwise specified in this agreement, all references to money are to Canadian dollars.
32. We certify to you that the Services purchased under this agreement are being purchased by the Energy Resources Conservation Board, which is part of the Alberta Crown or is listed as a Tax Free Government of Alberta Agency, and are therefore not subject to the Goods and Services Tax.
33. If you are not a resident in Canada, we may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on your behalf.

**TERMINATION**

34. We may terminate this agreement
- a) for your failure to comply with this agreement, immediately on giving written notice of termination to you, or
  - b) for any other reason, on giving at least 10 calendar days' written notice of termination to you.

If we terminate this agreement under paragraph b), we must pay you that portion of the fees and expenses described in Schedule B which equals the portion of the Services that was completed to our satisfaction and delivered to us before termination. That payment discharges us from all liability to you under this agreement. The parties, by mutual agreement, may terminate this agreement in full or in part by providing not less than 10 calendar days' written notice.

35. If you fail to comply with this agreement, we may terminate it and pursue other remedies as well.

**GENERAL**

36. You are an independent contractor and not our employee, agent, or partner.
37. If you are a corporation, you represent and warrant to us that you have authorized the signatory or signatories who have signed this agreement on your behalf to enter into and execute this agreement on your behalf without affixing your common seal.
38. This agreement may be executed in counterpart.
39. We must make available to you all information in our possession which we consider pertinent to your performance of the Services.
40. This agreement is governed by and is to be construed in accordance with the laws of Alberta.
41. Time is of the essence in this agreement.
42. Any notice contemplated by this agreement, to be effective, must be in writing and either
- a) sent by fax to the addressee's fax number specified in this agreement
  - b) delivered by hand to the addressee's address specified in this agreement, or
  - c) mailed by prepaid registered mail to the addressee's address specified in this agreement.

Any notice mailed in accordance with paragraph c) is deemed to be received 96 hours after mailing. Either of the parties may give notice to the other of a substitute address or fax number from time to time.

43. A waiver of any term of this agreement or of any breach by you of this agreement is effective only if it is in writing and signed by us and is not a waiver of any other term or any other breach.
44. No modification of this agreement is effective unless it is in writing and signed by the parties.
45. This agreement and any modification of it constitute the entire agreement between the parties as to performance of the Services.
46. Sections 6 to 12, 14, 16, 23, 27, 29 to 31 and 40 continue in force, even after this agreement ends.
47. The Attachments form part of this agreement.
48. If there is a conflict between a provision in a schedule to this agreement and any other provision of this agreement, the provision in the schedule is inoperative to the extent of the conflict unless it states that it operates despite a conflicting provision of this agreement.
49. In this agreement, "we", "us", and "our" refer to the ERCB alone and never refer to the combination of the Contractor and the ERCB: the combination is referred to as "the parties".

**ADDITIONAL TERMS**

50. Planned absences (by the individuals identified in Schedule A) of 3 consecutive working days or longer, during the term of this contract, require 7 days notice.

## Appendix 3: Proponent Profile

Proponents are welcome to use the electronic copy of this appendix that is included with the RFP on APC.

<b>Company Information</b>	
Length of time in business	
Number of customers	
Number of employees	
Financial capacity (public or private, net worth, etc.)	
Describe your geographic reach and market penetration	
Outline your partnerships and relationships you have to date	
Outline your current and future strategies in the marketplace	

## Appendix 4: Client References

To validate Proponent and product qualifications, the ERCB shall conduct reference calls. Proponents must provide at least three current client references. These clients must be able to verify claims made in the Proponent's Proposal.

CLIENT REFERENCE #1	
Company Name	
Address	
Key Contact Name	
Title	
Phone Number	
E-mail Address	
Client Since (date)	
Description of work that is similar to what is being requested in this RFP	

CLIENT REFERENCE #2	
Company Name	
Address	
Key Contact Name	
Title	
Phone Number	
E-mail Address	
Client Since (date)	
Description of work that is similar to what is being requested in this RFP	

CLIENT REFERENCE #3	
Company Name	
Address	
Key Contact Name	
Title	
Phone Number	
E-mail Address	
Client Since (date)	
Description of work that is similar	

## **Appendix 5: Innovation/Value**

Proponents are welcome to use the electronic copy of this appendix that is included with the RFP on APC.

Please describe your innovation or value proposition which uniquely differentiates your submission. This may include but not be limited to the following:

- Methodology
- National or International Experience
- Recognition or awards

## Appendix 6: Proponent Questionnaire

Please respond to questions listed in the table below. Proponents can find an electronic copy of this Appendix included with this RFP posting on APC.

For each line item select one of the following from the following list:

- F – Fully** experienced      more than 10 years
- P – Partially** experienced    more than 5 years but less than 10 years
- L – Limited** experienced      less than 5 years

ERCB Requirements Section		Proponent Section	
Line #	Feature	Response (F,P, or L)	Proponent's Response
1	<b>Mandatory Competencies</b>		
	Outline, and provide examples if possible, of your relevant experience, and demonstrate a strong working knowledge of and engineering expertise in:		
1.1	Canadian and international pipeline industry regulatory frameworks, industry best practices, and standards in design, construction, operation, monitoring, and maintenance for the types of pipelines within ERCB jurisdiction		
1.2	The Alberta pipeline industry		
1.3	Root cause analysis for pipeline failures		
1.4	Safety and loss management systems for pipelines		
1.5	River and stream pipeline crossing requirements and industry best practices in Alberta, Canada, and internationally		
1.6	Pipeline operator leak- and failure-detection systems (including methodologies used)		
1.7	Pipeline operator record-keeping requirements and practices		
1.8	Pipeline incident response protocols and actions once a pipeline failure is detected, including the emergency response plans and oil spill preparedness and response cooperatives		
1.9	Pipeline discontinuance and abandonment		

**Appendix 6: Continued**

ERCB Requirements Section		Proponent Section	
Line #	Feature	Response (F,P, or L)	Proponent's Response
<b>2</b>	<b>Resources</b>		
2.1	Outline the qualifications and/or experience of the resources you will allocate to this project.		
2.2	What percent of time will the above resources be utilized for this project (20%, 50%, 100%)		
2.3	Describe how the ERCB can be assured that resources are available and deadlines are met.		
<b>3</b>	<b>Organizational tools and methods</b>		
3.1	Briefly outline your quality management program		
3.2	Briefly outline your project management program		
3.3	Describe project tracking and progress reporting.		
3.4	Describe your methods of managing and securing sensitive data.		

## Appendix 7: Pricing Template

Proponents are encouraged to use this template or must include one in the same format as part of their submission. Proponents can find an electronic copy of this Appendix included with this RFP posting on APC.

All prices must be quoted in Canadian funds and must exclude GST and HST.

<b>Costing</b>	
<i>Pricing is to be provided for each line item followed by a summary total.</i>	<b>Cost (CDN\$)</b>
Planning	
Report work	
- including but not limited to data collection, draft reports, edits, etc.	
Support for presentation(s) and public consultation	
Travel, meals, and accommodation (if applicable or not included)	
Other	
<b>Total</b>	

<b>Fee Schedule and Payment terms</b>
Outline your proposed fee schedule, with any payments discounts, and payment terms such as Net30, 2%Net10, etc.

**List Alliances and/or Assumptions (if necessary):**

<p><b>Alliances:</b></p> <p>Please note any services that will be done by a third party provider and the name of that provider, and/or companies you are partnering with to complete this project.</p>
<p><b>Assumptions:</b></p> <p>Please note any assumptions:</p>

**Twilla Chochoлик**

**From:** Martin Krezalek [Martin.Krezalek@gov.ab.ca]  
**Sent:** Wednesday, July 11, 2012 1:22 PM  
**To:** Trevor Dark  
**Cc:** Dan McFadyen; Robin King; Tom Pesta; Martin Chamberlain  
**Subject:** RE: Pipelines  
**Attachments:** CEPA CEO Contacts.doc

Thank you Trevor –

Please find the CEO listing of companies invited for your awareness. Also, the following excerpt is from the Minister's invitation to participants. I have asked the Minister's Office to extend the invite to all participants considering the location (room) and timing may change again.

*I am writing to invite you to participate in an upcoming informal conversation about the pipeline industry in Alberta.*

*As you know, the industry operates under world-leading regulatory regime, and has a strong and improving safety record. Some recent incidents and ongoing media attention about energy and environmental issues have given us all the opportunity to reflect not just on how we ensure safety, but also on how we communicate our safety commitment.*

*With this in mind, I would appreciate the opportunity to meet with you. I would propose that we meet on July 16<sup>th</sup> from 2:00pm to 3:30pm in Calgary at McDougall Centre (455 – 6 Street SW) in the Rosebud Room.*

Regards,

Martin

**From:** Trevor Dark [mailto:Trevor.Dark@ercb.ca]  
**Sent:** July 11, 2012 12:53 PM  
**To:** Martin Krezalek  
**Cc:** Martin Chamberlain; Dan McFadyen; Robin King; Tom Pesta  
**Subject:** RE: Pipelines

Hi Martin --- Dan McFadyen, Chair; Trevor Dark, COO; Robin King, Executive Manager, Field Surveillance and Operations; and Tom Pesta, Senior Advisor, Pipelines will attend the briefing with Minister Hughes.

Trevor

**From:** Martin Krezalek [mailto:Martin.Krezalek@gov.ab.ca]  
**Sent:** Tuesday, July 10, 2012 3:14 PM  
**To:** Trevor Dark  
**Cc:** Martin Chamberlain  
**Subject:** Pipelines

Mr. Dark –



Further to our discussion regarding the subject – I confirm Minister Hughes is meeting with pipeline sector CEO's, CAPP and SEPAC July 16<sup>th</sup>. Minister Hughes has requested that the ERCB join Energy staff at a pre-brief July 13<sup>th</sup> in Calgary (Black Diamond Room, McDougall Centre) from 10:00 to 11:00. The Minister is looking for a briefing from the Board on the more technical side of the pipeline system in Alberta: risk profile, performance, technology, innovation, incident profiles. Any "pipeline basics" material you can provide would be helpful as well – to prepare the Minister with some fundamentals of the pipeline system (diagram, maps).

Jim, ADM Chamberlain (+ one or two subject matter staff) will participate in the pre-brief. Can you please advise who will participate from the Board. I will move the names into the MO to extend the invite.

Thx

---

Martin Krezalek  
Chief of Staff  
Office of the Deputy Minister  
Alberta Energy  
8th Floor, 9945-108 Street | Edmonton, Alberta T5K 2G6  
T: 780.638.3492 | E: martin.krezalek@gov.ab.ca

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager

This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.



canadian  
energy  
pipeline  
association

1000 - 10th Avenue S.W.  
Calgary, Alberta T2P 1E6  
PHONE: (403) 266-4407  
FAX: (403) 266-4407

COMPANY	REPRESENTATIVE/PHONE	ASSISTANT
<b>CEPA Full Member Companies with Assets in Alberta</b>		
<b>Alliance Pipeline Ltd.</b> #400, 605 – 5th Avenue S.W. Calgary, Alberta T2P 3H5 <a href="http://www.alliance-pipeline.com">www.alliance-pipeline.com</a>	<b>Mr. Murray Birch</b> President and Chief Executive Officer T: [ 517(1) ] <a href="mailto:murray.birch@alliancepipeline.com">murray.birch@alliancepipeline.com</a>	Mary Sinclair T: [ 517(1) ] F : (403) 266-4407 <a href="mailto:mary.sinclair@alliancepipeline.com">mary.sinclair@alliancepipeline.com</a>
<b>ATCO Pipelines</b> Suite 1200, 909 – 11th Avenue S.W. Calgary, Alberta T2R 1L8 <a href="http://www.atcopipelines.com">www.atcopipelines.com</a>	<b>Mr. Brendan Dolan</b> SVP and General Manager T: [ 517(1) ] <a href="mailto:Brendan.dolan@atcopipelines.com">Brendan.dolan@atcopipelines.com</a>	Dawn Berry T: [ 517(1) ] F : 403-245-7844 <a href="mailto:Dawn.berry@atcopipelines.com">Dawn.berry@atcopipelines.com</a>
<b>Enbridge Pipelines Inc.</b> 3000, 425 First Street S.W. Calgary, Alberta T2P 3L8 <a href="http://www.enbridge.com">www.enbridge.com</a>	<b>Mr. Al Monaco</b> President T: [ 517(1) ] <a href="mailto:al.monaco@enbridge.com">al.monaco@enbridge.com</a>	Robin Renaud T: [ 517(1) ] F : (403) 231-5710 <a href="mailto:Robin.renaud@enbridge.com">Robin.renaud@enbridge.com</a>
<b>Enbridge Pipelines Inc.</b> 3000, 425 First Street S.W. Calgary, Alberta T2P 3L8 <a href="http://www.enbridge.com">www.enbridge.com</a>	<b>Mr. Steve Wuori</b> President, Liquids Pipelines T: [ 517(1) ] <a href="mailto:steve.wuori@enbridge.com">steve.wuori@enbridge.com</a>	Dianne Dohei T: [ 517(1) ] F: (403) 231-5710 <a href="mailto:dianne.dohei@enbridge.com">dianne.dohei@enbridge.com</a>
<b>Kinder Morgan Canada</b> Suite 2700, Stock Exchange Tower 300 – 5th Avenue S.W. Calgary, Alberta T2P 5J2 <a href="http://www.kindermorgan.com">www.kindermorgan.com</a>	<b>Mr. Ian Anderson</b> President T: [ 517(1) ] <a href="mailto:Ian.Anderson@kindermorgan.com">Ian.Anderson@kindermorgan.com</a>	Trudy Nichols T: [ 517(1) ] F: (403) 514-6441 <a href="mailto:Trudy.Nichols@kindermorgan.com">Trudy.Nichols@kindermorgan.com</a>
<b>Plains Midstream Canada</b> 1400, 607 – 8 <sup>th</sup> Ave SW Calgary AB T2P 0A7 <a href="http://www.plainsmidstream.com">www.plainsmidstream.com</a>	<b>Mr. Dave Duckett</b> President T: [ 517(1) ] <a href="mailto:dave.duckett@plainsmidstream.com">dave.duckett@plainsmidstream.com</a>	Jan Williams T: [ 517(1) ] F: (403) 298-2147 <a href="mailto:Jan.williams@plainsmidstream.com">Jan.williams@plainsmidstream.com</a>
<b>Spectra Energy Transmission West</b> Suite 2600, 425 First Street S.W. Calgary, Alberta T2P 3L8 <a href="http://www.spectraenergy.com">www.spectraenergy.com</a>	<b>Mr. Doug Bloom (CEPA Chairman)</b> President T: [ 517(1) ] <a href="mailto:dpbloom@spectraenergy.com">dpbloom@spectraenergy.com</a>	Judy Gaensslen T: [ 517(1) ] F: (403) 699-1550 <a href="mailto:jgaensslen@spectraenergy.com">jgaensslen@spectraenergy.com</a>
<b>TransCanada Pipelines Limited</b> 450 – 1st Street S.W. Calgary, Alberta T2P 5H1 <a href="http://www.transcanada.com">www.transcanada.com</a>	<b>Mr. Russ Girling</b> President & CEO T: [ 517(1) ] <a href="mailto:russ.girling@transcanada.com">russ.girling@transcanada.com</a>	Judith Robson T: [ 517(1) ] F: (403) 920-2412 <a href="mailto:Judith_robson@transcanada.com">Judith_robson@transcanada.com</a>
<b>TransCanada Pipelines Limited</b> 450 – 1st Street S.W. Calgary, Alberta T2P 5H1 <a href="http://www.transcanada.com">www.transcanada.com</a>	<b>Mr. Alex Pourbaix</b> President, Pipelines T: [ 517(1) ] <a href="mailto:Alex.pourbaix@transcanada.com">Alex.pourbaix@transcanada.com</a>	Linda Lee T: [ 517(1) ] F : (403) 920-2410 <a href="mailto:Linda_lee@transcanada.com">Linda_lee@transcanada.com</a>

**COMPANY****REPRESENTATIVE/PHONE****ASSISTANT**

**TransCanada PipeLines Limited**  
 450 – 1st Street S.W.  
 Calgary, Alberta T2P 5H1  
[www.transcanada.com](http://www.transcanada.com)

**Mr. Karl Johannson**  
 Sr. VP Canadian & Eastern US Pipelines  
 T: [ 5.17(1) ]  
[Karl.johannson@transcanada.com](mailto:Karl.johannson@transcanada.com)

Karen Bulgin  
 T: [ 5.17(1) ]  
[karen\\_bulgin@transcanada.com](mailto:karen_bulgin@transcanada.com)

**Keystone Pipeline TransCanada**  
 450 – 1st Street SW  
 Calgary, Alberta T2P 5H1  
[www.transcanada.com](http://www.transcanada.com)

**Mr. Don Wishart**  
 Executive VP, Operations & Major Projects  
 T: [ 5.17(1) ]  
[don\\_wishart@transcanada.com](mailto:don_wishart@transcanada.com)

Shauna Kanz  
 T: [ 5.17(1) ]  
 F: (403) 920-2411  
[shauna\\_kanz@transcanada.com](mailto:shauna_kanz@transcanada.com)

**CEPA Technical Member Companies with Assets in Alberta**

**Access Pipeline**  
 950, 333 – 5<sup>th</sup> Ave. SW  
 Calgary, AB T2P 3B6  
[www.accesspipeline.com](http://www.accesspipeline.com)

**Mr. Gordon Kyle**  
 President  
 T: [ 5.17(1) ]  
[gkyle@accesspipeline.com](mailto:gkyle@accesspipeline.com)

**BP Canada Energy Group ULC**  
 240 – 4<sup>th</sup> Ave. SW  
 Calgary, AB T2P 3L8  
[www.bp.com](http://www.bp.com)

**Ms. Christina Verchere**  
 President  
 T: [ 5.17(1) ]  
[christina.verchere@bp.com](mailto:christina.verchere@bp.com)

Karen Milne  
[karen.milne@bp.com](mailto:karen.milne@bp.com)

**Inter Pipeline Fund**  
 2600, 237 – 4<sup>th</sup> Ave. SW  
 Calgary, AB T2P 4K3  
[www.interpipelinefund.com](http://www.interpipelinefund.com)

**Mr. David Fesyk**  
 President & CEO  
 T: [ 5.17(1) ]  
[dfesyk@interpipelinefund.com](mailto:dfesyk@interpipelinefund.com)

Laurie Jackson  
 T: [ 5.17(1) ]

**Pembina Pipeline Corp**  
 3800, 525 – 8<sup>th</sup> Ave. SW  
 Calgary, AB T2P 1G1  
[www.pembina.com](http://www.pembina.com)

**Mr. Robert Michaleski**  
 President & CEO  
 T: [ 5.17(1) ]  
[bmichale@pembina.com](mailto:bmichale@pembina.com)

Linda Dickson  
 T: [ 5.17(1) ]



**Trevor Dark**

---

**From:** Minister of Energy [Minister.Energy@gov.ab.ca]  
**Sent:** Wednesday, July 11, 2012 3:59 PM  
**To:** Dan McFadyen; Trevor Dark; Robin King; Tom Pesta; Martin Chamberlain  
**Cc:** Barb Wilkes; Cooper Matheson; Martin Krezalek  
**Subject:** Invite to Pipeline Pre-briefing Meeting with Hon Ken Hughes - July 13, 2012

Good Afternoon,

I am writing to invite you to attend a pre-briefing meeting in Calgary on Friday, July 13<sup>th</sup> from 10:00am to 11:00am in the Black Diamond Room at McDougall Centre (455 – 6 Street SW). This meeting is in preparation of my meeting with pipeline sector CEO's, CAPP and SEPAC on Monday, July 16<sup>th</sup>.

Please RSVP to [minister.energy@gov.ab.ca](mailto:minister.energy@gov.ab.ca).

Thank you.

Ken Hughes  
Minister of Energy

## Trevor Dark

---

**From:** Dan McFadyen  
**Sent:** Monday, July 16, 2012 9:59 PM  
**To:** Trevor Dark  
**Subject:** Fw: Pipelines Meeting

----- Original Message -----

**From:** Jim Ellis [mailto:Jim.Ellis@gov.ab.ca]  
**Sent:** Monday, July 16, 2012 09:29 PM  
**To:** Dan McFadyen  
**Cc:** Martin Krezalek; Martin Chamberlain  
**Subject:** Pipelines Meeting

Dan

I have asked for a telecon tomorrow to bring you-up-to-speed on our meeting with CEOs today. We may be asking you to undertake an inquiry focused on various aspects of pipeline performance to include possibly:

1. Pipeline integrity management
2. Water crossing practices
3. Emergency Response

Overall the meeting was very productive and we are confident we can move this forward. Their overwhelming support for the ERCB as the regulator was good to hear and their advice for you to do a review was also reassuring.

[ *Not Responsive* ]

Talk to you tomorrow.

Jim

Jim Ellis  
Deputy Minister  
Alberta Energy

July 20, 2012

## Energy regulator and independent party to review pipeline safety

*Calgary...* Alberta's Energy Minister Ken Hughes has requested that the Energy Resources Conservation Board (ERCB) retain an independent third party to examine elements of the province's pipeline system.

The ERCB, in conjunction with an independent third party to be contracted, will review three specific and integral areas of pipeline safety in our province. They will examine how pipeline integrity is managed, how safety of pipelines crossing water ways is ensured, and how responses to pipeline incidents are handled.

"As leaders in energy production and regulation, our pipeline integrity standards must be among the best in the world. If changes are needed, Albertans can rest assured that we will make them," said Hughes. "The energy industry is the economic lifeblood of our province, and at the same time we want to ensure that Albertans have clean water, clean land and clean air. Today we are taking significant steps to ensure this will be the case for decades to come."

The new pipeline safety review will run in conjunction with the current incident-specific investigations the ERCB is conducting. The pipeline safety review will be broader in scope, and will look at existing regulations and industry best practices from Alberta and around the world. At the conclusion of the review, a report will be submitted to Minister Hughes.

Alberta has almost 400,000 kilometers of provincially-regulated pipeline. The number of incidents has been steadily declining, from 885 in 2007 to 641 in 2011. All incidents, ranging from contact with a pipeline that does not cause a release to a spill, must be reported to the ERCB.

The Energy Resources Conservation Board is an independent, quasi-judicial agency whose mission is to ensure that the discovery, development and delivery of Alberta's energy resources takes place in a manner that is fair, responsible and in the public interest.

-30-

**Media inquiries may be directed to:**

Janice Schroeder  
Director of Communications  
Alberta Energy  
780-422-3667

Mike Deising  
Press Secretary  
Office of the Minister  
Alberta Energy

46

780-964-0528  
janice.schroeder@gov.ab.ca

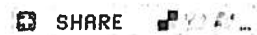
780-901-8785  
mike.deising@gov.ab.ca

To call toll free within Alberta dial 310-0000.

[Alberta Government](#) | [Newsroom](#) | [Ministries Listing](#) | [Energy Home Page](#) | [News Releases](#) | [Top of Page](#) |

Send us your comments or questions

Copyright(©) 2012 Government of Alberta



Colleagues

Today the Minister of Energy asked the ERCB to examine elements of Alberta's pipeline system, in conjunction with an independent third-party. The review will look at existing regulations and industry best practices from Alberta and around the world. At the conclusion of the review, a report will be submitted to Minister Hughes.

As you are aware, recent high-profile incidents have brought the issue of pipelines to the forefront and the ERCB welcomes this opportunity to demonstrate our strong regulatory framework, our rigorous inspection and compliance approach, and our emergency response system. This review, as part of an ERCB strategy to raise awareness on pipeline safety, will help to ensure Albertans have access to accurate and credible information regarding the safe, responsible regulation of pipelines in Alberta.

At this point we have very few details about how the review will be conducted. We will update you when we have some certainty about how we will be proceeding with this endeavor. Thank you for your continued support and professionalism.

The Alberta Energy news release can be viewed here:

<http://alberta.ca/NewsFrame.cfm?ReleaseID=/acn/201207/32708A4FFF0A1-E4D7-2E32-3BBC78A50B83421D.html>.

Trevor Dark  
COO