

REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador

# Request for Proposals

**A Scoping Exercise  
for the Management and Implementation  
of a Carbon Offsets System  
Pursuant to the *Management of Greenhouse Gas Act*  
in Newfoundland and Labrador**



Government of Newfoundland and Labrador  
Department of Environment and Climate Change

September 14, 2016

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

## **1.0 Contracting Agency**

For the purposes of this Request for Proposals (RFP), the Government of Newfoundland and Labrador's Department of Environment and Climate Change (ECC) will be the Contracting Agency. ECC will be referred to as "the Client" in this RFP.

## **2.0 Background**

New legislation to regulate greenhouse gas emissions from large industrial facilities in Newfoundland and Labrador received royal assent in June 2016. Through regulations to be developed pursuant to the *Management of Greenhouse Gas Act*, industrial facilities in the province that have annual greenhouse gas (GHG) emissions of 15,000 tonnes or more will be required to report their GHG emissions on an annual basis, and industrial facilities with 25,000 tonnes or more of annual GHG emissions will also be subject to a GHG reduction target. Regulations requiring GHG reporting are anticipated to be finalized in Fall 2016. Following at least two years of reporting, regulations to establish GHG reduction targets will be finalized. A copy of the *Act* can be found at <http://www.assembly.nl.ca/legislation/sr/statutes/m01-001.htm>.

Similar to GHG legislation in other jurisdictions concerning large industrial facilities, such as Quebec, Ontario, Alberta and California, it is expected that regulated facilities will meet their reduction target through on-site capital investment to improve energy efficiency and reduce operating costs, and, where applicable, reduce venting, fugitive and flaring emissions. However, similar to other jurisdictions, provision is also made in the *Act*, through regulations to be developed, for the use of alternative compliance mechanisms. Alternative compliance mechanisms give regulated facilities some flexibility on how and where they can reduce GHGs to comply with their target.

One means of alternative compliance is the use of carbon credits. Offset credits are generated through projects that reduce GHG emissions in sectors that fall outside those regulated by the *Act* (such as waste and agriculture). It is anticipated that regulations to be developed pursuant to the *Act* will provide authority for the Minister of Environment and Climate Change to establish and implement a carbon offsets system through the use of a public registry, offsets protocols and associated implementation activities. It is expected that the Minister of Environment and Climate Change will establish standards for the development, quantification, and verification of GHG emissions reduction projects pursuant to offsets protocols to be developed.

There are three important considerations to be taken into consideration in the development, implementation and management of a carbon offsets system in Newfoundland and Labrador.

- First, there are a limited number of facilities that may seek offsets credits. It is anticipated that there will be six or fewer regulated facilities that will be subject to a GHG reduction target by 2020. As well as being able to reduce their GHGs at their facility, companies will also have access to a second alternative compliance mechanism, namely, a Technology Fund (conceptually similar to that already in place in Alberta).
- Second, set-up, implementation and administration costs must be in keeping with the potential utilization of a carbon offsets system by regulated industrial facilities, take account of the fact that

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

utilization may vary from year to year, and be mindful of existing fiscal challenges within the province. Arrangements must be operationally effective, environmentally sound, and administratively efficient. Implementation structures and mechanisms, such as a public registry for offsets projects, must be of equal rigour and be equally robust as those in other provinces to facilitate potential future linking opportunities.

- Third, while no formal studies have been completed, it is anticipated that there may be a limited supply of offsets credits relative to demand over the medium to longer term. For example, electricity consumption in the province is anticipated to be 98% emissions-free by 2019 and methane capture and destruction infrastructure has already been installed at the province's largest landfill facility. However, the Client is aware that new opportunities may be uncovered by project proponents and project developers as a result of putting in place an offsets system.

### **3.0 Objective**

The objective of this RFP is to secure the services of a consultant to conduct a jurisdictional review and a scoping exercise of regulated carbon markets management systems in Canada and the US that will, in the context of the provincial characteristics outlined in Section 2, provide an overview of costed options and recommendations for:

- (i) best practices as it relates to the management of an offsets system, such as but not limited to, additionality tests; validation and verification procedures and standards; data management procedures and techniques to facilitate both verification at a reasonable level of assurance and Ministerial audits that may be undertaken; recourse actions in the case of offsets projects that do not achieve credited GHG reductions or subsequently release captured carbon into the atmosphere; and regulatory provision that establishes Ministerial authority and discretion as it relates to the approval of carbon offsets projects;
- (ii) the establishment, structural elements, management and oversight of a public registry of GHG offsets projects, including functionality required; existing registries and opportunities to collaborate; timelines and requirements for establishing a registry; the potential for expanded uses of the registry for the management of other GHG performance credits as provided for in the *Act*; and
- (iii) the operational, implementation and administration costs associated with management of a public registry, and for an offsets system more generally, as well as options for revenue generation.

The development of carbon offsets protocols is not included in the scope of this RFP.

Bidders should indicate whether there may be a future potential conflict of interest, that is, whether they develop, manage, license or otherwise have a financial or other interest in the development and implementation of a public registry.

### **4.0 Scope of Project**

The successful consultant will:

1. Conduct a comprehensive review and analysis of emerging and best practices in regulated carbon markets in Canada and the US as it relates the management of an offsets management system, and

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

identify and describe key policy and regulatory issues for consideration in Newfoundland and Labrador, such as but not limited to:

- a. Ministerial oversight and administration of an offsets management system generally;
  - b. Test for ensuring additionality;
  - c. Offsets project validation procedures and standards, including regulatory provisions that establish Ministerial discretion to approve or reject project-level validation findings;
  - d. Offsets project verification procedures and standards at a reasonable level of assurance;
  - e. Data management procedures and techniques to facilitate both verification at a reasonable level of assurance and Ministerial audits that may be undertaken; and
  - f. Recourse actions in the case of offsets projects that do not achieve credited GHG reductions (that is, if projected GHG emissions reductions are not achieved in a carbon offsets project, such as through less than projected annual outcomes or longer term non-permanence, how is the emissions “gap” replaced by the regulated facility).
2. In the context of the provincial characteristics identified in Section 2, conduct a comprehensive review and analysis of public registries used in regulated carbon markets in Canada and the US to facilitate the management of an offsets system, including their features, technical requirements, labour requirements, and costs (set up and operational).The consultant will identify and describe costed options for consideration in Newfoundland and Labrador, such as but not limited to:
- a. Identify an approach for a public registry to be implemented in-house within Newfoundland and Labrador versus options for partnering with other jurisdictions with registry management functions located external to the province;
  - b. The full range of information necessary to be maintained within the public registry to facilitate transparent management and accountability, including the ability to track disaggregated information for bundled and aggregated projects to facilitate verification and Ministerial audits as may be undertaken, and ensuring security;
  - c. The ability within the public registry to link to registries in other jurisdictions for the purposes of tracking offsets credits to ensure that an offset credit is used only once;
  - d. The ability within the public registry to manage other GHG performance credits, as provided for in the *Act*;
  - e. The ability to host activities in other potential, future, or existing regulated markets in other jurisdictions within the public registry; and
  - f. Options for the continuing operation and maintenance of the public registry in the event that the service provider ceases operation.
3. In the context of the provincial characteristics identified in Section 2 and with respect to the work completed for points 1 and 2 above, identify key financial considerations in Newfoundland and Labrador, such as but not limited to:
- a. Operational, implementation and administration costs that may be incurred by the provincial government associated with management of a carbon offsets system;
  - b. Options for revenue generation, such as fees for service by project developers to use the carbon offsets system;
  - c. Set-up costs (e.g., software development and hardware) associated with the establishment of a public registry to deliver a carbon offsets system; and
  - d. Operational, implementation and administration costs that may be incurred for the public registry such as, among others, annual fees for service from a service provider, licensing fees and on-call technical assistance for a public registry.

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

4. In the context of the provincial characteristics identified in Section 2 and with respect to the work completed for points 1 and 2 above, identify other key considerations in Newfoundland and Labrador, such as but not limited to confidentiality of, access to, and security of data. Note that, for security purposes, data must be stored in Canada. The consultant shall engage with provincial regulatory entities, including the Office of the Chief Information Officer and the Department of Justice and Public Safety on these matters.

## **5.0 Deliverables**

This project will include four deliverables. Expected timelines for this project are provided in Section 9.0. The deliverables for the project are as follows:

1. **Detailed Project Plan** – Once the project has been awarded, a kick-off meeting will be held with the successful Consultant. Following the meeting, the Consultant will deliver a project plan, which will include the timing of key milestones and arrangements for regular communication between the Client and the Consultant. This project plan must be approved by the Client.
2. **Draft Report #1** – This report shall include draft findings from the comprehensive review and analysis of emerging and best practices in regulated carbon markets in Canada and the US as it relates the management of an offsets system, including policy, regulatory and financial issues and considerations (specifically, Points 1 and 3(a) and (b) in the Scope of Work) in Newfoundland and Labrador.
3. **Draft Report #2** – This report shall include draft findings from the comprehensive review and analysis of public registries used in regulated carbon markets in Canada and the US to facilitate the management of an offsets system, and identify and describe costed options for consideration (specifically, Points 2 and 3(c) and (d) and (4) in the Scope of Work) in Newfoundland and Labrador.
4. **Final report** – The Consultant will deliver a single final report that covers matters outlined in both draft reports and that incorporates the Client’s feedback and addresses any remaining issues to the Client’s satisfaction.

In each case, the Client will review the draft reports and provide feedback within 10 working days. The final report must be revised for approval by the client within 10 working days of receiving feedback from the Client.

The Consultant will be required to have weekly teleconferences with the Client to update on progress and seek any guidance necessary. For planning purposes, the Consultant should anticipate these will, on average, last 30-45 minutes.

All deliverables should be provided electronically in MS Word format.

## **6.0 Proposal Structure**

Respondents to this RFP are requested to structure their proposals using the following headings:

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

<b>RFP Structure</b>	
<b>Introduction</b>	<p>The Introduction should introduce the Consultant, its capabilities and its experience in handling an assignment of this nature.</p> <p>Bidders should indicate whether there may be a future potential conflict of interest, that is, whether they develop, manage, license or otherwise have a financial or other interest in the development and implementation of a public registry.</p>
<b>Understanding of the Issue &amp; Project Proposal</b>	<p>This section should explain the Consultant’s understanding and interpretation of the objectives and requirements of this project.</p> <p>The project proposal must include:</p> <ul style="list-style-type: none"> <li>• A listing and description of the major tasks to complete the work, using this RFP as a guide;</li> <li>• A description of methods to be used;</li> <li>• A listing of data and other sources to be used in the analysis;</li> <li>• A description of quality assurance and quality check procedures;</li> <li>• A work plan and project schedule; and,</li> <li>• Summary of any travel to complete the project.</li> </ul>
<b>Cost Proposal</b>	<p>The Cost Proposal should include detailed summary costs and expected travel costs. Travel costs will only be reimbursed for actual travel incurred.</p>
<b>Summary of Qualifications and Experience</b>	<p>This section should include an overview of corporate qualifications, including any work experience related to carbon offset markets. Samples of previous work are encouraged.</p> <p>Short-form résumés should be included for key personnel that will be involved in the project. This should be no longer than one page per person and reference education and experience involved in similar projects.</p> <p>Note that a summary of qualifications and experience is also required of any individual or company that is sub-contracted to complete aspects of the project.</p>

**6.1 General Conditions**

This RFP is not subject to the *Public Tender Act*.

Verbal information or representations shall not be binding on the Client. Only written changes, alterations, modifications or clarifications are binding. In order to be valid, all such changes, alterations, modifications or clarifications shall be issued in the form of addenda and all such addenda shall become a part of this RFP.

The proposal of the successful Consultant will form part of any resultant Contract Agreement by attachment and incorporation by reference. Claims made in the proposal will constitute contractual commitments. Any provision in the proposal may be included in the resultant Contract as a direct provision thereof. The successful Consultant, as a condition of submitting its proposal, accepts a customized contract will be negotiated. The Client will not be responsible for any legal costs associated

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

with contract development. The Client reserves the right, in its sole discretion, to accept or reject any or all proposals received or to cancel this process at any time after issuance, and may choose to accept or reject or award in respect of all or part of any proposal.

Any resultant Contract from this RFP shall be governed by the laws of the province of Newfoundland and Labrador. It shall be issued in the name of the successful Consultant exactly as that successful Consultant's personal or corporate name is stated in the RFP response document. Funds payable for materials delivered pursuant to any resultant Contract shall be paid only to the Consultant who is so listed as party to any resultant Contract. Only legal registered names of Consultants are acceptable.

Any resultant contract from this RFP may be subject to proactive public disclosure.

All documents and other records in the custody or under the control of some or all of the Government or its representatives may be subject to the *Access to Information and Protection of Privacy Act SNL2015 A-1.2*. Subject to the provisions of this Act and as required by law, all responses and other documents and other records submitted by a Consultant in connection with this RFP will be considered confidential, and financial and other proprietary information will not be disclosed, unless required by law.

Any proposal submitted in response to this RFP shall contain the signature, name and title of the person authorized to sign on behalf of the Consultant.

The responsibility rests with the Consultant to submit a complete proposal, with proper and adequate detail to substantiate all aspects of its proposal. Incomplete proposals shall be deemed to be non-compliant. A complete proposal shall include, but is not limited to:

- **Legal name and status:** The proposal shall state the correct legal name and legal status of the proposing entity and the correct mailing address.
- **Consultant contact:** The name, title, telephone and fax numbers, email address and civic address of a representative who may be contacted for clarification or other matters relating to the proposal.
- **Content:** The proposal shall be clear, concise, and include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply rephrase or restate the requirements in this RFP, but rather shall provide convincing rationale to address how the Consultant intends to meet these requirements.

The successful Consultant must be licensed to conduct business in its own jurisdiction and may be required to produce a certificate of good standing for that jurisdiction.

All terms and conditions will apply to all subcontractors and the Consultant will be responsible for subcontractors' compliance. The Consultant will be responsible for all work done by the subcontractors. The Consultant will be responsible for all damages and will complete any work unfinished by the subcontractors.

## **7.0 Firm Pricing**

All prices quoted shall include Harmonized Sales Tax (HST), must be in Canadian currency, and shall remain firm until completion. No contract containing price escalations will be accepted prior to the anticipated completion date set forth in this RFP.

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

The value of the contract is capped at \$55,000 (excluding HST), including travel costs. Bids must not exceed this amount.

All bidders should clearly detail their cost breakdown in their proposal and explain how these costs would deliver value and superior end products to the Client.

Bids will be considered based on their own merits. Properly completed proposals that comply with Section 6.1 will be evaluated according to the formula outlined in Section 12.0.

**8.0 Award of Contract**

The contract will be awarded by the Client based upon the results of an evaluation of submitted proposals. The Client will notify the successful Consultant in writing. Those that are not successful will receive notification as soon as possible once the contract has been accepted and finalized. The Client reserves the right not to explain in detail why bidders were not selected.

**9.0 Project Schedule**

The project schedule should assume an approximate start date of November 1, 2016. The estimated timeline for this project is:

<b>Project Timelines and Deliverable Dates</b>			
<b>Item</b>	<b>Deliverable</b>	<b>Estimated Due Date</b>	<b>Estimated Progress Payment to the Consultant*</b>
1.	Kick-off meeting	November 1, 2016	
2.	Submission of project plan (deliverable 1)	November 7, 2016	
3.	Submission of draft report #1 (deliverable 2)	January 16, 2017	
4.	Submission of draft report #2 (deliverable 3)	January 16, 2017	50%
5.	Submission of draft final report (deliverable 4)	February 27, 2017	
6.	Approval of final report by Client	March 13, 2017	50%

\* Payments will be provided only once the Client is satisfied with the deliverable, and not when a draft is initially delivered. All work must be completed to the Client's satisfaction.

**10.0 Intellectual Property**

Any intellectual property that is developed as a result of this project, including all data, specifications, concept plans, designs, rationales, presentation materials and technical reports and related information produced by the Consultants in completing this work shall be vested with the Client. The Consultant shall deliver all files and documentation for this project to the Client upon its completion and shall securely destroy all files and documentation on hand.

**11.0 Other Terms and Conditions**

Additional terms and conditions relating to this RFP are provided in Annexes A and B.



**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

**12.0 Proposal Evaluation**

The Client will evaluate the proposals according the following criteria, which reflects the information contained in Section 6.0 of this RFP:

<b>Item No.</b>	<b>Criteria</b>	<b>Weighting</b>
1	Understanding of Project	20%
2	Technical Proposal	25%
3	Management Proposal including project staff qualifications and work experience relevant to this project	30%
4	Cost Proposal	25%
	Total	100%

**13.0 Project Contact**

The Consultant will be working with ECC throughout this project. ECC will be the project manager and act as the Consultant’s primary contact throughout the project. All project deliverables shall be delivered to ECC for approval.

The contact for this project, including any questions or concerns relating to this RFP, is:

Gerald Crane  
Director of Research and Analysis  
Department of Environment and Climate Change  
Government of Newfoundland and Labrador  
Confederation Building, West Block, 5th Floor  
PO Box 8700, St. John’s, NL  
(709) 729-0379  
[geraldcrane@gov.nl.ca](mailto:geraldcrane@gov.nl.ca)

**14.0 Submission of Proposals**

Proposals (one copy) must be submitted to the Government Purchasing Agency (30 Strawberry Marsh Road, St. John’s, NL, A1B 4R4) and electronically to [climatechange@gov.nl.ca](mailto:climatechange@gov.nl.ca) by October 5, 2016 no later than 3:30pm (NST). Questions will be accepted until noon on September 28, 2016 (NST) with responses issued by 11:00 a.m. on September 29, 2016 (NST).

All changes, alterations, modifications or clarifications shall be issued in the form of addenda and all such addenda shall become a part of this RFP. All addenda that have been issued in relation to this RFP will be available on the Government Purchasing Agency website at [www.gpa.gov.nl.ca/availabletenders.stm](http://www.gpa.gov.nl.ca/availabletenders.stm), or by contacting the Government Purchasing Agency.

**REQUEST FOR PROPOSALS:**  
**A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

Consultants can either access the website at their own discretion for addendum, or may use the registration process available on the site to receive notification of addendum. Consultants are responsible for ensuring that they have received all addenda pertaining to this RFP and shall be deemed to have received same through their submission of proposal in response to this RFP.

No extensions to the submission date will be considered.

The Contracting Agency will endeavor to contact the successful Consultant within three weeks (21 days) of the closing date of the RFP.

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

**Annex A: Additional Terms and Conditions**

**Acceptance of the Proposal** – The Client reserves the right not to accept any proposal. The RFP should not be construed as a contract to purchase services. The Client shall not be obligated in any manner until a written contract relating to an approved proposal has been duly executed. A standard contract template will be used.

**Proposal Revisions** – Proposal revisions must be received prior to the RFP submission/closing date and time.

**Financing of Proposals** – All costs associated with the preparation and submission of proposals shall be the sole responsibility of the Consultant.

**Acceptance of RFP Conditions** – Receipt of a proposal will be considered acceptance of the RFP terms and conditions by the Consultant, and will be incorporated into any resultant contract.

**Subcontracting** – The use of subcontracted services must be identified in the written proposal. Prior written approval by the Client is required for the use of subcontracted services.

**Negotiation Delay** – If a written contract cannot be concluded within (15) fifteen days of notification to the successful Consultant, the Client may, at its sole discretion, terminate negotiations with that Consultant and either negotiate a contract with another Consultant of its choice or choose to terminate the RFP process and not enter into a contract with any of the Consultants.

**Media Interviews** – Under no circumstances will any employee or representative of the Consultant consent to or provide any media interviews respecting the contract without specific written permission of the Client.

**Disclaimers/Limitations of Liability** – Neither acceptance of a proposal nor execution of a contract shall constitute approval of any activity that requires any approval, permit or license pursuant to any federal or provincial statute or regulation. It is the responsibility of the Consultant to obtain such prior to commencement of the services under the proposed contract.

**Other Purpose** – This document, or any portion thereof, may not be used for any purpose other than the submission of proposals.

End of Annex A.

**REQUEST FOR PROPOSALS:  
A Scoping Exercise for the Management and Implementation  
of a Carbon Offsets System in Newfoundland and Labrador**

**Annex B: Protocols for Security of Government Information on Technology Assets of Consultant**

The Consultant should confirm with ECC whether the Consultant will be required to use information technology resources, including computers, of the Government of Newfoundland and Labrador in the conduct of the work under the contract. The following requirements apply where the Consultant will not be using such assets, but will instead have access to confidential information (including personal information) (“Confidential Information”) received from the Government of Newfoundland and Labrador (“Government”) and will be storing, manipulating or accessing that Confidential Information on the Consultant’s own information technology resources.

- All portable storage devices or media (e.g., flash drives, memory sticks, portable hard drives, writeable compact discs or digital video discs, etc.) may only be used to transport and/or store Confidential Information where either the Confidential Information or the device or media is encrypted.
- Unless specifically separately authorized by the Consultant’s contract or otherwise, the Consultant is not permitted to attach non-government computers or other information technology systems to any Government network.
- Consultants are expected to implement and maintain up to date versions of all ordinary business software for the reasonable protection of information on computers attached to the Internet which will have access to or store Confidential Information, including security firewall and anti-viral software.
- Consultants are not permitted to use any Peer to Peer file sharing program (e.g., Limewire, etc) or chat program (e.g., MSN, Skype) on any information technology asset which will contain Confidential Information, or which will be connected via a network to any computer which will contain Confidential Information.
- Email should not be used as a method to transmit Confidential Information across public networks such as the Internet unless the e-mail and/or its attachments are encrypted or zipped in a secure manner.
- Where a Consultant will be granted access to the Government computer network during the course of the work, in addition to the requirements noted above, the Consultant shall not:
  - Share personal computer drives or folders on a computer accessing the network;
  - Access the network remotely, either through wired or wireless connections, except through the use of secure ID and virtual private network systems.

These requirements apply to the Consultant and all employees, servants and/or agents or permitted sub-Consultants of the Consultant, and it is the responsibility of the Consultant to ensure that all such employees, servants and/or agents or permitted sub-Consultants are aware of these restrictions and are in compliance herewith.

Annex B will form part of the successful Consultant’s contract.