



February 23rd, 2017

**Petroleum Research Newfoundland & Labrador
CALL FOR PROPOSALS:**

Transforming Newfoundland and Labrador's Offshore Oil and Gas Operations through Digitalization

LETTER OF INTENT DEADLINE: Friday, March 24th, 2017, 1:00 pm (NST)

PETROLEUM RESEARCH ORGANIZATIONAL BACKGROUND

Petroleum Research Newfoundland and Labrador (PRNL) is a federally-incorporated, not-for-profit member-based organization that facilitates research and technology development. PRNL delivers value to Newfoundland and Labrador's offshore oil and gas industry by:

- Developing research plans and programs consistent with member priorities;
- Funding and managing research projects that produce tangible benefits for our members; and,
- Encouraging local capacity development in research focus areas by hosting collaborative research events and creating targeted funding opportunities.

Petroleum Research's industry members include Chevron, ExxonMobil, Husky, Statoil and Suncor.

CALL OBJECTIVE

Digitalization is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business. Integrated Operations (IO) refers to new work processes and ways of performing oil and gas exploration and production, which have been facilitated by new information and communication technology. The evolution of data collection and analytics, as well as emerging trends such as the *Internet of Things*, continue to transform global industries by providing timely high quality information for enhanced operational decision-making. The effective implementation of IO and digitalization concepts goes beyond technology; it addresses people, process, governance and technology.

PRNL is seeking proposals that address research themes related to: **Transforming Newfoundland and Labrador's Offshore Oil and Gas Operations through Digitalization.**

The 2017 Call objective is to identify concepts related to digitalization and IO that can be advanced through research and development (R&D) to improve operational efficiencies, increase cost savings, improve real-time understanding of operations and the environment, enhance communication and interaction, increase knowledge and reduce risk within Newfoundland and Labrador's offshore environment. Applicable areas

include: offshore platform operations, environmental monitoring, communications, logistics & transportation and supply chain integration.

Possible R&D themes include: investigation of digital alternatives to existing products and methods, development of new technologies and processes, feasibility studies of a proposed concept or method and other R&D activities that would deliver results that meet the above stated objective.

PRNL seeks research and technology development projects that are strategically and commercially relevant, and that create value for our members. Projects may range from early phase applied research or feasibility, to full scale technology, process or resource adaptation or development.

PROJECT FINANCING

The total Petroleum Research financing request should not exceed \$300,000 (including overheads) over a maximum three (3) year period. Furthermore, the maximum per year funding request should not exceed \$150,000. For projects that are larger, or longer than maximums, proponents should implement a stage-gated structure and submit early phase/preliminary research to this Call.

Petroleum Research may fund up to 100% of the total project costs. However, proponents are encouraged to have some type (cash/in-kind) of leveraged funding identified. Additionally, where possible, applicants are encouraged to contribute a share of the costs and/or provide an in-kind contribution to the project. The impact that the identified leveraged funding and/or cost sharing contribution will have on the success of an application will be evaluated on a case-by-case basis.

All costs properly justified within the full proposal are eligible. This may include salaries, overheads, materials, consultancy fees, sub-contract charges, fees for trials and testing, intellectual property costs, the net costs of capital equipment, and some travel and subsistence fees.

Please note: Petroleum Research will only fund project costs that occur within the Province of Newfoundland and Labrador, and that are compliant with the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) "Guidelines for Research and Development Expenditures". Leveraged funding may be spent in accordance with the respective funding organization's guidelines.

APPLICANT ELIGIBILITY

To apply for funding, the proponent must be a legal business entity in good standing and able to operate in the Province of Newfoundland and Labrador. Any organization that meets these criteria may submit a proposal for funding; this can be a company, university or other academic institute, research institute, or a consortium. There are no restrictions on the size of an organization that may apply.

APPLICATION PROCESS

To qualify for funding, proponents must submit a **Letter of Intent (LOI)** and **Conditions of Submission of Information** form on or before the date specified in this Call announcement. The LOI is intended to be a summary of the proposed project. Petroleum Research will review all LOIs, and selected applicants will be invited to submit a full proposal.

Full proposal requirements and deadlines will be communicated to proponents selected to submit a full proposal.

Petroleum Research will notify all successful applicants and communicate any conditions for funding. The applicants must enter into a R&D funding agreement with Petroleum Research within ninety (90) days of notice of award or the offer of award will be withdrawn.

CONFIDENTIALITY

Petroleum Research respects the desire of proponents to protect their project concepts, and conducts itself accordingly. However, Petroleum Research regularly receives proposals that are similar to work already being undertaken, concepts already being pursued, or which may be pursued in the future independent of the proponent's information, either by Petroleum Research or by its members and their affiliates. As a result, all LOIs must be accompanied by a completed "**Conditions of Submission of Information**" form which acknowledges that the LOI is submitted on a non-confidential basis.

Petroleum Research will use submitted information for the sole purpose of considering and evaluating whether it may fund further research or development of concepts submitted. If, in the future, either Petroleum Research or the proponent wishes to disclose further specific information in confidence, this will be done only after Petroleum Research enters into separate written agreements covering the treatment of that information.

Should Petroleum Research choose not to approve any proponent's proposed research or concept for further consideration and/or funding, Petroleum Research will destroy its copies of the submitted information.

HOW TO APPLY

Applicants must submit a completed Letter of Intent (LOI) and Conditions of Submission of Information form no later than 1:00 pm (NST), March 24th, 2017. "LOI" and "Conditions of Submission of Information" forms are available through our website (www.petroleumresearch.ca). For further details on our application process please review our "Proposal Submission Guidelines" also available on our website.

Applications may be submitted by e-mail or mail to the address below. Please note that it is the sole responsibility of the applicant to ensure Petroleum Research is in receipt of the submitted application prior to the LOI deadline. All late/incomplete applications will be removed from the Call for Proposals evaluation process and will not be reviewed. Furthermore, any alteration of the LOI form or the attachment of supplemental documents will result in disqualification.

PLEASE NOTE THAT OUR ADDRESS HAS CHANGED.

For further information please contact:

Susan Hunt - Research Project Development Manager
Petroleum Research Newfoundland & Labrador
101-1 Church Hill
St. John's, NL, Canada
A1C 3Z7
Tel: (709) 738-7904
E-mail: susan.hunt@petroleumresearch.ca