

Research & Development Proposal Submission Guidelines



Revision – May 2018

1.0 INTRODUCTION

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.

2.0 GENERAL GUIDANCE

Petroleum Research may fund R&D projects through:

- Calls for Proposals
 - Applicants define the scope of work and propose projects within a specified research area;
- Requests for Proposals (RFPs)
 - Petroleum Research and its industry members define a specific scope of work; and,
- Unsolicited Proposals.

The Call for Proposals and unsolicited application process is designed to capture information regarding projects through the completion of a Letter of Intent (LOI) form, and if selected, the completion of a proposal form.

RFP responses may require different information with detailed instructions clearly outlined in the RFP itself. For this reason, the information contained in the Petroleum Research "*Proposal Submission Guidelines*" document applies to Calls for Proposals and unsolicited proposals only.

The following sections describe the Petroleum Research proposal submission process, and are intended to provide guidance on what to include in the application.

2.1 Project Management and Oversight

All projects supported by Petroleum Research must have a project management plan, including details on the decision-making structure within the project team and communication flow with external parties. Plans must specify authorization levels, legal, financial, and planning as appropriate. Proposals must incorporate a work breakdown structure reflecting task work effort, duration, interdependency with other tasks, milestones and reporting activities.

Petroleum Research may establish a Steering Committee (SC) to give oversight to the project. SC composition, authority and meeting frequency will be determined on a project-by-project basis.

2.2 Confidentiality

Petroleum Research will use information submitted to it by proponents for the sole purpose of considering and evaluating whether it may fund further research or development of concepts submitted.

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, a completed "**Conditions of Submission of Information**" form, which acknowledges that the submission is submitted on a non-confidential basis, must accompany all submissions. Submission will not be accepted without the completion of this form. Forms may be obtained from our website www.petroleumresearch.ca.

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.

2.3 Levels of Funding

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.

2.4 Payment Schedule

All payments by Petroleum Research will be based on a milestone payment schedule. Upfront payments may be provided, at the discretion of Petroleum Research, however subsequent payments will be based on the successful completion of the identified project milestones. Payments may be subject to a holdback or other performance guarantee.

2.5 Who is eligible?

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

2.6 What costs are eligible?

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”. All costs properly justified within the application including 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 are eligible. Leveraged funding may be spent in accordance with the respective funding organization’s guidelines.

3.0 CALLS FOR PROPOSALS

3.1 Introduction

The Call for Proposals theme will be determined through consultations with our members and key stakeholders.

Petroleum Research will seek proposals for projects that address the business needs of our members in a research focus area. Projects may range from early phase applied research or feasibility, to full scale technology, process or resource adaptation or development. In all cases proponents must clearly address the commercial relevance of their proposals to the offshore petroleum industry, and the distinctiveness of their research or technology development project in an international context.

3.2 The Process

Calls for Proposals will be announced via selected distribution sources and the Petroleum Research website. The Call announcement will contain all pertinent information specific to that Call.

To qualify for funding, proponents must submit an “LOI” and “Conditions of Submission of Information” form on or before the date specified in the Call announcement. The purpose of the LOI form is to provide Petroleum Research with a high-level summary/abstract of the proposed project in order to gauge industry interest. Applicants are free to compose their summary/abstract in a manner of their choosing. Where not considered confidential by the proponent, it is suggested that submissions include:

- A description of the proposed project in non-technical terms;
- Project Objective(s) - What is proposed to be done and for what purpose;
- The scientific/technological advancements or uncertainties that are being sought;
- Deliverable(s) - The expected technology, service, knowledge or improved process/methodology that will result from the project; and,
- Business Value - the specific benefits and/or value that the project will bring to Petroleum Research members and any general benefits that the project will bring to Newfoundland and Labrador's petroleum industry.

Petroleum Research will review all LOIs and selected applicants will be invited to submit a full proposal.

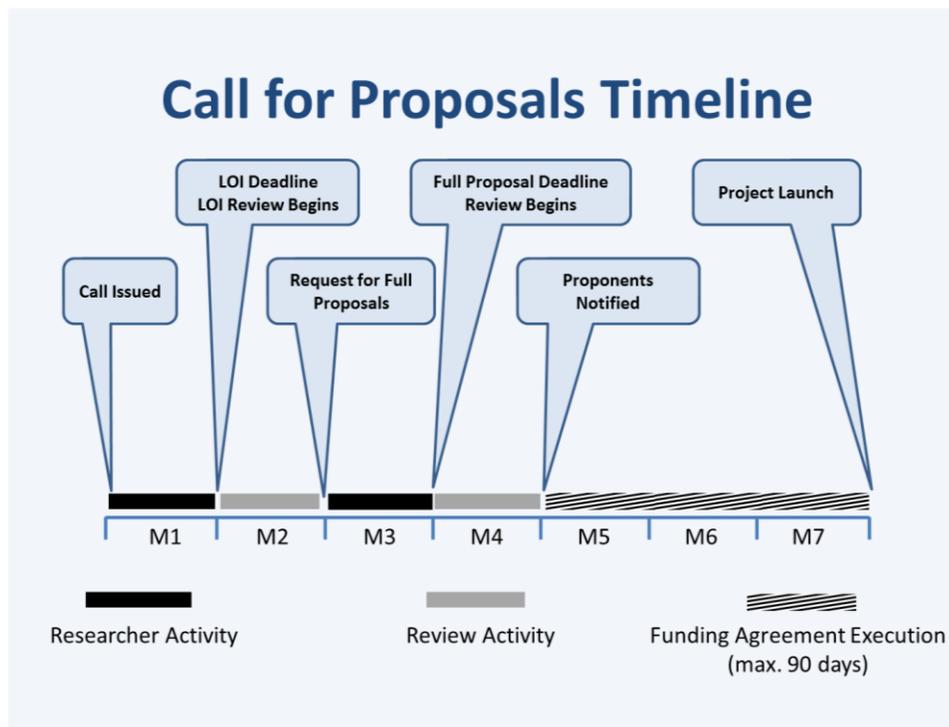
Full proposal requirements will be clearly communicated to those proponents selected to submit a full proposal. Full proposals must incorporate all requirements provided by Petroleum Research’s guidance to avoid disqualification.

A Proposal Evaluation Committee (PEC), comprising industry member Subject Matter Experts (SMEs), will be established to aid in the evaluation of proponent submissions. The PEC will evaluate the submissions and provide recommendations for funding to Petroleum Research. Petroleum Research will approve final projects for funding.

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

3.3 Timeline

The Call for Proposals timeline begins when a Call theme has been announced and ends once a funding agreement has been successfully executed; this is expected to be a maximum of seven (7) months.



4.0 UNSOLICITED PROPOSALS

Petroleum Research occasionally accepts unsolicited proposals where strong business value for members is evident. Unsolicited proposals should align with a Petroleum Research strategic focus area and proponents must clearly address the commercial relevance of their proposals to the offshore petroleum industry and Petroleum Research's members specifically.

Interested applicants must first submit an LOI form. Petroleum Research will screen submissions to ensure a strategic fit. LOIs may be distributed to member representatives to determine the level of industry interest and alignment. Member representatives will review selected LOIs and the proponent may be invited to submit a full proposal to Petroleum Research. The full proposal will be distributed to interested members for review. If approved for funding, Petroleum Research will prepare a funding agreement for execution.

Please note that a completed "Condition of Submission of Information" form must accompany any unsolicited proposal submitted to Petroleum Research.

5.0 APPLICATION FORMS

Application forms are available on our website at www.petroleumresearch.ca.

Please refer to the guidance directions noted in the text fields when completing the forms. Failure to follow the guidance directions may result in proposal disqualification.

All sections of the application forms must be completed, and the forms signed (electronic signatures are accepted) by an authorized signatory and dated. Please note that it is the sole responsibility of the applicant to ensure Petroleum Research is in receipt of your application prior to any identified deadline. All late/incomplete applications will be removed from the evaluation process and will not be reviewed. Furthermore, any alteration of the application forms will result in disqualification.

Please note that Petroleum Research may ask for more detailed information in either technical content of financial detail as deemed necessary.

6.0 GUIDANCE ON SELECTION CRITERIA

Support for projects is at the sole discretion of Petroleum Research. The evaluation processes will consider a number of factors when reviewing proposals. In the case of Calls For Proposals and RFPs, Petroleum Research will provide specific guidance on selection criteria and application instructions. But typically, in order to obtain funding, some of the criteria that your application should demonstrate are:

- The project offers benefits that are clearly highlighted to meet the specific requirements of the Call for Proposals and hence our members' needs, or in the case of an unsolicited proposal, the

project must offer benefits to our members through the direct alignment with one of our research focus areas;

- The proposal reflects a clearly innovative concept, or technology improvement that offers a significant advance over current practice;
- The composition and strength of the project team are adequate to execute the work proposed;
- A clear and detailed project management strategy has been identified. Large scale projects are structured in a gated process, with clear and measurable deliverables for each phase;
- 100% of requested Petroleum Research funding is spent within Newfoundland and Labrador (leveraged funding may be spent in accordance with the respective funding organizations guidelines);
- The proponent is financially stable and able to complete the project;
- The project contributes to the growth of R&D and/or training capacity in Newfoundland and Labrador; and,
- The proponent owns or has the right to exploit the background intellectual property needed to undertake the project.

7.0 CONTACT

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