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Intent

MLTC Indigenous Services Inc. (MLTCISI) has adopted this policy for three reasons:

1. To ensure that MLTCISI is following best practices with respect to provincial and federal procurement standards and that contracts are awarded in a manner that is fair, transparent, competitive and consistent with value for money principles;
2. To ensure that MLTCISI retains contractors and suppliers that represent best value to MLTC ISI having regard to both price and quality; and
3. To promote the use of MLTCISI member First Nations' businesses, as well as Indigenous-owned businesses ("First Nation Businesses") by:
 - Ensuring First Nation Businesses are given adequate notice of anticipated work opportunities;
 - Ensuring First Nation Businesses are granted full opportunity to participate in the request for proposal processes; and
 - Providing incentives to proponents who use or are First Nation Businesses.

Background

The objective of MLTC's bioenergy project is to generate carbon-neutral green power using sawmill biomass residuals and to reduce air emissions by eliminating one of Canada's last remaining beehive burners. The project consists of installation of a bioenergy power plant at the Meadow Lake Tribal Council's (MLTC) NorSask sawmill site located near Meadow Lake, Saskatchewan. The installation will involve one air-cooled, refractory-lined, reciprocating grate furnace with thermal oil heat exchangers, a 6.6 MW (net) Organic Rankine Cycle (ORC) turbo-generator and all associated fuel handling and environmental emission systems. The bioenergy plant will achieve significant environmental benefits by reducing adverse air emissions and particulate matter. The bioenergy plant will also enhance the economic outcomes of the nine Indigenous communities associated with the Meadow Lake Tribal Council through improved operations of Canada's only 100% Indigenous-owned sawmill by converting a waste stream into valuable energy. The ultimate recipients of the financial benefits of the power plant will be the Indigenous youth and families of the Meadow Lake Tribal Council located in northwest Saskatchewan.

NorSask Forest Products LP (NorSask) currently incinerates 100% of its residual sawmill-related biomass in an approximately 50-year-old 'beehive' burner. In order to address provincial environmental regulations, contribute to Saskatchewan's green energy mandate and to generate economic benefits specifically for Indigenous peoples, MLTC intends to build an Organic Rankine Cycle (ORC) biomass-based combined heat and power (CHP) cogeneration system associated with its sawmill and planer-mill operation in Meadow Lake, Saskatchewan. The power generation system will consume approximately 55,000 ODT/year of biomass and will generate 55,000+ MWh per year of firm,

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flat profile electrical energy. Two lumber kilns at the plant will be converted to biomass heating for further carbon emission reductions.

The combustion furnace and thermal oil system supplier will be Classen Apparatebau Wiesloch GmbH. The technology that will be used in the power plant is an Organic Rankine Cycle electrical generator built by Turboden used widely in Europe and only recently deployed in North America.

Scope of Work by Discipline

The construction of the MLTC Bioenergy Centre will include various scopes of work including:

1 – Civil Work

- Site preparation
- Piling (Driven, Screw, Pile Cutting and Pile Caps, etc.)
- Concrete (Forming, Rebar, placement & finish of concrete, removing of forms, placement of embedded structural steel, location and placement of holding down bolts, etc.)
- Provide all technical documentation and certification as stated on Engineer’s Drawing and standards
- Provide all close out documentation

2 – Structural Steel Work

- Fabrication of structural steel work
- Delivery of fabricated steel in erectable sequence
- Erection of structural steel
- Removal of all temporarily steel
- Provide all technical documentation and certification as stated on Engineer’s Drawing and standards
- Provide all close out documentation

3 – Mechanical & Piping

- Installation of equipment
- Supply and installation of piping, pipe supports, hydro / air testing of all pipes
- Supply and installation of insulation of all pipes as specified by engineer
- Supporting commissioning of the equipment
- Provide all technical documentation and certification as stated on Engineer’s Drawing and standards
- Provide all close out documentation

4 – Electrical & instrumentation

- Supply and Installation of cables, cable trays, control panels
- Supply and installation of instrumentation and control valves and all other necessary parts specified on Engineer’s Drawings
- Supporting commissioning of the equipment

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- Provide all technical documentation and certification as stated on Engineer's Drawing and standards
- Provide all close out documentation

Scope of Work by Equipment:

The construction of the MLTC Bioenergy Centre will involve various equipment / infrastructure including:

1 – Thermal Oil System (Single Sourced – [CAW](#))

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer's supervision (RFP – Lump sum / reimbursable Not to Exceed value)

2 – Organic Rankine Cycle (ORC) - (Single Sourced – [Turboden](#))

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Pre-Engineered building (RFP – Lump sum / reimbursable Not to Exceed value)
- ORC transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer's supervision (RFP – Lump sum / reimbursable Not to Exceed value)

3 – Substation – Electrical Supply (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Substation transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer's supervision (RFP – Lump sum / reimbursable Not to Exceed value)

4 – Dry Kiln (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Dry Kiln transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer's supervision (RFP – Lump sum / reimbursable Not to Exceed value)

5 – Electro Static Precipitators - ESP (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer's supervision (RFP – Lump sum / reimbursable Not to Exceed value)

6 – Fuel Processing - Grinder (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)

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- Grinder transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer’s supervision (RFP – Lump sum / reimbursable Not to Exceed value)

7 – Fuel Silo (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Fuel silo steel fabrication (RFP – Lump sum / reimbursable Not to Exceed value)
- Auger transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & support for commissioning of equipment under manufacturer’s supervision (RFP – Lump sum / reimbursable Not to Exceed value)

8 – Conveyors (Sawmill to Grinder – Grinder to Silo - Silo to TOP) (RFP – Lump sum / reimbursable Not to Exceed value)

- Foundation (RFP – Lump sum / reimbursable Not to Exceed value)
- Auger transportation to site (RFP – Lump sum / reimbursable Not to Exceed value)
- Installation & Support for commissioning of equipment under manufacturer’s supervision (RFP – Lump sum / reimbursable Not to Exceed value)

Policy

MLTCISI recognizes a responsibility to our shareholders related to business contracting, procurement, employment and training opportunities. MLTCISI is committed to meaningful involvement of shareholder-affiliated service providers in our business activities. As such the following summary consists of some of the steps that will be followed during the execution of this project to ensure a fair, open, transparent and competitive process that incorporates cost (value for money), quality and an Indigenous-first mandate that privileges MLTC-affiliated businesses and First Nation-owned businesses in general:

1 – Develop a request for proposal package

- a) Scope of work (IFC Drawings, description of work to be executed)
- b) Standards and specification relative to the scope of work
- c) Schedule of work to be executed. (showing timeline and milestones to be achieved)
- d) Terms and condition for procurement of services at site (including insurance and bonding requirements)
- e) Develop RFP evaluation criteria
- f) Develop a standard form construction agreement template with a “not to exceed” contract value to ensure costs are controlled

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2 – Notification / public advertising

- a) MLTCISI will maintain a list of MLTC-affiliated businesses and ensure that the contacts on this list are notified via email of all request for proposal opportunities as they arise
- b) A web-based portal via the [MLTC Bioenergy Centre website](#) will be used for managing all request for proposal processes
- c) For the duration of the construction of the project, public advertisement of the MLTC Bioenergy Centre opportunity will be undertaken digitally via [Postmedia](#)

3 – Release the “Request for Proposals Package”

- a) Issue a “ Request for Proposals Package” to proponents who have shown an interest to submit a proposal
- b) Invitation to site for a site visit (normally one week after RFP has been released)

4 – Submission and receipt of proposals

Proponents will submit hardcopy and digital submissions of proposals as indicated in the Request for Proposal guidance package.

5 – Proposal Evaluation Procedure

- a) Undertake the proposal evaluation procedure consistent with the RFP criteria and RFP package
- b) Create a short list ranking of the proposals
- c) Negotiate with the top ranked candidate(s)

6 – Recommendation of proponent to MLTCISI to award

Prepare a recommendation to award explaining the reason behind the chosen contractor in terms of why they are the best candidate to execute the work, supply the equipment safely, cost effectively, and with a quality level acceptable to MLTCISI.

7 – Award by MLTCISI

MLTCISI to issue the award letter to contractor / supplier

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