



## **Request for Proposals**

for

**Feasibility Study**

**Proposals (PDF) must be received no later than  
Friday, February 17, 2017 at 12:00 PM (Noon) EST**

At the following email addresses:

bartholemew.smallboy@moosecree.com

-AND-

stan.kapashesit@moosecree.com

### **Inquiries:**

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## **Purpose**

The Economic Development Department of Moose Cree First Nation is seeking proposals from qualified and experienced value-added, forestry product specialists to investigate and provide a written report on the feasibility of a competitive and sustainable wood pellet manufacturing facility to be located within the Moose Cree Homelands.

## **Background**

The governing authority of Moose Cree First Nation is located on Moose Factory Island southwest of James Bay on the Moose River. The Moose Cree Homelands comprise a large land mass including waterways that extend as far south so as to overlap with various roads connecting to, as well as including, Highway 11. The Homelands is rich with various spruce species, particularly black spruce, and other species.

MCFN membership consists of approximately 5,000 citizens living both on- and off-reserve. There are no permanent roads connecting the community with the Ontario highway system to the south. The community is accessible via rail, air and water.

Chief and Council approved a requested budget from the Economic Development department to investigate the viability of either building or purchasing, either independently or with industry partners, a wood pellet manufacturing facility within the MCFN Homelands.

## **Services Required**

The successful proponent will investigate the feasibility and viability of a financially successful and ecologically sustainable wood pellet manufacturing facility to be located in northern Ontario and produce a report detailing the study's findings, conclusions and recommendations. The proponent will investigate and report on the following (and possibly other relevant) region-based report components that will aid in the decision to move the project forward:

### ***Project Description***

#### ***1.0 Industry analysis***

- Industry definition
- Industry size, value, and growth rate
- Determinants of growth and cyclicalities
- Economies of scale

- Industry concentration and life cycle stage
- Influential macroeconomic factors
- Social, political, legal/regulatory and environmental factor analysis
- Emerging trends and industry forecast

#### *2.0 Competitive analysis*

- Structural determinants of competition
- Competitor analysis, including regional, national and global player segments
- Consumer segments and their behavior
- Marketing practices
- Substitute products
- Complementary products
- Suppliers

#### *3.0 Production and distribution analysis*

- Cost structure of facilities, equipment and other inputs
- Facility location
- Economies of scale
- Value added
- Logistics

#### *4.0 Financial analyses based on various production capacities (Monte Carlo simulation)*

- Estimate capital requirements for facilities, equipment and inventories; working capital; contingency capital; and other capital needs
- Estimate minimal equity requirements and potential external sources
- Estimate credit needs and potential sources, including loan guarantees and grants
- Estimate optimal capital ratio and cost of capital
- Projected revenues and expenses based on various levels of production capacity and market capture
- Pro forma cash flow statements, income statements and balance sheets
- Comparison with industry averages
- Break-even analyses under various conditions
- Identify underlying assumptions

#### *5.0 Organizational analysis*

- Optimal legal and governance structure given First Nation ownership
- Joint venture opportunities or other alliances
- Human resource requirements and availability of skilled and experienced directors, executives and/or senior managers
- Environmental sustainability
- Identify potential social and institutional concerns

## 6.0 Conclusions and recommendations

### Timeline

Moose Cree First Nation reserves the right to modify this timeline at any time. Should the closing date for proposals be changed, all interested firms shall be notified via electronic mail or Canada Post.

Invitation sent to select vendors	February 1, 2017
Submission of proposals from vendors to MCFN	February 17, 2017
Review of proposals	March 3, 2017
Award of contract (subject to approval)	March 3, 2017
Interim report	April 28, 2017
Final report and presentation	May 5, 2017
<b>Total timeline</b>	<b>Three Months</b>

### Additional Services

The First Nation may require additional services with respect to the potential development of a wood pellet manufacturing facility, such as a business plan. While the submission of an estimated cost for business plan development will be accepted without prejudice against the bidder, such an estimate may be considered in the proposal review process. However, contractual agreements for such additional services will be negotiated separately.

Proponents are encouraged to include information relevant to the scope of engagements that their firm can provide.

### Proposal Response Format

Proponent will provide the following information in their submitted proposals:

1. Cover sheet with the following information:
  - a. Date
  - b. Company name
  - c. Contact name
  - d. Contact title

- e. Address
  - f. City
  - g. Province
  - h. Postal code
  - i. Email address
  - j. Telephone number
  - k. Extension
  - l. Schedule of fees
  - m. Signature and name of signing authority
2. Executive summary including costs.
  3. Completion of the proposal in accordance with the requirements outlined within this scope of work.
  4. Location and size of firm performing the service. Describe the range of activities performed by the firm and/or its principals in the wood pellet manufacturing process or the value-added forest products industry.
  5. State the educational qualifications and work experience of each of the proposed team members to be assigned to this project.
  6. Description of research methods for each component of this project.
  7. Detail the firm's fee structure for the delivery of this report cross-referenced by team member and activity. Rates must be provided in Canadian funds and exclusive of HST.
  8. Three references, including company/organization name, contact name and number, as well as a brief description of services provided.
  9. Proposals must be submitted in electronic format, PDF preferred.
  10. Proponents may be contacted for further information or clarification.

## **Proposal Evaluation and Selection Process**

All proposals submitted will receive a confirmatory email acknowledging receipt of proposal.

Proposals received prior to the closing time will be screened for compliance with the requirements stated within this Request for Proposals. The Economic Development department reserves the right to determine in its unfettered and sole discretion whether or not a proposal is compliant.

When a proposal is found to be compliant, all proposals will be evaluated to determine the best value to Moose Cree First Nation.

All proposals will be reviewed by members of the Economic Development team at Moose Cree First Nation. Selection criteria may include (but not be limited to) the following:

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- History of the vendor
- Location of the firm
- Qualifications of the Principal or Senior Consultants
- Compliance with RFP requirements
- Appropriateness of proposed research methods
- Knowledge of First Nations business organization and taxation-related issues
- Fee structure

In accordance with MCFN policy, an award will be made to the successful proponent only upon formal approval by either Executive Services or Chief and Council.

All proponents will be contacted within a reasonable time after the submission timeline.

### **General**

Moose Cree First Nation does not bind itself to any bidder with this Request for Proposals.

Moose Cree First Nation reserves the right to accept or reject any and/or all submitted proposals including any part thereof.

Moose Cree First Nation may, if it so chooses, award a proponent the contract based on factors other than the lowest fee structure.

No adjustments to the cost proposed will be accepted after the proposal submission deadline.

Moose Cree First Nation reserves the right to withdraw, in its sole and unfettered discretion, this request for proposals at any time, and shall not be liable for any costs incurred by any bidder as a result of this withdrawal.

All proposals submitted become the property of Moose Cree First Nation.

All requests for additional information and/or clarification in connection with this RFP must be sent via email to [bartholemew.smallboy@moosecree.com](mailto:bartholemew.smallboy@moosecree.com).