



Growing communities one idea at a time.

January 16th, 2008

Attention: Evan Saugstead
South Peace Economic Development Commission

Re: **Application For Funding To Identify Contracts & Services Being Awarded to BC Contractors & Local Businesses by Oil & Gas Companies Operating in the South Peace**

Section A - Project Overview

1. Applicant Information

Legal Name:	Community Futures Development Corporation Peace Liard
Address:	904 102 nd Avenue Dawson Creek, BC, V1G 2B7
Phone:	250 782-8748 Fax: 250 782-8770
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Web Site:	www.communityfutures.biz
Contact:	Sue Kenny, General Manager, Community Futures Peace Liard

2. Project Name:

South Peace Oil & Gas Sector Outreach Initiative

Summary:

Collect data on who is providing services on oil & gas work sites in the South Peace Region. Are they local companies or from out of the region or province? If local services are not available or not used, find out why? To date there is no clear data demonstrating how many local contractors are working for active work sites in the South Peace. This survey is a two fold pro-active approach to identify local business opportunities as well as to identify the needs of the companies working in the South Peace Region.

3. Funding Request: February – October 2008: \$5,550.00
February – October 2009: \$5,550.00

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4. Stage of Project:

A dedicated local group in the South Peace has formed an informal alliance called the Oil & Gas Out-Reach Committee – South Peace

The purpose was to discuss ways of maximizing the most business opportunities from the Oil & Gas Sector in the South Peace.

Committee Members:

Barb Caldwell

Wayne Dahlen

Pat Rorison

Brad Caldwell

MLA Blair Lekstrom

Initiative Support:

This initiative has been supported by Blair Lekstrom, the MLA of South Peace in principal. Community Futures will coordinate a local group to tour active worksites in the South Peace oilfield every six months for the next two years (February 2008 to February 2010) and survey the services that are being offered locally and how this can be enhanced. Sites will be visited based on the oil and Gas Company's activity in the South Peace determined in advance.

Section B – Project Details

5. Detailed Project Description

Conduct a pilot project in the region that would consist of a local team of informed business & community representatives to visit and survey services used by Oil and Gas Company's working in the South Peace.

Objectives:

- a) To increase awareness of local service sector
- b) To provide quality service to oil & gas sector working in the South Peace
- c) To inspire industry to hire local
- d) To acquire comprehensive data that will assist local companies directly servicing the oil & gas sector
- e) To assist community in capturing economic opportunities from the oil and gas sector operating in the South Peace Region

The Team would consist of local representation from: Chamber of Commerce
 Energy Services BC
 Ministry of Energy Mines
 Service Sector
 Job Search & Employment
 Services
 Elected Official of the South
 Peace Econ Dev
 EDO Representative from
 South Peace Commission
 Community Futures Peace
 Liard
 Northeast BC Skills Advisory
 Board Representative

The team will consist of individuals who are not in the position to deliver services to the oil and gas sector.

Project Start Date: February 1, 2008

Project Completion Date: March 30, 2010

Phase 1: February 1, 2008 – March 15, 2008

Survey Development	1. A survey will be developed to be conducted by out reach committee 2. A focus group from local business community will be gathered to review survey and offer input to the initiative.
Outreach Developed	Research will be conducted on the activity sites in the South Peace. A schedule will be developed for site visits.
February Outreach Tour	Outreach Team will survey active companies in the region over a five day period.
Prepare Report	Data will be compiled and distributed to local service sector, Chambers of Commerce, Economic Development Organizations & Municipalities in the South Peace. Report will consist of data outcomes & recommendations.

Phase 2 September 30, 2008 – October 30th, 2008

Identify Active Site Activity in South Peace	Research active site activity in fall start up season.
Outreach Tour	Tour active sites and conduct survey with updated information.
Prepare Report	As indicated in Phase 1 updated information will be compiled in a report to be distributed to business, Municipalities, Ec Dev Organizations & Chamber of Commerce in the South Peace.

Phase 3 January 30, 2009 – March 01, 2009

Identify Active Site Activity	Research active site activity.
Outreach Tour	Tour active sites and conduct survey and update information.
Prepare Report	Compile information and draw comparisons from previous surveys to see if there is an increase in local opportunities in the oil and gas sector.

Phase 4 September, 2009 – October 2009

Identify Active Site Activity	Research active site activity
Outreach Tour	Tour active sites and conduct survey and update information.
Prepare Report	Same as in Phases 1, 2 & 3

Phase 5 January 2010 – March 2010

Identify Active Site Activity	Research active site activity
Outreach Tour	Tour active sites and conduct survey and update information.
Final Report	A comprehensive report will be completed identifying the activities and outcomes of the project.

Draft Survey

A draft survey has been developed to be presented to a focus group to determine if the survey answers all the questions that need to be asked for the benefit of industry and the companies that are contracted by them.

Definitions of Companies:

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Local Service Company – an oil and gas service sector company that uses the following communities as a base for services in the BC South Peace: Dawson Creek, Tumbler Ridge, Chetwynd, and Pouce Coupe. They have a least one full time employee, who lives in and supports the community. The local service company is involved in local community organizations, events and does a majority of their business in the community (including labor, service, taxes and supplies).

Provincial Service Company – an oil and gas service sector company uses any British Columbia community as a base for services. They have a least one full time employee, who lives in and supports the community. The company is involved in community organizations, events and the business they do is supported by the BC communities they work in (including labor, service, taxes and supplies).

Survey Questions Drilling and Service Rig Locations

Oil Company: _____ Location: _____
Date: _____ Well site _____
_____ Manager: _____

1. Is it easy for you to find oil and gas services locally? (Description)
2. Do you have any concerns about the local services that you use? (Description - Quality, Safety Programs, Capacity, Technology, Cost Competitiveness)
3. How can the local communities support your operations in the area? (Description)
4. Do you have information available to you on what oilfield and community services are available in local communities?
 - Phone book
 - Directory: _____
 - South Peace Producers Directory
 - Energy Services BC Directory (South Peace Community Contractors)
 - Other _____
5. Does the oil company you represent have a policy on hiring local services? (Y/N) What is that policy? (Description or location to find policy) How has it been communicated to you? (Description) What system is in place to implement the policy? (Description)
6. What are the criteria that you use to chose oilfield services?
 - Aboriginal involvement
 - Availability (short notice)

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- Office Makes Decision
- Capability
- Capacity
- Community Involvement
- Cost
- Relationship
- Safety
- Other? _____

7. Do you hire non-arms length contractors on your location?
- Family
 - Friends
 - Companies that you are a shareholder of
 - Other? _____

8. Does your worksite interact with local residents and near by land owners to ensure they are aware of the risks and rewards of having oil and gas activities in their area? (Y/N – description)

Oilfield Services Used On Location

	Description	Procurement: Field / Office (F/O)	Local or Provincial (L/P)	Service Provider Name(s), if Local or Provincial	% Local, or Provincial
On Site Accommodations					
Crew Transportation					
Trucking	Gravel				
	Materials (Mud, chemicals)				
	Equipment				
	Fresh Water				

	Description	Procurement: Field / Office (F/O)	Local or Provincial (L/P)	Service Provider Name(s), if Local or Provincial	% Local, or Provincial
	Rig Water				
Hot Shot Services					
Medical Services					
Safety Services					
Well site Construction					
Waste Management / Trucking	Sewer				
	Oilfield				
	Residential				
	On site waste management				
Vacuum Trucks					
Front End Loader					
Grader					
Equipment Rental	Tanks				

	Description	Procurement: Field / Office (F/O)	Local or Provincial (L/P)	Service Provider Name(s), if Local or Provincial	% Local, or Provincial
	Generators				
	Pumps				
	Other				
Well site Trailers					
Welding					
Maintenance Services					
Fuel Providers					

9. What resources would be useful to your work sites that are currently not available locally?

10. How can we work together to ensure that the oil and gas industry in the South Peace works for everyone?

Community Services Used by Crew or Service Company Workers

	Description	Comments: Service, Quality
Counseling		
Drug or Alcohol Rehabilitation		

Entertainment – (movie theater, art galleries, movie rentals, sports & recreation complexes, other...)		
Healthcare		
Hotels, private short term rentals		
Police Services		
Pubs and Bars		
Restaurants		

Interaction with field manager (to be completed post visit).

11. Was the well site consultant professional and cooperative?
12. Did the well site consultant understand the community and the benefits of managing the relationship with the community?
13. Supportive of hiring local services?
14. What if anything prevents them from hiring local services?

Funding Details

Funding Partnerships

Community Futures Development Corporation Peace Liard
 Action First Aid
 Parker Oilfield Shuttle
 South Peace Economic Development Commission

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This initiative will be conducted through Community Futures as an economic development initiative to assist in building opportunities for local businesses in the South Peace Region.

Community Futures is working with the Oil & Gas Sector Out Reach Committee to assist in delivery of this economic development initiative.

Community Futures is regarded by industry as a non profit community organization with no direct gain in the information that is compiled by this survey. Our organization will be responsible for:

- i) Assisting in the development of the survey
- ii) Providing administration support to the project
- iii) Researching site activity
- iv) Coordinating site visits
- v) Compiling and preparing report for distribution.
- vi) Providing telephone/fax/internet/meeting room

Funding Partnerships:

Community Futures Development Corporation is requesting funding from the South Peace Economic Development Commission to undertake this project for the benefit of the South Peace Region business community.

Community Futures is funded through Western Economic Development Diversification. Our organization is offering an in kind contribution to this initiative as well as requesting financial assistance to carry out the project activities. In kind contributions have also been committed by Action First Aid and Parker Oilfield Shuttle.

Budget Rationale

- i. Outreach Committee 6 people x \$30.00 per hour x 200 hrs = \$36,000.00
- ii. CF Employee Site Visits based on 10 hours per day @ \$30.00 per hour x 5 days x 4 visits = 6,000.00
- iii. Report based on 5 days @ 100.00 per day to compile data and report = 2000.00
- iv. One Focus Group Meeting Coordination 5 days @ 50.00 per day = 250.00
- v. Focus Group Meeting Expense: 150.00
- vi. Report material costs – photocopying/postage \$700.00
- vii. Office space/fax machine/internet/reception/reception: \$4000.00
- viii. Shuttle Service 900.00 per day x 20 days = 18,000.00
- ix. Four Safety Orientations prior to visiting worksites @ 250.00 per orientation = \$1,000.00

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- x. Safety equipment, hats, overalls, protective wear 250.00 per visit x 4 visits = \$1,000.00

Total Project Costs For 2007 - 2010: \$69,100.00

Outreach Committee	\$36,000.00
Site Visits	\$6,000.00
Report	\$2,000.00
Focus Group	\$400.00
Material Cost	\$700.00
Administration	\$4000.00
Shuttle Service	\$18,000.00
Safety Orientation	\$1000.00
Safety Equipment	\$1000.00
Total:	\$69,100.00

Year One Funding Contributions \$34,750.00

Outreach Committee	\$18,000.00
Site Visits	\$3,000.00
Report	\$1,000.00
Focus Group	\$400.00
Material Cost	\$350.00
Administration	\$2000.00
Shuttle Service	\$9,000.00
Safety Orientation	\$500.00
Safety Equipment	\$500.00
Total:	\$34,750.00

Year Two Funding Contributions: \$34,350.00

Outreach Teams	\$18,000.00
Site Visits	\$3,000.00
Report	\$1,000.00
Material Cost	\$350.00
Administration	\$2000.00
Shuttle Service	\$9,000.00
Safety Orientation	\$500.00
Safety Equipment	\$500.00
Total:	\$34,350.00

Funding Breakdown:

South Peace Econ Commission: **\$11,100.00**

In Kind:

Community Futures Peace Liard: \$2,000.00

Action First Aid: \$2,000.00

Parker Oilfield Shuttle: \$18,000.00

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Outreach Teams: \$36,000.00
Total In kind: \$58,000.00

Total Two Year Budget: \$69,100.00

Section D – Demonstrated Economic Impact

- 1) Increased awareness of local services to oil & gas sector
- 2) Increased revenues to local business.
- 3) A resource that can be used by municipalities, ec dev organizations and Chambers of Commerce to assist local business.

Project Deliverables:

A complete report will be provided to the South Peace Economic Development Commission on a quarterly basis.

A final report will be compiled and presented to the South Peace Ec Dev Commission.