

ACR Aboriginal Programs Project Program Template

Program Area:	3.0	Business Development
Sub Program:	3.1	Providing Business Opportunities
Template:	3.1.7	Local Opportunity Process
Sponsor(s):	<i>Petro-Canada Ltd.</i>	

1. Objective

To optimize local economic benefits associated with the development of Petro-Canada's oil sands projects.

2. Description

The Local Opportunity Process applies to work awarded and performed by Petro-Canada directly or by its prime contractors.

Local business opportunities are created through: identifying pieces of work or work packages that are capable of being sourced from within the Regional Municipality of Wood Buffalo (RMWB); implementing a standard pre-qualification criteria; implementing a standard decision-making process for awarding the work; offering timely and honest debriefing of unsuccessful local good/services providers; giving preference to local goods/services providers, assuming "all else equal". All bids are evaluated based on technical competence (including equipment), safety record, cost, and local content.

Application of the Local Opportunity Process ensures that businesses in the region are:

- Informed of work opportunities
- Informed of capabilities required to perform the work
- Understand contract selection and the award process
- Provided an opportunity to pre-qualify and/or bid specific work

The Local Opportunity Process implementation guidelines and tools include:

Flowchart. The process of identifying and awarding local business opportunities applies to both fixed work packages and variable or as-required good and services.

- Fixed work packages - typically larger dollar values, with longer lead times to bid and award contract
- Variable goods and services - typically smaller dollar values, required on an as-needed basis, short lead times, short duration (days), seasonal work

3. Implementation

Some of the key elements for implementation and management of this program are:

- The application of the Local Opportunity Process does not automatically mean the awarding of work to local goods or services providers. The procurement of any goods or services is managed in a manner that ensures quality, site safety, cost targets and work schedules are maintained.
- The success of the Local Opportunity Process depends upon the ongoing and open dialogue between Petro-Canada staff, the First Nations IRC (Industry Relations Corporation) staff, and local business representatives.
- The policy does not specifically mention Aboriginal involvement, but it is implied for local communities with a high percentage of Aboriginal people.
- Petro-Canada plans to track and consolidate local economic benefits data on a project specific and overall basis.

Implementation steps are distinct steps corresponding to roles and responsibilities. Implementation and tracking of the Local Opportunity Process is the combined responsibility of business representatives (project specific, operations, drilling, construction and logistics, seismic), supply chain management and environment health, safety and stakeholder relations.

Tools

- **Stakeholder contact log** - the prime tool for capturing decisions, commitments or issues related to business and employment opportunities. The log provides an important historical account of key communications between Petro-Canada representatives and stakeholders.
- **Bid vs. sole source decision process** - consideration may be given to bid or sole source fixed work packages or variable goods/services. Benefits and cost factors are assessed and documented.
- **Business and employment data summary** - consistent and comprehensive tracking of local business and employment data is key to the company's ability to demonstrate local benefits realized by local communities.

4. Timeframe for Results

Ongoing. Results are reported to the Regional Initiatives Working Group (RIWG) in its annual survey.

5. Measurable Criteria

- Higher local employment
- Creation of a sustainable and skilled Aboriginal employment base
- Increase in local contractors providing goods and services
- Creation of sustainable income, economic and other benefits for the Aboriginal community

6. Budget

Local Opportunity Process costs are part of Petro-Canada's ongoing business practice. There is no specific budget allocation.

7. Partners and Sponsors

The partners for this initiative are Petro-Canada, local and Aboriginal communities in the Regional Municipality of Wood Buffalo and the Fort McMurray Chamber of Commerce.

8. Experience with the Program

This program was implemented in 2001. It has been very beneficial to Petro-Canada's overall operational presence. The evidence is in the millions of dollars spent by the company on goods and services in the community. Operationally it is beneficial because service providers who live and work in the community and are better able to respond to company needs (flexibility). The quality of work has been excellent.

9. General Applicability

While this particular example is related to oil sand operations, the model can be used where there are opportunities for local companies to bid on and participate in contracts to supply goods and services.

10. Additional Information or Support

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