

## **Nisga'a Lisims Government**

# **REQUEST FOR EXPRESSIONS OF INTEREST IN THE VALUE ADDING AND MARKETING OF NISGA'A SALMON**

**March 9, 2015**

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## Table of Contents

1	Purpose and Process .....	3
2	Background.....	3
3	NLG Objectives.....	4
4	Qualifications of Partner.....	5
5	What NFLP and NLG Can Offer the Project .....	5
6	Environmental Standards on Nisga'a Lands .....	6
7	Agreement Parameters.....	6
8	Form of Requested Response .....	8
9	Schedule.....	8
10	Note to Respondents.....	9

Appendix A – Respondent Questionnaire

# 1 Purpose and Process

The Nisga'a Nation is the nation of aboriginal people of the Nass River Valley on the Northwest Coast of British Columbia. It entered into the Nisga'a Final Agreement (the "Treaty") with Canada and British Columbia 2000. The Nisga'a Nation is represented by the Nisga'a Lisims Government ("NLG"). NLG has the authority to manage the salmon allocations defined in the Treaty and in the associated Harvest Agreement ("Nisga'a Salmon"). NLG has established Nisga'a Fisheries Limited Partnership ("NFLP") to carry out commercial activities related to, among other things, the marketing and sale of Nisga'a Salmon.

NLG has been marketing a portion of Nisga'a Salmon each year since 2000. NLG is currently seeking a Partner or Partners with whom to maximize the sales value and net profits of Nisga'a Salmon that NLG determines will be harvested for the purpose of the sale by the Nisga'a Nation ("the Project").

It is NLG's intent to identify one or more suitable candidates based on the response to this Request for Expressions of Interest ("RFEOI") and then to either directly or through NFLP simultaneously negotiate a non-binding term sheet with each suitable candidate in parallel. NLG will make its final selection of preferred Partner or Partners based on the outcome of the negotiations of the non-binding term sheets.

NLG will (either directly or through NFLP) attempt to negotiate a definitive agreement or agreements (each, a "Definitive Agreement") with the preferred Partner or Partners, but will be under no obligation to conclude any Definitive Agreement if the terms thereof cannot be negotiated to the satisfaction of NLG in its sole discretion.

Any Definitive Agreement will be entered into between the preferred Partner or Partners and NFLP, or a similar entity owned by the Nisga'a Nation. The form and substance of any Definitive Agreement and the structure of the Project will be explored in the non-binding term sheet process. NLG is willing to consider a wide range of possible arrangements and may choose more than one preferred Partner if NLG determines in its sole discretion that a combination of Partners would best satisfy its objectives with respect to the Project. The use of the word "Partner" in this document does not preclude any form of commercial arrangement.

## 2 Background

### **Nisga'a Salmon Allocation**

Under the provisions of the Nisga'a Treaty, NLG has the right to manage the harvest and sale of Nisga'a Salmon in accordance with the provisions of the Treaty and associated Harvest Agreement.

Each year NLG determines the number of pieces of Nisga'a Salmon that will be harvested for sale, as well as the number of those pieces that will be harvested and sold by the Nisga'a Nation, and those that may be reserved for harvest and sale by Nisga'a Villages or others.

Subject to seasonal variations, the currently estimated total number of pieces of salmon to be harvested for commercial sale for 2015 is:

Sockeye	82,000
Chinook	0
Coho	2,800
Pink	90,000
Chum	0

A percentage of these salmon may be reserved for harvest and sale by Nisga'a Villages or others at the sole discretion of NLG.

### **Other Technical Information Available**

The following background information can be provided upon request:

- Overview Assessment of Nisga'a Salmon Allocation
- Historical numbers of Nisga'a Salmon caught and sold
- Nisga'a Annual Fishing Plan

## **3 NLG Objectives**

NLG's primary objective for development of Nisga'a Salmon is to maximize sales value and net profit return to the Nisga'a Nation. Sub-objectives include:

- To select a bidder (or bidders) to provide the best proposal for the marketing and sale of all species of Nisga'a Salmon;
- To open new markets for Nisga'a Salmon;
- To assist in creating a Nisga'a Brand;
- To increase the value of Nisga'a Salmon;
- To create new, economically viable, Nisga'a Salmon products (for example salmon roe and offal, the details and viability to be discussed during negotiations for the Definitive Agreement);
- To maximize the benefits of value-added products from Nisga'a Salmon;

- To provide employment opportunities for Nisga'a citizens;
- To build capacity and skills of Nisga'a citizens;
- To stimulate business development in the region; and
- To provide the operating cash flow for NFLP's fishery operation.

NLG is seeking a Partner or Partners for NFLP who will contribute to these objectives.

## **4 Qualifications of Partner**

Each candidate should provide information as to the following matters;

1. The company's proven experience and expertise within the North Coast of British Columbia in fishery operations.
2. The company's proven experience and expertise in marketing of salmon within North American or elsewhere.
3. The company's financial capacity to carry out its obligations under the Definitive Agreement.
4. Details of the company's background, knowledge, experience and suitability of work.
5. Details on the company's abilities relevant to the development of new customer and markets for Nisga'a Salmon.
6. The company's willingness to commit to a 5 year marketing agreement that maximizes the sales value of and net profits from all Nisga'a Salmon and roe and offal products.
7. Detailed cost breakdown of all or any fees for services and commissions or service fees.
8. The company's staff capacity to develop marketing plans that achieve NLG objectives.
9. Details on the company's commitment to and dealings with Aboriginal people.

## **5 What NFLP and NLG Can Offer the Project**

NFLP will provide information on

- New Aiyansh Plant;
- local equipment and capacity;
- corporate profile of NFLP; and
- how NFLP operates.

NLG will provide information on the

- Nisga'a Final Agreement, the Harvest Agreement and the Annual Fishing Plan;
- Historical numbers of Nisga'a Salmon caught and sold;
- Stability of the Nass River Fishery;
- Awards received for management of the Nass River Fishery;
- Quality of Nisga'a Salmon.

NLG is open-minded and will consider any innovative ideas brought forth by the candidates.

## **6 Environmental and Health Standards on Nisga'a Lands**

The successful Partner or Partners will be expected to ensure compliance with all applicable laws, including all Nisga'a Laws, and in particular, all applicable laws related to the protection of the environment, in the course of their operations with respect to the Project.

## **7 Agreement Parameters**

Any Definitive Agreement will be made between the preferred Partner or Partners and NFLP, or a similar entity owned by the Nisga'a Nation. The form and substance of any Definitive Agreement and the structure of the Project is not yet defined and will be explored during the non-binding term sheet process. NLG is willing to consider a wide range of possible arrangements and may choose more than one preferred Partner if NLG in its sole discretion determined that a combination of proposals would best satisfy its objectives with respect to the Project. The following are some key preliminary considerations with respect to a commercial agreement:

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- NFLP will enter into an agreement with a Partner or Partners that are selected by NLG.
  - Responses that include incentives to achieve higher values are welcome.
  - NFLP's unique ability to harvest Nisga'a Salmon for sale is expected to be recognized.
  - NLG's investment in project development to date is expected to be recognized.
  - The species of Nisga'a Salmon subject to any Definitive Agreement must be identified.
  - Higher prices in the event of NLG achieving Marine Stewardship Certification or other similar awards, certifications, or designations should be contemplated.
  - The need to reserve a portion of Nisga'a Salmon for harvest and sale by Nisga'a Villages or others should be addressed.
  - Further project development to bid stage should be largely led and funded by the Partner or Partners.
  - The Partner or Partners must value the exclusivity and access to Nisga'a Salmon.

## 8 Form of Requested Response

Interested parties are requested to respond to this RFEOI by completing the questionnaire contained in Appendix A. Other relevant information is welcome. Please take note of the section "Note to Respondents" at the end of the questionnaire.

Responses are required by March 27<sup>th</sup>, 2015 and are to be sent to the attention of:

Cheryl Stephens, Executive Director  
Nisga'a Lisims Government  
P.O. Box 231  
2000 Lisims Drive  
New Aiyansh, B.C.  
VOJ 1A0

NFLP is assisting NLG with the process of identifying a Partner or Partners, advising on the commercial agreement, and supporting negotiations as required.

Responses will be used to shortlist candidates for invitation to enter into a non-binding term sheet negotiation process to develop a commercial agreement. NLG or NFLP may contact respondents for clarification of responses.

Questions or requests for further information can be made by contacting Cheryl Stephens via email at [cheryls@nisgaa.net](mailto:cheryls@nisgaa.net).

## 9 Schedule

Following is the planned schedule for identifying a Partner:

<b>Milestone</b>	<b>Date</b>
Distribution of RFEOI	March 9, 2015
Questionnaires Received	March 27, 2015
Notify Shortlisted Potential Partner(s)	April 2, 2015
Signed Memorandum of Understanding	April 17, 2015 at the latest
Signed Contract	April 30, 2015 at the latest



## 10 Note to Respondents

Neither NLG nor NFLP is obligated to proceed with any response or to proceed with the Project. NLG may, in its absolute discretion elect to terminate this RFEOI and the Project at any time. It may also consider expressions of interest or proposals outside of this RFEOI.

Neither NLG nor NFLP is responsible for any costs incurred in the preparation of responses. All costs incurred by interested parties for preparing responses or otherwise arising out of this RFEOI are to be borne by them.

**Please note that, except as disclosed to the public by NLG, all information regarding this RFEOI or the Project is confidential and may not be disclosed to third parties without the prior written consent of NLG. By submitting a response, respondents agree that this obligation of confidentiality will survive this RFEOI and any contract that may arise between the parties.**

Neither NLG nor NFLP assumes any legal obligation whatsoever in respect of this RFEOI, the Project or any response unless and until a legally binding contract is entered into, which NFLP and NLG may or may not do entirely in their absolute discretion. No obligations in contract, tort or administrative law (except for obligations of confidentiality as set out above) are owed to any party and neither NLG nor NFLP shall have any liability for any claims or losses to any party howsoever arising.

Neither NLG nor NFLP gives any representation whatsoever as to the accuracy or completeness of the information set out in this RFEOI or any other background or reference information or document prepared by any party. All candidates should make their own independent assessment of the same.

Subsequent to the receipt and review of responses to this RFEOI, NLG reserves the right, at its absolute discretion, to issue another RFEOI or a Request For Proposal for all or any part of the Project or to enter into negotiations with any respondent or with any number of respondents concurrently for the purpose of entering into a Definitive Agreement or to cancel or extend this process in its entirety or in part.

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## **Appendix A – Respondent Questionnaire**

In addition to the information provided in response to Section 4, please provide a response to the following questions, in any format that is convenient for you. Please ensure a contact name and details are provided so that we may follow up with you if we have any questions.

### **Experience**

1. Provide a brief overview of your company's business that includes:
  - a. evidence of expertise in fishery operations within North Coast of British Columbia;
  - b. evidence of experience in obtaining financing for the purchase of similar amounts of salmon to the Nisga'a Salmon allocation using Area 3 ground prices, at a minimum, for round salmon;
  - c. evidence of experience with logistics of transporting salmon to market;
  - d. description of your company's approach to project development, in terms of in-house vs. external resource requirements; and
  - e. experience in joint venturing for project development and operation, and experience working with the Nisga'a Nation or other Aboriginal peoples.

### **Project Team**

2. Describe your in-house technical expertise, established relationships, or approach to securing expertise necessary to purchase, value add and market salmon, as well as, logistics.
3. Provide biographies of the key personnel who would be involved in the value adding and marketing Nisga'a Salmon.
4. Briefly describe the proposed management structure, including project lead, reporting structure, how the Definitive Agreement will be implemented, whether there will be an Implementation Committee with representatives from NLG, NFLP and your organization.

### **Financial Capacity**

5. Proposed total bid amount including a cost breakdown of all or any fees for management, services and commissions or other fees.

6. Briefly describe how your company would likely finance the purchase the portion of Nisga'a Salmon for sale using Area 3 ground prices, at a minimum, for round salmon.
7. Please provide evidence of the sources of funds that would be used for the purchasing referred to in question 6.
8. Please provide a description of how you would mitigate financial and operational risk and explain your ability to undertake a multi-year commitment to provide the relevant services to NFLP and NLG.

### **Project Assessment**

9. Please describe your initial assessment of the portion of Nisga'a Salmon to be harvested for sale and describe generally how you would propose to move forward with this Project development including a brief description of how you would distinguish and market Nisga'a Salmon.
10. Briefly describe how you would work with NLG, NFLP and Nisga'a citizens to develop their capacity and skills.

### **Timelines and Due Diligence**

11. Please comment on your ability and commitment to rapidly develop within the timeframe set out in the Schedule presented in Section 10. Comment on the schedule in Section 9 (page 8) with respect to concluding negotiations on a commercial arrangement.
12. Please provide copies of WorkSafe (BC) clearance certificate, insurance certificate, bailiff and litigation searches for past 5 years, copies of performance bonds (current or expired) or letters of credit, if applicable, copies of industry certifications.

### **Agreement Structure**

13. Please describe your current (or proposed) structure of the entity (corporation, partnership, joint venture?) including a list of shareholders and directors.
14. Please describe the type or types of commercial/legal structures that you would be willing to participate in, including any "must have" conditions (e.g. equity percentages, duration of commercial arrangement, etc.)
15. Please describe any specific commitments or types of commitments from NLG or NFLP that you would likely require as part of an agreement.

16. Please include your view on the best approach to ensure a successful relationship if a Definitive Agreement is entered into.
17. How will you ensure a transparent and accountable relationship with NFLP and NLG? Will all agreements, letters of intent and memorandums of understanding, including all sales agreements, customer invoices, reports and summaries be available to NLG and NFLP for inspection and audit?
18. Please suggest an approach to ensure the commitment of both parties to move forward with project development subsequent to formation of a new legal entity, if applicable, given that time is of the essence for this proposal process.