



REQUEST FOR OFFER

Title: 2024 CARBON CREDITS SALE

Reference No.: 1220-040-2024-076

General Services

Issue Date: October 1, 2024

TABLE OF CONTENTS

1. INTRODUCTION.....3

 1.1 Purpose3

 1.2 Eligibility3

 1.3 Context And Background3

2. INSTRUCTIONS TO PURCHASERS3

 2.1 Address For Offer Delivery3

 2.2 Date.....3

 2.3 Inquiries.....4

3. GENERAL CONDITIONS4

4. NO CLAIMS5

ATTACHMENT 1 - OFFER.....6

ATTACHMENT 2 - DRAFT FORM OF AGREEMENT8

REQUEST FOR OFFER

2024 Carbon Credits Sale

1. INTRODUCTION

1.1 Purpose

Through this Request for Offers (the “RFO”), City of Surrey (the “City”) is seeking offers from purchasers (each a “Purchaser”) to provide an offer on the form attached as Attachment 1 (the “Offer”) to complete the 2024 sale of carbon credits (the “Credits”) on behalf of the City. It is the intent of the City to engage and potentially sell all or a portion of 9,541 validated Low Carbon Fuel Credits (LCFC) generated by the City to the Purchaser(s) that has/have been approved by the BC Government through the Low Carbon Fuel Standard (LCFS).

1.2 Eligibility

This RFO is open to any interested party, who is registered to trade Credits.

1.3 Context And Background

The LCFS is one of the Province’s most successful emission reductions policies. This policy requires fuel suppliers that manufacture or import transportation fuels into British Columbia to meet increasingly stringent carbon intensity reduction targets for their products.

To meet compliance requirements, fuel suppliers have the option of purchasing LCFC through the Credits market this policy establishes. The City creates low carbon fuel Credits by supplying renewable natural gas and electricity as low carbon transportation fuel in multiple applications.

2. INSTRUCTIONS TO PURCHASERS

2.1 Address For Offer Delivery

An Offer should be labelled with the Purchasers name, Request for Offer title and number. An Offer should be submitted in the form attached to this Request for Offer

The Purchaser should submit the Offer to the City by email at: purchasing@surrey.ca

Confirmation of receipt of emails will be issued. Offers that cannot be opened or viewed may be rejected. A Purchaser bears all risk that the City’s receiving equipment functions properly so that the City receives the Offer.

2.2 Date

The City would prefer to receive Offers on or before **October 22, 2024**.

2.3 Inquiries

All inquiries related to this competition should be directed in writing to:

Name: Sunny Kaila, Manager, Procurement Services

E-mail: purchasing@surrey.ca

Reference: 1220-040-2024-076

3. GENERAL CONDITIONS

- 3.1 The City warrants that (1) the City is the legal owner of the Credits (2) the Credits are free from all liens and encumbrances; (3) the City has full right and authority to sell and transfer the Credits; and (4) the City will warrant and defend the title of the Credits against any and all claims and demands of all persons.
- 3.2 The highest or any Offer will not necessarily be accepted. The City reserves the right to reject any or all Offers; or to accept any Offer as may be deemed in the best interests of the City. The City reserves the right to negotiate sales, pricing, or terms and conditions with any prospective Purchaser(s) without informing other prospective Purchasers.
- 3.3 The City reserves the right to withdraw any Credits from sale at any time.
- 3.4 A deposit is not required with any Offer submitted.
- 3.5 Applicable sales taxes will be applied. For example, the B.C. Provincial Sales Tax (7%) and/or the Goods and Services Sales Tax (5%).
- 3.6 Purchasers are solely responsible for their own expenses in preparing, and submitting Offers and for any meetings, negotiations or discussions with the City or its representatives and consultants, relating to or arising from this RFO. The City and its representatives, agents, consultants and advisors will not be liable to any Purchaser for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Purchaser in preparing and submitting an Offer, or participating in negotiations for an agreement (refer to Attachment 2 – Draft Form of Agreement), or other activity related to or arising out of this RFO.
- 3.7 By submitting an Offer and participating in the process as outlined in this RFO, Purchasers expressly agree that no contract of any kind is formed under, or arises from this RFO, prior to the signing of a formal written agreement.
- 3.8 A Purchaser shall disclose in its Offer any actual or potential conflicts of interest and existing business relationships it may have with the City, its elected or appointed officials or employees. The City may rely on such disclosure.
- 3.9 The Purchaser will be deemed to have carefully examined this RFO, including the attached sale agreement (Attachment 2) prior to preparing and submitting an Offer with respect to any and all facts which may influence the purchase.

4. NO CLAIMS

4.1 Each Purchaser, by submitting an Offer, irrevocably:

- (a) agrees that it will not bring any claim, demand, action, cause of action, suit or proceeding, whether arising in contract, tort (including negligence) or otherwise (a “**Claim**”) against the City or any of its employees, directors, officers, advisors or representatives, or any one of them, for any costs, damages or other compensation for any matter relating directly or indirectly to this RFO (including in the event that the City rejects or disqualifies or for any other reason fails to accept an Offer, accepts a non-compliant Offer or otherwise breaches, or fundamentally breaches, the terms of this RFO or any duties arising from this RFO; and
- (b) waives any Claim against the City and its employees, directors, officers, advisors or representatives, or any one of them, for any compensation of whatsoever nature or kind, including for loss of anticipated profits, loss of opportunity, indirect, incidental or consequential damages or losses if no contract is entered into for the purchase of the Credits between the Purchaser and the City for any reason whatsoever, including in the event that the City rejects or disqualifies or for any other reason fails to accept an Offer, accepts a non-compliant Offer or otherwise breaches, or fundamentally breaches, the terms of this RFO or any duties arising from this RFO.

**ATTACHMENT 1
OFFER**

Title: 2024 Carbon Credits Sale

Reference No.: 1220-040-2024-076

Legal Name of Purchaser: _____

Contact Person and Title: _____

Business Address: _____

Business Telephone: _____

Business Fax: _____

Business E-Mail Address: _____

TO:

City Representative: Sunny Kaila, Manager, Procurement Services

Email for PDF Files: purchasing@surrey.ca

Dear Sir:

1. The Purchaser offers to purchase the Credits from the City for the prices plus applicable taxes as follows:

ITEM #	ITEM DESCRIPTION	Number of Credits	UNIT PRICE OFFERED PER CREDIT (CDN \$)	AMOUNT
1.	Sale of City of Surrey 2024 LCFC: The cost per Credit should be inclusive of all transaction costs, fees and payments to transfer and sell the Credits.	All or a portion of: 9,541	\$	\$

Plus Applicable Sales Taxes.

Estimated Date to complete the transaction: _____

This Offer is submitted this _____ day of _____, _____ 2024.

I/We have the authority to bind the Purchaser.

(Legal Name of Purchaser)

(Signature of Authorized Signatory)

(Print Name and Position of Authorized Signatory)

**ATTACHMENT 2
DRAFT FORM OF AGREEMENT**

AGREEMENT FOR THE SALE OF 2024 CARBON CREDITS

This Agreement made the _____ day of _____, 2024 (the “**Effective Date**”).

Reference No.: 1220-040-2024-076

BETWEEN:

CITY OF SURREY
13450 – 104th Avenue
Surrey, British Columbia
V3T 1V8

(the “**City**”)

OF THE FIRST PART

AND

(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS:

- A. Pursuant to the City’s September 2024 Request for Offers #1220-040-2024-076 (the “**RFO**”) the City invited offers from purchasers for the purchase of the City’s 2024 Carbon Credits.
- B. The Purchaser, in response to such RFO, has submitted to the City, in the manner and at the time specified, an offer in accordance with the terms and conditions specified in the RFO.
- C. After evaluating the offers, the City has selected the Purchaser to purchase from the City the Credits.
- D. The City and the Purchaser now wish to enter into this agreement to set forth the rights and obligations of each of them.

THEREFORE in consideration of the premises and payment of one (\$1.00) dollar, and other good and valuable consideration paid by each of the parties to the other (the receipt and sufficiency of which each party acknowledges), the parties hereby covenant and agree with each other as follows:

1. DEFINITIONS

1.1 In this agreement, in addition to words defined elsewhere in this agreement, the following definitions apply:

- (a) **“Act”** means the *Low Carbon Fuels Act*;
- (b) **“Director”** means the government employee designated in writing by the minister as the director for the purposes of the *Act*;
- (c) **“Effective Date”** means the date specified on the first page of this agreement;
- (d) **“Credits”** means _____ BC Low Fuel Carbon Credits as defined in the *Act*;
- (e) **“Purchase Price”** has the meaning set out in Section 3.1;
- (f) **“Purchaser”** means a person who is registered to trade Credits in accordance with section 17 of the Regulation; and
- (g) **“Regulation”** means the Low Carbon Fuels (General) Regulation of the *Act*.

2. SALE AND TRANSFER OF VALIDATED CREDITS

2.1 In accordance with section 16 of the Act and section 18 of the Regulation regarding the transfer of Credits, the City hereby sells, transfers and assigns to the Purchaser all of the City's rights, title and interest in and to the Credits, and the Purchaser hereby purchases from the City, all of the City's right, title and interest in and to the Credits pursuant to the Act. The Purchaser accepts such transfer, provided such transfer shall not be effective, except as provided in Section 2.3 of this agreement. The Purchase price for the transfer of the transferred validated Credits shall be as set out in Section 3 below.

2.2 The City shall forthwith after the Effective Date submit a proposal for the transfer of the transferred validated Credits to the Director in the form specified by the Director in accordance with the Regulations of the Act.

2.3 The City shall, forthwith upon receipt of approval of the transfer of the transferred validated Credits from the Director pursuant to the Act and the Regulation, provide the Purchaser with the notification of such approval, together with:

- (a) evidence of such approval by the Director;
- (b) evidence of receipt of transferred validated Credits from the Director;
- (c) evidence of full payment of the Purchase Price;

and, the transfer of the transferred validated Credits shall be effective upon either the date on which the transfer is approved by the Director, or a date specified in the proposal, whichever is later.

2.4 Upon the Purchaser receiving notice of the Director's approval of the transfer of the transferred validated Credits and the documents described Section 2.3 (a) and (b), the City and the Purchaser shall record the transfer of the transferred validated Credits in their respective records as required by the Act and the Regulation.

3. PURCHASE PRICE

3.1 As payment for the performance of the Purchaser's obligations under this agreement, the Purchaser will pay to the City, the Purchase Price of \$_____ dollars per validated Credit, for an amount of _____ validated Credits for a total of \$_____ dollars, (the "**Purchase Price**") plus applicable GST & PST thereon.

4. INVOICING AND PAYMENT

4.1 The Purchaser shall pay to the Purchase Price to the City following receipt of an invoice for the Purchase Price, such payment to be made by wire transfer, bank transfer or electronic funds transfer such that the City receives the fund before the end of the third (3rd) calendar day after the invoice was received by the Purchaser.

4.2 All references to monetary amounts in this agreement and herein shall be deemed to be in Canadian funds unless otherwise specifically stated.

5. REPRESENTATIONS AND WARRANTIES

5.1 Each party represents and warrants to the other party that it is a Part 3 Supplier as defined in the Act. The City represents and warrants to the Purchaser that it has received confirmation of validation of the Credits as per the Act. The City further represents and warrants that it is the absolute beneficial owner of the transferred validated Credits with good and valid title, free and clear of all encumbrances and is exclusively entitled to possess and dispose of the transferred validated Credits.

5.2 Other than as set out in Section 6.1 above, the City makes no warranty express or implied, legal, contractual or verbal, as to the quantity, kind, character, quality, composition, or fitness for any purpose with respect to the transferred validated Credits. The transferred validated Credits are purchased at the Purchaser's own risk. Without limiting the generality of the foregoing, the City makes no warranty with respect to whether the transferred validated Credits may be used by the Purchaser in any compliance period required of the Act.

5.3 For greater clarity, the City acknowledges and agrees that the Purchase Price paid for the transferred validated Credits shall not be interpreted as an estimation of the value of the transferred validated Credits nor as a warranty or a representation that the value of the transferred validated Credits is equal or greater than that amount.

5.4 The Purchaser acknowledges and agrees that it is fully satisfied with respect to the condition of the transferred validated Credits.

6. INDEMNIFICATION

6.1 Indemnity

The Purchaser will indemnify and save harmless the City and all of its elected and appointed officials, officers, employees, servants, representatives and agents (collectively the “**Indemnitees**”), from and against all claims, demands, causes of action, suits, losses, damages and costs, liabilities, expenses and judgments (including all actual legal costs) for damage to or destruction or loss of property, including loss of use, and injury to or death of any person or persons which any of the Indemnitees incur, suffer or are put to arising out of or in connection with any failure, breach or non-performance by the Purchaser of any obligation of this agreement, or any wrongful or negligent act or omission of the Purchaser or any employee or agent of the Purchaser.

6.2 Survival of Indemnity

The indemnity described in Section 6.1 will survive the termination or completion of this agreement and, notwithstanding such termination or completion, will continue in full force and effect for the benefit of the Indemnitees.

7. TIME OF THE ESSENCE

7.1 Time is of the essence hereof.

8. GOVERNING LAW

8.1 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the parties hereto attorn to the jurisdiction of the courts of British Columbia.

9. SEVERABILITY

9.1 If for any reason any provision contained in this agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, then at the option of the City such provision will be severable from and shall not affect any other provision of this agreement and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this agreement.

10. WAIVER

10.1 No waiver by either party of any breach by the other party of any of its covenants, obligations and agreements will be a waiver of any subsequent breach or of any other covenant, obligation or agreement, nor will any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach,

11. EXECUTION

- 11.1 This agreement may be executed and delivered in counterparts, and in electronic format with the same effect as if all parties had originally signed and delivered the same document and all counterparts will be construed together to constitute one and the same document.

12. NOTICES

- 12.1 Each communication to be made hereunder may be made by letter, facsimile or other means of electronic communication producing a printed copy. Any communication or document to be made or delivered by one person to another pursuant to this agreement shall (unless that other person has, by 15 days written notice to the other person, specified another address) be made or delivered to that other person as follows;

- (a) with respect to the City:

CITY OF SURREY

Attn:

- (b) with respect to the Purchaser:

[NAME OF PURCHASER]

Attn:

- 12.2 In the case of any communication made by facsimile or other electronic communication such communication shall be deemed to have been made or delivered when dispatched.
- 12.3 In the case of any communication made by letter, such communication shall be deemed to have been made or delivered to the respective party and address noted above five (5) business days after being mailed by prepaid registered mail.

13. CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

13.1 No Disclosure

Except as provided for by law or otherwise by this agreement, the Purchaser will keep strictly confidential any information supplied to, obtained by, or which comes to the knowledge of the Purchaser as a result of the purchase of the Credits and this agreement, and will not, without the prior express written consent of the City, publish, release, disclose or permit to be disclosed any such information to any person or corporation, either before, during or after termination of this agreement, except as reasonably required to complete the Purchase.

13.2 Freedom of Information and Protection of Privacy Act

The Purchaser acknowledges that the City is subject to the *Freedom of Information and Protection of Privacy Act* of British Columbia and agrees to any disclosure of information by the City required by law.

14. ENUREMENT

14.1 All grants, covenants, provisions, conditions, agreements, representations, warranties, stipulations, rights, powers, privileges and liabilities contained or provided for herein will be read, held and construed as made, undertaken and entered into by and with, granted to, imposed and binding upon, and enuring to the benefit of the parties hereto and their respective successors and assigns, as the case may be.

IN WITNESS WHEREOF the Parties have executed this agreement on the date indicated in each signature.

CITY OF SURREY

by its authorized signatory

[NAME OF PURCHASER]

by its authorized signatory(ies)

