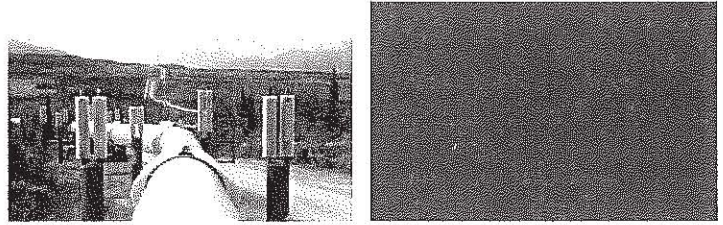


## 9. Budget



As instructed in the RFP, the cost estimate will be provided separately from this technical proposal in separate sealed envelopes labeled "Cost Estimate."

ERM was the Third-Party contractor working with FERC on the Storage Facility for the The Floridian Gas Storage Company to perform an environmental review of the project. The NEPA Document was completed on schedule and under budget during periods of peak demand without service interruptions in the pipelines

ERM has over 100 offices

Across the following  
countries worldwide

Argentina	Netherlands
Australia	Peru
Belgium	Poland
Brazil	Portugal
China	Puerto Rico
France	Singapore
Germany	Spain
Hong Kong	Sweden
Hungary	Taiwan
India	Thailand
Indonesia	UK
Ireland	USA
Italy	Venezuela
Japan	Vietnam
Korea	
Malaysia	
Mexico	



## **SCHEDULE "B" - COMPENSATION**

This schedule (Schedule "B") attaches to and forms part of Services Agreement No. 10387 between  
Company and Contractor.

---

Exhibit "B-1"	Contract Price
Exhibit "B-2"	Contractor's Salary Structure
Exhibit "B-3"	Cost Estimate



## SCHEDULE "B" – EXHIBIT "B-1" - CONTRACT PRICE

This schedule (Schedule "B" – Exhibit "B-1") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

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### 1.0 Contract Price:

The Contract Price shall be the sum of reimbursable costs, costs resulting from the application of fixed mark-ups and costs resulting from third party nominees and disbursements, all as specified in Section 2.0 of this Schedule "B".

The Contract Price will not exceed \_\_\_\_\_ Dollars without prior approval by Change Order. The Contractor shall advise the Company:

- (a) at the point in time at which the Company accrued costs reach seventy-five percent (75%) of Maximum Price;
- (b) at the earliest possible date, of any potential to overrun Maximum Price.

Contract rates shall not be subject to escalation.

### 2.0 Compensation:

Except as otherwise noted below, for Work performed under this agreement the Contractor shall be paid hourly rates which consist of reimbursable costs multiplied by fixed mark-ups, both as defined below.

Reimbursable costs include wages and premiums at actual cost paid by the Contractor for hours worked by personnel performing the Work. The wage rates used by the Contractor to charge Keystone shall not exceed the maximums listed in Exhibit "B-3" of this Schedule "B" without the prior written approval of the Company.

Fixed mark-up shall be applied to wages of the Contractor's personnel per Exhibit "B-2" of this Schedule "B" for the time they are directly engaged in performing Work. The fixed mark-up shall be comprised of:

- (a) Payroll burden, which includes the cost to the Contractor for all statutory holidays; vacation with pay; unemployment insurance; health, medical, and liability insurance; group life insurance; pension plan contribution or non-discretionary profit sharing plan; sick or other leave with pay; and all other employment taxes and contributions imposed by law or labor agreements.
- (b) General overhead, which includes the Contractor's cost of office space, property and business taxes, insurance, business license, interest on capital employed or on money borrowed for financing costs in connection with this agreement, office utilities (light, heat, gas, telephone), furniture, office equipment (excluding computers except as specified below), normal audits, stationery, drafting supplies, supervision, accounting staff and clerical support staff including all computers in support thereof, and other similar costs to the Contractor.
- (c) Fee, which shall be full and complete compensation to the Contractor for; corporate overhead; all royalty or license/"know how" fees, research and development costs, franchise costs, corporate income taxes, total profit related to work performed hereunder, and all other costs not covered elsewhere.

#### Description

#### Mark-up

Fixed Mark-up applied to salaries paid and billable to Keystone:

\_\_\_\_\_



**3.0 Other Costs:**

Overtime: Overtime, consistent with Contractor's normal policy for its personnel and agents, shall be incurred after \_\_\_\_\_ hours per \_\_\_\_\_. Premium for overtime paid to Contractor's personnel and agents reimbursable is \_\_\_\_\_ x (times) base hourly rate.

Expenses: The Contractor shall invoice Keystone for expenses reasonably incurred in performing the Work.

Fixed Rates for Services: When performing Work, TransCanada shall pay the Contractor a fixed rate for services of \$\_\_\_\_\_/billable person hour which includes\*:

- (a) Geographic Information Systems and associated devices;
- (b) Reprographics (including reports);
- (c) Field computers;
- (d) Drawing reproduction (all sizes);
- (e) Electronic media preparation;
- (f) Photographs and reproductions; and
- (g) Photocopies (color and black and white).

**\*Excludes subcontracted printing services for DSEIS and FSEIS production.**



### SCHEDULE "B" – EXHIBIT "B-2" - CONTRACTOR'S SALARY STRUCTURE

This schedule (Schedule "B" – Exhibit "B-2") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

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Job Classification	Range - Straight Time Salaries		Over Time Eligible (Y/N)
	Minimum	Maximum	
Project Manager ( <i>Sr. Consultant/Economist</i> )			
Project Principal ( <i>Sr. Consultant/Economist</i> )			
Senior Project Manager ( <i>Sr. Consultant/Economist</i> )			
Scientist 1 ( <i>Sr. Scientist/Eng/Econ</i> )			
Scientist 2 ( <i>Project Scientist/Eng/Econ</i> )			
Scientist 3 ( <i>Sr. Staff Scientist/Eng/Econ</i> )			
Engineer 1 ( <i>Sr. Scientist/Eng/Econ</i> )			
Engineer 2 ( <i>Project Scientist/Eng/Econ</i> )			
Engineer 3 ( <i>Sr. Staff Scientist/Eng/Econ</i> )			
Graphics Illustrator ( <i>GIS/CADD/Drafting</i> )			
Technical Editor ( <i>Sr. Project Coordinator</i> )			
Data Management Specialist ( <i>Computer Production Specialist</i> )			
Clerk ( <i>Project Coordinator</i> )			
Technician			
Technologist			
Word Processing ( <i>Project Assistant</i> )			
Field Supervisor			
Supervisor			



## **SCHEDULE "B" – EXHIBIT "B-3" - COST ESTIMATE**

This schedule (Schedule "B" – Exhibit "B-3") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

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### **COST ESTIMATES – KEYSTONE XL PROJECT**



## SCHEDULE "C" - FORM OF AMENDING AGREEMENT

This schedule (Schedule "C") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

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### AMENDING AGREEMENT NO. [●]

This Amending Agreement No. [●] ("Amendment") is entered into this [●] day of [●month], [●year] between:

[●legal name of TransCanada entity]  
(the "Company")

- and -

[●legal name of Contractor]  
(the "Contractor").

WHEREAS:

- A. The Company and the Contractor are Parties to Master Materials Agreement No. [●] dated [●month | date], [●year], [●if this is Amendment #2 or higher, add the phrase "as amended from time to time" here] (the "Agreement"); and
- B. The Company and the Contractor have agreed to amend the Agreement;

NOW THEREFORE, in consideration of the mutual premises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Contractor agree as follows:

- 1.1. Section [●] of the Agreement is deleted in its entirety.
- 1.2. Section [●] of the Agreement is deleted in its entirety and the following is inserted in lieu thereof:  
"[●]"
- 1.3. The following is inserted as Section [●] of the Agreement:  
"[●]"
- 1.4. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.
- 1.5. **[This is only required if an article or Section is being added to or deleted from the Agreement, otherwise please remove:** Numerical references shall be updated in a manner consistent with the addition and/or deletion of articles and Sections in this Amendment.]
- 1.6. This Amendment contains the entire understanding of the Parties with respect to the amendment contained herein. All other terms of the Agreement shall remain in full force and effect.
- 1.7. Each of the Parties shall promptly execute and deliver all such deeds, documents, instruments and assurances and do or cause to be done all such acts and things as are necessary or advisable to fully perform and carry out the provisions and intent of this Amendment.
- 1.8. The law of Texas governs this Amendment and any actions initiated by either Party, including, without limitation, the Uniform Commercial Code as in effect, without giving effect to any choice or conflict of law rules or provisions thereof that may direct the application of the law or rules of another jurisdiction.





- 1.9. The Parties irrevocably consent to the exclusive jurisdiction of the courts of the State of Texas located in Harris County or the United States District Court for the Southern District of Texas in Houston, Texas for any Claim arising out of or related to this Amendment and irrevocably waive, to the fullest extent permitted by Law, any assertion of inconvenient or inappropriate forum or other objection respecting conflict of laws.
- 1.10. Time is of the essence of this Amendment.
- 1.11. This Amendment enures to the benefit of and is binding upon the Parties together with the successors and assigns of the Company and the successors and permitted assigns of the Contractor.
- 1.12. This Amendment may be executed in counterparts without the necessity that both Parties execute the same counterpart, each of which will be deemed an original but which together will constitute one and the same agreement. The exchange of copies of this Amendment by facsimile will constitute effective execution and delivery of this Amendment and may be used in lieu of the original for all purposes. Signatures of representatives of the Parties transmitted by facsimile will be deemed to be original signatures for all purposes.

IN WITNESS WHEREOF the Parties have executed this Amendment effective as of the date first written above.

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____




## **SCHEDULE "D" - RULES AND GUIDELINES**

This schedule (Schedule "D") attaches to and forms part of Services Agreement No. 10387 between  
Company and Contractor.

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- Exhibit D-1 TransCanada Contractor Alcohol and Drug Policy
- Exhibit D -2 TransCanada Contractor Safety Management Guiding Principles
- Exhibit D -3 TransCanada's Harassment-Free Workplace Policy
- Exhibit D -4 TransCanada's Code of Business Ethics for Contract Workers and Independent Consultants
- Exhibit D -5 Not Used
- Exhibit D -6 TransCanada's Public Disclosure Policy
- Exhibit D -7 TransCanada's Trading Policy for Employees and Insiders

<b>TransCanada Policies and Procedures</b>		
Title: Contractor Alcohol and Drug Policy		
Effective Date (Date of Last Revision): 01/01/2011	UNCONTROLLED IF PRINTED	
	Status: Approved	

## INTRODUCTION

TransCanada (the "Company") is committed to being an industry leader in maintaining a safe and healthy workplace. The use of Illicit Drugs and the inappropriate use of Alcohol and Medications can adversely affect job performance, and can have a negative impact on the worker's personal safety and the safety of others.

## PURPOSE AND SCOPE


This Policy is intended to provide direction to all Contract Workers and Independent Consultants regarding the Company's requirements. It is intended to minimize the risks associated with our operations and to ensure a safe and healthy workplace.

This document outlines the minimum expectations regarding Alcohol and Drug possession and use for all Contractors. Contractors are encouraged to implement their own company policy that meets or exceeds these requirements; however, having a separate policy is not obligatory. All Contractors regulated by the Department of Transportation (DOT) are expected to be fully compliant with the regulations. Independent Consultants and other small proprietors that do not have their own company policy are expected to adhere to this policy and meet the expectations set out for Contractors and Contract Workers where Independent Consultants are not explicitly referenced.

## RESPONSIBILITIES


- (i) Contractors are expected to ensure that their Contract Workers remain free from any adverse performance effects of Alcohol or other Drugs in compliance with the standards below when engaged in TransCanada Business, at all times when on TransCanada Premises and Worksites, and when operating Company vehicles and equipment.
- (ii) Contract Workers are expected to:
  - report fit for work, and remain fit throughout their work day or shift,
  - adhere to the fitness for work standards set out below,
  - maintain a valid drivers license if it is a condition of work and report any loss of license immediately (no later than 24 hours after losing the license),
  - conduct themselves in an appropriate manner while on TransCanada Business, Premises, and Worksites; and
  - co-operate with an investigation into a policy violation including any testing requirements.

Any Contract Worker who is scheduled on call is expected to remain fit to respond to a call-in and be in compliance with this policy. If unexpected circumstances arise where a Contract Worker is requested to perform services while under the influence of Alcohol or other Drugs that could impact safe operations, it is the responsibility of that individual to inform the Contractor or a TransCanada Representative that they cannot accept that assignment.

<b>TransCanada Policies and Procedures</b>		
Title: Contractor Alcohol and Drug Policy		
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**STANDARDS**

- (i) **Illicit Drugs:** The use, possession, cultivation, manufacture, distribution, offering or sale of Illicit Drugs or Illicit Drug paraphernalia is prohibited while on Company Business, Premises, and Worksites. Contract Workers cannot:
  - reporting to work or being at work while under the influence of Illicit Drugs; and
  - have a positive Drug test result as determined through the testing program.
  
- (ii) **Alcohol:** The use, possession, distribution, offering or sale of beverage Alcohol, and the possession of beverage Alcohol containers that are not factory sealed is prohibited when on TransCanada Business, Premises and Worksites. In addition, anyone working at these locations cannot:
  - have an Alcohol test result of .04 BAC or greater result as determined through the testing program; and
  - use Alcohol after an incident until tested or advised by the TransCanada Representative testing is not required.
  
- (iii) **Safety Sensitive Roles:** All Contract Workers assigned to Safety Sensitive Roles cannot:
  - report for work or remain at work under the influence of Alcohol from any source;
  - consume any product containing Alcohol during the work day, including during meals or other breaks; and
  - return to work or report for work after consuming Alcohol at a social event.
  - any Contract Worker who is working in the field and has an Alcohol test result of .02 to .039 BAC will be removed from work at least until their next shift.
  
- (iv) **Medications:** Contract Workers are expected to responsibly use Medications. They should investigate (through their doctor or pharmacist) whether a Medication can affect safe performance, and take appropriate steps to minimize associated risk, which would include notifying their company or a TransCanada Representative of any need for modified work under the circumstances. The following are prohibited while on TransCanada Business, Premises, and Worksites:
  - The intentional misuse of Medications (e.g. not using the Medication as it has been prescribed or directed by the pharmacy, using someone else's prescription Medication, combining Medication and Alcohol use against direction); and
  - The possession of prescribed Medications without a legally medically obtained prescription and unauthorized distribution, offering or sale of prescription Medications.

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## INVESTIGATIONS

- (i) **Unfit for work Investigations:** TransCanada reserves the right to require a Contractor to fully investigate a possible policy violation if a Contract Worker is at work in an unfit condition, including requiring a reasonable cause test.


In the case of an Independent Consultant or small independent Contractor, the individual will be removed from the immediate worksite and an investigation will be undertaken by a TransCanada Representative. As a part of the investigation process, the Company reserves the right to request an Alcohol and Drug test at their discretion.

- (ii) **Impaired Driving Situations:** If required to operate any Company vehicle on behalf of TransCanada, Contract Workers are expected to report the loss of their driver's license. In addition, they are required to immediately report receipt of an impaired driving charge to their company or TransCanada Representative if it is received while operating a vehicle on behalf of TransCanada, and to comply with all investigation procedures and consequences.
- (iii) **Incident Investigations:** TransCanada reserves the right to require a Contract Worker to be tested for Alcohol and Drugs as part of an investigation into a serious work-related incident. The decision to refer a Contract Worker or a group of individuals, for a test will be made by the TransCanada Representative investigating the incident in consultation with the Contractor.
- (iv) **Other Testing Circumstances:** TransCanada reserves the right to require Contract Workers who hold a higher risk position, or who are assigned to work on a high risk operating or project site to be tested prior to assignment. Testing may also be required on a random basis when it is deemed necessary to meet the objectives of this policy. All individuals affected will be advised in advance of these requirements.
- (v) **Testing Program:** Minimum standards for testing undertaken as part of the TransCanada program are provided in the appendix.
- (vi) **Possession of Alcohol or Drugs:** TransCanada reserves the right to conduct investigations when there are reasonable grounds to believe that Alcohol or Illicit Drugs are present on Company premises or property, or worksite. A Contract Worker who refuses to submit to an investigation requested by a TransCanada Representative will be removed from the premises.

## VIOLATIONS OF CONTRACTOR EXPECTATIONS

If there is any reason to believe any Contract Worker is unfit for work or otherwise in contravention of the basic intent and provisions of this Policy, an investigation will take place. The following procedures will be applied depending on the circumstances:


- (i) **Contractor's employee, sub-contractor or agent:**
- the TransCanada Representative will disengage the Contract Worker from the work, conduct the individual to a safe place, and advise the Contractor;

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- the Contractor will be expected to investigate the situation to the TransCanada Representative's satisfaction, including conducting a reasonable cause test as appropriate;
  - the Contractor must satisfy the TransCanada Representative that there was not a breach of the policy;
  - if the Contractor confirms that a breach of the policy has occurred, the individual will not be allowed to return to work for TransCanada without written permission, and will be required to adhere to any conditions governing their return.
- (ii) **Independent Consultants/Small Contractors:** The individual will be escorted from the worksite by a TransCanada Representative and given an opportunity to explain the situation. If the TransCanada Representative still believes the individual is unfit for work, and after consultation and agreement of a second level of supervision or management whenever possible:
- the individual will be taken for a reasonable cause test if there are grounds to believe Alcohol or other Drugs may be involved; or
  - if there are grounds to believe there is a medical problem, the individual will be taken for appropriate medical attention; or
  - the TransCanada Representative will take other action appropriate to the situation; and
  - in the case of a confirmed violation resulting from this investigation, the individual will not be allowed to return to work for TransCanada without written permission from the Company, and will be required to adhere to any conditions governing their return.
- (iii) **Failure to Test:** Failure to report directly for a test, refusal to submit to a test, refusal to agree to disclosure of a test result to the Program Administrator, a confirmed attempt to tamper with a test sample, or failure to report involvement in an incident which may require testing, are a violation of this Policy.

## CONSEQUENCES

Non-employees are expected to comply with all aspects of this policy and to support others in doing so. In the event that a non-employee violates the Code of Business Ethics for Contract Workers and Independent Consultants, Company policies and procedures or any of the laws that govern the Company's business, TransCanada will take immediate and appropriate action up to and including termination of the contractual arrangement, claims for reimbursement of losses or damages and reference to criminal authorities. Please refer to the [TransCanada Policies and Procedures Web Site](#) for more information.


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01/01/2011	<b>Status: Approved</b>	

## APPENDIX A: ALCOHOL AND DRUG TESTING PROCEDURES

Collection of specimens for testing, analysis and reporting of results must be conducted in accordance with the forensic quality assurance standards established by the U.S. Department of Health and Human Services (DHHS) and accepted in Canada, in order to ensure the accuracy and integrity of results. Rigorous sample collection, storage and chain-of-custody procedures, in conjunction with independent medical review of results as required, must be followed.

Standards for testing include the following:

- Testing will be conducted in those circumstances outlined above to determine the presence of cannabinoids, amphetamine/ methamphetamine, cocaine metabolites, opiates, phencyclidine and Alcohol. The testing program will cover Alcohol and the specified Drugs only; Contractors who wish to test for other substances must do so under their own policy.
- Alcohol tests must be administered by a calibrated U.S Department of Transportation approved breathalyzer with a printout of test results. Only in those situations when a breath analyzer is not readily available will Alcohol testing be done with a saliva strip and urine collection for analysis in the laboratory.
- All Drug tests will be administered by urinalysis and/or by collection of an oral fluid (saliva) specimen for analysis in a fully qualified and accredited laboratory. A "point of collection" (quick test) urine Drug screening test can be administered provided appropriate adulterant checks are utilized and any result that is not negative is forwarded to a laboratory for confirmation analysis.
- Collection of specimens for Drug testing and administration of Alcohol tests must be performed by trained nurses or trained collection agents. In post incident and reasonable cause testing situations, samples will be collected as soon as possible after the triggering incident, but collection attempts will end 8 hours after the incident for an Alcohol test, and 32 hours after the incident for a Drug test. Any reason for a delay beyond 2 hours must be documented and provided to the TransCanada Representative.
- All individuals who are tested are required to sign a form to acknowledge the accuracy of the employee and employer information and authenticity of the specimen(s). They will be given a copy of the Drug Testing Custody and Control Form and the Alcohol Testing Form for their records.
- Urine specimens must be analyzed by a fully qualified laboratory accredited by the DHHS using a two-step process with initial screening by immunoassay and all confirmations being performed by gas chromatography/ mass spectrometry. If a point of collection screening device is used, any non-negative result will be forwarded to a laboratory for confirmation analysis. Saliva specimens for Drug testing must be analyzed at the laboratory using a similar process with all confirmations being performed by liquid chromatography/mass spectrometry/mass spectrometry, or gas chromatography/mass spectrometry/mass spectrometry.
- For the purpose of this policy, a positive Alcohol test will be one in which the blood Alcohol concentration is at or above .04 BAC. However, any Contract Worker assigned to

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field work who has an Alcohol test result of .02 to .039 BAC must be removed from work until at least their next shift. For all unannounced testing situations (e.g. follow-up testing as a condition of continued assignment) the Alcohol cut-off level will be .02 BAC.

A laboratory confirmed positive urine Drug test is one in which the amount of Drug in the sample identified by the confirmation test is at or exceeds the cut-off levels noted below which have been established for workplace testing programs throughout North America. If the Contractor chooses to use oral fluid testing, TransCanada will advise on the appropriate cut-off levels.


Drug	Initial Test Levels (ng/ml)*	Confirmation Test Levels (ng/ml)*
Marijuana	50	15
Cocaine	300	150
Opiates Morphine Codeine	2,000	2,000 2,000
Phencyclidine (PCP)	25	25
Amphetamines Methamphetamine	1000	500 500

\* A ng/ml means nanograms per millilitre. A nanogram is one billionth of a gram. A millilitre is one thousandth of a litre.

U.S. Department of Health and Human Services

- Laboratory positive test results must be reviewed by a qualified Medical Review Officer who is independent of the laboratory and who will provide the donor an opportunity to discuss the result in an effort to determine whether a positive test could have resulted from the legitimate use of Medications or other medical explanations. The individual concerned will be given an opportunity to explain the finding to the Medical Review Officer who will then determine whether the result will be reported to the Company as a negative, a verified positive, or a tampered or substituted specimen.
- In the case of a verified positive test result of a urine test conducted in accordance with this policy, the person who has been tested may request the Medical Review Officer to direct the second/split sample to be tested by an accredited laboratory within 72 hours of receiving their results. Where split samples are not collected, the donor can request that their original sample be reanalyzed. In both cases, associated costs would apply.
- All test results for individuals directed for testing by a TransCanada Representative using the TransCanada testing system will be reported directly to Health Services who will communicate the result to the Contractor. Contractors using independent testing facilities will be expected to advise Health Services whether any individual under their direction is in violation of this policy, or any agreement of continued assignment.
- Any positive test result will be considered a violation of this policy, whether or not the Drugs or Alcoholic beverage were actually consumed on Company Business, Premises, or Worksites. Failure to report directly for a test, refusal to submit to a test, refusal to agree to disclosure of a test result to the Health Services or an attempt to tamper with a test sample are a violation of the policy requirements.




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01/01/2011	Status: Approved	

APPENDIX B

DEFINITIONS

- a. **Contractor** is a company entity who has signed a contractual scope of services with TransCanada.
- b. **Contract Worker** is an employee, sub-contractor or agent of the Contractor.
- c. **Independent Consultant/Small Independent Contractor** is an individual or corporate entity that has a contractual relationship either directly with TransCanada or through a third-party provider, typically on a short-term or project basis to provide specialized expertise not available in-house. They are on a contract for service and invoice TransCanada directly or through third-party provider.
- d. **TransCanada Business** refers to all business activities undertaken by Contract Workers in the course of performing duties, whether conducted on or off TransCanada premises.
- e. **TransCanada Premises** includes but is not necessarily restricted to all land, facilities, work sites, and vehicles owned, leased or otherwise controlled by TransCanada for the purpose of conducting Company Business.
- f. **TransCanada Worksite** includes any site or location where an employee has been assigned to work.
- g. **TransCanada Representative** refers to the person accountable for a particular area or shift, including managers, and others in supervisory positions who direct others.
- h. **Alcohol** refers to beer, wine and distilled spirits, and includes the intoxicating agent found in medicines or other products
- i. **Drug** means any substance, including Illicit Drugs or Medications, the use of which has the potential to change or adversely affect the way a person thinks, feels or acts.
- j. **Illicit Drug** means any Drug or substance that is not legally obtainable and whose use, sale, possession, purchase or transfer is restricted or prohibited by law (e.g. street Drugs such as marijuana and cocaine).
- k. **Medication** refers to a Drug obtained legally, either over-the-counter or through a doctor's prescription.
- l. **Drug Paraphernalia** refers to any personal property which is associated with the use of any Drug, substance, chemical or agent, the possession of which is unlawful in Canada. This would also include any product or device that may be used to attempt to tamper with a testing sample.
- m. **Fit for Work** in the context of this policy means being able to safely and acceptably perform assigned duties without any limitations due to the use or after-effects of Alcohol, Illicit Drugs, Medications, or other substances.

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- n. **Safety Sensitive Role** typically refers to any employee who is performing an operations, maintenance, construction or emergency response role.
- o. **Serious Work-related Incident** refers to any incident that results in, or may reasonably have resulted in, any of the following:
- a fatality;
  - serious injury to any individual requiring medical attention away from the scene;
  - an environmental incident with significant implications;
  - significant loss or damage to property, equipment or vehicles;
  - significant loss of Company or client revenues; or
  - any other serious work-related incident or a near miss considered to have had significant potential for more serious consequences.
- p. **Reasonable Cause Test** refers to testing that takes place whenever a leader has directly observed out of character behaviour and has reasonable cause to believe that the actions, appearance or conduct of an employee while at work or on Company Premises are indicative of the use of Alcohol or Drugs. The decision to test shall be made by a leader after consultation and agreement of a second leader in person or by phone. The basis for the decision will be documented as soon as possible after action has taken place. The referral for a test will be based on specific, personal observations resulting from, but not limited to such indicators as:
- observed use or evidence of use of a substance (e.g. smell of Alcohol);
  - erratic or atypical behaviour or changes in behaviour of the employee;
  - changes in the physical appearance or speech patterns of the employee; or
  - any other observations that suggest Alcohol or Drug use may be a factor.

Document Originator(s)  Michael Howlett, Health and Industrial Hygiene	Signature
Approval(s) for Issuance  Chair, Corporate Performance Committee, Executive Vice President, Corporate and General Counsel, on behalf of the Committee	Signature


# Contractor Safety Management Guiding Principles



The following principles will guide TransCanada in meeting the goals and objectives in managing safety risks associated with the use of Contracted services.

- We will plan for Contractor safety at the earliest time possible during the project life cycle.
- We will endeavor to ensure all Contractors provide their services or materials in a manner that protects the health and safety of all workers.
- A strategic safety plan by type of contract will be developed as a basis for completing the tactical safety plan to influence contracts at the right phase of the project.
- We will identify all significant safety risks in order to establish and prioritize both our and the Contractor's safety activities to control risk exposures.
- We will communicate the minimum safety requirements expected and required of all Contractors.
- We will strive to approve and utilize qualified and competent Contractors that share our safety values and beliefs – all workplace injuries, illnesses and fatalities are preventable.
- We will clearly establish and communicate the roles and responsibilities for all safety activities associated with the execution of contracted work.
- We will strive to ensure that there are appropriate orientation, training and communications programs to provide adequate information, instruction and coordination prior to, and during the job.
- We will incorporate formal and informal assurance procedures to monitor, measure and provide performance feedback to Contractors to assist them in their continuous improvement efforts.
- We will set disciplinary measures to exclude Contractors who have been expelled for reasons of poor safety performance or inadequate qualifications.
- We will recognize Contractors who demonstrate strong, consistent and superior safety performance that meet or exceed TransCanada's performance expectations by continuing their contractual relationship and awarding them additional work.

Strong, consistent and equal management of all safety aspects associated with contracted services by TransCanada and Contractors will enhance the health and safety protection provided to our Employees, our Contractor and our Communities.

<b>TransCanada Policies and Procedures</b>		
Title: <b>Harassment-Free Workplace Policy</b>		
Effective Date (Date of Last Revision): 2010/07/26	UNCONTROLLED IF PRINTED	
Original Execution Date: 2001/01/01	Status: <b>Approved</b>	

This Policy applies to all personnel (including full-time and part-time employees, contract workers, contractors and independent consultants) of TransCanada Corporation, its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico (the "Company"). The Harassment Free Workplace Policy applies in situations related to job responsibilities, whether they occur in or away from the workplace, such as conferences, trade shows work related social events, business travel or temporary work assignments such as work camps. Where there is a conflict between this policy and any applicable collective bargaining agreement, the agreement shall apply.

## POLICY


**TransCanada fosters a respectful and safe work environment where harassment is not tolerated.**

Terms in **bold** are defined at the end of this Policy.

1. Harassment is any behaviour that creates an intimidating, demeaning, embarrassing, humiliating, threatening or hostile work environment, or any conduct, comment, gesture or contact of a sexual nature such that an individual's performance is impaired or the individual feels s/he is not being treated with dignity and respect. In particular, unwanted comments or behaviors regarding gender, racial, national or ethnic origin, disability, religion, age, sexual orientation, marital status, family status, veteran status, National Guard or reserve unit obligations, a pardoned conviction, or any other basis as recognized by law are prohibited. Harassment includes any such unwelcome behaviour and need not be intentional.

Harassment may include, but is not limited to:

- Physical, psychological, written or verbal abuse;
  - Threats, bullying or intimidation;
  - Racial or ethnic slurs, or name calling;
  - Degrading comments about a person's body, attire, age, marital status, ethnic or racial origin, religion, disability or sexual orientation;
  - Conduct perceived by an individual as placing a condition of a sexual nature on employment, work assignment, or on any opportunity for training or promotion;
  - Abuse of power;
  - Unwelcome invitations, requests or demands with sexual overtones;
  - Offensive remarks, jokes or innuendo;
  - Unwelcome physical contact such as touching or patting;
  - Unwelcome display or distribution of objects, pictures, or language of a sexual nature; and
  - Workplace violence, including the exercise or attempt to exercise physical force by a person against a worker that causes, or could cause, physical injury to a worker.
2. The following policy statements govern the Company's response to any allegations of harassment.
    - Complaints will be dealt with promptly and in a respectful manner by trained investigators.
    - An individual who files a complaint in good faith will not be penalized for doing so and no documentation of the complaint will be placed in the individual's file.
    - To the extent possible, confidentiality will be maintained as the complaint is investigated. Details of the complaint, including the name of the **Complainant**, will be disclosed only where it is necessary to the investigation or taking corrective action.

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- Corrective action in such form as the Company deems appropriate to the circumstances, up to and including termination of employment or contract, may be taken against:
    - A **Respondent** who is found to have harassed.
    - A **Complainant** who is found to have made a complaint knowing that the complaint was false.
    - Anyone who interferes with the investigation or resolution of a complaint.
    - A leader who is aware of harassment and who fails to take appropriate action.
    - Anyone who gives a false statement in the course of an investigation.
3. The Company strictly prohibits reprisals or retaliation against anyone who files or participates in the investigation of a harassment complaint. If you feel you have been subjected to retaliatory or disciplinary action because you have filed or participated in the investigation of a harassment complaint, contact one of the resources listed in this Policy. Disciplinary action initiated due to violation of this policy is not considered retaliatory action.
  4. The Company strongly encourages and supports all personnel to remove themselves from potentially harmful or violent situations that arise in the workplace or at off site business related functions. Any such situations must be immediately reported to any of the resources noted within this Policy.
  5. Complaints of workplace harassment and violence are taken seriously and will be treated as privately as possible, involving as few individuals as possible under the circumstances. The name(s) of the **Complainant(s)** and **Respondent(s)** and the circumstances related to the issue or complaint will only be shared as required for investigation, resolution and decision making, or as required by law. Formal investigations and resulting final reports will be subject to solicitor-client or attorney-client privilege.
  6. In the case of complaints made by or involving contract workers or subcontractors working on a TransCanada site or project, TransCanada reserves the right to monitor any investigations conducted by the appropriate contract employer, or to launch an independent investigation.

## RESPONSIBILITIES

### Employees:

- Use and cooperate with the established resolution process, and attend available training.
- Promote and support a respectful workplace through behaviours.
- Respect the privacy of individuals involved in harassment-related situations.
- Take responsibility to resolve situations where possible and/or encourage and support others in utilizing the policy.


### Complainant:

- Make complaints in a timely manner and cooperate with the resolution process.
- Be prepared to provide full details, including dates (where possible), of the alleged behaviour(s).
- Solicit any personal support necessary through the resources available within this policy or otherwise.
- Contract workers should also notify their employer as well as the appropriate TransCanada authority.

### Respondent:

- Familiarize yourself with the details of what is being presented as the complaint.
- Cooperate with the resolution process.
- Solicit any personal support necessary through the resources available within this policy or otherwise.

### Leaders:

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- Assist personnel in understanding the policy and associated processes by actively communicating expectations.
- Enforce the policy and foster a culture and environment that is free of harassment.
- Notify the **Harassment Investigation Coordinator** of any allegations of harassment.
- Assist Human Resources in the resolution or investigation procedures of a complaint.
- Maintain privacy and provide support to all parties involved.

#### **Contractors**

- Ensure that employees working on TransCanada sites or projects are familiar with your workplace harassment policy. If no policy exists ensure that employees are aware that this policy will apply.
- Notify TransCanada of any allegations of harassment involving employees working on TransCanada sites or projects, regardless of location or employer.
- Cooperate with the TransCanada Harassment Investigation Coordinator in the investigation of any allegations of harassment on TransCanada sites or projects.

#### **Human Resources Consultants:**

- Assist leaders in providing employee awareness of the policy.
- Notify the **Harassment Investigation Coordinator** of any allegations of harassment
- Coordinate and facilitate resolution sessions; participate in investigations.
- Maintain privacy of situations and details.
- Provide coaching to leaders through the final investigation, recommendations, and potential impact on employee performance plans.
- Provide support to personnel in their assessment, treatment, and rehabilitation efforts.

#### **Harassment Investigation Coordinator:**

- Carry out or oversee formal investigations under the direction of the Law Department.
- Submit report of formal investigation results and subsequent recommendations to the Law Department.

#### **Law Department:**


- Initiate formal investigation and resulting final reports under solicitor-client or attorney-client privilege.
- Provide legal support and guidance to the investigation.

### **RESOLUTION PROCESS**

Personal resolution is often the most effective means and should be thoughtfully considered as a first step to address any issues or concerns where harassing behaviours may have occurred. If resolving a situation personally is not an option, there are alternative processes available which may include an objectively facilitated discussion, mediation or formal investigation.

#### **Guide to Personal Resolution:**

- If you feel you are being harassed, you should advise the offending party in a reasonable and appropriate manner, either verbally or in writing, that the behaviour or comment is unwelcome and should stop. Attempts at personal resolution are often very effective, but are not required to advance to the formal resolution process.
- If you think someone has misinterpreted your behaviour or comment as harassment, you should clear up the misconception quickly and privately.

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- In either situation, if you are uncomfortable talking to the individual directly, you are encouraged to involve your leader or Human Resources Consultant to assist in your resolution efforts.

### Two Step Resolution Process:

#### Step 1: Facilitated Resolution


- This step includes consultation and assessment of the harassment complaint. It is the first contact or communication of a complaint to an individual's leader, any other leader, Human Resources Consultant, or the Company's Code of Business Ethics Help-Line.
- Once the **Complainant** makes contact with one of the above listed resources that resource will listen to the description of the incident and determine:
  - What has given rise to the complaint
  - What action, if any, the **Complainant** has taken
  - What the **Complainant** needs and wants
  - Next steps (if any)
- The use of coaching, counseling, facilitation, and conflict resolution can, in many instances, resolve the issue and prevent escalation to Step 2.
- If the **Complainant** is satisfied with the outcome of the facilitated resolution, the **Complainant** can decide to stop at this step and no formal investigation will be conducted.
- In the event the alleged harassment is serious or criminal in nature, the Company, the **Complainant** or the **Respondent** can choose to continue to Step 2 or may elect to bypass Step 1 and move directly to a formal investigation.
- If facilitated resolution is unsuccessful, or if the behaviour has been repeated even after the **Complainant** told the **Respondent** that it was unwelcome, the **Complainant** may wish to lodge a formal complaint.
- Any documentation created during this step will be destroyed within six months of the finish of this step unless a formal complaint and investigation are initiated.

#### Step 2: Formal Investigation

- If the complaint cannot be resolved in Step 1, a formal complaint can be filed. The Company may also proceed to an investigation in the absence of a formal complaint from an individual complainant.
- The **Harassment Investigation Coordinator** will interview the **Complainant** to determine whether to proceed with a formal investigation.
- Where it is determined that a formal investigation is warranted, the **Harassment Investigation Coordinator** will assist the **Complainant** in writing a formal complaint.
- The **Respondent** is advised that a complaint has been made and is provided with a copy of the written formal complaint. The **Respondent** will be given adequate time prior to any decision being rendered to provide a response to the complaint. This response is made to the **Harassment Investigation Coordinator**.
- The leaders of the **Complainant(s)** and **Respondent(s)** are advised that a formal complaint has been made.
- An investigation commences and affected parties and witnesses are interviewed.
- The **Harassment Investigation Coordinator** will prepare a report of findings and recommendations for the Law Department.
- All relevant information/evidence is considered and a determination is made.

#### Step 3: Corrective Action (if required)

- If required, the **Harassment Investigation Coordinator** will develop a recommendation for corrective action with the appropriate individuals' leader(s).
- Both parties will be notified of the corrective action and its associate timelines.

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- Those interviewed in the course of the investigation will be notified that it has been completed. Results of the investigation will not be shared.

#### **Step 4: Follow-Up Action**

- The **Harassment Investigation Coordinator** may contact both parties as appropriate to:
  - Ensure the harassment has stopped
  - Ensure there was no retaliation
  - Determine if the work group is functioning effectively

#### **Resolution Timelines**

Harassment is serious and high priority is placed on the resolution process. The timeline for investigation and resolution of alleged harassment is dependent on the complexity of the complaint. Every effort will be made to conduct the investigation and determine corrective action should it be found that harassment did occur in an expedient manner.

#### **External Resolution**

The Company prefers to resolve all matters of workplace harassment internally. However, complaints related to harassment on legally prohibited grounds, can be filed directly with the appropriate federal, provincial or state agency without first filing the complaint internally. There are specific time lines you must meet to file a complaint with these agencies and it is the individual's responsibility to be aware of the time lines and file the complaint accordingly. Any investigation under this procedure will be coordinated with such other investigations as may be in progress.

#### **DEFINITIONS**

- **Complainant(s)** – person(s) lodging a complaint; usually the person to whom the alleged inappropriate behaviour was directed.
- **Respondent(s)** – person(s) alleged to have behaved in an inappropriate manner.
- **Harassment Investigation Coordinator** - individual in TransCanada's Human Resources department responsible to oversee the application of the Harassment Policy, or her/his designate.

#### **COMPLIANCE**

Personnel are expected to comply with all aspects of this Policy and to support others in doing so. A violation of this Policy could result in disciplinary action up to and including termination of employment, termination of contract or removal from the Company's worksite. Please refer to the [TransCanada Policies and Procedures Web Site](#) for more information.

#### **REFERENCES AND LINKS**


##### **General**

- [Questions and Comments](#)
- [Employee Assistance Program \(U.S.\)](#)
- [Employee Family Assistance Program \(Canada\)](#)
- [Canadian Human Rights Commission](#)
- [U.S. Agency Contacts](#)
- [United States Equal Employment Opportunity Commission's Legal Definition of Harassment](#)

##### **Related TransCanada Policies**


- [Code of Business Ethics Policy](#)



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- Employment Equity & Non-Discrimination Policy
- Equal Employment Opportunity, Affirmative Action and Non-Discrimination Policy (U.S)

<b>Document Originator(s)</b> Dana Roman, Human Resources, Client Relations	<b>Signature</b>  
<b>Approval(s) for Issuance</b> Wendy Hanrahan, Vice-President, Human Resources  Chair, Corporate Performance Committee Executive Vice-President, Corporate and General Counsel, for the Committee	<b>Signature</b>  _____  _____

<b>TransCanada Policies and Procedures</b>		
<b>Title: Code of Business Ethics for Contract Workers and Independent Consultants</b>		
Effective Date (Date of Last Revision):2009/04/27	UNCONTROLLED IF PRINTED Status: <b>Approved</b>	

This policy applies to all contract workers, independent consultants, Suppliers, Vendors and members of the Auxiliary Workforce (“non-employees”) of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States and Mexico (the “Company”). These personnel are expected to act with honesty, integrity and reliability. TransCanada’s Code of Business Ethics for Contract workers and independent consultants (the “COBECON”) is a statement on how we do business. The COBECON applies to all contract workers and independent consultants of TransCanada. When you have a question about ethics or compliance, please refer to this policy.

The following definitions will apply throughout this policy:

1. **Contractors**: Individuals employed by service providers, such as temporary service or labour agencies, to work at or on behalf of, TransCanada. Contractors are paid by the service provider who is under contract to TransCanada to provide the staff/workers.
2. **Independent Consultants**: Individuals acting in their own right who seek to provide a service to TransCanada, often in a professional capacity, providing unique expertise and submitting an invoice directly to the company for services rendered.
3. **Suppliers and Vendors**: Individuals or independent entities with whom the company has entered into a contractual agreement, such as a material or service agreement, to provide goods or services ranging from furnishing office supplies, snow removal services, legal council to major construction activities and material components.
4. **Auxiliary Workforce**: Individuals in any of the other three categories who have been entered into the Company’s Workforce administration system.

The following fundamental principles of appropriate business conduct have been established for all the Company’s non-employees who are expected to adhere to these principles. Each Company employee managing a non-employee is responsible for ensuring procedures are in place to ensure that such non-employees comply with this policy.


#### **TransCanada’s Values**

Our four core values of integrity, collaboration, responsibility, and innovation, establish a framework for ethical and responsible behaviour in all that we do and they are the cornerstones of how TransCanada conducts business. The values guide the way we work with each other, our customers, our business partners and other stakeholders. We are all expected to strive to perform our work and make decisions in alignment with these values. Details about the values are available on [INFOCUS](#).

#### **Fundamental Principles**

##### **A. Compliance with Laws**

Non-employees will conduct their business in compliance with all laws, regulations and other legal requirements applicable wherever the non-employee is carrying on business on behalf of TransCanada. No non-employee shall directly or indirectly give, offer or agree to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official in contravention of the *Corruption of Foreign Public Officials Act*, *Foreign Corrupt Practices Act*, or other similar applicable law.

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#### B. Conflict of Interest

Non-employees must ensure that no conflict exists between their obligations to the Company and other interests. Some examples of possible conflicts include:

- **Employment** – Non-employees must not directly or indirectly offer employment to TransCanada employees during the currency of their contract and for a reasonable time thereafter.
- **Gifts and Entertainment** - Non-employees must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from the Company. Non-employees must not offer preferential pricing or benefits to individual Company employees unless such pricing or benefits are available to all Company employees.
- **Customer and Supplier Relations** – Non-employees shall not seek to do business with the Company's customers or to do business with the Company's competitors using special knowledge obtained during non-employee business relationship with the Company.
- **Personal Relationships** – Non-employees shall avoid any arrangement or circumstance, including personal relationships that may compromise their ability to act in the best interest of the Company.
- **Financial Interest** - Non-employees must disclose to the Company any ownership interest of any Company employee in the Contract worker or Independent consultant.


#### C. Confidential Information

In the course of providing goods or services to the Company, non-employees may have access to information that is non-public, confidential, privileged, or of value to competitors of the Company or that may be damaging to the Company if improperly disclosed. Non-employees may also have access to the confidential information of companies with which the Company does business.

Non-employees must protect the confidentiality of information concerning the Company and its business activities as well as that of companies having business dealings with the Company.

Some situations involving confidential information include:

- **Technical, Business and Commercial Data** - Non-employees must ensure against disclosure of competitive business strategies and plans, special methods of operation, technical innovations, and other information that may be of value to competitors of the Company.
- **Insider Trading** - Securities laws explicitly prohibit any person in a special relationship with the Company from trading with knowledge of "material non-public information" or "insider information" which has not been generally disclosed. In addition, securities laws prohibit any person in a special relationship with the Company from informing another person of any "material non-public" or "insider" information which has not been generally disclosed. See the Company's [Trading Policy for Employees and Insiders](#) for further details.
- **Trading Guidelines for Non-Employees** - Those possessing confidential information are expected to show integrity and use proper judgement in timing their investments in accordance with Company policy and regulatory rules and guidelines. See the Company's [Trading Policy for Employees and Insiders](#) for further details.
- **Media/Public Discussion** - If responding to questions by a representative of the news media or investment community is not part of a non-employee's regular duties, the media representative

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must be referred to the appropriate Company spokesperson. See the Company's Public Disclosure Policy for further details.

Adherence to these policy statements, while required, is not intended to supersede adherence to specific clauses in the contract.

#### D. Fiscal Integrity and Responsibility

All non-employees are responsible for protecting Company assets against loss from unauthorised or improper use or disposition:


- **Reporting Integrity** - No false, artificial or misleading entries in the books, records and documents of the Company shall be made for any reason and no non-employee shall engage in any arrangement that results in such prohibited acts.
- **Use of Company Resources** - Company resources include Company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are only to be used for Company-specific purposes.
- **Use of Internet and Email** - TransCanada's computer networks and information resources include electronic mail and messaging systems, internal Intranet and the public Internet. TransCanada's computer resources and networks are provided for company-related business purposes. Excessive personal use is inappropriate. Use of TransCanada's computer resources to view, retrieve or send sexually-related or pornographic messages or material; violent or hate-related messages or material; bigoted, racist or other offensive messages or other messages or material related to illegal activities is strictly prohibited.
- **Use of Company Name** - Non-employees must not use their relationship with the Company to obtain personal gain from those doing or seeking to do business with the Company except as may be expressly permitted by contract.
- **Patents and Inventions** - Inventions, discoveries, and copyright material, made or developed by non-employees in the course of, and relating to, their contract or engagement with the Company, are the property of the Company unless a written release is obtained or covered by contract.
- **Records Retention** - Business documents and records (voice, paper and electronic) are to be retained in accordance with the law and the Company's record retention policies.

In protecting the Company's resources, TransCanada reserves the right to periodically monitor access and contents of the Company's computer systems and networks. Non-employees should not assume they have any right to privacy of electronic data residing on the Company's computer resources.

#### E. Health, Safety and Environment

TransCanada is committed to providing a safe and healthy working environment and protecting the public interest with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business.

All TransCanada operations are to be conducted in accordance with TransCanada Operating Procedures and in a manner that protects the health and safety of its personnel and all people in the communities where the Company operates. All non-employees are responsible for supporting TransCanada's commitment to environmental responsibility. See the Company's Health Safety and Environment Policies and Procedures for further details.

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#### F. Employment Practices

TransCanada is committed to a workplace environment where personnel are treated with dignity, fairness and respect. Everyone has the right to work in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and illegal harassment:

- **Discrimination** - Non-employees shall not refuse to employ or continue to employ, nor shall they discriminate against any person with regard to employment, term or condition of employment, based on race, national or ethnic origin, colour, religion, age, sex (including pregnancy or child-birth) sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted, all as defined by the *Canadian Human Rights Act* or other applicable similar law.
- **Harassment** - Any form of illegal harassment or any other conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment will not be tolerated. See the Company's Harassment-Free Workplace Policy for further details.
- **Drug and Alcohol Policy** – The Company is committed to providing a safe and healthy work environment. The use of illicit drugs, the inappropriate use of alcohol and the misuse of medications and other substances is prohibited. See the Company's Drug and Alcohol Policy for further guidance.

#### G. Inter-Affiliate Codes of Conduct

The Company is committed to ensuring that its operations are conducted appropriately and follow Canadian Codes of Conduct and U.S. Standards of Conduct (collectively the "CODES") that govern how our regulated companies interact with affiliated companies and their customers. The Codes safeguard against improper sharing of information, people or resources and ensure that affiliates of our regulated companies do not obtain an inappropriate advantage due to their affiliation. It is a requirement for all non-employees to be aware of, to understand, and to abide by the respective requirements of the Codes. See the NGTL Code of Conduct, the Canadian Mainline Code of Conduct, and the FERC Standards of Conduct for further details.

#### COMPLIANCE / EXCEPTIONS


Non-employees are expected to comply with all aspects of this policy and to support others in doing so. In the event that a non-employee violates the COBECON, company policies and procedures or any of the laws that govern the Company's business, TransCanada will take immediate and appropriate action up to and including termination of the contractual arrangement, claims for reimbursement of losses or damages and reference to criminal authorities. Please refer to the TransCanada Policies and Procedures Web Site for more information.

#### HOW TO RAISE A CONCERN

Non-employees are obligated to promptly report any problems or concerns or any potential or actual violation of the COBECON. Non-employees should raise the problem with the contact identified in their contract or call the Ethics Help-Line at 1-888-920-2042. Callers do not have to reveal their identities.

#### REFERENCES AND LINKS

- Guidance Notes for Code of Business Ethics for Contract Workers and Independent Consultants
- Drug and Alcohol Policy
- Harassment-Free Workplace Policy

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- Public Disclosure Policy
- Trading Policy for Employees and Insiders
- Health, Safety and Environment Policies and Procedures
- Information Management and Security Policy
- Acceptable Usage of Electronic Information Resources
- NGTL (Code of Conduct, Compliance Plan and Compliance Report)
- Canadian Mainline (Code of Conduct, Compliance Plan and Compliance Report)
- Corruption of Foreign Public Officials Act
- Foreign Corrupt Practices Act

<b>Document Originator(s)</b> Roland Henderson, Director, Internal Audit Department  Wendy Hanrahan, Vice-President, Human Resources Department  Don DeGrandis, Corporate Secretary, Corporate Secretarial Department	<b>Signature</b>          
<b>Approval(s) for Issuance</b> Board of Directors	<b>Signature</b>          

## TransCanada Policies and Procedures

Title: Public Disclosure Policy

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This Policy applies to all personnel (including the board of directors, full-time and part-time employees, contract workers, contractors and consultants) of TransCanada Corporation and its wholly-owned subsidiaries, and partially owned and operated entities in Canada, the United States and Mexico ("TransCanada" or the "Company").

Personnel are expected to act in accordance with this Public Disclosure Policy. TransCanada is committed to full and fair disclosure that will meet the requirements of applicable securities legislation and rules of securities commissions, as well as the Toronto Stock Exchange (TSX), the New York Stock Exchange (NYSE) and the NASDAQ Stock Market (NASDAQ) policies on disclosure standards. TransCanada adheres to the principle that all persons investing shall have equal access to information that may affect their investment decisions.

This policy includes, but is not limited to, written statements made in the Company's annual and quarterly reports and other documents filed with securities regulators, news and earnings releases, speeches and presentations, and information contained on the Company's Internet Web site. It also covers oral statements made in group and individual meetings with analysts, investors, media, industry peers and with any other member of the public.

### POLICY

#### Material Information

Under securities legislation, public companies and entities ("Companies") are required to immediately disclose any material change in their affairs. Companies must continually identify the information they are required to release to the public, and determine how and when to release that information.

While the TSX, NYSE and NASDAQ may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred.

Securities laws, regulations and policies as well as TSX, NYSE and NASDAQ policies, including the Canadian Securities Administrators' (CSA) National Instrument 51-102 and National Policy 51-201 on continuous and timely disclosure require that public companies make immediate disclosure, not only of material changes in a company's business, operations or capital, but also of all material information, whether or not that information constitutes such a material change.

In isolated and restricted circumstances, and in accordance with applicable securities legislation, the disclosure of a material change or material information may be delayed if the immediate release of the information would be unduly detrimental to the Company's interests.

The term "material information" is defined in the TSX company manual as:

any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities.

Under securities laws, the term "material change" is defined as:

(a) a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer; or

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(b) a decision to implement a change referred to in paragraph (a) made by the Board of Directors or other persons acting in a similar capacity or by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or any other persons acting in a similar capacity is probable.

The following are examples of developments which would require prompt disclosure, if material (as outlined in the TSX Company Manual):

- Changes in share ownership that may affect control of the Company;
- Changes in corporate structure, such as reorganizations, amalgamations or mergers;
- Take-over bids or issuer bids;
- Significant acquisitions or dispositions of assets, property or joint venture interests;
- Changes in capital structure;
- Borrowing or lending of a significant amount of funds;
- Public or private sale of additional securities;
- Development of new products and developments affecting a company's resources, technology, products or market;
- Entering into, or loss of significant contracts;
- Firm evidence of significant increases or decreases in near-term earnings prospects;
- Changes in capital investment plans or corporate objectives;
- Changes to the board of directors or executive management of a company, including departure of its chief executive officer, chief financial officer, chief operating officer or president;
- Commencement of or changes in material litigation;
- Waivers of corporate ethics and conduct rules for officers, directors, and other key employees;
- Major labour disputes or disputes with major contractors or suppliers;
- Events of default under financing or other agreements; or
- Any other developments relating to the business and affairs of a company that would reasonably be expected to significantly affect the market price or value of any of a company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.


### Disclosure Policy Committee

The Company's Disclosure Policy Committee shall be the Company's Corporate Performance Committee as that committee is constituted from time to time. The Disclosure Policy Committee shall meet periodically as required. The Vice-President and Corporate Secretary shall review this policy annually and report to the Disclosure Policy Committee on its adequacy. TransCanada's Disclosure Policy Committee oversees the Company's compliance to this policy and makes applicable recommendations to the President and Chief Executive Officer.

There shall also be a Public Disclosure Committee that shall be responsible for the review of the Company's quarterly and annual financial statements together with the accompanying management discussion and analysis of financial condition and results of operations ("MD&A") and any other ancillary financial information; as well as any prospectus, take-over bid circular, issuer bid circular, directors' circular, rights offering circular, information or proxy circular and annual information form (collectively referred to as "Core Disclosure Documents").

The Public Disclosure Committee shall ensure Core Disclosure Documents are in compliance with applicable securities laws and generally accepted accounting principles, as applicable. The Public



<b>TransCanada Policies and Procedures</b>		
Title: <b>Public Disclosure Policy</b>		
Effective Date (Date of Last Revision): 2010/12/01	<b>UNCONTROLLED IF PRINTED</b>	
Original Execution Date: 2001/02/26	Status: <b>Approved</b>	

Disclosure Committee shall also be responsible for advising the Company's certifying officers of any matters which would hinder their ability to provide certifications, as required by applicable securities laws.

The Public Disclosure Committee shall be composed of the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, the executive leadership team as constituted from time to time, the Vice-President and Controller, the Vice-President, Investor Relations and Communications, the Vice-President and Corporate Secretary, the Vice-President, Finance, the Vice-President and Treasurer, the Vice-President, Risk Management, the Vice-President, Taxation, the Vice-President, Public Sector Relations, the Director, Internal Audit, and other such members of senior management as may be requested by the President and Chief Executive Officer or Executive Vice-President and Chief Financial Officer from time to time.

Key personnel from the Company's operating business areas shall be accountable to keep a member of the Public Disclosure Committee fully apprised of all significant Company developments in order for the Public Disclosure Committee to determine their materiality and timing for public release of the information. Personnel who become aware of significant company developments must immediately advise key personnel in that employee's operating business unit of such developments.

### Spokespersons

The primary, authorized spokespersons for the Company are the President and Chief Executive Officer, the Executive Vice-President and President, Natural Gas Pipelines, the Executive Vice-President and President, Energy and Oil Pipelines and the Executive Vice-President and Chief Financial Officer. Spokespersons should keep a record of contacts with analysts and investors. The Investor Relations and Communications Department will facilitate communications for media and will facilitate communication with analysts and investors. Please refer to the Communications Policy for further details.

### Process for Disclosure


Material information will be disclosed in a manner that is both timely and efficient, providing the widest possible public dissemination. If material information is determined to constitute a material change, a material change report will be filed.

To ensure all stakeholders are aware of material information concurrently, TransCanada will issue public news releases using a news wire service which provides simultaneous national dissemination. In addition, news releases are faxed or e-mailed to relevant regulatory agencies and published on TransCanada's Internet Web site.

All TransCanada news releases will be managed by the Investor Relations and Communications Department or their designate. Investor Relations and Communications Department shall ensure that the Company's legal counsel has had the opportunity to review all news releases prior to their release.

When necessary, the Company's Vice-President and Corporate Secretary will notify the TSX, NYSE and NASDAQ prior to the planned news release time.

If material, non-public information is inadvertently disclosed in any way in a selective setting, the Executive Vice-President and Chief Financial Officer, the Executive Vice-President, Corporate and General Counsel, the Vice-President and Corporate Secretary and the Vice-President, Investor Relations and Communications will meet to determine the appropriate method by which the information will be broadly disseminated immediately. TransCanada will make reasonable efforts to inform all employees of who the authorized Company spokespersons are, and of those elements of this Public Disclosure Policy which are applicable to employees who have access to material, non-public information.

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### Responding to Market Rumours/Misstatements

Unless there is unusual market activity in the trading of the Company's securities, TransCanada will not comment on market rumours or speculation, particularly where it is clear that the Company is not the source of the market rumour. The Executive Vice-President and Chief Financial Officer, acting in consultation with the Executive Vice-President, Corporate and General Counsel, the Vice-President and Corporate Secretary and the Vice-President, Investor Relations and Communications, will recommend an appropriate course of action where the Company or an employee of the Company is the apparent source of the rumour.

In the circumstance of unusual market activity in the trading of the Company's securities, the Executive Vice-President and Chief Financial Officer, acting in consultation with the Executive Vice-President, Corporate and General Counsel, the Vice-President and Corporate Secretary and the Vice-President, Investor Relations and Communications, will consider the matter and make a recommendation to the President and Chief Executive Officer as to the nature and content of any Company response.

If TransCanada discovers that a statement made was materially incorrect at the time it was disclosed by the Company, the Company will publicly issue a correction of the prior misstatement as soon as the error is discovered.

### Communications with External Stakeholders


TransCanada does not discriminate among recipients of public information. TransCanada will provide the same public information that has been provided to financial analysts or portfolio managers to individual investors, reporters or others. TransCanada will only provide non-material and publicly available information to analysts. In cases where TransCanada holds an investor conference or investor conference call, a news release will be issued to ensure all interested parties are aware of these occurrences and of the details for attending either by telephone or by webcast. The information discussed will be available to all interested parties.

TransCanada will not recirculate financial analysts' reports outside the Company. TransCanada will provide, on its Internet Web site and via other appropriate means, a list of all analysts and firms that cover the Company. Individuals who request analysts' reports will be referred to the analysts' firms, which may provide reports if it is the firm's policy to do so. Financial analysts' reports on the Company will be provided periodically to the Board of Directors and to senior management.

Any analyst report reviewed shall only be commented on to identify publicly disclosed factual information that may affect an analyst's model or to point out inaccuracies or omissions with reference to publicly available information.

TransCanada will not provide members of the media with information on an exclusive or selective basis whereby the reporter has agreed to embargo or hold the story until the day that the Company makes the full public announcement. Members of the media will receive material information when a full public announcement is made.

Neither TransCanada nor anyone in a special relationship with the Company may disclose any material information or material change, other than in accordance with this policy, before the information has been generally disclosed. Material information will be considered generally disclosed on the second business day after a public announcement of such information has been made.

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Persons in special relationships with the Company are:

- (a) Insiders;
- (b) Directors, officers or employees of the Company; and
- (c) Persons engaging in professional or business activities for or on behalf of the Company.

Provisions may be made for selective disclosure if it is deemed in the necessary course of business. It will be communicated to those parties eligible for selective disclosure that the information they receive will be subject to confidentiality requirements restricting them from further disclosing or trading on the information.

Selective disclosure in the necessary course of business is a mixed question of law and fact but may include communications with:

- (a) Vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- (b) Employees, officers and directors;
- (c) Lenders, legal counsel, auditors, financial advisors and underwriters;
- (d) Parties to negotiations;
- (e) Labour unions and industry associations;
- (f) Government agencies and non-governmental regulators; and
- (g) Agencies formulating a credit rating that are or will be publicly available.

Selective disclosure in the necessary course of business does not include communications with:

- (a) The media;
- (b) Financial analysts; and
- (c) Institutional advisors or other market professionals.

### **Forward-looking Information**

TransCanada will not provide forecasts of future earnings results. The Company may provide forward-looking information to enable the investment community to evaluate the Company and its prospects for performance. Forward-looking information will be updated in a consistent manner where required by law and in accordance with this Public Disclosure Policy and the Communications Policy.

Written documents of the Company which contain forward-looking information will be identified as such; will be reasonable in light of the information disclosed; will be accompanied with meaningful cautionary language that warns investors of the material factors that could cause the results to materially differ; will state that there is a risk that the statement could change materially; and will include a description of the factors or assumptions used in making the forward-looking statement.

Oral statements, including analysts, media and investor conference calls, which contain forward-looking information will include a statement that the oral statement contains forward-looking information; that the actual results could differ materially from those stated; that certain material factors or assumptions were applied when drawing a conclusion or making a forecast or projection included in the forward-looking information; and that additional information about the material factors that could cause the results to differ materially and the material factors or assumptions is contained in a specified readily available document.

## TransCanada Policies and Procedures

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Status: Approved



### Internet Web Site

TransCanada has an external Internet Web site that contains an Investor Relations information section. Documents will be made available on the Internet Web site including the annual and quarterly reports, Annual Information Form, Management Information Circular, material change reports, and news releases. Other information, such as audio broadcasts of quarterly earnings conference calls and the Annual General Meeting of Shareholders, will also be made available on TransCanada's external Internet Web site. Investor Relations will ensure that the information in the Investor Relations section of the external Internet Web site is in compliance with this Policy and the Communications Policy.

News releases will be published on the external Internet Web site as soon as possible after they are released to the wire service. Other documents and presentations will be placed on the Internet Web site concurrently upon release or presentation.

TransCanada will not participate in, host, or link to external chat rooms or bulletin boards. All personnel will refrain from discussing corporate matters in these forums. Personnel who encounter a discussion pertaining to the Company should advise investor relations immediately so the discussion can be monitored.

### Trading in Company Securities

The Company has a policy relative to trading in its securities which applies to directors, officers and employees. Please refer to the Trading Policy for Employees and Insiders for further information.


### COMPLIANCE / EXCEPTIONS

Personnel are expected to comply with all aspects of this policy and to support others in doing so. A violation of this policy could result in disciplinary action up to and including termination of employment, termination of contract or removal from the Company's worksite. Please refer to the [TransCanada Policies and Procedures Web Site](#) for more information.

### REFERENCES AND LINKS

- [Questions and Comments](#)
- [Code of Business Ethics](#)
- [Trading Policy for Employees and Insiders](#)
- [Communications Policy](#)

Document Originator(s) Don DeGrandis, Vice-President and Corporate Secretary	Signature
Approval(s) for Issuance Chair, Corporate Performance Committee, Executive Vice-President, Corporate and General Counsel on behalf of the Committee and the Board of Directors	Signature

<b>TransCanada Policies and Procedures</b>		
Title: <b>Trading Policy for Employees and Insiders</b>		
Effective Date (Date of Last Revision): 2011/04/27	UNCONTROLLED IF PRINTED	
		Status: <b>Approved</b>

This Policy applies to all directors, officers, employees and all contract workers, independent consultants and professional advisors of TransCanada Corporation and its wholly-owned subsidiaries, and operated entities in Canada, the United States, and Mexico including TransCanada PipeLines Limited, NOVA Gas Transmission Ltd. and TC PipeLines, LP (the "Company").

**Securities to Which This Policy Applies:**

- TransCanada Corporation ("TCC"): Any securities including public debt or equity - common shares, preferred shares, debt securities and options;
- TransCanada PipeLines Limited ("TCPL"): Equity and debt securities;
- NOVA Gas Transmission Ltd. ("NGTL"): Debt securities;
- TC PipeLines, LP ("LP"): Common units and debt securities;
- Securities of any other public TransCanada entity – when and if such securities are issued.

(collectively referred to as "Company Securities")

**Insider Reporting Additional Requirements:**

- The reporting requirements outlined in Section IV apply to Company Securities as well as any instrument or agreement the value, market price or payment obligations of which are referenced to the market value of a Company Security listed on a Canadian stock exchange – deferred share units, executive share units (referred to as "Related Financial Instruments").


**POLICY**

**I. Introduction**

An underlying principle of securities legislation is that the public should have the opportunity to decide whether to buy or sell securities on the basis of information equally available to all security holders. It is illegal for any person, either personally or on behalf of others, to trade in securities on the basis of "material information" which has not been made public. It is also illegal to communicate (or "tip") Material Non-public Information (defined below) to anyone who may trade in securities on the basis of that information. These illegal activities are commonly referred to as "insider trading".

Company policy prohibits the unauthorized disclosure of any non-public information acquired in the workplace and the use of Material Non-public Information in securities trading. Therefore, no director, officer, employee, contract worker, independent consultant or professional advisor who is aware of Material Non-public Information relating to the Company may, directly or through other persons, including family members, (a) buy or sell Company Securities, except in certain pre-approved circumstances, or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends.

In addition, it is the Company's policy that no director, officer, employee, contract worker, independent consultant or professional advisor who, in the course of working for the Company, learns of Material Non-public Information about a company with which the Company does business, may trade in that company's securities until the information becomes public or is no longer material.

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Title: <b>Trading Policy for Employees and Insiders</b>		
Effective Date (Date of Last Revision): 2011/04/27	<b>UNCONTROLLED IF PRINTED</b> <b>Status: Approved</b>	

**a. Definitions**

"Material Non-public Information" is any information that has not been disclosed to the public, that people might find important in making their decisions to buy, sell or hold a company's securities. Examples include acquisitions, dispositions, developments in operations, changes in capital structure, changes in corporate structure, changes in financial results, changes in credit arrangements, dividend or distribution announcements and significant changes in earnings prospects.

Examples of public disclosure include public securities filings with governmental regulators and company press releases. Not only must the information have been publicly disclosed, but there must also have been adequate time for the market as a whole to digest the information (for example, trading can commence the second business day after a public announcement has been made).

"Unauthorized disclosure" of Material Non-public Information to others can lead to significant legal difficulties. Therefore, you should not discuss Material Non-public Information, externally or internally, learned in the course of working for the Company with anyone, including other employees, except as required in the performance of your regular duties.

**II. Application**

Securities include common and preferred shares, notes, bonds and debentures and limited partnership common units, and options, rights or warrants to acquire or sell any of the same. Indirect holdings include securities that are held by personal corporations, nominees or agents. Trading of Company Securities over which the directors, officers, employees, contract workers, independent consultants and professional advisors exercise direction or control is subject to insider trading rules. This would generally include any Company Securities that are held by a spouse or children who are in the director, officer, employee, contract worker, independent consultant and professional advisor's household, and Company Securities held by estates or trusts over which the director, officer, employee, contract worker, independent consultant or professional advisor exercises control. Trading includes purchases, sales, exercises and transfers of beneficial ownership of securities, done on your behalf by brokers, agents or others.

**Trading, for the purposes of this Policy, excludes the following:**

1. The automated, regular monthly share purchases made through the Employee Share Purchase Plan.
2. The automated, regular share purchases made through the Dividend Reinvestment and Share Purchase Plan.
3. Sales through a pre-approved trading plan that complies with Rule 10b5-1 of the Securities Exchange Act of 1934.

However, any exercise of an option, any sale of Company Securities acquired under option or through the Employee Share Purchase Plan or the Dividend Reinvestment and Share Purchase Plan or any other Company sponsored plan must comply with this Policy and reporting obligations under relevant law. Please note that the decision to participate or discontinue participation in the Employee Share Purchase Plan or any other share unit plan offered by the Company or a Rule 10b5-1 plan is considered an investment decision and must not be done if the individual is in possession of Material Non-public Information.

## TransCanada Policies and Procedures

Title: Trading Policy for Employees and Insiders

Effective Date (Date of Last Revision): 2011/04/27

UNCONTROLLED IF PRINTED

Status: Approved



Trades in Company Securities, Directly or Indirectly, are allowed, except as follows:


1. Trading is prohibited when the director, officer, employee, contract worker, independent consultant or professional advisor is in possession of material information which is being kept confidential and which has not been made public. An individual who has access to material information may not trade Company Securities until the **second business day** after a public announcement has been made. It is the overall responsibility of the executive officers to manage access to material information.
2. Directors, officers, employees, contract workers, independent consultants and professional advisors are prohibited from selling Company Securities which they do not own (short-selling) or Company Securities that have not been fully paid for. However, Company Securities may be sold, if the individual owns a security convertible into the security to be sold, or holds a right to receive such a security without payment of any additional consideration and, **within 5 days of the sale**, the individual exercises such right and delivers the securities to the purchaser or transfers such right to the purchaser. Directors, officers, employees, contract workers, independent consultants and professional advisors may not buy put options or sell call options on Company Securities.
3. Notwithstanding anything contained in this Policy to the contrary, no officer or director of the Company, or any designee thereof, is permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities granted as compensation by the Company to the officer or director, or held, directly or indirectly, by the officer or director.

### III. Additional Provisions Applicable to Trade Restricted Insiders

1. The Company has adopted a “window period” approach to trading by Trade Restricted Insiders. Trade Restricted Insiders are limited to trading Company Securities in the **four approved annual windows**. “Trade Restricted Insider” includes every director and officer of the Company and certain of its subsidiaries and affiliates (including TCPL, NGTL and the LP) and any other person designated by the Company as a Trade Restricted Insider (i.e. employees preparing financial statements and quarterly reports, working on special projects, etc.) Trades by Trade Restricted Insiders should not take place until the second business day after important announcements of any material information in the media. Financial results are generally made public in the month following the end of each calendar quarter. **Therefore, the trading window shall open after the second business day after the public announcement of quarterly or annual earnings and will continue for 45 calendar days.** If Material Non-public Information regarding actions to be taken or other events likely to affect current or future earnings becomes known to a Trade Restricted Insider, then trading is precluded.
2. In order to ensure compliance with insider trading rules, a Trade Restricted Insider, when in doubt, should inquire of the Corporate Secretary as to any trading restrictions before entering into a transaction. Individuals who are not Trade Restricted Insiders but are in possession of Material Non-public Information should not trade in securities and should consult with their supervisors to determine an appropriate time to trade securities in the future.

### IV. Reporting Requirements

- a. Reporting of Insider Transactions in Canada

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It is required that certain transactions by Trade Restricted Insiders in Company Securities and Related Financial Instruments be reported to the various Canadian securities commissions within 5 days of a transaction. Depending on the type of transaction, and whether it involves Company Securities or Related Financial Instruments, the reporting will be required to be done either by the Trade Restricted Insider or TransCanada, as outlined below.

1. The following reports are required to be filed by or on behalf of the Trade Restricted Insider:

- (a) Any transaction in Company Securities by a Trade Restricted Insider is required to be reported within 5 days of the transaction.
- (b) Share purchases under the Dividend Reinvestment and Share Purchase Plan and Employee Share Purchase Plan in a given year are required to be reported annually by March 31 of the following year.
- (c) Grants of Related Financial Instruments are required to be reported annually by March 31 of the year following the grant (subject to TransCanada having filed the issuer grant reports referenced in 2(a) below).
- (d) Grants of options to Trade Restricted Insiders are required to be reported within 5 days of the grant.
- (e) Payouts of Related Financial Instruments are required to be reported within 5 days of the transaction.
- (f) Dividend accruals on Related Financial Instruments are required to be reported annually by March 31 of the year following the accruals.


2. The following reports are required to be filed by TransCanada:

- (a) Grants of Related Financial Instruments are required to be reported within 5 days of the grant.

Canadian Securities Administrators have adopted a late filing fee regime. **Reports not filed by the applicable filing deadline will be subject to a late filing penalty of \$50 per day per transaction up to a maximum of \$1,000 per transaction. Late filing fees for reports required to be filed by or on behalf of Trade Restricted Insiders are the responsibility of the Insider.**

A person who ceases to be a reporting insider is required to report transactions, which occur within 1 month after the date that he or she ceases to be a director or officer. Shares pledged by a director or officer as collateral for a loan are not required to be reported if the pledger retains control or direction over the shares.



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**b. Reporting of Insider Transactions in the United States**

1. **Reporting Requirements:** The Company has identified certain persons who are the equivalent of directors and officers of TC PipeLines, LP, these individuals are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and related rules and regulations ("Section 16 Reporting Persons"). Section 16 Reporting Persons are required to file certain reports with the U.S. Securities and Exchange Commission; consequently, Section 16 Reporting Persons will need to **consult the Secretary of the LP prior to any LP security transaction**, and must provide all information necessary to allow the Company to complete and file a Form 4 with the Securities and Exchange Commission by the second business day after the transaction. For greater certainty, Section 16 Reporting Persons are also Trade Restricted Insiders.
2. **Short Swing Profit:** Section 16 Reporting Persons also must comply with the reporting obligation and limitation on short-swing transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that Section 16 Reporting Persons who buy and sell or who sell and buy LP securities within a six-month period must disgorge all profits to the LP **whether or not** they knew of any Material Non-public Information.

The Corporate Secretary will advise you if you are a Trade Restricted Insider and are subject to Canadian and/or U.S reporting requirements and therefore required to report trades. In order to assist individuals with reporting requirements, immediately contact Brenda Hounsell and Cheryl Potorti ([corpsec\\_filingdesk@transcanada.com](mailto:corpsec_filingdesk@transcanada.com)) or the Corporate Secretary ([don\\_degrandis@transcanada.com](mailto:don_degrandis@transcanada.com)) to report the particulars of any transaction you make. From this information, an insider report, for signature in accordance with the Power of Attorney signed by each Trade Restricted Insider, will be prepared and filed with the applicable securities commissions on the System for Electronic Disclosure by Insiders (SEDI) in Canada or the Electronic Data Gathering Analysis and Retrieval System (EDGAR) in the United States.

**V. Liability**

Each individual who fails to comply with insider trading laws is exposed to civil liability, fines and/or imprisonment. Further, the reputation of the Company may be damaged, and it may be exposed to liability.

It should be noted that under U.S. securities laws, each individual who purchases or sells securities while in possession of Material Non-public Information may be exposed to fines, imprisonment, and other criminal penalties:

- i) civil penalties of up to three times the profit gained or loss avoided as a result of his or her trading while in possession of such information, as well as to
- ii) liability to market participants who traded the same class of securities "contemporaneously" with and on the opposite side of the market from the Insider trader; and
- iii) criminal fines up to \$1 million and imprisonment for up to 10 years.

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Moreover, the U.S. Securities and Exchange Commission (the "SEC") now has the power to impose civil fines, cease and desist administrative orders, and accounting and disgorgement orders for violations of U.S. securities laws. The SEC maintains a very active insider trading enforcement policy.

In addition, any person who violates this policy is subject to disciplinary action, including dismissal or termination for cause. The Company may also be entitled to pursue legal action against anyone who violates this policy. Where appropriate, the Company may report violations to appropriate government agencies, including the Alberta Securities Commission, the U.S. Securities and Exchange Commission and the U.S. Department of Justice.

**VI. Further Information**

Any questions concerning insider trading should be directed to the Vice-President and Corporate Secretary ([don\\_degrandis@transcanada.com](mailto:don_degrandis@transcanada.com)).

**REFERENCES AND LINKS**

- [Questions and Comments](#)
- [Code of Business Ethics Policy](#)
- [Communications Policy](#)
- [Public Disclosure Policy](#)

<p><b>Document Originator(s)</b></p> <p>Don DeGrandis, Vice-President and Corporate Secretary</p>	<p><b>Signature</b></p> <p>_____</p>
<p><b>Approval(s) for Issuance</b></p> <p>Don DeGrandis, Vice-President and Corporate Secretary, on behalf of the Board of Directors</p> <p>Chair, Corporate Performance Committee, Executive Vice-President and General Counsel, on behalf of the Committee</p>	<p><b>Signature</b></p> <p>_____</p> <p>_____</p>



## SCHEDULE "E" – FORM OF CHANGE ORDER

This schedule (Schedule "E") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

Change Orders may be used to make additions, changes or alterations to a Schedule, Scope of Work, or the Price.

---



### Change Order

To: [●legal name of Contractor]  
[●address]

Change Order No: [●]

Date: [●]

Agreement No.: 10387

Attention: [●Contractor's Representative]

Project: [●]

This Change Order is issued so as to [●list which document is being changed and set out in detail the change(s) being made].

Agreed:

(a) [●legal name of  
TransCanada  
entity]

[●legal name of Contractor]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

	ORIGINATOR	CHECKED BY	CLIENT	LEGAL	C. RISK	I. RISK	QUALITY
Initial							
Name							



### SCHEDULE "F" – FORM OF RELEASE ORDER

This schedule (Schedule "F") attaches to and forms part of Services Agreement No. 10387 between Company and Contractor.

Agreement Number:10387

## Release Order No. XXXXXX

Date:      Time:

Contractor: [● legal name of Contractor]  
Address  
Address

[● legal name of TransCanada entity]  
Address  
Address

Attention:

Contractor Number:  
Contact Name:  
Phone Number:  
Fax Number:

<p>ALL PERSONS PERFORMING WORK AT ANY TRANSCANADA FACILITY MUST COMPLETE A WEB BASED SAFETY ORIENTATION COURSE PRIOR TO ARRIVAL AT THAT LOCATION. THE WEB SITE FOR THE COURSE IS: <a href="http://tc-orientation.icomproductions.ca/">http://tc-orientation.icomproductions.ca/</a> UPON SUCCESSFULLY COMPLETING THE ORIENTATION COURSE, A CERTIFICATE OF COMPLETION SHOULD BE PRINTED FOR EACH INDIVIDUAL WHO WILL BE PERFORMING ON-SITE WORK. THE CERTIFICATE WILL THEN BE PRESENTED TO COMPANY'S REPRESENTATIVE UPON ARRIVAL AT THE TRANSCANADA WORK SITE.</p>	<p>Submit Invoice to: Legal name of TransCanada entity Accounts Payable Department Address Address A/P Contract: Email:</p>
<p>In order to expedite payment in a timely manner, we ask that all invoice lines refer to the Release Order number, the specific Release Order line, any applicable discounts, and item catalogue number.</p>	<p>The Release Order number must appear on all invoices, correspondence, packing slips, etc.</p>
<p>Wood Packaging Requirements: It is the Contractors responsibility to comply with International ISPM15/IPPC Wood Specifications and Regulations for all wood packaging materials, i.e., pallets, dunnage, crating, etc.</p>	

Buyer:  
Phone Number:  
Fax Number:  
Email:

Site Contact:  
Phone Number:  
Fax Number:  
Email:

Payment Terms: Net 30 Days

Additional Information:

Line No. Description	TransCanada Catalogue No.	Start Date	Completion Date	Amount
----------------------	---------------------------	------------	-----------------	--------

Account:

WO:

Total Amount:



## ERM Proposal to United States Department of State

**Presented to:**

**Genevieve Walker**  
*NEPA Coordinator*  
 U.S. State Department  
 2201 C Street, NW  
 OES / ENV Room 2657  
 Washington, DC 20520

WalkerG@state.gov

**Technical Proposal**  
**Keystone XL Oil Pipeline Project**  
**Supplemental Environmental Impact Statement**  
**Third-Party Contractor Services**  
**Request for Proposal No. 6152012**

June 28, 2012

Environmental Resources Management  
 1277 Treat Blvd., Suite 500  
 Walnut Creek, CA 94597  
 925 946 0455  
 925 946 9968 (fax)  
 www.erm.com

# Cover Page



## **ERM Proposal to United States Department of State**

### **United States Department of State**

*Bureau of Oceans and International  
Environmental and Scientific Affairs  
Washington, D.C. 20520*

Keystone XL Oil Pipeline Project  
Request for Proposal No. 6152012

Supplemental Environmental Impact Statement  
Third-Party Contractor Services

U.S. State Department  
2201 C Street, NW  
OES / ENV Room 2657  
Washington, DC 20520

Attn: Genevieve Walker  
NEPA Coordinator  
WalkerG@state.gov

## ATTACHMENT "A"

### PRICING

#### 1.0 Contract Price:

The Contract Price shall be the sum of reimbursable costs, costs resulting from the application of fixed mark-ups and costs resulting from third party nominees and disbursements, all as specified in Section 2.0 of this Attachment "A".

The Contract Price will not exceed [REDACTED] without prior approval by Change Order. The Contractor shall advise the Company:

- (a) at the point in time at which the Company accrued costs reach seventy-five percent (75%) of Maximum Price;
- (b) at the earliest possible date, of any potential to overrun Maximum Price.

Contract rates shall not be subject to escalation.

#### 2.0 Compensation:

Except as otherwise noted below, for Work performed under this agreement the Contractor shall be paid hourly rates which consist of reimbursable costs multiplied by fixed mark-ups, both as defined below.

Reimbursable costs: includes wages and premiums at actual cost paid by the Contractor for hours worked by personnel performing the Work. The wage rates used by the Contractor to charge TransCanada shall not exceed the maximums listed in Exhibit 1 of this Attachment "A" without the prior written approval of the Company.

Fixed mark-up: shall be applied to wages of the Contractor's personnel per Exhibit 1 of this Attachment "A" for the time they are directly engaged in performing Work. The fixed mark-up shall be comprised of:

- (a) Payroll burden, which includes the cost to the Contractor for all statutory holidays; vacation with pay; unemployment insurance; health, medical, and liability insurance; group life insurance; pension plan contribution or non-discretionary profit sharing plan; sick or other leave with pay; and all other employment taxes and contributions imposed by law or labor agreements.
- (b) General overhead, which includes the Contractor's cost of office space, property and business taxes, insurance, business license, interest on capital employed or on money borrowed for financing costs in connection with this agreement, office utilities (light, heat, gas, telephone), furniture, office equipment (excluding computers except as specified below), normal audits, stationery, drafting supplies, supervision, accounting staff and clerical support staff including all computers in support thereof, and other similar costs to the Contractor.
- (c) Fee, which shall be full and complete compensation to the Contractor for; corporate overhead; all royalty or license/"know how" fees, research and development costs, franchise costs, corporate income taxes, total profit related to work performed hereunder, and all other costs not covered elsewhere.

#### Description

#### Mark-up

Fixed Mark-up applied to salaries paid and billable to TransCanada:

[REDACTED]

**3.0 Other Costs:**

Overtime: Overtime, consistent with Contractor's normal policy for its personnel and agents, shall be incurred after \_\_\_\_\_ hours per \_\_\_\_\_. Premium for overtime paid to Contractor's personnel and agents reimbursable is \_\_\_\_\_ x (times) base hourly rate.

Expenses: The Contractor shall invoice TransCanada for expenses reasonably incurred in performing the Work.

Fixed Rates for Services: When performing Work, TransCanada shall pay the Contractor a fixed rate for services of \$ \_\_\_\_\_/billable person hour which includes\*:

- (a) Geographic Information Systems and associated devices;
- (b) Reprographics (including reports);
- (c) Field computers;
- (d) Drawing reproduction (all sizes);
- (e) Electronic media preparation;
- (f) Photographs and reproductions; and
- (g) Photocopies (color and black and white).

**\*Excludes subcontracted printing services for DSEIS and FSEIS production.**



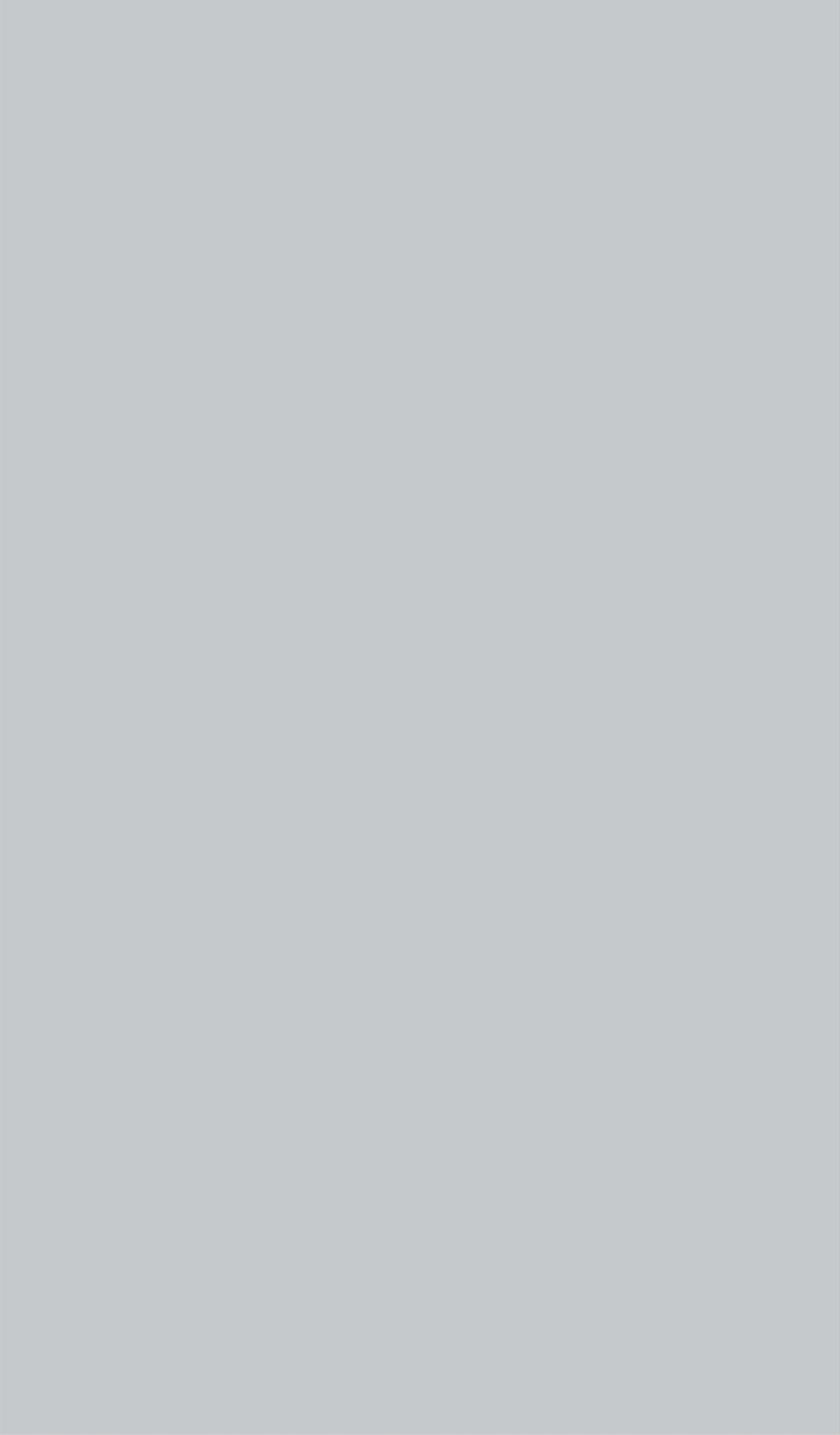
**ATTACHMENT "A" - EXHIBIT 1  
CONTRACTOR'S SALARY STRUCTURE**

Job Classification	Range – Straight Time Salaries		Over Time Eligible (Y/N)
	Minimum	Maximum	
Project Manager			
Project Principal			
Senior Project Manager			
Scientist 1			
Scientist 2			
Scientist 3			
Engineer 1			
Engineer 2			
Engineer 3			
Graphics Illustrator			
Technical Editor			
Data Management Specialist			
Clerk			
Technician			
Technologist			
Word Processing			
Field Supervisor			
Supervisor			

**Notes:**

**ATTACHMENT "A" - EXHIBIT 2**

**COST ESTIMATES – KEYSTONE XL PROJECT**



ERM has over 100 offices

Across the following  
countries worldwide

Argentina	Netherlands
Australia	Peru
Belgium	Poland
Brazil	Portugal
China	Puerto Rico
France	Singapore
Germany	Spain
Hong Kong	Sweden
Hungary	Taiwan
India	Thailand
Indonesia	UK
Ireland	USA
Italy	Venezuela
Japan	Vietnam
Korea	
Malaysia	
Mexico	



## United States Department of State

*Bureau of Oceans and International  
Environmental and Scientific Affairs  
Washington, D.C. 20520*

June 15, 2012

**Subject: Keystone XL Oil Pipeline Project – Request for Proposal No. 6152012  
For Department of State Supplemental Environmental Impact Statement Third-Party Contractor  
Services**

The U.S. Department of State (Department) is undertaking a search for a third-party contractor to provide services to the Department in conducting an environmental review of a Presidential Permit application received from TransCanada Keystone Pipeline, LP (TransCanada). The selected contractor would work under direct supervision and control of the Department pursuant to a contract between the contractor and TransCanada, consistent with the National Environmental Policy Act and its implementing regulations, and Department of State guidelines on the use of third-party contractors for environmental reviews. The proposed scope of work is attached as Appendix 1 to this letter.

Notwithstanding anything contained in this Request for Proposal (RFP) or in anything said or done during the course of dealing with this RFP, no contract shall be formed or be deemed to be formed between TransCanada or any of its affiliates and any Contractors or prospective Contractors (the "Participant(s)") arising out of or in respect of this RFP or any Proposal unless and until a specific Proposal is accepted by the Department and the final contractual documents are executed by both TransCanada or its affiliate and the Participant.

The Department reserves the right, in its discretion:

- to not choose any of the Participants;
- to waive any irregularities, omissions or errors in any Proposal;
- to accept a Proposal containing exceptions or alternatives;
- to accept any one or more of the Proposals; or
- to communicate or negotiate with one or more of the Participants, at any time after the Closing Time.

Proposals shall be submitted without any connection, comparison of figures or arrangement with or without knowledge of any other person or persons submitting a Proposal for the same work and shall be, in all respects, fair and without collusion or fraud.

### **Proposal Submission and Due Date:**

Proposals shall be submitted on or before **June 28, 2012, by 5:00 pm EST** ("Closing Time") to the address indicated below. Six (6) hard copies of the Proposal shall be submitted. Additionally, Proposals shall be submitted electronically, either on a CD-ROM, DVD, or via e-mail, on or before the RFP Closing Time.

Proposals should be marked "**Private and Confidential – NOT USG CLASSIFIED**" and submitted to:

### **Keystone XL Project – RFP No. 6152012 for the Department of State SEIS Third Party Contractor Services**

**U.S. State Department  
2201 C Street, NW  
OES / ENV Room 2657  
Washington, DC 20520**

**Attention: Genevieve Walker  
NEPA Coordinator**

**Email: [WalkerG@state.gov](mailto:WalkerG@state.gov)**

**Requests for Clarification:**

Any questions or clarification requests related to this RFP must be sent in writing, via e-mail, to the Department at the address indicated above.

**Acknowledgement of Receipt and Proposal Submission Confirmation:**

We ask that you please provide the following information, via e-mail, within three business days of receipt of this RFP to the e-mail address provided above:

- Acknowledgement of receipt of this RFP;
- Your intention to submit or not submit a Proposal; and
- Name, title, address, phone, and fax numbers of your single point of contact for this RFP, if different from the addressee above.

**Selection of Contractor:**

The selection of the Third-Party Contractor shall be made by the U.S. Department of State (Department).

**Request for Proposal Documents:**

This RFP includes the following documents:

1. Introduction to RFP
2. Appendix 1 RFP Instructions and Scope of Work
3. Attachment "A" Pricing
4. Attachment "B1" OCI Representation Statement
5. Attachment "B2" OCI Disclosure Statement
6. Attachment "C" OCI Ongoing Obligations Certification
7. Attachment "D" OCI Questionnaire
8. Attachment "E" Contractor CII Non-Disclosure Agreement
9. Attachment "F" Keystone XL Project Map

**APPENDIX 1**  
**RFP INSTRUCTIONS AND SCOPE OF WORK**

**U.S. Department of State**

**Keystone XL Project (“Keystone XL”)  
Supplemental Environmental Impact Statement Preparation**

Date: June 15, 2012

## **DISCLAIMER**

**THIS IS NOT A FEDERAL PROCUREMENT.  
NO APPROPRIATED FUNDS WILL BE USED FOR THIS CONTRACT.**

THE FOLLOWING REQUEST FOR PROPOSALS (RFP) IS INTENDED TO RESULT IN A PRIVATE CONTRACT BETWEEN TRANSCANADA KEYSTONE PIPELINE, LP (TRANSCANADA) AND A CONTRACTOR FOR THE CONTRACTOR TO PROVIDE SERVICES TO THE DEPARTMENT UNDER THE DEPARTMENT'S SUPERVISION AND DIRECTION.

QUESTIONS CONCERNING THIS SELECTION PROCESS SHOULD BE DIRECTED ONLY TO THE DEPARTMENT BY EMAIL. THE DEPARTMENT WILL PROVIDE INFORMATION SUPPLIED TO ANY INDIVIDUAL PARTICIPANT TO ALL PARTICIPANTS SUBMITTING A LETTER OF INTENT TO RESPOND TO THE RFP.

**TRANSCANADA SHOULD NOT BE CONTACTED AND WILL NOT RESPOND TO ANY QUESTIONS CONCERNING THE SELECTION PROCESS.**

ONCE SELECTED, THE TERMS OF THE CONTRACT WILL BE NEGOTIATED SEPARATELY BY TRANSCANADA AND THE CONTRACTOR.

## **HOLD HARMLESS**

The parties agree that the Department of State, TransCanada, and their respective employees are not liable for any costs or judgments arising from the conduct of this selection process, and administration or supervision of the contract for the services described herein.

## **1.0 BACKGROUND, OVERVIEW AND SCOPE OF WORK**

### **1.1 Background**

TransCanada Keystone Pipeline, LP (TransCanada) a subsidiary of, TransCanada Pipelines Limited, is developing a pipeline project to transport crude oil from the Western Canadian Sedimentary Basin (WCSB) and the Williston Basin in Montana and North Dakota, to a point located on the existing Keystone Pipeline system at Steele City, Nebraska, which will allow for the delivery of that production to existing refinery markets in the Texas Gulf Coast area. This project is known as the Keystone XL Project (hereinafter called the "Project" or "Keystone XL"). In the U.S., the Project involves the construction of a new crude oil pipeline and related facilities, including pumping stations, across Montana, South Dakota, and Nebraska. Pump stations and additional pumping capacity will also be added in Kansas along the Cushing Extension segment of the Keystone Pipeline. The Project is more specifically described in Section 1.2.

The Department of State (Department) is soliciting proposals for the preparation of a Supplemental Environmental Impact Statement (SEIS) and related documents and services for the proposed Project. The SEIS will supplement the Final Environmental Impact Statement (FEIS) issued by the Department on August 26, 2011 for the original Keystone XL Pipeline Project. The SEIS will be prepared under a third-party contractual agreement paid for by TransCanada and supervised and controlled by the Department, with TransCanada being the Applicant. The Department will act as the lead Federal agency for preparing the SEIS consistent with the National Environmental Policy Act (NEPA). The Department will be responsible for providing supervisory and technical direction to the Third-Party Contractor. A contract will be executed pursuant to third-party contracting procedures consistent with 40 CFR 1506.5(c) and the Department's Interim Guidance for the Use of Third Party Contractors in the Preparation of Environmental Documents (Interim Guidance).

The Department is soliciting proposals through this RFP for a Third-Party Contractor to provide the services described in sections 1.2 and 1.3. The technical and cost proposals will be reviewed and evaluated by the Department. The Department will make the final selection of the Third-Party Contractor, based on its review of the technical, cost, managerial, personnel, and Organizational Conflict of Interest (OCI) aspects of each proposal. Upon selection of the Third-Party Contractor by the Department, TransCanada will finalize a contract with and fund the successful contractor for the preparation of an SEIS and attendant activities.

Once a Third-Party Contractor is selected, the Department will supervise and direct the activities of the contractor in the consultation, review, preparation and processing of documents within the scope identified herein. TransCanada will not have control over, nor direct the activities of the contractor.

TransCanada submitted an application for a Presidential Permit for the original Keystone XL Pipeline Project on September 19, 2008. The Department reviewed that application and issued a FEIS on August 26, 2011. On January 18, 2012, a determination was made that the Project – as presented and analyzed at that time – did not serve the national interest. TransCanada submitted a new application for a Presidential Permit for the current Keystone XL Pipeline Project on May 4, 2012.

The Project as included in TransCanada's current application follows the route from the Canadian border across Montana and South Dakota that was studied in the FEIS. TransCanada has incorporated by reference the FEIS prepared by the Department for the original proposed Keystone XL Project. The FEIS was developed by the Department over the course of three years with input from the public and the participation of numerous affected agencies.

On April 17, 2012, the Governor of Nebraska signed into law a statute authorizing the Nebraska Department of Environmental Quality (NDEQ) to review alternative routing in that State, including collaboration with a Federal agency. TransCanada submitted an initial alternative routing report to the NDEQ on April 18, 2012. TransCanada expects the Nebraska alternative route selection process to be complete later this year. TransCanada will supplement its application to the Department with the revised routing in Nebraska as soon the Nebraska alternative route selection process is complete. TransCanada will provide any information necessary to update the FEIS during the course of the Nebraska alternative route review. Although there will be a new route through a portion of Nebraska that avoids the Sandhills region, the remainder of the Nebraska route will utilize the routing already studied.



## 1.2 The Project

As noted, the proposed Project is an international project designed to transport Canadian oil from the WCSB, and domestic U.S. crude oil production from the Williston Basin in Montana and North Dakota, to refinery markets in the Gulf Coast region. Specifically, TransCanada proposes to construct and operate a crude oil pipeline and related facilities from an oil supply hub near Hardisty, Alberta, Canada to the northernmost point of the existing Keystone Pipeline Cushing Extension at Steele City, Nebraska, which will provide access to existing refinery markets in the Texas Gulf Coast area.

Subject to the requirements and descriptions, set forth in this RFP, the selected Third-Party Contractor will work under the direction of the Department to perform the following tasks:

- Review and comment on the adequacy of data contained in the FEIS for the Keystone XL Project dated August 26, 2011 insofar as relevant to the new Keystone XL Steele City Application. Request additional data where needed for the development of an environmental document consistent with NEPA and NHPA. This review may include, but not be limited to, the following items:
  - maps and alignment sheets;
  - work consistent with the Endangered Species Act, including field surveys, determination of potentially impacted species, and consultations with the U.S. Fish and Wildlife Service;
  - work consistent with the National Historic Preservation Act, including field surveys, consultations, and review of the previously prepared Programmatic Agreement;
  - work required to comply with BLM requirements for Minerals Leasing Act and Federal Land Policy Management Act;
  - work required to comply with the Montana Major Facilities Siting Act (MFSA); and
  - work (including field surveys) required to delineate waters of the U.S. and wetlands that will be subject to Federal permitting requirements.
- Identify data or analysis that may need to be updated because of significant new circumstances or information relevant to environmental concerns bearing on the proposed action or its impacts.
- Identify data needs not included in the Final EIS relevant to a new route or new regulations, studies, or other circumstances not available for consideration in the FEIS. Work with the Department to identify most advantageous way of obtaining data.
- Review and comment on field surveys conducted by TransCanada’s environmental consultant and NDEQ’s environmental consultant in Nebraska, to include:
  - review information that will be the basis of the new environmental document; and
  - recommendation of alternatives, as appropriate, to avoid or minimize major environmental/cultural concerns.
- Verify, supplement as appropriate, update, and maintain mailing lists.
- Coordinate with the Department and if necessary host and maintain the Department’s Project website.
- Create a web-based administrative record inventory and create, house, and store the administrative record on the Keystone XL application.
- Finalize and assist the Department in issuing Notices in print, by mail, and in media releases.
- Coordinate and attend meetings and site visits, as required by the Department and other regulatory agencies.
- Work with the Department to identify and summarize concerns of affected/adjacent landowners, landowner organizations, environmental groups, other interested stakeholders, and Federal, State, and local agencies.
- Communicate with and assess information from those concerned parties and advise the Department regarding the collection of additional data, suggested alternative routes, and/or mitigation to respond to these concerns.
- Coordinate and assist (as necessary) with any new Section 7 Endangered Species Act consultations.
- Coordinate and assist in Section 106 National Historic Preservation Act consultations (including drafting of a new Programmatic Agreement if required), and any other consultations consistent with relevant laws.

- Prepare and submit a Preliminary Draft SEIS consistent with NEPA and NHPA and other relevant laws to the Department for review and comment.
- Incorporate comments from the Department into the Preliminary Draft SEIS.
- Prepare and submit a Draft SEIS to the Department. Prepare, print and mail public and Agency copies including copies to identified libraries and other stakeholders (assume 250 copies).
- Coordinate, as needed, public comment on draft SEIS, including drafting a notice of availability of environmental documents, and helping the Department arrange public comment meetings, as appropriate.
- Assist the Department in preparing any responses to public and agency comments on the SEIS to include creating web-based tracking of all comments.
- Prepare, print, and submit a revised Final SEIS to the Department. Prepare, print, and mail public and Agency copies (assume 250 copies).
- Draft the notice of Public Availability of the Final SEIS and assist the Department in issuing that notice to include mailings and media releases.
- If required, assist the Department in preparing certain sections of a Record of Decision (ROD).

### 1.3 Scope of Work

The selected third-party contractor will be responsible for working with the Department and the various stakeholders. Under the Department's direction, and consistent with the Department's Interim Guidance the Third-Party Contractor may coordinate with TransCanada as necessary. The selected Third-Party Contractor will keep the Department apprised of issues as they arise, and when the Department determines it is appropriate, participate in meetings to identify and help resolve issues.

The Third-Party Contractor will also be responsible for assisting the Department in conducting the NEPA review, preparing the SEIS, and completing related work within an agreed-upon schedule and approved budget. It will be the contractor's responsibility to notify the Department and TransCanada if the work effort required by the Department exceeds the work effort on which the bid was based, or the approved budget.

The Third-Party Contractor will be responsible for providing the following services:

- 1.3.1 Preparation, printing and reproduction of all project-related documents, reports, and notices required by the Department. In addition to paper copies, all materials must be provided to the Department in electronic form in Microsoft Word and Acrobat PDF format. TransCanada will provide any required databases (such as mailing lists). A camera-ready SEIS will be provided as PDF files in addition to hard copy. Note that all printing and mass mailings will be completed by the contractor.
- 1.3.2 The Third-Party Contractor may be responsible for preparing draft notices and presentation materials for public meetings and for reviewing and finalizing these materials with the Department for their issuance and use. The selected Third-Party Contractor will also set-up and coordinate (as required) public meetings, including arrangement for and payment of a court stenographer. This task will require close coordination with the Department. Required work will include arranging for meeting places, placing notices or announcements in the appropriate news media (local newspapers, radio stations, etc.), making mailings to stakeholders to include each landowner. The selected contractor will prepare a summary of scoping comments/issues for subsequent agency review and concurrence, as well as summarizing written public comments received during the scoping process. The comments will be posted on the agency's web-site.
- 1.3.3 Maintenance of a computerized (sortable database) mailing list of all interested agencies, officials, members of Congress, community/environmental groups, concerned citizens, affected property owners, and other interested parties. TransCanada will provide the contractor with an initial mailing list, as well as providing updates throughout the NEPA process.
- 1.3.4 Set up and maintain on a daily basis a computerized, web-based administrative record similar to an Electronic Docket system.
- 1.3.5 Set-up and maintain an internet website with the capability to accept public comments, and post public information regarding the Project.

- 1.3.6 Characterization of existing environmental conditions, incorporation of issues identified during scoping, assessment of potential environmental effects and significance associated with implementation of the Keystone XL Project, identification of potential route location alternatives (both locally and regionally), and determination of necessary mitigation to avoid and/or reduce impacts to acceptable levels for the environmental topics listed below. Studies shall take into account both direct and indirect effects of Project facilities construction, operation and maintenance, upset conditions, and abandonment. Information contained in the application, the subsequent field surveys, the FEIS, and other already available technical data shall be used to the maximum extent practicable. Use of any data not in the public record for the Project must be approved by the Department.
- 1.3.7 Preparation of the SEIS consistent with NEPA; the National Historic Preservation Act; Endangered Species Act; other applicable laws and regulations; any additional requirements of the Department; address comments and issues raised during the scoping and/or public meeting processes.
- 1.3.8 TransCanada will be responsible for developing the maps requested by the Department or the Third-Party Contractor. Map scale will range from 1:24,000 to 1:3,600 depending on the complexity/sensitivity of the resources potentially affected and Project specifics.
- 1.3.9 Maintain ongoing review of potential environmental issues and assessment of adequacy of overall scope of the environmental analysis. The Department shall be advised immediately of any potential data gaps or analysis shortcomings.
- 1.3.10 May arrange with TransCanada to participate in site inspections with the Department.
- 1.3.11 Prepare camera-ready copies of the SEIS and any required notices for submission to the Department and arrange for printing and mailing. For purposes of proposal preparation, assume that the contractor will print and distribute a minimum of 250 copies of the SEIS to cooperating and consulting agencies and other interested stakeholders. (The actual number of preliminary documents required will be determined based on consideration of cooperating agencies' needs). Please note that mailing to Federal agencies must be carried out by Federal Express or equivalent service to avoid irradiation of regular Department mail. CDs or hardcopies of the SEIS may be distributed to appropriate members of Congress.
- 1.3.12 Develop and maintain a formal project management system to allow for weekly tracking of schedule and budget status for the prime contractor and any subcontractor
- 1.3.13 Regular consultation with the Department including travel to Washington, DC to meet as required. Potential consultation with Nebraska DEQ and its contractor. Potential travel to Nebraska, Montana, and South Dakota, as necessary.
- 1.3.14 Adherence to the schedule is essential. The Department will determine, as appropriate, a specific project schedule with the selected Third-Party Contractor.

## **2.0 PROPOSAL REQUIREMENTS AND PROCESS**

### **2.1 Prospective Contractors' Teleconference**

A Prospective Contractors' Teleconference will be held by the Department on June 18, 2012. At the conference, questions will be answered by Department representatives. The purpose of this teleconference will be to:

- answer contractors' questions about the RFP;
- discuss any other information to be used in the submission of a proposal;
- discuss software that was used by TransCanada's environmental consultant and engineering consultant in the development of documents; and
- discuss access to the Presidential Permit application, FEIS, maps, and other Project information.

All prospective Third-Party Contractors are strongly encouraged to participate in this teleconference. A list of participants is required in advance from each prospective Third-Party Contractor. The Department reserves the right to restrict participation in the teleconference. A call-in number will be provided to those contractors who confirm their intent to submit a Proposal as indicated in the RFP Letter.

## 2.2 Proposal Requirements

Contractors must provide six (6) hard copies of the technical proposal and cost estimate. In addition, Proposals shall be submitted electronically, either via e-mail or CD-ROM or DVD. Cost estimates must be submitted in separate sealed envelopes labeled "Cost Estimate." All materials should be concise, well organized, and contain the following information in the order presented below:

### 2.2.1 Price Schedule

Contractor shall provide a time and materials estimate. Provide a subtotal for each item listed in the Scope of Work set forth at Section 1.3 of this RFP. A table to complete is provided in Attachment "A" – Pricing. Any limiting cost assumptions used to prepare the cost estimate should be clearly specified in the proposal by each task.

TransCanada anticipates signing a "time and materials" contract. All work and any other costs applicable to the scope of work defined above shall be submitted as a time and materials, cost not to exceed without prior authorization, estimate, with an attached cost breakdown. TransCanada understands that there may be out-of-scope requirements for the completion of this Project.

Also include a labor rate schedule that will apply to the Project and for any work to complete the scope of work stated in this RFP, as well as any out-of-scope work.

Assume that Department, will provide the successful contractor with copies of all relevant environmental information filed with the Department including the Presidential Permit application.

### 2.2.2 Introduction

Explain the contractor's understanding of the Project and a summary of the contractor's qualifications for this Project in one or two pages. Because the Project is a crude oil pipeline located in multiple states, qualifications for assessing the environmental impacts of this type of pipeline in this region of the country should be highlighted.

### 2.2.3 Technical Approach

Present both an overall technical approach for the preparation of the SEIS and the approach proposed for individual technical areas and tasks. Include any recommendations to improve the scope (including rationale) and reflect those recommendations in the cost estimate.

### 2.2.4 Project Organization and Management Approach

Describe your proposed project organization, with an organization chart including positions, responsibilities and reporting relationships. The senior specialist and/or subcontractor(s) with responsibility for each resource area must be identified and their location specified. These key personnel shall not be reassigned within the Project or to other projects without prior written approval from the Department.

Describe the proposed management scheme for the Project, with a discussion of where the work will be done and where each key person and subcontractor presently resides. Provide the proposed mechanisms for communication, reporting, technical direction and control, cost control, schedule control, quality control, quality assurance and control of subcontractors.

### 2.2.5 Qualifications and Experience

Describe qualifications and prior experience in completing similar NEPA compliance projects, particularly interstate crude oil or liquids pipeline construction projects. Large-scale natural gas pipeline project experience may

also be considered. Discuss experience with pipeline construction projects, particularly in the Midwestern United States.

Statements of qualifications and prior experience should be provided not only for the contractor but also for the key personnel and any subcontractors that will be assigned to the Project, along with their specific experience with crude oil pipeline or other pipeline projects.

The past, current, and proposed use of small and small disadvantaged owned business enterprises by the Contractor should be described.

#### 2.2.6 Project Schedule

It is important that the contractor demonstrate that ample resources exist to meet the demands of the Project. If the contractor has multiple EIS obligations underway concurrently, it must clearly show separate resources or provide convincing evidence that it can meet the schedule.

#### 2.2.7 References

List and describe three successfully completed or in-process projects of a similar nature with the name and phone number of your client's project manager. Additionally, list three client references specifically for your proposed project manager.

#### 2.2.8 Conflicts of Interest and Critical Infrastructure Non-Disclosure Agreements

Identify all possible conflicts of interest that may require investigation by the Department. Include a discussion of all work completed by the contractor for similar work on other projects within the last three years. Pursuant to 40 CFR 1506.5(c), contractor selection is based on ability and absence of conflict of interest. All proposals must include:

- Either: (a) the attached Organizational Conflict of Interest (OCI) representation Statement, or (b) the attached OCI Disclosure Statement, prepared by a responsible official attesting the Contractor and its subcontractor(s) have no financial or other conflicting interest in the outcome of the Project, or proposing a mitigation plan if an actual or potential OCI exists (see Attachment "B").
- The attached OCI Questionnaire (see Attachment "D").
- A contractor's Critical Infrastructure Non-Disclosure Agreement (see Attachment "E").

#### 2.2.9 Resumes

Resumes for key personnel are encouraged and may be submitted as an attachment to the proposal or as a separate volume. All resumes should be limited to two pages and must include the institution and date of graduation for all academic degrees as well as a summary of relevant work experience and the date of performance.

#### 2.3 Maps

Consult the maps presented in the August 26, 2011 FEIS for the Steele City Segment of the prior Keystone XL Project as well as the Nebraska Alternative Routing Report submitted by TransCanada to the Nebraska DEQ (see Attachment F).

#### 2.4 Contract

The Department will not answer specific contract issues, but will facilitate communication with TransCanada to answer any questions on contract issues.

## 2.5 Proposal Submission

Proposals shall be submitted on or before **June 28, 2012, at 5:00 pm EST** ("Closing Time") to the address indicated below. **Six hard copies** of the Proposal shall be submitted. Additionally, Proposals shall also be submitted **electronically**, either on a CD-ROM or via e-mail, on or before the Closing Time.

Proposals should be marked "**Private and Confidential – NOT USG CLASSIFIED**" and submitted to:

### **Keystone XL Project – RFP No. 6152012 for Department SEIS Third Party Contractor Services**

**U.S. State Department  
2201 C Street, NW  
OES / ENV Room 2657  
Washington, DC 20520**

**Attention: Genevieve Walker  
NEPA Coordinator**

**Email: [WalkerG@state.gov](mailto:WalkerG@state.gov)**

## 3. SELECTION CRITERIA

Only those Proposals received from prospective contractors prior to the deadline will be evaluated. The Proposals will be reviewed by the Department. The Department will make the final selection of the contractor. Lack of an OCI Statement, or the existence of an identifiable OCI (relative to the Contractor, its key personnel, or any proposed subcontractor) that cannot be mitigated to the satisfaction of the Department, will be sufficient grounds for Proposal rejection. The Department will be responsible for answering any questions from unsuccessful Participants.

Criteria for screening will be based on a qualification appraisal of all Proposals submitted consistent with the Department's Interim Guidance.

### 3.1 Qualifications Appraisal

Technical Approach (*40 percent*)

The Proposal must show:

- technical expertise
- familiarity with environmental regulations and procedures for satisfying NEPA and related requirements;
- ability to prepare quality NEPA documentation for crude oil pipeline construction projects;
- familiarity with how to proceed in the environmental evaluation of the proposed Project, understanding of the available data, identification of possible issues, and a description of any needed supplemental analyses;
- ability to prepare a complete Work Plan that thoroughly addresses the various parts of the RFP, recognizes any pitfalls or shortcomings, and presents innovative approaches for the tasks presented; and
- that the contractor's proposed technical and procedural approach to the preparation of the identified tasks will result in compliance with NEPA and other environmental documentation requirements.

### Organization Qualifications and Experience (20 percent)

The Proposal must show:

- experience in managing major NEPA reviews for large projects; preferably the same or similar types of construction projects;
- past record of the contractor's organization in meeting performance and delivery requirements for similar contracts;
- resources and facilities available to the organization to fulfill contract requirements, including those of any subcontractor(s) proposed for use;
- familiarity with the specialized issues and requirements of large diameter pipeline construction; and
- experience in working with multiple Federal and State agencies on large construction projects, particularly in the Midwestern United States.

### Project Management and Personnel (20 percent)

The Proposal must show:

- adequacy of contractor's approach for Department interface, and for planning and scheduling task activities as presented in the RFP;
- ability to assign and commit key personnel to the Project, and use of appropriate personnel to accomplish specific tasks;
- ability to satisfy logistical requirements such as materials, transportation, office location(s), document production, computer services and so forth to ensure an effectively managed program;
- experience, education, and location of the Project Manager;
- experience, education, and location of the Deputy Project Manager;
- experience of the Project Manager and Deputy Project Manager in working with multiple Federal and State agencies on large construction projects, particularly in the Midwestern United States and Gulf Coast states;
- experience, education, and location of various key environmental specialists, and any subcontractors proposed for use;
- qualifications and experience of the administrative support personnel; and
- that all conflict of interest requirements, including with respect to the disclosure of information, have been met and that no disqualifying conflicts are present.

### Schedule and Work Plan (20 percent)

The Proposal must show:

- demonstrated ability to meet schedule requirements using staff and resources separate from (or not conflicting with) other EIS efforts underway or scheduled for the same time frame;
- presentation of a detailed Schedule and Work Plan to perform the tasks as presented in the RFP; and
- adequate support for any schedule changes.

## 3.2 Oral Presentation

Following review of the Proposals, the Department may request oral presentations from the short-listed Participants. At a minimum, the Project Manager, Deputy Project Manager, and other key technical staff identified in the Proposal's organization chart will be required to present their team's capabilities to the Department. Participants will be notified of the time and place of the presentation and will be provided with further details regarding the presentation. The interviews will take place on July 5, 2012, in Washington, DC.

### 3.3 Selection of the Third-Party Contractor

Upon completion of the oral presentation (if required), the Department will then conduct a review of the Proposals and make a selection. Once the Department has notified TransCanada of its selection, TransCanada will negotiate and fund a contract with the contractor. TransCanada will keep the Department apprised of the negotiations with the contractor and the Department will have the ability to review the contract to ensure it is consistent with the Department's practice regarding use of third-party contractors. Once the contract has been executed, the contractor shall proceed to work solely under the direction and guidance of the Department. The Department shall furnish guidance and participate in the preparation and shall independently evaluate the SEIS prior to its approval and take responsibility for its scope and contents.



## ATTACHMENT "A"

### PRICING

#### 1.0 Contract Price:

The Contract Price shall be the sum of reimbursable costs, costs resulting from the application of fixed mark-ups and costs resulting from third party nominees and disbursements, all as specified in Section 2.0 of this Attachment "A".

The Contract Price will not exceed \_\_\_\_\_ Dollars (\$\_\_\_\_\_) ("Maximum Price") without prior approval by Change Order. The Contractor shall advise the Company:

- (a) at the point in time at which the Company accrued costs reach seventy-five percent (75%) of Maximum Price;
- (b) at the earliest possible date, of any potential to overrun Maximum Price.

Contract rates shall not be subject to escalation.

#### 2.0 Compensation:

Except as otherwise noted below, for Work performed under this agreement the Contractor shall be paid hourly rates which consist of reimbursable costs multiplied by fixed mark-ups, both as defined below.

Reimbursable costs: includes wages and premiums at actual cost paid by the Contractor for hours worked by personnel performing the Work. The wage rates used by the Contractor to charge TransCanada shall not exceed the maximums listed in Exhibit 1 of this Attachment "A" without the prior written approval of the Company.

Fixed mark-up: shall be applied to wages of the Contractor's personnel per Exhibit 1 of this Attachment "A" for the time they are directly engaged in performing Work. The fixed mark-up shall be comprised of:

- (a) Payroll burden, which includes the cost to the Contractor for all statutory holidays; vacation with pay; unemployment insurance; health, medical, and liability insurance; group life insurance; pension plan contribution or non-discretionary profit sharing plan; sick or other leave with pay; and all other employment taxes and contributions imposed by law or labor agreements.
- (b) General overhead, which includes the Contractor's cost of office space, property and business taxes, insurance, business license, interest on capital employed or on money borrowed for financing costs in connection with this agreement, office utilities (light, heat, gas, telephone), furniture, office equipment (excluding computers except as specified below), normal audits, stationery, drafting supplies, supervision, accounting staff and clerical support staff including all computers in support thereof, and other similar costs to the Contractor.
- (c) Fee, which shall be full and complete compensation to the Contractor for; corporate overhead; all royalty or license/"know how" fees, research and development costs, franchise costs, corporate income taxes, total profit related to work performed hereunder, and all other costs not covered elsewhere.

#### Description

#### Mark-up

Fixed Mark-up applied to salaries paid and billable to TransCanada:

\_\_\_\_\_

**3.0 Other Costs:**

Overtime: Overtime, consistent with Contractor's normal policy for its personnel and agents, shall be incurred after \_\_\_\_\_ hours per \_\_\_\_\_. Premium for overtime paid to Contractor's personnel and agents reimbursable is \_\_\_\_\_ x (times) base hourly rate.

Expenses: The Contractor shall invoice TransCanada for expenses reasonably incurred in performing the Work.

Fixed Rates for Services: When performing Work, TransCanada shall pay the Contractor a fixed rate for services of \$\_\_\_\_\_/billable person hour which includes:

- (a) Geographic Information Systems and associated devices;
- (b) Reprographics (including reports);
- (c) Field computers;
- (d) Drawing reproduction (all sizes);
- (e) Electronic media preparation;
- (f) Photographs and reproductions; and
- (g) Photocopies (color and black and white).



**ATTACHMENT "A" - EXHIBIT 2**

**COST ESTIMATES – KEYSTONE XL PROJECT**

For the following table, please provide details of the number of man-hours required by discipline for each task. You may require extra rows to undertake the analysis.

<b>Task</b>	<b>No. of Man Hours</b>	<b>Contractor Estimate (\$)</b>	<b>Subcontractor Estimate (\$)</b>	<b>Expenses (\$)</b>	<b>Total Estimate (\$)</b>
1.4.1 Preparation of Project related documents					
1.4.2 Prepare draft notices and presentation materials					
1.4.3 Maintenance of computerized mailing list					
1.4.4 Maintain computerized, web-based administrative record					
1.4.5 Set-up and maintain public comment website					
1.4.6 Prepare Data Request					
1.4.7 Review TransCanada's Environmental Report					
1.4.8 Review Nebraska Reroute selection received from Governor					
1.4.8 Preparation of SEIS					
1.4.9 Preparation of Record of Decision					
<b>TOTAL COSTS</b>					

**Assumptions:**

**ATTACHMENT "B1"**

**OCI REPRESENTATION STATEMENT**

Name of Person or Organization: \_\_\_\_\_

I hereby certify (or as a representative of my organization, I hereby certify) that, to the best of my knowledge and belief, no facts exist relevant to any past, present or currently planned interest or activity (financial, contractual, personal, organizational or otherwise) that relate to the proposed work; and bear on whether I have (or the organization has) a possible conflict of interest with respect to (1) being able to render impartial, technically sound, and objective assistance or advice; or (2) being given an unfair competitive advantage. I provide a detailed description of the internal processes undertaken to conduct our internal OCI review in the attached page(s).

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT "B2"**

**OCI DISCLOSURE STATEMENT**

I hereby certify (or as a representative of my organization, I hereby certify) that, to the best of my knowledge and belief, all relevant facts – concerning past, present or currently planned interests or activities (financial, contractual, organizational or otherwise) that relate to the proposed work and bear on whether I have (or the organization has) a possible conflict of interest with respect to (1) being able to render impartial, technically sound, and objective assistance or advice, or (2) being given an unfair competitive advantage are fully disclosed on the attached \_\_\_\_ page(s). I also provide a detailed description of the internal processes undertaken to conduct our internal OCI review in the attached pages.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Organization: \_\_\_\_\_

\* Additional Guidance for the Preparation of OCI Disclosure:

For ease of presentation, the OCI information is divided into four parts, indicating whether the possible OCI is: organizational, contractual, financial, or other.

- List the company, agency, organization in which I (or my organization) have a past, present, or currently planned interest or activity (financial, contractual, organizational, or otherwise).
  - Provide a brief description of the relationship according to the guidelines set forth in Section II and III, as applicable. Be sure to include:
    - The period of the relationship;
    - the extent of the relationship (such as value of financial interest of work; percent of total holdings, total work, etc.); and
    - a mitigation plan, as necessary.

**ATTACHMENT "C"**

**OCI ONGOING OBLIGATIONS CERTIFICATION**

I recognize that OCI is an ongoing obligation. Should I or my organization become aware of any actual or potential OCIs during performance of this contract, I or my organization will advise the Department of State and (Contractor/Applicant Name) and propose mitigation or explain why none is needed. I provide a description of internal controls for ensuring OCI does not arise during the Project on the attached page(s).

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

Organization:

**ATTACHMENT "D"**  
**OCI QUESTIONNAIRE**

Name of Person or Organization: \_\_\_\_\_

1. Will you (or your organization) be involved in the performance of any portion of the proposed work?  
 No.  
 Yes. The portion of the proposed work; the proposed hours and dollar value; and the type of involvement are fully disclosed on the attached pages.
  
2. What is (are) the major type(s) of business conducted by you (or your organization)? Please reply on the attached pages.
  
3. Do you (or your organization) have any affiliates?<sup>1</sup> All questions in this questionnaire apply to affiliates as well. Whenever possible, each affiliate should submit a separate questionnaire (for instance, to avoid completing a large number of questionnaires), this questionnaire must incorporate information regarding all affiliates.  
 No.  
 Yes. The name and a description of the major type(s) of business that each affiliate conducts are disclosed on the attached pages.
  
4. Will any of the following be involved in performing the proposed work: (a) any entities owned or represented by you (or your organization); (b) your organization's Chief Executive or any of its directors; or (c) any affiliates?<sup>1</sup>  
 No.  
 Yes. A full disclosure and discussion is given in the attached pages.

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<sup>1</sup>The term "affiliates" means business concerns which are affiliates of each other when either directly or indirectly one concern or individual controls or has the power to control another, or when a third party controls or has the power to control both.



5. Are you (or your organization) an energy concern?<sup>2</sup>

- No.
- Yes. A full disclosure and discussion is given on the attached pages.

6. Within the past three years, have you (or your organization) have a direct or indirect relationship (financial, organizational, contractual or otherwise) with any business entity that could be affected in any way by the proposed work?

- No.
- Yes. List the business entity(ies) showing the nature of your relationship (including the dates of the relationship) and how it would be affected by the proposed work under this solicitation.

7. What percentage of your total income for the current and preceding fiscal years resulted from arrangements with any of the entities identified in Question 6 above?

\_\_\_% For the current fiscal year -- from \_\_\_\_\_ to \_\_\_\_\_.  
\_\_\_% For the preceding fiscal year -- from \_\_\_\_\_ to \_\_\_\_\_.  
\_\_\_% For the second preceding fiscal year -- from \_\_\_\_\_ to \_\_\_\_\_.

8. Do you (or your organization) currently have or have you had during the last 6 years any arrangements (for example, contracts and cooperative agreements) awarded, administered, or funded -- wholly or partly -- by the Department of State or any other Federal agency which relate to the proposed Statement of Work?

- No.
- Yes. A full disclosure and discussion is given on the attached pages.

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<sup>2</sup> The term "energy concern" includes:

- i. Any person significantly engaged in the business of developing, extracting, producing, refining, transporting by pipeline, converting into synthetic fuel, distributing, or selling minerals for use as an energy source, or in the generation or transmission of energy from such minerals or from wastes or renewable resources;
- ii. Any person holding an interest in property from which coal, natural gas, crude oil, nuclear material or a renewable resource is commercially produced or obtained;
- iii. Any person significantly engaged in the business of producing, generating, transmitting, distributing, or selling electric power;
- iv. Any person significantly engaged in development, production, processing, sale or distribution of nuclear materials, facilities or technology; and
- v. Any person --

(1) significantly engaged in the business of conducting research, development, or demonstration related to an activity described in paragraphs (i) through (v); or

(2) significantly engaged in conducting such research, development, or demonstration with financial assistance under any Act the functions of which are vested in or delegated or transferred to the Chair of the Commission.

9. Do you (or your organization) have or have you ever had any contracts, agreements, special clauses, or other arrangements which prohibit you (or your organization) from proposing work to be performed in this solicitation or any portion thereof?
- No.  
 Yes. A full disclosure and discussion is given on the attached pages.
10. Do you (or your organization) have any involvement with or interest (direct or indirect) in technologies which are or may be subjects of the contract, or which may be substitutable for such technologies?
- No.  
 Yes. A full disclosure and discussion is given on the attached pages.
11. Could you (or your organization) in either your private or Federal Government business pursuits use information acquired in the performance of the proposed work; such as:
- (a) Data generated under the contract?  
(b) Information concerning Department plans and programs?  
(c) Confidential and proprietary data of others?
- No.  
 Yes. A full disclosure and discussion is given on the attached pages.
12. Under the proposed work, will you (or your organization) evaluate or inspect your own services or products, or the services or products of any other entity that has a relationship (such as client, organizational, financial, or other) with you (or your organization)? This could include evaluating or inspecting a competitor's goods and services.
- No.  
 Yes. A full disclosure and discussion is given on the attached pages.
13. To avoid what you perceive as a possible organizational conflict of interest, do you (or your organization) propose to: exclude portions of the proposed work; employ special clauses; or take other measures?
- No.  
 Yes. A full discussion is given on the attached pages.  
 No possibility of an organizational conflict of interest is perceived. This answer is briefly justified on the attached pages.

I hereby certify that I have authority to represent my organization, if applicable, and that the facts and representations presented on the pages of this questionnaire and on the \_\_\_\_ pages of the attachment(s) to it and my OCI Disclosure Certification are accurate and complete.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT "E"**

**CONTRACTOR CII NON-DISCLOSURE AGREEMENT**

On behalf of [contractor name], I certify that [contractor name] will abide by the following terms with respect to critical infrastructure information (CII) that the company has access to because of its work for the Department of State.

- Only authorized company employees with a need for the information will be given access to CII [contractor name] will maintain a list of each employee who is given access to CII, including a listing of each project for which the employee has been given CII.
- [Contractor name] will not provide CII to or discuss CII with anyone outside the company, except that CII may be discussed with the Department and other agencies as directed by the Department, the project's owner, operator, or applicant.
- Any copies made of CII will be marked as CII and treated as CII.
- CII will be used only in performance of [contractor name]'s work for the Department of State. When [contractor name] has completed work on the Project, all CII will be returned to the Department of State.
- I acknowledge that a violation of this agreement may result in negative consequences and could alter [contractor name]'s ability to contract with the Department of State in the future.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Representing: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT "F"**

**KEYSTONE XL PROJECT MAP**

In lieu of attachment, please refer to the Nebraska Department of Environmental Quality Keystone XL website for the proposed route in Nebraska:

<https://ecmp.nebraska.gov/deq-seis/DisplayDoc.aspx?DocID=%2bypHG0ZT056WXqpS8fgl5w%3d%3d>