



**UPDATE REPORT
MHSS FUEL STATION**

July 10, 2014

An RFP was released and a site visit was conducted in May, 12 contractors attended

The RFP closed on June 5, 2014

A Business Plan is in development and is largely dependent on the response received from the RFP and redesign estimates

Funding for the initial planning, business plan and design plans has been provided through AANDC and West Coast Aquatic

A Statement of Intent was submitted to AANDC for funding for this project

Other sources of funding will be pursued

A proposal was received in response to the RFP, unfortunately the design and construction cost estimates are very high and further work needs to be done on design to reduce the capital cost

The company that submitted the plan is looking at ways to streamline and reduce costs. Another engineering firm, with experience in design of remote fuel station in First Nation communities is working on a redesign and will be doing a site visit on July 31st.

MHSS GM is discussing fuel supply agreements with Cermaq and Clayoquot Wilderness Resort. By establishing a higher volume of fuel demand we are able to negotiate better fuel purchase rates and increase revenue estimates to improve the overall financials for the project to support the capital investment cost.

With funding assistance from West Coast Aquatic MHSS has engaged Brian Payer to assist in the Business Plan and with negotiating fuel supply and transportation agreements.

A business plan will be completed once we have a better estimate of volume demand and construction costs.

The business plan will establish the timelines for completion of each stage of the project.

Once the business plan is complete the Plan will be presented by MHSS to Chief and Council and the Community.