The Fundamentals...
Independent Project Reviews (IPR)

September, 2010

Boundless Energy

nalcor
energy
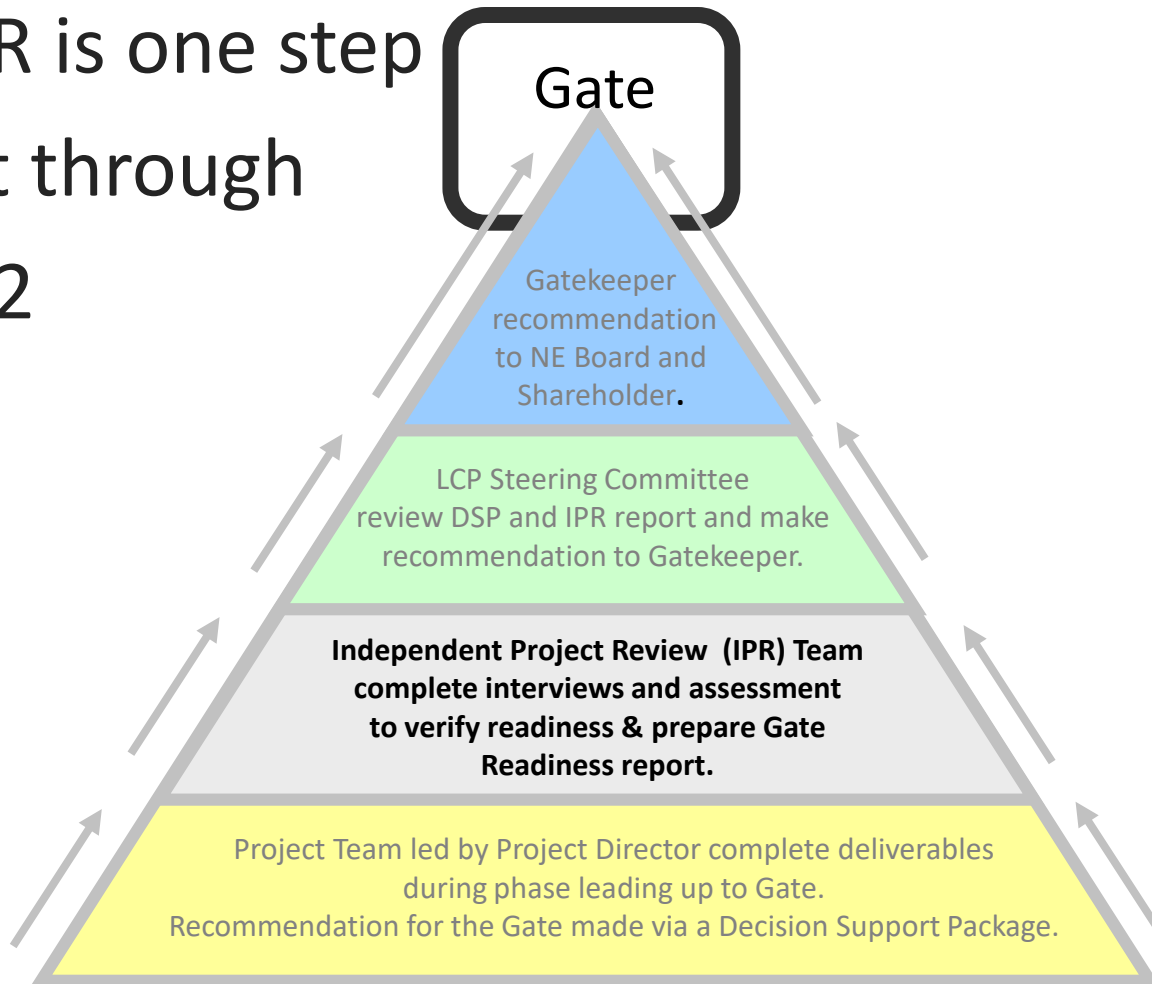LOWER CHURCHILL PROJECT

IPR

- ## **What is an IPR?**

    - An IPR is a review of a project's underlying assumptions, decision logic, alternatives, forward plans and readiness.

    - The aim of the IPR is to validate and constructively challenge information in the Decision Support Package (DSP) and to provide additional input to support the Gatekeeper in making a high quality decision.

    - The Reviewers are independent and will provide unbiased, expert review to constructively challenge the project.

nalcor
energy

IPR and the Gate

An IPR is one step to get through Gate 2

Gate

Gatekeeper recommendation to NE Board and Shareholder.

LCP Steering Committee review DSP and IPR report and make recommendation to Gatekeeper.

Independent Project Review (IPR) Team complete interviews and assessment to verify readiness & prepare Gate Readiness report.

Project Team led by Project Director complete deliverables during phase leading up to Gate.
Recommendation for the Gate made via a Decision Support Package.

nalcor energy

IPR

- **What Value Does an IPR Add?**
    - Provides outside, unbiased recommendations to help the Project Team improve their plans and results.
    - Provides Decision Makers more insight and a higher level of confidence in the business decision and execution plans.
    - Transfer knowledge and lessons learned across projects.
    - Result is one piece of the puzzle required to clear a Gate
    - An IPR is **NOT** a detailed technical review

nalcor
energy

IPR vs IPA

- ## **What are the differences between IPR's and IPA?**
  - An IPR is by Independent Experts, IPA is a corporation that is a Project Think Tank
  - IPR's will review almost all aspects of a project, IPA reviews areas they deem to be statistically significant in the probability of a projects success
  - IPR's may go into depth in multiple areas with members of varied expertise questioning not only the existence of key items but the logic and quality as well, IPA tends to not go into the same depth for most areas and focuses more on existence of key items vs logic and quality.
  - IPR's provide a qualitative review with specific advice on multiple areas focusing on concerns and opportunities, some 35 in our case (See Charter), IPA provides a quantitative analysis that scores a project relative to others in it's database based on what they deem to be statistically relevant items with qualitative advice being limited to those items and at a higher level than an IPR

nalcor energy

Tips for a successful Review

- Early Planning

  – Plan early! Develop a Charter and issue. *DONE*

  – Engage Executives and work proactively with IPR Team Leader to surface key issues and define scope. *DONE*

  – Prepare documentation in advance for IPR team review. *DONE*

  – Allow adequate time for the review (typically 4-5 days). *DONE*

- **During the IPR**

  – **Be factual in interviews, where possible supporting statements with documentation or specific examples versus opinion alone.**

  – **Leverage opportunity for networking and lessons learned transfer.**

nalcor energy