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**Benefits Strategy for Lower Churchill Construction Projects Ensures Opportunities for the People of Newfoundland and Labrador**

The Lower Churchill Construction Projects Benefits Strategy released today by the Provincial Government will ensure opportunities for the people of Newfoundland and Labrador during the construction phase of the Lower Churchill development. The strategy includes at least 21.5 million person hours of construction employment on two hydroelectric developments at Gull Island and Muskrat Falls, as well as the Labrador-Island Transmission Link, and at least 6.5 million in engineering and project management person hours and specific Gender Equity and Diversity Programs.

“The Lower Churchill Project is the most attractive, undeveloped hydroelectric project in North America and has the potential to provide significant long-term benefits to the province through the generation and transmission of clean, renewable energy,” said the Honourable Kathy Dunderdale, Minister of Natural Resources. “Through the Lower Churchill Construction Projects Benefits Strategy with Nalcor Energy-Lower Churchill Project, the employment and business activity during the construction phase of this project will bring tremendous opportunities to all Newfoundlanders and Labradorians.”

Work related to the generation projects will include construction of the Gull Island and the Muskrat Falls hydroelectric developments. The development of these two hydroelectric facilities will provide at least 5.5 million person hours of engineering and project management employment and 19 million person hours of construction employment in the province.

The benefits strategy also applies to the construction of the Labrador-Island Transmission Link, a High Voltage Direct Current (HVdc) system from central Labrador to the area of Soldiers Pond on the island portion of the province. This work will result in at least one million person hours of engineering and project management employment and 2.5 million person hours of construction employment in the province.

Minister Dunderdale stated that the Lower Churchill Construction Projects Benefits Strategy is similar to benefits arrangements the Provincial Government has with oil and mining companies as it outlines work to be performed in the province for the benefit of industry and employees.

“The Lower Churchill Construction Projects Benefits Strategy clearly outlines the kinds of activities and procedures which will be followed by Nalcor Energy, its contractors and sub-contractors regarding employment and business benefits,” said Minister Dunderdale. “The Lower Churchill Project will be of great benefit to the people of Newfoundland and Labrador and the Gender Equity and Diversity programs are critical components of this strategy.

Coupled with the Lower Churchill Project Impacts and Benefits Agreement awaiting ratification by the membership of the Innu Nation in Labrador, these initiatives emphasize our government's commitment to the people of our province to achieve maximum benefit from resource projects."

To ensure these benefits and opportunities flow to the people of Newfoundland and Labrador, the Provincial Government, through the Lower Churchill Construction Project Benefits Strategy, will work with Nalcor Energy-Lower Churchill Project to continue to enhance and build necessary relationships with key industry stakeholders, educational institutions, labour unions and Aboriginal governments and groups. This will assist with the development and implementation of Gender Equity and Diversity programs for all phases of the project.

Project management activities will be executed within the province with the appropriate site management offices set up in Labrador and other areas of the province as required. Local contractors, service providers, consultants and suppliers will be made aware of any opportunities associated with the Lower Churchill Project. These groups will have full and fair access to participate on a competitive basis for opportunities provided by the Lower Churchill Benefits Strategy.

The principles and commitments contained in the Lower Churchill Construction Projects Benefits Strategy are reflected in the Request for Proposal for engineering and project services issued Friday, July 9, 2010, by Nalcor Energy-Lower Churchill Project.

"In our provincial Energy Plan, *Focusing Our Energy*, we committed to maximize the benefits from our major resource developments for the people of Newfoundland and Labrador," said Minister Dunderdale. "Our government is determined to make certain that all the work associated with the Lower Churchill Project that can be performed in Newfoundland and Labrador will indeed be done here. We intend to use the Lower Churchill Construction Projects Benefits Strategy to guide and ensure the successful development of the Lower Churchill Project in the best interest of our province."

The Lower Churchill Construction Projects Benefits Strategy is available at [www.gov.nl.ca/nr](http://www.gov.nl.ca/nr).

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## **BACKGROUNDER**

### **Lower Churchill Construction Projects Benefits Strategy Highlights**

#### **Project Management**

- Project management activities associated with the project will be executed in the province.
- The Engineering, Procurement and Construction Management (EPCM) contractor will establish their own engineering, procurement, construction management and overall project management office in the province with appropriate personnel and decision-making authority.

#### **Engineering and Project Management**

- The Lower Churchill Construction Project and its EPCM contractors and sub-contractors will perform all engineering and project management, with the possible exception of specialized engineering, for the project in the province.
- All reasonable efforts will be made to have specialized engineering performed in the province. In the event there is specialized engineering undertaken outside the province, Nalcor Energy-Lower Churchill Project will ensure that such work is done in full collaboration with and is integrated into the local engineering effort.
- No less than the following number of engineering and project management hours will take place within the province:
  - Gull Island Hydroelectric Development – 4.0 million person hours
  - Muskrat Falls Hydroelectric Development – 1.5 million person hours
  - Transmission System – 1.0 million person hours

#### **Procurement and Contracting**

- Procurement will be managed from the Lower Churchill Project and its EPCM contractor offices in the province.
- The Lower Churchill Project and its EPCM contractor will be responsible for the following:
  - Issue all Requests for Proposals and procurement related documents
  - Primary point of contact for all inquiries regarding contracts and procurement
  - Co-ordinate supplier development activities
  - Make all decisions related to procurement
  - Issue procurement awards
  - Conduct all meetings with suppliers related to procurement
- Contractors and sub-contractors will be aware of, and must comply with, the applicable terms of the benefits strategy.
- Nalcor Energy-Lower Churchill Project will conduct appropriately-timed supplier development workshops to ensure local suppliers and contractors can prepare for bidding and establish business relationships. Workshops will be held on both the Island and Labrador.

**Construction and Assembly**

- No less than the following number of construction and assembly person hours will take place in the province
  - Gull Island – 13.0 million person hours
  - Muskrat Falls – 6.0 million person hours
  - Transmission System – 2.5 million person hours
- A construction hiring protocol will be established for generation and transmission construction.

**Gender Equity**

- Nalcor Energy-Lower Churchill Project will implement a gender equity program, including a women's employment plan.
- The program will establish quantitative goals and emphasize continuous improvement which will increase access and employment for women.

**Diversity**

- The objectives of the diversity program will be to address employment equity for the project, including access to employment for disadvantaged groups.

**Reporting**

- The Provincial Government will be provided monthly and quarterly reports for the projects' duration by Nalcor Energy-Lower Churchill Project.
- These reports will include information such as the total number of person hours of work and number of person hours of project management and design work.

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