

Date	1-Nov-13	Revision	0
Package No.	CT0327	RFI Issue Date	15-Feb-13
Package Title	Construction of 350kV HVdc T/L	RFP Issue Date	n/a
IBA Package	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Award Date	1-Jun-14
Sub-Project/SPV	<input type="checkbox"/> Muskrat Falls (MF)	<input type="checkbox"/> Labrador Transmission Asset (LTA)	<input checked="" type="checkbox"/> Labrador-Island Transmission Link (LITL) <input type="checkbox"/> All

Scope of Work from Package Dictionary attached	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
If no, please include a brief description of the Scope of Work	

Key Considerations
<p>Scope</p> <ul style="list-style-type: none"> • CT0327 is the dc transmission construction package and encompasses about 1100 km of 350 kV HVdc Transmission Line, it includes both the clearing and line construction. This Work was previously included in three packages (CT0327, CT0345 and CT0346). Originally, CT0327 included the first 620 km of clearing and construction from MF to the southern end of the Long Range Mountains; CT0345 included the clearing of 470 km of ROW from the southern end of the Long Range Mountains to Soldiers Pond; and CT0346 included the 470 km of line construction from the southern end of the Long Range Mountains to Soldiers Pond. • This package now includes five segments: <ul style="list-style-type: none"> ○ Segment 1 is from Muskrat Falls, Labrador to the 239 km point along the path of the proposed transmission line and has a distance of 250 km. ○ Segment 2 is from the 239 km point to the Straight of Belle Isle, Labrador and is approximately 144 km in length. The 18 km wood pole electrode line is included in the scope ○ Segment 3 goes from the Newfoundland side of the Straight of Belle Isle to the southern end of the Long Range Mountains, approximately 227 km. ○ Segment 4 extends from the end of Segment 3 traveling east for 220 km. ○ Segment 5 is from the end of Segment 4 traveling east to Solders Pond converter station for a total of 178 km <p>Contract Negotiations</p> <ul style="list-style-type: none"> • It is anticipated that contract negotiations will continue for four months. Given that the Work includes a considerable amount of clearing and civil work, this duration allows for discussions with potential subcontractors and to obtain accurate costs (minimal risk dollars built in). The duration of contract negotiations is reflective of the addendum requirements to update the packages for the new tower types. <p>Budget</p> <ul style="list-style-type: none"> • This package is a significant capital investment; the estimated budget for this package is approximately \$730M CAD.

Procurement Method

<input type="checkbox"/> Competitive Bidding	<input type="checkbox"/> Use Nalcor Long Term Service Agreement (LTSA) LTSA #	<input checked="" type="checkbox"/> Single Source
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If Single Source, why?

The Contractor who was awarded package CT0319 HVac Transmission Line Construction will be awarded this package as well. The benefits of going with a single source in this instance are 1) reduced pre-award timeline; 2) reduced number of pre-award hours for LCP; 3) reduced number of post-award administration hours for LCP; 4) contractor will gain efficiency from experiences gained on HVac line and on them over each segment of the HVdc line.

This should result in reduced costs, improved schedule and by working collaboratively with the Contractor there should be a better overall understanding of the scope and execution plans. It also allows us to jointly develop risk mitigation strategies for risks such as labour shortages and working on multiple fronts.

Type of Contract (Terms and Conditions)

<input type="checkbox"/> Supply & Install	<input type="checkbox"/> Services	<input checked="" type="checkbox"/> Civil Works	<input type="checkbox"/> Equip. Purchase (Long)	<input type="checkbox"/> Equip. Purchase (Short)
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Compensation Basis

<input type="checkbox"/> Lump Sum	<input checked="" type="checkbox"/> Unit Price	<input type="checkbox"/> Time & Material	<input type="checkbox"/> Reimbursable
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Commercial Strategy

Negotiations

- Focus on extracting value from the agreement and ensuring economies of scale are achieved
- At a minimum, pricing should be reflective of reduced overhead, management, and administration costs.

Schedule of Price Breakdown

- Pricing breakdown for each segment will be as follows:
 - Right-of-Way Clearing (with consideration for works partially completed during winter months)
 - Clearing Merchantable (per hectare)
 - Mulching Non-Merchantable (per hectare)
 - Access/bypass road (per m)
 - Bridge installation (per m)
 - Culvert installation by size (per m)
 - Danger Tree Removal (per tree)
 - Tower Foundation Construction
 - Guy wire anchor tests and installation (per linear meter of installed material)
 - Grillage foundation assembly and installation (each, per foundation type)
 - Rock foundation assembly and installation (each, per foundation type)
 - H-Pile founding assembly and installation
 - Earthwork and blasting (per cubic meter of back fill material)
 - Tower assembly and erection (each, per tower type)
 - Installation of Conductor, OHSW, and OPGW (per km of installed material)
 - Supply, Storage and Installation of Implosive Connectors
 - Accommodations camp (lump sum)
 - Mobilization and Demobilization (lump sums)
 - Optional Pricing for Geotechnical Investigation

Performance Security

- The amount of Performance Security may be reduced during the negotiation period; however, for purposes of the RFP Performance Security will be requested in the form of 1) 50% Performance Bond; 2) 50% Labour and Material bond; and 3) 15% letter of credit.
- Liquidated damages will apply to this package and will be associated with the Ready for Turnover dates of

each segment.

Labour

- The Lower Churchill Project Transmission Construction Project Agreement (between Lower Churchill Transmission Construction Employers' Association Inc., International Brotherhood of Electrical Workers, and IBEW 1620) is applicable to all segments of the Work.

	Title	Name	Signature	Date
Prepared by:	CA/Buyer	Blake Hill		
Reviewed by:	Package Engineer	Ananth Rao		
Reviewed by:	Package Leader			
Reviewed by:	Area Manager	Keenan Healey		
Reviewed by:	Project Manager	Kyle Tucker		
Reviewed by:	Supply Chain Manager	Pat Hussey		
Reviewed by:	Deputy Project General Mgr	Jason Kean		
Approved by:	Project General Manager	Ron Power		