

Response to GT RFI #Q10.28

Question: NAL0427444 Project Execution Plan rev B2 from Sept 2011 includes attachment B.1 which is a LCP/EPCM Consultant Responsibility Matrix. After the EPCM changed to an integrated model, the Project Execution Plan appears to have been updated in March 2014 (NAL0130478) and attachment B.1 is no longer included. Please provide an updated matrix or explain what SNC responsibilities were and which of the responsibilities transferred to Nalcor after the switch to an integrated team.

Response:

NAL0130478 provides detailed information on the organization model for the Lower Churchill Project.

In late 2012, Nalcor made a strategic decision to adjust its organizational model as it moved through Decision Gate 3. At this decision point, the bulk of the strategic front-end deliverables that were the focus of Nalcor (i.e., environmental approvals) had been achieved, while the LCP was transitioning into the construction phase. A change in the working organizational model was also considered by Nalcor to be key to ensuring clarity of roles and responsibilities, while fully leveraging the collective organizational resources.

Leveraging the strength of Nalcor's Owner's Team, combined with the significant resources of SNC-Lavalin, the execution model transitioned from a pure EPCM model to an integrated Project Delivery Team Model, or Option 2 to Option 1 in Figure 11 (NAL0130478). The organizational model shift was viewed as a key enabler of team effectiveness, which is considered imperative for delivery of any megaproject.

The Integrated Project Team, or Project Delivery Organization, consists of Nalcor and SNC-Lavalin resources as well as various third party consultants, including Hatch, AMEC, Stantec, and independent consultants. Broadening the potential sourcing base for resources facilitated the ability to secure scarce PM and Construction Management resources within the province's heavy resource-based economy. Under the Integrated Project Delivery Organization a Nalcor person can report to a SNC-Lavalin person, and vice versa. The objective is to avoid duplication, fully leverage available resources, right-size the project team, and ensure an organizational structure that supports empowerment, accountability, and delegation of authority.

Nalcor believed that strong project governance and leadership would be achieved within the Project by the establishment of an Integrated Project Management Team led by a Project Director. NAL0130478 Figure 12 gives the high-level organization and governance structure for the Project after the transition to the Integrated Project team. Consistent with the premises stated within the Overarching Contracting Strategy, this Project Delivery Organization in Figure 12 is the Integrator of all contractor works. The Project Delivery Organization was responsible to fulfill all obligations that were previously defined for each of Nalcor and SNC-Lavalin.

After the Owner/EPMC model evolved to an Integrated Team model, SNC-Lavalin retained responsibility as Engineer of Record for all engineering and design. For all other responsibilities, they were allocated to the appropriate members of the Integrated Project Delivery team.

This transition was also noted on pages 37-41 in the Independent Engineer's Report November 2013 (NAL0130462).

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