

Pat Hussey
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LC-G-002 RFP Evaluation Checkpoint 2

23 Nov 2010

Boundless Energy



Background

- Three proposals for EPCM services received on 16 Sept 10
- Bidders included B&V, SNC and Hatch
- Following preliminary evaluation, B&V was dropped from the process
- Evaluation activities continued since Checkpoint 1 (21 Oct 10)
- CET finalized its evaluation on 17 Nov 10 resulting in unanimous recommendation

Key Activities Since Checkpoint 1

- Attended Construction Management presentations
- Conducted interviews of proposed staff
- Several Key Personnel rejected
- Continue to review/interview alternate candidates, where requested
- 6 formal clarifications issued
- Clarification of commercial proposals
- Negotiations on T&C's
- Ongoing Technical & Commercial Evaluation

CET Evaluation Scope

- The following Components and Scenario were evaluated:
 - Component 1 – Muskrat Falls Generation
 - Component 3 – HVdc Specialities
 - Component 4 – Overland Transmission Lines
 - Muskrat Falls Scenario A - (C1, C3, C4 a/b/c)
- The RFP Evaluation Plan was followed except for evaluation of the following:
 - Component 2 – Gull Island Generation
 - Muskrat Falls Scenario B
 - Gull Island Scenario A & B

Summary Evaluation

- Both Bidder 1 & Bidder 2 were evaluated to be technically acceptable and capable of executing full EPCM scope for all individual Components and for MF Scenario A

RFP LC-G-002 EPCM Services - Final MF Scenario A Scoring					
		Bidders			
DEVELOPMENT OPTION	Percentage Weighting	Bidder 1		Bidder 2	
MF Scenario A		Component Summary Score	Weighted Score	Component Summary Score	Weighted Score
Component 1 (excl. commercial)	48.75	80.62	39.30	80.62	39.30
Component 3 (excl. commercial)	7.50	84.29	6.32	73.96	5.55
Component 4 a/b/c (excl. commercial)	18.75	79.75	14.95	71.48	13.40
Commercial	25.00	99.00	24.75	74.90	18.73
Total Score	100		85.3		77.0

Fixed Fee Overview		
Component	Bidder 1	Bidder 2
1 - MF Hydro Development	\$14,840,700	\$82,217,000
3 - HVdc Specialties	\$5,996,532	\$16,663,000
4A - OH Transmission - Gull Island to Soldiers Pond	\$9,633,422	\$22,270,000
4B - OH Transmission - Muskrat Falls to Gull Island	\$2,055,819	\$3,280,000
4C - OH Transmission - Gull Island to Churchill Falls	\$3,997,118	\$5,945,000
MF Scenario A (Discounted Fee)	\$33,121,126	\$117,337,500
Cost per manhour	\$13.32	\$50.78
MF Scenario A (Normalized Hours)	\$34,322,237	\$130,847,466

Recommendation

- Award Muskrat Falls Scenario A (all Components) in one EPCM Contract to Bidder 1

Bidder 1 Attributes

- Very attractive commercial proposal
- World class senior staff proposed
- Demonstrated deep personnel resource base
- Current cold climate Canadian EPCM hydro electric experience
- Commitment to perform engineering for all components in St. John's
- EPCM competence
- Recent construction management experience in Labrador
- Strong technical expertise
- Established work history with Nalcor and Lower Churchill Project knowledge

Next Steps

- Continue to interact / clarify / negotiate with both Proponents until award
- Commence preparation of contract
- Develop concept of Phased Approach
- Feedback from Paul on next steps and final deliverable for presentation to Executive Management
- Identify risks and related mitigation measures
 - Nalcor organization readiness
 - Office accommodations
 - Project description
 - T & C's need to be clear on changes
 - EA Delay
 - Innu Agreement

BACK UP SLIDES

New Approach to Office, Computer and Reproduction Rates

- **Office**

- Nalcor to provide direct cost reimbursement for office space, furnishings, operations, supplies, administrative staff etc
- Consultant office overhead reduced accordingly to include non reimbursable personnel, insurances (CGL and E&O), interest, accounting, training and orientation

- **Computer Services**

- Nalcor to provide direct cost reimbursement for computer hardware, IT staff
- Consultant rate to include standard Consultant software, home office network file servers and associated hardware

- **Reproduction Services**

- Nalcor to reimburse for all printers, copiers, supplies, maintenance

Definitions

- **As-Bid scoring** is based on Proponent data submitted in their proposals. Adjustments made for missing, erroneous or incomplete data,
- **Preliminary "Normalized" scoring** makes further adjustments to the As-Bid data and introduces a normalized manhour estimate for each element of the work (Project Mgmt, Engineering, Procurement & Construction Mgmt).
- **Final "Normalized" scoring** makes final refinements to the Preliminary "Normalized" scoring to reflect feedback and information received at review sessions and formal clarifications. In addition, the Final scoring reflects a modified approach to the provision of the office, office overhead staff and all office, computer and reproduction facilities.

RFP LC-G-002 EPCM Services - EVALUATION CRITERIA					
		Bidders			
DEVELOPMENT OPTIONS	Percentage Weighting	Bidder 1		Bidder 2	
		Component Summary Score	Weighted Score	Component Summary Score	Weighted Score
MF Scenario A					
Component 1	65				
Component 3	10				
Component 4 a/b/c	25				
Total	100				