Page 1

Nalcor Energy – Lower Churchill Project



Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities for Innu Businesses

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Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities For Innu Businesses LCP-PT-MD-0000-SC-PR-0001-01 Rev. B1

Department	Department Manager Approval	Date
Project Manager (Marine Crossings) Approval	Breg Fleming	May 9/2011
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Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities For Innu Businesses LCP-PT-MD-0000-SC-PR-0001-01 Rev. B1

TABLE of CONTENTS

1.0	Purpose	4
2.0	Scope	4
3.0	Definitions	5
4.0	Abbreviations and Acronyms	6
5.0	Reference Documents	6
6.0	Responsibilities	6
7.0	Activity Flowchart (Excel Format)	6
	7.1. Innu Procurement Process	6
8.0	Attachments/Appendices	6
	N/A	6

Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities For Innu Businesses

1.0 Purpose

The purpose of this procedure is to describe how the Lower Churchill Project, either directly or through its EPCM Consultant, will adhere to the commitments and expectations as it pertains to Innu Procurement as stated in the Impacts and Benefits Agreement (IBA), in particular Chapter 4 – Innu Business Opportunities.

2.0 Scope

In the IBA the Parties have established an Innu Business participation target for the provision of works, goods and services by Innu Businesses to the Project.

As it pertains to the Muskrat Falls development, the Innu Business participation target for the provision of works, goods and services shall be \$134,000,000 (one hundred and thirty-four million dollars). This target applies to the Planning and Construction Phases of the Muskrat Falls generation component.

In order to help achieve this Innu Business participation target, the Parties have identified two tiers of procurement packages that should facilitate meeting and exceeding this target. They are:

- Packages that should be supplied to the Project, where and when required, by qualified Innu Businesses, are:
 - o Innu aimun translation and interpretation services
 - Cross-cultural training (as it relates to Innu culture) services
 - Provision of country food
 - o Provision of Innu employee counseling services
 - Other works, goods and services related to the provision of Innu social and cultural activities in the Workplace
 - Other works, goods and services related to Innu culture as may be agreed upon in writing by the Parties
- Packages where "*first opportunity to bid*" must be given to qualified Innu Businesses, are:
 - Supply of camp accommodations
 - o Catering, housekeeping and maintenance of camp accommodations
 - \circ $\;$ Ground transportation of construction personnel
 - Security services
 - Supply of temporary on-site communications hardware
 - Supply of on-site medical services
 - Air support services
 - General industrial supplies
 - Safety supplies
 - Office supplies

Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities For Innu Businesses LCP-PT-MD-0000-SC-PR-0001-01 Rev. B1

- Janitorial supplies
- Access road construction and maintenance
- o Brush clearing for roads, campsites and lay down areas
- Waste management services
- Hazardous waste storage and disposal services
- o Environmental monitoring services

Additionally, qualified Innu Businesses will be given the opportunity to bid on nondesignated work packages (i.e. those work packages not identified above or in the IBA sections 4.5.1 and 4.6.1). If successful, in these open bid competitions, the award value of those contracts awarded to Innu Businesses will count towards the \$134,000,000 target value.

Also, the LCP Supply Chain, either directly or through its EPCM Consultant, will apprise all non-Innu Business bidders of the Project's obligations within the IBA and request such bidders to identify opportunities for Innu participation, as well as Newfoundland and Labrador Benefits content within their proposals.

3.0 Definitions

Consultant

Means SNC-Lavalin Inc. and any of its successors or assigns.

First Nation

Means either the Mushuau Innu First Nation or the Sheshatshiu Innu First Nation.

Impacts and Benefits Agreement (IBA)

Means the Impacts and Benefits Agreement negotiated and agreed between Nalcor Energy and the Innu Nation and the First Nations. Note - the IBA still needs to be ratified by a vote of eligible Innu voters and signed by the Parties.

Innu

Means an individual who is part of the Innu of Labrador.

Innu Business

Is a business that is listed on the Innu Business Registry.

Innu Business Development Centre (IBDC)

Means the entity supported by a mandate from the Innu Nation that, among other purposes, aims to assist Innu Businesses in becoming full participants in the Newfoundland and Labrador economy by establishing and maintaining viable and sustainable businesses through the development of Innu business expertise, skills and capacity.

Procurement Process for Works, Goods & Services Related to Innu Culture and First Bidding Opportunities For Innu Businesses LCP-PT-MD-0000-SC-PR-0001-01 Rev. B1

Innu Business Registrar

Means the individual appointed to establish and maintain the Innu Business Registry.

Innu Business Registry

Is the official listing of all Innu Businesses seeking to provide works, goods or services to the Project.

Party/Parties

Means Nalcor Energy, Innu Nation or either First Nation, hereafter called individually a Party or collectively the Parties to the Agreement (IBA).

Project

Means the Lower Churchill Project.

4.0 Abbreviations and Acronyms

EPCMEngineering, Procurement and Construction ManagementIBAImpacts and Benefits AgreementIBDCInnu Business Development CentreLCPLower Churchill Project

5.0 Reference Documents

The Impacts and Benefits Agreement (IBA) in particular Chapter 4 – Innu Business Opportunities.

6.0 Responsibilities

Individuals responsible for the actions on the attached flowchart are responsible for input into or actions associated with the activities in accordance with the legend contained therein.

7.0 Activity Flowchart (Excel Format)

7.1. Innu Procurement Process

8.0 Attachments/Appendices

N/A

Procurement Process for Works, Goods Services Related to Innu Culture and First Bidding Opportunities for Innu Businesses

Page 7

	Activity Flowchart Roles										
					Role	2					
Legend Start End Responsi Input to <i>i</i> Decision Up Down	ble for	Construction	Engineering	HSEQ	Project Controls	Supply Chain Management	Innu Business	IBDC	Non-Innu Suppliers		
	Activity Steps			Flo	ow C	olun	nns			Notes	
A.1.0 A.1.1 A.1.2 A.1.3 A.1.4	Identification of Procurement OpportunitiesMeet annually or as agreed with IBDC to identify and provide details of specific business opportunities in accordance with the IBA for the LCP Project.Notify IBDC of planned upcoming requirements prior to initiating competitive bid process.Consult with IBDC to review packaging strategy in an effort to maximize Innu participation, or opportunity.IBDC has access to a Registry of Innu Business(es) plus keeps and maintains additional data on said companies and makes the same available to Company.									The Registry is a live document.	
A.2.0 A.2.1 A.2.2	Bidder SelectionPrior to initiating a competitive bid process for items listed in 4.5.1 and 4.6.1 of IBA, Company or Consultant shall notify the IBDC by email or fax of pending need.Five (5) business days after Company or Consultant notification, the IBDC will provide one or more registered Innu 					ST		Yes	No	If no Innu Business is put forward then Company or Consultant may proceed to initiate a competitive bid or other procurement process.	

Procurement Process for Works, Goods Services Related to Innu Culture and First Bidding Opportunities for Innu Businesses

Page 8

	Activity Flowchart Roles									
					Noie	3				
Legend Start End Responsil Input to <i>P</i> Decision Up Down	-	Construction	Engineering	HSEQ	Project Controls	Supply Chain Management	Innu Business	IBDC	Non-Innu Suppliers	
	Activity Steps	-			ow C	olun	nns			Notes
A.2.3 A.2.4	Company or Consultant to review the qualifications of any nominated Innu Business in accordance with the IBA listed criteria. If Innu Business(es) have the requisite ability and capacity to provide the required works, goods or services, they will advance to step A.3.0	•	•	-0-	•		-			Company or Consultant can request additional prequal info from the nominated Innu Business
A.3.0 A.3.1 A.3.2	RFP Preparation, Issuance, Reviewand AwardCompany or Consultant will prepareand issue RFP to the approved InnuBusiness(es).Copy of RFP to be issued to IBDC by									
A.3.3	email or fax. Receive Innu Business(es) Bid's				4	Yes		No		If no Innu Business Bid(s) are received then Company or Consultant may proceed to initiate a competitive bid or other procurement process.
A.3.4	Evaluate Innu Business(es) bids in accordance with bid package evaluation criteria as per IBA or as otherwise agreed.	0-	0	0	0					
A.3.5 A.3.6	If negotiations are successful with the Innu Business, Company or Consultant will proceed to step A.3.11 If negotiations are unsuccessful Company or Consultant has the option to review the Contracting Strategy and Scope of Work and restructure the RFP package and repeat steps A.3.1 through A.3.5 or follow A.3.7	0	-0	-0-	-0-	- ≥ - □	Yes			Go to A.3.11

Procurement Process for Works, Goods Services Related to Innu Culture and First Bidding Opportunities for Innu Businesses

Page 9

			Acti	vity	Flow	/chai	rt			
					Role	S				
Legend Start	ST									
End	END					nt				
Responsil Input to <i>F</i>	-					Supply Chain Management			6	
Decision	Yes No	_			rols	n Man	SS		Suppliers	
Up		Construction	Engineering		Project Controls	y Chair	lnnu Business			
Down		Const	Engine	HSEQ	Projec	Supply	a nuul	IBDC	Non-Innu	
	Activity Steps			Fle	ow C	olun	nns			Notes
A.3.7	Initiate a competitive bid process or other procurement process for such works, goods or services and invite all previously qualified Innu Business(es) to participate.									Note - new qualified Innu Business(es) could be added to competitive bid process along with non-Innu Business(es)
A.3.8	The Company or Consultant will evaluate the submissions from the competitive bid process or other procurement process, using same IBA or otherwise agreed criteria.	0	•	0	0					
A.3.9	Where the results are more favorable than that proposed by the Innu Business at the conclusion of the original negotiations, the award will be made to that company.						-Yes			Go to A.3.11
A.3.10	If the proposal received from a non- Innu Business is less favorable than that proposed by an Innu Business then the negotiations will be concluded with the Innu Business and a Contract awarded to the Innu Business with the most favorable proposal.									
A.3.11	Award Contract to the successful company.									
A.3.12	Advise unsuccessful bidders of the award, and debrief them accordingly either by telephone or meeting but no more than two (2) discussions on their being unsuccessful.				(

3