

APPENDIX A11
PROVINCIAL BENEFITS QUESTIONNAIRE

1.0 INTRODUCTION

This questionnaire is used to assess the Provincial Benefits content contained in Bidder's Proposal for the Lower Churchill Project ("LCP").

Bidder is required to respond to the questions/statements outlined in this questionnaire in the format presented in the various sections herein. Accurate information, consistent with Canadian General Standards Board, is imperative. Failure to provide the information required may result in its Proposal being rejected. Information provided is subject to audit by Company. Extracts from this submission will be included in the final agreement with the Successful Bidder.

Nalcor Energy has agreed to a Lower Churchill Construction Projects Benefits Strategy (http://www.nr.gov.nl.ca/nr/energy/lcp_benefits_strategy.pdf) with the Province of Newfoundland and Labrador. This Benefits Strategy outlines all contracting, purchasing, and employment benefits objectives for the LCP. This strategy also outlines Company's commitments to gender equity and diversity. Successful Bidder will be required to undertake a commitment to support gender equity and diversity in the execution of Work on the LCP. All contractors are required to adhere to applicable principles and commitments contained in this strategy.

Nalcor Energy has signed an Impacts and Benefits Agreement ("IBA") with the Innu Nation. This agreement includes obligations relating to employment, training, procurement and workplace policies. The intent of the IBA is to build capacity within the Innu Nation and involve the Innu in the LCP in a significant way. Innu content will be a consideration in the overall evaluation of all bids submitted.

Also the Government of Newfoundland and Labrador has entered into a Memorandum of Understanding ("MOU") with the Government of Nova Scotia regarding industrial and employment benefits with respect to the Maritime Link transmission project. Details of this MOU can be found at (<http://www.releases.gov.nl.ca/releases/2011/nr/1128n06.htm>).

In this MOU the parties agree that the Company will meet the following commitments in regard to the construction of the Muskrat Falls Plant and the Labrador-Island Link:

1. Provide Nova Scotia contractors, service providers, consultants, and suppliers with open, timely and transparent access to procurement opportunities and activities in relation to the projects;
2. Provide reasonable advance notice to the Nova Scotia supply and service community of all procurement opportunities;
3. Conduct a supplier information workshop in Nova Scotia;
4. Communicate with unsuccessful Nova Scotia proponents, when requested, to help the proponents better prepare for future opportunities.

2.0 BIDDER'S UNDERSTANDING AND COMMITMENT TO NEWFOUNDLAND AND LABRADOR BENEFITS AND IBA COMMITMENTS

2.1 Contracting and Procurement

The LCP is committed to supporting the accrual of benefits for the people of Newfoundland and Labrador, while executing the LCP on an economic basis adhering to competitive business practices. In support of this commitment, Bidder shall work to promote opportunities in Newfoundland and Labrador while maintaining the economic viability of the LCP through application of best value in the acquisition of goods and services. For purposes of this Appendix, best value is defined as a blend of total cost, quality, commitment to safety, technical suitability, credit worthiness, delivery and continuity of supply and services, where total cost is comprised of initial purchase price plus operation and maintenance costs. Within this framework, if successful, Bidder shall with respect to services and Work being performed for the LCP:

- (a) provide suppliers and contractors in Newfoundland and Labrador with full and fair opportunity to participate on a competitive basis in the supply of goods and services;
- (b) become familiar with Newfoundland and Labrador contractor/supplier capabilities, and size and design packages in a manner that recognizes these capabilities;
- (c) make the request for proposal processes, names and locations of key procurement personnel available to potential Newfoundland and Labrador suppliers and contractors where appropriate; and
- (d) require benefits information as part of the request for proposal processes in sufficient detail to assess the benefits to be derived from a proposal, including requiring bidders to complete a Provincial Benefits questionnaire as part of that process.

Bidder is asked to respond to the following:

- 2.1 a) Describe Bidder's experience with implementing local benefits strategies and agreements
- 2.1 b) Describe Bidder's procurement policies and procedures that will ensure reasonable advance notice to Newfoundland and Labrador (NL) supply community of all procurement opportunities
- 2.1 c) Describe Bidder's familiarity with NL contractor/supply capabilities. If Bidder is not currently familiar with these capabilities, describe proposed steps to ensure familiarity

2.2 Employment

A hiring protocol, consistent with the Canadian Charter of Human Rights and Freedoms, has been established for the LCP as outlined below.

For work at the Generation Site (Muskrat Falls hydroelectric generating facility, HVac transmission line within Labrador) the protocol is as follows:

- Qualified and Experienced Members of Innu Nation
- Qualified and Experienced Residents of Labrador
- Qualified and Experienced Residents of Newfoundland

- Qualified and Experienced Canadians
- Qualified and Experienced Non-Canadians

For work on the HVdc Transmission system on the island portion of Newfoundland and Labrador the protocol is as follows:

- Qualified and Experienced Residents of Newfoundland and Labrador
- Qualified and Experienced Canadians
- Qualified and Experienced Non-Canadians

Bidder is asked to respond to the following:

- 2.2 a) Describe Bidder's familiarity with the Newfoundland and Labrador workforce
- 2.2 b) Describe Bidder's human resource policies that will optimize NL employment benefits

2.3 Gender Equity and Diversity

Gender equity and diversity plans are being developed. These plans will address employment equity, including access to employment opportunities for qualified members of under-represented groups. For the purpose of this document, under represented groups are defined as women, aboriginal people, persons with disabilities and visible minorities.

Bidder is asked to respond to the following:

- 2.3 a) Does Bidder have gender equity and diversity plans? If so, describe Bidder's policies, including harassment and discrimination policies that support gender equity and diversity.
- 2.3 b) Does Bidder's human resource policies enable the voluntary identification of members of under represented groups.

2.4 Benefits Reporting

Company will be required to monitor and report on certain LCP activities relating to employment and procurement. To assist in this effort, Successful Bidder will be required to submit data reports on a monthly basis regarding employment and expenditures. Company will provide a mechanism for submitting this information.

Employment data reporting is required for direct labour associated with the Work, as follows:

1. Labour performed at the hydro-electric generating station located at Muskrat Falls plus HVac transmission.
2. Direct labour associated with the construction of a HVdc system comprised of high voltage overhead lines from central Labrador to Soldiers Pond or vicinity on the Island of Newfoundland.

It does not include labour associated with procured or manufactured items. Information collected will include the workforce to be broken out by occupation, work location, residency of worker, aboriginal affiliation and gender. Category classifications will be provided by Company.

Expenditure data will also be collected. This will include total value of goods and services purchased from business within the Province of Newfoundland and Labrador as well as value of goods and services purchased from Innu businesses.

Bidder is asked to respond to the following:

- 2.4 a) Indicate Bidder's previous experience at capturing employment and expenditure data as they relate to local benefits monitoring.
- 2.4 b) Identify who, within Bidder's organization, will be responsible for benefits monitoring and reporting.

3.0 Impacts and Benefit Agreement with Innu Nation

The IBA with the Innu Nation includes obligations relating to employment, training, procurement and workplace polices. The intent of the IBA is to build capacity within the Innu Nation and involve the Innu in the LCP in a significant way. Innu content will be a consideration in the overall evaluation of all bids submitted.

It is on this basis that Bidder is to respond to the following:

- 3.0 a) Is the Bidder registered as an Innu business with the Innu Business Development Centre (IBDC)?
- 3.0 b) List any intended subcontractors/ suppliers that are currently IBDC registered Innu businesses.
- 3.0 c) Identify who, within Bidder's organization, will be responsible for benefits monitoring and reporting and communication of procurement opportunities to the IBDC.
- 3.0 d) Identify the number, if any, of personnel submitted with this bid who are members of the Innu Nation.
- 3.0 e) Provide information relating to commitments to Innu content, including employment of Innu, Subcontracts to Innu businesses, training opportunities for Innu, and other benefits for Innu, Innu businesses or Innu communities.

4.0 NEWFOUNDLAND AND LABRADOR BENEFITS CONTENT – PERSON HOUR ESTIMATE

Bidder is required to provide, where applicable, an estimate of the direct labour (in person hours) used to complete the Work. Information should be categorized in terms of work location and residency of the workers, as outlined in the tables below.

Bidder is asked to complete the following:

4.0 a) Employment Estimate by Residency

Employment Category	NL	Other Canada	Foreign	Total
Management				
Engineering				
Procurement and Contracting				
Construction and Assembly				
Other				
Total				

4.0 b) Employment Estimate by Location of Work

Employment Category	Labrador	Island of Newfoundland	Other Canada	Foreign	Total
Management					
Engineering					
Procurement and Contracting					
Construction and Assembly					
Other					
Total					

5.0 NEWFOUNDLAND AND LABRADOR BENEFITS CONTENT – EXPENDITURE ESTIMATE

Bidder is required to provide an estimate of the expenditure percentages associated with the Work. Information should be categorized as Newfoundland and Labrador, Other Canadian and Foreign Content using the Expenditure Table below.

Bidder is asked to complete the following:

5.0 a) Expenditure Estimate Table

	NL	Other Canadian	Foreign	Total
Materials and Equipment				
Direct Labour				
Services				
Overhead and Profit				
Other				
Total				100%