

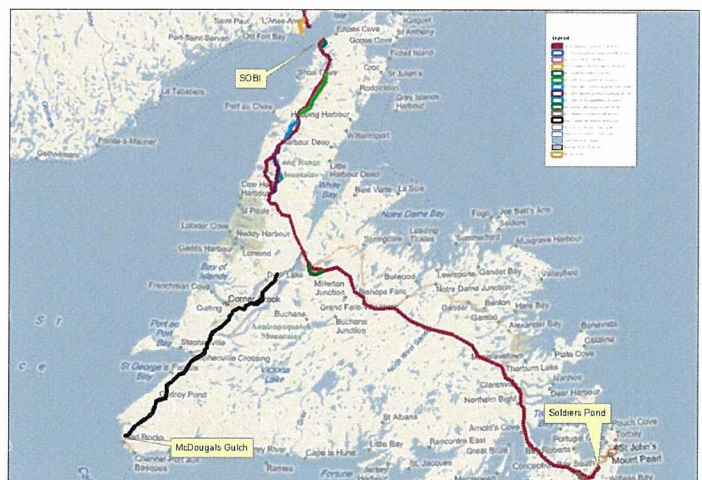
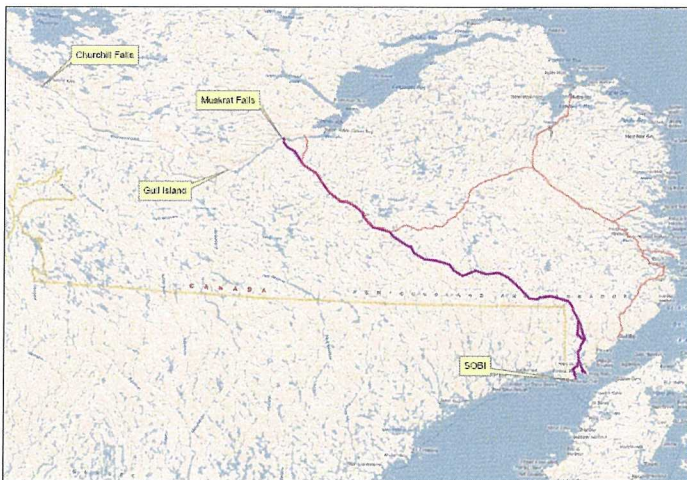


Lower Churchill Project Phase I

Agreement LC-G-002 for EPCM Services

Kickoff Meeting

30 – 31 March 2011





DAY 2 (31-Mar-2011)

8:00 AM – 8:30 AM – Team Arrival and Continental Breakfast

8:30 AM – 10:00 AM

12 – Safety Moment

SLI

13 – EPCM Execution

- Organization and Structure
- Procurement

SLI Team
F. Couturier
I. Hendry

COMFORT BREAK (10:00 – 10:15)

10:15 AM – 12:15 PM

- Component 1
- Component 3
- Component 4

F. Couturier
S. Sud
A. Hussain

LUNCH (12:15 PM – 1:00 PM)

1:00 PM – 3:00 PM

14 – Construction Management Presentation

- Approach and Structure
- Component 1

N. Mills
N. Mills

COMFORT BREAK (3:00 – 3:15)

3:15 PM – 5:00 PM

- Component 3
- Component 4

S. Sud
F. Bergman / B. Stacey

15 – Other Key Focus Areas

- a) Regulatory and Environment
- b) Quality Management

M. Organ
D. Green

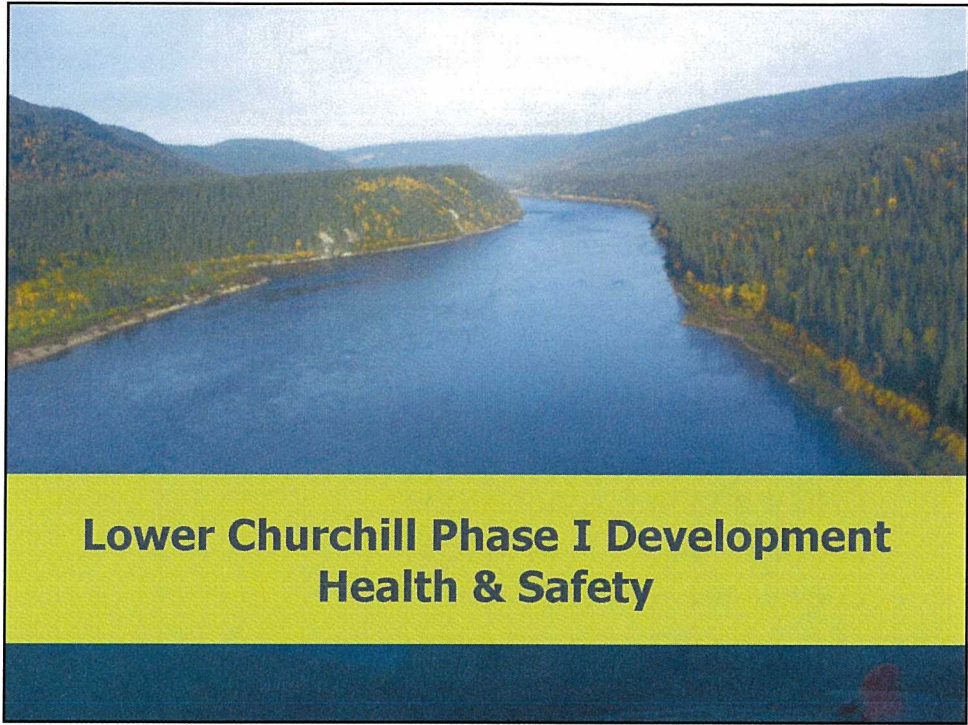
16 – Project Office – Description and Status Update

E. Reid


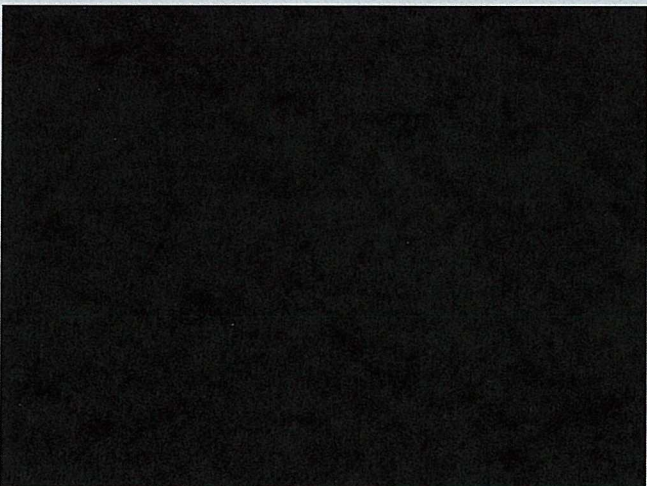

17 – Plan for Focused Workshops

R. Power


18 – Wrap-up




Safety Moment



2





Health and Safety 


Nalcor Expectations (in summary):

- Providing a safe and healthy workplace for all;
- Not compromising one's focus on safety to achieve other project objectives;
- Everyone taking personal responsibility for safety;
- Zero Harm – Nobody Gets Hurt.

SNC-Lavalin Expectations:



- Exactly the same as Nalcor;
- Why - because WE CARE.


 3 

Health and Safety 

Where are we today?

- Draft of Health and Safety Management System is nearing completion and ready for comment.
- ✓ Roles and Responsibilities
- ✓ Company Rules
- ✓ Contractor Safety Prequalification
- ✓ Contractor Management
- ✓ Contractor Non-Conformance
- ✓ Hazard Identification
- ✓ Meetings and Communications



 4 

Health and Safety 

Where are we today cont'd;

- ✓ Incident and Injury Management
- ✓ Development of management system Standards (safe work procedures) in progress
- ✓ Monthly Health and Safety Performance Summary Reporting

Critical Risk Control Protocols established

 5 

Health and Safety 

Planned:

Safety Leadership Training for the SLI Project Team

This is an 6-hour session designed specifically for project management, engineering and construction staff.

The training goes through 4 core areas:

- ✓ Believing in Safety
- ✓ Creating a Safety Culture
- ✓ Safety Applications at SNC-Lavalin
- ✓ Expectations of our People around Safety



 6 

nalcor
energy

Health and Safety

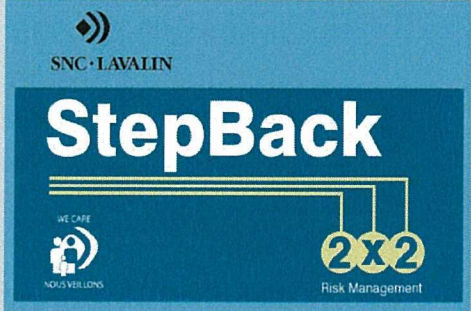
Step Back – Risk Awareness

Intent: Measure risk in the working environment;

Approach: Doing a risk calculation on every task we do;

Development: Every worker before beginning a task to determine the level of risk;

Results: Worker thinks about the task from a new perspective.




7

nalcor
energy

Health and Safety

Risk Registers


- ✓ Identify Hazards and Outcomes
- ✓ Assess exposure and controls
- ✓ Calculate Risk Levels
- ✓ Develop Action Plans to eliminate or mitigate risks



Positive Incentive Program

Experience tells us, that for any incentive program to be effective and reinforce behaviour, it must meet three criteria:

- ✓ Desirable: Reward schemes are attractive for the project labour demographic;
- ✓ Attainable: Possible for any and all workers to achieve a reward;
- ✓ Associating: It must be immediately tied to the specific behavior identified



8

Health and Safety

Critical Risk Control Protocols

We care about the health and safety of our employees and the individuals who work under our supervision. A review of our past significant incidents have identified a number of critical risks to our people – risks that required the development of sound non-negotiable practices to either eliminate completely or to bring under manageable control, the most common causes of injuries and fatalities. The selected examples below are indicative of the nature and content of the 7 key risk areas focused upon in the Critical Risk Control Protocols (CRCP) which establish minimum performance expectations for managing these risk areas at all SNC-Lavalin controlled sites.

If you are unable to meet any of the following requirements, please speak with your direct supervisor who will manage the risk(s) appropriately.

1 Vehicles and Mobile Equipment

Mobile phones shall only be used by the driver of a motor vehicle while operating and in full view.

At all times, the use of mobile phones while driving is prohibited.

Mobile vehicles shall be maintained in accordance with the manufacturer's specifications. The use of a vehicle shall be restricted to the purposes for which it is designed for.

A fit-for-work policy shall apply to heavy machinery and vehicles. Before an operator commences operating, the operator shall perform a pre-use inspection for any defects that may affect the safety of the vehicle.

3 Equipment Safeguarding

A formal safety system shall be in place to ensure the integrity of equipment and systems. Where safeguarding and lockout/tagout systems are being utilized, proper permits, control equipment shall be controlled and monitored.

When a system is in operation, the operator shall ensure that the system is safe and that the work shall be carried out in accordance with the manufacturer's specifications.

Any safety guard or shield on a piece of equipment shall be replaced if it is damaged or missing. The operator shall ensure that the equipment is safe to use before commencing work.

6 Lifting Operations

- All crane and lifting operations shall comply with the requirements of the manufacturer's specifications and the applicable regulatory requirements for the use of lifting equipment.
- Only qualified and certified personnel shall be permitted to perform lifting operations.
- Crane and lifting equipment shall be inspected and maintained in accordance with the manufacturer's specifications.
- Crane and lifting equipment shall be inspected and maintained in accordance with the manufacturer's specifications.

2 Hazardous Materials Management

All hazardous materials shall be properly identified and labeled in accordance with the applicable regulatory requirements.

Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.

Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.

4 De-Energization, Isolation, Lock-Out and Tagging

All work shall be done in accordance with the manufacturer's specifications.

The operator shall ensure that the equipment is safe to use before commencing work.

Any safety guard or shield on a piece of equipment shall be replaced if it is damaged or missing. The operator shall ensure that the equipment is safe to use before commencing work.

7 Confined Space

- All work shall be done in accordance with the manufacturer's specifications.
- Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.
- Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.


5 Working at Heights

- When there is potential for falls from height, the operator shall ensure that the equipment is safe to use before commencing work.
- Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.
- Procedures shall be in place to ensure that hazardous materials are handled in accordance with the manufacturer's specifications.



For the complete CRCP requirements and tools, speak to your local SNC-Lavalin Health & Safety representative.

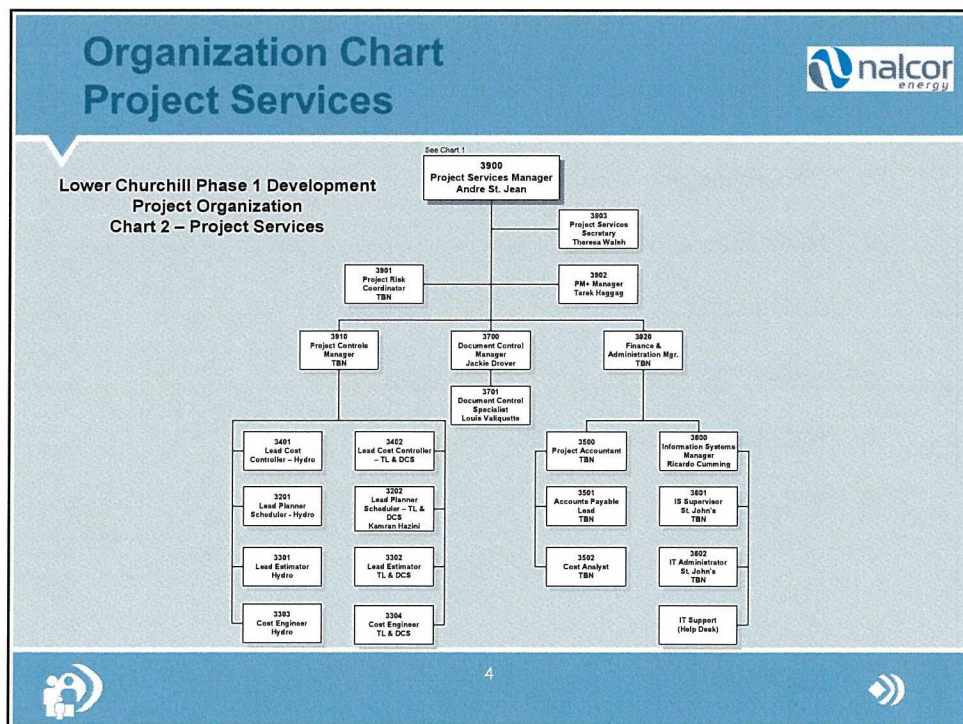
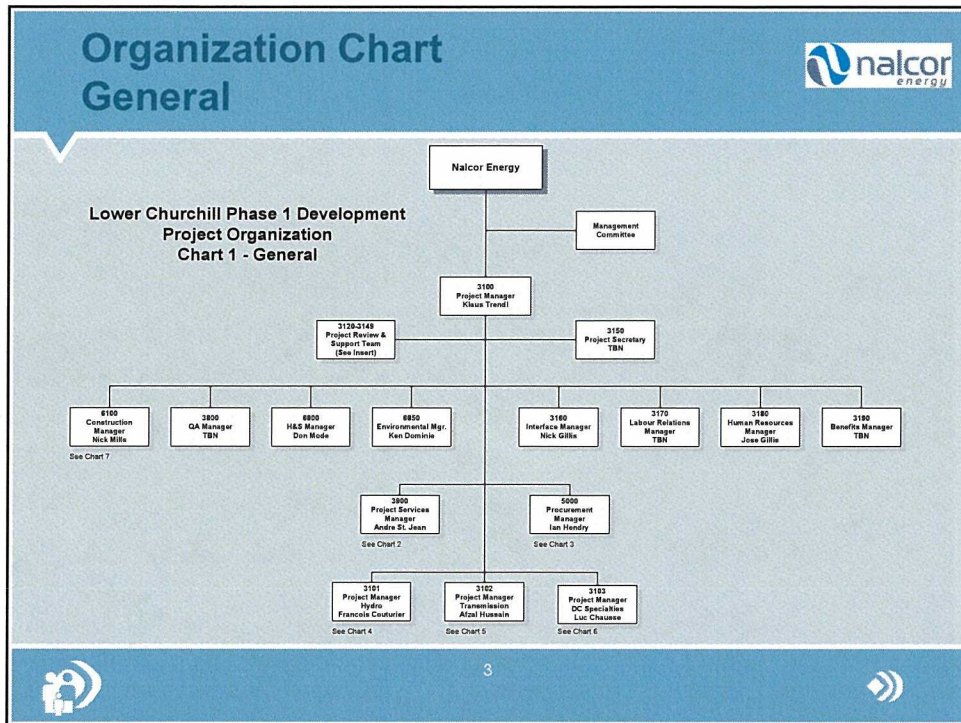
9

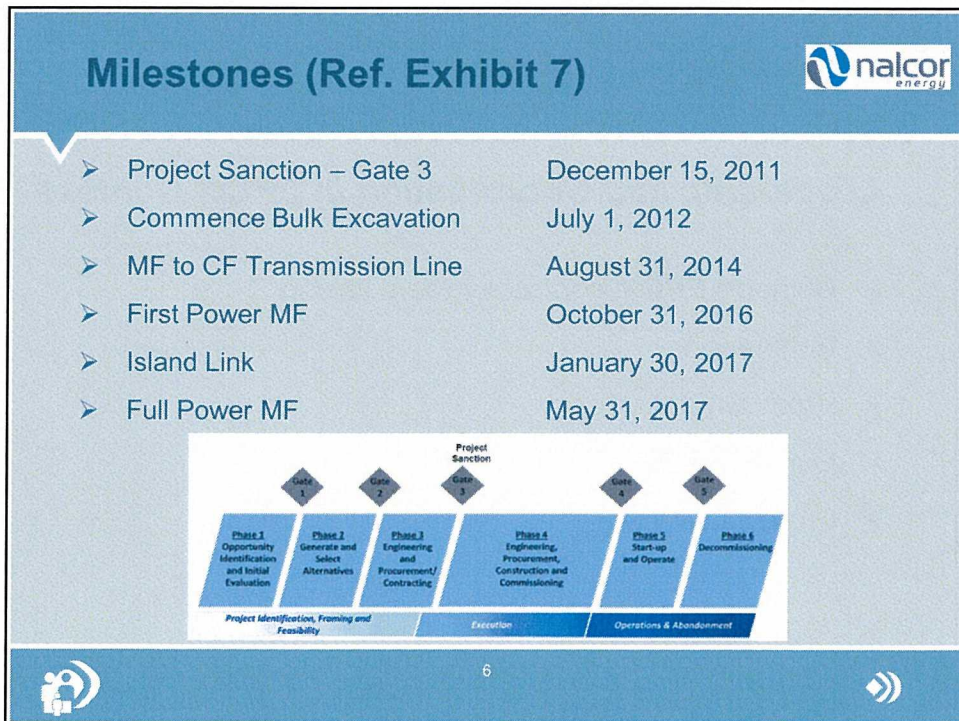
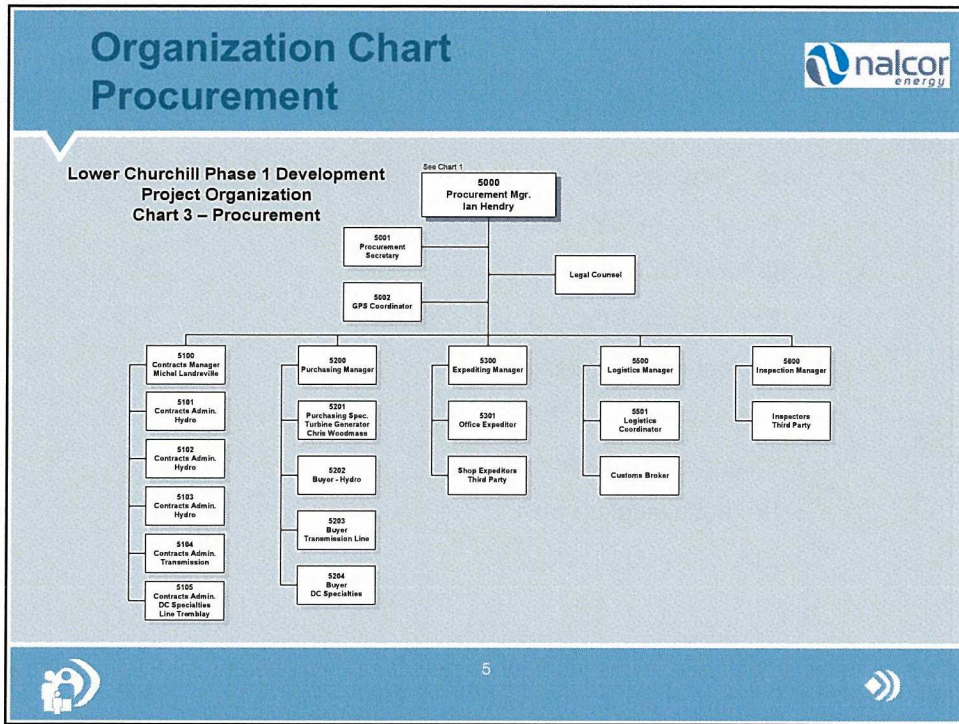



Content 

1. General organisation and structure
2. Milestones and Gateway process
3. Deliverables
4. Project management aspects (misc)
5. Area Management concept
6. MFL curve



 2 






Deliverables for Gate 3 



- Class 3 estimate and detailed execution schedule
 - Accuracy -10%, +20%
- Other requirements
 - Final layout drawings
 - Project-specific design criteria
 - Basis of design
 - All geotechnical surveys
 - Project execution plan
 - Etc.


 7 

Project Management 

Leadership and Coordination in EPCM Context



- Owner – EPCM contractor team liaison
- Engineering
- Procurement
- Construction
- Project Controls


 8 

Project Management 

Objectives



- HSE: Zero recordable incidents
- Building a best in class hydro plant and transmission system
- Meeting or improving schedule and budget
- Complying with Company's community commitments and requirements
- Optimising construction, operations and maintenance
- Value Engineering....


 9 

Project Management 

...Objectives

- Cap on CAPEX
 - Value engineering
 - Monitoring of quantities in the course of engineering
 - Actions to reduce quantities
 - Procurement in low cost countries – SLI's Shanghai Office
 - Pro-active approach instead of reactive



 10 




Project Management

Early Deliverables (*Table 1.1, Exhibit 5*)

- 36 documents, E P CM and PM
 - Execution Plan
 - HSE Plan
 - Quality Plan
 - Risk Management Plan
 - Procurement Plan – Contract Strategy
 - Project Instructions






11

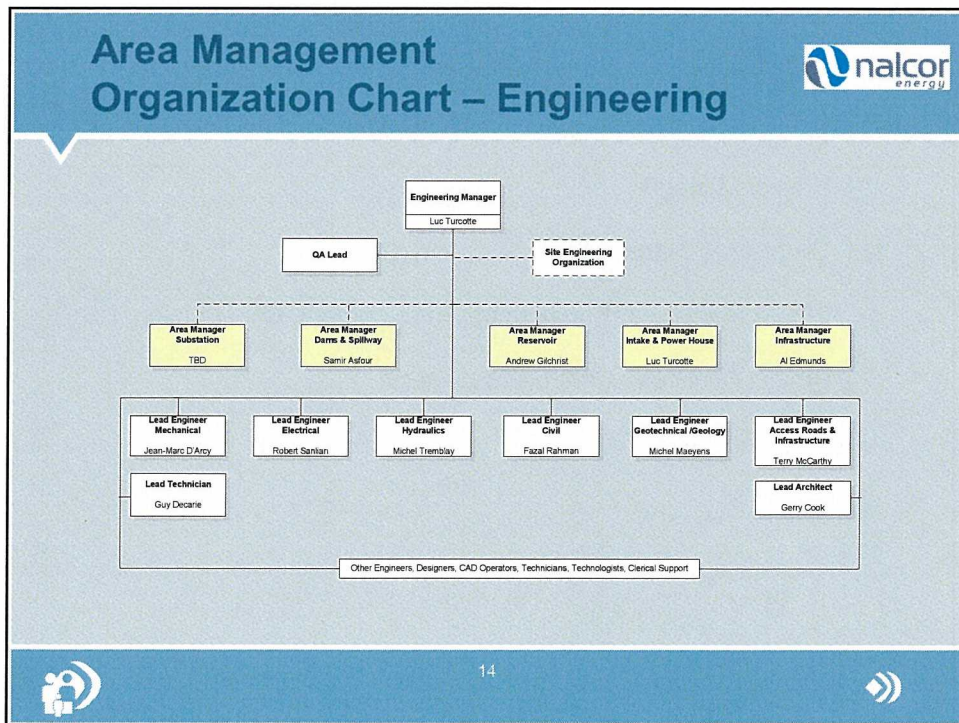
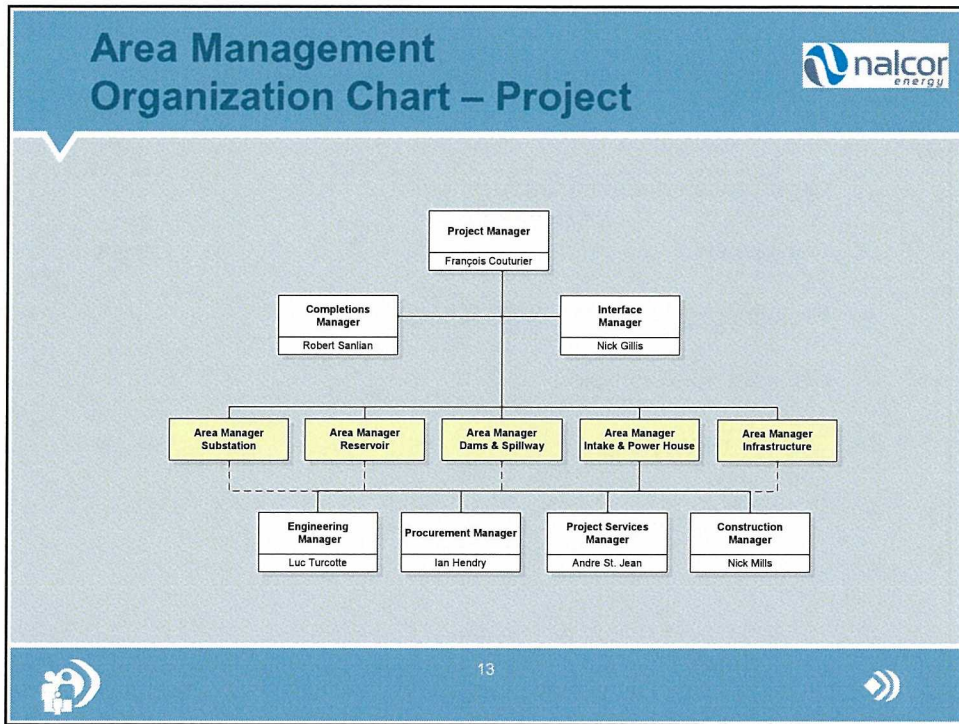


Area Management Approach

- Matrix organization
- Project is broken down into key areas
- Area managers are assigned for each area
- Area managers report to the Project Manager
- Interface with all functional groups for area work –
 - Engineering, procurement, project services, construction management and interface management
- Interface with the field for the construction stage
- Provides continuity






12





Responsibilities of Area Managers

- Organization and planning
- Coordination
- Project controls (Area), cost, schedule
- Contract administration
- Quality assurance
- Reporting



15


Working Relationships

- Project Manager
- Client Area Manager
- EPCM Managers (Engineering, Procurement, Construction, HSE)
- Project Services / Controls Managers
- Commissioning Team


16



Benefits of Area Management



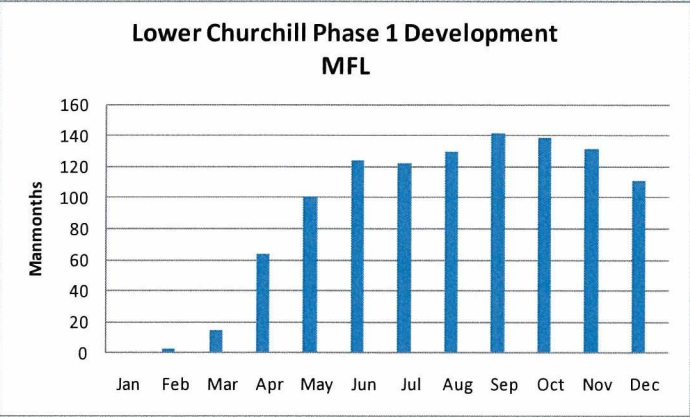
- Good interface management
- Timely resolution of issues
- Enhanced quality of work
- Productive work environment
- Efficient communications and reporting
- Optimized cost and schedule control

17

MFL

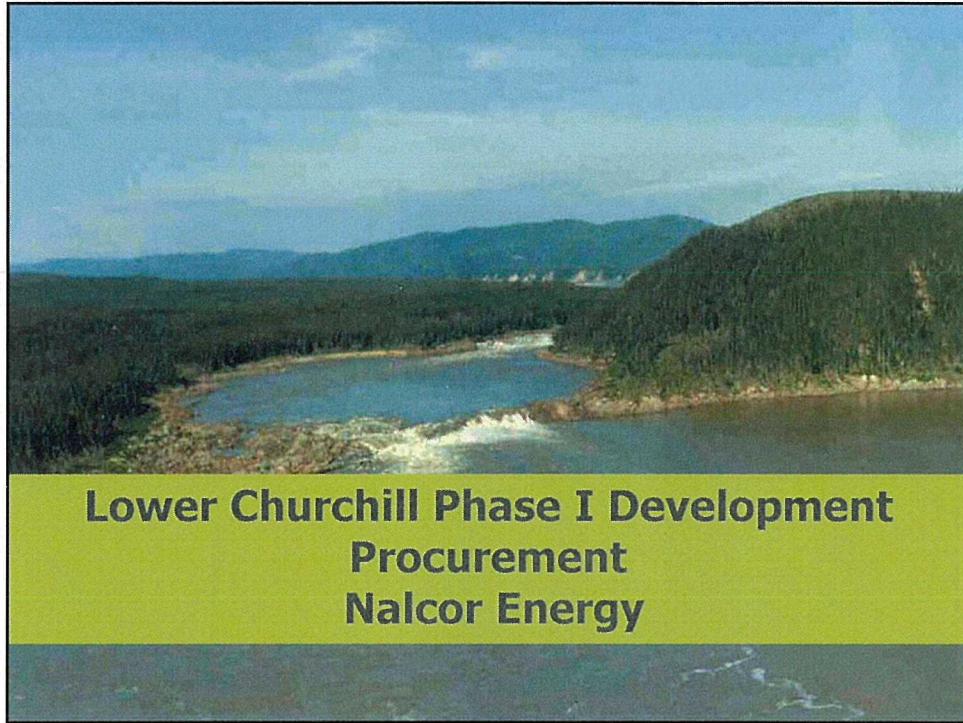



Lower Churchill Phase 1 Development MFL





Month	Manmonths
Jan	0
Feb	5
Mar	15
Apr	65
May	100
Jun	125
Jul	120
Aug	130
Sep	145
Oct	140
Nov	130
Dec	110

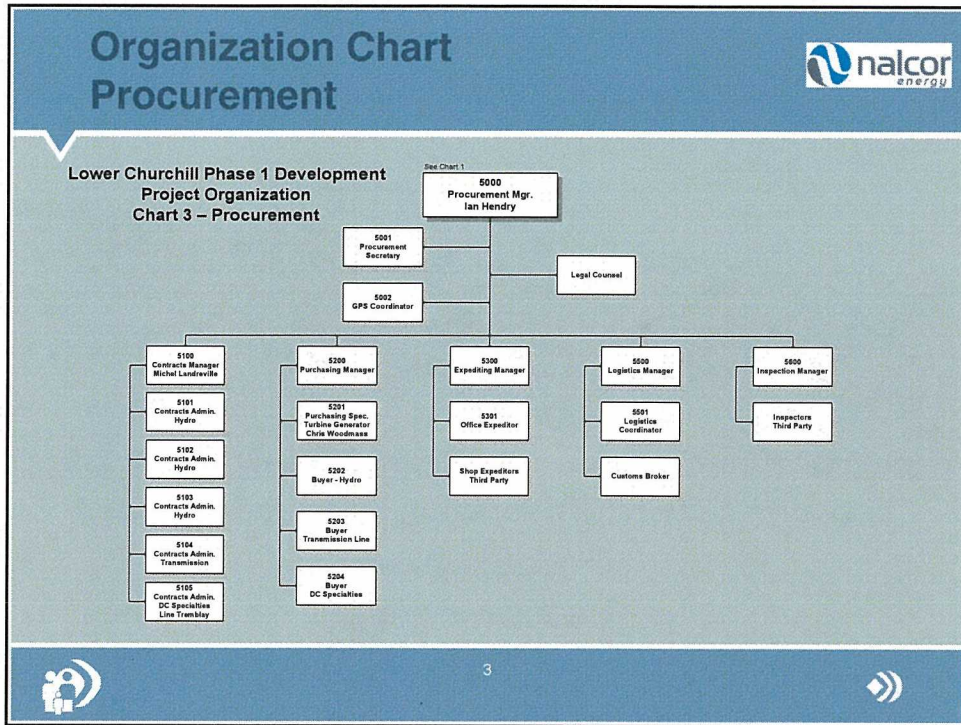
18




Procurement 

Procurement on the Lower Churchill Development will consists of Contracts, Purchasing, Expediting, Inspection, Logistics & Material Control

 2 



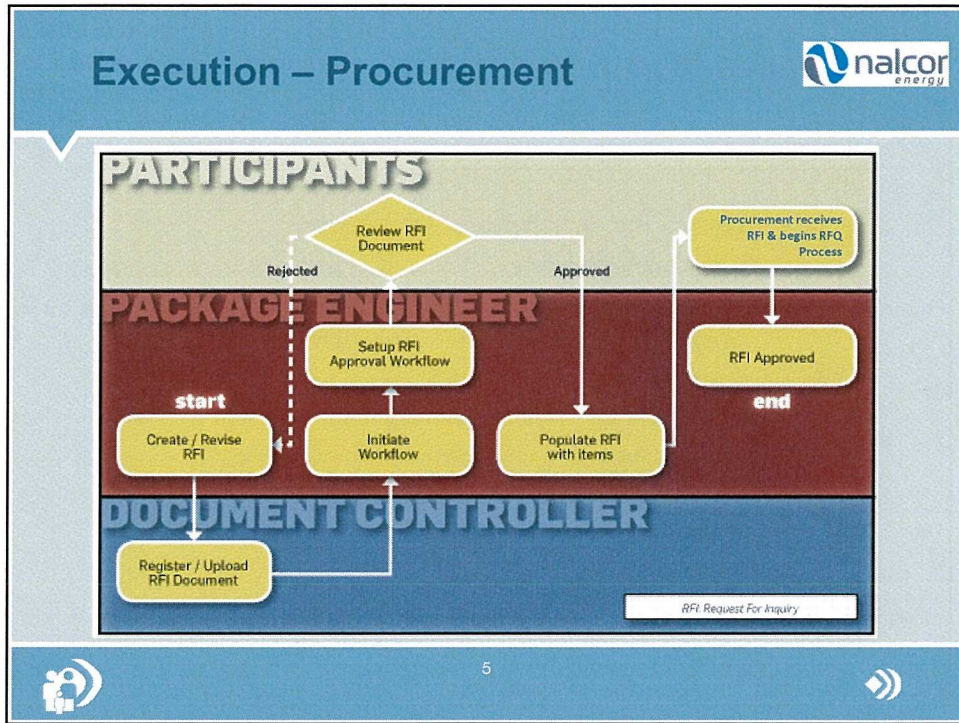
Execution – Procurement



Early Activity Status

- Key personnel confirmed / mobilized
- Overall Contract and Purchasing Plans – Rev A issued for internal review
- Materials Management & Logistics Plans started. Forecast issue for internal review week 11 April
- Full Execution Plan – Procurement section started; draft forecast completion 15 April
- Procedures downloaded to project PDM. Gradual modification to LC requirement over the year
- EPC (Converter and TG) contract individual plans started
- RFI (auto) & GPS System implementation in planning
- Lead time and cost checks
- Contract package list review
- Global equipment sources
- Risk identification

4





Execution – Procurement

GLOBAL PROCUREMENT SYSTEM GPS

6



Global Vendor Database

- Central repository of all SNC Lavalin approved vendors
- Fed both externally and internally
 - Externally: vendor web-based self-registration process
 - Internally: vendor “post mortem” assessments
- All inputs carefully reviewed on an ongoing basis
 - by Global Procurement Category Managers
 - by Global Procurement Supplier Assessment Manager
- Searchable through multiple criteria
 - Supplied categories, geographical location, qualifications, etc.


7


Global Sourcing Knowledgebase



- Logically structured
 - 13 macro sourcing categories (Electrical, piping, automation, etc.), segmented in 200+ detailed sourcing categories – this will change to add more groupings
 - Standard display of information at each level
 - Intuitive use and navigation, even for someone who had no training on the system
- Central sourcing information repository for buyers, estimators, and anybody else dealing with suppliers
 - Market trends and lead times
 - Vendor qualifications and classifications
 - Global framework agreements
 - Price indexes
 - Contact information
- Constantly updated by Global Procurement Category Managers


8


Global Spend Analysis



Ability to “slice and dice” SNC Lavalin spend along the following dimensions:


- Vendor
 - Name
 - Geographical location
- Type of goods or services
 - Sourcing Category Codes (standard classification for all SNCL purchases)
 - Commodity Resource Codes (CRCs)
- Project
 - Name
 - Client
 - Industry
 - Type (EPC vs. EPCM)
- Time


9


Global eSourcing



- Request For Information (eRFI)
- Request For Quotation (eRFQ)
- Request For Proposal (eRFP)
- Reverse auctions



10


Global eSourcing 

Seamless, paperless process covering the following steps

- Bidders list creation and approval
- Vendor invitation
- Vendor bidding
- Bid analysis
- Online negotiation
- Award recommendation and approval

 11 



Global Sourcing Planning 


Time-phased visibility into planned procurement activities

- Encompassing all projects,
- Regrouped by sourcing categories



Such horizontal visibility enables Global Procurement category managers to:


- Proactively support projects in their bidders list creation process
- Identify risks of supply capacity shortage situations as soon as possible
- Identify group buying opportunities

 12 

Execution – Procurement 



Procurement Package Management


 13 

**Execution – Procurement
- Package Management** 

Procurement Manager is responsible for:

- Ensuring the process is effective
- Communicating the requirements
- Monitoring implementation

 14 





Package Management


Package Team in General

Responsible for the design, specification and procurement of equipment and materials for the works

Procurement consists of Contracts, Purchasing, Expediting, Inspection, Logistics & Material Control

15





Package Management


Contractors (EPC) Suppliers Responsibility

EPC Contractors & Suppliers are responsible for the design of their product and for its manufacture and delivery / installation according to the contract / purchase order requirements.

Includes responsibility for quality, HSE, completeness, on time delivery, agreed price and in compliance with relevant legislation.

16




Package Management

Package Team Responsibilities

- Package management from EOI to package close-out
- Sole point of contact for bidders and contractor / supplier
- Acting according to highest standard of business ethics
- Bid List Development
- EOI, RFI and RFP
- Evaluation and Recommendation
- Requisition for commitment
- Contract / Purchase Order preparation for issue by Nalcor
- Contract / Order administration
- Budget accountability

17



Package Management

The Package Team


Each package managed as a team activity
 Package team comprises:

- Contract Administrator (CA) or Package resp. Buyer (PRB) – Commercial matters incl. E&I and joint package coordination with PRE
- Package Responsible Engineer (PRE) – Technical matters and joint package coordination with PRB
- Package Quality Engineer (PRQ) – Quality matters
- HSE and others as required

Support groups:

- Engineering Design
- Construction team
- Commissioning
- Operations and Maintenance
- 3rd party services (E, I, L)



18




Package Management

PRE Responsibility

- Joint Package Management
- Defining work scope / package dictionary
- Package criticality rating
- Bidder list development / supplier prequalification
- Job Specification
- Technical evaluation
- Overall review, comments, coding & sign off of technical data
- Ensuring documents are reviewed by discipline engineering
- Ensuring expert is present or represents team at supplier's works for document reviews.




19





Package Management

The CA / PRB is responsible for:

- Joint Package Management
- Overall package management coordination
- EOI , Prequalification , Bid List & RFP Process (lead)
- Commercial evaluation and joint recommendation
- Supplier interface
- Benefits interface
- E & I through the E & I Mgrs
- Contract (through Constr. Group) / PO administration
- Contract (through Constr. Group) / PO Close-out


20







Package Management

PRQ Responsibility

- Ensuring quality rating compliance
- Supplier audits
- QA evaluation
- Manage quality issues & 3rd party inspection*
- Final release quality related documentation
- Bidder prequalification Supplier interface
- Close-out (Q related)

* EPC packages




21





Package Management

Expediting and Inspection

- Expediting will be coordinated through Expediting Mgr.
- Inspection will be coordinated through Inspection Mgr. in close liaison with PRE.
- 3'rd party Expeditors & Inspectors will be used
- Visits to be meaningful and not routine
- Visits to follow Inspection and Expediting plan
- E & I according to the criticality rating
- Duplication to be avoided (activities to be coordinated)




22





Package Management

Contacts

- One point of contact (both parties)
- Correspondence issued shall be over the name of CA / PRB copy to PRE & PRQ




23





Package Management

Correspondence and filing


- Correspondence will be controlled
- Correspondence incoming to attention CA / PRB copy to PRE
- Dedicated package email address per package
- Individual Package folders in PDM
- Email automatically copied to PDM


24







Procurement Execution - Benefits

Strategy



- Comply with the IBA
- Support Nalcor's overall benefit initiatives
- Maintain transparency with business community
- Optimize local spend
- Implement training and succession planning




25


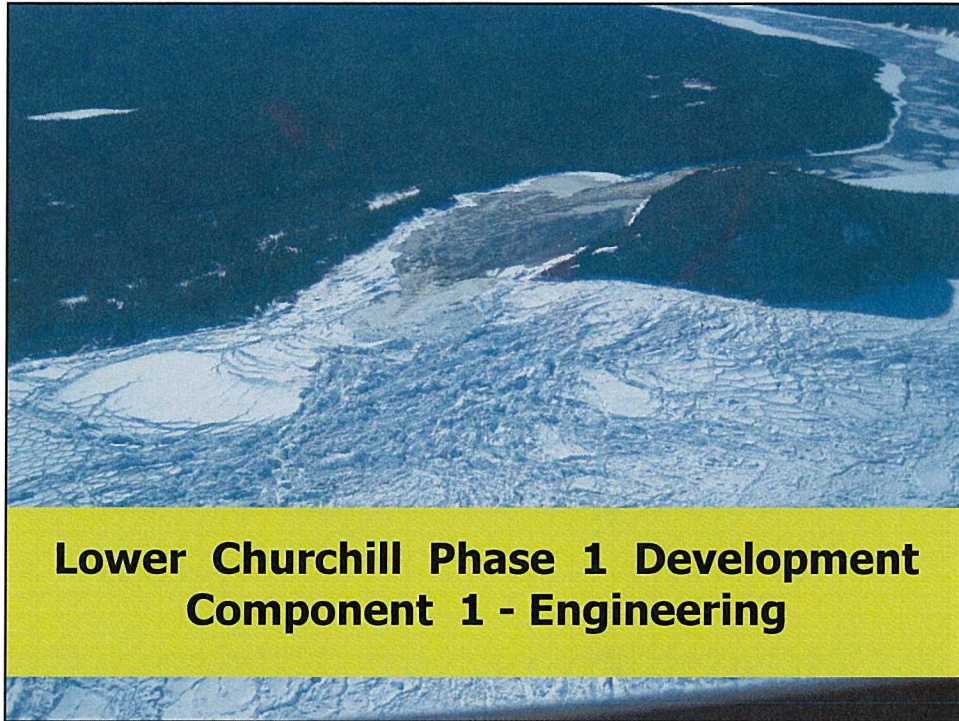



Execution – Procurement

Procurement Committee



- Establish a committee comprising the Procurement Manager, Project Manager, Area Manager and Nalcor representatives
- Purpose of the committee is to jointly approve awards of contracts and POs promptly
- Committee will convene at regular intervals to review award recommendations submitted by Procurement for approval


26





Execution - Engineering 

1. Strategy
2. Organisation
3. Early Activities
4. Progress
5. Change Management
6. Engineering Processes
7. 3D Models
8. The Project Status
9. Further Studies
10. How it is Built


 2 

Execution – Engineering


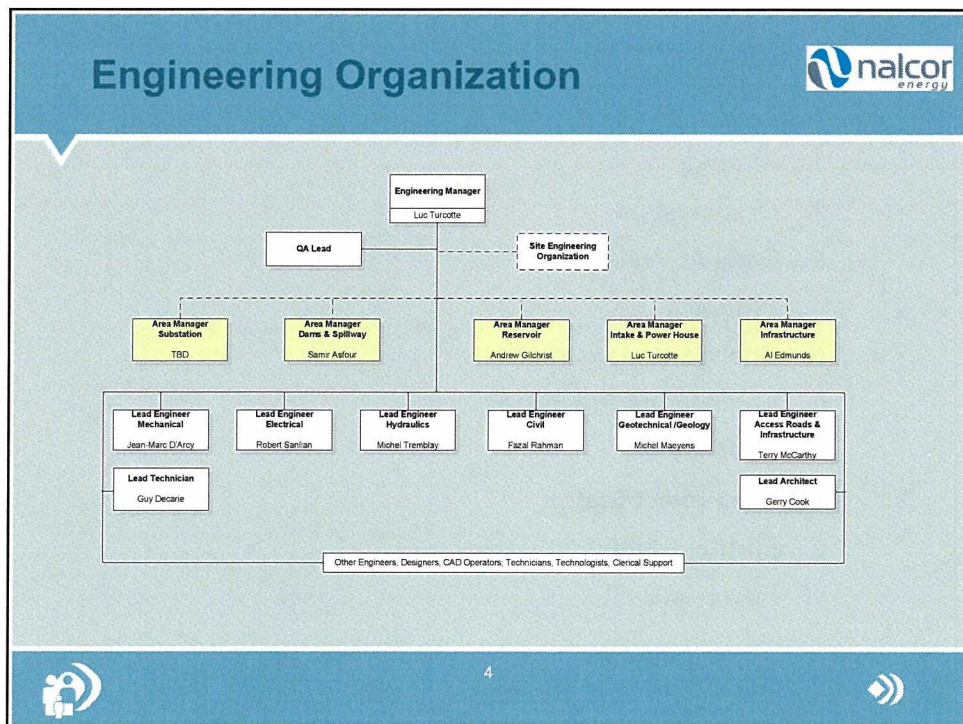



Strategy

- Engineering Studies
- Value Engineering
- Reviews - Constructability, Operability, Maintainability, Design for Safety
- Use of 3D models
- Drawings (ACAD) and specifications are basic deliverables



3





Execution – Engineering

Early Activity

- Prepare engineering packages (IWP) that will include:
 - Complete and detailed list of engineering deliverables
 - Budgeted hours for each deliverable
 - Schedule for 60%, 90% and 100% for each deliverable or group of deliverables
 - List of personnel involved in the preparation of the package
 - List of input information needed to complete the engineering of the particular package
- Prepare design criteria and specifications for Turbine Generator Package; coordinate with competitive model tests
- Start equipment lists for layout purposes
- Prepare preliminary specification for budget pricing
- Conduct value engineering / risk analysis sessions...

5





Execution – Engineering


Early Activity (cont'd)


- Prepare specification for hydraulic model
- Define program for geotechnical investigations

Early Works Engineering

- Prepare bid package for:
 - Access roads
 - Construction site power
 - Site clearing and Excavation package
 - Construction camps and services
 - Site Communication



6




Execution – Engineering 

Monitoring of Engineering Work Progress



- Engineering progress monitored with PM+ Internal mandate, using earned hours concept PM+
- Review of progress for each engineering packages on a monthly basis Curve
- Integration of design reviews in the engineering process


 7 

Execution – Engineering 

Change Management



- Proactive approach to changes
- Monitoring of quantities and changes
- Analysis of changes
- Changed conditions (geotechnical/hydrological)
- Minimize changes through bidding with detailed drawings
- Organized effort to reduce quantities


 8 

Execution – Engineering 



Processes


- Value Engineering
- Constructability Reviews
- H&S Reviews (Construction and Operation)
- Risk Assessment

 9 



3D Digital Models 


- **Scope**
 - Site
 - Powerhouse
 - Spillway
 - Other structures
- **Disciplines**
 - Geology/geotechnical
 - Civil
 - Mechanical & Electrical
 - Structural steel
 - Architectural elements

 10 

3D Digital Models 



- **Applications**
 - Quantities
 - Coordination
 - Visualisation
 - Reviews
 - Presentation
 - Input to analysis software
 - Production of reference drawings
- **With CATIA and PDM Link**

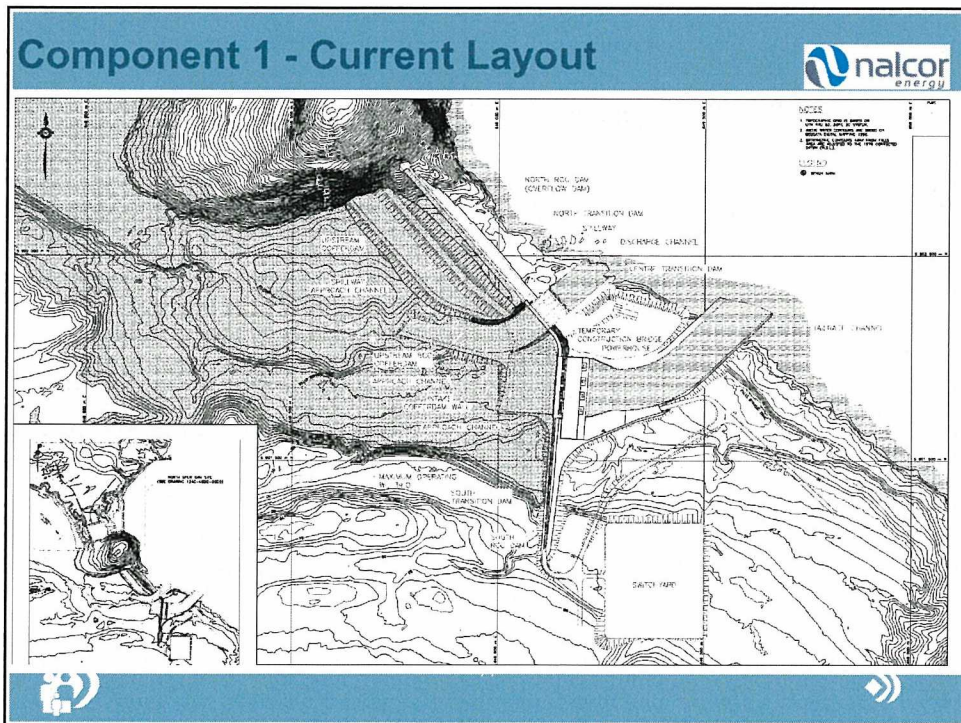
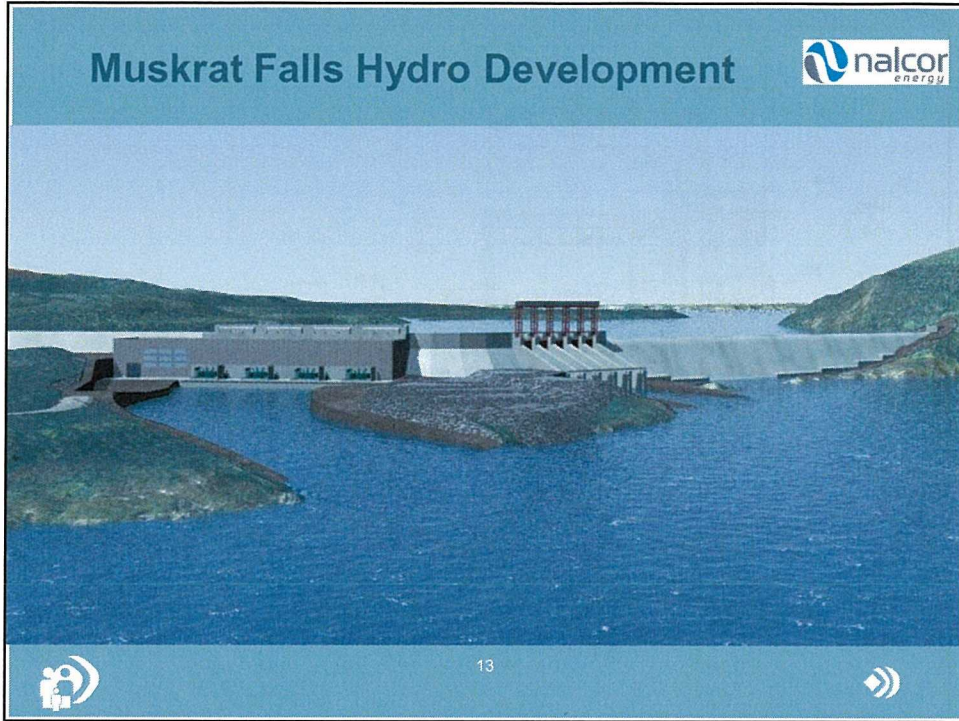
 11 

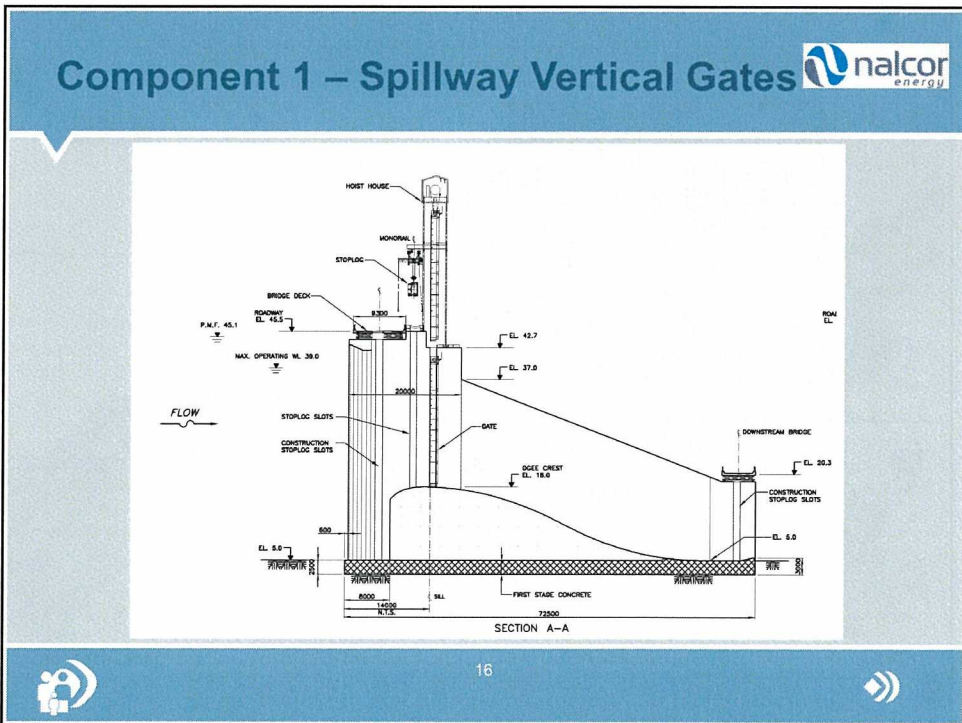
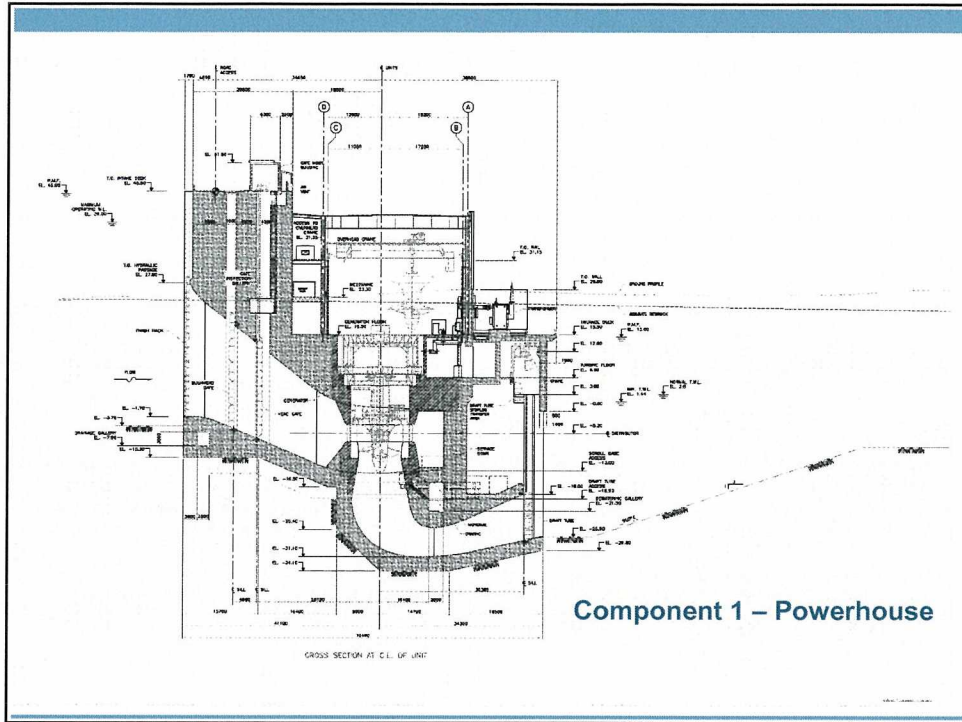
Component 1 – The Project Status 

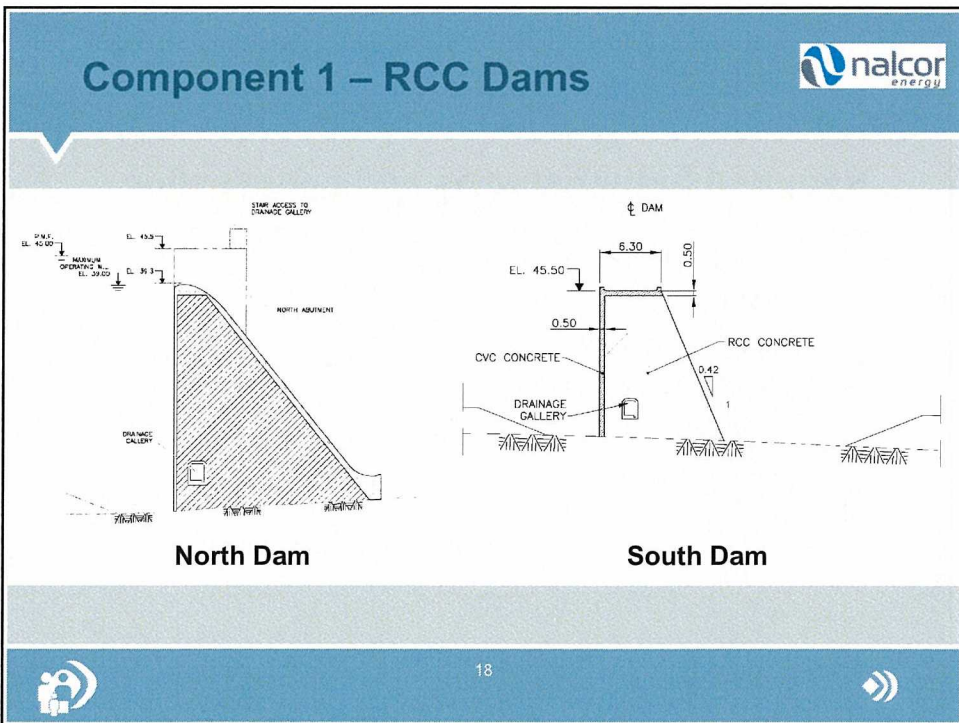
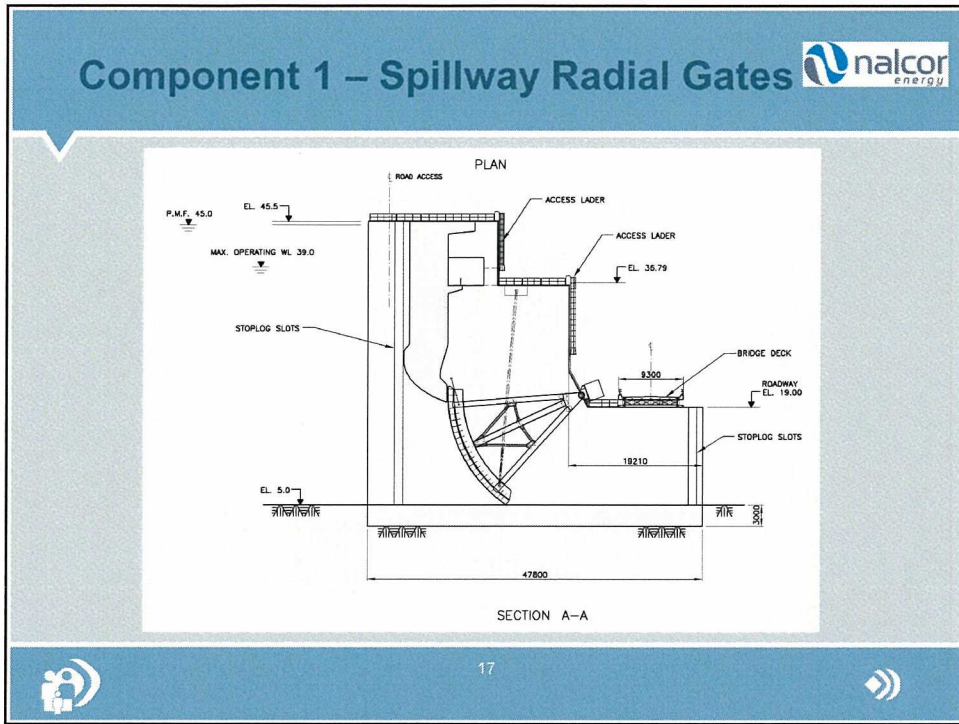
Background

- The current layout for the Muskrat Falls Hydroplant is based on the recent studies of 2010 and 2011
 - MF1310 – Muskrat Falls Site Access Review
 - MF1340 – Review and Confirmation of Muskrat Falls Layout, Structures and Interfaces
 - MF1360 – Review and Update of Numerical Modeling of Muskrat Falls Structures
 - MF1390 – Review of Impact of Muskrat Falls Construction on Gull Island and Later Gull Island Construction on Muskrat Falls

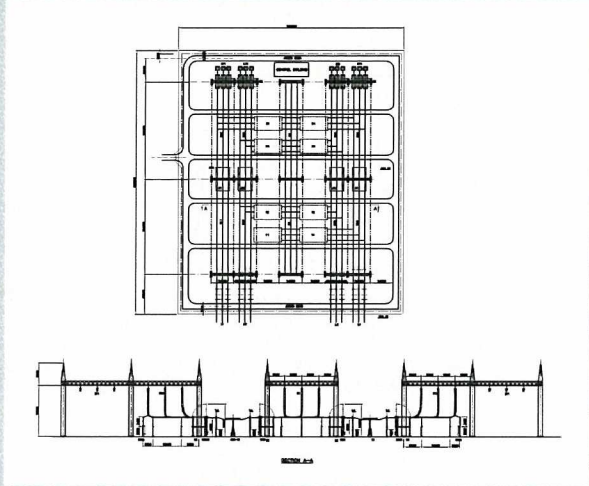
 12 







Component 1 – Switchyard



The image displays a technical drawing of a switchyard. The top portion is a schematic diagram showing a grid of electrical busbars and circuit breakers, with various lines representing power connections. Below this is a perspective view of the physical switchyard structures, including tall metal towers and lower-level buildings, arranged in a row.

nalcor energy

19


Component 1

Required further studies and optimisation

- Selection of spillway type
- Operating water levels
- Powerhouse general cross-section
- Alignment of powerhouse
- Approach channel
- Tailrace channel
- HV Switchyard



nalcor energy


20

Component 1 – How it is Built 

Project Characteristics



- No tunnel or any permanent construction in rock knoll
- Accesses from south - TLH
- Major structures located on right side abutment, where they will be constructed in the dry
- Gated spillway structure serves double duty as diversion flume
- Good foundation conditions, sufficient rock, granular and till materials available


 21 

Component 1 – How it is Built 

Principle Elements

- North dam including overflow spillway
- North transition dam (between North dam and spillway)
- U/S gravity cofferdam (abuts North transition dam)
- Gated spillway
- Center transition dam (between spillway and powerhouse)
- Intake and powerhouse
- South gravity and transition dam (U/S of service bay, connects intake with South dam)
- South dam
- U/S and D/S cofferdams and related structures including access
- Substation
- North spur

 22 






Component 1 – How it is Built

Hydraulic Criteria

- Revised construction flood: 5,890 m³/s
- River water levels before diversion:
 - Winter peaks (caused by ice build-up) Jan-Mar 15 m (+/-)

After diversion, headpond to be kept at elev. 24 m during the winter season.


23







Component 1 – How it is Built

Materials and Materials Management

Rock	
➤ Available from excavations	2,000,000 m ³
➤ Required for fill and aggregate production	1,800,000 m ³
Granular	
➤ Excavations quantity	1,500,000 m ³
➤ Required from borrow pits	600,000 m ³
➤ Spoil areas required on north and south shores	

Transport of materials from one shore to another possible over cofferdam beginning late 2014.




24





Component 1 – How it is Built

Construction Start-up Strategy

- Turbine-generator supply and erection
- Access road to site
- Site clearing (excluding the reservoir)
- Overburden excavation and preliminary rock excavation of the spillway, intake and powerhouse
- Balance of the rock excavation and concreting of the spillway, intake and powerhouse
- Supply and erection of the spillway, intake and powerhouse gates




25





Component 1 – How it is Built

Construction Plan – Key activities by year



- Year 1 (2011) Environmental Assessment Release and Project Sanction (Dec. 2011)
- Year 2 (2012) Site access and the accommodation complex
Continue with site infrastructure
General excavation work for foundations
- Year 3 (2013) Complete excavations except for rock plugs
General civil work (concreting)
- Year 4 (2014) Structures concrete substantially complete
Open spillway channel for diversion flows
Complete U/S and D/S cofferdams and related work
- Year 5 (2015) Construct North Dam (RCC)
Building finishes for Intake and powerhouse
PH superstructure completed and bridge crane erected
Electrical –Mechanical Installation
- Year 6 (2016) First two units on line
- Year 7 (2017) Last unit on line May 2017



26


Component 1 – How it is Built 

Start-up Activities



- Award contract for clearing and excavation on Project Sanction (Dec 2011)
- Construct site access road on south shore
- Excavate structures and channels (2012) behind temporary embankment cofferdam
- Award General Civil Works (2012)
- Complete first phase of spillway (base slab, sluices, piers and deck) (2012)
- Begin Intake and powerhouse structures (2012)
- Spillway gate erection on temporary sill on base slab (2013)
- Diversion (2014)
- South Dam not critical, but important as access to Intake deck

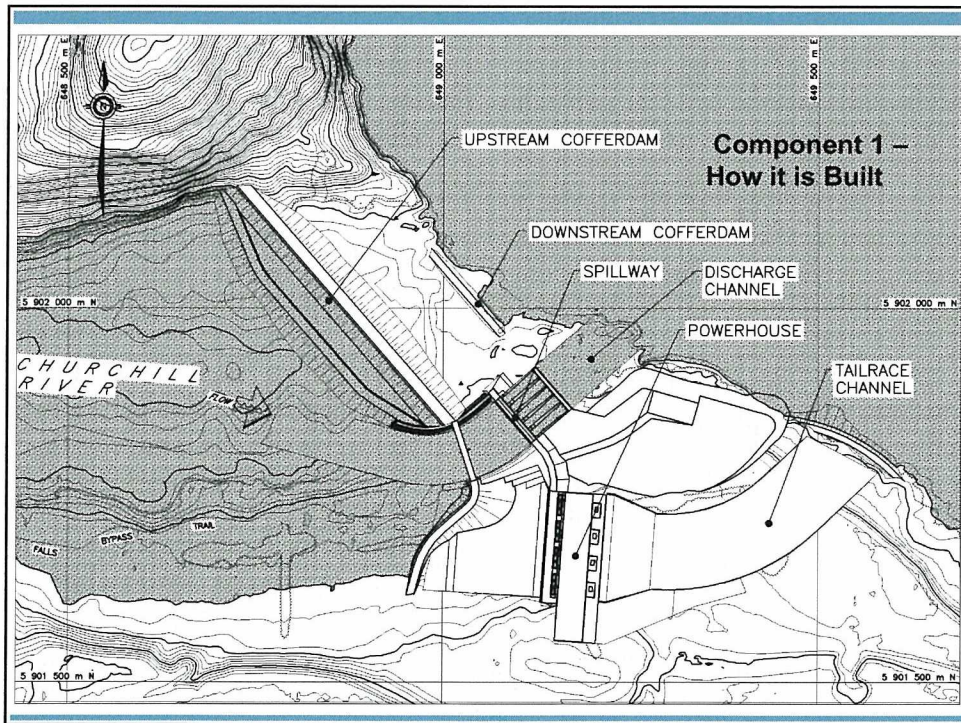
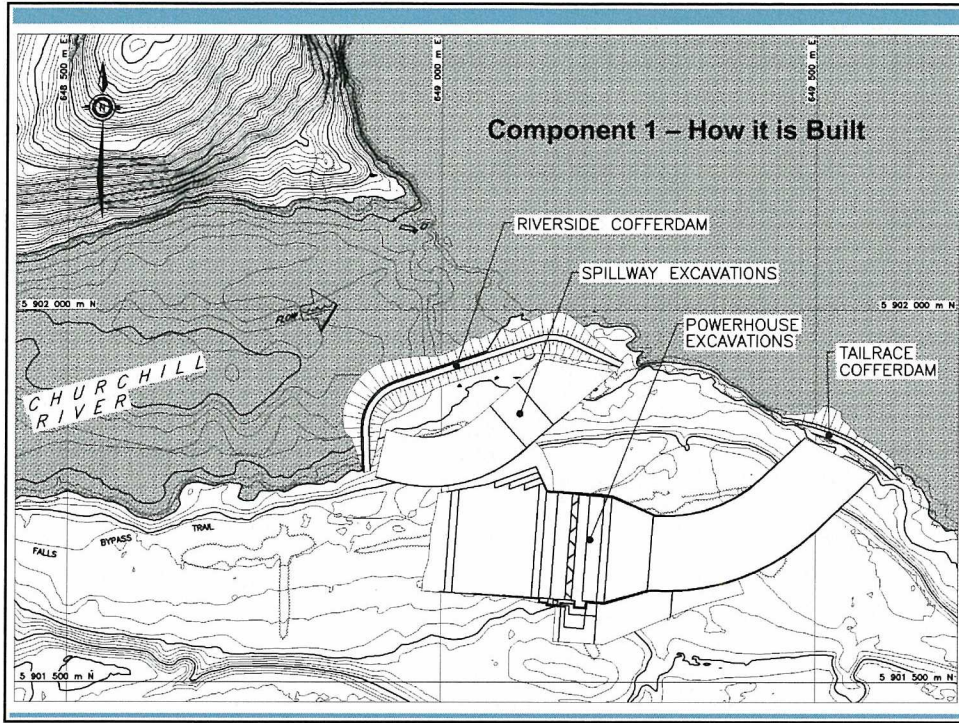
 27 

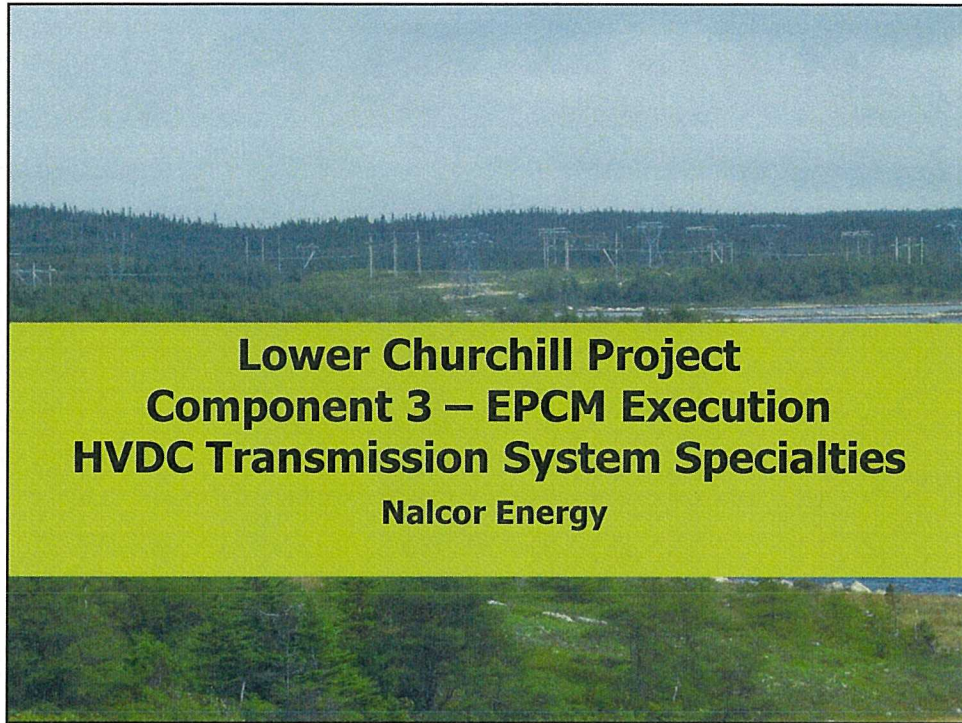
Component 1 – How it is Built 


River Diversion

- Spillway configured as flume, with gates temporarily set on base sill for winter control of headpond
- Concrete gravity cofferdam will be constructed perpendicular to the North dam to tie in with the U/S cofferdam
- Spillway channels opened up to allow passage of river flow
- Access to cofferdam construction by bridge crossing spillway approach and discharge channels
- U/S cofferdam – construct twin rock groins infilled with transition and till – Force all flows through spillway flume
- North dam (RCC) to be constructed in one year
- After north dam higher than cofferdam, begin to construct rollways in spillway
- Rollways complete, can impound to FSL
- Power intake and tailrace channels opened for unit testing

 28 








Component 3 Presentation 

Project Scope Summary
Project Organization
Key Roles and Responsibilities
Project Execution:



- Planning
- Engineering
- Procurement & Contracts
- Construction
- Completions


 2 



Project Plan



- Provide engineering services for the HVdc Transmission System Specialties (Component 3)
- Provide full EPCM services – Engineering, Procurement, Construction and Commissioning Support. This is the execution phase of the project leading to a fully commissioned plant ready for start-up
- Field investigations at converter sites, sites for electrodes & transition compounds
- Coordination with work related to infrastructure provided by Components 1 & 4
- Define interfaces and coordination with Components 1 & 4 as well as with NLH network

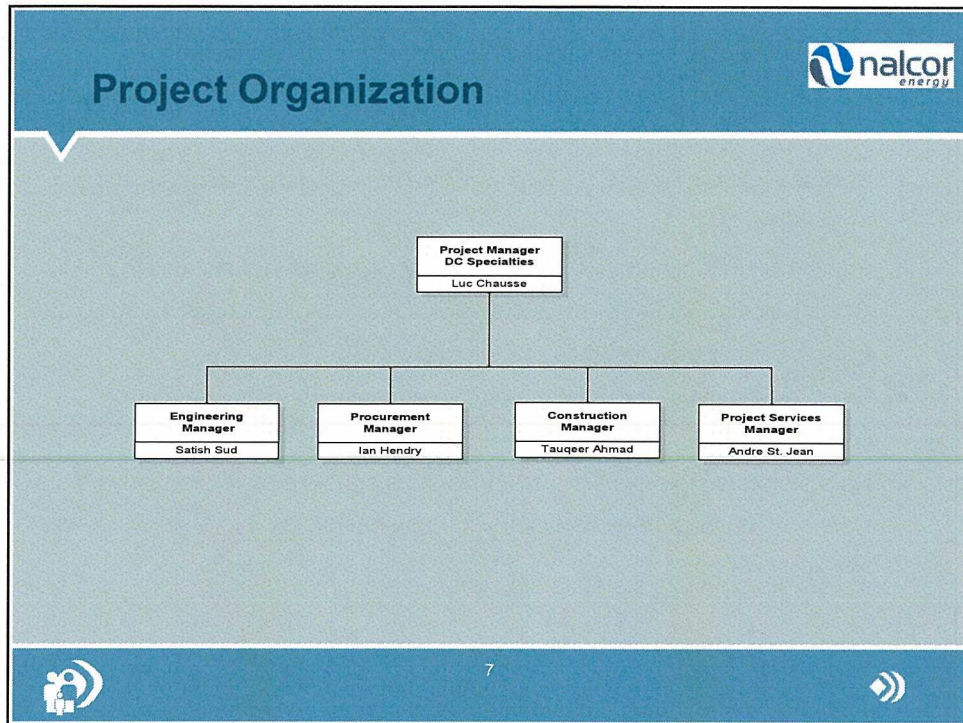

5




EPCM Execution

- Management
- Engineering
- Procurement
- Construction
- Completions




6


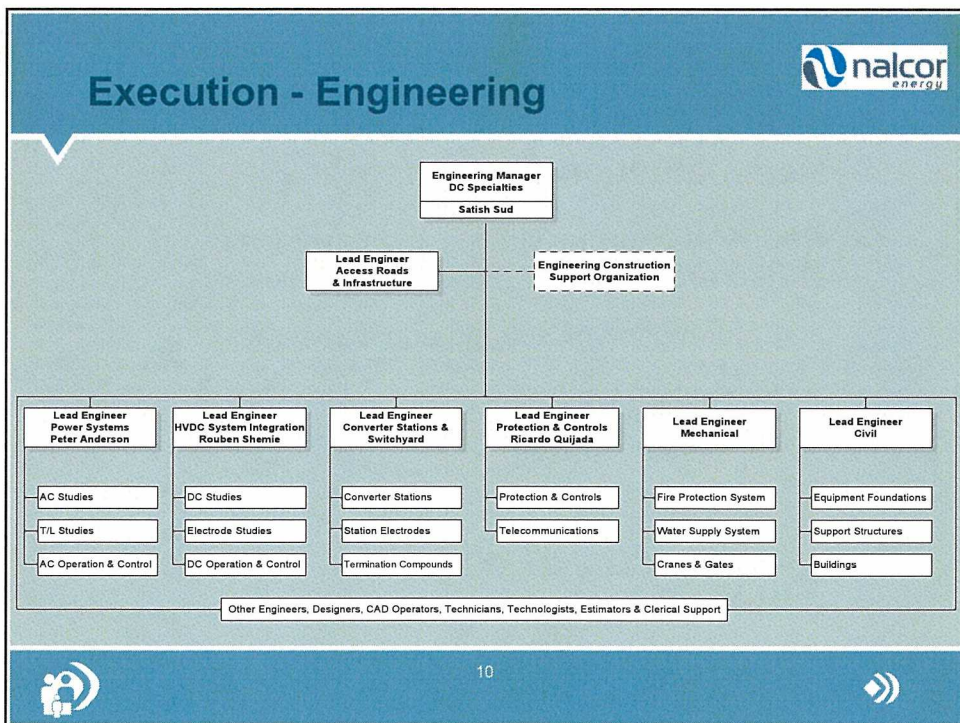



- ### Project Organization
- #### Project Management Team
- Luc Chausse, Project Manager
 - Satish Sud, Engineering Manager
 - Tauqeer Ahmad, Construction Manager
 - Ian Hendry, Procurement Manager
 - Andre St. Jean, Project Services Manager
- The slide lists the members of the Project Management Team. It includes the Nalcor Energy logo in the top right corner and navigation icons at the bottom.

Key Roles and Responsibilities

<u>Project Manager</u>	Project planning and execution, client interface, leadership Project activities, commitments and procedures
<u>Engineering Manager</u>	Engineering, studies, design, tools, documents, reviews and quality
<u>Proc & Contracts Manager</u>	Procurement planning, vendor management, tenders, contract administration
<u>Construction Manager</u>	Construction execution, material control, site activities, contractor management, commissioning support




9





Execution – Engineering 

Principal activities



- Engineering Studies
- Technical Specifications
- Review of Detailed Engineering
- Engineering Follow-up and Support
- Completions


 11 

Execution – Engineering 

System Definition studies:



- Review of previous studies and development of studies program for System Definition:
 - Confirmation of Voltage and Capacity
 - AC system studies
 - DC system studies
 - Harmonic Impedance studies
- Specialised Software: PSS/E, EMTP-RV, PSCAD, CYMHARMO, etc.


 12 

Execution – Engineering 

System studies



- Transmission Line Electrical Studies:
 - Confirmation of voltage and capacity
 - Confirmation of the technical and economic selection of conductor
 - Electrical parameters of the HVdc line and electrode lines
 - Reliability of separate wood-pole long electrode line in Labrador in comparison with using the HVdc line tower to mount the electrode line
 - Selection of insulators for the transmission line including specification of minimum creepage; and
 - Selection of OPGW and parameters


 13 

Execution – Engineering 

System studies



- Reactive Power Study
- Loadflow and Shortcircuit study
- Stability Study
- Modes of Operation and Control Strategies Study
- Harmonic Impedance Study


 14 

Execution – Engineering 

System Design studies



- Insulation Coordination Study
- Transmission Line and Electrode line Electrical Design basis
- Design of Shoreline Electrodes
- Design basis for the Transition Compounds
- Telecommunication requirements
- Design basis for Protection and Control


 15 

Execution – Engineering 

System Studies and Design Studies Output

- HVdc system configuration, voltage and capacity
- HVdc technology to be used, LCC
- Transmission Line Conductor selection
- HVdc Transmission Line Insulation Requirements
- Ground return versus metallic return
- Design of the shore or sea electrodes
- Choice of Converter Transformers
- Insulation Coordination
- Design of the Transition compounds (overhead to cable transition)
- Coordination with system reinforcement requirements



 16 




Execution – Engineering

Converter station design studies

- Field investigations to confirm location, access and soil conditions
- Station single line diagrams to establish: the configuration of the converter valve groups, poles and bi-pole and the connection to the AC systems
- Conceptual design, parameters and facilities for the overall HVdc system control and management
- Overall Station Layout and maximization of indoor located equipment;
- Type and layout of the Converter buildings and related buildings
- Conceptual drawings for protection, control, DCS, communication and SCADA systems
- Conceptual drawings for auxiliary AC and DC electrical distribution and supplies
- Ground return electrode studies



17




Execution – Engineering

HVdc OH/cable Transition Compounds

- Selection of landing sites for the submarine cable on either side of the strait of Belle Isle
- Detailed layouts and single line diagrams showing the switching and protection required to manage the connection between the submarine cables (3 ± 320 kV cables, one spare) and the overhead lines
- The electrodes and the transition compounds will be fully engineered by SNC-Lavalin







18

Execution – Engineering 

Preparation of Technical Specifications



- Converter Stations: A performance/functional specification for a complete turnkey contract to design, supply and construct the two converter stations
- Electrode Stations: A detailed specification for the construction of two electrode stations
- SVC's and/or Synchronous Condensers: Performance/functional specifications for a complete turnkey contract to supply and construct. It should be noted that these specifications may be combined with the converter specification if the equipment is located at the converter station
- HVdc OH/cable Transition Compounds

 19 

Execution – Engineering 



Engineering during implementation

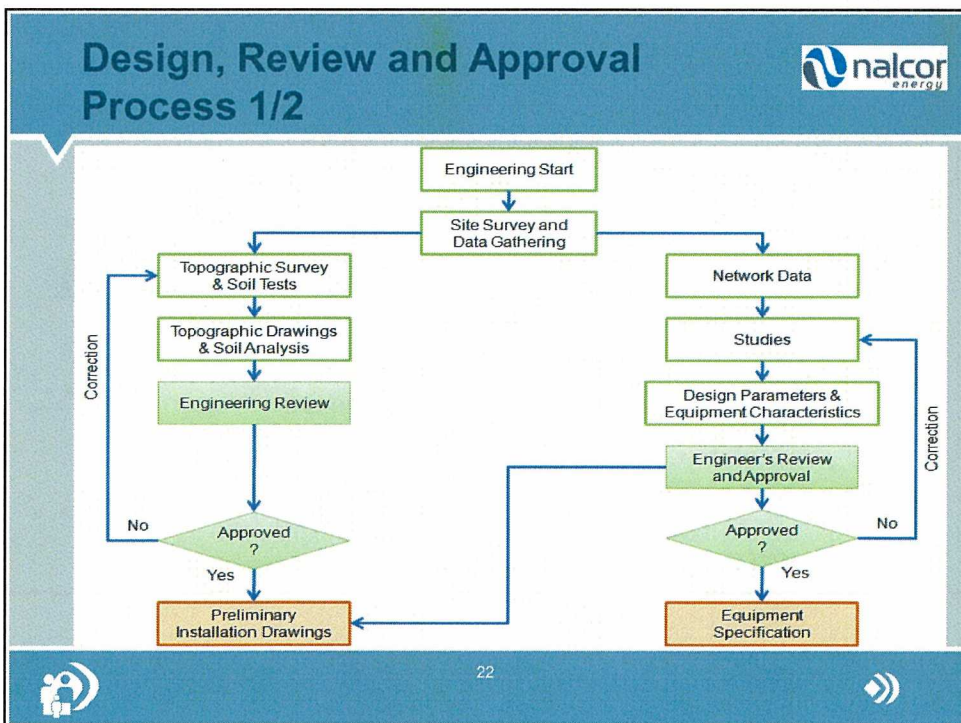
- Design review and approval
- Manufacturing follow-up, HVdc specialist inspection & testing
- Field engineering support for the Construction
- Completions: Factory tests, carry over management, preparation of As-built and OM Manuals, pre-commissioning, commissioning, trial operation, close-out and hand over to Operations

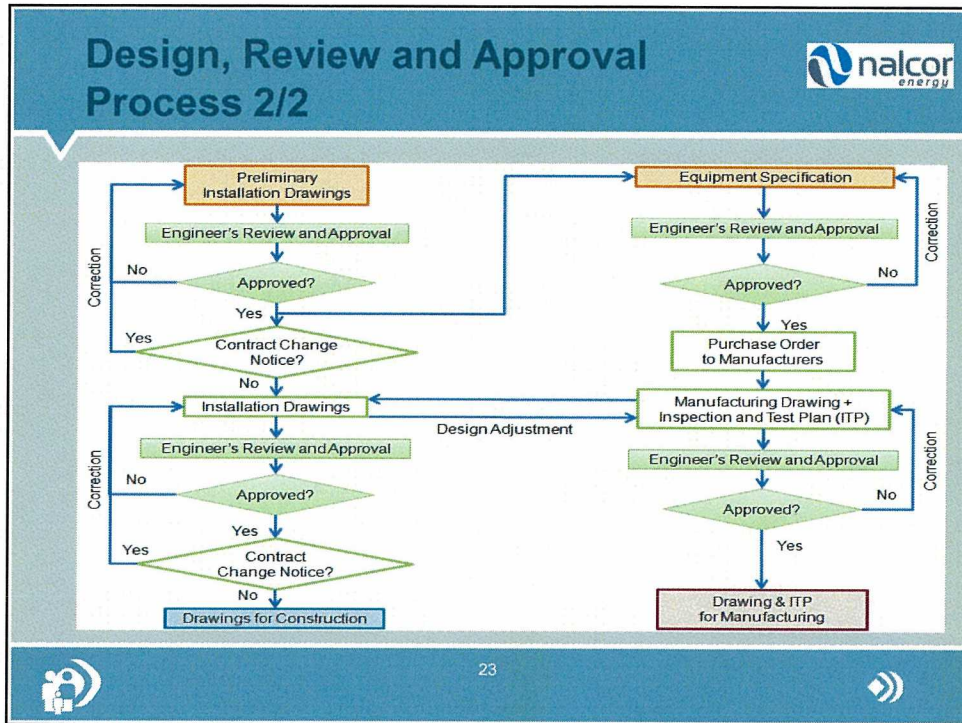
 20 

Design Review and Approval

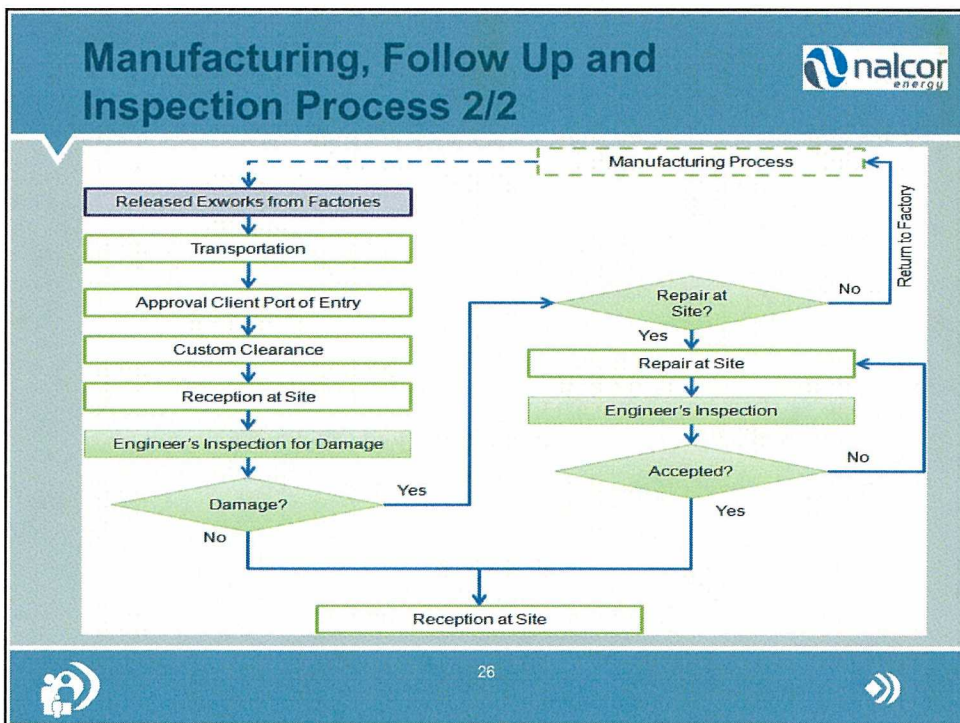
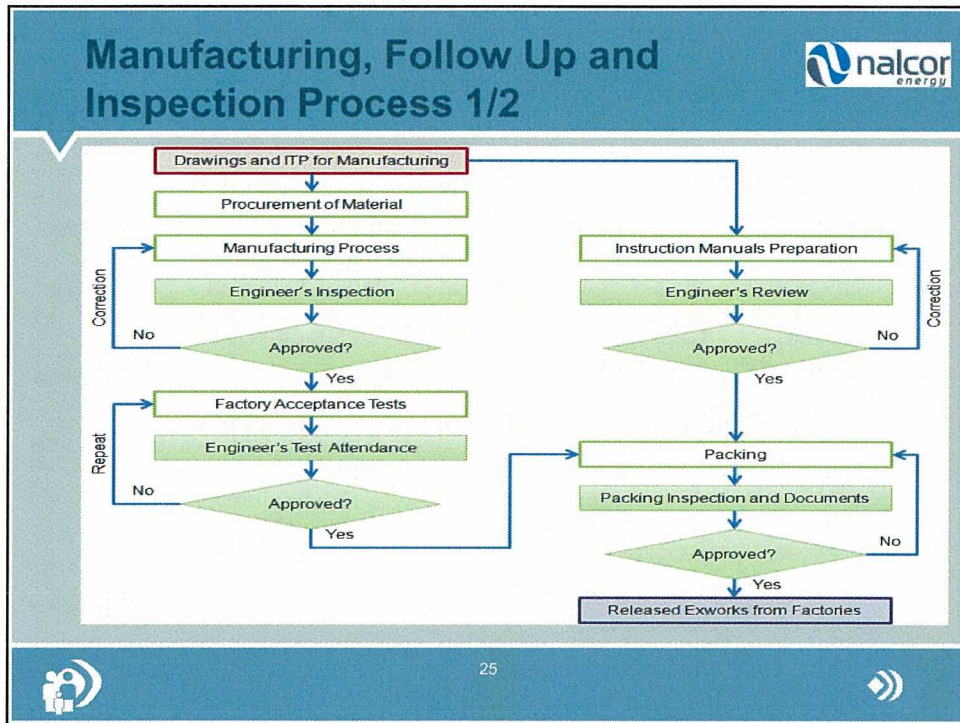
- Technical compliance of Contractors designs with Technical Specifications and applicable standards
- Technical quality and soundness of Contractors design
- Review of Contractors' specialized network studies by SNC-Lavalin high caliber experts in HVdc applications
- Review and approval of all studies, reports used to define equipment characteristics
- Review and approval of equipment and details for interfacing with the utility's substations
- Ensure the Quality Assurance processes are applied to Contractor's designs
- Tracking and monitoring of Contractor's design documents


21







- ### Manufacturing Follow-Up and Inspection
- Manufacturing Quality Assurance Manual review
 - Identification of shop inspection records, non-compliance records and corrective actions
 - Technical inspection of the equipment during manufacturing (at specific milestones or stop points), prior to test and delivery
 - Factory Acceptance Testing (with Nalcor participation)
 - Inspection of packing and transport documentation
 - Acceptance for shipment
 - Specialized equipment for the HVdc converters will require inspection and test attendance from SNC-Lavalin specialists
 - SCADA along with control, protection and telecommunication will be inspected and tests of representative panels will also require witnessing by SNC-Lavalin specialists
- 24





Execution – Procurement




Converter Stations

- Turnkey contract due to their very specialized nature and in order to ensure compatibility of equipment and provide the master control of the HVdc transmission, which has to be provided at one or both the converter stations
- Performance guarantees and warranties will be specified for the major equipment and the system
- Pre-qualified specialized international suppliers will be invited to bid in a competitive tendering process for engineering, design, fabrication and supply, delivery, installation and commissioning of the converter stations
- One single supplier will be selected for the two converter stations




27



Execution – Procurement



Converter Stations Tendering Process

- Vendor EOI and pre-qualification
- Preparation of tender package and tender issue
- Bids preparation and submittal
- Bid preliminary evaluation
- Bid detailed evaluation – technical and commercial
- Bid evaluation report and recommendation
- Contract negotiation and award
- Contract Document preparation and sign-off




28


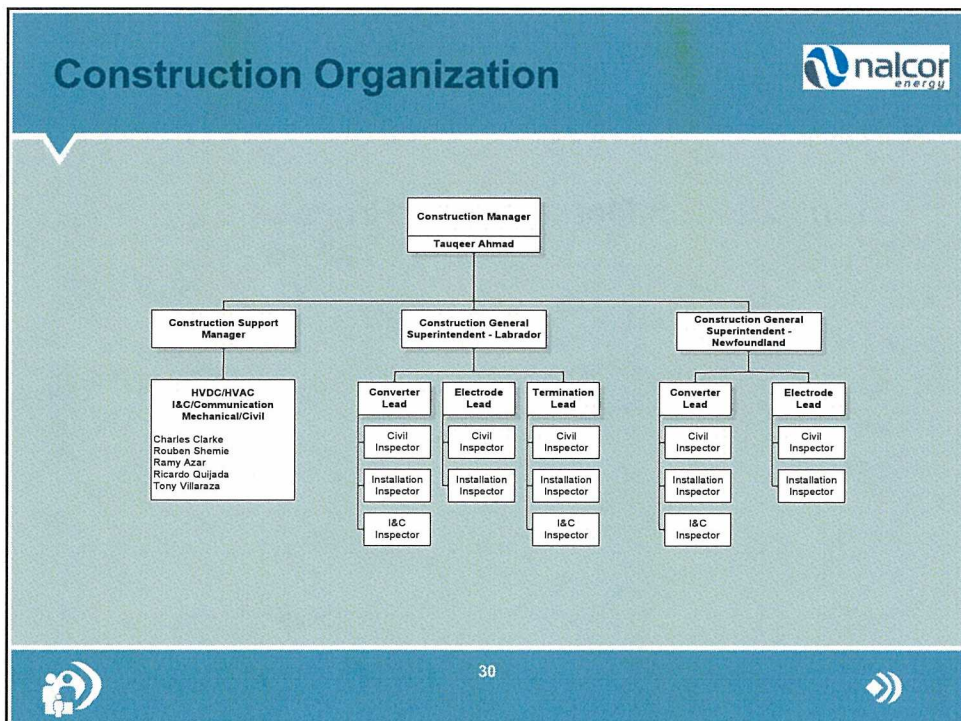



Execution – Procurement

Electrodes and Transition Compounds

- The equipment and materials will be engineered, purchased and provided to the Contractors
- Two construction contracts will be awarded for the construction of the electrode stations
- One construction contract will be awarded for the transition compounds to connect the submarine cable to the overhead transmission lines at the respective two shores of the Strait of Belle Isle




29





Execution – Construction Management 

Construction Management Team



- Established on a geographical basis for ease of execution to cover each construction site. Areas defined to cover:
 - Labrador – Gull Island converter station, both transition stations and the electrode site at Strait of Belle Isle
 - Newfoundland – Soldiers Pond converter station and Conception Bay electrode site
- Construction Manager - will manage the overall construction activities and will be responsible for the global execution of the works in respect of the schedule, cost, quality and HSE objectives
- Construction Support Manager and HVDC specialists
- General Construction Superintendents- construction managers in their respective areas and report to the Construction Manager
- QA and HSE
- Construction Leads – for each site
- Field Supervisors/ Inspectors – as required


 31 

Execution – Construction 

Construction Management Process



- Project Delivery with details on Construction Management to Project closeout covered in second presentation

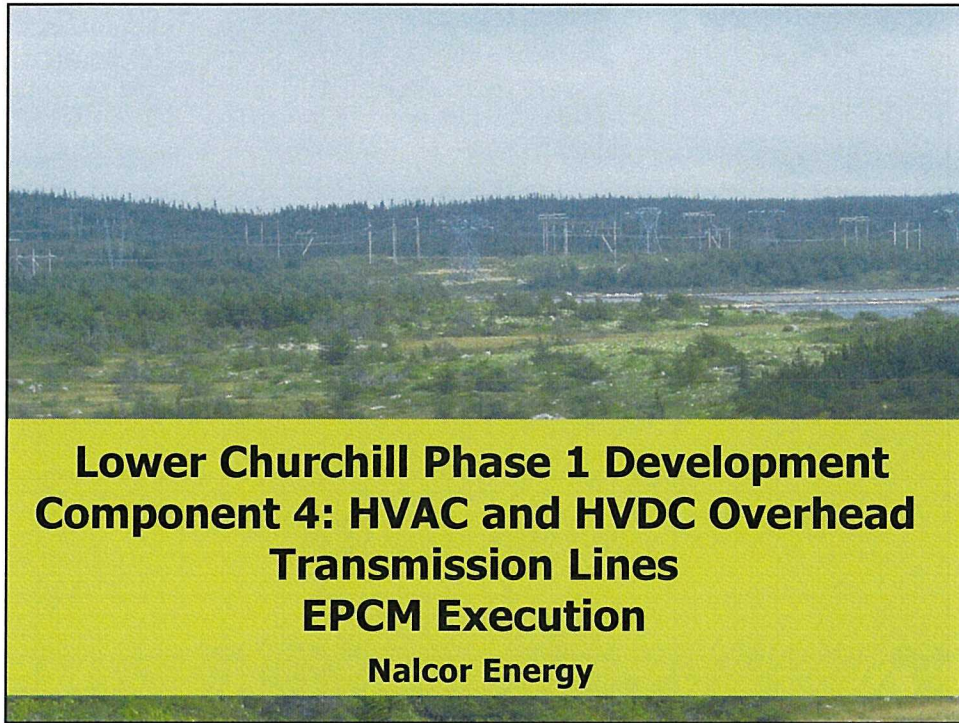
 32 


Execution – Completions 

Project Completions

- Contracts close-out, notwithstanding warranties and performance guarantees
- Input to engineering for As-builts and O&M Manuals
- Input to Fixed Asset Register
- Lessons Learned Documented
- Project Completion Report
- Project Close-out



 33 




Agenda 

**Strategy for Lower Churchill Phase-1 Development
Component 4 – Transmission**

- Project Overview
- Project Objectives
- Project Team & Organization
- Project Execution

 2 

Project Overview - Component 4





Sub Component 4A


- HVDC Transmission lines from Muskrat Falls Converter Station to Soldiers Pond Converter Station about 1100 km in length. 900MW, +/- 320kV dc, bipole line.
- Electrode lines from Muskrat Falls Converter Station to Strait of Belle Isle about 400 km length; and from Soldier Pond Converter Station to the East Coast of Conception Bay about 10 km in length

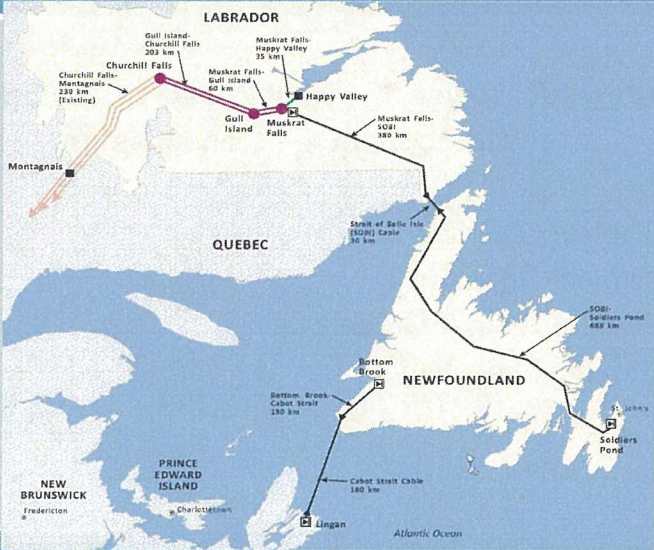
Sub Component 4B



- Two 345 kV ac single circuit transmission lines from Muskrat Falls to Churchill Falls, each one about 265 km in length.


3



Project Map







4



Project Objectives




- Meet all Health, Safety, Environmental and Benefits commitments
- Provide engineering services for the HVDC and HVAC Transmission lines to complete Phase 3 – Engineering and Procurement of the Gateway Process to meet Gate 3 schedule for project sanction
- Deliver high quality transmission lines that achieve design capacity
- On Time On Budget Project Delivery in coordination with other project components. Continuous communication throughout the project
- Maximize local content and participation of local communities



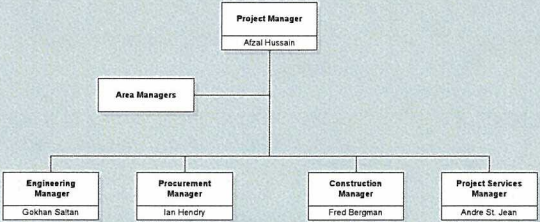
5




Project Team




Component 4
Transmission Lines
Project Management Organization



```
graph TD; PM["Project Manager  
Afzal Hussain"] --- AM["Area Managers"]; AM --- EM["Engineering Manager  
Gokhan Saltan"]; AM --- PMgr["Procurement Manager  
Ian Hendry"]; AM --- CM["Construction Manager  
Fred Bergman"]; AM --- PSM["Project Services Manager  
Andre St. Jean"]
```



6




Project Team
Component 4




Senior Management


➤ Project Manager	Afzal Hussain
➤ Engineering Manager	Gokhan Saltan
➤ Procurement Manager	Ian Hendry
➤ Construction Manager	Fred Bergman


7


Key Roles and Responsibilities


<u>Project Manager</u>	Project planning and execution, client interface, leadership Project activities, commitments and procedures
<u>Engineering Manager</u>	Engineering, design, tools, documents, reviews and quality
<u>Procurement Manager</u>	Procurement planning, vendor management, tenders, contract administration, materials management & logistics
<u>Construction Manager</u>	Construction execution, material control, site activities, contractor management, final inspections




8



Project Execution 

Mobilization Plan



Key concurrent activities will include:


- Review Company provided data/documents
- Alignment Workshop preparation and participation
- Define / prepare and implement first Safety Leadership meeting
- Establish roles and responsibilities
- Start the review of the current Health and Safety Plan and Policies
- Start the review of the Environmental and Permitting Plans and current status
- Start the review and coordination/update of Project Procedures
- Develop the HR Plan and prepare for mobilization of personnel
- Start the Personnel Project Induction e-Learning Module
- Conduct site visits of the key/lead team members

 9 



Execution – Implementation Strategy for First 345 kV AC Line 


- In service date August 31, 2014.
- Most of the design and tendering to be completed by end of 2011.
- Purchase orders to be placed after project sanction before April 1st, 2012.
- This allows us construction time of 29 months for first HVAC line and 25 months for second HVAC line.

 10 



EPCM Execution 

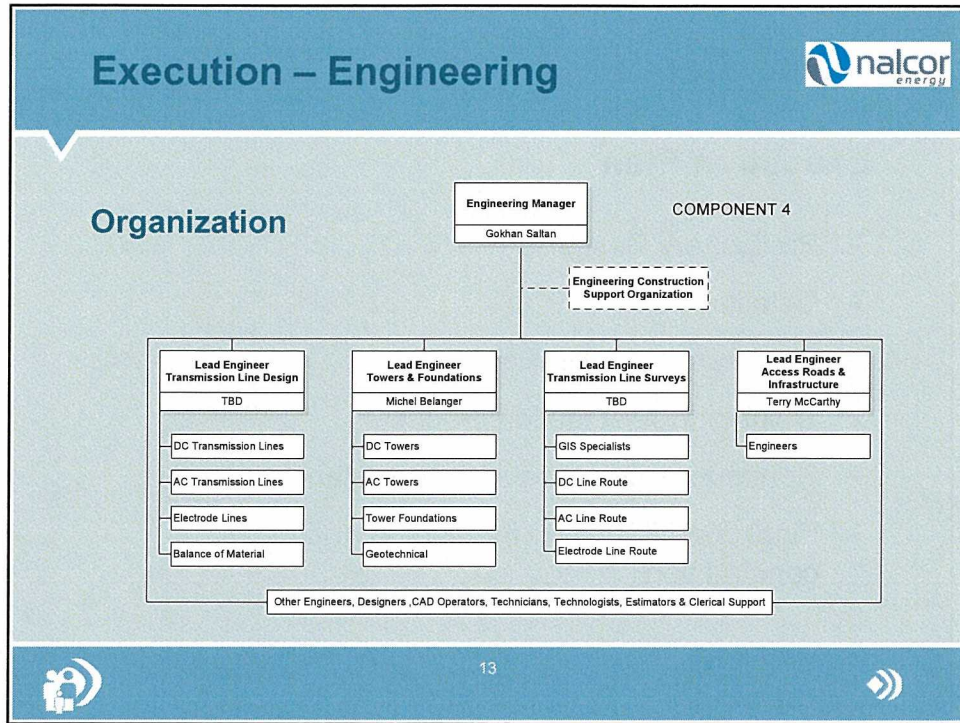
- Health, Safety & Environment
- Engineering
- Procurement
- Construction
- Completions
- Project Services
- NL Benefits
- Labour Relations

 11 


Execution - Engineering 

Engineering

 12 






- ### Execution – Engineering
- #### Execution Plan – Early Activities
- Review of Company provided data/documents
 - Obtain LiDAR and other survey data and examine
 - Start determining the centreline
 - Identify engineering deliverables
 - Prepare Design Criteria
 - Prepare geotechnical specifications and planning of soil investigation works.
- 14

Execution – Engineering 

Execution Plan



- Preliminary Design
- Detailed Design
- Constructability Review
- Input to the estimation process
- Continuous Technical Interface Management
- Final documentation for bidding and/or construction


 15 

Execution – Engineering 

Survey



- Managing survey data
- High resolution aerial pictures
- Legal plans
- Identification of centerline within the existing 2000m corridor


 16 

Execution – Engineering 

Preparation of Design Criteria



- Definition of ice/wind zones
- Conductor types and mechanical tensions
- Overload factors and loading cases
- Ruling span, wind span, weight span
- Ground clearances, phase-phase and phase-grounds required air gap


 17 

Execution – Engineering 

Tower Design



- Reviewing the requirements
- Establishing family (s) of towers/structures for each line
- Preparing Design Requirement Drawings (DRD) for bid purpose
- Preparing tower manufacturing and delivery specifications
- Detailed design drawings by manufacturers
- Review and approval of detailed vendor drawings
- Towers prototype assembly and testing by manufacturer
- Tower erection drawings by manufacturer


 18 

Execution – Engineering 

Tower Spotting



- Survey, tower and conductor data
- Constraints and sensitive areas
- Preparation of PLS-POLE models for wood pole structures of electrode lines, if required.
- Preparation of PLS TOWER models or use of vendor supplied tower models
- Detailed line layout design using PLS CADD software
- Special crossing layouts
- Plan and Profile drawings
- Site structure staking during engineering process
- Staking list and structure list
- Sagging charts
- Material list


 19 

Execution – Engineering 

Foundation Design



- Geotechnical investigation along the route
- Analysis of soil data
- Identifying the foundation types e.g.
 - Concrete or steel
 - Hybrid concrete/steel
 - Rock type
 - Piles
 - Caisson
- Detailed foundation design


 20 

Execution – Engineering 

Material Specifications



- Towers
- Conductors
- Insulators
- OPGW and OHSW
- Hardware and fittings
- Guy wires and guy anchors
- Earthing material
- Foundations materials


 21 

Execution – Engineering 

Contracts Specifications



- RoW Clearing
- Construction access road preparation
- Storage yard and construction camp preparation
- Transmission Line construction
- Reclamation


 22 

Execution – Engineering 

Engineering Support



- Supporting Drawings/documents for permit applications
- Procurement and Contracts:
 - Responding to bidder’s queries
 - Bid evaluation
 - Vendor drawing reviews
 - Witness testing
 - Support during factory QA/QC surveillance
- TL Construction and Completions:
 - Dedicated Site Engineering support team


 23 

Execution – Engineering 

Key Factors



- Constructability
- Engineering Design Change Management
- Interdiscipline coordination
- Input to the estimation process for Gate-3 deadline


 24 

Execution – Engineering 



Software


- PLS-Cadd
- PLS-Pole and PLS-Tower
- PLS-Caisson
- CDEGS
- AutoCad / Microstation, MS-Excel

 25 

**Execution - Engineering Support
During Procurement** 



**Engineering Support During
Procurement**


 26 

Component 4 – Procurement 

Procurement Planning



- List of procurement Packages
- Registration of vendors and contractors
- Pre-qualification of vendors and contractors
- International competitive bidding
- Participation of local vendors/contractors


 27 

Component 4 – Procurement 

Material Testing, Inspection and manufacturing Surveillance expertise



- T&D specialist engineers for specifying testing requirements and witness tests for materials and services
- Inspectors from SLI offices in India, Brazil and around the world
- Third Party Inspectors


 28 

Component 4 – Procurement 

Engineering Team will provide technical support to Procurement Team:



- Specifications /drawings and Purchase Orders of various line materials and Services and Construction Contracts will include Inspection and Testing requirements
- SLI Global Procurement Procedures and Nalcor requirements will be incorporated.
- Review of vendor's and contractor's technical submittals/drawings, ITP and Test Reports will be performed.
- Quality Surveillance during manufacturing
- Witness of key tests, e.g. tower loading tests, type tests of materials etc. and some FATs, if required
- Site tests at marshalling yards prior to installation


 29 

Component 4 – Procurement 

Quality Surveillance – Technical Oversight

- Determination of Criticality rating
- Determine Quality Surveillance Level
- Determine the Quality Surveillance Types
- Quality Control Process
- Quality Control – Technical Specialists



 30 


Component 4 – Procurement 

Quality Surveillance – Technical Oversight

- Typical standard Project Quality Surveillance Activity Types during manufacturing which are presently implemented on current T/L projects:
 - Documentation Review Point
 - Check Point or Monitoring Point
 - Witness Point
 - Hold Point



For example: Purchase of towers material from India and Brazil/Mexico for T/L project in Alberta


 31 

Component 4 – Procurement 



Inspection at Delivery to Marshalling Yards


- Delivery schedules/prioritization and delivery destinations for various lots of materials
- Local transport from ports to marshalling yards
- Inspection of materials at Marshalling yards
- Preparation of Receiving and Damage reports and insurance claims, if any
- Maintaining of Inventories
- Layout and storage of materials
- Issuance of materials to construction contractors
- Materials control using PM+ centralized database

 32 

Execution - Completions 



Completions


 33 

Execution - Completions 

Key Activities for Completions



- Factory Inspection and Test reports
- Dispatch Dossiers
- Site inspection and Test reports during Civil Works, Tower Erection and Stringing etc. including Structure Earthing, OPGW tests, Anchor pulling tests etc.
- Site QA/QC documentation
- Final Inspection records
- Punchlists
- Site Clean-up and rectification of punch list items necessary for line energization
- Pre-energizing Inspection records
- Readiness of line sections for end-to end commissioning of telecom, protection etc. by the contractor's of other components.

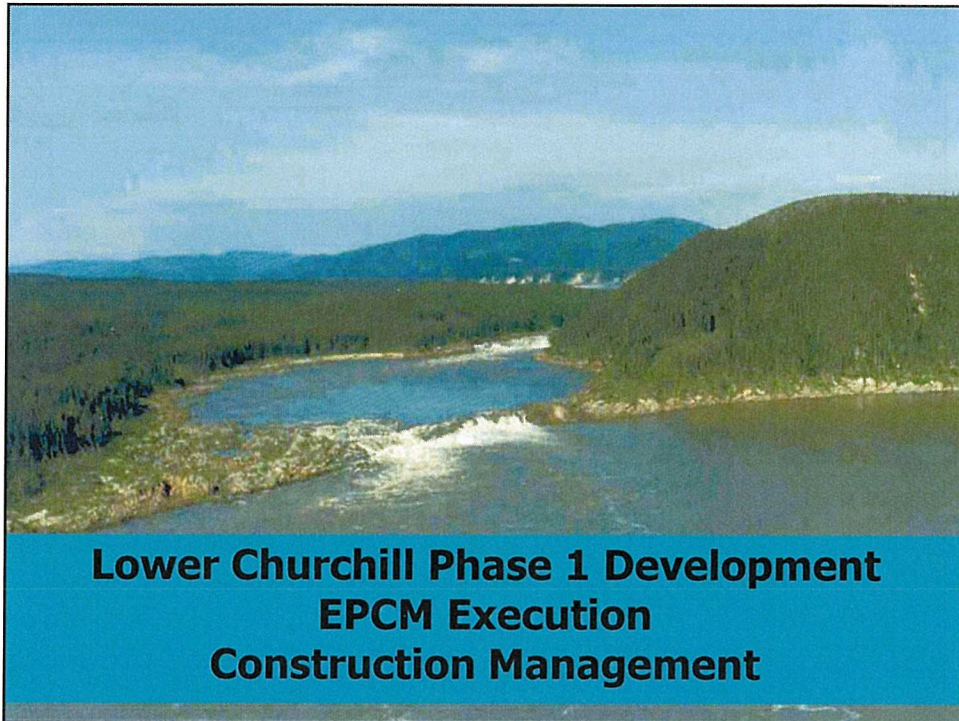
 34 


Execution – Completions (cont'd) 

Key Activities for Completions (cont'd)

- Operation and maintenance Manuals
- Ready for Operation (RFO) Turn Over
- Lines Energization and commercial operation
- Turn Over Certificate (TOC)
- As Built Drawings and Documentation including material warranties and copies of all permits, approval letters and drawings



 35 




Construction Management 

The Muskrat Falls project poses the following challenges:



- Large and long duration
- Labour and Industrial relation challenges
- Limited access to the construction sites
- Challenging logistics due to the site locations
- Cold weather construction in winter months


 2 

Construction Management


Management of Challenges



- Constructability planning at the basic engineering phase
- Construction sequence developed and followed religiously
- Personnel available to deal with the issues
- Forward planning
- Contingency planning at all times - if something halts work in one area there is a plan to start work in another
- Flexibility in the schedule
- Maintaining required on-site dates for materials and equipment
- Management of construction indirect services to support the construction program


3


Construction Management


SNC-Lavalin's Construction Management goals for the Muskrat Falls project are:

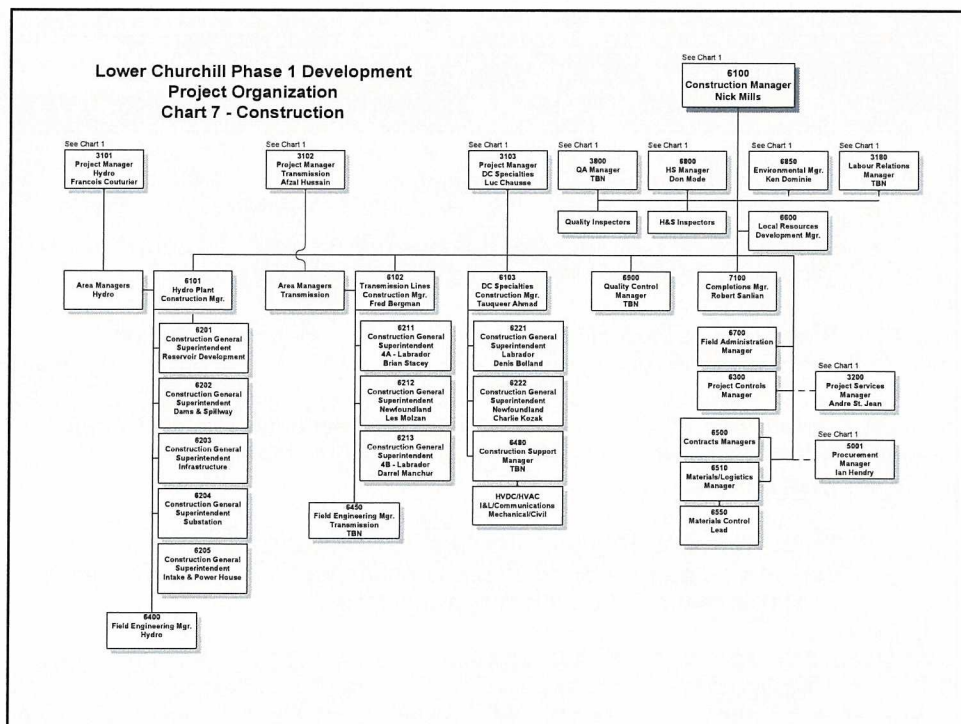
- Triple zero safety record
- Labour stability
- No significant environmental incidents
- Quality achieved
- Budget achieved
- Schedule achieved


4



Construction Management Structure /

- Organization
- Safety / Health / Environment
- Labor Relations
- Contracts Administration
- Construction Infrastructure
- Schedule
- Productivity Monitoring
- Constructability
- Construction Sequence
- Procedures
- Reporting / Statistics
- Communications
- Logistics
- Risks


5




Construction Management Organisation




- Establish job descriptions
- Set roles and responsibilities
- Start recruitment
- Key positions to mobilize early
 - 3 Area Construction Managers
 - Safety Manager
 - Labor Relations Manager
 - Logistics Manager




7




SNC-Lavalin’s Approach to Safety



- **Rules:** Follow the rules – Be compliant
- **Vulnerability:** Acknowledge humans make errors – maintain a sense of vulnerability even when we experience success
- **Risk Management:** Provide robust risk competency processes and training to reduce errors
- **Accountability:** Maintain a culture of full accountability for safety where everyone is a **VISIBLE** leader when it comes to getting the work done safely
- **Empowerment:** Maintain a culture where everyone has formal and implied permission to stop an unsafe act and where reporting a High Potential Incident is fully supported



8




SNC-Lavalin Health and Safety Management

Safety Leadership Training

This is an 8-hour session designed specifically for senior project and construction staff, business unit managers and company executives.


The course goes through 4 core areas:

- ✓ Believing in Safety
- ✓ Creating a Safety Culture
- ✓ Safety Applications at SNC-Lavalin
- ✓ Expectations of our People around Safety



Risk Registers

- Identify Hazards and Outcomes
- Assess exposure and controls
- Calculate Risk Levels
- Develop Action Plans to eliminate or mitigate risks




9

Construction Management

Health and Safety Implementation

- Develop a site specific safety orientation program suitable for all project personnel
- Develop a safety culture by means of training, leading by example
- Implement a field-level risk analysis program (FLRA)
- Safety training programs for all areas of work
- Ensure that job safety analyses are done for all tasks
- Implement a safety audit program
- Develop a reporting and monitoring system for all safety activities
- Work with medical provider to develop an occupational health and safety program
- Provide training on supervisory responsibilities with respect to safety
- Establish mobile equipment minimum standards



10




Construction Management

Safety Responsibility

- Individual workers responsible to ensure tasks are completed safely
- Management and Supervision have ultimate responsibility to ensure workers have received training, tools and equipment to complete tasks safely




11





Construction Management

Environmental Management

- Organization
- Managing the permit process and reporting regularly on status
- Ensuring that all hazardous materials on the project are recorded and stored in proper locations
- Managing the landfill and hazardous waste storage
- Ensuring that job environmental analysis (JEA) is done for all major construction activities
- Developing and managing the environmental emergency response team
- Ensuring the materials to manage spills are available on the project
- Working with the contractors to ensure compliance with the project's Environmental Management Plan
- Developing environmental reporting procedures




12





Construction Management

Labor Relations



- Develop a project labor strategy
- Evaluate local labor market
- Develop a data base of Labrador labor
- Pro active involvement with building trades council
- Develop a comprehensive site labor agreement
- Ensure site agreement includes provisions for non-union Labradoreans and aboriginal workers for Labrador work only



13




Contract Administration

- Establish general terms and conditions
- Establish supplementary terms and conditions
- Develop clear concise construction packages
- Develop Service contracts
- Develop and implement a contract strategy
- Develop bidders lists and pre-qualify bidders




14





Contract Administration

Contractor Selection

- Health, safety and environment performance in similar atmosphere
- Experience in equivalent projects
- Experience in the related scope
- Completed contracts of comparable size to the scope being tendered
- Financial status and reserves
- Contractors capacity to carry out scope
- Experience in working in similar climates
- Experience in type of contract tendering, that is, unit price, lump sum




15





Construction Management

QA Program


- Develop QA standards for all aspects of the project
- Instruct third party QA contractor to conduct independent tests to verify quality
- Develop and maintain a data base for all QA test results
- Develop trends on QC results submitted by contractors
- Ensure re-tests are completed on failed tests
- Issue QA statistics on a monthly basis


16



Construction Infrastructure




- Temporary Facilities
 - Offices
 - Gate Houses
 - Warehouses
 - First Aid facilities
 - Maintenance facilities
 - Water Treatment and Sewage facilities
- Temporary Services
 - Power
 - Water / Sewage
 - Fuel Supply
 - Temporary Access




17




Construction Infrastructure




- Temporary Communications
 - Project wide connectivity
 - Individual site communications
 - Internet
 - Handheld radio system
- Access Control System
 - Philosophy
 - Equipment
 - Software






18





Construction Infrastructure 


- Personnel transportation plan
 - Newfoundland to Labrador
 - Goose Bay to Muskrat Falls
 - Goose Bay to Transmission lines
 - Camp to work site
 - On Island access to Transmission lines

 19 



Construction Infrastructure 


- QA
 - Establish third party testing requirements, i.e. soils, concrete, etc.
 - Develop scope
 - Develop QA auditing program
- Surveying
 - Establish survey requirements
 - Develop scope
 - Set up data base

 20 



Construction Infrastructure 

- FUEL
 - Develop project fuel policy
 - Establish site project fuel requirements
 - Fuel storage and dispensing equipment


 21 

Construction Infrastructure 


- Catering
 - Establish catering philosophy
 - Establish food requirements and supply chain
 - Food storage requirements
 - Recreation plan and facilities
- Security
 - Establish security policy
 - Security personnel and equipment

 22 


Construction Infrastructure




- Medical services
 - Pre-deployment medicals
 - First aid facilities
 - Medical evacuations
 - Drug/ Alcohol testing
- Site services
 - Building maintenance
 - Temporary service operations
 - Snow removal and road maintenance
 - Fleet maintenance




23




Construction - Planning




- Establish project schedule
- Establish project milestones
- Manpower loading
- Develop manpower requirements by trade
- Develop project quantities
- Set productivity goals





24




Productivity Monitoring 

Productivity Monitoring



- Establish production rates for all major quantities
- Produce quantity curves
- Weekly monitoring
- Evaluate productivity weekly implement recovery plans as required


 25 

Construction Management 

Construction Management involvement during Design

- Construction Manager
- HSE Manager
- Interface/Risk Manager
- Project Services Manager
- Contracts Manager
- Materials/Logistics Manager
- Site Engineering Manager



 26 




Construction Management

Construction Involvement During Design

- Installation methodology and equipment (site access and plot plans), particularly in terms of space constraints, project elevation and limiting lay-down areas
- Minimizing scheduled conflicts, particularly mobilization, rock management and contractor interferences
- Special transportation and lifting considerations for oversize equipment
- Site safety requirements
- Considerations to expedite the schedule, improve safety, decrease environmental risk or otherwise save costs
- Cold weather construction considerations
- Temporary facilities plan
- Execution scope package development for the site works contracts



27




Construction Management

Transition to Site



- Construction will have a representative in the home office during basic and detail engineering
- There will be regularly scheduled constructability reviews
- Construction will sign-off on all details as part of drawing review
- Weekly conference calls between site and area managers in home office





28



Constructability Program 

- Develop a constructability register
- Constructability Reviews
 - Issues that effect safety, environment , health, costs, schedule, etc.
- Constructability guidelines
 - Materials of construction
 - Construction equipment / Productivity
 - Construction sequence / RAS dates
 - General Arrangement review
 - Safety Program development and implementation
 - Climatic conditions
 - Contracting philosophy
 - Construction Camp

 29 



Logistics 

- Establish logistics plan
- Shipping routes
- Shipping seasons
- Laydown and storage yards
- Shipping envelopes

 30 



Material Management


- Implementing material control program
- Receiving project supplied material
- Inspecting all shipments received
- Issuing material receiving reports
- Issuing material damage and short shipped reports
- Following up on all material damage and short shipments
- Ensuring special storage requirements are met
- Maintaining rotating equipment during storage
- Issuing materials and equipment to contractors
- Maintaining location reports on all material received


31


Reporting / Statistics



- Establish statistics to be reported on
- Set up data bases for statistics
- Weekly summary report
- Monthly safety report
- Monthly quantity curves
- Monthly Summary Material Receiving Report
- Monthly summary progress report including Project Contractor progress and performance statistics



32


Procedures 

Construction Management Project Procedures Manual



- Site administration and organization
- Site quality assurance
- Site non-conformance control
- Site engineering queries
- Field work instructions
- Concession request
- Site document control
- Site purchases
- Contract administration

 33 

Construction Management 

Construction Management Procedures

- Change orders to purchase orders and contracts
- Contractor claims
- Back charges
- Contract close-out
- Work permits
- Material receipt and control
- Material control – over, short and damaged (OS&D) reporting
- Construction controls
- Construction reports
- Site progress meetings
- Labour relations
- Safety/environment
- Construction safety tagging
- Project accounting
- Construction progress measurement

 34 

Risk Management

- Develop Construction Risk Register
- Set up regular reviews of risk register
- Each Construction Manager and Service Manager to participate in review


35

Safety


- Establish safety organization
- Develop site specific orientation
- Develop Emergency Response Plan
- Develop Health Services Plan
- Develop Emergency Response Team (volunteer)

36


Environmental




- Develop site specific environmental orientation plan
- Establish landfill sites
- Develop hazardous waste procedures
- Develop specific procedures dealing with silt
- Develop Emergency Environmental Response Plan
- Develop Environmental Emergency Response Team




37




Security




- Establish Security Plan
- Implement Access Control Plan
- Develop site rules





38






Early Works Execution

- Develop early works program
 - Logistics of personnel during site establishment
 - Services during site establishment
 - Emergency services during site establishment
- Prioritize facilities for site establishment
- Temporary facilities requirement
- Develop temporary facilities plan
- Develop access roads requirement




39





Construction Management



Site Establishment


- Communications and data link
- CM office located at Muskrat Falls
- Warehousing
- Emergency Power
- Vehicle maintenance facilities
- Site maintenance facilities
- Fuel storage
- Accommodations
- Marshaling yards
- Medical and security facilities
- Service contracts (catering, fuel supply, site maintenance, medical, security)


40




Construction Execution 

- Develop the final construction sequence
- Establish required-at-site dates for all supplied equipment
- Develop manpower loadings by trade
- Develop level 3 schedule with critical path
- Develop critical path for each major activity
- Develop productivity rates for each major commodity
- Establish camp requirements

 41 



Quantities 

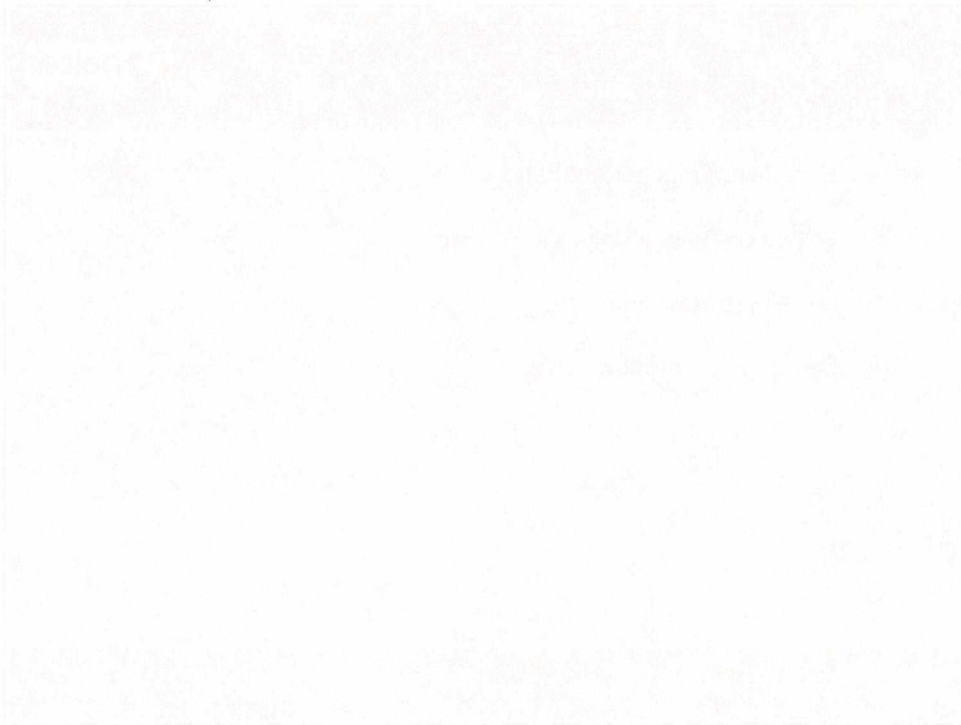
- Establish quantity data base
- Set up quantity monitoring program
- Develop production rates
- Develop commodity curves

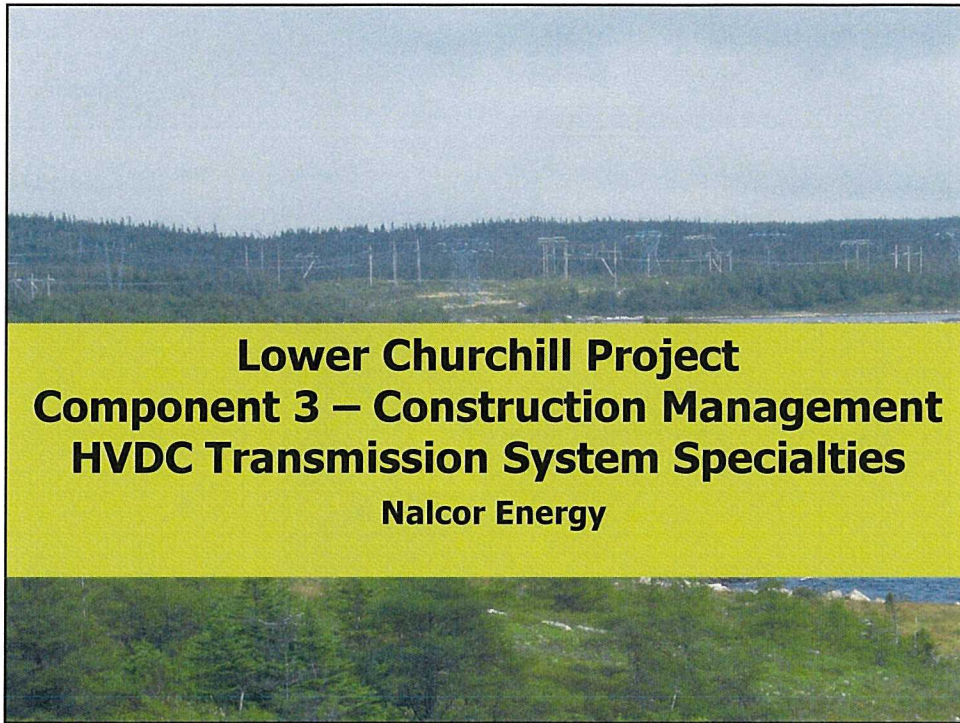
 42 

Pre-Commissioning / Handover

- Establish pre-commissioning procedures
- Develop pre-commission sequence
- Incorporate the pre-commissioning plan into the construction sequence
- Establish labor requirements for pre-commissioning

 43 





Component 3 - Scope Summary

Muskrat Falls HVdc converter station:

- HVdc bipolar converter station,
- 345 kV ac converted to/from ±320 kV dc,
- Pole capacity of 450 MW, and
- Shoreline pond electrode located on the Labrador side of the Strait of Belle Isle

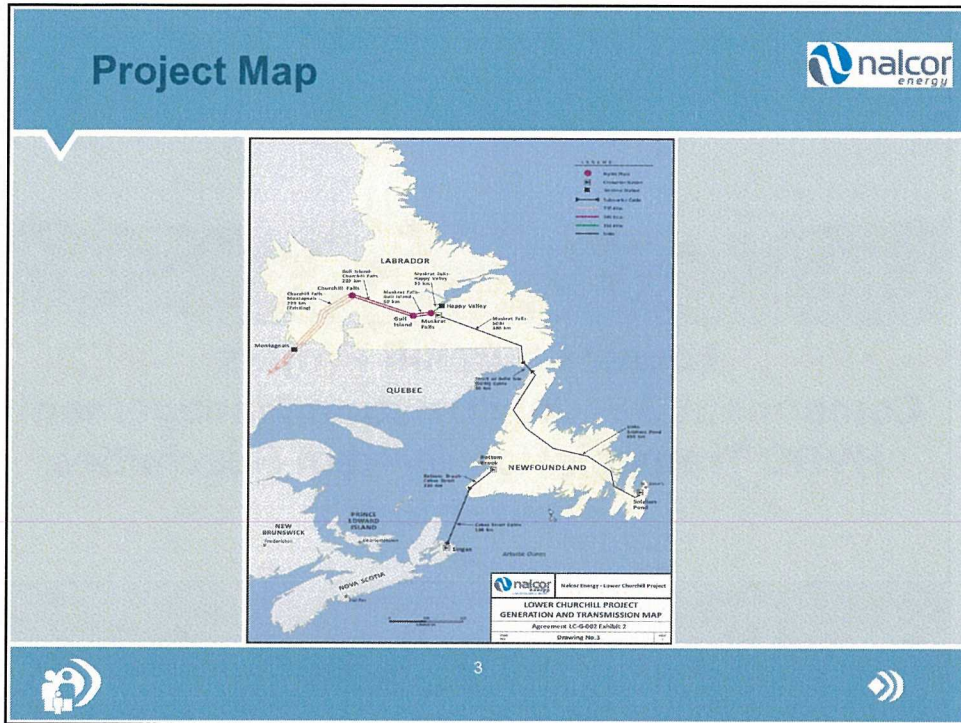
Soldiers Pond HVdc converter station:

- HVdc bipolar converter station,
- 230 kV ac converted to/from ±320 kV dc.
- Pole capacity of 450 MW, and
- Shoreline pond electrode located on the east shore of Conception Bay

HVDC Transition Compounds:

- One transition compound for each side of the Strait of Belle Isle submarine cable crossing
- Associated switch works to manage the connection of multiple submarine cables and the overhead transmission line

2




Component 3 - Contracts

Converter Stations



- One turnkey contract for the design, build, installation and commissioning of the Converter stations. Turnkey contract due to their very specialized nature and in order to ensure compatibility of equipment and provide the master control of the HVdc transmission, which has to be provided at one or both the converter stations


4

Component 3 - Contracts 

Electrodes and Transition Compounds



- Two construction contracts will be awarded for the construction of the electrode stations:
 - one on the Labrador side of the SOBI and
 - one on the east side of Conception Bay
- One construction contract will be awarded for the transition compounds to connect the submarine cable to the overhead transmission lines at the respective two shores of the Strait of Belle Isle

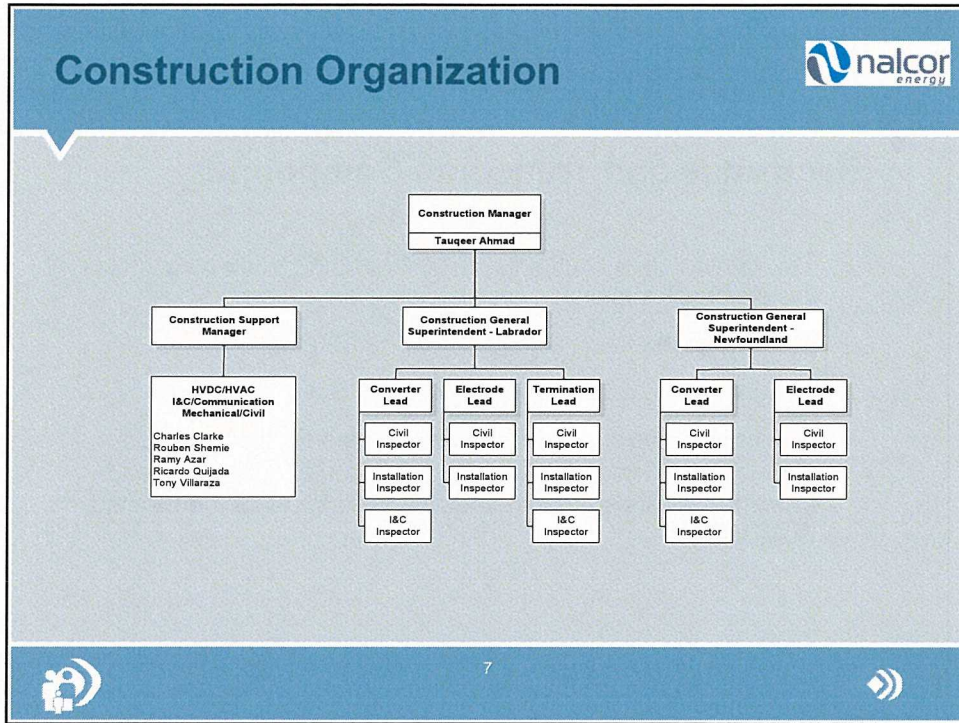
 5 

Execution – Construction Management 


Construction Management Team

- Established on a geographical basis for ease of execution to cover each construction site. Areas defined to cover:
 - Labrador – Gull Island converter station, both transition stations and the electrode site at Strait of Belle Isle
 - Newfoundland – Soldiers Pond converter station and Conception Bay electrode site
- Construction Manager - will manage the overall construction activities and will be responsible for the global execution of the works in respect of the schedule, cost, quality and HSE objectives
- Construction Support Manager and HVDC specialists
- General Construction Superintendents- construction managers in their respective areas and report to the Construction Manager
- QA and HSE
- Construction Leads – for each site
- Field Supervisors/ Inspectors – as required

 6 






- ## Construction Management Services
- Development and Follow-up of Construction plans of turnkey contractor using SLI's proven project management systems
 - Follow-up of turnkey contractor management processes and procedures
 - Coordinate with the turnkey contractor for the provision of all support services and infrastructure at site
 - Overall management and oversight of work performed by contractors at site including QA and HSE
 - Administration of all Contracts
 - Overall management of labour agreements used by the Contractors
 - Overall management and oversight of mechanical completion, preservation, pre-commissioning, commissioning and turnover to Operations
 - Implementation of best practices, risk mitigation and lessons learned

Component 3 – Plan for delivering Component 



Principal activities

- Engineering Studies
- Technical Specifications
- Tendering and Award of EPC Contract for Converter Stations
- Design Review and Approval
- Manufacturing Follow-up
- Construction management
- Management of Pre-commissioning & Commissioning
- Completions

 9 


Component 3 – Delivery 


- Design review and approval by HVdc specialists
- Manufacturing follow-up, HVdc specialist inspection & testing
- Construction Management
- Completions: Factory tests, carry over management, preparation of As-built and OM Manuals, pre-commissioning, commissioning, trial operation, close-out and hand over to Operations

 10 



Component 3 – Design Review and Approval 


- Technical compliance of Contractors designs with Technical Specifications and applicable standards
- Technical quality and soundness of Contractors design
- Review of Contractors' specialized network studies by SNC-Lavalin experts in HVDC converter stations
- Review and approval of all studies, reports used to define equipment characteristics
- Review and approval of equipment and details for interfacing with the utility's substations
- Ensure the Quality Assurance processes are applied to Contractor's designs
- Tracking and monitoring of Contractor's design documents

 11 

Component 3 – Manufacturing Follow-Up and Inspection 

- Manufacturing Quality Assurance Manual review
- Identification of shop inspection records, non-compliance records and corrective actions
- Technical inspection of the equipment during manufacturing (at specific milestones or stop points), prior to test and delivery
- Factory Acceptance Testing (with Nalcor participation)
- Specialized equipment for the HVDC converters will require inspection and test attendance from SNC-Lavalin specialists
- SCADA along with control, protection and telecommunication will be inspected and tests of representative panels will also require witnessing by SNC-Lavalin specialists
- Inspection of packing and transport documentation
- Acceptance for shipment to site and preservation

 12 

Component 3 – 



Construction Planning and Methodology


Converter Stations:

- Management of turnkey contract
- Management of the Contractors' installation of the equipment, resolve specific technical issues and manage the commissioning activities
- Strict control of on-site contract administration and scope changes
- Management of the construction activities through commissioning and turnover
- Specialists will be assigned to manage the installation and commissioning

Electrodes and Transition Compounds:



- Logistics and deliveries synchronized with construction sequence
- Comprehensive construction procedures for the site works with emphasis on quality and HSE
- Training as required to locals interested and available to work in the project
- Management of the construction activities through commissioning and turnover

 13 

Component 3 – 

Construction Management

- Conduct kick-off meetings with all Contractors to define key aspects of contract administration, review Contractors' contract organization, work program, etc.
- Preparation of integrated and coordinated work programs
- Review and approve work procedure and methods
- Follow-up and control of work progress, schedule regular work progress meetings with Nalcor representatives
- Provide periodic and special field progress reports as required and manage the reporting from the Contractors.

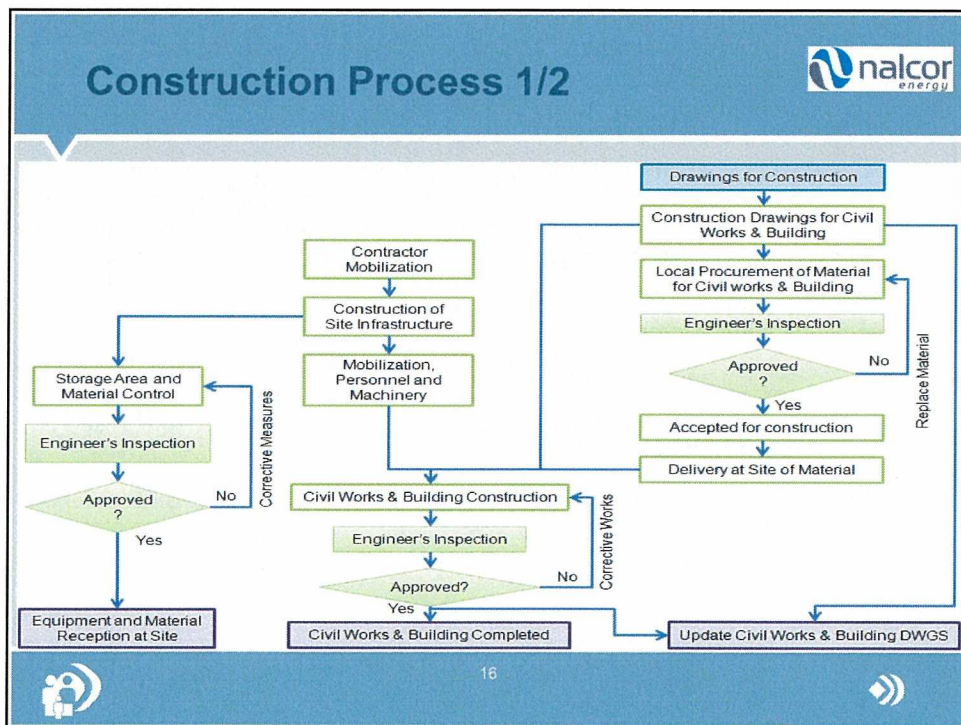
 14 

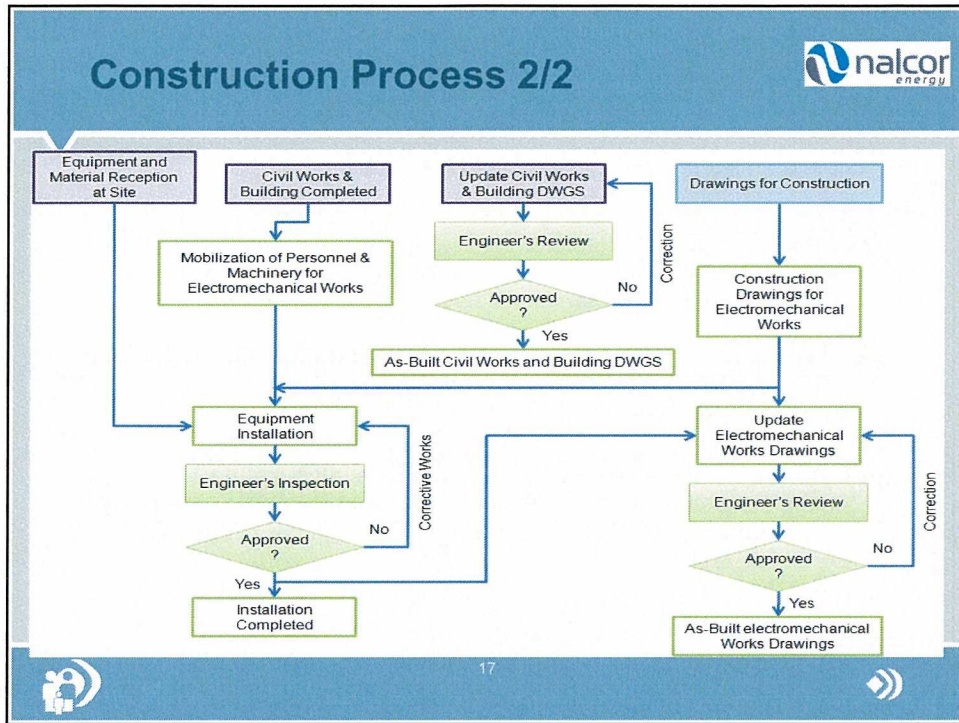
Component 3

Construction Management

- Evaluate the resources of Contractors and intervene with the Contractors to deploy additional resources as needed to meet the various milestones and the time for completion
- Ensure that material and equipment are inspected on delivery to site
- Prepare punch list of outstanding works and defects to be remedied at taking over and ensure that all works are completed before acceptance
- Ensure that Contract specific requirements are prevailing and manage the changes
- Ensure that all technical documentation will be updated during the construction and that mark-up drawings are returned for "As-Built"

15






Execution – Completions

Project Completions Methodology



- The project shall be executed generally following SNC-Lavalin policy, commissioning guidelines and procedures, start-up and data handover policies and procedures suitably amended to incorporate Nalcor's particular 'project completions' requirements
- The Completions plan will ensure:
 - The project is constructed, commissioned, certified and handed over ready for start-up, in a safe, structured and controlled manner
 - The project is provided with a comprehensive electronic set of certification and records for use during the life of the asset


18

Component 3 – Completions 

Commissioning and Turnover



- The process starts as the installation is substantially completed until the end of the "Trial Operation" period and the start of Commercial Operation
- A detailed comprehensive Commissioning Plan will be prepared by the Contractors for each package, including test equipment, staff, acceptance criteria, etc.
- SNC-Lavalin will assist Nalcor in the preparation of the Energization Plan that will define the step-by-step sequence of manoeuvres to be applied during the energization process

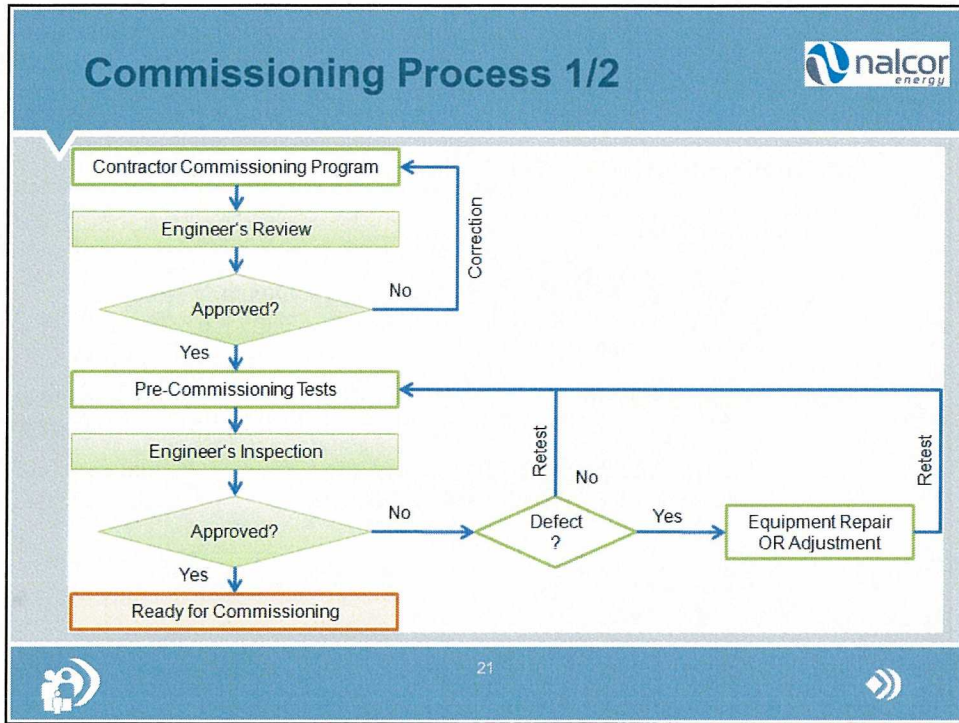
 19 

Component 3 – Completions 

Commissioning and Turnover

- Pre-commissioning
 - Will be executed by the Contractors as individual equipment becomes available, on a piece-by-piece basis, or as each portion of the installation or sub-system is completed.
 - SNC-Lavalin field engineers will be supervising the pre-commissioning tests directly by attending the tests of each item of equipment

 20 



Component 3 – Completions

Commissioning and Turnover

- Commissioning
 - Energization will be performed in compliance with the sequence defined as part of the Energization Plan
 - A Commissioning Committee, headed by the Commissioning Manager and including the Commissioning Supervisors from SLI, Contractors and Nalcor, will be formed to conduct the energization process
 - The commissioning process will be allowed to stop, step-back, pause and resume as the need arises
 - Upon energization, performance tests are executed to verify the interconnection power transfer capacity

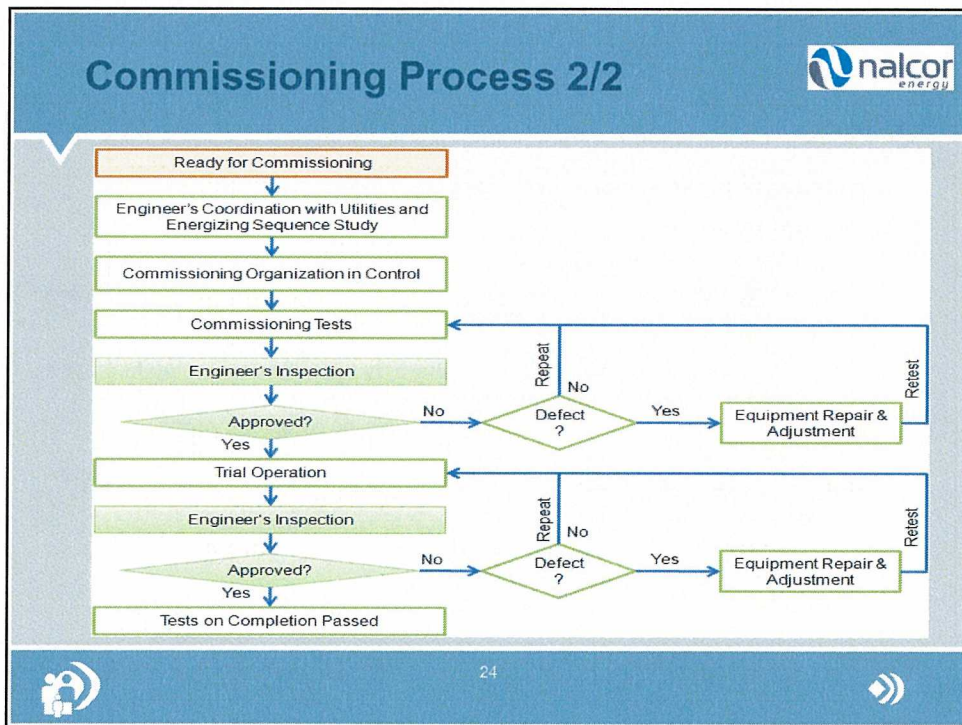
22


Component 3 – Completions

Commissioning and Turnover

- Trial Operation
 - The trial operation will be satisfactory if the number of forced interruptions and the total accumulated downtime do not exceed the values specified in the specifications
 - Frequent and long interruptions that are required by the Contractors to perform repairs or adjustments will cause the trial period to start again
 - Once the trial operation is completed, the system will be turn-over and the Commercial Operation will commence



23




Execution – Completions 

Project Completions



- Handover at the end of the project through the use of the document management system - PDM. During execution, documents will be classified according to Nalcor handover requirements
- At the completion of the project, the files can be sorted as required and handed over via electronic transfer, via CDs, and/or printed and bound into hardcopy books
- Electronic repository has the ability to link to other document repositories used by Nalcor, contractors and vendors, if required. The Project PDM system repository will remain the master repository; however, within different offices (Nalcor, contractors, vendors), existing document management practices can continue to be utilized during document development and/or review

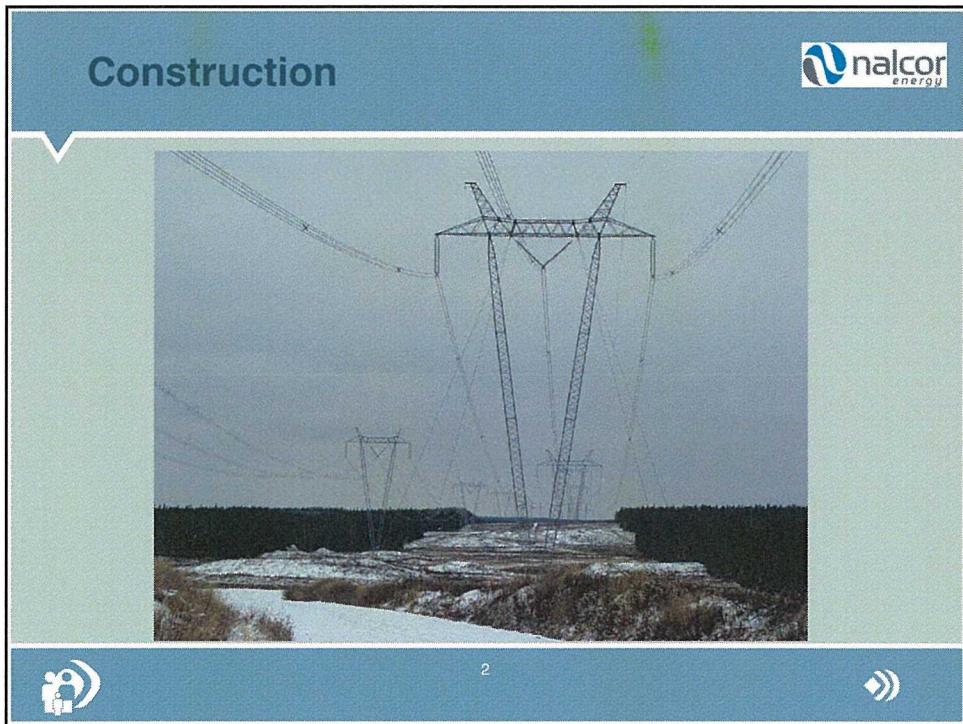
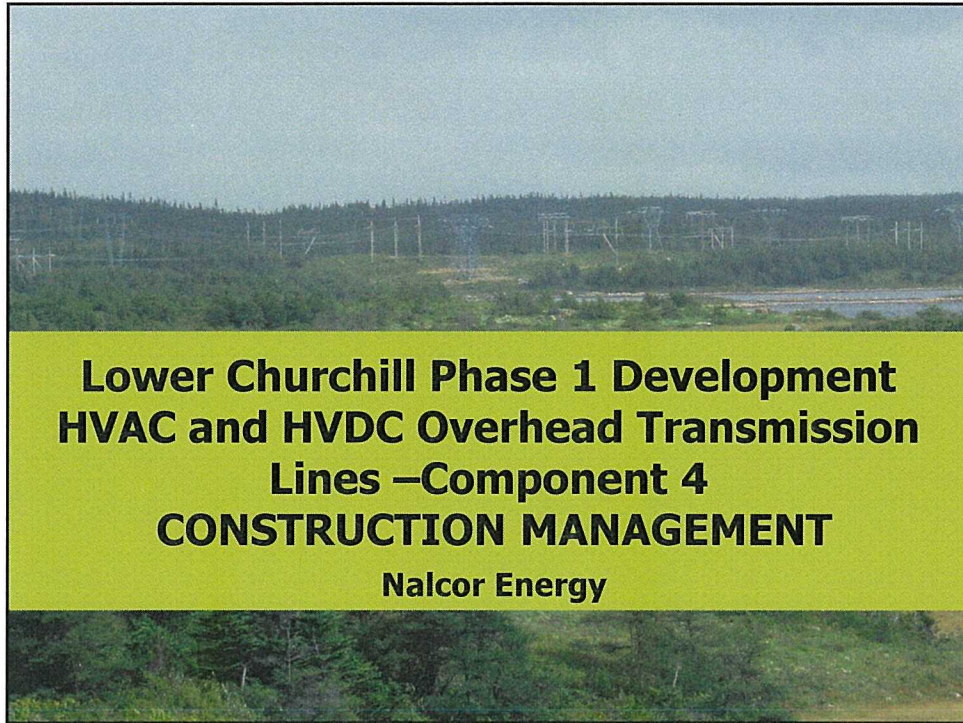
 25 

Component 3 – Completions 


Project Completions

- Contracts close-out, notwithstanding warranties and performance guarantees
- Input to engineering for As-builts and O&M Manuals
- Input to Fixed Asset Register
- Lessons Learned Documented
- Project Completion Report
- Project Close-out

 26 




SNC Lavalin T&D - Health & Safety




Safety



- Safety is paramount in all transmission construction
- Hazard identification:
 - Working in the vicinity of high voltage
 - Working in cold extreme weather conditions
 - Helicopter work
 - Working at heights




3




Project Map



4





Construction - Project

3.2.4.1 Sub-component 4A: HVdc Overhead Transmission Lines Muskrat Falls to Soldiers Pond

a) Overhead Transmission Line:
 Transmission line from Muskrat Falls converter station to Soldiers Pond converter station (near St. John's, NL):

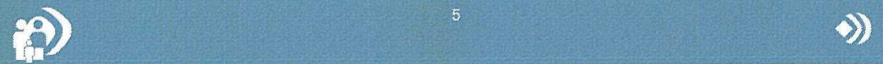
- 900 MW, ± 320 kV dc, bipole line, single conductor per pole,
- galvanized lattice steel guyed suspension and rigid angle towers, and
- 1100 km long.


Connections to HVdc transmission system specialties installations, as described in Component 3 herein, will be required.

b) Electrode Lines:

- (i) Dual overhead conductors supported on a wood pole line from Muskrat Falls converter station to the shoreline pond electrode located on the Labrador side of the Strait of Belle Isle.
- (ii) Dual overhead conductors supported on a wood pole line from Soldiers Pond converter station to the shoreline pond electrode located on the east shore of Conception Bay.

5






Construction - Project

3.2.4.2 Sub-component 4B: HVac Overhead Transmission Lines Muskrat Falls to Churchill Falls


Transmission lines from Muskrat Falls to Churchill Falls:

- 2 – 345 kV ac, 3 phase lines, double bundle conductor,
- Single circuit galvanized lattice steel guyed suspension and rigid angle towers,
- 265 km long



6




Construction – Early Works



- **Main activities related to Lines Construction:**
 - Construction Execution Plan including commissioning and acceptance
 - Conduct site visits with key/lead team members and assess RoW
 - Review Newfoundland OHS and Labour policies
 - Review Project data
 - Review permitting status and follow up
- **Input into key concurrent activities will include:**
 - Health & Safety Management Plan
 - Environmental Management Plan
 - Risk Management Plan
 - Schedule
 - Quality Plan
 - Human Resources Plan including Local Business and Employment Plan
 - Communication Management Plan
 - Contract and Materials Management Plans
 - Scope of Work for construction activities (camp and material yard locations)




9


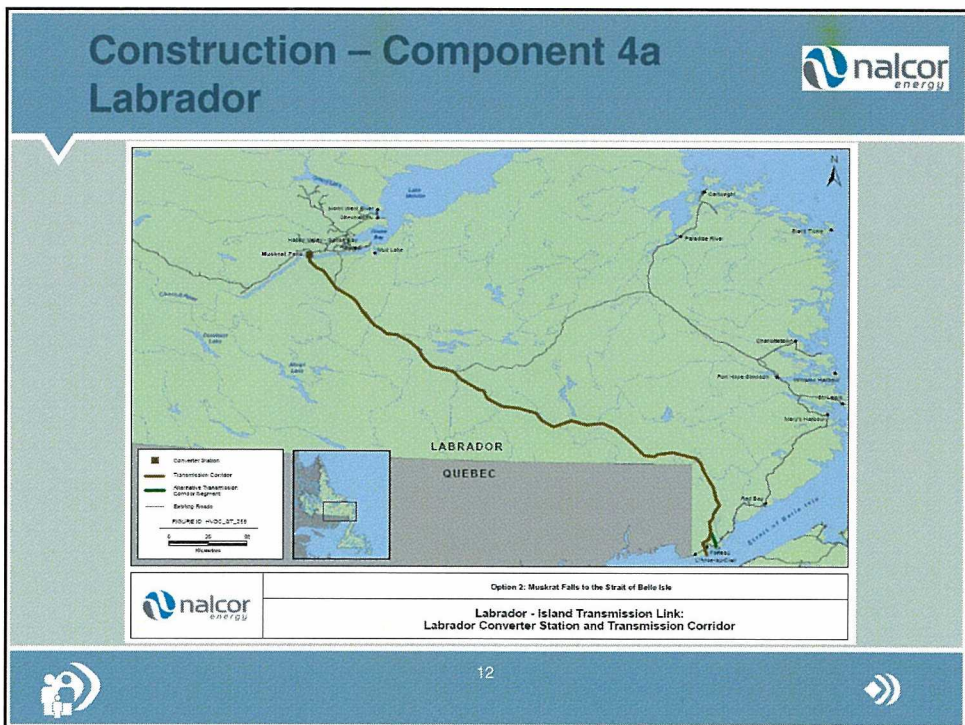
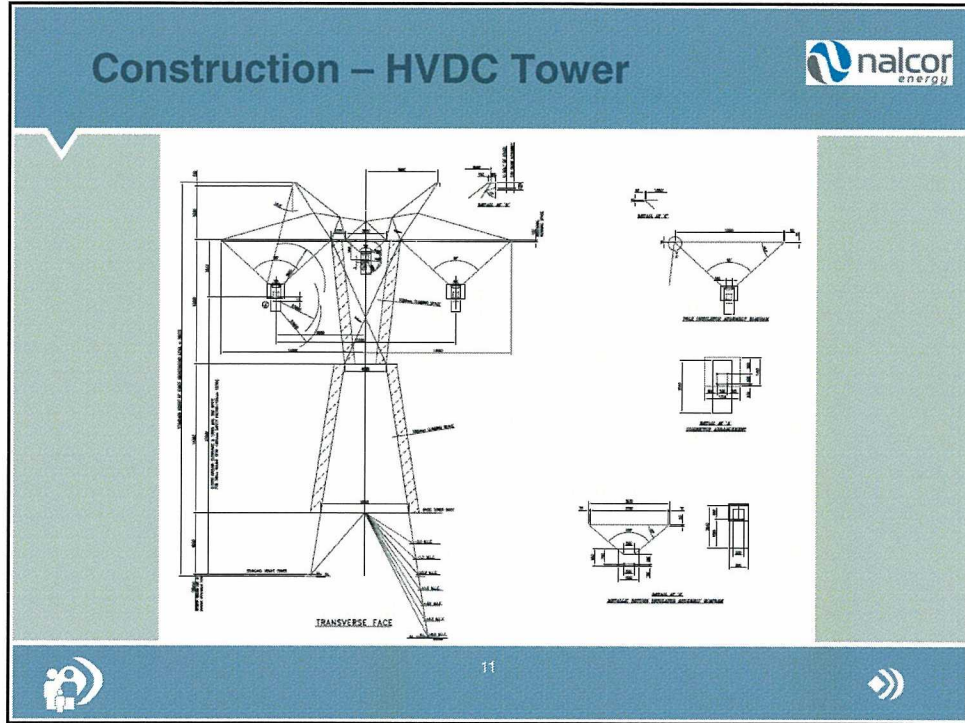
Construction – Strategy



Strategy

- Year round work**
 - Winter work access issues (winter roads)
 - Muskeg vehicle accessibility
- Material yards**
 - Material yards located close enough to construction for good access
 - Tower assembly yards
 - Material delivery schedule
- Stringing and setting segments**
 - Helicopter stringing
 - Length of conductor on reels (weight and size of reels)
 - Value analysis for construction methods (helicopter tower erection)
- Schedule**
 - Schedule 10 hour days, 6 days per week shift
 - Camp size dependent on crew availability and size


10




Construction – Component 4a Labrador




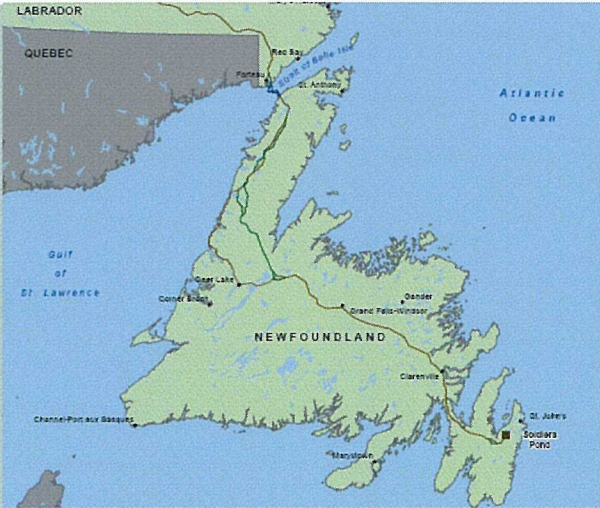
Execution Plan



- 400 km HVDC + 400 km Electrode Line
- Break into sections approximately 2 -300 km
- Camps and material yards approximately every 100 km
- Main camp at end of Trans Labrador road
- Concurrent activities to occur in sections
- Site access and RoW preparation to start August 2012
- Foundation work and anchors to start November 2012
- Tower assembly to start March 2013
- Tower erection and guy installation to start July 2013
- Stringing to start September 2013
- Electrode line to start April 2013


13


Construction – Component 4a Newfoundland






14


Construction – Component 4a Newfoundland




Execution Plan

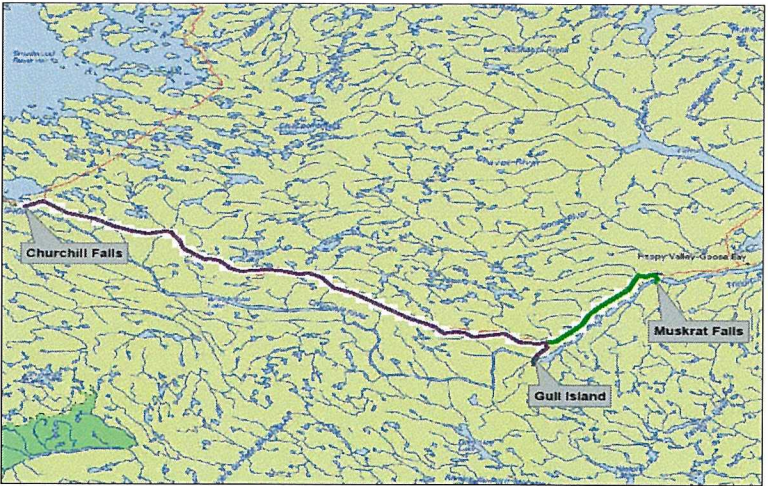
700 km HVDC + 15 km Electrode Line



- Break into sections approximately 2-300 km
- Camps and material yards approximately every 100 km
- Concurrent activities to occur in sections
- Site access and RoW preparation to start August 2012
- Foundation work and anchors to start November 2012
- Tower assembly to start March 2013
- Tower erection and guy installation to start July 2013, depending on erection method utilized
- Stringing to start September 2013
- Electrode line to start June 2014


15



Construction – Component 4b






16




Construction – Component 4b




Execution Plan

265km 345kV AC Single Circuit Guyed Towers - 2 separate lines



- Salvage 138kV after completion of first 345kV line
- Camps and material yards located at Churchill Falls, Muskrat Falls and Gull Island
- Concurrent activities to occur
- Site access and RoW preparation to start July 2012
- First 345kV AC Schedule:
 - Foundation work and anchors to start August 2012
 - Tower assembly October 2012 – July 2013
 - Tower erection January 2013 – August 2013
 - Stringing April 2013 – June 2014



17


Construction - Quality





- Inspection Testing Plan (ITP)
- Monitor and record
- Document management
- Outstanding items (Punch List)
- Completions – sign off



18


Construction – Material Management 

Material Management – Delivery Schedules

- Marshalling yards
- Foundations
- Towers
- Conductor
- Insulators
- OPGW/OHSW
- Hardware and fittings
- Make up steel fabrication facilities
- Guy wire fitting fabrication facilities

 21 



Construction - Contracts 


Contracting Strategy

- The Right Packaging
- Lump Sum
- Unit Price
- Local Opportunities

Construction Work Package Definition



- RoW Clearing – various packages
- Construction access road preparation – various packages
- Storage yards and construction camps preparation
- Transmission Line construction - 4 Packages or more
- Restoration/Reclamation – various packages


 22 

Construction - Labour 

Site Labour



- Training Programs (supervisor and craft labour)
- Special Task Training for General Work Force (i.e. Electrical, Equipment, First Aid, Work Procedures)
- Requirements for specific areas
- Crew qualifications and competencies
 - Workleader
 - Journeymen
 - Apprentices
 - Labourers
 - Equipment Operators

 23 


Construction - Constructability 

Constructability



- Constructability Group (including construction contractors)
- Incorporate into Engineering Design
- Input to Procurement and Logistics
- Construction schedule
- Create a Constructability Log
- Lessons Learned

 24 




Project Offices 


- Three office locations will be utilized
 - Starter Office at 1133 Topsail Road
 - Interim Office at 272 Torbay Road
 - Final Office at 141 Torbay Road

 2 

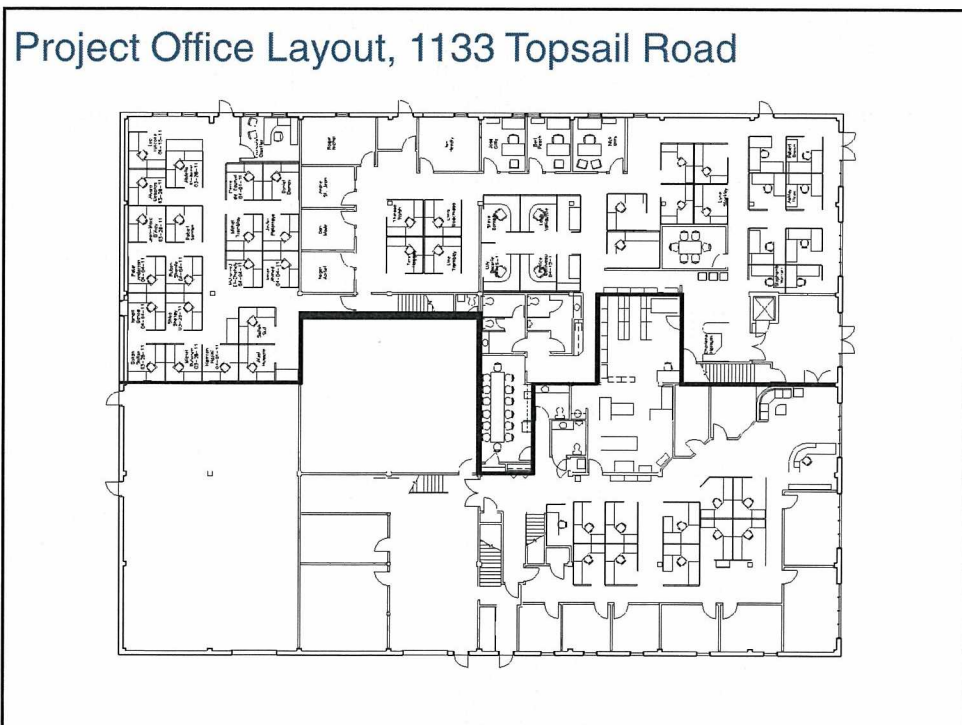

Starter Office




- 1133 Topsail Road
 - Project start-up to May 13, 2011
 - Accommodations for 48 EPCM personnel
 - 9 offices and 39 work stations
 - Will draw on SNC-Lavalin's Home Office for office equipment and support




3



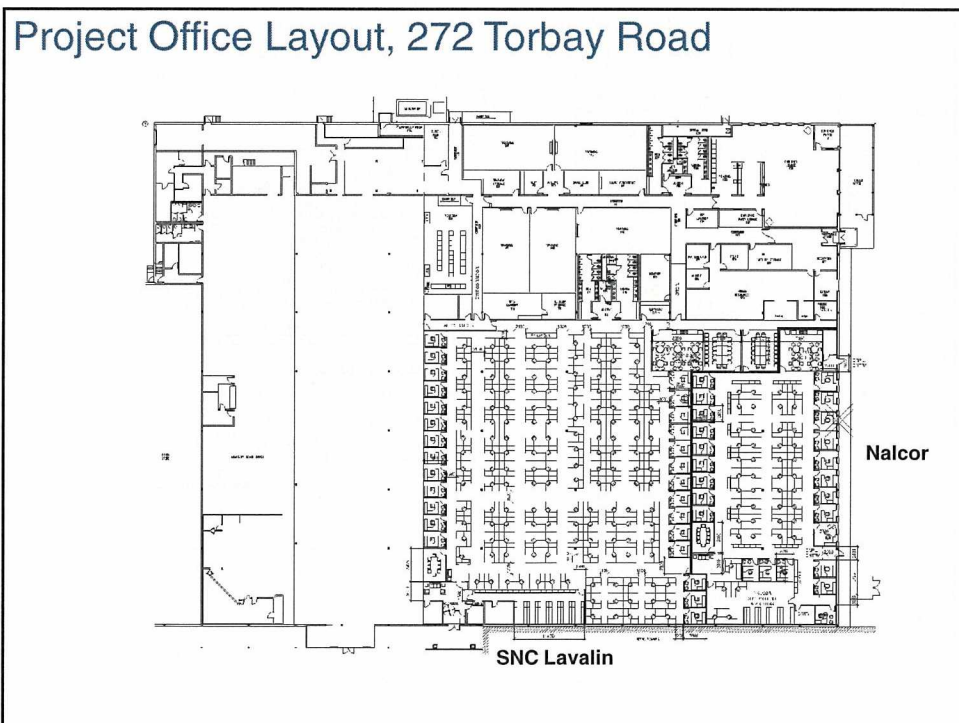

Interim Project Office



- 272 Torbay Road
 - May 16, 2011 to December 22, 2011
 - Accommodations for 254 project personnel
 - 27 offices and 158 work stations for EPCM staff
 - 24 offices and 45 work stations for Nalcor staff
 - Will be outfitted with new office equipment and furnishings



5

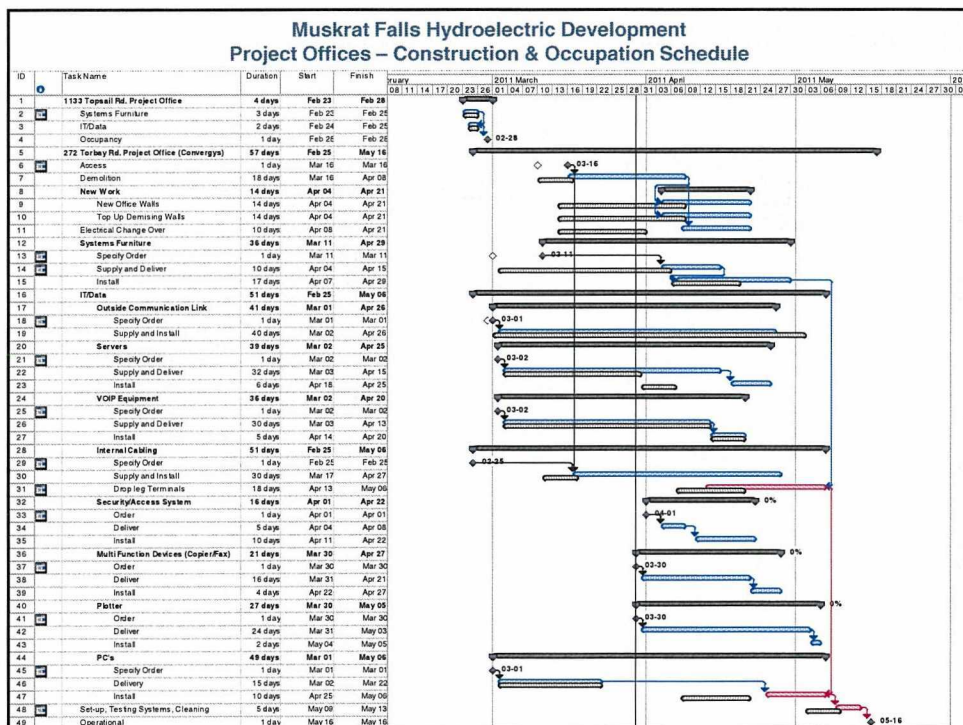


Final Project Office

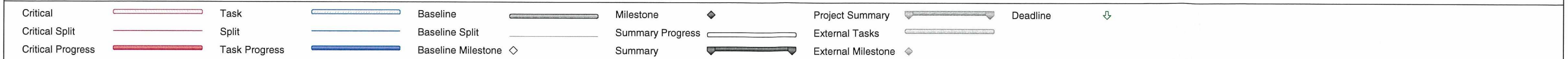
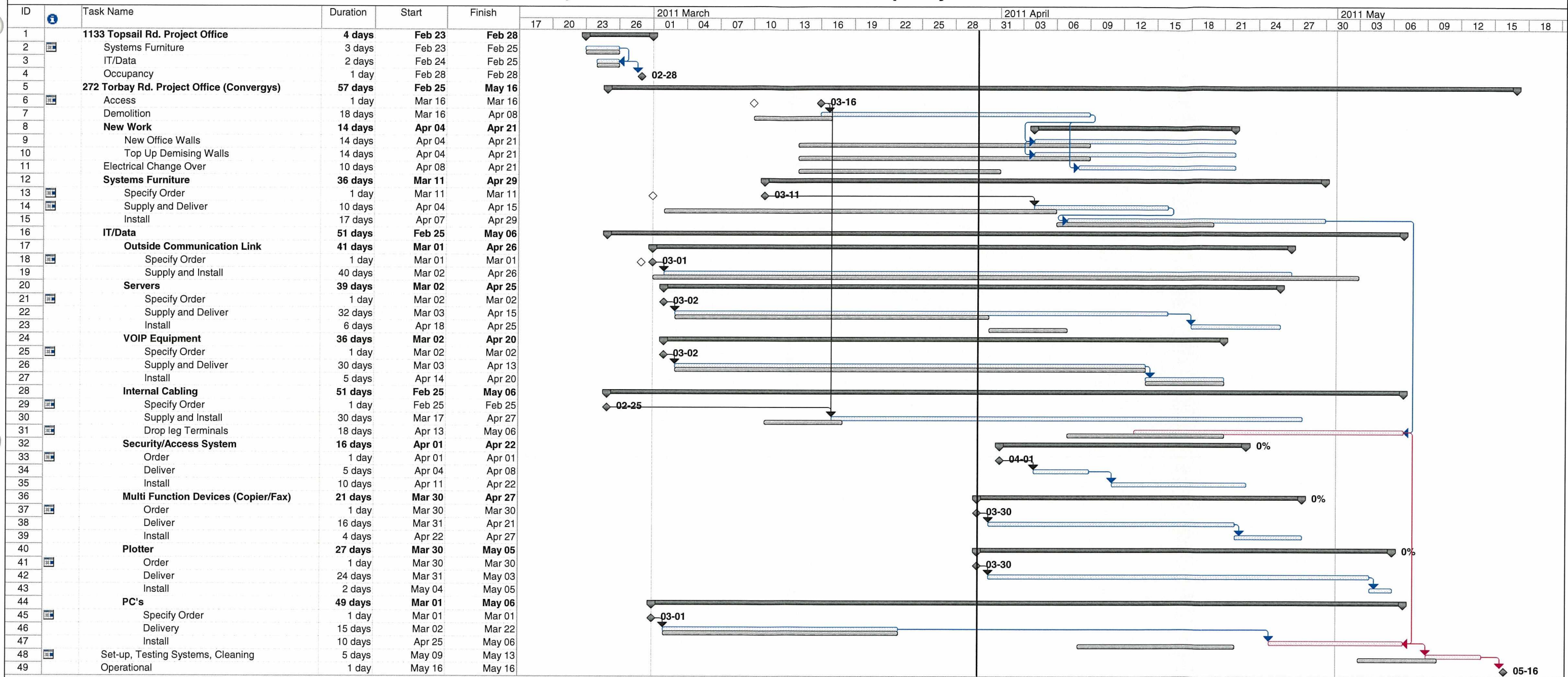
➤ **141 Torbay Road**

- January 3, 2012 to project completion
- Will accommodate all project personnel with separate offices for SNC-Lavalin and Nalcor
- Available for tenant improvements – September 1, 2011
- Space and functional planning currently ongoing
- 56,500 sf available (49,000 main floor; 7,600 mezzanine)

7



Muskrat Falls Hydroelectric Development Project Offices - Construction & Occupancy Schedule



Issued: March 30, 2011

