

Nalcor Energy – Lower Churchill Project



Procurement Management Plan


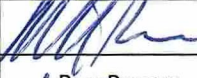
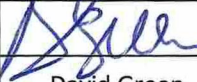

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**Inter-Departmental / Discipline Approval (where required)**

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## 1.0 Purpose

This Procurement Plan provides guidance and references key supporting plans and procedures that define the manner in which procurement of goods and/or services will be undertaken and managed by Nalcor for the Project including the Island Link Strait of Belle Isle (SOBI) crossing. The Owner's Supply Chain Manager is responsible for its contents and maintenance.

Procurement will at all times be carried out ethically and professionally in the best interests of the Project, in compliance with applicable laws and without favoritism to Suppliers or Contractors.

This Procurement Plan is structured to ensure the Project obtains equipment, materials and services:

- On a competitive basis whenever possible;
- At the lowest evaluated cost;
- Consistent with Project technical, quality and HSE requirements;
- Within a time frame which meets the Project Control Schedule and critical path;
- While satisfying the above objectives, execute commitments based on the Project benefits strategy and other agreements such as, Impacts and Benefits Agreement (IBA) and conditions of release from the Environment Assessment (EA);
- On a timely basis to ensure on-schedule completion;
- In accordance with coordination procedures included in relevant contracts.

## 2.0 Scope

The scope of this plan covers Nalcor - LCP related procurement and contracting activities. If required, any Contractor, Consultant or service provider to the Project is expected to provide their own procurement plan. The Procurement Team will purchase all equipment, supplies and services for the Project in accordance with established Nalcor - LCP procedures detailed in the Project's Procurement Procedures.

A Due Diligence process will be implemented with respect to contracting for goods and/or services for the project in accordance with the Major Contract Due Diligence Procedure. This procedure outlines the roles and responsibilities of individuals involved in the Due Diligence process in connection with Purchase Orders/Contracts under the management of LCP Supply Chain group.

Purchase Orders/Contracts will be issued using the Project's standard PO/Contract terms and conditions. Procurement will be managed, tracked and coordinated utilizing the Owner's Project Management System (PRISM). PRISM will be used to produce Purchase Orders, thus facilitating purchasing, receiving and invoice payment.

Project Requisitions must be completed and authorized by the appropriate level of authority, in accordance with the Capital Expenditure Authorization Procedure.

The scope of the procurement activities are listed below:

- Planning procurement activities;
- Developing and maintaining the Procurement register in PRISM;
- Prequalification of contractors and material suppliers;
- Development of appropriate general terms and conditions of Purchase Orders and Contracts approved by the Owner's legal department. The approved terms and conditions serve as a starting point and basis for negotiation with suppliers;
- Prepare inquiry packages, including bidders list;
- Issue inquiry packages;
- Manage inquiry process, including but not limited to:
  - Issue Requests for Information (RFI)
  - Issue Requests for Proposal (RFP) or Requests for Quotation (RFQ)
  - Receive proposals
  - Prepare and issue addenda
  - Receive and open proposals
  - Commercially evaluate proposals
  - Prepare complete award recommendation, incorporating commercial, technical, HSE, Quality and Benefits evaluations
- Award PO's and Contracts;
- Prepare necessary contract documentation.

### 3.0 Definitions

While specific procurement definitions are provided in this document a listing of all Project definitions can be found in the [LCP-PT-MD-0000-PM-LS-0001-01](#) Project Dictionary.

#### **Authorization for Expenditure (AFE)**

The mechanism by which approval for appropriations of capital expenditure is obtained. Multiple forms of AFE exist as follows:

**Pre-sanction AFE** - The means by which funds for pre-sanction activity for each Project Component are approved for expenditure by the Board of Directors.

**Master AFE** - The means by which funds for post-sanction activity for each Project Component are approved for expenditure by the Board of Directors.

**Supplemental AFE** - The mechanism used to secure approval for capital expenditures that are outside the scope, or in excess of a previously issued AFE.

#### **Approved Contractor**

A Contractor who has satisfied Project requirements that it has the facilities, resources and capabilities to

	construct/fabricate the scope requirements and meets all requirements of Project specifications, QA and HSE requirements.
<b>Approved Supplier</b>	A Supplier who has satisfied Project requirements that it has the facilities, resources and capabilities to supply materials to the Project specifications and meets QA and HSE requirements.
<b>Bid Evaluation Criteria</b>	The criteria against which a bidder's response to an RFP/Q shall be evaluated. An RFP/Q shall not be opened and evaluation started unless the Bid Evaluation Criteria and associated weightings (if applicable) have been agreed by the members of the evaluation team. The criteria shall be documented on the appropriate form, signed and dated by the bid evaluators and inserted in the Procurement/Bid File.
<b>Bid File</b>	A file generated and maintained by the Procurement Team, that contains all documentation relating to an RFP/Q (also referred to herein as a "Bid Package"), including but not limited to, the Requisition, technical specification, budgetary information, schedule requirements, cover letters, terms and conditions of contract, proposal terms, addenda etc.
<b>Bid Opening Committee</b>	The team responsible for opening the proposals. It consists of one person from Supply Chain and two others.
<b>Budget Holder</b>	Person accountable for developing, scheduling, controlling, forecasting and delivering against a particular Project scope.
<b>Buyer</b>	The member of the Procurement Team identified in the RFP/Q as the sole point of contact with bidders invited to submit proposals. The person who will administer the PO when issued.
<b>Change Log</b>	A document, or database, listing all potential contract changes for evaluation and approval or rejection by the authority named in the relevant Contract or PO.
<b>Cold Eyes Review</b>	A review of a Purchase Order/Contract prior to its execution by members of the Due Diligence team and any other member so directed by the CFO who have had no prior exposure to the final negotiated Purchase Order/Contract.

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<b>Contract</b>	An agreement that binds Owner to a financial commitment and/or obligation to another party.
<b>Contract Coordinator</b>	The member of the Procurement Team identified in the RFP/Q as the sole point of contact with bidders invited to submit proposals. The person who will administer the Contract when issued.
<b>Contractor</b>	Means any vendor/manufacturer who enters into a Contract (including a Purchase Order) with Owner for the supply of work or services.
<b>Due Diligence</b>	The process whereby goods and/or services Purchase Orders/Contracts pertaining to the Lower Churchill project are formulated and examined for accuracy, appropriateness and completeness. Due Diligence includes Cold Eyes Review for certain Purchase Orders/Contracts.
<b>Expeditor</b>	The member of the Procurement Team responsible for expediting.
<b>Management of Change</b>	Procedures as detailed in the Project Change Management Plan LCP-PT-MD-0000-PM-PL-0002-01.
<b>Owner</b>	Means Nalcor Energy and any of its successors or assigns.
<b>Package Status Report</b>	<p>The Package Status Report (PSR) shall contain a list of Packages to be procured (such as equipment) or construction and service Contracts.</p> <p>The Package Status Report is generated based on two specific dates: (i) when the equipment is required on site and (ii) when the specifications, drawings and data are required. For each of the specific dates three (3) types of data are addressed:</p> <ul style="list-style-type: none"> <li>• <b>Baseline;</b> This is the original agreed upon schedule dates and is never altered.</li> <li>• <b>Forecast Line;</b> The current or forecasted schedule dates, based on regular updates from applicable parties.</li> <li>• <b>Actual Line;</b> This line serves as a historical record of the actual completion date.</li> </ul>



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<b>Prequalification Questionnaire</b>	A document issued prior to the proposal process to prequalify potential suppliers for the Project.
<b>Procurement Team</b>	Nalcor Energy's LCP personnel that will originate, process and administer purchases for goods and services on behalf of the Project.
<b>Project</b>	Lower Churchill Project.
<b>Project Assignment Authorization</b>	For the EPCM Contract the WTO is replaced with a Project Assignment Authorization (PAA) to draw on resources under that agreement.
<b>Purchase Order (PO)</b>	An agreement that binds the Owner to a financial commitment and/or obligation with a provider of goods, equipment or materials with a desired delivery time and with specific quantities and prices.
<b>Request for Information (RFI)</b>	Used to determine what products and services are potentially available in the marketplace to meet the Project's needs. Can also be used to obtain budgetary pricing and current lead-times for delivery of goods. A RFI shall not constitute an invitation to bid, is not binding on either the buyer or sellers and may not result in an RFP/Q being issued.
<b>Request for Proposal (RFP)</b>	An invitation for bidders, through a formal bid process, to submit a proposal for a specific product or service that is required for the Project. An RFP/Q should normally be sought from suppliers that have been approved by the Procurement Team's pre-qualification process.
<b>Request for Quotation (RFQ)</b>	Used where discussions are not necessarily required with bidders (mainly when the specifications of a product or service are already known and clearly defined), and price is the main or only factor in selecting the successful bidder.
<b>Requisition</b>	Documents the internal review and approval process to be secured prior to procuring goods and services. A Requisition is required to authorize the issue of a Financial Commitment document i.e. Contract, PO, WTO, or Variation Order. For application to the EPCM Contract the PAA serves to fulfill the requirements of the Requisition.

<b>Responsibility</b>	The obligations taken on by individuals in their roles in the formal organization to effectively perform assignments.
<b>Single Source</b>	The award of a Purchase Order (PO) or contractual commitment for goods and/or services that have not been competitively bid.
<b>Strategic Sourcing Methodology</b>	The formal process used by the Project to select a Supplier to supply a particular product(s) or service(s) that is routinely purchased by the Project.
<b>Supplier</b>	Means any vendor/manufacturer who enters into a Contract (including a Purchase Order) with Owner for procured goods or services.

#### 4.0 Abbreviations and Acronyms

<b>AAL</b>	- Approval Authority Limits
<b>AFE</b>	- Authorization for Expenditure
<b>B</b>	- Buyer
<b>CC</b>	- Contract Coordinator
<b>CDN</b>	- Canadian Dollar
<b>EX</b>	- Expeditor
<b>LCP</b>	- Lower Churchill Project
<b>LOC</b>	- Letter of Credit
<b>LOI</b>	- Letter of Intent
<b>NE</b>	- Nalcor Energy
<b>PAA</b>	- Personnel Assignment Authorization
<b>PD</b>	- Project Director
<b>PO</b>	- Purchase Order
<b>PRISM</b>	- ARES Corporation's Project Management Software
<b>PSR</b>	- Package Status Report
<b>QA</b>	- Quality Assurance
<b>QC</b>	- Quality Control
<b>RFI</b>	- Request for Information
<b>RFP</b>	- Request for Proposal
<b>RFQ</b>	- Request for Quotation
<b>SCM</b>	- Supply Chain Manager
<b>WBS</b>	- Work Breakdown Structure

#### 5.0 Roles and Responsibilities

The majority of the engineering works, drawings and scopes of work for bid packages will be prepared by discipline engineering and approved by the Budget Holder (or higher level, as required) who has Responsibility for the package. Approved technical specifications or scopes of work will be issued to the Procurement Team by Engineering.

Engineering and Procurement plus other disciplines, as required, will jointly produce a suitable technical and commercial bid evaluation plan. Evaluations will be completed by an evaluation team.

The Supply Chain Manager is responsible to:

- Formulate Project procurement policies in line with the Owner’s code of conduct and procurement policies.
- Develop procedures that meet Project needs and comply with policy guidelines.
- Maintain a strategic approach to procurement.
- Communicate policies and procedures to the Project Team.
- Adhere to LCP’s Project Capital Expenditure Authorization Procedure relating to approval levels required for Requisitions.

5.1 Organization Chart

The organization chart for the Project, which includes Supply Chain is available on the Project’s Integrated Management System.

5.2 Roles and Responsibilities of Procurement Team

<b>P = Primary Responsibility</b>		<b>SCM - Supply Chain Manager</b>			
<b>A = Assists as required</b>		<b>B - Buyer</b>			
<b>S = Supervisory role</b>		<b>CC – Contract Coordinator</b>			
		<b>EX – Expeditor</b>			
<b>ITEM</b>	<b>RESPONSIBILITIES</b>	<b>SCM</b>	<b>B</b>	<b>CC</b>	<b>EX</b>
1	Procurement planning and strategy	P	A	A	A
2	Coordinates all procurement activities to meet the needs of the Project	P	A	A	A
3	Set Policies and Procedures and systems to align with the Owner’s policies	P	A	A	A
4	Utilize standard terms and conditions for purchase of materials and equipment, and for professional, technical and construction services	S	P	P	
5	Develop standard inquiry documentation	S	P	P	P
6	Develop Project procurement and expediting reporting	P	A	A	A
7	Prepare inquiry documents in conjunction with Engineering	S	P	P	
<b>P = Primary Responsibility</b>		<b>SCM - Supply Chain Manager</b>			
<b>A = Assists as required</b>		<b>B - Buyer</b>			
<b>S = Supervisory role</b>		<b>CC – Contract Coordinator</b>			
		<b>EX – Expeditor</b>			
<b>ITEM</b>	<b>RESPONSIBILITIES</b>	<b>SCM</b>	<b>B</b>	<b>CC</b>	<b>EX</b>
8	Receive and approve single source justification form. The Project Director must sign all single source justification forms.	S/P	A	A	
9	Coordinate the prequalification of suppliers and contractors	S	P	P	
10	Review and evaluate prequalification submissions	S	P	P	
11	Maintain a list of pre-qualified suppliers and contractors	S	P	P	
12	Prepare bidders list	S	P	P	

13	Manage inquiry process	S	P	P	
14	Prepare commercial evaluations of proposals	S	P	P	
15	Coordinate overall proposal evaluation	S	P	P	
16	Coordinate and record site visits during bidding process	S	P	P	
17	Manage negotiation(s) with bidders as required	S	P	P	
18	Prepare PO and Contract Documentation	S	P	P	
19	Review and assign Project Requisition (prior to commitment in PRISM)	P	A	A	
20	Enter approved Requisition in PRISM	S	P	P	
21	Arrange and manage subcontract for external expediting services	S	A	P	A
22	Coordinate expediting services	S	A	A	P
23	Ensure expediting reports are received and any non-conformances are documented in conjunction with Quality Lead and the appropriate action initiated and followed through	S	A	A	P
24	Prepare and issue contract change orders as required	A	P	P	
25	Expedite and review contract deliverables (equipment, goods and materials and associated documentation)	S	A	A	P
26	Control, review and provide recommendation on Contract /PO claims	S	P	P	A
27	Monitor vendor performance	S	P	P	A
28	Manage warranties including warranty claims	S	P	P	A
29	Recommend release of security	S	P	P	A
30	Close out PO's and Contracts and prepare close out reports	S	P	P	A
31	Maintain procurement information in PRISM	S	P	P	A
32	Coordinate logistics	S	A	A	P

**6.0 Reference Documents and/or Associated Forms**

Not used. See sections 9 and 10.

**7.0 Procurement Management Guide**

**7.1 Owner’s Procurement Processes and Guidelines**

The purchasing procedures are listed in (Section 9.0 – Table 9.0).

**7.2 Procurement Schedule**

The overall procurement schedule is a subset of the Project Baseline Schedule that sets key dates for delivery of packages for materials and services from Contractors, Suppliers and Consultants. Each procurement package will be released against the Project Baseline Schedule and tracked through a weekly Package Status Report to provide status of key delivery milestones on the basis of scheduled, forecasted and actual delivery. Package Status Report data will be managed through Owner’s PRISM software package to facilitate rapid trend analysis and historical archiving. The Project Baseline Schedule will be the responsibility of Owner’s Project Controls Team which will provide historical, current and forecast analysis utilizing the Primavera scheduling tool in addition to other tools to facilitate analysis of suppliers’ performance with which the Project may work.

Procurement schedule activities will be reviewed by the Project team during the Project stewardship meeting process and reported in accordance with this and the Project Governance plans.

### 7.3 Supplier Responsibilities

Suppliers will be held fully responsible for the technical compliance and performance of equipment/systems provided in addition to competency and performance of Suppliers personnel. The provision of quality materials, equipment, workmanship, meeting schedule or delivery commitments will be achieved by including (and, if necessary, exercising) holdbacks, performance securities (performance bonds Letter of Credit (LOC) and/or parent company guarantee) and incentives/disincentives in the Supplier contracts.

Bidders responses to Requests for Proposals must include specifications and data including quantification of performance criteria, quality standards and a statement that the bidder will co-operate with third party QA/QC inspectors (if applicable) as assigned by the Project.

### 7.4 General Commercial

#### 7.4.1 General

Standard terms and conditions will apply to all purchases of goods and materials, construction contracts and professional / technical services respectively. See Section 10 for a listing of standard forms.

Formal sealed competitive proposals will normally be solicited from a minimum of two (2) pre-qualified bidders for equipment, materials, goods and services unless the prequalification process has identified less than two (2) acceptable bidders or a purchase is determined to be a single sourced item. Additionally, the Project may take advantage of existing key supplier or standing commodity agreements with the Owner or major contractors, to obtain the best possible terms.

Construction materials and commodities that may be deemed a major Project risk may be purchased by the Project and free issued to contractors. Exceptions will include miscellaneous low risk items or specialized items that can best be supplied by a contractor. Contractors will be responsible for all equipment and parts for equipment that they provide. Items supplied directly by the Owner will be defined prior to start of the procurement process.

#### 7.4.2 Confidentiality

The entire process of opening and evaluating bids shall be treated in strict confidence by members of the bid evaluation team. Typical security elements may include:

- Division of technical and commercial information
- Secure work area, computers and storage
- Secure photocopiers and fax (hard-drive security)
- Shredding facilities

#### 7.4.3 Performance Security

At the option of the Owner, a Letter of Credit (LOC), performance bond or other security may be required from the successful bidder, covering construction contracts, major equipment supply and installation packages. As applicable, bidders submitting a proposal must include a separate cost for providing the performance bond or LOC. The cost of the performance bond or LOC will be paid for separately by the Owner. Bidders must submit proof from the surety that the bond will be provided, if requested.

In addition, Owner may require a Parent Company Guarantee from the successful bidder's parent company.

#### 7.4.4 Letter of Intent

Letters of Intent (LOI) may not be used on the Project without prior written approval from the Project Director and Owner's Legal Department.

#### 7.5 Procurement Management System

Owner utilizes a Project Management System called PRISM. Procurement will be managed, tracked and coordinated utilizing the purchasing and contract module of PRISM. PRISM will be used to produce Purchase Orders, thus facilitating purchasing, receiving and invoice payment. This process requires a Requisition to be initiated in PRISM and approved in accordance with the Capital Expenditure Authorization Procedure. Once the Requisition is approved, the Contract can be executed.

#### 7.6 Newfoundland and Labrador Benefits

Owner has negotiated an Impacts and Benefits Agreement (IBA) with the Innu Nation and, it will be necessary for the Owner's Procurement Team and all Contractors to fulfill the obligations contained within the IBA. Owner has also developed a Benefits Strategy with the Province of Newfoundland and Labrador and commitments made in that strategy will become obligations of the Contractors as well, including monitoring and reporting of benefits.

#### 7.7 Bidding Process

##### 7.7.1 Package Status Report (PSR) and Work Breakdown Structure (WBS)

The majority of the procurement will be through the work package approach in which a particular item or group of items will make up a package. Procurement will have overall responsibility for the package; however, the package will be managed by a team consisting of engineering, Buyer/Contract Coordinator, expediting, QA, HSE and construction. Collectively they will ensure the package is pre-qualified, specified, bid, evaluated, awarded, manufactured, inspected, delivered and accepted by construction.

Early in the planning phase of the Project, the PSR, consistent with development of work packages/Work Breakdown Structure (WBS), will be established. The PSR is the primary method for managing Project procurement and reflects how it will be executed. This will require joint involvement from various departments.

### 7.7.2 Requisition

Authorization to commit any funds approved under an existing AFE requires approval of a Requisition by the Budget Holder. An approved Requisition provides the authorization to commit a specific scope of work to a Contractor.

Requisitions are initiated by the Budget Holder requesting the goods and services. They are forwarded to Project Controls to ensure that the requested funds are available, the Requisition contains the correct cost coding and scope and to ensure the schedule and cost outlined in the Requisition are covered in the approved AFE. For Requisitions in excess of a Budget Holder's approval limits, the affected Budget Holder is required to verify, review and approve the Requisition prior to forwarding it on to secure approval from the required AAL holder.

All requisitions must fall within the scope and value outlined in the approved AFE. The cumulative value of those Requisitions cannot exceed the value of an approved AFE. In such cases a Supplemental AFE will be required. Any goods and services, not covered in the approved AFE that are required to progress the Project will be processed through the Management of Change process.

The Requisition shall include the following:

- Estimated value
- Suggested list of potential suppliers
- Required date for goods or services
- Scope of Work
- Technical Specifications (MTO, data sheets, standards, reports, specifications, etc.)
- Work Procedures & Safety, Environment Specifications for Contractors
- Drawing List
- Appendices – Engineering drawings, insurance requirements.

### 7.7.3 Expression of Interest (EOI) and Prequalification of suppliers

EOI's will be solicited during the preliminary engineering phase, where practical, and selected packages will be subject to prequalification. The work package team will be established to assess all requests. Not all potential suppliers that express interest in prequalification will be invited to participate if pre-screening determines the potential supplier to be an unsuitable match.

Prequalification involves requesting information from a number of suppliers identified as holding potential to supply goods or services to the Project.

Information will be obtained from potential suppliers using a Prequalification Questionnaire. The questions are designed so that the responses will provide a good understanding of the potential supplier's culture and ability to perform the work in accordance with the Project's goals and procedures.

While there is no financial value or commitment associated with the EOI process a certain level of due diligence should be demonstrated. In order to activate the EOI process the interested parties, in conjunction with SCM, should develop and forward an expression of interest document outlining the anticipated scope of work, the proposed questionnaire and the evaluation criteria to the Budget Holder, who has Responsibility for the anticipated work, for approval.

The questionnaire will seek details in the following areas; HSE, company structure, organization and financial details; company capability and resources; quality assurance; industrial relations; and NL benefits.

Potential suppliers will be evaluated based on the following criteria as a minimum:

- Documented and measurable past performance
- Ability to meet requirements for quality, quantity, delivery, service and support documentation
- Technical capability
- Evidence of having successfully undertaken work similar to the scope of work requested or alternatively, demonstrate a capability to undertake the scope of work requested
- Financial status
- Post supply/installation support and service
- Ability to provide appropriate training, if required
- Historical on-time deliveries
- Health, Safety and Environmental programs
- Quality Assurance/Quality Control program
- Newfoundland and Labrador Benefits (including IBA commitments)
- Owner preferences

The procedure for prequalification evaluation uses a documented evaluation system. Where applicable a weighted score may be applied. The individual evaluation assessment elements and the weightings will be agreed to with the evaluation team for each package.

See Identify and Select Bidders Procedure (Section 9.0) for more information.

#### 7.7.4 Bid Lists

Bid lists will be compiled from suppliers that submit expressions of interest and after completion of a prequalification process. Where practical and possible, two (2) quotes will be obtained for items over \$5,000 CDN but less than \$25,000 CDN. For items over \$25,000 CDN preferably two (2) formal quotes are required through a formalized competitive sealed bid process.

The exceptions to this may include:

- Where less than two (2) known acceptable suppliers exist.



- Where it is required to duplicate existing equipment (i.e. to use the same equipment brand).
- When an approved Single Source Justification form accompanies the Requisition.
- When an approved preferred supplier is used as per the Owner's procedures.
- As directed by the Project Director.

#### 7.7.5 Single Source Procurement

Should it be necessary to purchase goods or services from a single source, a single source justification must be approved utilizing a Single Source Justification form (Section 10). This form will be approved by the manager with the necessary approval level (determined by the value of the work), the Supply Chain Manager and the Project Director.

#### 7.7.6 Preferred Suppliers

The Project shall, where appropriate, use preferred suppliers for some procurement packages.

As these suppliers have met the Owner's procurement requirements a single source procedure shall not apply.

Project Director approval shall be required for each procurement item being issued under the preferred supplier status in accordance with Section 8.1.

#### 7.7.7 E- Procurement

E-Procurement practices may be used during the Project. Responsibility for deciding the use of E-procurement is with the Owner's Supply Chain Manager.

#### 7.7.8 Issue Request for Proposal (RFP)

The point of contact within the Procurement Team to which enquiries and correspondence is to be addressed will be identified for each package.

All Project requirements will be documented in the RFP/Q to a level required to accurately record the work to be procured to meet specified requirements. The RFP/Q will be prepared, reviewed and signed off by all appropriate disciplines utilizing the RFP Review and Release Form. The purpose of the review is to check and address content of the requirements. Prior to issuance, the RFP Review and Release Form is approved by the Budget Holder with consultation of the Project Director or other direct reports of the VP-LCP. After the documentation has been generated and reviewed, it will be issued in electronic format (pdf or native file, as appropriate) or hard copy.

#### 7.7.9 RFP/Q Clarifications

All communication with the bidders during the bidding phase must be communicated through the Procurement Team single point of contact responsible for the bid.

Bidders must submit all clarification requests through electronic mail or confidential fax, as indicated in the Request for Proposal, to the Procurement Team single point of

contact. Responses will be formulated by the appropriate individual on the evaluation team and will be issued to the bidders by the Procurement Team single point of contact.

In determining closing dates for the RFP/Q, the date must be reasonable to allow quality responses to the RFP/Q and to avoid extensions. Any requests for extending the closing date of a RFP/Q will be approved by the Owner's Supply Chain Manager, in consultation with Budget Holder associated with the work scope that is the subject of the RFP/Q.

#### 7.7.10 Issue of Addenda and Bulletins

If revisions are required to any aspect of the RFP/Q package they will be generated by the appropriate individual on the evaluation team. The Addenda or Bulletin will be issued to all bidders with the instruction that the information contained therein replaces the information provided in the RFP/Q package.

If an Addenda or Bulletin is issued, it shall be added to the Procurement/Bid File so that all changes can be captured and to assist with finalizing the contract documents at award.

#### 7.7.11 Submittal of Proposal Documents

The proposal shall be submitted in the format requested in the RFP/Q. Bidders must deliver, where requested, via hand delivery or courier, one (1) original and two (2) copies of its proposal not later than the closing time specified to the named Procurement Team single point of contact.

Prior to the opening of the proposals, the package team will prepare a bid evaluation plan which outlines the bid process, responsibilities of the evaluation team, evaluation criteria and associated weighted scoring which may be applied to the package. This bid evaluation plan will be approved by the package team, Budget Holder, Supply Chain Manager and if required, Project Director.

#### 7.7.12 Bid Receipt and Opening

Upon receipt of sealed bids, the Procurement Team single point of contact will date and time stamp the bidder's proposal package. After the closing time, the proposals will be opened by the Procurement Team single point of contact and two (2) others (Bid Opening Committee). Technical members of the evaluation team should not participate in the bid opening. The proposals will be stamped and initialed by all parties. The original copy of the proposal will be retained by Procurement in the Procurement/Bid File.

A sampling of lump sum values and / or unit rates of each bid will be recorded on a separate bid opening record document (Section 10) and be signed by all parties. The Bid Opening Committee will also initial each page of all original commercial documents contained in the bid. All copies of the commercial documents will be retained by Procurement in the Procurement/Bid File and will not be made available to any other members of the bid evaluation team until all evaluations are complete. Copies of the

technical portions will be provided to the technical team and other disciplines as required for technical evaluation.

#### 7.7.13 Bid Clarification and Site Visits

Clarification of proposals may be required. These may be issued as a result of the evaluation of the bidder's proposal and may address any part of the proposal. Clarification requests are normally made when the need arises for more information or to clarify information provided in a bidder's proposal. They may take the form of requests for written clarification, oral discussions or visual presentations. Usually a clarification request is issued for an item that is required before the evaluation of a proposal can be completed.

Where applicable, a site visit will be conducted to assess a bidder's facilities and inform the bidder of Owner's minimum requirements for bidders wishing to perform Project work.

The following topics should be addressed during a site visit, as a minimum:

- Safety Management Plan (SMP);
- Environment Management Plan (EMP);
- Quality Management Plan (QMP);
- Emergency Response (ER) requirements and plan;
- Specific technical and/or Scope issues; and
- Special instructions

#### 7.7.14 Analysis of Proposals

The Procurement Team single point of contact will perform the commercial evaluation of the proposals and the technical team and other disciplines as required will perform the technical review of the bid using the evaluation forms prepared for that RFP\Q.

Commercial and technical bid review meetings may be convened. Technical and commercial issues will be discussed and clarified at these meetings.

The technical evaluators and Procurement Team single point of contact will apply due diligence practices and maintain strictest confidentiality of all information contained in the bid evaluation process. Bid information that is outside of the norm (i.e. very low pricing) should be reviewed in further detail.

The Procurement Team single point of contact is responsible for coordinating the bid analysis documents. The bid analysis will include the technical, HSE, Quality, Newfoundland and Labrador Benefits and commercial evaluation summary tables and a recommendation.

The Procurement Team single point of contact if required will arrange a pre-award meeting with the preferred bidder to ensure that the scope, technical specifications and contract conditions are fully understood.

#### 7.7.15 Award Recommendation and PO / Contract Execution

The bid evaluation and recommendation documents as signed by the package team will note all pertinent data related to specification, work scope, schedule, cost and any agreed deviations from standard terms and conditions. Any exceptions to the standard terms and conditions must be negotiated and approved by Owner's Legal and Risk Management Departments (Section 8.12).

Bid evaluation and award recommendation will include, as a minimum, the budget reconciliation, the RFP/Q evaluation and the recommended bidder. A Requisition reflecting the estimated value of the work, accompanied by the Award Recommendation and evaluation package, must be approved in accordance with the Capital Expenditure Authorization Procedure prior to the award of the work. Once the approval is received, the successful bidder will be advised and a PO or Contract prepared and created in PRISM. Purchase Order or Contract documents will be signed by the Supply Chain Manager.

The Purchase Order or Contract documents once approved by the package team will be prepared, signed and issued to the Supplier or Contractor for signature. The Supplier or Contractor will return one (1) signed copy to the Procurement Team single point of contact.

After the recommendation approvals are secured and a PO or Contract issued, the Procurement Team single point of contact will advise unsuccessful bidders in writing. If requested by an unsuccessful bidder a formal debrief meeting will be conducted.

#### 7.7.16 Purchase Order and Contract Documents

Procurement will retain original Purchase Order or Contract documents in the Procurement/Bid File. The Purchase Order or Contract documents will include, but not be limited to, the following:

- All of the original documents as issued in the RFP/Q package
- Addenda issued to inquiry documents prior to closing of bids
- Scope & technical specifications
- Copies of all correspondence
- Pricing elements (i.e. amount, fixed & firm, escalation, rate of exchange)
- Schedule of events
- Sales tax status, plus certifications (if applicable)
- Duty draw back (if applicable)
- Performance expectations
- Termination other than cause
- Terms of payment (i.e. advance/progress payments, holdbacks)
- Delivery terms (i.e. FOB / FCA etc.)
- General Terms and Conditions, and any applicable supplementary conditions or exhibits to the agreement
- Performance bonds (if applicable)
- Letters of Credit (if applicable)
- Parent Company Guarantees (if applicable)

- Insurance Certificates
- WHSCC Letter of Good Standing

#### 7.8 Materials Management

A materials management procedure will be developed to outline the control and tracking of materials throughout the life of the Project.

#### 7.9 Expediting

Expediting will be based on the initial package criticality rating and will be adjusted according to site construction requirements.

Individual package expediting plans will be prepared, as deemed necessary, highlighting the key factors that need to be addressed, showing the Project departments and each one's involvement in the overall progressing process.

Key dates for all deliverables will be contained in the management system and expedited accordingly. Routine reports will be prepared and will be available electronically at all times.

#### 7.10 Logistics

A Logistics Philosophy has been developed for the Project (Section 9.0, Table 9.0).

### 8.0 Supporting Management Plans

1. LCP-PT-MD-0000-PM-PL-0005-01 – Project Governance
2. LCP-PT-MD-0000-PM-PL-0001-01 – Project Execution Plan
3. LCP-PT-MD-0000-CS-PL-0001-01 – Construction Management Plan
4. LCP-PT-MD-0000-CA-PL-0001-01 – Contract Administration Plan
5. LCP-PT-MD-0000-QA-PL-0001-01 – Quality Management Plan
6. LCP-PT-MD-0000-EN-PL-0001-01 – Engineering Management Plan
7. LCP-PT-MD-0000-LR-PL-0001-01 – Industrial Relations Plan
8. LCP-PT-MD-0000-PM-PL-0001-01 – Administration
9. LCP-PT-MD-0000-PM-PL-0002-01 – Change Management
10. LCP-PT-MD-0000-PC-PL-0001-01 – Project Controls Management Plan
11. LCP-PT-MD-0000-IM-PL-0003-01 – Information Management
12. LCP-PT-MD-0000-RI-PL-0001-01 – Risk Management Plan
13. LCP-PT-MD-0000-HS-PL-0002-01 – Security Management Plan
14. NE-LCP-PT-MD-0000-PM-LS-0001-01 - Project Dictionary
15. LC-G-002, Exhibits, Section 6 – Coordination Procedures

### 9.0 Procedures

The Owner's Supply Chain Manager is responsible for ensuring that the Procurement Team identifies and follows the appropriate procedure for obtaining materials and services which align with the Owner's objectives. Table 9.0 details the Project's Supply Chain Management procedures.

**TABLE 9.0**

<b>PROCEDURES</b>	
MSD-MM-001	LCP-Supply Chain Management - Identify and Select Bidders
MSD-MM-002	LCP-Supply Chain Management - Request for Proposal
MSD-MM-003	LCP-Supply Chain Management - Bid Receipt and Evaluation
MSD-MM-004	LCP-Supply Chain Management - Formal Award
MSD-MM-005	LCP-Supply Chain Management - Contract Administration
MSD-MM-006	LCP-Supply Chain Management - Processing Claims
MSD-MM-007	LCP-Supply Chain Management - Back Charges
MSD-MM-009	LCP-Supply Chain Management - Contract Closeout
LCP-PT-MD-0000-SC-PR-0001-01	LCP-Supply Chain Management - Innu Procurement Process
MSD-MM-011	LCP-Supply Chain Management - Contracts/Purchase Order Filing Structure
MSD-MM-012	LCP-Supply Chain Management - EOI Assessment Subcontractor’s Questionnaire
MSD-MM-013	LCP-Logistics Philosophy
MSD-MM-020	Work Task Order (WTO) Process

**10.0 Forms**

<b>FORMS</b>	
FRM-CC-002	LCP - Agreement Assignment and Novation Approval Form and Agreement
FRM-CC-003	LCP - Commercial & Technical EOI Questionnaire
FRM-MM-001	LCP - Work Task Order
FRM-MM-002	LCP - Consultant Agreement Template - Short Form
FRM-MM-003	LCP - Professional Services Agreement Template
FRM-MM-004	LCP - Purchasing Terms and Conditions
FRM-MM-005	LCP - Assignment and Novation Agreement and Approval Form
FRM-MM-006	LCP - Service Agreement
FRM-MM-008	LCP - Non-Disclosure and Conflict of Interest Agreement
FRM-MM-018	LCP - Requisition / Release Form

**11.0 Activity Flowchart (Excel Format)**

Not used

**12.0 Attachments/Appendices**

Not used