

Lower Churchill Management Corporation



MANAGEMENT OF MANPOWER FORECAST

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Note: 1. "LCP" coded documents require all Project Managers' approval.

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1 PURPOSE

The purpose of this document is to manage the change and forecast process as it relates to the LCP Manpower Forecast (MFL). The MFL is an integral input into the owner’s team cost management process of the project and changes must be managed in a consistent manner to ensure that all costs associated with the Lower Churchill Project are both accurately forecasted and managed to the approved budget.

2 SCOPE

The scope of this procedure is limited to the management of the manpower forecast which includes the change management process, forecasting and stewardship report of the approved MFL.

3 DEFINITIONS

Budget Holder	Person who is delegated financial authority in accordance with the Financial Authority Procedure and has been assigned Responsibility for the completion of aspects of the work scope contained in an LCP Company AFE and who is accountable for developing, scheduling, controlling, forecasting and delivering against a particular project scope. The Budget Holder is also responsible for financial stewardship of funding associated with his/her work scope.
Cost Control Accounts	The Cost Control Account is a unique code in the Prism cost management system, which is applied against each item of cost for the project. The structure of the Cost Control Account is used for organizing and managing scope, asset, cost, resources, work and schedule activity information.
Contract	A legal agreement that binds the LCP company to a Financial Commitment and/or obligation to another party
Deviation Alert Notice (DAN)	This is the mechanism used to facilitate the processing of potential Project Deviations. A Deviation Alert Notice is represented by both a form and a record which are generated in the Nalcor Change Management Database.
LCP Tracker	Customized program developed to manage hours worked on the LCP.
Master Service Agreement	A standing agreement whereby there can be a periodic draw on goods and/or services as required under an established compensation and services scheme.
MFL	Manpower Forecast Loading for the LCP Project Delivery Team. The forecast includes the following Lower Churchill Project Companies: <ul style="list-style-type: none"> • Muskrat Falls Corporation • Labrador Transmission Corporation • Labrador Island Link Limited Partnership • Lower Churchill Management Corporation

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Personnel Assignment Authorization	For the SNC-Lavalin Agreement the WTO is replaced with a Personnel Assignment Authorization (PAA) to draw on resources under that agreement. PAA's may also be used as support to a Requisition for the acquisition of personnel under Master Service Agreements.
Project Change Notice (PCN)	This is the mechanism used to facilitate the processing of potential Project Changes. A Project Change Notice is represented by both a form and a record which are generated in the Nalcor Change Management Database. Project Change Notices must be reviewed by the Change Control Board for approval or rejection.
Prism	Project Management tool used by LCP to produce project estimates, baselines and control budgets, to record and report costs.
Purchase Order	A contract with a provider of goods, equipment or materials with a desired delivery time and with specific quantities and prices.
Requisition	Documents the internal review and authorization process; to be secured prior to procuring goods and services. A requisition form initiates the purchasing or contracting process, which results in the issue of a Financial Commitment document; i.e. Contract, PO, WTO/PAA or Change Order.
Responsibility	The obligations taken on by individuals in their roles and in the formal organization to effectively perform assignments.
Work Task Order (WTO)	The official approval sheet for the authorization of the work to the contractor. The WTO, along with the Execution Plan and CTR estimate describes the work scope, resources, hours, schedule, reporting requirements, costs, deliverables and desired outcome of the work scope.

4 ABBREVIATIONS AND ACRONYMS

- AFE Authority for Expenditure
- CCA Cost Control Account
- CCB Current Control Budget
- DAN Deviation Alert Notice
- ID Identification number
- JDE JD Edwards
- LCP Lower Churchill Project
- MFL Manpower Forecast Loading
- PAA Personnel Assignment Authorization
- PCN Project Change Notice
- PO Purchase Order
- SCM Supply Chain Management

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SLI SNC Lavalin
 WO Work Order
 WTO Work Task Order

5 RESPONSIBILITIES

Budget Holder	<p>Accountable for managing and executing their scope of work within the approved MFL.</p> <p>Responsible for reviewing incurred cost stewardship reports and communicating necessary changes to the MFL with the Owner’s Team Cost Controller.</p> <p>Responsible to sponsor any proposed deviation or change within their area of responsibility. This includes responsibility for stewarding the change through the change management process.</p>
Human Resources	<p>Responsible for recruiting the LCP Project Delivery Team.</p> <p>Responsible for reviewing the MFL for vacancies and working with Project Managers or Delegate to ensure recruitment is progressing based on MFL position start dates.</p> <p>Responsible for reviewing position numbers and cost control accounts codes prior to finalizing requisition.</p> <p>Responsible for preparing the Personnel Requisition and obtaining approvals.</p> <p>Responsible for providing Supply Chain Contract Administrators with approved requisitions and relevant documentation pertaining to the recruitment file.</p> <p>Responsible for communicating staffing changes, new hires and departures to the MFL to the Cost Controller.</p>
Finance and Accounting	<p>Responsible for creating WO in JDE and providing information to Cost Controller.</p> <p>Responsible for the financial/commercial review of PAAs.</p> <p>Responsible to ensure PAAs are approved in accordance with the Financial Authority Procedure.</p>
Project Controls	<p>Responsible for providing Budget Holders with timely stewardship reports.</p> <p>Responsible for maintaining and updating the MFL.</p>

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	<p>Responsible for reviewing and approving content of recruitment files for the Human Resources Manager for Position IDs, Cost Control Accounts and end dates.</p> <p>Responsible for updating the MFL forecast.</p>
Supply Chain	Responsible for providing Project Controls with the documentation for all Human Resources recruitment files which includes information related to new hire start and end dates, bill rate, contract number, employment provider, position title and position number and other relevant information.

6 REFERENCES

Project Change Management Plan	LCP-PT-MD-0000-PM-PL-0002-01
Financial Authority Procedure	LCP-PT-MD-0000-FI-PR-0001-01
Scope/Role Description Template	LCP-PT-MD-0000-HR-FR-0001-01

7 HIRING PROCESS

The Project Position Register (formally referred to as the Manpower Forecasted Leveling) identifies the start and end dates for all planned positions, as well as latest forecasted onboarding date. The Project Position Register is housed in LCP Tracker. The recruitment process will follow timelines identified in the forecast for hiring personnel to ensure efficiency and effectiveness of the process. Based on estimated timelines allocated for the recruitment process, Human Resources will proactively plan its recruitment efforts. HR Recruitment Specialist will not begin the recruitment process for any positions unless there is an approved position number, from the Project Position Register and scope description.

To initiate a recruitment process the hiring manager, based on the approved Project Position Register and the organizational charts, will provide the HR Recruitment Specialist with the approved signed scope description and position number. Based on business requirements identified in a Project Position Register, positions will be identified along with their start and end dates. The Scope/Role Description Template is located in Aconex: LCP-PT-MD-0000-HR-FR-0001-01.

As it pertains to Requisitions:

The recruitment service providers representing the successful candidate will send the Terms and Conditions proposal to the Human Resources Manager.

The Human Resources Manager will complete a comparison review of rates and send to the Deputy Project Director for Muskrat Falls Generation or the respective Project Manager for Transmission Link for review and approval.

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Once the rate is approved by the respective manager, the Human Resources Manager will complete the personnel requisition and approve.

- a) Project Controls will review the Requisition, sign off and return to Human Resources Manager for further processing.
- b) Human Resources will obtain all necessary approvals and forward requisition and associated documentation to SCM Contract Administrator.
- c) Once the successful candidate is selected and accepts the offer, SCM are required to provide Project Controls with the new hire information such as, start and end date, compensation, contract number, agency, position title and position number. This will come in the form of a PO, issued against a Master Services Agreement.
- d) Once Project Controls receives the PO they will request a WO from the LCP Project Accountant. When the WO is created it is then the responsibility of Project Controls to create the new hire in LCP Tracker and tag them to the position outlined in the PO.

As it pertains to (SLI) PAA's:

- a) If an SLI candidate is successful in the recruitment of an LCP position, LCP HR Manager will request SLI to complete the (SLI) PAA and send it to the LCP Human Resources for processing and approval.
- b) The SLI PAA will be sent to the LCP Human Resources Manager and F&A Administrative Assistant who will update the PAA Register with the pertinent information and forward it to the Cost Analyst.
- c) The Cost Analyst will perform a commercial attest and verification of the information on the (SLI) PAA and return the it to LCP Human Resources;
- d) F&A Administrative Assistant will:
 - i. engage the Cost Controller to verify the CCA coding and sign off on the (SLI) PAA;
 - ii. secure all necessary LCP sign offs and financial authority signatures, in accordance with the Financial Authority Procedure; and
 - iii. return the approved (SLI) PAA to the SLI Human Resources Manager.

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7.1 CHANGES TO MFL

Changes to the MFL can occur based on the evolving needs of the project and can come from any number of sources. Ultimately, it is the responsibility of the Budget Holder to review and approve all changes that affect their MFL. MFL changes are generally of two (2) types:

- Budgetary change in the existing MFL. A budgetary change is defined as an increase in the existing budget for the Budget Holder or a change in the forecasted budget between assets. This process is outlined in Section 8.0
- Transfer of existing MFL budget. A Budget Holder has the ability to move approved MFL budget to align with the evolving needs of LCP. This can be achieved as long as the budget transfer is within the same MFL budget/asset. This process is outlined in Section 9.0

8 BUDGETARY CHANGE IN THE EXISTING MFL

Proposed changes to the MFL that will or may have a budgetary impact require the creation of a Deviation Alert Notice (DAN) by the responsible Budget Holder in the Project Change Management module of LCP Tracker . DANs provide a means to assess and control the number of proposed changes that would have an impact on the overall Project MFL cost and ensure management are aware and engaged in the decision making process. They also enable the Project to make informed decisions, preventing or reducing the number of unexpected changes to the MFL that would have a cost impact while assisting in the identification of opportunities that should be exploited for the broader benefit of the Project.

The DAN is a means to work the details of the proposed change as well as to document the options, rationale, benefits, and risks with the stakeholders before determining the path forward. If it is determined by the Change Control Board that a budgetary change to the existing MFL is the best approach, a Project Change Notice (PCN) will be required to document the details and the cost/benefit of the change. Upon approval of the PCN by the Change Control Board, the Budget Holder along with Human Resources can initiate and follow through on the recruitment process and any other actions detailed in the notice. However, no actions with respect to recruitment shall be undertaken by either of Project Controls, Human Resources, Supply Chain, or any other teams prior to PCN approval.

Note that at this time no further MFL changes are anticipated to that would have a budgetary impact. All future changes are expected to be managed through the transfer of existing budgets and forecasts as detailed in Section 9.0 (i.e. a "zero-sum" impact)

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9 TRANSFER OF EXISTING BUDGET

Changes to the MFL can be made by the responsible Budget Holder or designate provided there is no change in the overall budget or forecast. Budgets and forecasts may move between functional groups and Prism CCA’s within the same component in order achieve this. This is considered a “zero-sum” impact. For example, managers may choose to remove a position or positions within their current MFL and move the budget to create a new position. They may also choose to shorten the duration of other positions or choose to delay the hiring of another position in order to create available budget for a new position.

In order to transfer existing MFL budgets or forecasts, the responsible Budget Holder or designate will have to review the changes with the Cost Controller. It is the Cost Controller’s responsibility to ensure all modifications to the existing MFL is updated on the master MFL file and all corresponding changes are updated in LCP Tracker and PRISM.

10 MFL FORECASTING

The forecast for the MFL is driven by the responsible Budget Holder’s inputs. The approved MFL is structured to forecast manpower costs based on analyzing the current manpower inventory and making future manpower cost forecasts based on the Budget Holder’s scope of work.

The current manpower staffing plan is used as the starting point for the Budget Holder review. Each month the Budget Holder is to review their MFL for required updates, taking into consideration existing and future personnel requirements, re-evaluating estimated start and end dates, billable rates, travel costs and allowances. Upon completion of the review and any subsequent updates, this becomes the basis of the monthly manpower forecast for that period.

The overall forecast is maintained by Project Controls, but is the responsibility of the Budget Holder to review on a monthly basis and communicate necessary changes to Project Controls. All changes requested by the Budget Holder will be denoted in the notes section of the MFL. Project Controls will provide the Budget Holder with an updated forecast on a monthly basis for information and review or upon request by the responsible Budget Holder or designate.

It is important to note that the manpower forecast is managed in Microsoft Excel at the position level and in PRISM at the control account level. Monthly the Lead Cost Controller or designate will update the PRISM forecast for changes in the Microsoft Excel MFL database.