

1 Q. Further to the response to PUB-NLH-211 it is understood that Nalcor will manage
2 the project and technical interfaces between the many different parties and
3 companies which will be involved in the construction of the Muskrat Falls and
4 Labrador Island Link project. Please provide details of the management
5 infrastructure and expertise that Nalcor has available to oversee this project.
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8 A. The capabilities of the project team were described and assessed by the
9 Independent Engineer, whose report is attached to Hydro's response to PUB-NLH-
10 210. Section 3.8 of the report states:
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12 Nalcor also selected a Canadian Engineering firm that has not only
13 prepared numerous designs for hydroelectric projects and other
14 projects in Canada, but worldwide. Following Nalcor's philosophy
15 of project development and management, Nalcor shortlisted only
16 tier-one engineering firms to propose on the EPCM services that
17 were awarded to SNC-Lavalin (SNC-L). Work is currently ongoing
18 with SNC-L transferring key hydroelectric specialists to St. John's
19 but also performing work in several of their other offices in
20 Canada.
21

22 Nalcor has also engaged very experienced consultants who have
23 been employed on megaprojects in Canada and internationally to
24 assist permanent staff, but who work solely on the LCP and hold
25 key positions of management on this project. The guidance the
26 Nalcor team provides to its EPCM contractor, and to the
27 contractors it has engaged, should allow early detection and

1 resolution of any issues that may or will occur during the
2 construction of the LCP.

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4 Additionally, Nalcor has engaged an Advisory Board (Board) of
5 senior engineers to review project aspects and independently
6 opine on their findings directly to Nalcor. The Board meets as
7 often as required by project needs and will be active throughout
8 the construction period. MWH personally knows these individuals
9 they are qualified to provide sound opinions for the Integrated
10 Project Team to consider.

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12 The Independent Engineer also provided details in Section 4.1 of the Organizational
13 structure, governance and the integrated Management Team Organization Chart
14 and stated the following in Section 4.1.1 of the report:

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16 Leveraging the strengths of Nalcor's Owner's Team, combined
17 with the significant resources of SNC-L as EPCM Consultant, the
18 execution model has transitioned from a pure EPCM model to an
19 Integrated Project Team Model, or Option 2 to Option1 in Figure
20 4-1. The mantra, according to Nalcor, is "One Team. One Vision."
21 The organizational model shift is viewed as a key enabler of team
22 effectiveness, which is considered imperative for delivery of this
23 megaproject.

24
25 Finally, the Independent Engineer draws the following conclusions in Section 10.1.1
26 of the report:

1 In our opinion, and based on past experience, the Integrated
2 Project Team consisting of SNC-L (the borrower's Engineer) and
3 Nalcor (the borrower) are qualified to design, contract, manage,
4 commission, operate and maintain the three projects currently
5 under design and construction for the LCP.