

BACKGROUNDER

MEMORANDUM OF UNDERSTANDING

The Governments of Newfoundland and Labrador and Nova Scotia share an interest in adopting a framework for the appropriate industrial and employment benefits from the development of the Muskrat Falls plant, the Labrador-Island Link and the Maritime Link Transmission Project between Newfoundland and Labrador and Nova Scotia.

The two provinces have reached a Memorandum of Understanding (MOU) that outlines a framework for appropriate industrial and employment benefits from these projects.

MARITIME LINK TRANSMISSION PROJECT

The MOU ensures equal treatment to Nova Scotia and Newfoundland and Labrador-based contractors, service providers, consultants and suppliers in regard to the construction of the Maritime Link Transmission Project.

The MOU ensures that the Lower Churchill Project division of Nalcor Energy will:

- Ensure full and fair opportunity to participate, on a competitive basis, in the supply of goods and services.
- Primary contractors and their immediate subcontractors constructing the project will comply with the terms of the MOU.
- Appropriately-timed supplier development workshops are held so potential suppliers and contractors can prepare for bidding opportunities and establish business relationships.
- Open, timely and transparent access to procurement opportunities and activities will be provided in relation to the project.

A **contracting and purchasing policy** will be developed that will, at minimum, require the Lower Churchill Project and its primary contractors to:

- Provide reasonable advance notice to the supply and service community of all procurement opportunities.
- Become familiar with Nova Scotia and Newfoundland and Labrador contractor capabilities, and size and design the packages in a manner that recognizes those capabilities.
- Communicate with suppliers and contractors and make reasonable efforts to guide in qualifying for future proposals and contracts when requested.
- Communicate with unsuccessful proponents, when requested, to help the proponents better prepare for future opportunities.

A **construction hiring protocol** will be established for the Maritime Link Transmission Project. First consideration for employment will be provided to qualified residents who reside in Newfoundland and Labrador and Nova Scotia.

The Lower Churchill Project and its EPCM contractor for the Maritime Link Transmission Project, and their

sub-contractors, shall perform all **engineering and project**

management for the project in Nova Scotia and Newfoundland and Labrador.

Specialized engineering may occur outside the provinces when the work is integral to the project and it is of such limited duration or intensity that relocating the necessary expertise to the provinces is impractical.

Reasonable efforts must be made to have specialized engineering performed in the provinces, including paying reasonable costs to relocate required personnel to the provinces.

MUSKRAT FALLS PLANT AND LABRADOR-ISLAND LINK

The MOU ensures that Nova Scotia contractors, service providers, consultants, and suppliers are provided with open, timely and transparent access to procurement opportunities and activities in relation to the projects. This includes:

- Reasonable advance notice to the Nova Scotia supply and service community of all procurement opportunities.
- Supplier information workshops held in Nova Scotia.
- Unsuccessful Nova Scotia proponents, when requested, are assisted in better preparing for future opportunities.

For full details, please review to the MOU document.