Board Staff Interrogatory #157

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 10 / pp. 65-69, 93, 112

Question(s):

a) What was the nature of OPG's management / oversight function for the D2O Storage Project with regard to Black and McDonald (B&M)?

b) What was the nature of OPG's management / oversight function for the D2O Storage Project with regard to CanAtom? Did it differ from OPG's role with B&M?

c) In both cases, what was the involvement of OPG's P&M organization?

Response

a), b) and c)

OPG's P&M organization carried out the contract compliance oversight function for the duration of the D2O Storage Project. There are two broad categories of oversight. First, conventional safety oversight is performed in accordance with OPG's Contractor Safety Management governance, and according to OPG's obligations as the project owner under the Occupational Health and Safety Act ("OHSA"). The purpose of the oversight is to ensure the contractor is planning and performing the work in accordance with OHSA and OPG's Corporate Safety Rules and related safety governance. Second, project management oversight is targeted at ensuring the contractor is in compliance with the terms of the contract governing scope, technical deliverables, quality, schedule, and cost. The D2O Storage Project was the first large EPC contract for which the P&M organization carried out an oversight function and, as a result, many lessons learned were gathered that benefited the Darlington Refurbishment Program, which is executed primarily under a multi-prime EPC contract framework (see Ex. D2-2-4, p. 5).

When B&M had first begun work under the EPC in 2012, the nature of OPG's oversight was to fulfil the above oversight functions with minimal interference consistent with OPG's understanding of the owner/EPC contractor relationship at that time. It became apparent to OPG, however, that it could improve performance on the project by taking a more active oversight role in order to contribute its depth of nuclear project

experience. For example, OPG began “coaching” both B&M and CanAtom in its conventional safety oversight function by setting clear expectations regarding safety behaviours, identifying gaps and ensuring the contractors filled them. As another example, when CanAtom’s foreign material exclusion (“FME”) performance became challenged, OPG’s project management oversight leveraged OPG’s strong FME program and assisted CanAtom supervision to put a recovery plan in place. Part of this assistance involved OPG providing the resources of one of its recognized FME experts. The cleanliness of the D2O Storage Project systems was recognized as a major success at final turn-over of the systems to OPG.

As the project progressed, OPG adopted a more collaborative approach to project management oversight and applied it for the duration of CanAtom’s execution. Toward the end of the project, the OPG and CanAtom teams had the highest degree of integration. For example, a hybrid commissioning team was formed with an increased focus on identifying the best personnel to complete the necessary work, regardless of whether they were OPG or CanAtom personnel (see the discussion of the OneTeam approach, a subsequent evolution of this approach that is being applied for the Unit 3 refurbishment in Ex. D2-2-3, pp. 20-21). This approach successfully fostered teamwork, and ultimately improved execution performance.