



## **Work locally; compete globally**

**Opportunities for local Greenland suppliers in the aluminium project**

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# What is the Project?

Two new hydroelectric facilities feeding power through new transmission lines to an aluminum smelter located in Maniitsoq.

No mining operation.

## Three Phases

1. Ongoing studies to determine project layout, requirements and cost
  
2. Construction of
  1. 5 years for hydro
  2. 3 years for smelter
  
3. Operation for 40+ years
  - hydro 5 years
  - smelter 3 years



# Vision

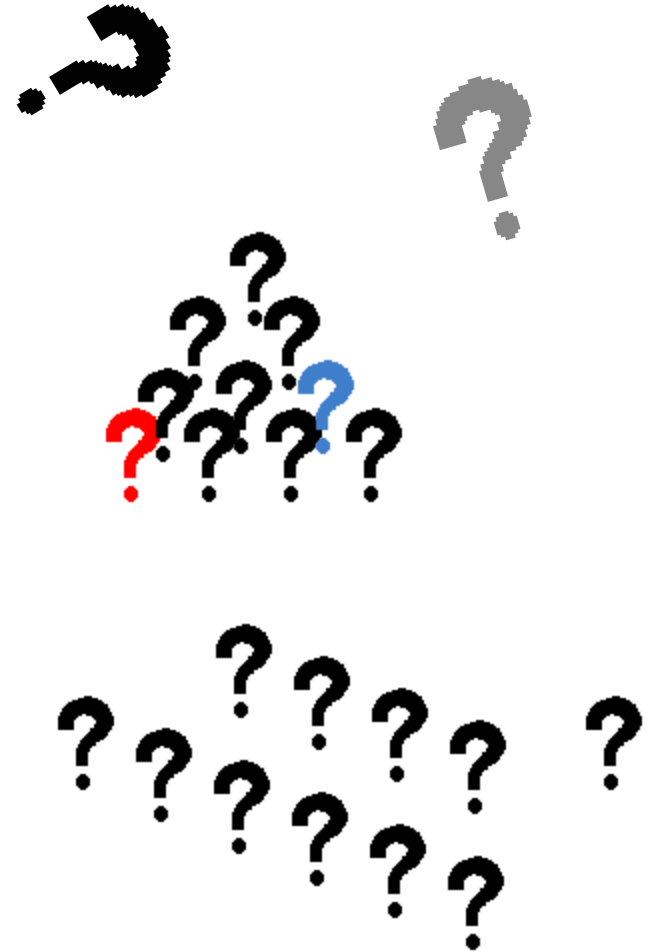
- Utilize local and regional suppliers whenever possible to maximize Greenlandic content
- Ensure total cost of ownership factors such as project schedule improvements, value creation, and cost competitiveness will be considered for purchases to ensure that suppliers are given full, fair and reasonable opportunity to participate, be competitive, and develop as long term suppliers to the industry

## Greenland Suppliers

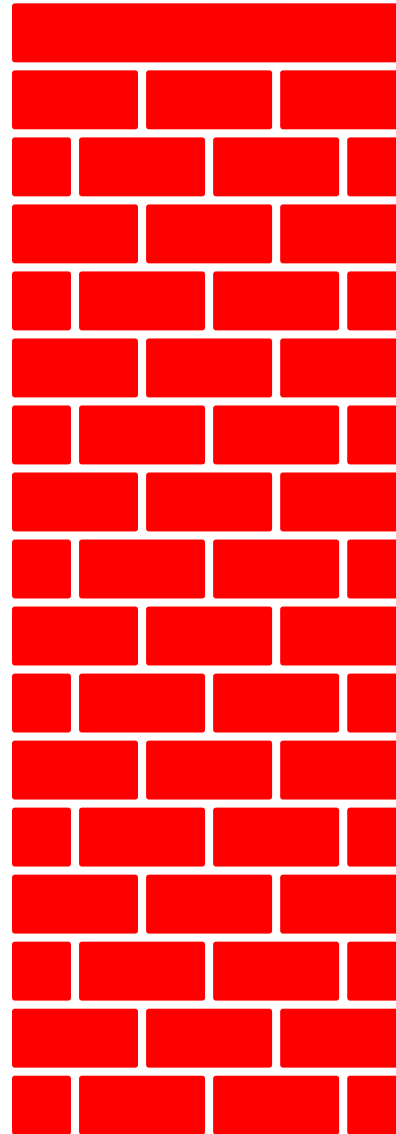
- What is needed?
- How can we supply?
- What is required?
- When is it needed?
- Why do they need it?



## Alcoa

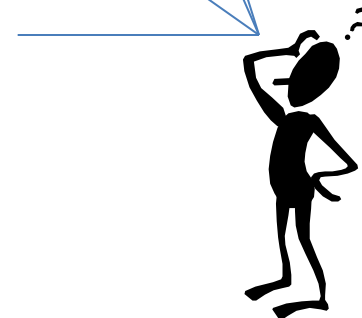


## Greenland Suppliers



## Alcoa

Who can do the work?  
What are their capabilities?  
How can we engage them?  
How can we communicate  
what is required?





# Local business engagement strategy

- Contracting Plan and Material Acquisition Schedule that fit the capability and capacity (including “stretch”) of local companies
- Submit plan to structure opportunity that fit the capability and capacity of local companies
- Structure “right sized” packages and business opportunities in terms of capacity and capability which otherwise wouldn’t be available

1. Compete directly against global multinational companies
  - ✓ Capability
  - ✓ Quality
  - ✓ Service
  - ✓ Value
  
2. Compete indirectly: identify a local market not serviced by global companies
  - ✓ Location or region specific
  - ✓ Uncompetitive to serve globally
  
3. Co-operate with global firms by forming strategic alliances
  - ✓ Compatibility of capabilities
  - ✓ Local knowledge and networks combined with global strength
  - ✓ Potential for expansion elsewhere

# Typical Supplier Requirements

- Excellent safety record
- Demonstrate EHS values in line with Alcoa's values
- Cost Competitive
- Proven Quality
- Work Experience
- Desire to support the operations long term
- Manufacturing capabilities - shop capacity and loading
- Established Quality Management System such as ISO
- Financial Stability
- Good track record for on time delivery
- Testing facilities if applicable
- Desire to work with Alcoa
- Well established Organization structure to support Alcoa's requirements
- No major record of any legal issues in the past





# Vendors, Suppliers, Contractors forums

During initial phase Alcoa would conduct a series of forums for local businesses to outline what opportunities exist and when they will be put out for bids.

To be involved in the project all companies will need to:

- ✓ Prequalify (safety; viability; reliability; capacity)
- ✓ Be competitive on a global scale
  - ✓ **(competitive = service+value; not just \$;)**

Alcoa will assist local companies in being competitive; eg

- ✓ Introductions to regional and global supplier networks
- ✓ Sharing of expertise (safety, environmental, commercial)
- ✓ Creative approach to packaging project work
- ✓ Apprenticeships

Optimising participation of local businesses is essential for long term viability of large project

- ✓ *Fully 50% of expenditures so far spent with local Greenlandic companies*

## Began serving one Australian Alcoa smelter...

### Now...

- Alcoa Badin
- Alcoa Eastalco
- Alcoa/Elkem Mosjøen
- Alcoa Fjardaál
- Alcoa Massena
- Alcoa Point Henry
- Alcoa Portovesme
- Alcoa San Ciprian
- Alcoa Tennessee
- Aluar Aluminio Argentino
- Hindalco Industries
- Aluminerie Alouette
- Aluminium Bahrain
- Bayside Aluminium
- Bharat Aluminium
- Boyne Smelters
- Vedanta Alumina
- Sohar Aluminium
- Dubai Aluminium
- Alcoa Wenatchee
- Qatalum
- Kurri Kurri
- Mozal
- New Zealand Aluminium Smelters
- Portland Aluminium
- Century Aluminum West Virginia
- Rio Tinto Aluminium Bell Bay
- Consorcio de Aluminio do Maranhão
- Tomago Aluminium
- Hillside Aluminium





# Path Forward

- 1) Obtain information on suppliers
  - ✓ interest, capacity, and capabilities
  - ✓ Contact information
  
- 2) Alcoa to work with local suppliers to share project requirements related to safety, quality, and cost standards
  
- 3) Continue engagement with local suppliers through presentations, meetings, organized events, forums

*Thank you*