From: Derek Owen

To: pharrington@nalcorenergy.com
Subject: Re: Project Effectiveness Programme
Date: Monday, March 12, 2012 2:42:17 PM

Attachments: __pnq

LOWER CHURCHILL PROJECT SERVICES.doc

Paul,....we had good trip once we got off the island. The trip across the island was perfect with exception of 60 km total white out approaching Port Aux Basque. Not an experience to be repeated.

Just sent the "notes" to nl.rogers.com

Attached is a Draft of Scope of Services for Project Alignment/Effectiveness Programme.

There are a few gaps to be filled in and also we need to be comfortable with the timelines indicated and any other descriptions recognizing the exposure this project gets.

As discussed, starting this programme in June 2012 will enable us the get some of the near-term activities behind us which will take some noise out of the system before we embark on this programme.

So, while we are bidding this we should make very effort to close out the following.

Roll out of PM+ and M&M procedures should be completed for both SLI and Nalcor staff.

SLI should fill the vacant senior positions.

Schedule should be reworked and agreed so that we have a clear path forward.

Estimate should be fully supported and re cast to reflect the new schedule.

Sub schedule for completing Gate 3 deliverables should be in place.

To move things forward as quickly as possible I would suggest you nominate a contracts person that I can work with directly to get this bid

process underway. Perhaps Clarence who is handling the SLI contract would make sense.

I am working on a suitable list of consultants which I should have ready by Wednesday.

Greatly appreciate the trust you are putting in me to manage this vital programme.

Regards, Derek

R. Derek Owen, President, RDO Consulting Ltd.

Cel 709 214

rdowen@

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On 3/11/12 12:38 PM, "PHarrington@nalcorenergy.com" <PHarrington@nalcorenergy.com> wrote:

- > Derek
- > I have discussed your involvement with Gilbert and Ed we are all keen for
- > you to get this started asap so pls send methe proposal when you can also

- > that write up (send to me personal email pharrington@nl.rogers.com)
- > Just to let you know of a few developments
- > 1. There is a weekly followup on actions with SLI
- > 2. Paul Gendreau will be assigned to support Normand
- > 3. Ed and Gilbert have been briefed of the work you, Stan and Paul carried out
- > and the high level issues
- > 4. I have briefed the LCP Excom and told them you will be leading this effort
- > (Ron and the team are also informed)
- > 5. I had a meeting with all the SLI and Nalcor project Managers last week -
- > deck attached
- > 6. We had a Nalcor/SLi social last week also and Ed and Gilbert came along -
- > Ed gave a good speech and we all supported the theme of we are all in this
- > together and we need each other

>

- > In discussions with Ed I have let him know that the team functionality issue
- > is our biggest challenge he gets it and is fully supportive of our efforts
- > to get this back on track.
- > He has told me directly that I have full authority from him to do what is
- > needed to advance the project.

>

- > I look forward to hearing from you , I trust the drive down was uneventful and
- > you both arrived safe.
- > Regards Paul

>

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> LC Mgmt & Support
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> you.
>
>
> From:
            "Derek Owen" <rdowen@l
> To:
          <PHarrington@nalcorenergy.com>
          <rdowen@
> Cc:
            03/02/2012 05:33 PM
> Date:
               Project Effectiveness Programme
> Subject:
>
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- > Paul,.....as discussed this morning I confirm that I am please to manage the
- > Project Effectiveness/Alignment Programme for the LCP.

>

- > I will start working on a Scope of Services suitable for inclusion in a
- > Request for Proposals. In addition I will prepare a list of potential bidders
- > whom we should contact prior to issuing the invitation to bid to ensure their
- > interest in providing these services.

>

- > I understand from Stan Genega that Lance had asked if Westney had any one who
- > could assist in this area. Richard and Stan called me today to get my input
- > and did advise them that I had been requested by you to manage this programme.
- > Westney may have the expertise we seek but I know others that are probably
- > more experienced in this field. Plus as they will be carrying out the risk
- > assessments it may not be appropriate to use them in this role. We can make
- > that call when I have developed the Scope of Services.

>

> Regards, Derek.

>

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LOWER CHURCHILL PROJECT

PROJECT ALIGNMENT/EFFECTIVENESS PROGRAMME

Preamble.

Nalcor Energy is soliciting bids from suitably qualified consultants to provide services to assist Nalcor to achieve a "best-in-class" Project execution performance from the COMPANY and EPCM contractor Project teams. A programme manager, independent of the Project teams, will be assigned by Nalcor to interface with the consultant and to assist the consultant in facilitation where necessary.

Project Description (TO BE ADDED BY NALCOR)

Project Execution Summary

Company has contracted with SNC Lavalin Inc (SLI) to provide Engineering Procurement and Construction Management services. The fabrication and construction contracts will be awarded by Nalcor and will be managed by SLI under the direction of Nalcor.

The Project is currently in the regulatory process and passed the Decision Gate 2 in December of 2010. It is expected that Decision Gate 3 and Project Sanction will take place later in 2012.

Both the Project teams of Nalcor and SLI are co-located in St.John's, Newfoundland and Labrador.

Scope of Services

The Project Alignment/Effectiveness Programme consultant will be required to undertake a review of the Project and will then develop a programme of workshops to be carried out throughout the life of the Project to meet the objectives of a developing "best-in-class" Project teams to ensure an optimum execution performance.

The programme should recognize the challenges as the Project moves through the various execution phases and as major construction contractors come on board.

The programme should be structured not only to address "real time" Project issues that are negatively impacting team performance but also should address behaviours and team dynamics that are not contributing to a collaborative working environment.

Consultant to provide.

- 1. Description of their approach to meet the Scope of Services as described above.
- 2. Consultant is encouraged to offer alternative approaches based on consultants experience.
- 3. Description of similar services provided to other mega projects, with an indication of the challenges and resulting improvements in performance.

- 4. Time, number of consultant's staff and hourly rates to carry out the initial review.
- 5. Hourly rates for consultant's staff for the subsequent phases of the work.
- 6. Resumes of consultant's staff to be used in the provision of the services
- 7. Reference list of similar services provided by consultant over the last 5-8 years.