

<b>MFI – Interview Summary</b>		
<b>Date:</b>	December 2, 2018	
<b>Location:</b>	Grant Thornton Office – 15 International Place, St. John's	
<b>Attendees:</b>	Scott Shaffer (Interviewer) – via Skype Angie Brown (Interviewer) Laura Miller (Note taker)	Mark Turpin (Interviewee) Michael King (Legal Counsel)

This document contains summary notes of the interview held with the above noted attendees. These summary notes are not intended to be an official transcript of the interview. These notes were based on the taped recording of the interview. These notes are for discussion purposes only and should be shared only with the interviewee and his/her legal counsel. The purpose of these notes is to determine if the interviewee believes any responses are factually incorrect based on the interviewee's recollection of the interview. Based on feedback from the interviewee revisions will be made if determined necessary.

Date of summary: December 2, 2018

Note: Bolded items represent questions asked by Grant Thornton LLP with the interviewee's response immediately following in point form. Where the response was provided by legal counsel it has been noted.

- **Start at 10:05am December 2<sup>nd</sup>**
- **Can you tell us a little about your background and role with LCP?**
  - In general or LCP
- **In general I guess?**
  - I'm a construction project manager
  - In industry for over 25 years
  - Started off through working construction companies
  - Estimating
  - Project controls
  - Project management
  - Started with small mechanical electrical firms
  - Here in NL
  - Civil Engineering at Cabot Institute
  - I worked my way through many project working for general contractors
  - Worked with Constop Canada, large construction company
  - Large scale projects at refinery
  - Labour scale projects that type of thing
  - Offshore supply an matrix contracts for Hibernia and Terra Nova
  - There for 5-6 years as a project controls manager

- Went with Vale as owners rep with Inco at the time so I waked though everyone looking at the Long Harbour project
- Fell 2 estimate with Vale
- Similar process as DG1, 2, 3, 4
- Worked through fell through Fell 2 estimate with Vale Inco
- Went through many IPR reviews
- Compiled, I was the estimating manager there at the time
- Compiled the Fell 3 estimate, the sanction estimate
- That got sanctioned and I moved into the execution of the project manager for upper tier work as management rep
- After that I went with LCP
- Hired originally as an estimating lead working under Jason Kean
- Where we compiled DG3 estimate for sanction
- Once sanctioned, - looked at LinkedIn profile for date – That was back in October 2011
- Before project sanctioned moved into area construct manager for bulk excavation
- Responsible for putting package together and tendering it
- Making bid recommendation
- Then went into field and executed that project
- Then became Area Manager for North and South dams
- Just short of 2 years on that role
- Preparing bid documents
- Making recommendation for North and South dams
- Asked me to become Area Manager for North Spur
- North Spur started off, they were a little worried about it so asked me to go over and become the Area Manager for North Spur
- That's where I finished out in May 2016 with LCP
- Since that time after LCP I was site manager for ABB
- Maritime link project – converter station and switchyard for island portion
- Out in Bottom Brook
- I was there until that was commissioned in July of 2017
- Since that time I'm with Husky Energy on the GBS structure building in Argentina
- **Back to first role with LCP, I understand you would have worked pretty closely with SNC folks can you tell me a little more about that role and what you were tasked with?**
- So the SNC team they weren't responsible for pulling entire estimate together – they had certain portions of it
- Nalcor estimate was holistic
- Owners cost, SNC wasn't responsible for
- SOBI, SNC wasn't responsible for

- Many pieces of the puzzle for whole picture
- Hired by Jason to pull all the pieces together
- SNC's side was many pieces but not all of them
- **Were you doing any of the actual estimating or compiling?**
- No, I was compiling
- Reviewing pieces and making suggestions
- But more coordinating and pulling together
- **One of the issues we've been dealing with has to do around productivity for CH0007 – did you look at that at all are you aware of it?**
- No, I know it was pulled together
- Jim Dobbersmith out of Washington brought in by SNC
- Specifically with regards to scope of work at the time
- Engineering document compiling was done
- Jim pulled together man hour estimate that was reviewed internally
- Other internal expertise
- Lots of suggestions on productivity
- Actual physical shape was well defined, so quantities were there
- We knew man hour estimates and did some benchmarking
- A little bit but I didn't get into it very much
- **Were you part of any conversations where productivity was discussed?**
- Several
- **What was the substance of those conversations**
- Looking at man hours per unit in a unionized environment
- At time negotiating collective agreement at the time
- Correspondence with unions on how were going to ensure productivity
- Looking at man hours per cubic meter
- Where it landed to now I'd have to look back a documentation to see
- All kind of talk as to how can we enhance productivity
- How the site was going to be set up, how it was going to be run?
- **Was there disagreement among folks?**
- I can't say I can remember much disagreement,
- At that time pulling together DG3, timing was there
- Important to get package put together and put into the software
- **Specifically, we understand Westney had different view of productivity. Risk workshops in May 2012 were you involved?**
- Yes, in some

- **Westney's opinion would have been that productivity should have been a lot higher – feedback from Nalcor and SNC was significantly different. Were you there for that?**
  - No, I don't think I was
  - I may have at the time been in a few
  - Other things happening, I'm not sure which ones I would have been involved in
  - All very subjective
  - Based on contracting strategy
  - How project was going to be run
  - How contract was going to be set up
  - The type of contract
  - All has a lot to do with it
- **Was there pressure to keep estimate under certain dollar amount?**
  - No direct pressure
  - There's always pressure on estimator to make sure he's estimating – I don't want to say pressure
  - But everyone was aware that the number, we were trying to get the right number let's put it that was
- **Help me understand?**
  - Everybody was conscious that this was a publically funded project and we had to get the right number
  - It wasn't an oil and gas project
  - Wasn't an open check book
  - Had to present the right number
- **Wouldn't it be the case regardless if wasn't public project?**
  - Yes
  - I guess
  - When you're estimating it depends
  - The level of effort you put in with respect to the man hours
  - There was a little bit of special attention because we knew it was funded by the provincial government
- **Did anyone at Nalcor say, or did you have the impression that you just had to keep that estimate below a certain threshold?**
  - No not at all
- **Were you involved in any discussions when trying to decide the appropriate P factor**
  - No that was mostly Jason
- **You've worked on mega projects before this one?**
  - Vale project in Long Harbour
- **Ok, how big is that?**
  - Sanctioned at 3.251B , that was the sanction estimate at Fell 3
  - Still being – I guess right now still being constructed
- **I'm just curious, in that one do you recall the P factor?**

- No but I believe the Fell 3 estimate had contingency number of less than 15%
- **I guess just going back to your previous answer, you would have been giving contingency by Jason?**
- Yes, correct
- **What about strategic risk number would have been given that?**
- Yes just added in as a number that came from outside
- **Do you have any knowledge on why that number wasn't in base estimate?**
- No that was up to management team
- I know in vale we didn't have strategic and tactical, we just have risk
- As far as I was concerned it was all risk to me
- I couldn't care less how they structured it
- All risk to me
- If people want to categorize in different buckets, that's fine, that's, not my decision
- **I think in this case categorizing impacted whether it was put into the estimate**
- Agreed
- **Weren't involved in any of those decisions?**
- No I may have been in risk discussions but not how it got bucketed into estimate
- **Ranging exercise – we understand that you look at the risk, have dollar amount in base of a certain piece of work, look at risk and you determine what a low exposure and high exposure and that's what goes into calculation Westney runs. How are the lows and highs determined?**
- Very subjective
- Ranging exercises, if not chaired properly can get out of hand
- Someone might bring meteorite hitting site out, low probability but expensive if it happens
- These type have got to be very well controlled and managed properly
- Group of people invited to risk session and discussion, start ranging them
- If this happens it could cost this – very high level estimates
- And not a lot of – don't spend a lot of time doing estimates to come up with these ranges
- **For this particular matter – that's how it was done?**
- Yes
- I would suspect that's how it happened, I didn't partake in all of them I don't think
- I may have been in some of them
- When talking is the quantities right
- Like I said earlier amount of concrete had a good level of engineering where you could be pretty confident wouldn't change much
- Whereas, the length of pipe in the instrument airline for site services, didn't have any engineering so the risk was higher that that number could be more flexible
- **For \$6.2B did you have any concerns at the time of sanction?**
- No

- I mean the process followed was, Jason is very detailed, very thorough in how it was compiled and how process was followed
- As a construction manager, do you, there's probably never enough money anyways
- I've been involved in lots of projects, Vale was 3.25B I'm sure they've spent close to 10B out there now
- I've been involved in oil and gas projects where they get sanctioned and end up being a lot more expensive than anticipated
- In looking at execution, never enough contingency
- Never enough money
- Just the way it goes
- **Correct me, but I guess what you're saying is overruns are common, but what Nalcor put together was good estimate?**
- Well keep in mind many pieces of the puzzle
- Muskrat generation
- Transmission portion
- SOBI portion
- Separate team did SOBI, we just put that number in didn't review or look at it
- I'm sure they did but that was piece of puzzle we plugged in
- Transmission line portion was huge transmission line
- Number of towers didn't change much from today
- But geotechnical was different
- Issues with tower foundations
- I don't know if concerns is the right answer, but it was a big animal
- **Did anybody within Nalcor's team, meaning anyone hired, did anybody in Nalcor look at that contingency and say my god less than 7% somethings wrong?**
- Not that I'm aware of
- **Did you have any thoughts about that?**
- Yeah, I was concerned with the contingency amount of a project of that size
- Industry standards would say that's probably a little low
- **Yeah when I first got involved I thought that's insane to me – did you raise those concerns to anybody?**
- With Jason, you're waiting for contingency number to come back and you say that doesn't seem right, that's kind of low – just verbal conversation
- **Do you know what Jason said?**
- No I don't remember
- **Did you raise it with anyone else?**
- No my direct responsibility was with Jason
- **Any thoughts with the schedule?**
- No we had a separate team, some internal schedulers within Nalcor

- SNC had a gentleman named Lee Stanton that was doing some scheduling
- I wasn't involved much in the schedule
- I was more just trying to get all pieces of the puzzle entered into software to get total number
- Scheduling side, there was a lead at the time that was corresponding with Jason just as much as I was on the cost side
- **You didn't have any discussion?**
- I had lots of discussions with people on the schedule but I was more getting the bulk excavation done in a year
- Concrete will then start
- You know project schedule and timelines
- But with regards to getting into nitty gritty, no, other people responsible for that
- **Did you raise any concerns regarding the schedule being aggressive?**
- Not that I remember
- **In base estimate was there any kind of reserve for schedule slippage?**
- I guess there was float in schedule when compile but I don't know what the end result was in sanction
- **Were you aware Lemay had a concern?**
- Yes , I there was number of 20,000 cubes per month that everyone seemed to think was aggressive
- I'm not sur if that's the right number but I knew there was concerns
- **Do you recall what discussions were?**
- No
- Again CH0007 another group doing the work on that, I was just recipient of data to go into project software
- **Email (on Validation estimating) from Jason to yourself about Hollman report. Jason forwarded and he says don't leave laying around or don't circulate. Can you talk to us about this report? I assume you would have read that report at the time**
- Yes I would have yes
- **Do you know why Jason wouldn't have wanted you to circulate or discuss it?**
- I would think
- We were in bull pen at the time so Paul Lemay was next to me, JD, I would think what he was referring to was don't leave around for SNC
- Because of where we were sitting
- **Why would that be an issue if SNC would see?**
- I guess Jason wanted to keep internal
- I don't know
- Owners team cost or how the estimate was structured
- I don't know
- Again its Jason would have sent it to me in context or where I was sitting

- **In terms of that report – Nalcor quotes in a lot of their documents where Mr. Hollman reports that it was one of the best estimates that he had seen. Do you recall having any discussion with Jason around that in terms of what report was to be used?**
  - No and again how Jason takes that up the ladder I'm not involved
- **Did Jason talk to you about that at all?**
  - Mr. Hollman was concerned with how estimate was being packaged.
  - We had a contract catalogue, of all the contracts that would be issued
  - I do know that Jason had mentioned that John was concerned as we were entering into software, spending a lot of time on how it was packaged,
  - John's view was we didn't have to spend a lot of time making sure every line item was tagged to a specific package
  - That came from Mr. Hollman
- **Do you know why Mr. Hollmans report was ever finalized?**
  - I don't know
- **Did you have any concerns with that report?**
  - No I think I know the process that was followed
  - I have heard Jason's testimony
  - Mr Hollman was asked to review the process
  - Statement he makes that is plastered all over everything, it was process wise of how we did it
  - That's what Jason was concerned with, to make sure process was followed
  - I don't think John was reviewing numbers
  - If estimate came back as \$10, that wasn't his responsibility
  - he didn't look at that, just the process of how we got the \$10
- **Did you have discussions with John?**
  - I know he did a lot of interviews
  - I may have been in some of them
  - At the time everyone was very busy trying to compile DG3 estimate, software was being implemented
  - May be records of me being there but I don't remember any specific conversations
- **One of the things John says around risk is (pg. 13 of Pdf – pg. 10 of hardcopy), 3rd bullet talks about tactical and strategic, risks have 100% probability of occurring. Just a matter of number being assigned. What John's saying here (my interpretation) basically call whatever you want, these risks are going to happen. You're leaving strategic out of estimate, why, this is going to occur. Did you have any discussions with anybody about that particular point?**
  - None what so ever, no
  - Not that I remember
- **Risk workshop held with Westney, I appreciate that you said you can't remember specifics, but do you recall what Paul Harrington's role would have been in those workshops?**
  - I doubt Paul would have even attended them
- **Paul told us that he would have attended to set up and left – does that sound accurate?**



- Yes
- **May have been many workshops, but two days in May 2012 were the important ones – passes sign in sheets. I understand this is session 1 of first day. It looks to me that you only participated in one of the sessions held on those 3 days. My understanding is that SNC didn't participate on day 2. Do you know why?**
- No, what sessions were happening when
- **Looks like first day was tactical – morning is MFG, afternoon would have been LIL and LTA. Second day is key risks – some folks have said it's been strategic, others said just key risks. Do you have any knowledge of why it was structured that way or who would have been involved in determining who was involved in day 2?**
- No I wouldn't know
- **More so I'm just trying to figure out why SNC wouldn't have been invited.**
- I wouldn't answer, I didn't do up invitee list or anything. I would have just attended. Even if I signed in I may have just participated in opening remarks and let people do their thing
- **Based on our review of various bids, as of April 2013, contingency would have been fully exhausted. Once got Astaldi bid, Nalcor would or should have known that contingency was used. Were you aware of that at the time?**
- What date?
- **April 2013. Actual contract was executed in Nov 2013, but in April 2013, by that time looking at the bids pretty clear to see that 368 was fully exhausted at that point. 4 months after sanction and I'm assuming that people realize contingency all blown. Were you privy to any discussions regarding that?**
- No, not at all
- At that time I was up on site at bulk excavation
- Full face and eyes into bulk excavation
- **Not part of any discussions?**
- No
- My role changed from, as estimate packaged together, Jason took packaging estimate
- You know Jason calls himself power point engineer
- How it was going to be put together and presented was Jason's role
- I had moved on to bulk excavation even prior to sanction
- That's where my focus was
- **So were talking April 2013, you weren't around then?**
- No we were on site executing bulk excavation
- **Copy of email sent to Stan Marshall as of 2016 – I just want you to tell me a little more about the email. Why did you feel needed to send – give me some context.**
- Context – I was let go of project in May of whatever year no explanation what so ever
- I felt some issues of under the execution side of how project was being run
- At the time on the North spur, gentlemen there, he was coordinator, Gord Oldford, he was a coordinator on forestry side
- Used to be CFO for Abitibi

- Him and Stan – he had a relationship with Stan
- Knew him personally and professionally
- When Gord found out that I was removed from project, he couldn't believe it
- Gord called Stan and said typical of project to take best construction manager after doing such a good job
- Gord encouraged me to document what I felt to Stan
- About what I felt some of the issues were
- I was reluctant to do that
- My wife convinced me to do it
- Didn't want this to come off as disgruntled employee
- Wife convinced me to write the letter
- Stan invited me into a conference
- I did do that, myself and Gord.
- I think Stan was speaking to a lot of people
- **Can you tell me about your meeting with Stan?**
- Stan was very open, new to the role at the time
- Just wanted to have open conversation with some of the issues happening on the project
- What we felt would be some issues that were happening
- Just getting lay of the land to see his way forward
- **Did you get any more insight as to why you were removed?**
- None what so ever
- **Did Stan give you any feedback?**
- No
- **Just gathering info from you?**
- Yes
- **Who actually removed you?**
- Scott O'Brien
- **He didn't tell you why?**
- No
- **Did you ask him – how did that conversation go?**
- There was not a conversation
- My services were terminated through my service provider
- **Not sure I follow, what do you mean?**
- Received email from my service provider
- Firm that I contract through
- That my services would no longer be required effective immediately
- No conversations

- **You didn't call Scott?**
  - No I called Paul Harrington
  - I found out through recall notices, Friday morning I was schedule to go out on turn around that night
  - Just so happened to check my personal email
  - Once I opened recall notice, it was note from Fabcon General Manager that my services, my contract was cancelled and would no longer be required
  - Called Paul Harrington that morning, I see you have a copy of email from Paul
  - Acknowledging good work I had done, so I called him
  - I said, are you supporting this? – I was a little bit in shock
  - Said I can't believe you're supporting this
  - Paul said Mark its done, let's leave with a little bit of dignity
  - Paul you think I'm going to do something or something on those lines?
  - He said just leave with dignity
- **He didn't provide any explanation?**
  - None what so ever
- **How do you know it was Scott Obrien?**
  - He was the area manager I was reporting to
- **Putting two and two together**
  - Oh it was Scott
- **Why do you say that?**
  - I guess, me and Scott didn't see eye to eye in a couple of things
- **What were those things?**
  - Have you read my letter to Stan?
- **Yes.**
  - So Scott – execution side, if you hire someone to do a job you should let them do a job
  - Scott was constantly reaching in from his role and doing the construction managers job as well
  - Sometimes I didn't agree with some of them things
- **Throughout that document you refer to C1 component manager a bunch of times – is that Scott Obrien?**
  - Yes
- **I guess overall you express a bunch of concerns. One is Scott's lack of boots on the ground construction experience.**
  - That's pretty self-explanatory
  - I don't think Scott owned a pair of construction boots before that job
  - No experience in execution of projects on the ground
  - Heavy construction heavy civil
  - None whatsoever

- **So that would have been a challenge working for him can you tell me a bit more about how he managed – did he visit the site frequently?**
  - No I don't think I'd use the term frequently – not at all
- **Largely managed from St. John's?**
  - Yes
- **In your experience is that normally how it would be managed?**
  - They try it yes,
  - Lots of projects try it
  - Early days of Vale – 6 vale representatives and that's it
  - I know it transpired to that project director being out on site full time in the end
  - A lot of projects like to try it that way but that's not usually what happens
  - My preference is that management team needs to be on site
  - They need to be where the action is
  - Project and action is where day to day operations are
  - Need proper people on site to be able to manage on site
  - Not saying that if you hire good people to let them do their job, if you let them do their work that could work
  - But if constantly interfering, or reaching in and directing
  - If there's a lack of experience from the management team, they tend to do that sometimes
- **When you say lack of experience are you just referring to Scott?**
  - Well, as area manager I report to Scott
  - Role of construction manager I report to Ron Power
  - And Scott reports to Ron as well
  - So I'm not sure where the line went
  - I was area manager for bulk excavation
  - And when I went to site, because SNC wasn't able to provide, I took over construction manager as well
  - I was kind of reporting to Scott and kind of reporting to Ron as well
- **Did you have any concerns with Ron's experience?**
  - Ron was how can I say, yes I had concerns with Ron's experience
  - Ron's experience may not be proper concern,
  - Maybe his ability to manage project of that size is probably a bigger concern
- **Can you tell me a bit more?**
  - Ron wouldn't be what I would call someone I would look up to and say I'm going to stand behind Ron
  - Ron was all over the place
  - If you search Ron's emails
  - Sends email to project team once every 6 months
  - Either everyone pay attention to date format on all drawings

- Or spent a lot of time making sure everyone know Billy's grandfather passed away
- As a construction manager he didn't instill confidence
- Can't speak to his experience
- I know he's touted a project he's done in Africa, and other things he's did
- As a construction manager I wouldn't – I felt difficult to support
- You always look to your leader as who you go to for advice or direction, that was difficult with both Ron and Scott
- **I understand would have interacted with other members of project management team – Paul Harrington, Jason Kean, did you deal with Lance Clarke at all?**
- Not very much no
- **Any concerns with Paul Harrington?**
- Very little dealings with Paul Harrington
- When excavation started he would come periodically and had to do tour with Paul
- He was very pleased with bulk excavation
- The schedule was very aggressive
- Huge success for project early on
- May have been on 20<sup>th</sup> December when I flew out for year we had finished,
- Ron asked me to fly back then I believe it was the 22<sup>nd</sup> because Paul was doing a tour
- Came back up and did tour with Paul
- Pretty impressive, 2.2 million cubic meters of rock moved in a short period of time
- Contractor did excellent job
- If you can imagine civil project with a lot of dirt moving
- Things very neat and tidy
- Site was looking really well
- I think both Paul and Ron were impressed at what was accomplished in the past year
- **In letter – site decisions having to be vetted through an inexperienced St. John's management team... comment more directed towards Ron and Scott?**
- Yes
- **What did you mean by incorrect and late decisions?**
- In execution, so again in my past experience in working in engineering office or project office and doing up front engineering for project you do have a little bit of time with regards to decision making. As soon as you start construction you don't have time for decision making
- Need to make a decision
- In engineering office if an issue comes up, set meeting next week, 3-4 people can't attend, push to next week, in some cases that's fine
- Construction an execution you don't have that time
- You're spending a lot of money
- Have to make decisions right away

- During bulk excavation that was me
- Acting on site because SNC didn't bring anyone in
- I was the Area Manager
- I knew project and tender like back of my hand
- When decisions had to be made I made decisions, on site
- Part of the success of the bulk excavation
- Some of them after the fact maybe Scott disagreed and may have changed some of them decisions
- I had conversation with Scott very early on in bulk excavation, if you want someone to be a puppet on string get someone else, that's not my job
- I'm here to get the job done
- Ron at the time, I don't think he wouldn't have selected me to go do bulk excavation, but after about 6 months in he was very pleased with my performance and how work was getting done
- **All those decisions had to go through Scott?**
  - Not all of them, no
  - Sometimes I wouldn't tell him but some of them yes
  - Sometimes avoiding bringing issues to St. John's was advantageous
- **What do you mean by that – could get issues all faster?**
  - Yes
- **Rather make decisions and deal with it later?**
  - Yes
  - Certain decisions had to be made on site and that's what I was being paid to do
- **Say late decisions you mean waiting a few days?**
  - Just in general
  - If had to go back to project office you knew you weren't getting answer right away
- **Can you give me a sense?**
  - Depends on issue cant remember them all
  - Lots of thing
- **To be completely open, we have had other people tell us that project team not being on site. How significant was that issue? Common occurrence?**
  - Depends on project manager
  - My philosophy I'd rather make wrong decision and move forward and wait
  - You make best decision you had a the time and you move forward
  - Other people running the job might wait for a decision
  - I felt I was probably one of the most aggressive on site
- **In your memo, you refer to RCC memo. I guess you describe meeting with Scott O'Brien where memo was ripped up can you tell me more about that?**
  - Philosophy with regards to after bulk excavation for all intents and purposes I came back to site

- Executed riverside cofferdam 45,000m of roller compacted concrete
- North dam is approx. 355,000 cubic meters
- I was asked, Mark what would you like to do next
- You did a great job, we'll put you somewhere
- I found North Dam to be that project
- North dam included river closure, 355,000 cubic meters of RCC which would be largest in Canada
- It was critical path so I said I'd like to do this
- They nominated and made me area manager for CH0009
- So I became Area Manager for this which was responsible for – at the time the engineering still not, still not finalized
- Final detail design was happening
- I was Area Manager in charge of SNC engineers in compiling package, putting the package together, went over design parameters with regards to the North Dam
- Technical issues
- Because it was critical path, one of the things that had to get done right away was RCC mix design
- By time it was started, it takes in excess of a year to get some of the results
- SNC came to the table with and RCC expert, we had him in the bulk excavation.
- We were concerned with SNCs expertise in that area and one day during the meeting we were discussing the parameters, it was in Montreal actually
- Discussion the options of stepped or smooth faced down stream slope on the RCC
- I was pushing a stepped design in the process
- One of the engineering in SNC said there's never been an RCC dam constructed with a stepped overflow
- I said, oh, okay, I didn't know.
- I was on my computer I googled stepped RCC dams and a whole pile came up.
- And I said there's one in Tasmania just south of Australia, I said
- There's another one, I gave another location
- The site that I had found was a database of RCC dams in the world
- It was a database that had been compiled by a gentlemen by the name of Dr. Malcolm Dunstan which is a gentleman that once I contacted him he's the world leading expert in roller compacted concrete in the world
- Ron wanted us to hire him as consultant because we felt SNC didn't come to the table with the proper RCC expertise
- So we hired Malcom
- Because of critical path Malcom said guys we've got to start the mix design process right away in order to meet the deadline in order to produce the mix design so we can meet critical path
- Keep in mind, at time again, like I said, CH0009 was critical path
- The river had to be closed in that season
- Then in the following year the RCC had to be built in one season

- At time we were tendering, and there's reams of data from Malcolm Dunstan with respect to how aggressive it would have been to achieve building the RCC dam in one season
- So, part of it was we had to get mix design done, so when we did award the contractor we gave him the recipe for the mix as opposed to him starting to do the whole process it takes a year in order to do it
- Scott didn't want that to happen at all Scott was no - the contractor is responsible for his own mix design
- It's not going to be our responsibility, we don't want Nalcor to have that liability
- And although I agree with that and if the time allowed us, that would be my preferred way as well
- but because of the project's critical path, we had no choice but to start the mix design ourselves before we had a contractor
- the schedule dictated it
- Scott was pushing back, pushing back, pushing back
- I took it upon myself, I asked Malcom, you can see people that signed this
- Malcolm Dunstan is one of them
- If you search Malcom Dunstan, his reputation speaks for itself
- If you look at Brian Forbes, I think his reputation speaks for himself plus Brian was on the advisory board for project as well
- So, if you look at RCC in world, some places will say Malcom some people will say Brian is the expert
- But either way, whoever says one, they'll say the other is number two
- Greg Snyder is the engineering manager with SNC
- And of course, myself
- This was presented in a way to try and convince Scott to continue with the mix design program as we see fit, prior too
- Malcolm was the author of this, we all signed
- There's an earlier version which is a lot more aggressive
- I had Malcom tone it down a little bit with respect to laying out the outcome
- We kind of tailored it in such a way to explain to Scott that we have no choice but to continue with the mix design ourselves
- The meeting started, Malcolm, Brian was on the phone, I believe, Malcolm was on the phone.
- Malcolm was kind of running through the report
- Scott was late to the meeting we were waiting for him
- We got about, maybe about 10 minutes, 20 minutes into the meeting
- Scott cancelled the meeting and left the room
- I was following Scott and said Scott you've gotta come back, listen
- He just turned around and this is when he, he tore it up and said if this report every sees daylight, he said someone's getting fired
- **Do you know what he would have said that?**
  - I don't know
  - That baffles me



- **Did you talk about it all after that?**
  - Yeah well, I mean we had to continue with the mix design, we already had the mix design started on site
  - We had no choice to continue with it
  - The mix design program, again, forgive me, there's a whole mix design program that Malcolm designed
  - There's stage one, stage two, stage three, you'll see it
  - I think we completed stage one
  - I'm not sure how it ended up actually, after, how it actually got done
  - If Nalcor did stage 2 or if they gave it their existing contractor, I can't answer that, I don't know
- **This document would have been pulled together because you felt necessary (and 3 other people) Scott wouldn't have been aware it was happening until the meeting?**
  - Yeah, that would have been fair to say, yeah
  - Now, he knew, we were challenging. Scott knew that I was pushing for Nalcor to continue with the mix design program.
  - Scott knew that, I was quite vocal about that. That we couldn't we could not leave it to the contractor to do that, the timing just – it was common knowledge
- **Memo to Stan also talks about meeting with Ron and Jason where you expressed concerns. Can you tell me a bit about that?**
  - I called meeting with Jason and Ron
  - North Spur CH0008
  - Once we did a bid recommendation for CH0007 here, CH0009
  - I was called into the office, Ron called me into the office and said Mark we have problem on the North Spur
  - I said ok, yeah, I'm hearing it's not going well over there
  - And he said yeah we'd like you to go in and straighten it out
  - And I said ok, meanwhile we had just done bid recommendation for 07
  - I was, I was, I said I'll go up and have a look and see what I can do but I don't want to lose the North Dam
- **I think you mean CH0009 and not CH0007?**
  - This is seven, this is nine, sorry yeah
  - Nine, yeah
  - For the North Dam
- **I just want to clarify, you weren't involved in the Astaldi recommendation?**
  - None whatsoever, none whatsoever, yep, yep
  - So, I got sent into the North Spur when first got started up and I never got out of it
  - They had a contractor there. That contractor was structured in such a way that the more money they saved there was a 50/50 shared, shared bonus
  - So, we had costs, targeted costs, and the more we came in underneath there was 50/50 share between Nalcor and the contractor
  - So, I was quite interested in, in, as we can say helping the contractor save as much money as he can because the more money he saved the bigger his bonus would be and equally as much money as Nalcor would save

- The original schedule for that job was over summer season, there was no work in the winter
- It was a big civil program however it was broken down into the upstream side and downstream work
- As the contractor worked on the upstream side, he worked, he gained some schedule. And he took a fleet of equipment and started advancing downstream work earlier than anticipated
- While he was working through that fall, the geotechnical conditions, it was very, we knew it was going to be difficult geotechnical conditions.
- But the contractor, once he was on site realized it would be more advantageous if was able to work in winter to remove all of the overburden in the downstream slope.
- I agreed 100% with him
- And I said, crap, of course we're going to work through the winter, no problem there. Keep on going, no problem.
- So, I was supporting them working through winter, it would have saved a lot more money, would have, would have both increased his bonus, IE increased the 50/50 share for Nalcor. I thought it was a no-brainer to be honest with you
- However once Scott figured out I had authorized the contractor to work through the winter he said it's not happening
- I said but Scott it's a no brainier. It'll definitely, it'll definitely save us money and it'll advance our schedule
- No, not happening
- **Do you know why he said no?**
  - No I guess he felt would cost more, I can't answer it
  - So, the contractor worked right up - I said - I told the contractor, I said, I don't think you're going to be able to work through the, through the winter even though I didn't agree with that decision
  - The contractor - keep in mind the contractor is responsible for means and methods
  - It's specifically in his contract that he, he runs the construction site. We don't dictate to him.
  - It's his, it's a unit rate contract on a target cost. Anything he saves money we split 50/50
  - He's in control for his own destiny. He needs to make his own means and methods.
  - So, how, how he excavates, how many trucks he puts on is not our doing. We don't dictate any of that.
  - So, the contractor said well, he said, I'm responsible for identifying, you know, cost savings, I do due diligence, I'm going to work the winter
  - So, he made the decision to work the winter
  - And, according to baseline schedule, I forget the date, I don't know the date. But, whenever that date arrived, Scott sent a formal contractual letter and removed them from site
  - I felt that was being punitive to the contractor
  - And I called a meeting with Ron and Jason, I forget the time of the meeting, It was some time on, I think it was between Christmas and New Year's, actually
  - I called meeting with Jason and Ron to express my concern
- **What was the name of contractor?**
  - He didn't remove them, he, he shut them down for winter sorry
  - The contractor's name was the North Spur contractor GNLC
- **Meeting with Ron and Jason, can you tell me a little more**

- Well I brought Ron in, I brought Jason in, Jason didn't need to be there
- Because, I was, I guess I was reporting to Ron Power
- But brought Jason in hoping that Jason would be a little bit of reason because I didn't think I would get anywhere with Ron
- But I just expressed my concerns
- Ron didn't see too concerned about it either way, you know, I said guys this is being punitive
- We have to be responsible with respect to Nalcor, this will save us money I guarantee you, this will save us money
- I just expressed my concerns
- I don't think they were either way or the other, they just listened to me vent
- That was the end of the meeting
- **They didn't express opinion one way or another?**
- No
- **Mentioned involved in bid evaluation for CH0009. Refer to that in your memo as well. When I look at award recommendation (pg. 3) – section highlighted. Then I have a couple questions: can you give me a bit more of an explanation. My understanding is that you were originally involved in evaluating bids but team was changed and didn't involve you – why was that?**
- Can't answer you, don't know
- We, Myself and Roy did bid recommendation and we recommended the project be awarded to an alternate, not Bernard Pennecon it was a joint venture between Dragados and H.J. O'Connell
- **Who was that submitted to**
- Submitted to, Scott, Ron, whoever
- **Your evaluation would have been documented – package similar to this?**
- Oh yes
- **Would it be called the same thing?**
- Yes, most definitely, yep
- **In this document said significant delay awarding work package?**
- I'd have to check back on the timing
- I know we were pushing, I know everything was critical
- It is a critical path work, you know, there was, the mix design was part of the package
- I'd have to look back at schedule and see timelines of when the tenders came in, you know, that type of thing
- **Your team's evaluation was completed and submitted, not that there was any delay?**
- Oh no. It was - We put a nice bow on it and said here you go guys, here's the, here's the package.
- It was sometime after
- So, when I was asked to go to North Spur that was end of my involvement in CH007 (9)
- We had made a bid recommendation, I thought I was getting ready to, to award a contract and get back in the field again
- You know, there was a lot of work to do but then I got transferred to the North Spur

- I seen nothing, I never heard nothing about this
- No one, no one called asked, anything
- Until, I did receive call from Ken McClintock one day asking me – and I forget, the timeline was quite long
- Actually, I was surprised, I was surprised no one had called me. I was surprised nobody to say Mark what about the bid recommendation blah blah blah
- And Ken McClintock phoned me and the only question asked me was do I recall who project manager would be for the project
- I said yes, I said it would have been, it would have been Justin Follier was the nominated, recommended from the joint venture partnership.
- He said you sure it's not Don Strickland?
- I said no its not Don
- He said cause I'm looking at and org chart that was submitted in their package that shows Don Strickland as the project manager
- I said your probably looking at the org chart that came out of their quality manual which would have been a copy of the quality manual that HG O'Connell had on bulk excavation of which John, Don Strickland was the project manager
- They had just put this is a this is an indicative quality manual that would submit for the North Dam but somehow Ken seemed to think that Don Strickland was the project manager
- That was the only correspondence I had with regard to the review of the package
- But then a short term after that I was surprised to hear that package awarded to Bernard Pennecon
- **I'm at top of pg 4 where it says team completed all activities necessary to bring to recommendation stage. Where it says this team completed all activities – what I'm hearing is that you did that already?**
- Correct. Yeah, we had made -
- Roy had closed out and made a presentation, made a document discussion, or a package to submit
- Roy Lewis was involved when, when we, when Nalcor took over procurement for bulk excavation
- Roy Lewis was brought in to work with me to do the bid evaluation for bulk excavation
- So, Roy was here, myself and Roy tendered bulk excavation, made the bid recommen – developed the plan, tendered the project, made the bid recommendation, awarded the contract
- Roy left, and I went on to execute the project
- When bulk excavation was finished and I was asked what project I would like next I said I'd like CH09 North and South Dam
- I said but I'd like to execute it exactly like I did with bulk excavation and get Roy back
- And everybody agreed, no issue, thought it was a great idea to bring Roy back again
- And we did the exact same thing for CH0009
- I mean, I was involved with CH0009 for I think it was 1 year 7 months on this particular package
- So it wasn't a short, it wasn't a short stint
- I mean we flew all over the world looking at RCC dams, we went to Spain, we went to Vietnam, we went everywhere looking at RCC dam construction
- Malcolm Dunstan was quite involved in the engineering component of how the package would be build
- And the tendering process took an excruciatingly long period of time

- But In end we did make a recommendation for award recommendation to management team, yes
- **In a document that would be if not exactly, similar to this one?**
- Exactly, yes, yeah
- It would have followed exact same execution plan that we did for CH0006 the bulk excavation
- This one here because it was done by different team may have, may be slightly different
- But I'm sure all the components are, are in there
- All reviews would have happened the same, the technical review, safety reviews, environmental reviews
- I mean this is a standard package for a bid recommendation
- **As was bid scoring?**
- Correct, yeah
- **This version describes they changed methodology.**
- I guess so, yeah
- **Don't have any knowledge of why?**
- I'll be totally honest with you
- The North and South Dam was in my experience a very simple bid evaluation as far as I was concerned
- As you can see, we had 3 bidders
- Astaldi was kind of, Astaldi was having their own pains on site at the time
- We were reviewing this and I don't think there was, Astaldi was not a contender in the, in the award recommendation because they had enough on their plate
- And we were questioning their ability to do CH0007 at the time so we didn't want to, there was too much risk in awarding the project to Astaldi
- Of the Barnard Pennecon Joint Venture versus the HJ O'Connell Dragatos Joint Venture – we had placed our contracting strategy was a unit rate contract
- Clear and concise strategy with regards to execution
- O'Connell Dragatos presented their, a fully compliant bid meeting the requirements of the tender.
- It came in, I, I, I forget, I don't know the number. But let's. let's say it's in the range of a 310-320 million dollar compliant bid
- Barnard Pennecon came in with a bid that was, that was qualified with regards to, they didn't want to, they didn't know the labour market.
- Barnard was concerned with the labour market and their bid came in with a target labour scenario
- So, even at their target labour scenario - Myself and Roy, if you could find the package
- We did sensitives with regards to the Barnard Pennecon labour guesstimate
- Nalcor would be 100% responsible for labour once they go over their target
- The held fast on the we explained to them their bid was not compliant
- We had several meetings with Barnard over the issue, as far as I was concerned, before we did our - they weren't moving on it
- So we made the recommendation HJ O'Connell Dragatos
- Number one it was more cost effective, and

- Number two it didn't introduce the risk of a target labour scenario in the contract
- So, with respect to this bid evaluation, it was in my opinion was a relatively simple decision
- **Once you found out BP had been awarded, did you have any conversations as to why?**
- Nope
- I was surprised by it. I couldn't believe it
- I may have, I may have called Roy, Roy was no longer working with the project.
- I may have called Roy and expressed my surprise
- **In your experience, my understanding from policy is methodology is decided before bids received. Atypical to change methodology after bids received?**
- The proposal both in bulk excavation and for CH09 we specifically had to have our proposal plan submitted and approved prior to, prior to opening the bids
- Actually, you're not allowed to open the bids until your plan has been reviewed and approved by the management team
- Our plan for bulk excavation, Roy compiled it and that involves the scoring methodology, who's reviewing, the technical team, the environmental. All of that, that was all done and passed in and approved.
- Bulk excavation happened that was and so did, so did our review of, of, of the North dam
- How and why it got changed, how it got changed I don't know
- **In your experience on other jobs outside of Nalcor would that process be the same?**
- Typically yeah, yep
- Every company has probably some little tweaks on it but, but generally, yeah that's a proven practice
- **In terms of best practice normally that process wouldn't change after opening?**
- It shouldn't
- It should be, it should be approved prior to.
- And the people who are approving it should have, should have looked at it and approved that this is the way we're going to go
- **You put together this package, worked with CA and he's saying that you signed it and then routed that to somebody who would you have routed that package too?**
- It would have, it would have, I'd have to check and see but
- Most likely would have went to Scott and Pat Hussey, and Pat Hussey the -
- It probably would have went to Pat Hussey actually
- 'Cause that would have - Roy would have routed that directly to him
- But you know, from Pat to Scott to Lance to Ron
- **The project team**
- Yes
- Well, I mean, Ed Over, Carlos
- Scott, pat, the project controls manager Anthony Embry was here, Jason and Ron
- Pat, Jason, Ron for sure, Scott
- **This was done August 2015 – this package. When would yours have been?**

- I don't – this is package date in August
- When did I start – Again I'm referring to my –
- When did I start North Dam
- **According to the org charts I've reviewed, you moved to the North Spur in May 2016.**
- I've got April 2015
- I left in May of 2016
- If I'm looking at my own recollection here, and forgive me I'm looking at my LinkedIn profile, so I won't –
- I'd have to go back and actually look at something further if you want to further that date
- But I have got listed as April 2015 as me starting on the North Spur which would have been my last time at The North Dam
- April, May, June, July, August
- Yeah, you're looking at 5 months from when I left
- So, we would have had package presented at least 5 months prior to the date of this one here being August 10th
- **In terms of it being held up – was there any reason why they couldn't have started sooner assuming your package was approved?**
- Let me think about that
- No, I don't, I don't think there would be any reason why it couldn't start sooner, no
- What was, what was Critical then?
- River closure had to happen that year was it – Was there a change? – I'd have to look
- I, Sorry, I'm at a disadvantage of not seeing a schedule, or not seeing a – It's hard for me to commit
- I don't think there would have been any reason why it couldn't have started sooner but I'd have to check
- **Scott was your question around work being awarded or started. My question was why couldn't work have started? Could delay have been avoided if they had approved marks recommendations?**
- I'd have to look back at further detail, further schedule, further emails to make that statement
- But I know we were pushing to get North Dam started as soon, as soon as possible
- There was a lot of work to do with regards to river closure for sorting of large -
- There was certainly stuff that could have been done on site, without a doubt
- **In your involvement on LCP ever asked to do anything that made you feel uncomfortable?**
- I'm going to say no
- Did I feel uncomfortable yes
- Only In a way of there was things that as an example, for bulk excavation when we put that job out to tender, we put package together and were instructed by Ron to, may have event went out on addendum
- Ron wanted contractor to have independent blasting expert
- Contractor bid it and as executed work we said have to get your blasting expert here
- Before we started execution, Ron said we need our own blasting expert
- I go Ron we do have one, paying in the contractor
- Ron said we need our own

- Over and above one were paying for
- Keep in mind the contractors could have done bulk excavation on their own
- They have their own internal experts, put in tenders that they have to have 3<sup>rd</sup> party independent expert and now Nalcor needs to hire another
- Everyone on the project team is a blasting expert, we have an awful lot of blasting experts
- When you have that many experts in the room going to bog down the process
- So things like that made me uncomfortable
- Difference of execution opinion
- Several instances of that that made me uncomfortable
- Did anything make me uncomfortable ethically? No, but I don't know what happened here with North Dam decisions package
- I don't know what happened since I left
- I would assume BP changed their mind on risk profile
- I was surprised by this
- **I think what you've said is you maybe disagreed with how certain things were executed but not anything that made you uncomfortable as in directed you to do anything you ethically disagreed with**
- No
- North Spur not letting GNLC work through winter made me feel uncomfortable
- **Anything else you wanted to tell us?**
- No
- No I don't think so no
- I mean you went down through letter I guess
- You've got the letter, I think that – you go through that
- That's the highlights
- **Thank you so much. I don't anticipated that we'll have to reach out to you again but if we have too is that okay**
- *Legal counsel – Yeah you can go through me and we'll talk*
- Stop 11:53