

David.Nichols

From: Lavigne, Charles <clavigne@cahillganotec.ca>
Sent: Monday, June 18, 2018 10:46 AM
To: Mike.Buckle
Subject: [EXTERNAL] FW: Pre-Meeting with Nalcor

FYI

From: Harrington, Tim
Sent: Monday, June 18, 2018 11:28 AM
To: Burse, Brad <BradBurse@cahillganotec.ca>; Lavigne, Charles <clavigne@cahillganotec.ca>
Subject: Fwd: Pre-Meeting with Nalcor

Gents FYI...

Sent from my iPhone

Begin forwarded message:

From: "Henley, John" <jhenley@cahill.ca>
Date: June 18, 2018 at 11:01:24 AM NDT
To: "Cahill, Fred J" <fcahill@cahill.ca>, "Sebastien.Larivee (Sebastien.Larivee@ganotec.com)" <Sebastien.Larivee@ganotec.com>, "Patrick Lamarre (Patrick.Lamarre@kiewit.com)" <Patrick.Lamarre@kiewit.com> (Patrick.Lamarre@kiewit.com) (Patrick.Lamarre@kiewit.com)" <Patrick.Lamarre@kiewit.com>
Cc: "Parmiter, James" <jparmiter@cahill.ca>, "Harrington, Tim" <tharrington@cahillganotec.ca>, "Farrell, Dan" <dfarrell@cahill.ca>
Subject: Pre-Meeting with Nalcor

L&G:

I met with Paul Adams and Kumar on Friday (Scott did not show) to review the key items of concern for the meeting next week.

The following is a short summary of the issues:

- **AHUs & Prosag:** Discussed the issue at a high level. Explained that we have pushed ProSag on schedule as hard as we can and the delivery dates are significantly later than our baseline. The North Service Bay Mezz units are in negative float based on our schedule but we do not know the knock on effect to other contractors. Nalcor concerned and I advised we were working two options:
 - A) Accept the latest ProSag delivery schedule and closely monitor the shop fabrication.
 - B) Move some units to TMI to get the units earlier and eliminate float issue. This would require rapid development and approval of the shop drawings by CG and Nalcor.
 - Agreed the current plan of meeting with TMI to assess their REAL shop loading is first. Nalcor will assess the knock on impact once they know which option we prefer. Nalcor committed to working with us to get the shop drawings approved if we switch to TMI.

- **Procurement:** Nalcor plan to get Pat Hussey involved in overseeing our procurement plans. They are concerned that some key packages are slipping that affect critical work scope. They know we are on top of it but want visibility. MCCs and Switchgear were mentioned. I told them that was fine and Pat can contact Frank. (told them that last time and it never happened)
- **Fireproofing:** Gave them a heads up on the issue and the sense that it is becoming a mini crisis on site by Nalcor personnel. Explained that it is a technical issue and CG has followed the specs for application. Not yet clear if it is the flexible Q deck, material thickness, humidity and temperature control etc. We agreed that they would tell Nalcor site to calm down and wait until the technical expert arrives on Thursday before people jump to conclusions. We continue to work under the fireproofing in areas where we have installed netting to protect the work force.
- **Open Roof:** Mentioned our concern that the roof was left open for days and the PH lost all heat. CG warned Nalcor that the roof needed to be covered to prevent rain damaging installed gyproc etc. It did rain and some gyproc got wet. We advised Nalcor and were told from site it was our problem. Kumar and Paul committed to sort this out and agreed that the wet gyproc is not our problem. They were vaguely aware of the issue and confirmed that the roof will now be closed except during an active lift. CG & Nalcor to assess the implications/rework of the wet gyproc.
- **Staffing:** Nalcor raised the change-out of several senior staff and wanted to know if there were any others moving? I advised that there were no further changes contemplated. They are happy with our team and want to make sure we continue with an "A" team on site.
- **3 & 5% Details:** Mentioned to Paul that several COs were held up waiting on Scott's relook at how to apply the %s in detail. Paul committed to get an answer.

Please give me a call if you have any questions.

Rgds

John J.

John J. Henley
VP Project Services
The Cahill Group.

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David.Nichols

From: Lavigne, Charles <clavigne@cahillganotec.ca>
Sent: Tuesday, June 19, 2018 12:01 PM
To: Mike.Buckle
Subject: [EXTERNAL] FW: Pre-Meeting with Nalcor

FYI

From: Harrington, Tim
Sent: Tuesday, June 19, 2018 12:33 PM
To: Henley, John <jhenley@cahill.ca>; Cahill, Fred J <fjcahill@cahill.ca>; Sebastien.Larivee (Sebastien.Larivee@ganotec.com) <Sebastien.Larivee@ganotec.com>; Patrick Lamarre (Patrick.Lamarre@kiewit.com) (Patrick.Lamarre@kiewit.com) (Patrick.Lamarre@kiewit.com) <Patrick.Lamarre@kiewit.com>
Cc: Parmiter, James <jparmiter@cahill.ca>; Farrell, Dan <dfarrell@cahill.ca>; Lavigne, Charles <clavigne@cahillganotec.ca>; Bursey, Brad <BradBursey@cahillganotec.ca>
Subject: RE: Pre-Meeting with Nalcor

All,

Further to John's note below, I've added some commentary in red. If you wish to discuss prior to the Nalcor meeting feel free to call.

Tim

Tim Harrington, P. Eng
Project Manager, Cahill-Ganotec, A Partnership.
 T 709.793.3313 C 709.770.5174 F 709.368.3502



From: Henley, John
Sent: June 18, 2018 10:31 AM
To: Cahill, Fred J; Sebastien.Larivee (Sebastien.Larivee@ganotec.com); Patrick Lamarre (Patrick.Lamarre@kiewit.com) (Patrick.Lamarre@kiewit.com) (Patrick.Lamarre@kiewit.com)
Cc: Parmiter, James; Harrington, Tim; Farrell, Dan
Subject: Pre-Meeting with Nalcor

L&G:

I met with Paul Adams and Kumar on Friday (Scott did not show) to review the key items of concern for the meeting next week.

The following is a short summary of the issues:

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- A) Accept the latest ProSag delivery schedule and closely monitor the shop fabrication.
- B) Move some units to TMI to get the units earlier and eliminate float issue. This would require rapid development and approval of the shop drawings by CG and Nalcor.
- Agreed the current plan of meeting with TMI to assess their REAL shop loading is first. Nalcor will assess the knock on impact once they know which option we prefer. Nalcor committed to working with us to get the shop drawings approved if we switch to TMI. **Note, Frank Collins and Justin Curlew are in Montreal today meeting with TMI to discuss opportunities and touring their facility as well.**
- **Procurement:** Nalcor plan to get Pat Hussey involved in overseeing our procurement plans. They are concerned that some key packages are slipping that affect critical work scope. They know we are on top of it but want visibility. MCCs and Switchgear were mentioned. I told them that was fine and Pat can contact Frank. (told them that last time and it never happened). **Eaton advised us on Friday of their intent to slip the manufacturing schedule by another 2 months; Nalcor are not aware yet. Frank and I met with Wesco yesterday and instructed them to escalate and address with Eaton. We will likely need the sponsors to step in again.**
- **Fireproofing:** Gave them a heads up on the issue and the sense that it is becoming a mini crisis on site by Nalcor personnel. Explained that it is a technical issue and CG has followed the specs for application. Not yet clear if it is the flexible Q deck, material thickness, humidity and temperature control etc. We agreed that they would tell Nalcor site to calm down and wait until the technical expert arrives on Thursday before people jump to conclusions. We continue to work under the fireproofing in areas where we have installed netting to protect the work force. **Still a lot of noise on site regarding this one. Nalcor site quality issued a surveillance report to us about an hour ago requesting we respond. There are a lot of uneducated eyes looking at this issue at the moment and we need the manufacturer's rep to weigh in when he gets to site on Thursday; we are applying the product as instructed / directed.**
- **Open Roof:** Mentioned our concern that the roof was left open for days and the PH lost all heat. CG warned Nalcor that the roof needed to be covered to prevent rain damaging installed gyproc etc. It did rain and some gyproc got wet. We advised Nalcor and were told from site it was our problem. Kumar and Paul committed to sort this out and agreed that the wet gyproc is not our problem. They were vaguely aware of the issue and confirmed that the roof will now be closed except during an active lift. CG & Nalcor to assess the implications/rework of the wet gyproc. **I was off site this past weekend, but before I left we were told that the roof would be closed as noted by John above. According to Charles this messaging changed over the weekend due to push back by Astaldi and there is no intention to close the roof again. This is not good for our architectural work ongoing.**
- **Staffing:** Nalcor raised the change-out of several senior staff and wanted to know if there were any others moving? I advised that there were no further changes contemplated. They are happy with our team and want to make sure we continue with an "A" team on site.
- **3 & 6% Details:** Mentioned to Paul that several COs were held up waiting on Scott's relook at how to apply the %s in detail. Paul committed to get an answer.
- **ATCL adjustment debate:** **There is an active contrasting opinion on the method for adjusting the ATCL for change orders. Nalcor contracts people are pushing hard that for reimbursable / lump sum change work, the ATCL is adjusted / reconciled based on actual hours recorded against the particular cost code on the timesheets. We have argued that the ATCL should be adjusted based on our estimated labour cost to do the work since this is a performance based contract. Reconciling the ATCL based on actuals is problematic for us because there is no accurate / practical way to track indirect trade support hours on the timesheets (i.e. bus drivers, cleaners, storekeepers, etc). These indirects support both the base scope and the change work so if there isn't a means to capture the hours in the ATCL then we could end up with a significant shortfall on our indirect budget at the end of the project.**
- **Unit Access Dates:** **As we continue to approach August it looks more and more likely that Nalcor will be late on the access to Unit 1. Commercially they continue to take the position that access will be provided per the contract dates, however we are hearing that they will be months late. We are pushing all active work fronts**

aggressively and are planning to ramp up on electricians in the coming weeks to keep up with our "early baseline" schedule. The best for project approach is that if Nalcor expects to be late they should communicate as such so we can plan to level the manpower accordingly and manage productivity by keeping the crews smaller. We could hit a wall in August and be facing laying off some of our best electricians since Newfoundland residents have a lesser priority than Innu / Labrador residents per the project collective agreement.

Please give me a call if you have any questions.

Rgds

John J.

John J. Henley
VP Project Services
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