



Re: Preparation for Decision Gate 3 Estimate Workshop Rec. No. L010-S011-200-170331-00053 📎

Jason Kean to: Lemay, Paul

13/06/2011 09:37 AM

Cc: LCP - SNC, lowerchurchill, John Mulcahy, Dave Pardy

This message is digitally signed.

From: Jason Kean/NLHydro
To: "Lemay, Paul" <Paul.Lemay@snclavalin.com>
Cc: LCP - SNC, lowerchurchill@snclavalin.com, John Mulcahy/NLHydro@NLHYDRO, Dave Pardy/NLHydro@NLHydro

**Re: Preparation for Decision Gate 3 Estimate Workshop
Rec. No. L010-S011-200-170331-00053**

Paul,

Thanks for the meeting summary.

With respect to your notes, I would like to clarify the following:

1. SLI are responsible for preparing a Class 3 cost estimate for Components 1, 3 and 4 under the EPCM Services Agreement, which represent a portion of the overall cost estimate prepared by Nalcor. Nalcor may choose to have a separate estimate prepared or have third parties complete reviews of the estimate as it feels appropriate.
2. For Muskrat Falls we recommend the using a wage rate based upon a 70-hr work week, rather than the 60 hr week you noted below.
3. Your comment "Nalcor will not provide air travel for workers" is not quite correct. We will budget and fund this air travel, however we are anticipating the contractors to arrange the travel.
4. Nalcor will provide SLI the build-up of the current Muskrat Falls estimate for the procurement and construction activities only. This will be discussed during the workshop.
5. Equipment rates must be built up from first principles and benchmarked against rates currently available from EquipmentWatch or other.
6. Estimate to be coded in accordance to Nalcor's WBS with a view to establishing the Original Control Budget in PM+.
7. Decision Gate 2 assumed a 20-8 rotation - this must be verified by Labor Relations and Construction Management for the purposes of establishing estimating basis for Decision Gate 3.

With respect to Thursday's workshop, please provide me a draft of the agenda for comment by COB today. **Given the critical nature of the workshop and the need to ensure clarity on key messages, I would like to review all material being presented prior to this session.** (I direct your attention to the relevant material presented in the 30-31 March Kick-off Meeting with respect to our underlying thoughts regarding the Class 3 estimate).

I suggest the key objectives for Thursday's session include the following:

1. Begin to develop a common understanding of what will characterize the Class 3 estimate for LCP
2. Achieve a common SLI's estimating methodology and approach
3. Understand SLI's strategy to development the Class 3 estimate

In addition to the above objectives, we would like the opportunity to review Nalcor's procurement and construction estimate for Muskrat Falls considering the findings of MF 1340

Please drop by my office if you have any questions regarding the above.

Regards,

Jason



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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

"Lemay, Paul"

Good day Mr. Kean,

06/10/2011 09:41:53 AM

From: "Lemay, Paul" <Paul.Lemay@snclavalin.com>
 To: <JasonKean@nalcorenergy.com>
 Cc: <RonPower@nalcorenergy.com>, <francois.couturier@snclavalin.com>
 Date: 06/10/2011 09:41 AM
 Subject: FW: Preparation for the june 14th "Estimate Workshop"

Good day Mr. Kean,

Here is a summary of the various subjects we went thru together, last Tuesday.

If you have anything to add or change, please feel free to do so!

Sincerely yours,

Paul Lemay, p.eng
 Lead Estimator.

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From: Lemay, Paul
Sent: 8 juin 2011 14:58
To: Couturier, Francois
Cc: St-Jean, Andre; Simard, Gilles; Gillis, Nick
Subject: Preparation for the June 14th "Estimate Workshop"

Hi François,

Following our introduction meeting with the Nalcor representative, here is a global summary of the various matters discussed and action to be taken:

- SNC will prepare the estimate with the HCSS software (*action by Paul Lemay*)
- Nalcor will transmit a copy of the Provincial Labour Agreement for the 2011 (*action by Jason Kean*)
- SNC will follow the WBS codification system in his estimate presentation (*action by Paul Lemay*)
- SNC will obtain the National edition for constr. equipment rate published by Equipment watch, or equivalent (*action by Paul Lemay or Gilles Simard*)
- Nalcor will not provide air travel for the workers
- Nalcor will not prepare an estimate of his own, but will provide some specific expertise (re: Mr. John Mulcahy and Paul Hewitt)
- Nalcor will transmit his previous estimate back-up for the project (*action by Jason Kean*)
- Nalcor mention that the rotation for the turn around will be 20-8
- SNC will use in his estimate a 60 hours weekly production, two shifts
- Nalcor mention that workers will not keep their room when they travel. Storage space to be provided.
- SNC will present at the 16th of June workshop, a preliminary overview planning on the “ Estimate ground rules” to be thoroughly followed by each estimator (*action by Paul Lemay*)

François, if you want to add anything, please, let me know before I send this to Jason Kean.

Paul Lemay, p.eng
Lead Estimator.

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