

**From:** edover@lowerchurchillproject.ca  
**Sent:** Tuesday, January 20, 2015 6:08 PM  
**To:** kevin.ellerton@barnard-inc.com; Ron Adamcyk  
**Subject:** Re: CH0009 - OUR UNDERSTANDING

Got it with thanks.

Ed

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**From:** Kevin Ellerton  
**Sent:** Tuesday, January 20, 2015 6:07 PM  
**To:** RonAdamcyk@lowerchurchillproject.ca; EdOver@lowerchurchillproject.ca  
**Reply To:** kevin.ellerton@barnard-inc.com  
**Subject:** CH0009 - OUR UNDERSTANDING

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FYI, one more time.

**From:** Kevin Ellerton [mailto:kevin.ellerton@barnard-inc.com]  
**Sent:** Tuesday, January 20, 2015 2:35 PM  
**To:** RonAdamcyk@lowerchurchillproject.ca  
**Cc:** EdOver@lowerchurchillproject.ca; bcole@pennecon.com; Derek Tisdell;  
Kevin Ellerton  
**Subject:** RE: ([\*\*\*SPAM\*\*]) CH0009 - OUR UNDERSTANDING

Ron,

I tried sending this a couple times while traveling. Please confirm you receive it.

Regarding your understanding of the Craft Labour component summarized below, you are correct.

The craft travel expense is estimated at \$4.7 million. The other \$3 million we will take on for the staff travel. Similar to the labour risk below is if the craft travel is less than \$4.7 million, Nalcor takes the benefit, likewise if it costs more, Nalcor takes the risk. The staff travel is slightly higher per trip due to the distance for some of the staff to get back to the U.S.

If you have any further questions, please let us know and please confirm you've received this.

Thanks

Kevin

**BARNARD**

People building for People.

**Kevin Ellerton**

Vice President & Operations Manager

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**From:** [RonAdamcyk@lowerchurchillproject.ca](mailto:RonAdamcyk@lowerchurchillproject.ca)  
[<mailto:RonAdamcyk@lowerchurchillproject.ca>]

**Sent:** Monday, January 19, 2015 11:14 AM

**To:** [kevin.ellerton@barnard-inc.com](mailto:kevin.ellerton@barnard-inc.com)

**Cc:** [EdOver@lowerchurchillproject.ca](mailto:EdOver@lowerchurchillproject.ca)

**Subject:** ([\*\*\*SPAM\*\*]) CH0009 - OUR UNDERSTANDING

Kevin,

Thank you for articulating your joint venture's exception/clarification with respect to the trades labour risk. This e-mail summarizes our understanding of your position at a high level.

Due to concerns that the contractors currently on site are not fully applying the Company's negotiated benefits in the collective agreement, your joint venture is unwilling to accept the trades labour productivity risk.

We have reviewed your proposal documents and understand that your bid includes 885,881 total hours for management and trades labour at a total cost of \$102,173,408.00 Cdn dollars. This includes 234,434 hours for management at a cost of \$41,500,000 Cdn dollars. The balance of hours (651,447) and dollars ( \$60,673,408) is your budget for trades labour.

It is our understanding that you are proposing (high level) the Company would pay the actual trades labour cost per the trades labour collective agreement. If the trades labour cost is less, then the Company would be less. Save and except for travels costs, all other costs are fixed assuming no change in quantities. Confirm travel costs of management are still excluded.

Please confirm that we have captured the essence of your clarification.

Regards,

Ron Adamcyk, P. Eng.

Senior Contract Administrator

PROJECT DELIVERY TEAM

Lower Churchill Project

t. 709 - 733 4410

e. [RonAdamcyk@lowerchurchillproject.ca](mailto:RonAdamcyk@lowerchurchillproject.ca)

w. [muskratfalls.nalcoreenergy.com](http://muskratfalls.nalcoreenergy.com)

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?