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Pomerleau 500, Rue Saint Jacques, Montréal, (QC) H2y 0A2 CANADA

To the attention of Mr. Jean François Racine

Date: 02-Nov-2015

O/Ref: LTR-CD0504002-ALS-POM-0020

Y/Ref: Denis Lepinay's email received on 28-Oct-2015

Reply: Y

Agreement No: CD0504- 002-Civil Works HVdc Specialties - MFA & CFA Sites

Subject: MFA Site - CWC Schedule Analysis

Dear M. Racine,

With reference to CWC email in response to CWE's email dated 23-Oct-2015, CWE recalls its position herein in regards to the Accelerated Schedule (point 1) and Converter Transformer (point 3).

## 1. Accelerated Schedule:

There seems to be a misunderstanding on the definition of an accelerated schedule. An accelerated schedule is a schedule that shows how manpower will be increased and managed in order to recover the delays. Until recently CWC has never been able to provide the Baseline Manpower required completing the project as per its Baseline Contract schedule. In order to recover the delays, CWC should have presented a schedule with a manpower loading significantly exceeding the baseline loading in order to recover the man-hours from the beginning of the project. This defines an accelerated schedule for which CWE is certain CWC can agree that this was not provided as what was provided on 29-Sept-2015 and subsequent to this date are only reforecasted schedules.

CWE has claimed below an increase of 5 +11 carpenters on the 16-Oct-2015. Let me remind you that at our meeting on 14-Oct-2015, CWC indicated that 5 workers would be added on the 16-Oct-2015 and 12 workers would be added on the 18-Oct-2015. Only 4 workers arrived on the 16-Oct-2015 and 7 arrived on the 18-Oct-2015.

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In addition, during the meeting held on 29-Oct-2015, CWC had indicated that CWC has and will maintain all concrete pours as per the 3 week schedule. Referring to the email forwarded to you this morning, this is clearly not happening. CWC has only poured 7 of the 15 columns planned due to the reasons indicated in the CWE's email sent 30-Oct-2015 (see attachment 1)

As mentioned CWC's email, CWC is increasing the amount of workers on site, however management of the workers is critical to optimizing the activities and maintaining the schedule. Based on the following facts CWE is very concerned about CWC site management's abilities to properly manage the sites:

- CWE has been monitoring CWC morning work start up since the start of
  project and more closely following the cold weather since 24-Oct-2015,
  with this cold weather that has now set in no attempt for acceleration
  has been observed. For instance: workers are to commence work at
  7:30 am however no equipment is running, no workers present, and no
  warm up of equipment in order to allow the crews to start immediately
  their workday. Significant time (approximately 30 min) is lost in start-up
- Coffee and lunch breaks are significantly extended due to the fact they
  are not managed correctly. For instance: Lunch trailers could be placed
  strategically on site to minimize the time required for workers to get to
  and from site.
- On several occasions the workers are observed leaving the work at 4:45 to return to the trailers to finish their day.
- Several site tours have been done on the site and observations have been made due to the lack of supervision of the workers on site.
- It is also worth noting that on 29-Oct-2015, CWC's compaction crews damaged one of the bends in the installed conduits. CWC will maintain its commitment of completing the steel this year and any delays caused by this damage will be attributable to CWC exclusively.
- Missing scaffolding observed for planned concrete pours that consequently delayed the pour.
- Incorrect sizing of re-bar cages for the GIS building columns. This issue should have been caught earlier and would be prevented a 16 calendar days delay on the GIS building.

The above are several examples that result in significant time lost and impede the progress of the schedule.

## 3. Converter Transformers

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CWE maintains its position on this issue that the CHR issued by CWC on this subject is opportunistic at best and that CWC has failed to prove otherwise. Currently your site management has confirmed that the reinforcing steel will be installed this year and that only the concreting will remain for next year. CWE expects CWC to maintain this commitment.

Yours faithfully,

Thierry Martin
CW Engineer Representative
Encl.:

-Attachment 1 – CWE's email dated 30-Oct-2015 ("Productivity at MFA from Walter Feletto)