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Subject: Astaldi this week: Reflections
Date: Saturday, November 2, 2013 1:34:04 PM

All - this is being sent in order to garner my thoughts re the Astaldi saga as experienced over the last few days:

Starting on **Sunday**, 27 October, there was an e-mail sent along to say that "The add on work will not be completed but everything else will be ready by October 31st. So, the contract signing is slated for that date...." That was cautioned by me with the concern that if the work under the LNTP has not been performed, we cannot jump in to signing the contract.

We met on **Wednesday**, as a team, to review the situation. We were aligned (I think) that we need to be confident that our due-diligence, as the Project Delivery Team, has been performed before we meet with Ed Martin and recommend that he sign the contract.

Following Wednesday's group meeting, Scott met with Guido Venturini (on **Wednesday** late afternoon / evening). I was informed, next morning, that Guido fully committed to providing the following information packages to us by COB Thursday (i.e. the next day):

- 1 - Technical file (between 2 covers) to demonstrate to us "where they are technically".
- 2 - file (between 2 covers) documenting to us "where they are wrt to engagement / employment of Subcontractors".

We were lead to believe that Guido would "lead the charge" to ensure this work got done.

The above package would have given us an understanding of where we were with Astaldi. In my view, it likely would also have given us the ammunition to extend the LNTP as we knew that Astaldi were well behind on their commitments (this being without knowledge of Ed Martin's subsequent direction).

As it turns out, as I understand it, Guido actually left St. John's and flew to Florida **Thursday** morning or early afternoon. So, it is obvious that Guido never really committed to "champion" the deliverables that he had promised to us the evening before. It is also noted that Guido would have left town prior to knowing anything about the subsequent instruction from Ed Martin.

On **Thursday, PM**, Ed Martin provided us with a framework to proceed with, including the okay to extend the LNTP.

Regarding the internal reaction following Ed Martin's instruction to extend the LNTP etc., I do truly recognize that we all pulled together to get through the situation, and that we are still moving forward.

However, I did (and still do) observe that our primary concern / reaction to Ed's instruction is focussed entirely on Astaldi's reaction - this seems to be a constant theme:

- Astaldi are "hurt"
- Astaldi are "embarrassed"
- Astaldi were "really counting on this happening today"
- Astaldi

I am not hearing (as a primary focus):

- this is great because Astaldi are not delivering the LNTP commitments, and now we have time to see if they actually will
- great because we are not, in good conscience, in a position to recommend to Ed to sign
- phew, we really need the time to review the contract as an entire package / ensure our ducks are in a row
- etc

I believe our thinking / approach and our communication to Astaldi should be flavoured with sentiments such as:

- this is a test of our relationship
- we need to get the requisite comfort level
- we need to manage expectations and, therefore, it is incumbent on you, Astaldi, to provide us with that before we can move in such a massive commitment
- we need to know where you stand with respect to your commitments under the signed LNTP
- please be assured that, should we extend the LNTP, the mechanisms to advance are still there
- we are not an encumbrance to Astaldi, etc....

I believe this should have been our mode of communication irrespective of the subsequent instruction from Ed Martin.

In my view, the extension to the LNTP should not have be as a result of Ed Martin's concerns. Looking at the wording of the LNTP extension, that is exactly the path we should have been taking until we got Astaldi to deliver on their commitments. We were (and still are not), in my view, in a position to confidently move ahead with Contract signing (I am sure we will get there).

I may be perceived as being naive or difficult, but we need to be in the driver's seat. It is our money. We should sign the contract with Astaldi when **we** are ready. The messaging that will send to Astaldi will be the right one. Our focus now needs to be to get Astaldi to deliver the goods.

Respectfully,

Ron

P.S. I am not sure if the contract documents are still being worked between us and Astaldi. I am aware that Astaldi were bring forward changes late in the week. In any event, and I mentioned to Ed (Over) yesterday, I have not as yet been provided with a copy of the contract documents - Ed assured me that it is in progress.

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