



COMMERCIAL PROPOSAL CLARIFICATION FORM

Date:	28-05 2013	Package No.	505573-CH0007	Package Title:	Construction of Intake and Powerhouse, Spillway and Transition Dams
		Bidder's Proposal. No.			
Bidder:	Astaldi Canada Inc.		Clarification Set No. 06		

Date DD-MM-2013	SLI Comments/Questions	Bidder Answer / Response	SLI Status Comment
7 28-05 2013	We enclose revision 1 to Exhibit 3 – Coordination Procedures, replacing document 505573-CH0007-51AF-I-2136 Rev 00. Please advise the impact, if any, this has on your Proposal.	Exhibit 3 has been substantially modified and integrated with new requirements which seems to alter the risk allocation and in general, the roles and responsibilities of the various parties involved. It is our understanding that certain responsibilities which were allocated to the Engineer have been transferred to the Contractor (ie. Interface management). We need more time to understand and if necessary calculate the relevant impacts because the Coordination Procedures document discusses different topics that involve many units within Astaldi's organization.	
8 28-05 2013	Re: Appendix A2.7 – Escalation Data: The amounts submitted in Table 1 are the amounts that will be subject to escalation. For the escalation calculation, the amount stated in Table 1 should be a reasonable estimate of the value of the commodity concerned. We estimate that the value stated for cement of CAD 72,551,000 to be on the high side. Please confirm the present day actual value that you are carrying.	In order to estimate the amounts submitted in Table 1, and more specifically the cement, we gathered estimates from various suppliers. After reviewing the different offers, we confirm that the value stated is that of the Holcim-Lafarge offer, quoted at site. This is the only offer that quoted the "low hydration LH-M and guaranteed the necessary quantities.	
9 28-05 2013	We have noticed that you have posted a number of job vacancies for positions on our project, including a Construction Manager position. In your proposal you provided resumes for these positions. Are these staff no longer available? Are there any other senior positions on your team That previously identified candidates may not be available to fill?	Astaldi is pursuing various initiatives within Canada. The Construction Manager position is confirmed as that presented in our Proposal. We are however building our Canadian team with qualified resources so that we can staff all the projects we work on and have back up resources in case of emergencies. This is simply a risk mitigation tool utilized by Astaldi.	
1.1 28-05-2013	Please submit pricing for Price Items 202 to 213.	Although we supplied the unit prices we did not calculate them into the total offer. The 202 and 213 were defined as optional items within the RFP (option 2 and 3). We only quoted Option 1. Needless to say the amount is 5,520,546 CAD\$.	
3.1 28-05-2013	With respect to the Reconciliation submitted in response to Question No. 3, Travel Costs of staff are not part of the Target Cost of Labour. These costs were to be included in the Non Labour Component of the Price, as mentioned in Section 3.2 of Exhibit 2. Please explain.	Evidently we misintrepeted the Question no 3 however, in Section 3.2 of Exhibit 2 only Rotational leaves travel is mentioned. Thus, the first arrival and last return travel are not considered and this applies to the turnover of all resources. Our rationale was that to consider travel as personnel costs. Once we clearly understand from the Company what you requirements are for travel we are willing to move the 12 million CAD\$ as requested into the Non Labour Component. This will however change the Target Cost of Labour, the L-max and the residual risk evaluation (contingencies) and the final contract price. As you can imagine, this exercise will take time and must also include the other potential changes that the Company is asking in the other queries seen below.	



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4.1 28-05-2013	<p>Further to you answer to question 4, we are struggling with your reply to fully understand what risk resides with the Contractor.</p> <p>1. Fuel and Materials: As a general principle, if the Company fails to meet its commitments under the agreement then the Contractor would be entitled to relief under the contract. As an example, the Company is responsible for the supply of fuel (gasoline and diesel) on site. If the Contractor had provided its forecasted requirements and the Company failed to provide fuel then the Contractor could submit a change request. The agreement already provides for this situation. Why are you adding 10 Million to cover this item?</p> <p>2. With respect to trades labour, we do not expect that all labour trades labour will be available in Newfoundland and Labrador, and we expect you to be responsible to obtain your additional labour requirements in Canada, or other countries. We understand your current position to be that any delays in obtaining trades labour will be to the Company's account (cost and schedule). What obligations or responsibilities is the Contractor assuming under your scenario?</p>	<ol style="list-style-type: none"> 1. We are not worried about the Fuel aspect because that will be supplied directly by the Company. Actually we are concerned about the availability of the other principle materials and hence we have allocated 7% as a contingency (10 million CAD\$). 2. With respect to trades labour, we are counting on the fact that we will be able to source at least 60% from NL and Labrador, the rest from other Canadian Provinces as indicated last week in question. We have not forecasted the utilization of resources outside of Canada. If necessary, we are able to staff from other countries however we cannot be responsible for any time issues regarding the mobilization/unionization of such foreign labour. We need to further discuss with the Company how to handle the wage issues for foreign labour (ie. Included within Risk Sharing). 	
		We will have to modify the Target Cost of Labour, the L-max and the residual risk evaluation (contingencies) and the final contract price with these new items as mentioned above. As you can imagine, this exercise will take time and thus, we will be ready to present revised numbers (however not a substantial impact) at the scheduled meeting in St. John's.	