

**From:** Emiliano Mancini  
**To:** [CMartin@gov.nl.ca](mailto:CMartin@gov.nl.ca)  
**Cc:** [Richard Noble \(Richard.Noble@ca.ey.com\)](mailto:Richard.Noble@ca.ey.com); [David Steele](mailto:David.Steele@ca.ey.com)  
**Subject:** MFP Project Controls Review - weekly update Apr 20th  
**Date:** Friday, April 24, 2015 12:29:00 PM  
**Attachments:** [MFP - Project Controls Review - Weekly Update - week of Apr 20th\\_draft\\_v3.pdf](#)  
[image001.png](#)

---

Dear Craig,

Please find attached weekly progress update.

Thank you.

Regards,



**Emiliano Mancini | Manager | Advisory Services**

Ernst & Young LLP  
Ernst & Young Tower, 222 Bay Street, P. O. Box 251, Toronto, ON M5K 1J7 Canada  
Phone: +1 416 943 4418 | Cell Phone: +1 647 455 0371  
EY/Comm: 1636262 | [Emiliano.Mancini@ca.ey.com](mailto:Emiliano.Mancini@ca.ey.com)

## Muskrat Falls Project Controls Cost and Schedule

### Weekly status report – Week of April 20<sup>th</sup>

#### 1. Overall status of this review:

- Overall, Nalcor is accommodating the review activities, including interviews and document provision. Some information requested remains outstanding.
- The budget is being recast, EY trying to minimize impact of reduced IA assistance. Recast to be provided to Craig next week.
- Timeline recap:
  - Anticipate preliminary results first week of may
  - Validation period: 1<sup>st</sup> / 2<sup>nd</sup> week of May
  - Final Report: goal is to issue 3<sup>rd</sup> week of May
  - Integration into Oversight Committee reporting?

#### 2. Key areas requiring follow up/ validation

The following are points of further review and validation; and do not represent current findings.

##### Processes:

- Integration of risk including MonteCarlo simulation in cost and schedule have not been evaluated
- Cost and schedule integration
- Definition of re-baseline criteria
- Progress roll up into the IPS including weight factor and contingency
- Process and documentation for review and approval of incurred and forecast costs and also schedule review
- Confirm if cost and schedule contingency is not tied to discrete risks
- Reviewing adequacy of contracts for incentive terms with respect to project management requirements (proper reporting, accurate schedules...).
- Interface management has not yet been evaluated (it is included in the construction management plan which needs to be provided).
- Compliance:
  - Assessing the completeness of Control Schedule Baseline Document and Schedule Development and Control Plan
  - Last accepted monthly report from Astaldi is for the period ending July 2014 and Astaldi forecasting information is not being accepted – this is presenting difficulty in assessment of the quality of information reported in the summary reports flowing through to the OC.
  - Assessing the impact/risk of having different systems to track costs (Prism and PM+)

- Program:
  - 3<sup>rd</sup> party performing a MonteCarlo simulation for the program (potential implication for program strategy and rebaselining)
  - Assessing impact of Astaldi performance its impact to other contractors (e.g. Andritz Hydro) schedules and cost
  
- 3. Other Engagement Notes:
  - Would like to determine timing of IA change and risk reports (draft is sufficient)
  - Additional work has been incurred by EY due to limited activities being performed by Nalcor IA. This has impacted procedure
  
- 4. Next steps:
  - Collect and review pending data requested this week
  - Follow up call with Anthony Embury next week
  - Final meetings during the first week of May with:
    - Anthony Embury
    - Tom Chudy
    - Paul Harrington
  - Issue draft report by the end of the first week of May
  - Need to determine finding validation process and sequencing (Craig, Nalcor, OC)