

From: desmondtranquilla@lowerchurchillproject.ca
Sent: Friday, November 21, 2014 2:49 PM
To: Carlos Fernandez
Cc: Bruce Hallock; Ed Bush; George Chehab; Hisham Geres; Mel Melhem; Mike Collins; Ron Adamcyk; Scott O'Brien
Subject: Re: Cost vs Progress

Good point!

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Carlos Fernandez
Sent: Friday, November 21, 2014 2:15 PM
To: Desmond Tranquilla
Cc: Bruce Hallock; Ed Bush; George Chehab; Hisham Geres; Mel Melhem; Mike Collins
Subject: Re: Cost vs Progress

Dear All,

Under a Risk Management Perspective, event described in the traffic of e-mails qualifies as an "ISSUE" - "CHALLENGE".

Please don't use the word risk, because apparently there is certainty in the audience that it will happen, as you know risk are related with "uncertainty" and this event doesn't have this characteristic. This event is the present situation not the future.

Making a simple analogy to understand this "Issue" "Challenge" please see example below:

1. A fire started in the first floor of the house, you are not going to tell me that you will analyze the risk of having the second floor of the house catching fire (burned). You will respond immediately to the issue, fight the fire in the first floor, deal with the "Issue" "Challenge" of the fire.

Going back to the situation with Astaldi, apparently there is a lot of calculation and estimates forecasting that the LMAX will be spent and not aligned with the expected physical progress of the scope of work. Because of it, we need to respond to this "issue" "challenge" right now.

Proposal:

Log this event as an "ISSUE" in the LCP Risk Management tool and develop actions to respond to this event.

Tentative actions to be considered:

1. Review commercial strategy to set-up control parameters (metrics, thresholds) for the labor component in relation to the physical area and payment items (e.g intake, powerhouse, transitions dams and spillway).
2. Perform productivity monitoring (surveillance - audit) of contractor crews for physical area and correlate to the physical progress achieved. (relation quantity - labour hours)
3. Identify gaps in the crews related to actual performance compared to planned performance. (external elements associated: field supervision, logistic, construction support, planning and sequencing of activities, etc)
4. Compare actual performance rates (units/time) against planned rates. Identify recovery plans.

Regards,

Carlos Fernandez, MBA, PMP

Deputy Project Control Manager

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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?

Desmond Tranquilla---11/21/2014 12:22:35 PM---Hi Bruce,

From: Desmond Tranquilla/NLHydro

To: Mike Collins/NLHydro@nlhydro, Bruce Hallock/NLHydro@nlhydro, Ron Adamcyk/LCP/NLHydro@nlhydro,

Cc: Scott O'Brien/NLHydro@nlhydro, Mel Melhem/NLHydro@nlhydro, Hisham Geres/NLHydro@nlhydro, Ed Bush/NLHydro@nlhydro, George Chehab/LCP/NLHydro@nlhydro, Carlos Fernandez/LCP/NLHydro@nlhydro

Date: 11/21/2014 12:22 PM

Subject: Re: Cost vs Progress

Thanks all! I view this as quite important

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mike Collins

Sent: Friday, November 21, 2014 11:39 AM

To: Bruce Hallock; Ron Adamcyk

Cc: Scott O'Brien; Desmond Tranquilla; Mel Melhem; Hisham Geres; Ed Bush; George Chehab; Carlos Ferna

Subject: Re: Cost vs Progress

Hi Bruce,

We have been discussing the risk of us reaching LMAX well in advance of the work progress through Astaldi's ability to bill us an unlimited Labor amount against any particular line item.

Wondering if you and Ron could find an interpretation in the contract to allow us to limit the amount of labor they can charge against any line item or area. This will form part of our risk mitigation strategy for this risk item.

Regards,

Mike Collins, P.Eng

Mgr. Civil Coordination

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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?

Desmond Tranquilla---11/17/2014 12:39:50 PM---there should have been a max of labor to be charged against each line item including mobilization D

From: Desmond Tranquilla/NLHydro
To: Mike Collins/NLHydro@NLHYDRO,
Cc: Scott O'Brien/NLHydro@NLHYDRO
Date: 11/17/2014 12:39 PM
Subject: Re: Cost vs progress

there should have been a max of labor to be charged against each line item including mobilization

Desmond Tranquilla

Muskrat Falls Site Management

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Mike Collins---11/17/2014 12:23:12 PM---From: Mike Collins/NLHydro To: Desmond Tranquilla/NLHydro@nlhydro,

From: Mike Collins/NLHydro

To: Desmond Tranquilla/NLHydro@nlhydro,

Cc: Scott O'Brien/NLHydro@nlhydro

Date: 11/17/2014 12:23 PM

Subject: Re: Cost vs progress

One of our biggest risk is running up on LMAX in a yr with more work remaining than the bonds we have available. There should be a cap on labour per area to slow it down.

On Nov 17, 2014, at 9:31 AM, "Desmond Tranquilla" <DesmondTranquilla@lowerchurchillproject.ca> wrote:

I know it does not need to be stated but as of right now the ch0007 file has consumed 25 percent of the labor budget but is only 4 percent complete.

Aside their schedule for the spillway needs to reflect the actual progress to date and thus show the expected run out to spring or early summer of 2015. Right now they are to have the spillway poured up to level 5 and they are at or just above level 1 on average.

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