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To: lanceclarke@lowerchurchillproject.ca
Subject: Ron's Concerns re Astaldi
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Lance

I had a good chat with Ron today - he was very calm and logical but concerned. Ed Martin has been sending a few emails to him - I have not seen them but I could see that Ron felt the weight of accountability of the progress at MF .

So we talked through things and he has asked Ed Bush to spend some time at site and do an assessment of the current status, performance of concrete pours and how that fits to their schedule and concrete placement targets. Ed Bush is also meeting with the new Construction manager at site and Bill Knox.

Ron was clear that he is not advocating any action that would jeopardize the Astaldi Contract or our commercial situation.

I told him that you and I had talked about the same concern and that we need to get ourselves aligned on this and we need a day out of the office to really work through this and so we will need data to be able to take this from gut feel and intuition to some real analysis and projection forwards.

So the steps I recommended we take are as follows

- 1 Assess and Evaluate current Astaldi performance and progress as compared to the approved schedule wrt concrete pours, concrete placement versus targets
- 2 Analyze and project forward the current performance and determine the likely outcome if nothing changes
- 3 Identify potential improvements (or suggested actions) that would enhance the likely outcome and quantify the most relevant improvements and list these by priority
- 4 Commercial impact - determine how best we can communicate the analysis to Astaldi CEO/Senior VP's - showing the likely outcome with status quo and the impact of selected improvements - note that this needs to be a coordinated commercial/technical/construction strategy that walks the fine line between suggested improvements and instruction with the obvious claim aspect in our minds at all times.

One idea is to use the upcoming Astaldi CEO meeting to communicate our analysis - the status quo outcome and the impact that improvements could make if Astaldi take them on board. Again a commercially sensitive move and we will have to get alignment at our level, with Gilbert and Ed Martin in sequence.

5 Prepare an overall implementation plan to cover the points above and ensure full alignment with Site, internally and up the chain of command to Ed Martin- we have to show that we have data, analysis and have a plan to get to a better outcome schedule wise.

This analysis will also determine when we should be scheduling other contracts such as the dams and the N Spur - because if we are giving artificial and unachievable dates to those contractors and pushing for an award and start/end date that do not hold up then we need to manage that appropriately and ensure we are not making a bad situation worse.

So lets aim for a few of us to get together as early as this week or no later than the end of next week to pull our thoughts/ideas together on this one

Regards Paul

Paul Harrington

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