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**Subject:** Prosecc - Plan B: Bid Evaluation and Award Recommendation - Slide Deck  
**Date:** Sunday, November 13, 2016 8:42:57 PM  
**Attachments:** [.png](#)  
[Bid Evaluation and Award Recommendation D- Slides.pptx](#)

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Paul - Attached please find the deck that was presented to Gilbert, Lance and Scott. Gilbert was provided with 2 hard copies, with the intention that he would try and review with Stan late last week (Thursday afternoon or Friday)

As indicated in the 'Next Steps', it is recommended we commence final negotiations with the preferred bidder immediately, with the intention to award an LNTP as soon as possible.

On a further note, in my discussions with Gilbert, Lance and Scott, I am recommending we 'cut the cord' with Astaldi and move on with a Plan B constructor. In my opinion, continuing with Astaldi will not lead to any semblance of success but, instead, will lead to further schedule slippage and increasing costs (as evidenced by Astaldi's stance in the commercial negotiations). Astaldi's productivity is, from what I am being told, deteriorating and the I am hearing that the CM team is unravelling.

I would like to further discuss, and I (as General Project Manager) would like to share my viewpoint with Stan. I will be on site tomorrow - let's discuss when I return.

Thanks,

Ron



Bid Evaluation and Award Recommendation D- Slides.pptx

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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?

# CH0010 – Intake, Powerhouse and Transitions Dams: Remaining Construction

Bid Evaluation & Award Recommendation

09-Nov-2016

Boundless Energy



Take a  
**MOMENT**  
for Safety

# Agenda

- Purpose
- Background
- Scope
- Bidder Overview
- Evaluation & Scoring
- Recommendation
- Commercial Considerations
- Next Steps

# Purpose

- To provide the results of the Bid Evaluation, and to seek approval to proceed with award to the preferred bidder.

# Background

- There exists the risk that the CH0007 Contractor may default, terminate or abandon the work, and there is the possibility that LCP may terminate the CH0007 Contractor.
- LCP has developed a 'Replacement Contractor Strategy' as part of contingency planning.
- Contingency plan includes for bidding and awarding Package CH0010.

# Scope of Work: 2 Phased Approach

- Phase 1:
  - Familiarization / understanding of remaining scope, existing resources/infrastructure, status of work
  - Planning and critical preparatory activities – ‘Transition Plan’
  - Reach high ‘state of readiness’ as quickly as possible
- Phase 2:
  - Execution of the remaining work
- Scope of Work detailed in RFP document.

# Bidders

## Bidders List:

- H.J. O'Connell
- Pennecon Heavy Civil Ltd. (PHCL)
- Kiewit

## Bid Submissions:

- Pennecon Heavy Civil Ltd. (PHCL)
- Kiewit-O'Connell Partnership



# Bidder Selection Criteria

## (per Replacement Contractor Strategy)

- Recent successful major civil work execution (preferably on LCP)
- Demonstrated successful local labour management experience
- Proven people, processes and systems
- Local cold climate experience
- Relevant hydro / heavy civil experience
- Commitment and ability to maintain existing working infrastructure, organizational structure, and people to best advantage (i.e. won't throw out the baby with the bathwater)
- Availability of experienced resources

# Bidder Selection Criteria (Cont'd)

- Reputation for safety and environmental stewardship
- Organizational commitment
- Site specific experience
- Knowledge and experience with LCP processes and systems

# Bidder Overview

## **Pennecon Heavy Civil Ltd.**

### **Pros**

- Solid execution team – strong PM and CM
- Strong desire to work closely with LCP team
- Strong focus on retention of existing site team, subcontractors and suppliers
- Focus on tapping into existing CH0007 team members' inputs into execution and craft selection
- 'Right-sized' execution plan
- Previous Muskrat Falls experience - knowledge of site/resources/infrastructure, and apparent intent to maintain existing site structure
- Does not intend to reinvent the existing construction execution plan – validate and execute approach
- Best team to ramp up fast / maintain momentum
- Strong commitment – high priority – reputation building - 'more skin in the game'
- Not as likely to 'load up' the job
- Adequate systems
- More experience working under SPO at MF
- CM has intimate knowledge of winter work methods (Thermal Control Plans)
- CM has knowledge of opportunities to streamline site management org.

### **Cons**

- Limited redundancy for key management staff
- CM org missing some key functions
- Engineering manager somewhat weak (new resource proposed in presentation)

# Bidder Overview (cont'd)

## Kiewit - O'Connell Partnership

### Pros

- Solid execution team
- Strong resource base / people who worked under Kiewit system
- Robust systems
- Were involved in takeover of Hibernia GBS

### Cons

- Execution plan (per presentation) out-with RFP requirements and conflicted with KOP's formal proposal – does not favor high state of readiness
- Limited commitment to retain existing staff
- Uncertainty regarding retaining existing subcontractors / suppliers
- Limited previous Muskrat Falls experience
- 'Cold start' approach – lengthy start-up
- HJOC has very limited role / influence (i.e. HJOC labour manager's influence)
- Negative view of labour
- Org. gaps – engineering / mechanical & electrical management

# Evaluation and Scoring

- Evaluation followed approved Bid Evaluation Plan signed on Oct 18, 2016
- Evaluation team consisted of RP, KM, BK, & EB
- Evaluation team supported by other LCP groups, on 'as required' basis.
- Evaluation Criteria
  - Commercial
  - Execution Plan
  - Organization and Key Staff

# Bid Evaluation – Commercial

## Commercial Bid Tabulation

Date: Nov 3, 2016

RFP CH0010: Intake, Powerhouse & Transition Dams - Remaining Construction

Item	Description	Weight	PHCL		KOP	
			Score (Max 100)	Weighted Score	Score (Max 100)	Weighted Score
1	Commercial Factors	50	40	20	40	20
2	Estimated Cost	50	100	50	81.9	41.0
Overall Weighted Score			70		61	
Overall Ranking			1		2	

**Estimated Cost Scoring:**

- 1. Bidder with lower price assigned score of 100
- 2. Score for Bidder with higher price determined as follows:  
 $100 - [ ((\text{higher price} - \text{lower price}) / \text{lower score}) \times 100 ]$

	Bidder	Bid Tab Score
Lower Price	1	100
Higher Price	2	81.9

Note: Pennecon Heavy Civil Ltd (PHCL)

13 Kiewit O'Connell Partnership (KOP)

# Bid Evaluation – Execution Plan

Execution Plan Bid Tabulation						
						Date: Nov 3, 2016
Item	Description	Weight	PHCL		KOP	
			Score Factor	Weighted Score	Score Factor	Weighted Score
<b>PHASE 1</b>						
1	Objectives and Approach - Ability to Achieve a High State of Readiness Quickly	10	0.75	7.5	0.25	2.5
2	Transition Plan	10	0.75	7.5	0.25	2.5
3	Staff Mobilization Timeline	5	0.75	3.75	0.75	3.75
<b>Subtotal Phase 1</b>		<b>25</b>		18.75		8.75
<b>PHASE 2</b>						
4	Objectives and Approach - Transition Plan Implementation	15	0.75	11.25	0.25	3.75
5	Mobilization of Resources and Integration of Existing Astaldi Staff	10	1	10	0.5	5
6	Approach Related to Existing Subcontractors, Equipment and Suppliers	10	1	10	1	10
7	Computer Systems	2	0.75	1.5	1	2
8	Construction Execution Philosophy	30	0.75	22.5	0.75	22.5
9	Post-Submission Presentation (Understanding of Company requirements, prepared to work "with" Company, consistency with proposal, etc. )	8	1	8	0.5	4
<b>Subtotal Phase 2</b>		<b>75</b>		63.25		47.25
<b>Overall Weighted Score</b>		<b>100</b>		<b>82</b>		<b>56</b>
<b>Overall Ranking</b>				<b>1</b>		<b>2</b>

# Bid Evaluation – Org. & Key Staff

Organization & Key Staff Bid Tabulation						
					Date: Nov 3, 2016	
RFP CH0010: Intake, Powerhouse & Transition Dams - Remaining Construction						
Part	Description	Weight	PHCL		KOP	
			Score (Max 100)	Weighted Score	Score (Max 100)	Weighted Score
A	Organization	40	80.5	32.2	82.5	33
B	Key Staff	60	97.3	58	100	60
Overall Weighted Score			91		93	
Overall Ranking			2		1	
<b>Key Personnel Scoring:</b>						
1. Highest Part B Score from worksheets assigned score of 100						
2. Other Bidders' score determined as follows:						
<b>100 - [ ((highest score - Bidder Score)/ highest score) x 100 ]</b>						
				<b>Bidder</b>	<b>Bid Tab Score</b>	
Highest Bidder Score			924	KOP	100	
Next Highest Score			899	PHCL	97.3	



# Bid Evaluation – Weighted Scores

Overall Scoring Bid Tabulation						
						Date: Nov 3, 2016
<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>RFP CH0010: Intake, Powerhouse &amp; Transition Dams - Remaining Construction</b> </div>						
Item	Description	Weight	PHCL		KOP	
			Score (Max 100)	Weighted Score	Score (Max 100)	Weighted Score
1	Commercial	20	70	14	61	12
2	Execution Plan	40	82	32.8	56	22.4
3	Organization & Key Staff	40	91	36.2	93	37.2
<b>Overall Weighted Score</b>			<b>83</b>		<b>72</b>	
<b>Overall Ranking</b>			<b>1</b>		<b>2</b>	
		Note:	Pennecon Heavy Civil Ltd (PHCL) Kiewit O'Connell Partnership (KOP)			

# Recommendation

- Pennecon Heavy Civil Ltd. is recommended by bid evaluation team
- Defining Factors
  - Compliance with LCP Requirements
  - Management commitment
  - Focus on maintaining momentum
  - Solid Project Team & Execution Plan

# Next Steps

- Start final negotiations with PHCL immediately, including addressing the bidder's perceived cons
- Issue LNTP to PHCL for Phase 1 by 15 Nov., as scheduled
- Finalize Master Services Agreement\* and execute (for Phase 1)
- Arrange for PHCL to set up in space contiguous to LCP office
- Set up LCP management / interfacing team
- Notify CH0007 Contractor ?

\* Phase 2 will require a separate Civil Works Agreement

Sharing our ideas in an open and supportive manner to achieve excellence.

# Teamwork

# Open Communication

Fostering an environment where information moves freely in a timely manner.

# Honesty and Trust

Being sincere in everything we say and do.

Relentless commitment to protecting ourselves, our colleagues, and our community.

# Safety

# Respect and Dignity

Appreciating the individuality of others by our words and actions.

# Leadership

Empowering individuals to help, guide and inspire others.

Holding ourselves responsible for our actions and performance.

# Accountability

# Backup Slides

# Perspectives

- Major scopes being performed by competent subs
- Shop drawings ~ 90% complete. Therefore, no engineering hold-ups.
- Spillway completed.
- Transition dams essentially completed.
- All required infrastructure in place.
- All required equipment in place.
- Rock foundations all covered.
- Foundation grouting programs > 80 % complete
- Crushing completed – all aggregates in place.
- Staffing in place – management change out only.

In summary – all the ingredients are there !!

# Pennecon - Perspectives

- PM built Waskwatim (mirror image) powerhouse
- CM turned Astaldi around late 2014/early 2015
- Many of the existing CH0007 CM superintendents etc were brought in by CM
- May be able to leverage synergies CH0009. At very least, will have significant resources which can help if required.

# Kiewit-O'Connell - Perspectives

- Estimate of craft hours significantly understated – clarification response ‘wobbly’
- KOP will likely ‘load up’ the job
- Exposure to much higher indirect costs (i.e. 3/1 craft/staff ratio)
- Mark-ups higher than PHCL
- Apparent tendency to ‘work around’ the LCP project team