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Subject: Meeting with Barnard - Bozeman Montana
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Here is a brief rundown of our meeting with Barnard 18th Sept 2014 in Bozeman MA

Purpose of visit - To personally deliver the message that Nalcor consider Barnard to be an important bidder with a lot of RCC experience and we understood that there Barnard had some reservations regarding bidding and we wanted to address those face to face.

Results- The three main concerns that Barnard have are:

Astaldi - is it worth Barnard's time and money to bid because Astaldi are on site already and nalcor just want a check bid from Barnard?- we responded that Astaldi do not have a deal with Nalcor for the North and South dams , we have not negotiated with them for this work and in fact we hesitated in putting them on the bidders list because we wanted to ensure the base scope is not compromised by adding more scope and thereby threatening the whole project - it was clear they thought Astaldi had a slow start and were not on schedule - we simply stated that Astaldi had a slow start but have committed to hitting the contract schedule and milestones however we did say that Astaldi had their hands full with the base scope. I believe we managed alleviated their concerns somewhat.

Labour Productivity and labour risk - this was a major concern with Baranard and although we indicated that with good management, supervision and work planning the workers will deliver and that the bad productivity reputation that NL has is a product of poor management, supervision and work planning. Also the LCP labour agreement is productivity friendly however the Contractors need to understand what it contains and not simply allow the Unions to revert to the old ways with the poor productivity that goes along with that. They were not convinced and asked for some target price/ cap contract clause that would allow upside to be shared with a cap. They also asked for greater clarity and meetings with unions on some specific issues they had regarding carpenters, iron workers and teamsters that they observed when on site that concerned them. Composite crews were also an issue that they wanted to fully understand how that would work.

Process - Barnard were concerned that they were invited to bid but Nalcor would not follow process and simply negotiate with one of the bidders - this could be Pennecon input making reference to the Valard situation. We indicated that this would be a bid process and that we would evaluate technical and commercial separately and then decide and we are aware that RCC placement is not a simple task and experience and quality is critical in any evaluation. (we need to check our scoring and make sure that experience and quality is scored appropriately for this work/contract). I believe we provide the reassurance that we would follow process.

So to sum up (Lance pls add your views to my assessment) in my view Barnard would certainly not have put in a bid without our face to face meeting and it is still touch and go if they do - so our response to the three points noted above will go a long way to firm things up with Barnard and attract a competitive bid.

Regards Paul

Paul Harrington

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