

From: pathussey@lowerchurchillproject.ca
To: scottobrien@lowerchurchillproject.ca
Subject: Confidential
Date: Friday, April 11, 2014 6:15:51 AM
Attachments: [.png](#)
[140327_BARNARD_WITHDRAW.pdf](#)

Just saw the Barnard letter for the first time. As usual on these packages I am left out of the process (although some think I should be involved). But others want to be front and center on these.

Forget that little venting. This contractor raises some good points and I have heard some of it before. We were all focused on Astaldi doing this work hence no planning. Then when they blew the price out of the water we are now scrambling to get a bid for north spur and scramble to find someone to bid the dams. I think the contracting community are sticking their finger up to us and are saying you got in bed with Astaldi so good luck to you.

Pat Hussey

Supply Chain Manager

PROJECT DELIVERY TEAM

Lower Churchill Project

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----- Forwarded by Pat Hussey/NLHydro on 04/11/2014 06:12 AM -----

From: Ron Adamcyk/LCP/NLHydro

To: kevin.ellerton@barnard-inc.com,

Cc: Ed Over/LCP/NLHydro@NLHYDRO

Date: 04/10/2014 06:01 PM

Subject: CH0008 - WITHDRAWING FROM BIDDING - DEBRIEFING

Kevin,

We have been asked to do a debriefing with Barnard to better understand your reasons for withdrawing. You have listed your reasons in your letter to us (attached); however, and in a constructive manner, we would like to verify that we have a complete understanding.

We would appreciate it if you would participate in a conference call tomorrow at 2 PM your

time. The call-in number is as follows:

1-877-216-4736

Conference Code: 6755-8310-85



140327 BARNARD WITHDRAW.pdf

If you prefer to have the call at some other time, please advise us.

Kind regards,

Ron Adamcyk

Senior Contract Administrator

PROJECT DELIVERY TEAM

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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?

From: [Kevin Ellerton](#)
To: [Adamcyk, Ronald](#)
Subject: CH0008
Date: Thursday, March 27, 2014 20:33:57
Attachments: [3282_001.pdf](#)

Ron,

As discussed with you on the phone yesterday, we have the following concerns with the CH0008 package that has caused us to decline bidding your project. We hope these comments are constructive and will lead to better package development in the future. To date, we have bid 5 separate packages of work for Nalcor and see a recurring theme which causes us concern. We have provided comments for your CH0009 package that we hope will be addressed should our team be invited to propose in an effort to satisfy the commercial and technical concerns we currently have.

CH0008:

SNC/Nalcor Team

The lead team members of SNC/Nalcor did not present the project well during the site visit, which causes concern about their buy-in to the project and their involvement in the actual construction. Like other packages, the SNC/Nalcor representatives appear to only focus on getting bids, and not focused on how the project would run from start to finish. The hand over affect from the Engineer/Owner positions add risk to the project in our eyes.

Slide Risk

We are concerned about the additional sliding potential of the project. Q&A confirmed that this risk would remain a contractor risk which we are un-willing to accept. In addition, the geotechnical report (not part of the contract documents) and the requirement of having a Geologist on-site directing the work of the contractor; being a liaison with SNC, is not acceptable risk. We are faced with either excluding this requirement or not bidding the project. We would suspect many bidders to just exclude part or all of these requirements.

Dewatering Risk

The current requirements (1 meter below the foundation) and the provision for “sumps” is not an acceptable dewatering methodology for us. Although we are not required to rely solely on sumps, the added commercial provision (bid item) can allow other contractors to rely on its use as a sole remedy. Should the method not work, they would present a claim to Nalcor. Since we would not rely on the sumps, we would be at a bid disadvantage over other contractors who would rely on the sump method.

Variable Scopes of Work

Without a Bid Bond submitted with a bid, contractors are free to exclude items of work they deem would give them a bid advantage. For example, bidders may choose to exclude housing for their workers. The bid would be lower, yet SNC/Nalcor would have to determine what to add to their bid for the extra cost, or accept their bid and find accommodations elsewhere, like the Main Camp. These kinds of exclusions provide bidders with differing scopes of work, and force SNC/Nalcor to evaluate differing scopes. The risk to the bidders is that they may get kicked out of

the running, but there is no penalty for not quoting the base bid.

CH0009 concerns that should be address prior to the bid being tendered:

RCC and Rockfill Materials

Are all the materials available for this scope of work, or will an additional quarry need to be prepared? Do all the existing stockpiled materials meet the technical requirements of the project?

Staging Areas

Is there additional access and staging areas available for the work, or will their be overlap with the CH0007 contractor?

CH0007 Contractor

Will Astaldi be allowed to bid the project?

Coordination with the CH0007 Contractor

What overlap will cause potential impacts to our ability to build the project? What interface agreements are set in place to encourage two separate contractors to get along? We would suggest an interface incentive bonus.

What is the timing of the Prequal or Bid

The CH0008 prequal was a full year in advance of notice or the bid documents. Thru repeated requests, no one could tell us when the project would be out for bid. Contractors need to plan well in advance which projects they are pursuing. A project that jumps out of nowhere can put a contractor in a position to not have enough resources to bid the project.

Constructability

Has SNC performed a constructability review of the project specs and methods to validate the work is constructible?

We hope these comments are constructive and not taken as our excuse for not bidding. We look forward to being invited to participate in other projects for Nalcor.

Thanks

Kevin

BARNARD

People building for People.

Kevin Ellerton

Vice President & Operations Manager

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