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**To:** [Gilbert Bennett](#); [Ron Power](#); [Paul Harrington](#)  
**Cc:** [Lance Clarke](#)  
**Subject:** Fwd: Astaldi Action Plan VEO Prep - 15-July-2014 rev 1  
**Date:** Wednesday, July 16, 2014 6:43:04 PM  
**Attachments:** [.png](#)  
[Astaldi Action Plan VEO Prep - 15-July-2014 rev 1.pptx](#)

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Gents

Sent on Lance's behalf. We'd like to have comments tomorrow if possible as the goal is to get a version to Ed by tomorrow.

Thanks

Scott

**Scott O'Brien**

**Project Manager - Muskrat Falls Generation**

**PROJECT DELIVERY TEAM**

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Begin forwarded message:

**From:** "Scott O'Brien" <[sroconsulting@me.com](mailto:sroconsulting@me.com)>

**Date:** July 16, 2014 at 6:09:47 PM ADT


**To:** "Lance Clarke"

<[LanceClarke@lowerchurchillproject.ca](mailto:LanceClarke@lowerchurchillproject.ca)>, "Scott O'Brien"

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**Subject:** Astaldi Action Plan VEO Prep - 15-July-2014 rev 1

Sent from my iPhone 

# Lower Churchill Project

## Astaldi Action Plan

15-July-2014

Boundless Energy



Take a  
**MOMENT**  
for Safety

# Grounding Back

- Positive Signs
  - Astaldi acknowledges the gaps
  - Astaldi has desire to fix the issues
  - Astaldi are taking steps to rectify
- Areas for Improvement
  - Questionable to date whether steps taken are sufficient and will result in “sustainable” progress in the field
  - Astaldi appear to have underestimated the magnitude
  - We must remain cognizant of commercial games

# Grounding Back - Goals

- Short Term
  - Mobilization of Astaldi's Key Management Team Resources to Support the Work
  - Task Force Focus Areas on Critical Milestones
  - Planning Support to Produce Project Baseline
  - Expedite Crushing and Batch Plant Readiness
  
- Medium Term
  - Continued Population of Astaldi Management Team Resources
  - Recruitment of Astaldi Construction Supervision Resources
  - Focus on Completion of ICS Without Impact to Powerhouse Program
  
- Long Term
  - Get the powerhouse delivered on time and budget

# Nalcor Gameplan for Astaldi

- Key Areas of Focus
- Maintaining Pressure
- Commercial Preparedness
- Strategic Options

# Key Areas of Focus

- Project Management-leadership-supervision-recruitment
- Planning
- Readiness review
- Execution support- regular meetings especially productivity
- Subcontractor management
- Remove obstacles and excuses, ie timeliness
- Productivity Labour performance
- Reputation

# Priority Activities

- High Priority Milestones Established
  - Crushing Operation and Batch Plant Fully Operational
  - Spillway First Pour
  - ICS Ready for Occupancy
  - Powerhouse First Pour
- Astaldi has Established Task Force Approach Aligned to High Priority Milestones
  - Team Members Pending (Mobilization from South America Operations)
  - Nalcor Responsible Team Members In Place to Steward to Milestone Completion
- Readiness Review Process Initiated to Establish Action Plan to Achieve Milestones
  - Comprehensive People, Processes and Systems Approach Across All Readiness Aspects
  - Includes Visits to Key Astaldi Subcontractors
  - Review Outcomes Will Include Specific Deliverables Necessary for Successful Milestone Completion
- Daily and Weekly Operational Meetings Continuing with Astaldi to Provide Focus in All Necessary Areas
  - Specific focus on Labour Productivity and use it as a means to help Astaldi without directing them



# Priority Activities

- Focus on Schedule Development with Astaldi
  - Planning Team Working with Astaldi to Complete Astaldi's Baseline Schedule
  - First Schedule Review Complete
  - Short Term Focus on 3 week Look Ahead Schedule to Achieve Short Term Execution Goals
- Management and Construction Supervision Resource Gaps is a Primary Concern
  - Astaldi Commitment to Mobilize Construction Management Resources from South America Project Teams
  - Construction Supervision Resource Identification Within Local Community Ongoing
  - Submission of Possible Candidates has occurred and will continue
- Nalcor must ensure all excuses are removed, ie no get out of jail free cards
  - Regular commercial and PM meeting on this topic
- Reputation management - Astaldi must build it's reputation and Nalcor needs to help with this. We should hold regular session and assign a team member
- Regular productivity performance meeting in place

# Maintain Pressure - Daily Focus

- How do we maintain daily focus and pressure?
  - Operational level meetings daily
  - Weekly Productivity meeting
  - Weekly Steering meeting
  - Regular reputation meeting
  - Need to ensure that themes at steering and operational level are the same-Consistency is key
  - Help them where we can without doing their job

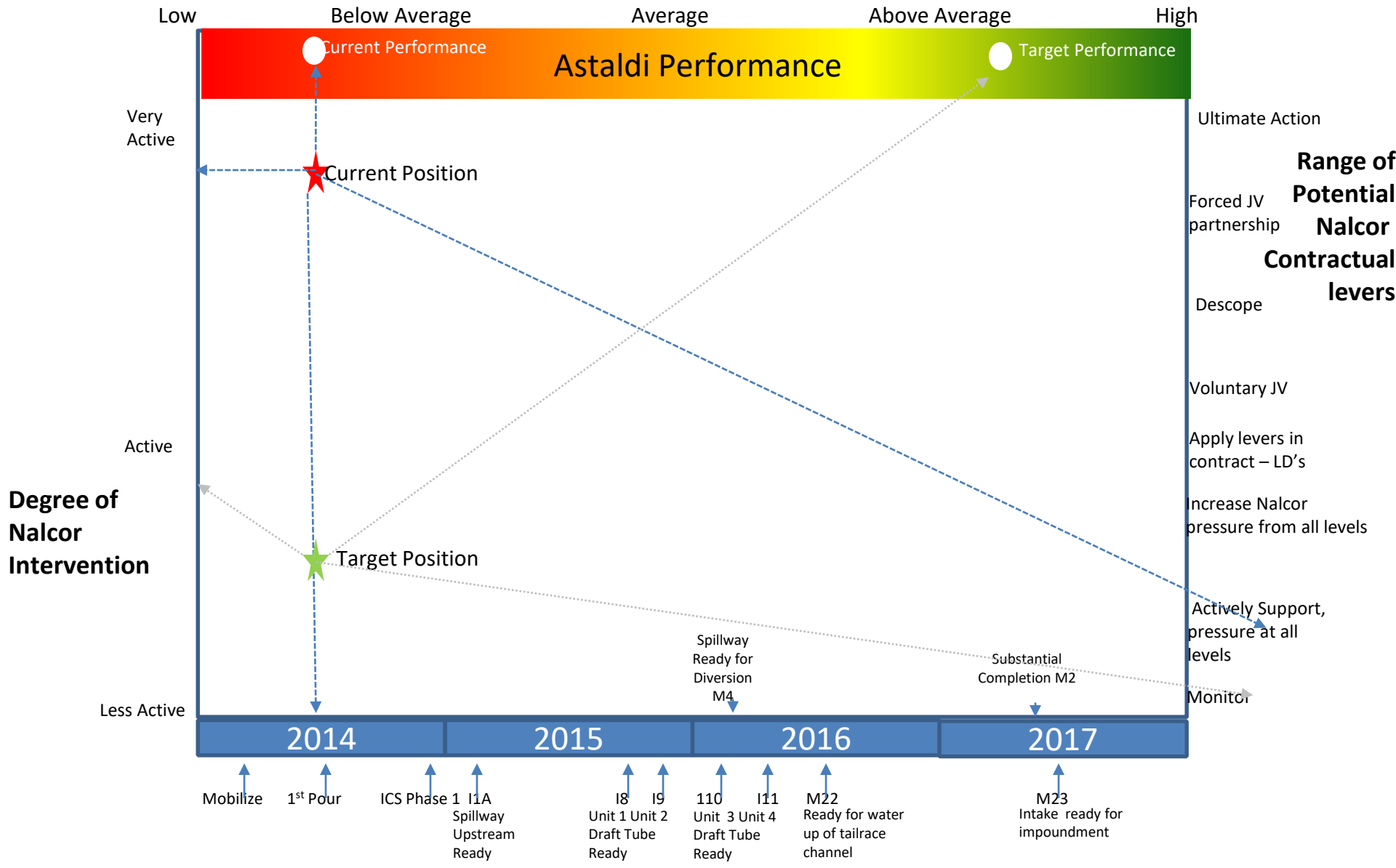
# Commercial Preparedness

- Commercial team at site and St. John's aligned
- Bruce Hallock, Lance Clarke, Phonse Kelly to lead
- Project Commercial readiness review by KPMG to take place with focus on Astaldi
- Examples of commercial focus items
  - Ensure all queries responded to
  - Close any recurring complaints
  - Actions must close on time
  - Stop all change orders, etc.

# Strategic Options

- Short and mid term plans
  - Maintain the pressure, follow on with the Key Focus Areas, continue to add structure around Astaldi and escalate pressure day to day
- Long Term Options moving forward (See next slide)
  - 1) Contractor Partnership - JV support to descoping
  - 2) Remove and replace
  - 3) Integration-insert field personnel, second, direct the work
  - 4) etc.
- Lower performance and more critical the Milestone the more extreme the action required

# Nalcor Strategic Involvement Options Over Time versus Astaldi Performance



# Recommended Action at this Point

- Maintain pressure daily
- Increase structured communication to Astaldi, meeting registers, action lists and letters
- Add resources to Nalcor if necessary-under review
- Let Astaldi Executives know that performance level must increase
- Request senior Rome assignment
- Winter Readiness review that will trigger escalated action if poor
- Encourage a JV through CH0009 bid

# Key Messaging for Astaldi

- Ed to send message to Astaldi CEO that he is aligned with team and expects Astaldi's cooperation and support
- Messages to be delivered by Project Team are:
- We have seen globally what Astaldi can do but it is still not here
- We have helped a lot and will continue to, we do not expect commercial kickback when we help
- Will suggest, in an appropriate way, that they need a partner
- We will do further readiness assessments to determine any future actions over the next month

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