

From: ronpower@lowerchurchillproject.ca
To: scottobrien@lowerchurchillproject.ca; lanceclarke@lowerchurchillproject.ca
Cc: [Gilbert Bennett](#); [Paul Harrington](#)
Subject: Re: Fwd: Astaldi Action Plan VEO Prep - 15-July-2014 rev 1
Date: Thursday, July 17, 2014 4:29:28 PM
Attachments: [.png](#)
[Astaldi Action Plan VEO Prep - 15-July-2014 rev 1.pptx](#)

Scott / Lance - based on what I heard in today's Steering Committee meeting, I would like to review this deck and its messages in a team setting.

Let's do that tomorrow before sending anything to Ed Martin.

thanks

Ron Power

General Project Manager

PROJECT DELIVERY TEAM

Lower Churchill Project

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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?

Scott O'Brien--07/16/2014 06:43:06 PM--From: Scott O'Brien/NLHydro To: Gilbert Bennett/NLHydro@nlhydro, Ron Power/NLHydro@nlhydro, Paul Harrington/NLHydro@nlhydro,

From: Scott O'Brien/NLHydro

To: Gilbert Bennett/NLHydro@nlhydro, Ron Power/NLHydro@nlhydro, Paul Harrington/NLHydro@nlhydro,

Cc: Lance Clarke/NLHydro@nlhydro

Date: 07/16/2014 06:43 PM

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

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
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Begin forwarded message:

From: "Scott O'Brien" <sroconsulting@me.com>
Date: July 16, 2014 at 6:09:47 PM ADT
To: "Lance Clarke" <LanceClarke@lowerchurchillproject.ca>,"Scott O'Brien" <[sro.consulting@\[REDACTED\]](mailto:sro.consulting@[REDACTED])>, "Scott O'Brien" <ScottO'Brien@lowerchurchillproject.ca>
Subject: Astaldi Action Plan VEO Prep - 15-July-2014 rev 1

Sent from my iPhone



Astaldi Action Plan VEO Prep - 15-July-2014 rev 1.pptx

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

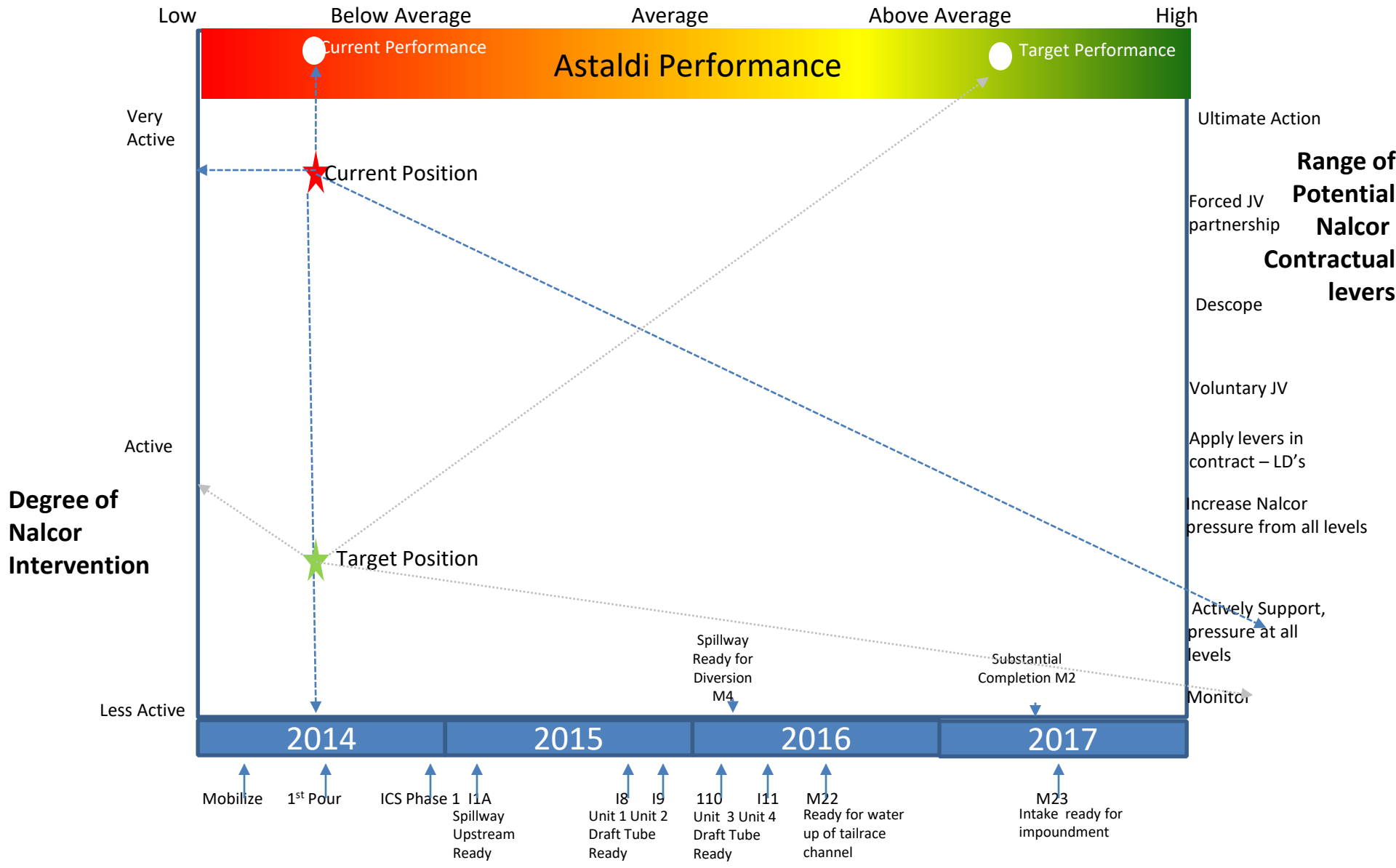
Commercial Preparedness

- 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