

**From:** [Randy Lillard](#)  
**To:** [Jeff Canon](#); [Joaquin Mavares](#)  
**Subject:** Guarenas - black start and transportation of CTGs  
**Date:** Tuesday, July 13, 2010 9:12:58 AM  
**Attachments:** [Binder Guarenas Blackstart Generator Change Order 7-8-10.pdf](#)  
[T1009 - F Cover for Chg Order add Black Start Generator.doc](#)  
[T1009 F Black Start TSD Sec 1 Introduction \(2\).doc](#)  
[T 1009 F Black Start Section 2 Scope of Work \(2\).doc](#)  
[T1009 F Black Start Sec 3 Drawings.doc](#)  
[1009-F-60001\\_01 Model \(ADDED BLACK START\).pdf](#)  
[1009-F-10001\\_01 Model \(ADDED BLACK START\).pdf](#)  
[1009-F-50001\\_01 Model \(ADDED BLACK START\) \(2\).pdf](#)  
[EDC Guarenas Blackstart Pricing Breakout 7-8-10-derwick.xls](#)

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I'd like confirmation that we are to go forward with execution of this black start work. This scope is somewhat different in that I asked WT for a TSD on black start capability and it seemed like I was kind of dragging it out of him. Then all of a sudden we went from that to an email directly from Whisenhunt to Derwick complete with pricing. Since there was no intermediate effort that I know of to establish a budget and pricing for this scope I'd like to make sure we are to go forward with this scope as presented to Derwick.

Also, yesterday, when I was reviewing costs for the project, a new cost of \$650,000 came in for shipping the 3 units from Houston to VZ. I challenged the assignment of this cost to the EPC project number because to my knowledge it wasn't in the EPC scope of work. It's my understanding now that it has been added to the EPC scope but I have not seen a scope description, budget, or pricing for adding this scope to the EPC project.

Since I'm still learning the organization, these 2 events cause me ask: 1) who determines the scope to be done on EPC projects? 2) who determines the budget for this scope? and 3) who determines the pricing for this scope? I know we submitted pricing for the major scope changes that WT estimated, I reviewed, and Joaquin submitted a pricing email to Derwick on but I have no idea if this pricing has been accepted, rejected, modified or being negotiated. On the black start email I don't know if Whisenhunt had your guys blessing or not and what the budget is for the pricing already submitted to Derwick. On the CTGs transportation issue it would be nice to know what the detailed scope, budget, and price is before the actual costs start showing up.

I know it's my job to control project costs. It's taken a little bit of time to get there but I'm now getting project costs, both on-shore and off-shore, in a very timely manner. I'm a new guy here, so I understand why I'm not controlling scope, budget, and pricing issues yet (although I've done this extensively in my past). But I do think that PMs should at least be aware of the detailed scope, budget, and pricing before the costs start coming through. Part of the thrill of working on EPC projects is knowing what the profit was supposed to be for a certain scope of work and then doing what you can to maintain or even increase that profit. And the PM should take that knowledge and thrill and impart that to the managers under him so that they realize how what they are doing increases, or decreases, the bottom line for the project and the company. I understand it's going to take time to transition control of certain functions from just a few people to a number of PMs who are new to the company. However, it's best for the company in the long run that the PMs at least know the detailed scope, budget, price, and costs of the work they are executing in a timely manner.

Randy Lillard

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**From:** Randy Lillard  
**Sent:** Friday, July 09, 2010 1:00 PM  
**To:** Jeff Canon; Joaquin Mavares  
**Cc:** JD Robinson  
**Subject:** FW: Change Order Request for Guarenas Blackstart Generator

Are JD and I to go forward with the black start scope or are we waiting for a response from Derwick/EDC?

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**From:** David Whisenhunt  
**Sent:** Friday, July 09, 2010 12:03 PM  
**To:** Pedro Trebbau Lopez  
**Cc:** Randy Lillard; JD Robinson; Brett Bettinger; Omar Petit; Joaquin Mavares; Kent McAllister; WT Stewart  
**Subject:** Change Order Request for Guarenas Blackstart Generator

Hello Pedro,

Please find attached the TSD and Pricing for the 750KW Blackstart Generator with associated Switchgear and Installation and Commissioning.

I have included both the PDF version and the Word version in case you need to make edits to the format. Please send me back the final version for my files.

I hope that the scope definition and pricing meets yours and EDC's approval.

Regards,

**David Whisenhunt**

*President*

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