

Muskrat Falls departures tied to management style: witness

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Des Tranquilla (left) listens via video call from Saskatchewan to a question from Bernard Coffey, counsel for Robert Thompson, at the Muskrat Falls Inquiry hearing in St. John's Tuesday. — Image Courtesy the Muskrat Falls Inquiry - Contributed

Des Tranquilla says Nalcor Energy lost good middle managers over approach

Des Tranquilla was a Muskrat Falls site manager during the formative years of the project, for about 24 months from 2013 to 2015.

He arrived with a depth of experience, including with large structures like Astaldi's "integrated cover system," but ultimately felt underutilized and left the project.

He testified at the Muskrat Falls Inquiry on Tuesday afternoon by video call from Saskatchewan, and while there were technical difficulties to start, he was eventually heard.

Tranquilla verified letters in evidence from several individuals who had worked directly with Nalcor Energy but then left the project — at least in part — due to the level of decision-making that was happening through St. John's, instead of at the Muskrat Falls construction site.

He said he was in the same boat.

"It's just if I can make that point that the job was managed, it was managed from St. John's, and that was the model that they had chosen," he said.

While on the project, he said he raised red flags over the Astaldi contract, and specifically the approach. He said there should have been a cap on payments for labour per each line item of work. There is not a straight line, one-to-one, between labour cost and the amount of work completed on a contract, but he spoke about a point in time where the labour amounts had run high enough, compared to the work completed, he felt a need to bring it up with more senior members of Nalcor's project team.

"I did raise that with Scott (O'Brien, Nalcor), and I do remember at some point in time Lance Clarke (Nalcor), who was head of business services if I remember correctly, you know he advised me. He said, 'look, Astaldi will do that job for that price regardless. It's their first job in Canada and they want to break into the Canadian market,'" he said.

"And I'm going to be honest. I struggled with that concept."

Tranquilla testified he was able to make decisions at site affecting up to \$250,000 in costs. He was a step above field supervisors, who could approve up to \$25,000, without coming to him. He said his authority was still a "little light" compared to past experiences in large, heavy civil projects.

At the same time, he didn't offer any examples of being unable to complete work as a result of the signing authority.

Lawyer for the Concerned Citizens' Coalition Will Hiscock asked if he thought the management approach, the approach to on-site authority and decision-making, led to failures and additional costs.

Tranquilla resisted at first, saying it would only be an opinion. Hiscock pressed.

Tranquilla said it would all be hard to quantify.

"My gut feeling would be yes," he said.

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