

Undertaking 100**Re: Additional contractor claims****Undertaking to provide labour component*****(Mr. MacIsaac offered to do an executive summary)***

Hydro has completed an analysis to identify the labour component of the overall building construction cost. As the supporting information is made up of information from the prime contractor and numerous subcontractors and suppliers; and the terms of service varies for each subcontractor and supplier (e.g., some are lump sum, some are time and materials); it is not always possible to identify the specific labour component for each item. To complete the estimate of labour for this undertaking, where labour was not specifically identified for a particular item, a ratio of 50% Labour and 50% Materials and Equipment was generally used to estimate the labour component.

The result of the analysis is an estimated total labour cost for the building of \$8,300,000. The total building cost was \$20,038,114. Expressed as a percentage, the labour component of the total building cost is approximately 41%.

As the claim relates to the costs above the \$8,000,000 allowance, which is \$12,038,114, the labour component associated with the claim amount is estimated to be \$4,935,627 (41% of \$12,038,114).

The following table provides a summary:

Total Building Cost	\$ 20,038,114
Estimated Labour Cost	\$ 8,300,000
Labour % of Total Building Cost	41%
Claim Amount (\$20,038,114 - \$8,000,000 Allowance)	\$ 12,038,114
Estimated Labour Component of Claim	\$ 4,935,627