



OTTAWA MAINTENANCE PROJECT
Alstom Canada

1050 Beaver Hall, 18th Floor
Montreal, QC – H2Z 0A5 (Canada)
Phone: +1 (514) 764-1725
Fax: +1 (514) 879-1955
www.alstom.com

Mr. James Messel
General Manager
Rideau Transit Maintenance General Partnership
805 Belfast Road
Ottawa, ON K1G 0Z4

Ottawa, February 18, 2020

Letter No.: ALSMNT-RTM-00184
In reply to: RTM-ALS-LET-0054
Action: RTM
Letter Ref.: RTM-ALS-LET-0049; ALSMNT-RTM-118; ALSMNT-RTM-0083
Subcontract: Second Amended and Restated Maintenance Subcontract dated September 16, 2019 (“Subcontract”); article 34

Dear Mr. Messel,

Alstom is writing to acknowledge the receipt of letter RTM-ALS-LET-0054 dated February 4, 2020, concerning disputed amounts of Hostler invoices (August 2019 – December 2019), and to provide the below clarifications:

Although Alstom provided a proposal for Hostlers to RTM on August 29, 2018 under letter ALSMNT-RTM-0083, Alstom further notified RTM on June 28, 2019 under letter ALSMNT-RTM-118 that additional Hostlers were required because the scope of operations had changed:

- Additional time was taken to get train positioning when decoupling and recoupling trains despite that it was supposed to be have been automatic
- Due to safety concerns, the need for additional hostlers to support the activity was recognized and agreed between Claude Jacobs and Justin Bulpitt.

RTM failed to provide an official response to the concerns raised by Alstom under ALSMNT-RTM-118 expressing the need for additional Hostlers. Considering that it was a critical time for the project to secure trial running, Alstom had no choice but to mitigate any potential safety events or impacts to project activities by increasing the number of Hostlers to perform the necessary number of train moves.

In addition, Alstom reminds RTM that:

- the Hostler service was provided to RTM as a temporary Unmanned Train Operation replacement activity that is not under Alstom’s responsibility under the Subcontract



- Performing the current hostlers' activities require more than 21 FTE, for the reasons already communicated under ALSMNT-RTM-118.
- Alstom will not perform an activity knowing that the safety of its employees may be compromised

Alstom submitted the August Hostler invoice on October 03, 2019, and RTM failed to respond until January 20, 2020, despite the payment terms set out under the Subcontract. Alstom therefore demands payment by RTM of all undisputed amounts relating to the Hostler invoices totaling \$1,686,871.45 as per your letter RTM-ALS-LET-0054, within three (3) Business Days of receipt of this letter.

With regards to the disputed amounts relating to these invoices as well as the number of Hostlers necessary for the coming months, Alstom requests a meeting with RTM in order to come to an agreement between the Parties.

Please note that this letter is related to the hostler invoices only and does not address the other outstanding payments due which will be treated separately.

Alstom reserves all its rights and remedies as may be available under the Subcontract, applicable law, rules, regulations whether at law or in equity with respect to the above, and in no way waives its rights to any disputed amounts it considers owing.

Please feel free to contact the undersigned with any questions.

Sincerely,

A handwritten signature in black ink that reads "R France". The signature is written in a cursive style with a large initial "R".

Richard France
Project Manager

Attachment(s): None

cc: Alex Turner, RTM
Justin Bulpitt, Alstom
Remy Adnot, Alstom
Tarik Goucem, Alstom
Michail Matthiopoulos, Alstom