

1 **Q. Recitals**

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3 **At its 2019/2020 GRA, NP proposed to spend \$1.3 million over the 3-year period**
4 **from 2018 to 2020 on an assessment of its Customer Service System (see NP 2019-**
5 **2020 GRA, page 3 of 11).**

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7 **The EY Report (see EY’s March 2020 report – Customer information system -**
8 **Assessment results and planning recommendations) (page 1) states that in 2019 EY**
9 **was engaged through a competitive tendering process to “*explore modernization***
10 ***options and implementation approaches*” with respect to the current Customer**
11 **Service System.**

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13 **The EY Report (page 4) states “*In 2018, Newfoundland Power engaged EY to***
14 ***perform an assessment of the risks associated with the foundational technologies that***
15 ***support CSS.*”**

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17 **a) If approved, will all bidders on the project implementation work be given a**
18 **copy of the EY reports on the first 2 assignments of the CSS Replacement**
19 **Project?**
- 20
21 **b) If approved, will EY have an advantage over other bidders on the project**
22 **implementation work given that they have already been paid a substantial sum**
23 **of money to gain a thorough understanding of the NP delivery system,**
24 **customer service function and customer base over the past three years when**
25 **other bidders would have to start from ground zero? For example, might EY**
26 **bid \$1 million over its best price knowing that it has a \$1.3 million advantage**
27 **over the next closest bidder?**
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29 **c) Please explain how the solicitation can be considered fair and equitable under**
30 **such circumstances.**

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32 **EY June 2018 report titled “CSS Technical Risk Assessment”**

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34 **A. a) Yes, if approved, all bidders on the project implementation work will be given**
35 **copies of the EY reports on the first 2 assignments of the *CSS Replacement Project*.**
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37 **b) Newfoundland Power is not aware of any competitive advantage with respect to EY**
38 **and the procurement of project implementation services.**

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40 **Implementation services for the *CSS Replacement Project* will be obtained through**
41 **a competitive tendering process. The Request for Proposals (“RFP”) for this**
42 **competitive tendering process will be developed by a third-party Procurement**
43 **Advisor. The Procurement Advisor will be responsible for: (i) ensuring**
44 **comprehensive technical information is included in the RFP; (ii) providing**
45 **objective guidance in evaluating vendors’ proposals; and (iii) providing expertise**

1 during vendor contract negotiations. This expertise will ensure Newfoundland
2 Power selects the least-cost option that meets its requirements.

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4 As outlined in correspondence to the Board, dated October 1, 2020, which vendors
5 will ultimately bid to provide project implementation services will depend on a
6 number of factors. This includes the software solution that is ultimately selected for
7 implementation. Recommendations of specific software solutions were outside
8 EY's scope of work for Newfoundland Power.

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10 The Board has previously considered the objectivity of EY in completing its
11 assessments with respect to the *CSS Replacement Project*. In correspondence dated
12 October 19, 2020, the Board stated:

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14 *“The Board is of the opinion that the mere possibility that Ernst & Young*
15 *may be awarded further work related to the project, following a*
16 *competitive bidding process, does not raise the issue of bias or lack of*
17 *objectivity.”*

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19 In Newfoundland Power's view, the use of an objective third-party Procurement
20 Advisor will help ensure a fair and equitable solicitation process in a manner that is
21 consistent with industry best practice.

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23 c) See part (b).