

71.0 Reference: Report on CFT Process , Exhibit B-1, Tab B, Appendix 9, INRV, Role

2.71.1 Why was the INRV not required to examine the terms and conditions of the CFT contracts, and particularly the EPA vs. the model contracts and perhaps the ICG EPA, to determine if they were reasonable vs. typical industry standards as adjusted for this project, and to ensure they were not biased towards a VIGP solution? Was this considered at any stage, either verbally or in writing?

2.71.1.1 Alternatively, why did BC Hydro not have the INRV review BC Hydro's work that set the terms and conditions to ensure they were reasonable and not likely to discourage competition unduly?

2.71.1.2 Please file all versions of the terms of reference for the INRV, and the RFP issued to those who bid on the INRV job.

2.71.1.3 Please file all responding tenders to the RFP. Pricing may be deleted.

RESPONSE:

As outlined in the Independent Reviewer's Terms of Reference (Appendix 9 of the CFT), the initial role of the Independent Reviewer was to review and report on the fairness of the CFT terms before issue. Accordingly, the Independent Reviewer reviewed drafts of the CFT and the Preliminary Form EPA prior to their issuance on 31 October 2003. This document review allowed the Independent Reviewer to develop its Fairness Framework which focused on competitiveness, fairness and transparency. A key determinant of competitiveness was an assessment of the commercial terms of the CFT, including the EPA terms and conditions.

Throughout the entire CFT process, the Independent Reviewer reviewed and commented on various EPA revisions, culminating in the Final Form EPA issued on 31 July 2004.

- 2.71.1.1 Alternatively, why did BC Hydro not have the INRV review BC Hydro's work that set the terms and conditions to ensure they were reasonable and not likely to discourage competition unduly?

RESPONSE

As outlined in its Initial Report (see Appendix K-1 of the Report on the CFT Process), the Independent Reviewer reviewed drafts of the CFT and Preliminary Form EPA during September and October 2004 as BC Hydro planned and developed the CFT. The Initial Report contains the following statements:

- ***“Our team has received orientation on BC Hydro’s objectives for VICFT and been afforded the opportunity to discuss the development and preparation of the key documents for the VICFT.”***
- ***“IR Team members will monitor all interactions between BC Hydro and bidders as well as internal deliberations of BC Hydro officials throughout the solicitation and evaluation phases.”***
- ***“With this foundation, our judgment is that the VICFT is capable of producing a result that meets the objective for a fair and transparent competition.”***

Following the issuance of the CFT on 31 October 2003, the Independent Reviewer was integrally involved in all subsequent revisions to the CFT and the EPA, including all CFT Addenda. As noted in the response to BCUC IR 2.71.1, a key element of the Independent Reviewer’s Fairness Framework was competitiveness, which included an assessment of the scope of the CFT and its commercial terms.

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2.71.1.2 Please file all versions of the terms of reference for the INRV, and the RFP issued to those who bid on the INRV job.

RESPONSE

Attached is a copy of the Invitation for Proposals for Independent Reviewer services which was issued on July 29, 2003. The request for proposals contains a Scope of Work description which includes a 4-page terms of reference. The Terms of Reference contained in the CFT issued on October 31, 2003 (see Appendix 9) represent a condensed summary of the Scope of Work outlined in the Invitation for Proposals.

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2.71.1.3 Please file all responding tenders to the RFP. Pricing may be deleted.

RESPONSE

This Information Request is out of scope.