

# Distribution Underground (DUct) Construction

## Contractor Engagement Event Discussion Summary – Kamloops – Jan 11 2018

The Distribution Underground Construction (DUct) Contractor engagement events and summary have been provided for information purposes only and does not form part of the finalized information to be included in the Request for Proposal (RFP) intended to be issued to BC Bid in 2018. BC Hydro does not warrant the accuracy, correctness, reliability or comprehensiveness of the information provided at these events or this summary and any related information. The recipient acknowledges and agrees that BC Hydro and its directors, officers, employees and agents shall not be liable to the recipients (or its directors, officers, employees or agents) and any other person for any damage, injury, cost or losses of a direct, indirect, consequential, general, special, exemplary, punitive or other damages of any kind whether based in contract, warranty, indemnity, tort (including negligence), strict liability or otherwise including (without limitation) loss of revenue, loss of profit, increased operating costs, loss of production, loss of opportunity, cost of capital or financing arising out of or in connection with the January 11 and 25, 2018 engagement events, this summary or any related information, including, without limitation, the reliance upon this information for purposes of the Distribution Underground Construction RFP or any changes made to the information provided in the January 11 and 25, 2018 engagement events and this summary.

**SAFETY**

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p><b>Does BC Hydro expect Contractors to develop a process to report good catches, near misses &amp; incidents?</b></p>	<p>BC Hydro expects its general Contractors to have the same mind-frame around safety; that it be on the fore front of everyone's mind and is never compromised. Contractors are not expected to implement programs in their companies for good catches, near misses &amp; incidents, but will be required to report on them on a determined frequency throughout the contract. Civil Contractors will have Hydroweb access to an IMS reporting system which will include Injury, Safety Near Miss, Safety Good Catch, and Vehicle damage. Compliance and reporting will be a KPI.</p>	
<p><b>Do sub-trades also need to be COR certified?</b></p>	<p>No, they should be managed under your COR program, but it would be unrealistic to expect all subs and suppliers also be COR certified</p>	
<p><b>Is PSSP training required?</b></p>	<p>All employees of the successful Contractor will require PSSP Cat2/3 training. This is limited to employees working in proximity to our system and does not include office staff/ delivery drivers etc. PSSP Training for Contractors is delivered by the Electrical Energy Training Group (EETG). Please contact EETG directly to schedule training. Contact Information for Electrical Energy Training Group: Phone: 1-877-859-8228 EXT #1 for PSSP Training E-mail: registration@eetg.ca</p>	
<p><b>If a Contractor is not currently COR certified, but is willing to become COR certified, will they be eligible to bid in the upcoming RFP?</b></p>	<p>If a Contractor is not yet COR certified, there will be a mechanism to evaluate this during the RFP selection process. If a Contractor is selected that is not COR certified, there will be a deadline to obtain COR certification within a reasonable amount of time.</p>	

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p><b>Does BCH use an automated system to alleviate some of the qualification confirmation duplication that occurs when a Contractor receives multiple RFPs?</b></p> <p><b>Why do I need to prove I meet BC Hydro requirements every time I bid on BC Hydro work?</b></p>	<p>At this time BCH does not use an automated system like ISN, etc. to document Contractor qualifications</p> <p>Different arms of BC Hydro sometimes work independently to procure services. Different contracts also sometimes have different requirements. We are currently looking into more consistent processes across the organization as a whole</p>	
<p><b>Is there a minimum level for FSR requirements?</b></p> <p><b>Will the electrical monitoring/safety watch be provided by BCH or the Contractor?</b></p>	<p>Cat 5 is the minimum qualification required for safety watching. This will be coordinated and supplied by the Civil Contractor.</p> <p>There may be coordinated work with Electrical crews that will result in the onsite crews acting as the safety watcher</p>	
<p><b>Will having an electrician on site for installations on public land be required?</b></p>	<p>No, this is not a legal requirement. It is not required for BC hydro civil installations as it is BC hydro jurisdiction.</p>	

## QUALITY

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p><b>Will there be a template provided to Contractors to assist them in building a Quality Management program?</b></p>	<p>Currently we do not; we will take that away for further discussion. In the meantime, look through the standards documents and think about how you would demonstrate that jobs are done correctly in accordance to those standards. The Standards will provide you with all the information you need for a quality management plan. It's up to you to prove how you will show this.</p>	<p>We will discuss with BCH Quality experts and determine if this is an option</p>

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p>There would be a benefit to having a quality management template so that it is clear to Contractors what they are bidding on and what they should be including in their proposed Unit price. It could help to bring additional Contractors into the fold that would be eligible to bid. Additionally, it would help to manage sub-Contractor relationships. It would provide a clear document that could be provided to sub-trades that would help to avoid frustrations and loss of working relationships due to lack of understanding and under bidding prices.</p>	<p>No, we do not need a separate plan for each job. The plan is to outline procedures that are in place that will prove quality management is being carried out. Proof of quality will be a collaborate effort with Civil Inspectors. We understand there are challenges in terms of inspector availability. Include these in your plan. These issues would also be discussed in a pre-job meeting.</p>	
<p>Will a quality management plan be required for each job?</p>		

## REGIONS

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p>I would like to clarify the regions:            1- Will Williams Lake be included in the Thompson?            2- Will the regions only apply to BC Hydro directed work, or will private work also be given to the regional Contractor?</p>	<p>1- Williams Lake will not be included in the Thompson Region. It will be serviced by our pre-qualified list of Contractors which will be established in phase 2 of the contract management plan            2- Only work issued by BC Hydro will be provided to the selected regional Contractor. We have no control over our customers Contractors (i.e. private work)</p>	

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p>Can a Contractor be awarded a region and also be on a pre-qualified list for other areas?</p>	<p>Yes, there is nothing that prevents a Contractor from doing that</p>	
<p>How many regions can one Contractor be awarded?</p>	<p>We have not yet determined if we are going to limit the number of regions a contractor can be awarded. However at this point we are not limiting how many regions a contractor can bid on. More information on this will be provided in the RFP. If we determine a contractor can be awarded multiple regions we will carefully assess the Contractor's capacity to successfully service multiple during the RFP evaluation.</p>	<p>BC Hydro will determine if a contractor might be awarded multiple regions.</p>
<p><b>The regional thing is a challenge. Geographically speaking, Prince George would be unmanageable. It's such a vast area, Prince George to Quesnel, Williams Lake etc. There will probably be more and more work in Fort St John. The growth expected in the province is mostly in the north in the next 15 years. The region for Thompson probably makes sense, it could be expanded to 100 Mile as the chances for public underground work there in the near future are very small. The expanse of the regions needs to be looked at. Can one Contractor handle the whole North? Maybe, but it will be very different than the Lower Mainland or Kamloops regions for example. Things will also depend on where underground work is planned. I see the biggest problem with the North, due to the expanse</b></p>	<p>The Prince George region is not meant to cover the entire North of the province. This region will have limitations and other areas will fall under Stage 2 of our contract model where we pre-qualify a number of Contractors that could do the work in those areas.</p>	

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<b>BCH asked the group was if those that are currently working with unit lists and also working with regions as well</b>	Contractors commented that yes it has been done this way with other contracts, but the regions have not been exclusively awarded	

## UNITS

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<b>Will traffic control be built into a unit or will it be a separate unit?</b>	We have not yet determined that. We recognize the difficulty in pricing traffic control for each job, so we are open to suggestions on this	BCH is hoping to hear more conversation around this subject in the Unit List Follow-up Conference call and will work to finalize a practical approach to traffic unit requirements
<b>Will LOAs be dealt with under travel units?</b>	We don't expect that to be built into the unit price, LOAs will be provided when necessary	
<b>Sometimes permitting can be expensive, it depends what you are doing. E.g. Highway permits</b>	We are not the experts, your feedback is important and this would explain a higher unit price in these instances	
<b>The travel unit feasibility will depend on where the muster point is designated</b>		
<b>Will travel units apply within regions?</b>	Yes, they will be applied depending on the designated muster point. Regions, for the most part, align with the location of our district offices	

**GENERAL**

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<b>Is there a \$ threshold to determine what will go to the selected Contractor and what will be tendered out?</b>	Our intent is to unitize as much work as possible that would have typically gone out to tender in the past. We do not currently have an exact threshold. The defining point is whether or not it can be unitized. Unitizing helps for forecasting, cost control, and visibility into working processes.	
<b>BCH asked Contractors about the timing (~June ) to release the RFP</b>	Contractors commented that December is not a good time. September would be ok, but really there is no good time to provide a proposal for a large RFP.	
<b>I think the proposed Contract Manager function is a great idea, as currently is confusing. I don't know who to direct my questions to in order to receive the quickest response</b>	Right, we are aiming to provide a single point of contact for contract issues. Civil Inspectors will remain your contact in the field.  We acknowledge this has been a challenge with BC Hydro in the past and this is an internal initiative to steam line / reduce Contractor frustration.	
<b>When will the required reports be collected?</b>	We have not yet determined the exact frequency contractor will be required to provide reports, but can anticipate that reports will be collected at regularly intervals, likely a monthly frequency. The governance structure will be developed with input from the successful proponents of the contract.	
<b>By selecting Contractors for a region and pre-qualifying others, BC Hydro is indirectly creating an industry "preferred vendors" list. Developers, home owners etc. will want to use the same people and this is going to push the smaller companies out of the market</b>	BC Hydro will take every opportunity to ensure preferential treatment does not occur through recommendation or otherwise.  To be clear, it would be a violation of our employee code of conduct to offer any recommendations based on our contractor list. This is passing out confidential information and allows current vendors to leverage their relationship with BC Hydro for additional, non BCH work -> not allowed.	BCH will discuss this with appropriate leaders of different working groups at BCH and will take next steps appropriate to ensure our personnel do not provide suggestions / references to potential Contractors to homeowners etc. based on internal contracting strategies.
<b>BCH asked Contactors how the aggregate supply is in the area. Do they consistently have access to materials they need to complete work?</b>	Depends on where you are Trucking costs vary by location No issues in particular with the BCH specified products Trouble calls can be an issue as pits are not usually open on the weekends	

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<b>BCH asked Contactors if this type of unit contract is feasible?</b>	General consensus was that it is feasible. It is considered more in depth than other contacts they have seen	
<b>What is the process when a work package is delivered?</b>	<p>There are different processes for short-cycle work vs. regularly scheduled work vs. coordinated work.</p> <p>We have not yet defined what the timeline is. When work is requested, work delivery dates will be established, confirmed with the Civil Inspector, Civil contractor and BC Hydro Contract Management expectations. Work packages are anticipated to be communicated to the civil contractors in an electronic format, but the full process is yet to be fully defined.</p>	
<b>Smaller companies will not be able to bid on this. It is a lot of time, money and work to meet the BCH safety, quality, and administrative requirements</b>	Thank you for your feedback	
<b>Under a prime/sub-Contractor model, it is difficult to bid a price because you will not know who your sub will be until the work is ready to go.</b>	The Unit List should provide some understanding in terms of potential scopes	
<b>Contractors that qualify will require a solid administrative foundation to manage the risk that is being pushed down to them. These costs will be buried in the unit price, as will the costs of contract administration and construction</b>	Yes, we are asking for a mature 'back-of-house'. We understand that there is a cost to you and therefore a cost to us. This should be reflected in your unit price. We want our Contractors to be successful, not hung out to dry and are willing to pay a competitive cost to have such foundations in place.	
<b>Will other Contractors be on the BC Hydro list in case the selected Contractor falls through?</b>	No, we are offering regional exclusivity to ONE Contractor only.	



QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p><b>As an 'owner' of a region, if Design issues a job and the Contractor feels the proposed scope is way off base, can we turn down the work?</b></p>	<p>No, we would hope that would not happen. There will be an opportunity when work is issued to discuss plans before beginning. Change orders will also be accepted when necessary. Unit prices and Contractor capacity should be reflected in the RFP and any scope of work, taking into account there will be variable units to account for travel, traffic etc.</p> <p>If a Contractor finds a job that is drastically problematic with the design they will be encouraged to contact the contract manager to talk through how best to approach the situation. As a result, they both agree to return the work to design or, the contractor outlines the requested changes and submits for consideration.</p>	
<p><b>Will Contractors with previous experience in civil underground construction be preferred?</b></p>	<p>Preferred is not the word we would use, but past experience with BCH and other operators in civil work will be considered in the evaluation process.</p>	
<p><b>Could a sample project list be made available?</b></p>	<p>We will look into this</p>	<p>We will follow up with the Civil Inspectors for various/typical job types</p>
<p><b>Another issue that BCH could feel indirectly is that those larger suppliers they are looking for would, ideally, need to set up strategic relationships / service agreements with subcontractors, but BCH is not guaranteeing work and has not been able to provide a demand plan for future work in the past. Why should the prime Contractor take on the risk of hiring / guaranteeing the work to their subs when BCH won't take on any risk of guaranteeing work volumes to the prime Contractor?</b></p>	<p>That is correct BCH will not be guaranteeing work under the new contract. And we understand the challenges around ensuring capacity in your region when we have not ensured work volumes to you. What you can count on however is that BCH customers (you in fact) will continue to require electricity. Meaning, there will always be new and maintenance work needed to ensure our systems and grid are in working and quality conditions and this is part of that work.</p> <p>BCH will do its best to provide bidding Contractors with a demand plan. Knowing, however that forecast are not built to be a guarantee, we will use all data in our power to give the best indication of our future demand (included in the RFP).</p> <p>Another opportunity that most Contractors can take advantage of is that your potential subs are most likely sitting here today. If a general Contractor bids and wins a particular region, chances are your subs heard the same strategy, expectations and</p>	

QUESTION / COMMENT	BC HYDRO SESSION FEEDBACK	BC HYDRO NEXT STEP(S)
<p><b>It sounds like BCH is looking for a Contractor that is able to satisfy a larger region than has been serviced before by one supplier – in the smaller areas (like Kamloops) this will inevitably limit the number of bids BCH receives because there are not a lot of larger suppliers that exist in those areas. What is the value of this (BCH’s approach) knowing that they are potentially limiting the supply base in those areas and, as a potential result/consequence, limiting the existing smaller suppliers revenue / opportunities.</b></p>	<p>limitations you will be faced with under this contract. This may assist in setting up future capacity or strategic relationships where needed in a region.</p> <p>The administrative cost to handling multiple Contractors in the past has been extremely high. implementing this strategy will allow BCH more visibility into the work provided by managing one Contractor</p> <p>BCH intends to provide as much information as possible prior to the RFP so that bids can be made</p> <p>Although it may directly look like BCH is limiting the Contractor community in some areas by taking this approach, one value area that smaller Contractors have seen in other areas that implement similar strategies is their growth working under / for a general Contractor but not committing to the higher expectation and risks their company may not be financial or foundationally prepared for.</p> <p>Skills of sub-Contractors can be brought up by working with a more experience, foundationally established Contractor thereby expanding the market in the longer term</p>	