

1 B-20, Replace Superheater – Unit No. 2, \$318,700

2 Q. What criteria, including the involvement of the collective bargaining process,  
3 does NLH use to determine whether or not all or a portion of a project should  
4 be contracted out?

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7 A. The principal criterion used in determining whether this work would be  
8 performed by Hydro forces or contracted out is the scale of the project.  
9 Hydro forces are used for routine maintenance activities and smaller  
10 projects, but this project is of such a large scale that it is more cost effective  
11 to have the work performed by a contractor. Also, as this project requires a  
12 highly specialized knowledge of metallurgical and design engineering, the  
13 contractor must have the technical knowledge and ability as well as Quality  
14 Assurance registration under the province's Boiler and Pressure Vessel's Act  
15 to perform this type work. Hydro's Quality Assurance registration does not  
16 cover the scope of work required for this project.