

1 **In Schedule “B” at page 79 of 82 it is stated: “The Company annually reviews its personal**
2 **computing requirements in detail as part of its capital budgeting process.”**

3
4 **Q. Please provide details as to the bidding process which will allow perspective (sic)**
5 **suppliers to bid competitively on these computers. Will there be a public tendering**
6 **process?**

7
8 A. In order to reduce purchasing overhead and minimize complexities associated with
9 diverse infrastructure, Newfoundland Power will select personal computer (PC) vendors,
10 such as Compaq, Dell or IBM, to supply its PC requirements for a two-year period.

11
12 In the first year, an open bidding process is used to gather proposals from companies who
13 sell or manufacture personal computers that are certified by the Gartner Group¹ as Tier 1
14 manufacturers. Newfoundland Power solicits bids from local companies and/or national
15 manufacturers or their representatives to supply the required PCs.

16
17 The following vendor criteria are outlined in the Request for Proposals for this project:

- 18 • A substantial sales relationship must have existed between the supplier and the
19 manufacturer for at least two consecutive years and written proof of the relationship
20 is required.
- 21 • A letter of good standing from the proposed manufacturer(s) must be supplied.
- 22 • There must be a suitable current service agreement in place between the proposed
23 manufacturer(s) and the supplier, and this agreement shall have been in force during
24 the most recent 12 consecutive months. An existing third-party service relationship
25 may also be acceptable.

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27 In the second year, the Company examines the performance of the hardware purchased in
28 the first year. If performance has been satisfactory, the Company will select specific
29 models from the vendor, and issue an RFP for those models to all suppliers who meet the
30 Company’s minimum supplier qualifications. If performance has not been satisfactory,
31 the selection process is re-opened to competing Tier 1 vendors.

32
33 In 2003, the Company will be in the second year of its PC purchasing process. In 2002,
34 the Company selected Compaq brand PCs to fulfill its PC requirements.

35
36 There will be a public tendering process to select a supplier.

¹ Gartner Group is a research and advisory firm that helps more than 11,000 businesses understand technology including 200 utilities. Founded in 1979, Gartner is headquartered in Stamford, Connecticut and consists of 4,300 associates, including 1,400 research analysts and consultants, in more than 90 locations worldwide.