

1 Q. On November 12, 2020 Hydro submitted its “Efficiency and Effectiveness Plan - Fall 2020  
2 Update” with the Board. On page 3 of that report Hydro identified ‘Contracting and  
3 Procurement’ as an area of focus and provided a list of key deliverables. Please provide an  
4 update on the progress Hydro has made to date with respect to exploring new opportunities for  
5 joint and consolidated procurement opportunities and achievement of its key deliverables.

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8 A. The Contracting and Procurement Efficiency and Effectiveness Plan (“EEP”) initiative has made  
9 progress on its key deliverables identified in Newfoundland and Labrador Hydro’s (“Hydro”) Fall  
10 2020 EEP Update.<sup>1</sup> Several key deliverables have been completed or are currently underway,  
11 including the current state analysis and multi-year plan for joint procurement opportunities.

12 A Collaborative Procurement Team was formed to identify joint procurement opportunities with  
13 affiliated and non-affiliated companies and build on further strategic opportunities identified in  
14 the multi-year plan. To date, multiple internal opportunities have been identified and executed,  
15 including snow clearing and non-destructive testing. Several other contracts have been  
16 identified for joint procurement as expiry dates approach, including vegetation management,  
17 gases, and crane maintenance. Hydro is also increasing its participation in federal and provincial  
18 government procurement opportunities, including purchases of goods such as office supplies  
19 and participation in an Atlantic Provinces Consortium Corporate Purchasing Card Request for  
20 Proposals and Contract Award.

21 Hydro has reviewed the *Public Procurement Act*<sup>2</sup> for considerations in joint procurement with  
22 non-affiliated entities and where the public procurement framework allows, Hydro has  
23 endeavored to collaborate with non-affiliated entities, such as the recent joint procurement  
24 initiative with Newfoundland Power Inc. (“Newfoundland Power”) on electric vehicle charging  
25 stations. Further detailed discussions with Newfoundland Power have been productive and

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<sup>1</sup> “Efficiency and Effectiveness Plan – Fall 2020 Update,” Newfoundland and Labrador Hydro, November 12, 2020.

<sup>2</sup> *Public Procurement Act*, SNL 2016, c P-41.001.

1 potential joint procurement opportunities have been identified for execution as expiry dates  
2 align, such as safety supplies.

3 Long-Term Supply Agreements and Master Service Agreements are being reviewed to identify  
4 value add opportunities prior to market circulation, including strategically reducing the number  
5 of stock keeping units, removing inactive contract clauses, and improving the specifications and  
6 evaluation process. Hydro continues to build strategic partnerships with its long term suppliers  
7 to collaborate on future opportunities to reduce costs and improve efficiencies.