

1 Q. Is the tendering process followed by Hydro for the combustion turbine project an
2 internally approved process? Has it received external approval, for example, by the
3 Board or a Government agency?
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6 A. The tendering process followed by Hydro for the combustion turbine project is in
7 accordance with Hydro Corporate Procedure PRO 1 (which is attached as GT-CA-
8 NLH-006 Attachment 1) and in accordance with the *Public Tender Act*. Additional
9 Government or Board approval is not required for Hydro's tendering process.

Attachments:

Status: Original

Category	Procurement	Policy No:	PRO 1	Revision	12	Rev 2014
:				No:		Approved 2007, June 7 Issued 2007, June 16
Title:	PROCUREMENT OF GOODS , SERVICES & WORK					

Policy: Nalcor Energy and its subsidiaries procure its goods, services and work requirements in a competitive, and cost efficient manner, consistent with good business practices and in accordance with the Public Tender Act. Nalcor is committed to and will encourage local supplier development.

Contracts are awarded to the preferred bidder, that is, the bidder who has submitted the lowest cost tender meeting specifications.

The Supply Chain Management and Administration Department has authority to solicit Quotations, call Tenders, issue Purchase Orders and award Contracts for Nalcor Energy and its subsidiaries. Excluded are goods for resale in the Commercial Services Section of CF(L)Co.

Goods, Services and Work are procured in compliance with the following values (excluding taxes), unless otherwise directed by means of an approved Purchasing Exception Report.

PROCUREMENT OF	Direct Quotation or Purchase Card	3 Quotes	PUBLIC TENDER
GOODS, SERVICES or LEASE of SPACE	Up to \$ 3,000	\$3,000 to \$10,000	Over \$10,000
WORK	Up to \$ 3,000	\$3,000 to \$20,000	Over \$20,000
PROFESSIONAL SERVICES	Up to \$ 3,000	\$3,000 to \$100,000	Over \$100,000

Requests for Proposals are issued for Professional Services such as legal, engineering, architectural, accounting, land surveying, banking or insurance services, voice telephone services, or other services providing an opinion, creativity, a design, or technical expertise, such as environmental, medical, or audit.

Purchase Orders or Contracts will be issued only if they are supported with an approved Purchase Requisition and or an Approval to Award prior to commitments being made. Requisitions and or an Approval to Award must be approved in accordance with Nalcor Energy signing authority, P&P FIN 1 - Authorization of Expenditures.

Nalcor Energy may make purchases for which Purchase Requisitions are not required (ref. Supply Chain Management 30 - Procurement General). In such cases the original invoice will be approved in accordance with Group P&P FIN 1 - Authorization of Expenditures.

Employees shall not use their position to influence the awarding of Purchase Orders or Contracts to acquire a direct or indirect benefit for themselves or a family member. Such actions would be considered a Conflict of Interest.(ref. P&P EMR 8 - Conflict of Interest).

Purchasing authority in the form of Purchasing Cards is delegated to employees for travel requirements and to purchase miscellaneous goods and services to meet immediate or emergency needs to a maximum of \$3,000.00, including taxes, per transaction. Purchases up to \$ 3,000.00 may be made by direct quotation substantiated by reference to existing agreements, price listings, or trade catalogues. (Some exceptions may apply based on Manager Approval).

Related Policies:

[P&P FIN 1 - Authorization of Expenditures](#)

[P&P EMR 8 - Conflict of Interest](#)

[Supply Chain Management 30 - Procurement General](#)

Procedure

Manager, Supply Chain and Administration

- 1.1 Comply with procurement procedures in the [Supply Chain Management Manual](#)

Forms:

 [Click the link to access the Forms database.](#)