

1 Q. Notification of Change to Project Budget, page 2, states, “Hydro also acknowledges the lessons
2 learned during this procurement process and will incorporate these insights into future project
3 planning and vendor engagement strategies.” Please provide the lessons learned during this
4 procurement process and the insights gained by Hydro.

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7 A. While Newfoundland and Labrador Hydro (“Hydro”) has limited ability to influence the market
8 and the number of bids received on its tendered work, Hydro has identified potential
9 opportunities to mitigate similar risks, particularly on complex projects.

10 **i. Early Market Engagement**

11 While multiple potential bidders expressed interest and participated in the site visit,
12 only one ultimately submitted a bid. This highlighted the importance of engaging
13 with suppliers earlier in the planning process to confirm market capacity and
14 interest, identify perceived risks or barriers to participation, and gather informal
15 cost and schedule expectations to support more accurate budget forecasts, to
16 encourage a larger number of bids.

17 **ii. Budget Contingency Planning**

18 The cost difference between Hydro’s estimate and the received bid reinforced the
19 importance of developing robust contingencies in early-stage budgets, particularly
20 for infrastructure projects in complex environments with constrained vendor pools.
21 Hydro continuously reviews the level of contingency used in project estimates and
22 will utilize the lessons learned from this procurement process to inform contingency
23 on similar projects.

24 These insights will inform improvements in Hydro’s procurement planning, tender
25 document preparation, and market engagement practices for upcoming projects of
26 similar scope or complexity.