

REQUESTOR NAME: **BCOAPO**
INFORMATION REQUEST ROUND NO: **2**
TO: **FortisBC**
DATE: **October 6, 2016**
APPLICATION NAME: **FortisBC Inc. – CPCN
Application for Replacement of
the Corra Linn Dam Spillway
Gates**

**12.0 Reference: Exhibit B-3, BCUC 1.2.3
Exhibit B-5, CEC 1.13.5**

- 12.1 The response lists a number of advantages to using an ECI model. Are there any disadvantages/risks associated with using such a model, as opposed to the more traditional Design Build Tender approach? If so, what are they and what steps can/will FortisBC take to mitigate them?
- 12.2 Please describe more fully what is meant by “a single bonded lump sum contract” (per page 10, line 28).

13.0 Reference: Exhibit B-3, BCUC 1.2.3.6

- 13.1 If an ECI model is adopted and the Owner’s Engineer were to advise that the proposed contract price for the portion of the work not competitively tendered was in its view “too high”, please outline the processes that would follow to resolve the issue with the selected contractor.
- 13.2 In such an event does FortisBC still retain the right to “walk away” from the contract if no agreement can be reached?

**14.0 Reference: Exhibit B-3, BCUC 1.3.2.1
Exhibit B-5, CEC 1.4.2.1**

- 14.1 Given HMI’s experience (per CEC 1.4.2.1), did FortisBC seek HMI’s opinion as to what would be a reasonable total project contingency allowance for such a project?
- 14.2 If yes, what was their advice? If not, why not?

15.0 Reference: Exhibit B-3, BCUC 1.3.3

- 15.1 Does FortisBC’s statement that there would not be any cost savings from extending the schedule also apply if costs are considered and compared on a Net Present Value basis using FortisBC’s cost of capital?

16.0 Reference: Exhibit B-3, BCUC 1.8.1 and 1.8.3

16.1 Assuming the ECI model was adopted, would the semi-annual report provided by FortisBC (per BCUC 1.8.1) contain the same information as outlined in the response to BCUC 1.8.3? If not, why not?

17.0 Reference: Exhibit B-5, CEC 1.4.2, 1.4.3 & 1.16.1

17.1 How did FortisBC establish that the contract price to be charged by HMI for the preliminary engineering and support work was reasonable and prudent?

18.0 Reference: Exhibit B-5, CEC 1.6.1 & 1.6.2

18.1 How did FortisBC establish that the contract price to be charged by KP for the Dam Stability Study was reasonable and prudent?

**19.0 Reference: Exhibit B-5, CEC 1.12.1 & 1.12.1.1
Exhibit B-8, BCOAPO 1.6.1**

19.1 The application of a standard 15% contingency allowance for both Alternatives 3 and 4 yields a higher contingency allowance for Alternative 4 (Gate Replacement). However, the responses to CEC 1.12.1 and BCOAPO 1.6.1 indicate that the project risks are highest for Alternative 3, and the response to CEC 1.12.1.1 indicates that the Construction Contingency (for Contractor's Known Risks) is higher for Alternative 3. Please comment on this apparent inconsistency.

19.2 Would it be appropriate to either decrease the total Contingency attributed to Alternative 4 or increase the total Contingency attributed to Alternative 3?

20.0 Reference: Exhibit B-5, CEC 1.13.8

20.1 Does FortisBC have any internal policies regarding sole source contracting (without tender)? If so, what are they and what approvals are required in order to supersede the policies?