

OPG PROCUREMENT PROCESS

1.0 PURPOSE

This evidence provides an overview of OPG's procurement process. It provides support for the OM&A purchased services information presented for nuclear (Ex. F2-6-1) and support services (Ex. F3-3-2).

2.0 OVERVIEW OF PROCUREMENT PROCESS

OPG's procurement process is the same as presented in the last proceeding and is conducted as follows¹: The need for a service or item is identified and a requisition is created and approved by the appropriate authority as per OPG's Organizational Authority Register ("OAR").

- If no existing agreement is in place that can satisfy the need for the service or item, Supply Chain, in consultation with the requisitioner, seeks quotations² or proposals³ using the following methods:
 - Invitational Competitive Process - this process uses the request for quotation or request for proposal ("RFQ/RFP") process as applicable. For the procurement of goods and services (both consulting and non-consulting), a request to submit a written quotation/proposal in response to OPG requirements is made to qualified suppliers.
 - Open Competitive Process - this process involves posting procurement documents using an approved OPG electronic proposal system. All consulting contracts with a procurement value greater than or equal to \$100k must be conducted through the open competitive process.

¹ This process applies to the acquisition of services or items above a threshold value of \$10k. Below this threshold value, purchasing authority is delegated to the businesses through the use of a purchasing card or local purchasing authority (purchase order-based transactions).

² A request for quotation ("RFQ") is a request for price and availability of items/services based on specified technical, quality, and commercial requirements where the value is estimated up to \$100k.

³ A request for proposal ("RFP") is a formal request for price and availability of an item and/or service based on specified technical quality and commercial requirements where the value is estimated to be greater than \$100k.

- 1 ○ Single/Sole Source Process - exceptions to a competitive procurement process are
2 allowed under certain allowable circumstances. Exceptions must be justified and prior
3 approval from the appropriate purchasing authority (according to the OAR) must be
4 granted when a single/sole source strategy is used.
- 5 ● OPG's RFQ/RFP process requires that the evaluation criteria and weightings be
6 established by Supply Chain and the requisitioner/project manager in advance of issuing
7 the RFQ/RFP. The criteria, weightings and evaluation methodology (the process used to
8 assess, evaluate and score supplier proposal) are fully disclosed to proponents in the
9 RFQ/RFP and typically include the following:
- 10 ○ Mandatory requirements, which are criteria that are assessed on a pass/fail basis.
- 11 ○ Rated requirements, which include all weights and sub-weights and a description of
12 any short-listing processes including any minimum rated score requirements and the
13 role and weighting, if applicable, of reference checks, oral interviews, demonstrations
14 and site visits.
- 15 ○ Price/cost and a description of the evaluation methodology that may include the use
16 of scenarios to determine cost for specific volumes and service levels. The evaluation
17 of price/cost is only completed if mandatory and minimum rated requirements are
18 met.
- 19 ● For services performed on OPG premises, potential suppliers are pre-qualified with
20 respect to safety performance.
- 21 ● To ensure the integrity of the procurement process, Supply Chain acts as the single point
22 of contact with potential suppliers until the evaluation of proposals or quotations is
23 complete and a supplier has been selected. Initial purchase price is part of the total
24 lifecycle cost criteria used in evaluating proposals or quotations; however, when more of
25 the lifecycle cost of an item or service is known, the additional lifecycle cost elements are
26 included and evaluated through the process. Additionally, the relative weighting of the
27 selection criteria varies and there may be instances when the lowest initial purchase price
28 supplier is not selected.
- 29 ● Negotiation and finalization of the purchase order and/or agreement terms is led by
30 Supply Chain with support from other internal subject matter experts along with the
31 requisitioner as required. An agreement and/or purchase order is issued once Supply

1 Chain receives a requisition approved by the appropriate OAR authority. In some areas,
2 master agreements have been developed with certain suppliers to shorten the
3 procurement time for services and items through pre-negotiated terms, conditions and
4 rates. In other areas, OPG has established master agreements with more than one
5 supplier for the same type of item or service under similar terms and conditions. This
6 creates a secondary competitive environment where the suppliers under the master
7 agreement competitively bid on each work package, thus ensuring OPG receives the
8 best value. Under such master agreements with more than one supplier there may be
9 instances where Direct Award may be executed with documented allowable exemptions.

- 10 • Once the supplier is awarded business, depending on the complexity and financial
11 implications, an OPG contract administrator may be assigned to monitor the contract to
12 ensure the supplier meets all contractual obligations, confirm receipt of the item or
13 service, and approve submitted invoices for payment. The performance of the supplier is
14 assessed by the contract administrator and Supply Chain can utilize this assessment
15 when selecting proponents for future work.
- 16 • The requisitioner notifies Supply Chain once the contract requirements are complete and
17 final payment has been made. The purchase order is subsequently closed out by Supply
18 Chain.