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**DARLINGTON REFURBISHMENT PROGRAM COMMERCIAL STRATEGY**

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## **DARLINGTON REFURBISHMENT PROGRAM**

### **COMMERCIAL STRATEGY**

**NK38-REP-00150-10001-R001**

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## Revision Summary

Revision Number	Date	Comments
R000	March 14, 2011	Initial Issue
R001	October 1, 2012	Annual review

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## 1.0 EXECUTIVE SUMMARY

As part of planning activities in the Definition Phase of the Darlington Refurbishment ("DR") Program, OPG will develop an overall commercial strategy and separate contracting strategies for the major Projects within the Program.

The key purpose of this document is to set out an overall commercial framework with guiding principles for establishing and maintaining commercial relationships with third parties to support the DR Program objectives. The contracting strategies for the major Projects will be prepared as separate free standing documents which provide the recommended strategy for sourcing with supporting evidence and analysis.

DR has set its Program objectives in alignment with OPG's core business of generating electricity safely, reliably, and efficiently today, and in the future:

- Meet Regulatory Requirements
- Maintain OPG Control
- Minimize Impact on Existing Units
- Establish achievable Schedule and Budget
- Demonstrate Success

To facilitate DR attaining these objectives, a set of Guiding Commercial Principles has been laid out in this report that will form the basis of the individual contracting strategies.

The overall Commercial Strategy at this point in time is premised on OPG acting as the General Contractor ("GC") and Program Manager for the full Program. It is envisioned that there will be a few major scope of work groupings administered through major contracts, each run by a major contractor or consortium of contractors. With OPG as GC, the Engineering-Procurement-Construction ("EPC") or hybrid versions of EPC have emerged as the "preferred delivery model" for the constituent major Projects. The key rationale being that this model gives OPG "one point of contact" (i.e. fewer interfaces and hand-off s) and "one point of accountability" for complete delivery.

The appropriate contracting model, pricing model, and procurement approach for each major contract will be examined in additional detail and validated while developing the separate contracting strategies.

It is expected that the guiding principles and overall commercial strategy will evolve over time in alignment with planning throughout the Definition Phase of the Program. This document will be reviewed annually, and updated when changes warrant.

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## 2.0 BACKGROUND

The Nuclear Refurbishment ("NR") organization in OPG has the responsibility for planning and executing all activities associated with the refurbishment of the four units at the Darlington Nuclear Generating Station (DNGS). The primary objective for the DR Program as defined in the Project Execution Plan (PEP) is "to extend the service life of the units by an additional 210,000 Effective Full Power Hours, striving towards top decile performance post refurbishment".

The DR Program is a multi-year, multi-phase program made up of individual projects of various scales and sizes that will be executed during the refurbishment outage period between 2016 to 2024. The major projects under this Program include: Reactor Re-tube and Feeder Replacement Project, Turbine Generator, Fuel Handling, Balance of Plant, Steam Generator, Shutdown and Layup, Islanding, etc. Campus Plan Projects were excluded from the scope of the DR Commercial Strategy since they are being managed by another group outside the NR organization (i.e. Projects & Modifications). One of the core activities within the Definition phase (2009-2013) of the DR Program includes developing appropriate contracting strategies for delivery of this Program in Gate 2 for each project and establishing contracting relationships with key vendors to source the required materials and services.

## 3.0 PURPOSE AND SCOPE

The key purpose of this document is to provide an overall commercial framework with guiding principles for establishing and maintaining commercial relationships with third parties to support the DR Program objectives from schedule, quality, and cost perspectives. These guiding principles serve as basic inputs to the development of separate contracting strategies for the major projects under this Program. For the purposes of this document, "Commercial Strategy" means the overall strategy for delivering the entire DR Program, integrating the various individual Contracting Strategies.

"Contracting Strategy" is the supporting means for successful implementation of the project delivery approach for the projects within the DR Program. Each Contracting Strategy will be a freestanding document that takes into consideration factors such as the nature and scope of the work, the vendor marketplace, any potential longer term commercial arrangements and results in a recommendation of the most suitable sourcing approach, contract structure and pricing mechanism.

It should be noted that this document should be utilized in conjunction with all relevant and applicable OPG governance for contracting and procurement areas. In case of any conflict, OPG governance will take priority.

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## 4.0 GUIDING COMMERCIAL PRINCIPLES

The following list of guiding commercial principles will be considered in the establishment and maintenance of relationships with third parties for the projects within the DR Program. These principles are an integral part OPG's ability to demonstrate prudence in the contracting strategies developed and approved for each project within the DR program.

### 4.1 Accountability

OPG is accountable to the people of Ontario for the assets under OPG's care. In-depth planning and preparedness for successes and challenges is the most important enabler in positioning OPG to deliver its promises. This is achieved through the following means:

- a) Early communication with OPG stakeholders will promote an open and active dialogue to develop an informed contracting approach that is aligned with the DR Program Commercial Strategy and Senior Management.
- b) Compliance with applicable provincial and regulatory directives regarding establishing commercial relationships will allow for an open process for procurement.
- c) The OPG Team will implement effective and efficient contracting strategies and contracts. This is achieved through clearly defined authority, responsibility and accountability structures for planning and executing all contracts, teamwork and alignment are developed and sustained among all stakeholders, and the implementation and communication of rapid escalation and centralized change management processes.
- d) Linkages to other OPG strategies will be considered:
  - o Human Resource: OPG will avoid developing internal skills that will not be required post refurbishment period.
  - o Labour Supply: Because there will be multiple major contracts, each individual vendor will be accountable for obtaining the resources required to fulfill that vendor's obligations without regard to the needs of the rest of the DR Program. OPG will be the only entity with full knowledge of the anticipated and actual labour requirements for each of the vendors with the ability to be the integrator between vendors to satisfy the resource requirements for the Program.
  - o Financing: Contracts will be linked and aligned with the overall financing and cost recovery methods adopted for DR. Given the duration of the Program and considering the probability that the Financing Strategy may change one or more times during the Program, maintaining flexibility in all contracts is important.

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### 4.2 Value for Money

OPG must create value for Ontarians by performing in all aspects of its business in a cost effective manner. Commitment to commercial principles (efficiency, cost control, financial sustainability, bottom line results, etc.) while adhering to strong safety, environmental and operational principles act as the key enabler in positioning OPG as a value creator.

A central cornerstone of the DR Program commercial framework is Value for Money ("VFM"), which is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase. OPG will consider models that deliver VFM taking into account not only the near-term costs but also OPG's overall long-term costs. VFM is accomplished through the following elements:

- a) Basic due diligence on current market conditions, potential key vendors, including suppliers, and competing projects must be conducted to understand the high-level profile of the competing projects and their timelines.
- b) Scope definition and work packaging should be clearly defined and transparent. Scope definition of major work packages should be finalized to a level where risk profiles from contractual perspective can be reasonably assessed and understood.
- c) Cost effectiveness must be focused on prices, internal costs and full life-cycle costs of all project resources to ensure value is generated from the corresponding contracting relationships.
- d) Use of OPG knowledgebase in developing contracting strategies, including relevant OPG operational experience ("OPEX", etc.), OPG's knowledge of vendors and contract management, and information from OPG's approved suppliers list ("ASL") will provide insights to potential vendors and scope of work..
- e) Competition will be encouraged throughout the contracting process, where at least two competitive proposals are engaged with vendors who have the necessary demonstrated skills and experience to execute the project successfully. Every effort will be made to determine whether alternative suppliers exist or whether the work can be packaged in a manner that facilitates competition. Execution of procurement activities as governed under OPG-PROC-0058: Procurement Activities.
- f) Planning for change will be an integral part of the contracting strategy, including considerations such as intellectual property rights, off ramps, labour agreements, private sector financing, and more.

### 4.3 Fairness & Transparency

OPG must operate openly, transparently and in the public interest. Regular communication by OPG with key internal and external stakeholders including



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government bodies and officials, federal and provincial regulators, industry peer groups, community leaders, and everyday Ontarians through the Ontario Energy Board hearings and other communication is a key enabler in positioning OPG to act in an open and transparent manner.

Establishment of strong, fair and transparent working relationship with the vendor will enable OPG to establish effective commercial contracts and provide greater confidence in reaching project objectives. This will be facilitated by a number of items:

- a) Clarity of roles and responsibilities among OPG and the vendors,
- b) Joint development with the vendors on release quality cost and schedule estimates,
- c) Exchange of information to permit each party to clearly understand and evaluate contract pricing aspects,
- d) Balance of internal and expertise and resources for major scopes of work,
- e) Better leverage of vendor capabilities and execution methodologies through effective work structure, and
- f) Effective OPG teamwork to positively resolve issues and to work together towards a common goal.

### 4.4 Risk Transfer/Sharing

Allocation of risk to the appropriate party will minimize the difficulties associated with managing that risk. Risk allocation models are available to OPG for structuring the contracts that support the DR Program. Utilization of these models will reduce the negative impacts of risks that are ultimately accountable to OPG, such as scheduling, project management and oversight risks.

The contracting models specified for the major projects in the DR Program include proposing suitable delivery options (e.g. Traditional EPCM, EPC/Design-Build, Turnkey or non-traditional models like Partnering), pricing mechanisms (e.g. fixed/firm price, cost reimbursable, guaranteed maximum or target price) and procurement processes (e.g. Single Source, Competitive Source, etc.) as laid out in Appendix A. Decisions regarding risk allocations and risk premiums among available options are an integral part of any contracting strategy based on a comprehensive analysis. The level of certainty in scope definition will determine the appropriate pricing model and the trade-off between OPG's ability to control the work and costs.

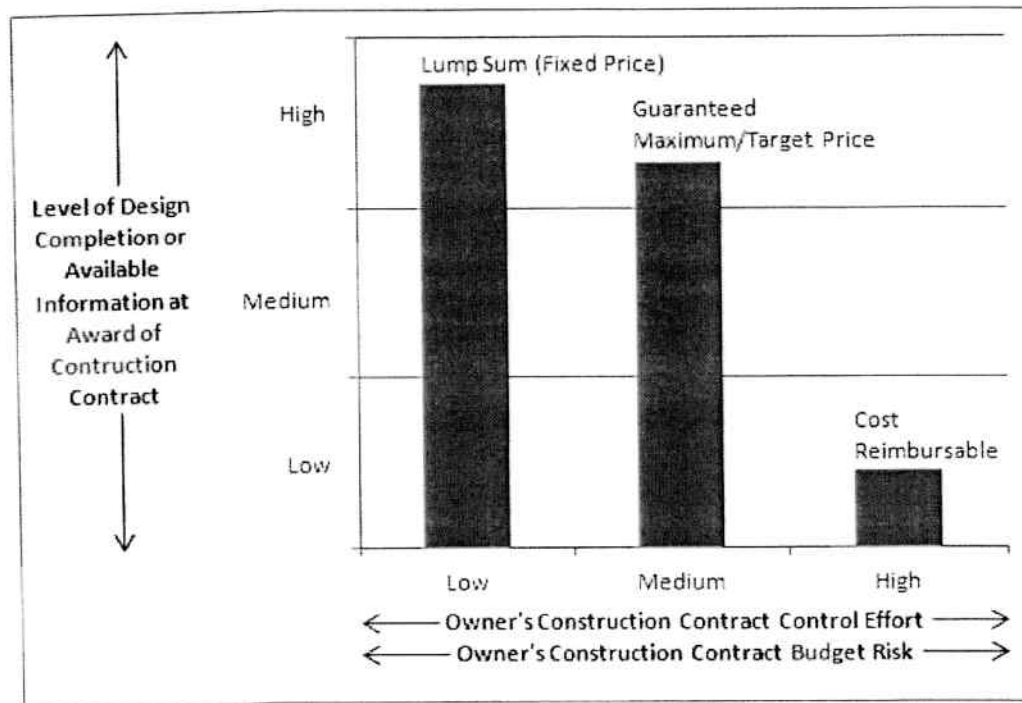


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**Figure 1: Pricing Models and Relationships between Scope Certainty and Contract Control/Budget Risk**



Contractual attempts to fully shift accountability to the vendors may not always be achievable or may command too high a risk premium. In instances where risk and accountability are not fully transferred, OPG will utilize incentive mechanisms to align OPG and vendor behaviour and outcomes and effective oversight to ensure alignment of the vendor's interests with OPG's. For risks retained by OPG, OPG will develop appropriate risk mitigation or management techniques including the use of a risk-based contingency. OPG will seek to transfer those risks that are truly controllable by the vendors. In addition, each Project will be supported by a Project Risk Register that outlines risks, impacts, and mitigations and identifies those that will be transferred to the Vendor.

## 5.0 DR PROGRAM OBJECTIVES

The DR Commercial Strategy is an enabler to deliver the project goals. The relationship between the strategy and guiding principles with OPG's and DR Program objectives are set out in the diagram below.

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Figure 2: Linkages to OPG and DR Program Objectives

OPG's Business Objectives	DR Program Objectives	DR Program Commercial Strategy	Commercial Guiding Principles
Generating electricity safely, reliably and efficiently today, and being an enabler for adequate supply of clean energy in the future.	<b>Meet Regulatory Requirements</b> Meet all required standards for safety, environmental compliance, and the CNSC/other applicable quality standards.		<b>Accountability</b> Accountability can be ensured through In-depth planning and preparedness; which is achieved through early communication with OPG stakeholders, compliance with applicable provincial and regulatory directives, high quality vendor teams, and the implementation of effective contracting strategies and contracts by OPG Teams.
	<b>Maintain OPG Control</b> OPG has the ultimate accountability for delivering the DR Program and hence must retain the overall responsibility for the DR Program as the Program Manager.		<b>Value For Money</b> Value for money is accomplished through due diligence on current marketplace conditions and projects, early communications with vendors, competition, market acceptance of contracting strategy, ongoing communications with pre-qualified vendors, scope definition and work packaging, cost effectiveness, planning for change, using OPG's knowledgebase, and utilizing linkages to other DR projects.
	<b>Minimize Impact on Existing Units</b> Minimize disruption to operating units where safety of the units is involved and where production is potentially disrupted.		<b>Fairness &amp; Transparency</b> OPG will operate openly, transparently and in the public interest by establishing strong working relationships with vendors. This is accomplished by clearly defining roles and responsibilities, collaborating on cost and schedule, exchanging information, implementing incentives, balancing resources, leveraging vendor capabilities, and effectively working as a team.
	<b>Achievable Schedule and Budget</b> Schedule and budget are to be realistic and achievable. Cost recovery and financing methods must be in place.		<b>Risk Transfer/Sharing</b> Allocation of risk to the appropriate party will minimize the difficulties associated with managing that risk. Contractual attempts to fully shift accountability to the vendors may not always be achievable or may command too high a risk premium. Incentive mechanisms and effective oversight will be used to mitigate any risks for when OPG is partially accountable, and appropriate risk mitigation or management techniques will be used for risks retained by OPG.
	<b>Demonstrate Success</b> Demonstrate to the public and shareholder that the Program is a success.		

## 6.0 OVERALL COMMERCIAL STRATEGY

OPG has determined that it will fulfill the role of a GC as it is essential for OPG to maintain control and effective management of the overall DR Program and its

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constituent Projects due to the scale and complexity of the Program.

Within the framework of OPG being the Project Manager and the Project Constructor under the Occupational Health and Safety Act of Ontario, the EPC or modified/hybrid versions of EPC has been chosen as the "preferred delivery model" for the major Projects within the DR Program. Under this model, a company is contracted to provide engineering, procurement and construction services for delivery of a scope of work and the EPC vendor has direct contracts with other vendors to provide these services, as necessary. The key reasons for this choice are:

- This model gives OPG one point of contact (i.e. fewer interfaces and hand-offs) and is simpler to monitor and co-ordinate. From OPG's perspective, this also gives "one point of accountability" for complete delivery.
- This model lends itself well to achieving cost and schedule certainty upfront prior to commencement of the execution/construction phase. This aligns with the DR Program's goal of having a good Release Quality Estimate ("RQE") prior to actual commencement of the refurbishment work.
- This model has the highest potential to enable OPG to concentrate its resources and efforts on rigorous project management and oversight activities, which are considered key areas to enable OPG to succeed in delivering the DR Program.
- This model aligns with OPG's core business and overall future business direction, including staffing.

The above rationale, together with the choice of EPC as the "preferred delivery model", will be examined and validated for each constituent major Project, as work progresses on developing and documenting separate Contracting Strategies for these Projects. The contents of the Contracting Strategy document are set out in the template in Appendix B.

## 7.0 ROLES & ACCOUNTABILITIES

The accountability for implementation of the commercial strategy and guiding principles resides with each Project Manager within the DR Program. The Nuclear Commercial Development organization will support the project teams in the development of the contracting strategy to incorporate the necessary due diligence, analysis and recommended contracting models for each of the major Projects.

Recommended contracting strategies will be reviewed and approved by the VP, Nuclear Commercial Development and SVP, Nuclear Refurbishment.

## 8.0 RISKS

The following risks have been identified as of August 2012 that will continue to directly impact the fundamental validity, applicability and effectiveness of the DR commercial principles and implementation approach to support the DR objectives. These risks are

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listed here for information purposes only and are being managed within the DR Risk Management database:

- The model under which the full refurbishment work will be planned and managed is under development at this point in time. During 2010, DR conceptually evolved to a Program model, comprised of individual Projects and envisioned to be supported by strong matrix Project Teams accountable for driving each significant Project. As OPG has chosen to become the GC for the DR work, it is critically important to finalize this management model together with its supporting organizational structure, strategies, processes and key governance. Until that point, the risk remains that the various strategies may not be aligned with each other in supporting the DR objectives. No strategy in isolation can ensure efficiency and effectiveness in planning and execution of the overall work. (Risks # 315 and 374)
- OPG's preferred EPC contracting strategy is a new operating model introduced for the DR Program. Business cultural differences between OPG and vendors' management philosophies may require extensive negotiation efforts and buy-in from both parties to successfully obtain the 'risk-sharing partnership' agreements envisioned. (Risks # 37, 47 and 459).
- Related to RQE, work in the DR Program has progressed before some of the earlier foundational activities are complete due to the perceived schedule requirements at this time,. This creates a risk that when completed, these activities may not be aligned and well integrated with corresponding tactical plans that preceded strategy formulation. (Risk # 303)
- At this point, there is a lag in assigning appropriate resources (e.g. Project Managers, Supply Chain staff etc.) that may hinder an effective formulation and implementation of various contracting strategies, including provision of adequate support to the Project Managers for managing the contracts once awarded. This may place completion of the overall work in jeopardy. Having internal Project Teams with the right people and skill sets remain an essential pre-requisite for establishing and implementing prudent contracting strategies. (Risk # 341)
- At this point in time, the lessons learned repository of similar Projects is still being populated to make it readily accessible to the team members. There is still a significant amount of information residing in people's knowledgebase and various localized areas, which may prevent the DR Program and/or separate Project teams to apply the relevant knowledge from this body of information in a timely manner. (Risk # 478)
- Despite OPG's best efforts to clearly define scope for the DR Program, unforeseen or unexpected regulatory upgrades required after project work scope freeze may impact contractual arrangements in place resulting in cost increases and schedule delays to accommodate change requests. (Risk #309)

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### 9.0 MEASURES OF SUCCESS

The following represents a list of success criteria that can be utilized to assess the extent to which the above Guiding Principles have been successfully applied in planning and managing major third party relationships for the DR Program:

- Efficient negotiation and procurement processes to facilitate timely contract awards.
- OPG is successful in negotiation contracts where the risks are allocated to the appropriate parties in control.
- Acceptance and approvals of recommended strategy and contracts by internal stakeholders.

### 10.0 REVIEW CYCLE

It is expected that DR Commercial Strategy will evolve over time throughout the Definition Phase of the Program. This document will thereby be reviewed and updated annually.

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## BIBLIOGRAPHY

An extensive list of reference materials were utilized in the development of the initial DR Program Commercial Strategy. The complete listing is documented in NK38-REP-00150-10001 R000.

NK38-PEP-09701-10001 R002      Darlington Nuclear Refurbishment Project – Project Execution Plan

DR Program Monthly Risk List      August 2012



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### Appendix A: Contracting Models

#### a) Project Delivery Options

Contracting Option	Description
<b>Self Perform</b>	<p>Under this approach, OPG carries out the design, procurement, construction and commissioning functions utilizing its internal resources. This in-house capability and capacity allows OPG to be self-sufficient and not subject to variations in the marketplace, save and except for pricing and delivery of materials and equipment and resources to perform the work.</p> <p>OPG may also contract with a project manager (with a degree of risk) to jointly, or on behalf of OPG, undertake the management of the project.</p>
<b>Traditional Design-Bid-Build (OPG as EPCM)</b>	<p>OPG prepares the design (either in-house or using contractors). OPG issues separate contracts to vendors for construction and procurement based on OPG drawings and specifications. OPG may have constructor undertake procurement. Pricing may be lower than EPC given that OPG retains design risk.</p> <p>A variation of the above is to hire a construction manager (with a degree of risk) during design phase to conduct document review, constructability reviews, cost estimating and scheduling.</p>
<b>EPC/Design-Build</b>	<p>OPG contracts with a vendor to undertake the design, procurement and construction. This approach provides OPG with single-point accountability for project execution. Timing may be faster by overlapping stages. May result in greater up-front cost and schedule certainty compared to the possibility of delivering the project at a lower cost through the traditional Design-Bid-Build.</p>
<b>Turnkey</b>	<p>Very similar to EPC/Design-Build approach, except that under the Turnkey model there is no design review. Turnkey also incorporates acceptance testing which may remain with OPG. OPG provides a performance specification and the vendor has wide discretion as to how it might best satisfy those requirements.</p>
<b>Partnering</b>	<p>OPG and its vendors form a single integrated team for the work:</p> <ul style="list-style-type: none"> <li>Clear common vision</li> <li>Can't tell who works for who</li> <li>Co-located teams</li> </ul> <p>Full transparency and sharing of information:</p> <ul style="list-style-type: none"> <li>Full transparency - completely open book, long term supply agreements are in place for major commodities to be used by the projects.</li> <li>Joint risk register</li> <li>Common IT systems</li> </ul> <p>All parties have access to the tools needed to do the job (e.g. drawings)</p>



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b) Procurement Options

	Nature of Option
Request for proposals (RFP)	Buyer defines needs; vendors addresses all issues in response
Parallel negotiations	Negotiations with two (or more) selected vendors - can include staged procurement This may or may not be the result of an RFP
Single source	OPG and the vendor negotiate to an agreement after initial selection – can include strategic partnership or staged procurement Method for selecting the single source partner would have to be defined.
Staged Procurement	OPG and vendor(s) enter into a governing agreement setting a process to agree to a specification and contract, but services are procured in stages (e.g. engineering, procurement, etc.). The final decision to commence the project is made at a later date Staged procurement may or may not follow from an RFP process

c) Pricing Options

	Nature of Option
Fixed/Firm Price	Vendor promises to complete its work within a set budget and time period with consequences for failure to do so. Price only varies in specified circumstances or where OPG changes scope Firm price allows escalations
Guaranteed Maximum or Target Price	Contract is cost reimbursable, with a mark-up or fee, but parties have set targets for cost and schedule Parties share savings below targets, usually to a floor Parties share overruns above targets Incentive mechanisms which the vendor agrees to forfeit items such as overhead, profit or costs based on pre-defined conditions In a Guaranteed Maximum, vendor pays overruns over a total cap
Cost Reimbursable	Vendor is paid its actual labour and material costs with mark-ups for overhead and profit (which are usually a percentage of costs)

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## Appendix B: Contracting Strategy Template

THIS CONTRACTING STRATEGY TEMPLATE HAS BEEN APPROVED  
AS PART OF THE OVERALL DARLINGTON REFURBISHMENT  
PROGRAM COMMERCIAL STRATEGY DOCUMENT

*For use to document contracting strategies  
for each of the projects within the DR program*

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**CONTRACTING STRATEGY – [PROJECT NAME]**

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### CONTRACTING STRATEGY

[Project Name]

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Recommended by:

\_\_\_\_\_  
DR Project Manager  
Name & Title

\_\_\_\_\_  
Date

Concurred by:

\_\_\_\_\_  
Stephen Mills  
VP, Nuclear Commercial  
Development

\_\_\_\_\_  
Date

Approved by:

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Dietmar Reiner  
SVP, Nuclear Refurbishment

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## Revision Summary

Revision Number	Date	Comments
R000	YEAR-MM-DD	Initial issue.

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### 1.0 EXECUTIVE SUMMARY

*[Provide a summary of the context and the recommended contracting strategy and pricing model for the project.]*

### 2.0 INTRODUCTION

#### 2.1 Background Information

*[Summarize the background information regarding the Project, including the business need driving the Project and summary description of the key products and services and the project costs for which the contracting strategy is getting developed.]*

#### 2.2 Objectives and Scope of Strategy

The key purpose of this document is to set out the overall contracting strategy for delivery of the Project scope of work. This document will:

- (1) Identify the contracting alternatives suitable for the Project;
- (2) Document evaluation considerations; and
- (3) Recommend a contracting strategy (including strategy around sourcing and pricing).

*[Is this a draft strategy for consultation or finished version? Timescale of strategy.]*

#### 2.3 Development Process

*[Who has been involved in develop the strategy? Identify the members of the Project Team. What work has taken place to date? Identify if there were gaps in existing info and how was this managed. Who are the Stakeholders outside the Project team who were involved? To what extent and in what capacity have they been involved in developing the strategy?]*

### 3.0 CONTRACTING CONSIDERATIONS

In developing the contracting strategy for the Project, the Project Team took into consideration the need to ensure the achievement of OPG's business objectives and the DR Program and Project objectives while keeping with Guiding Commercial Principles as outlined in the DR Program Commercial Strategy (NK38-REP-00150-10001).

*[Summarize any other relevant business (including technical, regulatory etc.) drivers that have been considered for evaluating the contracting options (e.g. long lead items, cost and schedule factors etc).]*

### 4.0 VENDOR/MARKETPLACE CAPABILITIES, RESTRICTIONS

*[Summarize key capability issues/restrictions in the vendor marketplace for the scope of work under consideration, if any. Summarize market analysis (percentage of vendor market share, work/experience OPG has historically had with each of the prospective vendors, internal/external factors that may impact the marketplace and, market trends) and opportunities to fully leverage vendors and the marketplace (based on previous*

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*contracts, current contracts and future contracts) in order to negotiate favourable commercial contracts.]*

### 5.0 CONTRACTING ALTERNATIVES/ ANALYSIS

*[This section should detail out every contracting option considered/evaluated and list the Pros, Cons, and OPG/Industry OPEX on the type of contracting arrangements being evaluated. This section will outline all the decision factors and constraints (e.g. Intellectual Property Rights) for arriving at a recommended option. If, by any chance, the Project under consideration needs to be broken up in further chunks for designing an optimal strategy that should be elaborated with supporting rationale under this section. This section may be supported by analysis tools like the CII Project Delivery and Contracting Strategy Tool (PDCS). The analysis will consider the optimal work packaging, contract delivery and procurement options factoring operational objectives and project/long-term costs associated with the strategy. Early engagement of key stakeholders across OPG for input when completing the analysis to ensure alignment.]*

### 6.0 RECOMMENDED CONTRACTING STRATEGY

*[Summarize the contracting strategy recommended from the set evaluated under Section 6.0 above together with the supporting rationale.]*

### 7.0 CHOICE OF PRICING MODEL

*[Summarize with rationale how the chosen contracting arrangement(s) for the Project should be priced (fixed/firm, cost reimbursable, target price etc.).]*

### 8.0 PROCUREMENT PROCESS PREREQUISITES/CONSIDERATIONS

*[This section is optional. Summarize at a high-level any prerequisites/considerations for the procurement process that are essential for successful strategy implementation. This may include considerations like Expression of Interest (EOI), advance Engineering, staged awards, use of any existing contractual relationships, long term relationships or any other contract administration and post contract considerations. Outline any significant OPG resourcing needs, OPG business processes and governance issues/constraints etc.]*

### 9.0 INTERFACE OR INTEGRATION ISSUES WITH OTHER CONTRACTING STRATEGIES/ MAJOR CONTRACTS FOR THE DARLINGTON REFURBISHMENT WORK

*[Summarize the interface or integrating issues with other contracting strategies or major contracts for the DR work that should be considered during the procurement process and/or contract design for the Project under consideration.]*

### 10.0 KEY RISKS AND PROPOSED MITIGATION

*[Identify the key risks associated with the recommended contracting strategy and pricing model along with mitigations known at the time of formulating the strategy.]*