

OM&A PURCHASED SERVICES – NUCLEAR OPERATIONS

1.0 PURPOSE

This evidence presents the purchases of OM&A services for nuclear operations (excludes Darlington Refurbishment and New Nuclear(at Darlington) that meet the threshold of one per cent of the OM&A expense before taxes, consistent with the OEB filing guidelines.

2.0 OVERVIEW

This evidence supports the approval sought for nuclear OM&A costs. An overview of OPG's procurement process which is applicable to the nuclear facilities is presented in Ex. F3-3-1.

The nuclear OM&A expense before taxes is equal to the sum of nuclear base, project and outage OM&A. This sum is \$1,527.6M in 2014 to \$1,591.1M in 2015 as presented in Ex. F2-1-1 Table 1. For the nuclear facilities the threshold of one per cent of the OM&A expense before taxes is therefore approximately \$16M.

Information on vendor contracts for nuclear operations purchased services for nuclear base, outage and project OM&A expenditures at or above the \$16M threshold for 2010 - 2012 is presented in Chart 1.

Total purchases for the vendors listed in Chart 1 are \$119.5M in 2010, \$65.9M in 2011 and \$84.2M in 2012.

Chart 1
Purchase of Services - Nuclear Contracts

Vendor Name	Description/Nature of Activities	Tendering Process		Justification, if not Competitive
		Competitive	Single Source	
AECON	Provider of general construction services in 2010 and 2011	X	X	<p>A competitive process was used to select AECON and Black & McDonald to enter into a Master Service Agreement for construction services.</p> <p>In 2012, a competitive process was used to select Black & McDonald (and another vendor) to enter into an Extended Service-Master Service Agreement for EPC services.</p> <p>Individual work packages are issued to these vendors to obtain competitive bids. In limited circumstances, consistent with OPG policies and procurement governance, work packages may be single sourced.</p>
Black & McDonald Ltd.	Provider of general construction services in 2010- 2011. Also provider of Engineering-Procurement-Construction (EPC) services in 2012.	X	X	

Vendor Name	Description/Nature of Activities	Tendering Process		Justification, if not Competitive
		Competitive	Single Source	
AMEC-NSS	Provider of engineering services, safety analysis services and specialized code development and maintenance.	X	X	A mix of sole source and competitive bid. Nuclear safety analysis work is primarily sole source, reflecting their unique skill set in the marketplace. Work packages are competitively bid where competition is available.
Babcock and Wilcock.	Provider of technical support services. Majority of work competitively bid.	X	X	Occasionally single-sourced for project continuity, where it is most cost-effective to do so. Internal processes are in place to monitor the extent and frequency of such instances.

Vendor Name	Description/Nature of Activities	Tendering Process		Justification, if not Competitive
		Competitive	Single Source	
Candu Owners Group	<p>The CANDU Owners Group Inc. is a not-for-profit organization which provides programs for the support, development, operation and maintenance of CANDU reactor technology.</p> <p>All CANDU Operators in the world are members of the CANDU Owners Group Inc.</p>		X	Not applicable due to the nature of the services provided