

1 **Q. Recitals**

2
3 **At its 2019/2020 GRA, NP proposed to spend \$1.3 million over the 3-year period**
4 **from 2018 to 2020 on an assessment of its Customer Service System (see NP 2019-**
5 **2020 GRA, page 3 of 11).**

6
7 **The EY Report (see EY’s March 2020 report – Customer information system -**
8 **Assessment results and planning recommendations) (page 1) states that in 2019 EY**
9 **was engaged through a competitive tendering process to “*explore modernization***
10 ***options and implementation approaches*” with respect to the current Customer**
11 **Service System.**

12
13 **The EY Report (page 4) states “*In 2018, Newfoundland Power engaged EY to***
14 ***perform an assessment of the risks associated with the foundational technologies that***
15 ***support CSS.*”**

- 16
17 a) **With respect to the second assignment that led to EY’s March 2020 report**
18 **included in the Application, it is understood that EY was selected on the basis**
19 **of a competitive solicitation. Please confirm and provide details.**
20
21 b) **How many bids did NP receive in addition to that submitted by EY?**
22
23 c) **Were all bidders given copies of the EY risk assessment report?**
24
25 d) **Did the solicitation include a promise or mention of more work to come in 2021**
26 **relating to project implementation?**
27
28 e) **Please provide for the record a copy of the solicitation documents and the**
29 **agreement between NP and EY.**
30
31 f) **What was the final cost of this assignment and how does it compare to the bid**
32 **submitted by EY?**
33
34 g) **How do the costs of the assignments to date relating to the CSS Replacement**
35 **Project compare to the \$1.3 million included in NP’s 2019-2020 GRA?**
36
37 h) **Did EY have an advantage over other bidders on the second assignment given**
38 **that it had already spent several months gaining an understanding of the NP**
39 **delivery system, customer service function and customer base when other**
40 **bidders would have had to start from ground zero? Please explain.**

- 41
42 A. a) **Newfoundland Power confirms that, with respect to the March 2020 report, the**
43 **services of EY were obtained through a competitive tendering process.**

1 EY's March 2020 report, entitled *Customer Information System: Assessment*
2 *Results and Planning Recommendations*, was filed with the Board as part of
3 Newfoundland Power's *2021 Capital Budget Application*. This report contains
4 detailed information on the work conducted by EY as part of this assignment.
5

6 b) Newfoundland Power received 4 bids in addition to that submitted by EY.
7

8 c) No, the Request for Proposals for the 2019/2020 assessment did not include the
9 2018 risk assessment completed by EY. The Request for Proposals included:
10 (i) relevant background information on Newfoundland Power, including the
11 Company's CSS; and (ii) a detailed overview of the Scope of Work for this
12 assignment.
13

14 d) No, the solicitation did not include a promise or mention of more work to come in
15 2021 relating to project implementation.
16

17 e) Attachment A to this response provides a copy the Request for Proposals for the
18 2019/2020 assessment. Attachment B to this response provides a copy of the
19 resulting contract with EY.
20

21 f) The bid submitted by EY for the 2019/2020 assessment was \$482,950. The total
22 cost of executing the work was \$551,950.¹
23

24 g) The budget for the assessment and planning work, as outlined in Newfoundland
25 Power's *2019/2020 General Application*, was approximately \$1.3 million. Actual
26 costs for the assessment and planning work were approximately \$1.2 million.
27

28 Of the \$1.2 million incurred, a total of \$551,950 related to the work completed by
29 EY.
30

31 h) Newfoundland Power is not aware of any competitive advantage EY had over other
32 bidders on the second assignment. As outlined above, the services of EY were
33 obtained through a competitive tendering process whereby all prospective suppliers
34 had access to the relevant background information on Newfoundland Power and
35 details of the required Scope of Work.

¹ Costs exclude HST. Actual costs were higher than budget due to an increase in the amount of work completed using external expertise. This included, for example, the mapping of an additional 23 key business processes by EY for a total of 43 processes.

Newfoundland Power Inc.
CIS Assessment and Planning

**Request For
Proposal
18-046**

**Newfoundland Power Inc.
CIS Assessment and Planning**

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1. Request for Proposal Invitation
2. Instructions to Proponents
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REQUEST FOR PROPOSAL INVITATION

Newfoundland Power Inc.
P.O. Box 8910
50 Duffy Place
St. John's NL A1B 4M5

November 26, 2018

CIS Assessment and Planning (the "RFP") RFP #18-046

1. Posted to this website for your consideration is one (1) copy of the above noted RFP.
2. Subject to the terms and conditions set out in this RFP, Proponent is invited to submit a written proposal ("Proposal") to Newfoundland Power for the provision of the service as specified in the Instructions to Proponents to this RFP before the RFP Closing Time. Please review the document in detail prior to submitting a response.
3. For you convenience, a copy of the Proposal Form contained in the RFP has been posted to this website under separate cover.
4. Newfoundland Power will accept alternative proposals, whereby the Proponent suggests its own methodology to complete the work. Alternative proposal will only be accepted provided the Proponent responds to the original RFP request fully and completely. Any alternative proposal shall be clearly marked as such and separate from the core proposal.

Thank you.

INSTRUCTIONS TO PROPONENTS

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1. **Purpose of Request for Proposal**

Newfoundland Power Inc. (herein called the "Owner" or "Newfoundland Power") requests proposals ("Proposals") for the provision of CIS Assessment and Planning ("the Work"). Please refer to Scope of Work, for detailed information regarding the Work.

2. **Overview of Newfoundland Power Inc.**

Newfoundland Power Inc. operates an integrated generation, transmission and distribution system throughout the island portion of Newfoundland and Labrador. For over 125 years, we have provided customers with safe, reliable electricity in the most cost-efficient manner possible. Newfoundland Power serves almost 260,000 customers, about 90% of all electricity consumers in the province.

Newfoundland Power purchases approximately 90% of the electricity we sell from the Crown Corporation, Newfoundland and Labrador Hydro ("Hydro"). Newfoundland and Labrador Hydro are the primary generation utility on the island interconnected system. Newfoundland Power generates the balance from its generation facilities, primarily smaller hydroelectric stations located across the island.

Our vision is to be a leader among North American electric utilities in terms of safety, customer service, reliability and efficiency.

Newfoundland Power is regulated by the Board of Commissioners of Public Utilities, Newfoundland and Labrador which has jurisdiction over rates, policies, capital expenditures and the issue of securities.

For more information on Newfoundland Power, please visit: www.newfoundlandpower.com

3. **Request for Proposal Definitions**

"Proponent or "Consultant" refers to any person or entity that replies to this Request for Proposal.

"Proposal" means the documentation submitted by the Proponent that incorporates the requirements in this Request for Proposal.

"RFP" means this Request for Proposal.

"Subcontractor" means any person, firm, or corporation engaged by the Proponent, other than an employee, to perform any part of the Work.

4. **Submission of Proposal**

(a) Proposals will be received up to the RFP Closing Time stated in Section 6, Schedule of RFP Process, Item (C) Deadline for Responses to RFP Document, and may be submitted

electronically or in printed form as follows:

- i. Electronic submissions in Portable Document Format (PDF) shall be submitted by email with the RFP number and name in the subject line, to the following email address: tenders@newfoundlandpower.com; or,

Electronic submissions in PDF may be uploaded to a private secure File Transfer Protocol (“FTP”) area by Proponent. Upon request from a Proponent, a link shall be provided by email to the Proponent’s FTP area.

The Owner cannot guarantee its ability to receive email at all times up to the RFP Closing Time. Proponents submitting Proposals electronically do so at their own risk.

- ii. Hardcopy submissions shall be by mail or by courier and contained in a sealed envelope clearly marked with the RFP number and name, followed by the name and address of the Proponent, to one of the following addresses:

Mail:

Newfoundland Power Inc.
P.O. Box 8910
St. John’s, NL A1B 3P6
Attention: Procurement

Courier:

Newfoundland Power Inc.
50 Duffy Place (Receptionist)
St. John’s, NL A1B 4M5
Attention: Procurement

5. RFP Document

This RFP consists of the following (“RFP Document”):

- (a) Request for Proposal Invitation;
- (b) Instructions to Proponents;
- (c) Proposal Form ;
- (d) Agreement; and
- (e) Any Addenda to the above.

6. Schedule of RFP Process

RFP Milestones: The following table indicates this RFP’s milestone dates which may be modified by the Owner in its sole discretion.

Time Zone: All references to a specific time in this RFP Document are reference to Newfoundland Standard Time (“NST”).

Item	RFP Milestones	Date
(a)	Release of RFP Document	November 26, 2018
(b)	Deadline for submitting RFP Questions	December 18, 2018
(c)	Deadline for Responses to RFP Document ("RFP Closing Time")	January 10, 2019 3:00:59 p.m. Newfoundland local time
(d)	Proposal Evaluation and Proposal Selection Notification	January 14, 2019
(e)	Contract Negotiations Completion Date	January 31, 2019

7. Request for Clarifications of RFP

- (a) It is the Proponent's responsibility to inform itself of all aspects of the services to be provided and to obtain clarifications of the RFP Document in writing if the Proponent:
 - i. requires any clarification, correction or new information reasonably necessary for a clear and comprehensive understanding of the RFP Document;
 - ii. identifies any error or omission in the RFP Document; or
 - iii. identifies any facts or conditions, which may conflict with the information contained in the RFP Document.
- (b) Proponents shall submit requests for clarification regarding this RFP by email to tenders@newfoundlandpower.com by the date stated in Section 6, Schedule of RFP Process, Item (b) Deadline for Submitting RFP Questions. The Owner reserves the right not to respond to requests for clarification submitted after this deadline.
- (c) The Owner will determine the appropriateness of sharing a response given to one Proponent's questions with other Proponents.

8. Completion of Proposal Form

- (a) The Owner uses a standard "Proposal Form" for proposal submissions. The Proposal Form shall act as a guideline to the format and content of the information requested and to allow for consistency when evaluating Proposals, and shall not be taken to represent the sole requirements for a successful Proposal.
- (b) The Proposal shall be in the English language.
- (c) Proposals shall be completed in the format set out in the Proposal Form and the applicable Appendices shall be attached and clearly labeled. If the Proponent wishes to add subsections and provide additional information, it may do so. All information provided shall be typed or printed so as to be clearly legible.
- (d) All pricing shall be in Canadian Dollars, exclusive of Harmonized Sales Tax. If

applicable, Harmonized Sales Tax shall be shown separately.

- (e) All assumptions and conditions made by the Proponent regarding any aspect of this RFP shall be clearly stated in the Proposal.
- (f) Proponents shall provide any other information they feel is pertinent to this RFP.
- (g) Alternate solutions or equivalent services that the Proponent believes may be considered to be advantageous may be presented in a Proposal. Such alternate solutions or equivalent services shall be presented as an alternate Proposal in the same format as outlined in the Proposal Form and shall include a description of each alternative in the equivalent detail to that required for the main Proposal and shall clearly indicate any advantages and cost variations of each alternative.
- (h) Where spaces are provided on the Proposal Form for the Proponent's signature, the Proposal Form shall be signed by a duly authorized representative of the Proponent.

9. Familiarity with the Work and Work Site

Before submitting a Proposal, Proponents shall carefully examine the Proposal Document and fully inform themselves of the existing conditions and limitations.

10. Amendments to the RFP by the Owner

The Owner may amend the RFP Document by issuing an Addendum. Where an Addendum is issued less than three (3) days before the RFP Close, the RFP Closing Time may be extended at the Owner's discretion.

11. Amendment of Proposals Submitted by the Proponent

Proponents may submit a revised Proposal up to the RFP Closing Time as per the submission process as outlined in Section 4, Submission of Proposal.

12. Evaluation of Proposals

The Owner wishes to identify and select a Proponent who can satisfy the requirements of this RFP in a practical manner resulting in the most appropriate fit for the Owner. Evaluation of Proposals received shall include but may not be limited to following:

(a) Quality of Response

The evaluation will consider the quality of the Proponent's response. This includes such things as the Proponents' ability to demonstrate a complete understanding of the requirements of the RFP, and to provide all services required, and the completeness, clarity and readability of the Proposal and of any supplementary information provided.

(b) Additional Criteria

Proposals meeting the requirements stated above will be assessed for completeness with reference to the information required by the attached Proposal Form. The Owner shall not be bound to accept the lowest Proposal submitted in response to this RFP or any Proposal at all. The Owner will also consider any other relevant information provided by Proponents. Proponents should therefore include any additional information, or alternate approaches, they believe may be advantageous to the Owner in light of the requirements of the RFP.

(c) RFP Requirements

Proposals that do not meet the following requirements may receive no further consideration during the evaluation process:

- i. The Proposal shall be in the English language; and
- ii. The Proposal shall be signed by a duly authorized representative of the Proponent.

13. Owner's Request for Clarification of Proposals

The Owner may, in its sole discretion, request clarifications, corrections and/or new information relating to any Proposal submitted by a Proponent, and use such information to evaluate a Proposal. Proponent shall reply to any such request within forty-eight (48) hours of receipt. All replies shall be submitted in writing in electronic or printed form at one of the applicable addresses indicated in Section 4 – Submission of Proposals. The Owner may choose not to consider any reply received after that time or not received in writing.

If required, the Owner may request one or more interview sessions with any Proponent for clarification and explanation of their Proposal. The Owner may require the attendance of key personnel and an authorized officer at any such interviews. Proponent will not be reimbursed for any cost associated with any interviews.

14. Reservation of Rights

(a) Invitation Only

Neither this RFP, nor anything contained in the RFP Document, shall constitute a legal offer and is not to be construed as an agreement to purchase goods or services. The RFP and RFP Documents are only an invitation for Proponents to submit a Proposal to the Owner. The Owner shall not be bound to accept any Proposal, or to enter into any agreement with any Proponent submitting a Proposal.

Notwithstanding any other provision in the RFP, the Owner in its sole discretion and without obligation to provide any reason therefor, shall have the unfettered right to do any of the following:

- i. accept any Proposal or reject any or all Proposals, as well as the right to accept or reject only part of a Proposal;
- ii. accept any Proposal at any time, including without limitation, a Proposal that is received by the Owner after the RFP Closing Time;
- iii. accept any Proposal it considers advantageous;
- iv. withdraw or modify this RFP in whole or in part at any time;
- v. terminate this RFP process at any time and negotiate directly with any one or more Proponents or other parties whether having received any response hereto or not;
- vi. consider such alternate goods, services, terms or conditions that may be offered, whether such offer is contained in a Proposal or otherwise;
- vii. if applicable, reject Proponent's recommendation of any Subcontractor or any other third party associated with the Proposal and jointly along with Proponent, determine alternate acceptable third parties;
- viii. waive any of the stated requirements set out in this RFP, or these Instructions to Proponents, or to request non-compliant Proponents to rectify any non-compliance within such time as the Owner may require; and
- ix. use any or all concepts presented in any Proposal, whether the Proposal is accepted or rejected.

(b) No Exclusivity

The Owner shall not at any time have any obligation to deal exclusively with any Proponent, including the successful Proponent. The Owner expressly reserves the right and discretion to seek a Proposal regarding the subject matter hereof from any person(s) or entities whomsoever and at any time.

15. Proposal Preparation Expense

Any costs and expenses incurred by a Proponent in the preparation of the Proposal, or arising from or in any way connected with this RFP shall be borne solely by the Proponent (including without limitation any subsequent discussions or negotiations with, or requests for clarifications by, the Owner). If the Owner, in its absolute discretion, elect to not proceed with this RFP, reject any or all Proposals, or enter into any discussions, negotiations or clarification processes with one or more Proponents or third parties, the Owner will not be liable to any Proponent for any claims whatsoever, whether for costs or damages incurred by the Proponent in preparing its Proposal (including without limitation any requested clarifications, corrections and/or new information thereto), loss of anticipated profit, or any other matter whatsoever.

16. Binding Nature of Proposal

- (a) A submitted Proposal shall be an offer capable of acceptance by the Owner and shall be valid for a period of sixty (60) days following the RFP Closing Time and, regardless of the notice of selection of a Proposal under paragraph 17(b), shall remain open for acceptance after the RFP Closing Time until the sixty (60) day period has elapsed. Acceptance by the Owner shall be in the manner as set out in Section 17 hereof.
- (b) Proposals are final after the Closing Time and may not be subsequently altered unless agreed to in writing by the Owner.
- (c) By submitting a Proposal, Proponent represents and agrees that the Proposal, and all accompanying documentation (including, subject to paragraph 19(c) hereof, the information, concepts and ideas therein) submitted with or in connection with it, becomes the sole property of the Owner when submitted and will not be returned, and that the claims, statements, and representations made in the Proposal, together with the claims, statements and representations made in the documentation and other materials supplied with it or referred to in it, are intended as contractually binding representations and warranties of the Proponent made for the benefit of the Owner. In the event that the Proposal is accepted or conditionally accepted by the Owner, Proponent agrees that the Owner has relied on such claims, statements and representations and that they form the Owner's minimum acceptable requirements and will be incorporated, referenced or reflected in the final agreement negotiated by the parties.

17. Notification of Proposal Selection and Contract Negotiation

- (a) The Owner may, in its sole discretion, determine to move forward to the negotiation stage with one or more Proponents, or they may determine to cancel this RFP. The Owner may substantially alter the services required in the process of any negotiations with any Proponent, without obligation to any other Proponent.
- (b) The successful Proponent shall be notified in writing by the Owner's duly authorized representative of the Owner's acceptance or conditional selection as a party with whom the Owner wishes to negotiate an agreement. An acceptance or conditional acceptance by the Owner of the Proposal shall not be effective unless it is in writing.
- (c) If an agreement cannot be negotiated with a successful Proponent within a time period satisfactory to the Owner, the Owner may at its sole discretion, terminate negotiations with that Proponent and either enter into negotiations with another Proponent, or terminate this RFP process and not enter into an agreement with any of the Proponents.

18. Agreement

The Agreement together with the referenced Schedules in the Agreement that is contained in this RFP is for the Proponent's information. This Agreement sets out the terms and conditions of the agreement to be negotiated between the successful Proponent (the

Consultant) and the Owner. The Agreement is for the information of Proponents and should not be completed at the time of Proposal submission.

Any additional information with regard to the services required that are issued as a written Addenda to this RFP, or any drawings, plans, specifications, policies or procedures relating to the Agreement, may be incorporated into the Agreement as negotiated between the successful Proponent and the Owner.

Terms of this Agreement shall include but shall not be limited to the following:

- **Law of the Contract:** The law of the contract shall be that of Newfoundland and Labrador and the Court with jurisdiction over the contract shall be the Supreme Court of Newfoundland and Labrador.
- **Registration for Incorporated Entities:** Prior to the commencement of the Work, the Contractor shall provide to the Owner a current Certificate of Good Standing from the Commercial Registration Division, Department of Government Services, Newfoundland and Labrador.
- The following documentation shall be required to be submitted to the Owner by the Contractor prior to the commencement of the Work:
 - a. **Withholding Tax Requirement:** If applicable, Non-Resident Withholding Tax of 15% will apply, regarding services provided in Canada by non-residents of Canada unless Proponent has provided a waiver from Canada Customs Revenue Agency (CCRA). A current copy of an application form can be obtained by accessing the CRA's website on the Internet at www.cra.gc.ca. To apply for a waiver, complete form **Regulation 105 Waiver Application (R105)**, and mail or fax it, along with supporting documentation to the following address:

Newfoundland and Labrador Tax Services Office
Sir. Humphrey Gilbert Building
165 Duckworth Street
P.O. Box 12075
St. John's, NL A1B 4R5
FAX: 709-754-5928
 - b. **Insurance:** The Contractor shall provide, maintain and pay for, during the entire term of the contract, all insurance coverage as required by the Owner. Proof of the required insurance shall be provided to the Owner, prior to the commencement of the Work, by a Certificate of Insurance in the form provided in the Agreement included in this RFP.
 - c. **Competency letter:** Prior to the commencement of Work, the Contractor shall sign a competency letter provided by the Owner, which indicates that the Proponent's employees, Subcontractors and their employees are competent to perform the work assigned to them in a safe, healthy and environmentally responsible manner.

- d. **Environmental, Health and Safety Awareness Training:** The Contractor or the Contractor's designee shall be required to attend environmental, health and safety awareness training presented by Newfoundland Power and successfully complete a short quiz. Duration of the training is approximately ½ hour. The Contractor or the Contractor's designee shall deliver this training and quiz to all Proponent's personnel and any proposed Subcontractor(s) who will be engaged in the performance of low risk office services related to the Work. A copy of the training, quizzes and answer keys can be found at Newfoundland Power's contractor website as follows:

<https://workingwith.newfoundlandpower.com>

From the side menu bar under Quick Links, select "Training"

- i. Select Category 03- Environmental, Health and Safety Awareness Training for Low Risk Contractors and Suppliers

19. Use of Information and Confidentiality

(a) Use and Ownership of Information

All information, including, without limitation, any drawings, specifications, calculations, instructions, notes and memoranda, provided at any time by the Owner or its agents or contractors, to the Proponent, or to employees, agents or contractors of the Proponent, or prepared or obtained at any time or times by the Proponent, or by employees, agents, or contractors of the Proponent, in connection with the performance of the services or in connection with the RFP Document shall be and remain at all times the sole and absolute property of the Owner and shall not be disclosed by the Proponent to any third party without the express written consent of the Owner.

(b) Confidentiality

This RFP is a confidential document and will remain the property of the Owner while in the hands of Proponents. The contents of this RFP are to be used only by Proponent's personnel or third party Subcontractor(s) working on the development of the Proposal. The contents of this document are not to be disclosed to any other third parties.

Proponents shall keep secret and confidential this RFP and the information contained in the RFP Document. No publicity or discussions of the Proponent's involvement or promotion of its relationship with the Owner shall be permitted until an agreement is fully executed by both parties and then only with the express written consent of the Owner. The failure of any Proponent to maintain these obligations of confidentiality and prohibitions against promotion shall be cause for the immediate rejection the Proponent's Proposal and the removal of the Proponent from the Owner's approved bidder list.

Proponent and any professional advisor thereof shall use all the Owner's information received only for the purpose of preparing and submitting a Proposal and for no other purpose whatsoever.

(c) Use of Ideas

Proponents acknowledge that its Proposals may be shared with third parties as part of the Owner's evaluation and analysis process and hereby consent to same.

Furthermore, Proponents understand and agree that unless any Proposal, alternatives, scenario, opportunity, idea or process (“**Idea**”) included in its Proposal, is clearly identified in writing as proprietary to the Proponent and meets the criteria that give rise to trade secret protection under applicable law, Proponents will not be entitled to claim any compensation or make any other claim of any nature if said Idea is later used or implemented by or on behalf of the Owner, in whole or in part, whether pursuant to the contract contemplated by this RFP and Instructions to Proponents or in the Owner’s usual business activities. For certainty and even if proprietary rights to an Idea are claimed in writing by a Proponent as referred to above, in no event will compensation be due or shall the Owner otherwise be liable in respect of an Idea if the Owner develop or developed the Idea itself without reference to the Proposal, had prior knowledge of the Idea, or holds or otherwise acquires proprietary rights to the Idea, or has not committed any fault or negligence with respect to its use of the Idea.

Proprietary information identified as such by Proponents will be reasonably safeguarded from copy. However, the Owner accepts no responsibility for exposure of proprietary information.

All Proposals and supporting material submitted in response to this RFP shall become the property of the Owner;

20. Limitation of Liability

By submitting a Proposal in response to this RFP, the Proponent agrees that it will not claim damages, costs, or expenses, for whatever reason, relating in any way whatsoever to this RFP and any resulting process, and waives any and all claims against the Owner whatsoever, whether for costs, damages or expenses incurred by the Proponent in preparing a Proposal or participating in the RFP.

21. Governing Law

This RFP shall be governed by, subject to and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

22. Security - Bid Bond

- (a) Proponents shall submit a Bid Bond with their proposal made out in favour of Newfoundland Power Inc. for at least ten percent (10%) of the Total Estimated Contract Price. A certified cheque may be submitted in lieu of the Bid Bond.
- (b) In the case of electronic submission of Proposal a copy of Bid Bond is acceptable at submission with receipt of original Bid Bond within 24 hours of the RFP closing time.

APPENDIX A
SCOPE OF WORK

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1. Executive Summary

Newfoundland Power Inc. (“Newfoundland Power” or the “Company”) is the primary distributor of electricity in Newfoundland and Labrador. The Company is responsible for delivering electricity and providing customer service to approximately 266,000 customers.

Since 1993, Newfoundland Power’s approach to customer service delivery has been underpinned by its Customer Service System (“CSS”). The system supports all essential customer service functions, including customer account management and billing, customer communications and contact management, and program and service delivery.

The CSS has exceeded its expected service life of 20 years. Newfoundland Power expects to extend the system’s service life to 30 years. Operation of the system beyond this timeframe presents increased functional and technical risks. These risks have been validated through a third-party assessment and are typical of billing systems implemented in the early 1990s.

Failure of the CSS would compromise Newfoundland Power’s ability to complete essential customer service functions. Replacement of the system is a once-in-a-generation effort necessary to ensure continuity in customer service delivery.

The Company has reviewed multiple methodologies for replacing the system based on industry best practices and have identified Assessment and Planning as the first stage. During this stage, Newfoundland Power will: (i) review existing customer service business processes, including any changes necessary to better serve customers; (ii) determine the functional and technical requirements of a replacement system to support these processes; and (iii) outline a business plan for transitioning to a replacement system, including estimated costs and timelines.

The results of the Assessment and Planning work will inform a proposal to be contained within the Company’s *2021 Capital Budget Application* and prepare the Company for a request for proposal phase.

2. Background

a. Customer Service Delivery at Newfoundland Power

Newfoundland Power is responsible for serving approximately 87% of all electricity customers in Newfoundland and Labrador. In 2017, the Company had approximately 266,000 total customers. Providing efficient and responsive customer service is a principal business function of Newfoundland Power.

The Company's customer service delivery is comprised of 3 key pillars:

- i. **Account management and billing** is a foundational element of providing service to customers. It involves reading over 254,000 customer meters, calculating and issuing approximately 3 million customer bills each year, managing all customer payments, and initiating collections processes, when necessary. The Company's approach to account management and billing has evolved over time to include options for customers such as paperless billing ("ebills"), the Equal Payment Plan, and online self-service options.¹ Such evolutions are necessary to continue meeting customers' service expectations.
- ii. **Communications and contact management** is necessary to maintain customer relationships. Newfoundland Power receives over 2 million customer-initiated contacts each year.² Customers expect to receive timely and accurate information on their accounts, outages, and programs and services offered by the Company. Newfoundland Power maintains multiple channels to provide this information to customers, including telephone, email, a website, social media, and SMS texting. Customers are increasingly choosing digital

¹ At year-end 2017, approximately 113,000 customers were enrolled in ebills, 43,000 customers were enrolled in the Equal Payment Plan, and over 97,000 customers had established accounts to use online self-service options.

² From 2013 to 2017, the Company received an average of approximately 2.4 million contacts from customers via telephone, email and the website.

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communication channels to contact the Company.³ Digital communication allows Newfoundland Power to provide customers with information on a round-the-clock basis.

- iii. **Program and service delivery** includes customer conservation programs, customer financing programs, and requests for field work, such as tree trimming and new service connections. For example, Newfoundland Power has issued over 47,000 on-bill customer conservation rebates since 2009. The Company has also provided over \$5 million in customer financing programs. Such programs and services support the delivery of reliable and responsive electrical service to customers. Newfoundland Power maintains the capabilities to provide these programs and services to customers throughout its service territory.

Newfoundland Power manages its overall customer service delivery in a manner that balances service responsiveness and cost effectiveness. The Company issues quarterly surveys to gauge customers' satisfaction with its service delivery. Over the last 20 years, customers have indicated an average satisfaction level of 88%. Over the same period, customer service costs were reduced by approximately 8%, while the number of customers increased by 54,000. This operational efficiency has been supported by various technology-driven initiatives within the customer service function, including automated meter reading, paperless billing, and providing customer self-service options.

³ Over the last 5 years, visits to the Company's website more than doubled from approximately 1,005,000 in 2013 to 2,843,000 in 2017. Over the same period, email contacts from customers more than doubled from approximately 49,000 in 2013 to 124,000 in 2017.

b. Newfoundland Power's Customer Service System

i. System Functionality

The foundational technology underpinning Newfoundland Power's customer service delivery is the Company's CSS. The CSS was developed and implemented over 4 years at a total cost of approximately \$10.2 million. It was launched in 1993 and, at the time, was the largest capital project in Newfoundland Power's history.

Implementation of the CSS modernized customer service delivery at Newfoundland Power. It allowed the Company to eliminate manual billing and account management processes and centralize its customer service function. This achieved operational efficiencies without reducing the level of service to customers.

The CSS was developed with an expected service life of 20 years, but continues to provide broad-based customer service functionality today. Essential functions of the CSS include:

- i. Storing, maintaining and protecting information related to over 266,000 active customer accounts and over 1 million inactive accounts, including account name, address, and contact details;
- ii. Processing monthly metering data to automatically generate virtually all customer bills, including the automatic issuance of ebills to customers;⁴
- iii. Tracking and applying customer payments and managing the Company's collections process, including generating automatic correspondence and calls to customers, when necessary;

⁴ Billing for net metering customers and some large general service customers is currently completed through manual processes outside of the CSS.

Scope of Work – CIS Replacement, Planning and Assessment Phase

- iv. Connecting directly with the Company’s website and telephone system to provide customer self-service options, including the ability for customers to view account balances, request payment arrangements, and report outages online;
- v. Providing a record of customers’ service history and previous contacts with the Company, which facilitates responding to a large volume of customer inquiries each year;
- vi. Facilitating the delivery of programs and services to customers, including all on-bill customer conservation rebates, customer financing programs, and requests for field work; and
- vii. Logging and tracking day-to-day work queues for customer service staff, such as customer billing adjustments, high billing inquiries, and energy conservation requests.

This functionality is essential to providing service to customers. Much of this functionality has evolved over the last 2 decades in response to changing customer expectations, industry practices and regulatory requirements. For example, the CSS was upgraded in 2003 to support the Equal Payment Plan for customers, in 2011 to deliver the Provincial Government’s residential energy rebate, and in 2016 to deliver the Rate Stabilization Plan (“RSP”) Refund to customers. Such modifications have resulted in a highly customized and complex system that is unique to Newfoundland Power. This complexity and customization is typical of systems implemented in the 1990s.

3. Assessment & Planning Scope of Work

There are 4 milestones within Newfoundland Power's Assessment and Planning Stage: (i) Current State Assessment and Data Assessment Guidance; (ii) Target State Assessment; (iii) Application Development Planning; and (iv) Business Case.

Assessment & Planning Deliverables

i. Current State Assessment and Data Assessment Guidance

(a) Current State Assessment

The goal of the *Current State Assessment* is to document the business processes that guide how Newfoundland Power currently delivers customer service, how these processes are supported by the underlying CSS technology, and the strengths and weaknesses of the current approach.

The successful candidate will manage and produce a high level Current State Assessment, as a necessary deliverable from this phase. Additionally, the successful candidate will help the Company define a framework, with the use of their supplied templates to ensure Newfoundland Power's internal detailed documentation effort is exhaustive and successful.

As part of this assessment, Newfoundland Power staff will review and document over 300 business processes through interviews, surveys and workshops with approximately 90 subject matter experts within the Company. Identifying and documenting these processes is necessary to determine the specific processes that must be supported by the replacement system.

The successful candidate will also assess and summarize the technology underlying the CSS. A technology risk assessment report has been recently completed and will be used to provide input and guidance to this task. However, technology risks will continue to be assessed throughout this work to inform the timing of subsequent project stages and any required changes to contingency planning necessary to minimize emerging risks. Additionally, technology integrations and inter-system connections will be reviewed and updated to outline how well the CSS technology operates to support related business processes, including the system's connectivity to other operational technologies.

(b) Data Assessment Guidance

Scope of Work – CIS Replacement, Planning and Assessment Phase

The goal of the *Data Assessment* is to support a seamless transition of all necessary customer data to the replacement system. The transition of data is necessary to ensure the Company can continue to provide accurate and timely information to customers.

Newfoundland Power's CSS includes 25 years of customer data related to approximately 266,000 current customer accounts and over 1 million inactive accounts. There are nearly 500 million records contained across hundreds of database tables.

The successful candidate will guide Newfoundland Power staff to document: (i) which data should be transitioned to the replacement system; (ii) any quality issues with the data and any immediate and longer term approaches for addressing those issues; and (iii) how the data will be transitioned to the replacement system.

ii. Target State Assessment

The goal of the Target State Assessment is to outline how Newfoundland Power will continue to provide customer service over the longer term and the functional and technical requirements of the underlying replacement technology. This will be completed by: (i) assessing the results of the Current State Assessment; (ii) developing a set of requirements for future business processes and technology; (iii) assisting with consultations with Newfoundland Power customers to identify potential areas for improvement within the customer service delivery function and ; (iii) scoring these requirements against the capabilities of commercial software products.

Completing this assessment requires an understanding of the capabilities of commercial software products. With the successful candidate's guidance, the Company will review industry standards, best practices and emerging trends. This information will be collected through interviews with software vendors, industry advisors, and utilities with recent experience replacing their systems. In addition to functionality, various technical criteria will be considered, including the: (i) performance and complexity of the underlying technology; (ii) ease of integration with other

Scope of Work – CIS Replacement, Planning and Assessment Phase

technologies; (ii) flexibility to implement new functionality over time; (iii) support and maintenance requirements; and (iv) cybersecurity capabilities.

The Target State Assessment will yield a set of alternative solutions that can meet Newfoundland Power's requirements. Each alternative will be evaluated at a high level to show how the solution can meet the Company's requirements, highlighting benefits that would be delivered to customers, estimating associated resource requirements and costs, and approximate implementation timeframes. Ultimately, the Target State Assessment will result in the development of a set of requirements for how Newfoundland Power will ensure continuity in customer service delivery.

iii. Application Development Planning

The goal of *Application Development Planning* is to identify how Newfoundland Power will implement a replacement Customer Information System that meets customers' service expectations and all regulatory and business requirements.

Based on the findings of the Target State Assessment, the Application Development Plan will include:

- i. Any changes to business processes that are required to ensure efficient and responsive customer service delivery over the longer term;
- ii. High level functional and technical requirements of a replacement system, including required connectivity to other Company systems, support and maintenance requirements, and cybersecurity requirements;
- iii. A resourcing plan for developing and implementing the replacement system, including existing staff that will be assigned to the project and any hiring requirements;

Scope of Work – CIS Replacement, Planning and Assessment Phase

- iv. An estimate of the capital cost to implement the project and subsequent operating costs once the replacement system has been installed;
- v. A timeline for project execution, encompassing both the Application Development and Post Implementation Stages of the project; and
- vi. A procurement plan outlining the processes to be used for purchasing the required hardware, software and vendor support for the project;

iv. Business Case

The Business Case will provide an overview of potential options to address The Company's challenge with the current CSS. There would be detail documentation outlining the superior option for Newfoundland Power and would include key components from the Application Development Plan.

Additionally the Business Case will be used to inform a project proposal to be contained within the Company's *2021 Capital Budget Application*.

4. Conclusion

Newfoundland Power has outlined a potential approach for replacing its CSS based on industry best practices. This approach will ensure continuity in the customer service delivery function over the longer term.

The first stage requires Assessment and Planning work to determine how the Company will continue to provide responsive and efficient customer service, the functional and technical requirements of the underlying technology, and a process for implementing the replacement system.

WHENEVER. WHEREVER.
We'll be there.



PROPOSAL FORM

for

RFP# 18-046

CIS Assessment and Planning

IDENTIFICATION OF PROPONENT

(Proponent's Legal Company Name)

(Address of office of Proponent)

Proponent's Representative's Name & Title
(Representative responsible for the preparation of the Proposal and who may be contacted for further information or clarification).

Proponent's Representative's Contact Information (email, phone, cell)

PROPOSAL Form

This Proposal is prepared in response to the Owner's RFP for *CIS Assessment and Planning*. Please refer to the Instructions to Proponents, for detailed instructions on the completion of the Proposal Form.

Please provide the following information and attach the information requested in each section to this Proposal Form as the requested Appendix.

1. **CORPORATE PROFILE**

(a) The Proponent shall include information as it relates to:

Company profile, including:

- Corporate Legal Name;
- Project Management principles and practices;
- Certifications and licenses by government and/or other organizations;
- If your company is unionized, and if so what is the expiry date of the union contract; and,
- Any other company information that the Proponent determines should be known by Newfoundland Power.

Please attach as "Appendix A".

2. **UNDERSTANDING AND REQUIREMENTS OF THE WORK**

(a) A summary of your understanding of the services required in this RFP including your commitment in providing excellence in delivery, quality and reliable service in a safe and environmentally accepted manner.

(b) The timeframe in which the Proponent is proposing to complete the work is important. Below is a Schedule of Milestones and Payments for the required services. Please complete the "Proposed by Contractor" date and payment section of for this Schedule.

Schedule of Milestones and Payments

#	Milestone	Proposed by Owner		Proposed by Contractor		Acceptance Criteria (for Payment)
		Date	Payment	Date	Payment	
1	Contract Award	February 1 st , 2019	15%			Fully signed Agreement
2	High Level Current State Assessment and Data Assessment Guidance	May 31 st , 2019	15%			High Level Current State and Data Assessments completed and accepted by Newfoundland Power Inc
3	Target State Assessment	August 30 th , 2019	20%			Target State Assessment completed and accepted by Newfoundland Power Inc.
4	Application Development Planning	November 29 th , 2019	20%			Application Development Planning completed and accepted by Newfoundland Power Inc
5	Final Report Submission and Business Case	February 28 th , 2020	30%			Business Case completed and accepted by Newfoundland Power Inc

Please attach as “Appendix B”.

3. CORPORATE ENVIRONMENT, HEALTH AND SAFETY POLICIES AND MANAGEMENT SYSTEM

The Proposal shall demonstrate the Proponents commitment to health, safety and the environment along with its commitment to meeting the requirements of all applicable safety and environmental legislation, regulations, and accepted standards of environmental protection while performing services outlined in this RFP.

Please attach as “Appendix C”.

4. ADDITIONAL WAYS TO DIFFERENTIATE

- (a) Describe any additional ways to differentiate your company from other companies in providing services requested under this RFP.
- (b) Describe any additional value added goods and / or services that can be provided to the Owner. If practicable, the costs associated with any such value added goods and / or services shall be included in the Proposal. Proponent should also state any opportunities that provide additional immediate or subsequent future savings from efficiencies gained through a proposed value added good or service.

Please attach as "Appendix D".

5. KNOWLEDGE AND EXPERIENCE

Provide reference names of least three companies that Proponent has performed services for in the recent past. The Proponent should list organizations of a similar size and nature to Newfoundland Power for which it has provided similar services as required in this RFP. Provide client names, contact names and titles, telephone numbers and email addresses. The submission of references by a Proponent shall constitute authorization to Newfoundland Power by the Proponent to obtain performance and reference information from third parties as part of the Owner's due diligence.

Please attach as "Appendix E".

6. RESOURCE QUALIFICATIONS

(a) Proponent's Personnel:

Please provide the following:

- A list of the classifications of employees proposed to participate in the Work and the number of employees in each classification.
- The names and resumes of the proposed supervisors and/or managers for the services to be provided.

(b) Partnerships

If the Proponent chooses to partner with one or more Subcontractors, the following information shall be provided:

- The Subcontractor's legal name;
- The location of the Subcontractor's main office and any other locations where the Subcontractor conducts business;
- An indication of the portion of work the Subcontractor will be responsible for;
- An indication of the Subcontractor's experience with similar projects; and,
- Three relevant client references.

Newfoundland Power reserves the right to approve all proposed personnel and Subcontractors.

Resumes may be requested during the evaluation process for employees proposed by the Proponent.

Please attach as "Appendix F".

7. BUSINESS CONTINUITY

Proponent's ability to continue operations under adverse conditions that could impact operations is important due to loss of or damage to critical infrastructure (severe storms) and disruptions due to pandemic or labor dispute.

Proposals are to include appropriate details for prevention, preparedness and response to adverse conditions.

Please attach as "Appendix G".

8. COST

(a) Please complete the attached "Schedule of Prices. All prices shall be quoted as follows:

- All prices shall be quoted in Canadian Dollars. Harmonized Sales Tax (HST) (if applicable) is extra.
- Pricing shall be all inclusive and shall not be subject to any unstated levies, charges, expenses or costs with respect to the provision of personnel related to the provision of the required services other than applicable taxes.

Please attach as "Appendix H".

Schedule of Prices

Item No.	Description	Unit	Price	Total
1	High Level Current State Assessment and Data Assessment Guidance	Lump Sum		
2	Target State Assessment	Lump Sum		
3.	Application Development Planning	Lump Sum		
4	Business Case	Lump Sum		
Subtotal				
H.S.T. (15% of Contract Price)				
Total Estimated Contract Price				

Notes:

1. The lump sums tendered in the Schedule of Contract Prices shall be for the Work finished complete in every respect and they must include all incidental or contingent expenses and risks of every kind necessary to complete the Work in accordance with the Contract.
2. The Owner will issue payment within thirty (30) days from the invoice date for invoices presented by the Contractor.

EXECUTION

The undersigned Proponent, having carefully examined the RFP Documents and the requirements of Proponents and of Proposals, and having full knowledge of the services required, hereby:

- (a) Agrees to the terms and requirements of the RFP contained in the RFP Documents, including any Addenda or clarifications issued by the Owner;*
- (b) Confirms that the Proponent has complied with and shall comply with the terms and requirements of the RFP;*
- (c) Agrees that the Proposal is a firm offer to the Owner to provide the services required for the pricing outlined in the Proposal and remains open for acceptance by the Owner for a period of sixty (60) days from the RFP Closing Date; and,*
- (d) Declares that the Proposal herein, including the statements made and the information provided in the Proposal are complete, accurate and true in every detail.*
- (e) Acknowledges receipt of the following Addendums*

IN WITNESS WHEREOF the Proponent has caused this Proposal to be executed by a duly authorized representative as of the ____ day of _____, 2018.

Company: _____

Per: _____

Print Name: _____

Title: _____

Date: _____

**Contract with Ernst and Young LLP
2019/2020 Assessment and Planning**

“CIS Assessment and Planning”

between

Newfoundland Power Inc .

and

Ernst & Young LLP

Newfoundland Power Inc.
CIS Assessment and Planning

AGREEMENT

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Appendix A - Certificate of Insurance

Appendix B – Scope of Work

Schedule A – Consultant Schedules

THIS AGREEMENT dated this 23rd, day of January, 2018

BETWEEN: **NEWFOUNDLAND POWER INC.**
(the "Owner")

AND: **Ernst & Young LLP**
(the "Consultant")

IN CONSIDERATION of the covenants and agreements hereinafter contained, the parties hereto covenant and agree as hereinafter set out:

1. Scope of Work

The Owner retains the Consultant as a Consultant to perform and render advice and other services in relation to "CIS Assessment and Planning" (the "Work"). Such advice and services include but are not limited to those as listed in the Scope of Work (Appendix B) and Schedule of Prices, attached hereto.

2. Term of Consulting Services

Subject to the termination rights as specified in Clauses 4 and 5, the term of this Agreement (the "Term") shall commence on February 25th, 2019 and end on June 30th, 2020.

If the Consultant is delayed in the performance of the Work then the term may be extended for such reasonable time as the Owner may decide in consultation with the Consultant.

3. Fee For Consulting Services

3.1 Intentionally Deleted

3.2 The Owner shall pay the Consultant as per the Schedule of Milestones and Payments.

3.3 All amounts paid by the Owner shall be paid in Canadian dollars.

3.4 The Owner shall make progress payments to the Consultant for so much of the Work, less applicable holdback, as has been certified complete by the Owner's Representative.

3.5 The Owner may withhold from any payment due or to become due to the Consultant, funds sufficient to satisfy its obligations with respect to any lien or trust claim of which the Owner has notice or is deemed to have notice.

- 3.6 The Owner shall pay the Consultant the holdback required to be maintained the next business day following the last day to register liens against the Work, provided that such payment can be made without jeopardy.
- 3.7 The Owner will issue payment within thirty (30) days from the invoice date for invoices presented by the Consultant.

4. Termination of Consulting Services

- 4.1 On any failure by the Consultant to substantially perform or observe any of the obligations or agreements which are contained in this Agreement, the Owner may, if after a two (2) week period of notice in writing having been given, such failure has not been rectified, terminate this Agreement and the Consultant's consulting services and, as of the date of such termination, the Owner will no longer be liable for further payments in respect of the Fee outlined in Clause 3, except for services performed and expenses occurred up to the termination date. Failure shall be deemed to include, but is not limited to, the occurrences specified in Clause 5.
- 4.2 The Owner acknowledges that it shall not terminate this Agreement if the Consultant is temporarily unable to perform the Consultant's duties under this Agreement if, and to the extent that, the delay or failure is caused by an event or occurrence beyond the reasonable control of and without fault or negligence of the parties, such as, by way of example and not by way of limitation, acts of God, action by any governmental authority (whether valid or invalid), fires, floods, wind storms, explosions, riots, natural disasters, wars, sabotage, labour problems (including lockouts, strikes and slowdowns involving the workforce of either party), inability to obtain power, material, labour, equipment or transportation, or court injunction or order.

5. Insolvency of Consultant

It is agreed that the consulting services of the Consultant, at the sole option of the Owner, shall be deemed to be automatically terminated on the Consultant becoming bankrupt or insolvent or suffering any act of bankruptcy or filing any proposal or notice of intention to file a proposal, or making an assignment for the benefit of creditors.

6. Changes

The Owner reserves the right at any time to direct changes, or cause the Consultant to make changes, or to otherwise change the scope of the work covered by this Agreement and the Consultant agrees to promptly make those changes. Price changes associated with changes in the scope of work will be provided by the Consultant to the Owner as a lump. In addition, payment for disbursements associated with changes in scope will be paid at cost. All changes must be authorized in writing by the Owner.

7. Records

The Consultant shall keep or cause to be kept, full, timely and accurate records in reasonable form and detail as may be requested and approved by the Owner of the Consultant's services and to which the Owner and its designated employees and agents or any auditor or auditors appointed by it shall have access at any reasonable time for the purpose of examination or audit.

8. Intellectual Property

The Owner maintains the right to use any work product ("Work Product") produced on behalf of the Owner by the Consultant. Work Product includes all documentation, manuals, marketing and other materials, training aids, software, creative works, know-how and information created, in whole or in part, by the Consultant during the Consultant's employment by the Owner, whether or not copyrightable or otherwise protected.

9. Independent Consultant

Notwithstanding anything in this Agreement to the contrary, it is understood and agreed between the parties that the Consultant is an independent Consultant.

10. Indemnification

10.1 During the Term of this Agreement, and subject to the immediately following provisos, the Consultant shall indemnify and save harmless and defend the Owner from and against all loss, costs, damages and expenses occasioned to the Owner by any act, omission, fault, default or negligence of the Consultant or those for whom the Consultant is in law responsible; provided, and it is expressly understood and agreed by and between the parties that the Consultant shall be in no way responsible to the Owner under the provisions of this paragraph unless a claim in writing is made against the Consultant within sixty (60) days from and after the date on which the loss or damage event was discovered or ought reasonably to have been discovered by the Owner. The indemnity contained in this Agreement shall not be prejudiced by, and shall survive, the termination of this Agreement.

10.2 During the Term of this Agreement, and subject to the immediately following provisos, the Consultant shall indemnify and save harmless and defend the Owner from and against all loss, costs, damages and expenses occasioned to third parties by any act, omission, fault, default or negligence of the Consultant or those for whom the Consultant is in law responsible; provided, and it is expressly understood and agreed by and between the parties that the Consultant shall be in no way responsible to the Owner under the provisions of this paragraph unless a claim in writing is made against the Consultant within sixty (60) days from and after notice of a claim of such third party in respect of the matter is given to the Owner. The indemnity contained in this

Agreement shall not be prejudiced by, and shall survive, the termination of this Agreement.

11. Dispute Resolution

- 11.1 At any time while this Agreement and any of its provisions are in force, should any dispute or question arise between the parties concerning the interpretation of this Agreement or any part thereof, which cannot be resolved by agreement between the parties, then such dispute or question shall be settled by binding arbitration in accordance with the Arbitration Act (Newfoundland and Labrador), by one party giving notice to the other party.
- 11.2 The arbitration shall be conducted with the assistance of a skilled and experienced arbitrator chosen by the Consultant from a list of arbitrators proposed by the Owner.
- 11.3 The determination of the arbitrator shall be in writing and shall be final and binding upon the parties and no appeal shall be taken there from. The cost of arbitration shall be borne by the parties equally.

12. General

The terms of this Agreement may only be amended in writing by the parties.

13. Confidentiality

- 13.1 The terms of this Agreement shall be kept confidential by the parties.
- 13.2 The Consultant agrees that they will not divulge any information that they receive during the Term of the Agreement concerning, in any way, the product of their work, or concerning technical or engineering matters, or concerning the financial or other affairs of persons or corporations, or concerning matters expressed to be considered by such persons or corporations to be confidential or secret information, all of which will be treated by the Consultant and their servants and agents in strict confidence and will not be divulged to any person other than other employees of the Owner or the Consultant who have a bona fide requirement for such information in the course of their employment.

14. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

15. Assignment

The interest of a party may not be assigned or transferred without the prior written consent of all other parties.

16. Time

Time shall be of the essence of this Agreement.

17. Governing Law

This Agreement will be governed and construed according to the laws of the Province of Newfoundland and Labrador and all disputes that have not been settled pursuant to Clause 11 of this Agreement are within the exclusive jurisdiction of the Supreme Court of Newfoundland and Labrador.

18. Notices

18.1 Any notice herein provided or permitted to be given by any party hereto to another shall (i) be in writing, (ii) be sufficiently given if (a) hand delivered, or forwarded by registered mail, postage paid or (b) electronically transmitted by way of email transmission, and (iii) addressed as follows:

(a) to the Owner at the following:

Mailing Address:

Newfoundland Power Inc.
P.O. Box 8910
St. John's, NL A1B 3P6
Attention: Materials Management

Courier Address:

Newfoundland Power Inc.
50 Duffy Place (Receptionist)
St. John's, NL A1B 4M5
Attention: Materials Management

Email: tenders@newfoundlandpower.com

Attention: Materials Management

(b) to the Consultant at the following:

Mailing Address:

Ernst & Young LLP
Fortis Place
5 Springdale Street, Suite 800
St. John's, NL A1E 0E4

Courier Address:

Same



- 18.2 Any such notice, demand, request or consent which is hand delivered or communicated shall be conclusively deemed to be given or made on the date on which such notice, demand or consent is hand delivered or communicated. Any notice, demand, request or consent which is forwarded by registered mail shall be deemed to have been received on the third (3rd) business day following it's mailing at a post office in Canada.
- 18.3 Any party may at any time give notice in writing to the others of any change of address of the party giving such notice and the address therein specified shall be deemed to be the address of such party for the giving of notice hereunder.

19. Insurance

- 19.1 The Consultant shall provide, maintain and pay for, during the entire Term of this Agreement, all insurance coverage as required by the terms of Appendix A to this Agreement. Proof of the required insurance shall be provided to the Owner, prior to the commencement of the Work, by a Certificate of Insurance in the form provided in Appendix A, signed by the Consultant's insurance broker.
- 19.2 The Consultant shall provide proof of any renewed insurance to the Owner, by a Certificate of Insurance in the form provided in Appendix A, signed by the Consultant's insurance broker within two weeks of renewal.
- 19.3 The Owner shall have the right to request from the Consultant's insurance broker, an updated Certificate of Insurance at any time during the term of the Contract.
- 19.4 Should the Consultant change insurance brokers during the term of the Contract, the Consultant shall notify the Owner in writing within seven days.
- 19.5 If the Consultant fails to provide or maintain insurance as required in the Contract, then the Owner shall have the right to provide and maintain such insurance and give evidence thereof to the Consultant. The cost thereof shall be payable by the Consultant to the Owner on demand or the Owner may deduct the costs thereof from monies which are due or may become due to the Consultant.
- 19.6 The Consultant shall be responsible for any deductible amounts under the insurance policy.
- 19.7 All insurance policies maintained by the Consultant must state that it will be the primary insurance.
- 19.8 The Owner shall individually be named as an additional insured on the Consultant's Commercial General Liability and Environmental Impairment Liability policies.
- 19.9 All insurance policies must be placed with insurance companies that meet with the approval of the Owner, which approval shall not unreasonably be withheld.
- 19.10 The Consultant shall be responsible to ensure that all subcontractors hired by the

Consultant for this Agreement maintain the same types and amounts of insurance and be subject to the same requirements as the Consultant including the terms, provisions, conditions and limits as set forth in this section 19.

20. Workplace Health, Safety and Compensation Commission

The Consultant shall, upon request by the Owner, provide evidence to the Owner of the Consultant's compliance with the requirements of the Province of Newfoundland and Labrador with respect to Workplace Health, Safety and Compensation Commission insurance.

21. Owner's Policies, Procedures and Training Documents

Unless otherwise described, all Work shall be done in accordance with the Owner's current policies, procedures, and training material. The Consultant shall at all times keep himself and his personnel informed of the Owner's current policies, procedures, and training material including but not limited to the documents posted at: <https://workingwith.newfoundlandpower.com>.

22. Safety

- 22.1 The Consultant shall ensure that its employees, Subcontractors and their employees, and the Work, comply with:
- (a) All applicable safety legislation, rules, regulations and requirements of all authorities having jurisdiction which are in force or come into force during the performance of the Work by the Consultant during this Agreement.
 - (b) The Occupational Health and Safety Act.
 - (b) The Owner's Contractor Safety Responsibilities as amended from time to time.
 - (d) The Owner's Operations Manual, any additional regulations as attached, and with all specified health and safety standards, policies and procedures established for and used by the Owner.
 - (e) Such other rules and regulations as the Owner may establish.
- 22.2 Prior to the initial commencement of Work under this Contract, a pre-job meeting between the Owner and the Consultant shall be conducted to communicate and clarify the Owner's expectations with respect to health and safety requirements.
- 22.3 Intentionally Deleted.
- 22.4 Prior to the commencement of the Work and at the discretion of the Owner, the Consultant or the Consultant's designee shall attend a 1/2-hour environmental, health

and safety awareness training course offered by the Owner. Upon successful completion of this training and prior to the commencement of the Work the Consultant shall ensure that:

- (a) The environmental, health and safety awareness training course prescribed in 22.4 is delivered by the Consultant or the Consultant's designee to every employee of the Consultant, its Subcontractors and their employees who will be engaged in the performance of the Work.
- (b) Each person to whom the course is delivered completes a quiz provided by the Owner with a minimum 70% grade mark. A copy of the quiz shall be forwarded to the Owner as evidence of successful completion of the training.
- (c) No worker will be permitted to be engaged in the performance of the Work unless they have attended the 1/2-hour environmental, health and safety awareness training course and successfully completed the quiz prescribed by 22.4 (b).

22.5 Prior to the commencement of the Work, the Consultant shall sign a competency letter provided by the Owner, which indicates that the Consultant's employees, Subcontractors and their employees are competent to perform the Work assigned to them in a safe, healthy and environmentally responsible manner. These claims shall be supported with appropriate documentation as detailed in the Contract and as requested by the Owner. No Work shall commence until the competency letter has been provided to the Owner.

22.6 The Owner may terminate the Contract should the Consultant breach any of the above requirements during the term of the Contract.

23. Environment

23.1 The Consultant shall ensure that its employees, Subcontractors and their employees, and the Work, comply with:

- (a) All applicable environmental legislation, rules, regulations and requirements of all authorities having jurisdiction which are in force or come into force during the performance of the Work by the Consultant during this Agreement.
- (b) The Owner's Contractor Environmental Responsibilities as amended from time to time.
- (c) All environmental procedures developed and used by the Owner of which the Consultant is made aware.
- (d) Such other rules and regulations as the Owner may establish.

23.2 The Owner shall obtain environmental approvals for the commencement of the Work from the appropriate federal, provincial and municipal authorities. Any conditions

required by such authorities shall be submitted to the Consultant for incorporation in the Contract. The Consultant shall then be responsible for obtaining all other necessary permits and approvals required for compliance with government laws and regulations.

23.3 Intentionally deleted

23.4 Prior to the commencement of the Work and at the discretion of the Owner, the Consultant or the Consultant's designee shall attend a 1/2-hour environmental, health and safety awareness training course offered by the Owner and described in section 22.4

23.5 The Owner may terminate the Contract should the Consultant breach any of the above requirements during the term of the Contract.

24. Disciplinary Guidelines

Should the Consultant fail to comply with any law, or with the directions of the Owner in relation to safety or environmental matters as herein required, the Owner shall have the right to levy fines and/or suspend the Work in accordance with the Owner's "Disciplinary Guidelines" until the default or non-compliance is remedied to the satisfaction of the Owner, or at the Owner's sole discretion, to arrange for completion of the Work by other means. Any additional costs, reasonably incurred, which result from either the suspension of the Work or the completion of the Work by other means pursuant to this clause, shall be borne by the Consultant.

25. Privacy Consent

The Consultant consents and agrees to the Owner's collection, use and maintenance of the Consultant's personal information as defined in applicable privacy legislation for the purpose of facilitating the acquisition and payment of products and services, to evaluate the Consultant's qualifications and to monitor the Consultant's performance.

26. Personnel

The Consultant will be required to notify the Owner of any changes to personnel. If the Consultant fails to comply with this requirement, the Owner may terminate the Contract.

27. Business Ethics Policy

27.1 The Consultant shall at all times comply with the Owner's Business Ethics Policy as amended from time to time. This obligation includes, but is not limited to, ensuring that its applicable employees, agents, and Subcontractors have read and are complying

with the Owner's Business Ethics Policy and any related training materials that may be provided to the Consultant by the Owner from time to time.

- 27.2 Prior to the commencement of the Work and at the discretion of the Owner, the Consultant shall sign a Business Ethics Acknowledgement letter provided by the Owner which indicates the training described in 27.1 has been successfully completed.
- 27.3 Failure on the part of the Consultant to comply with the Owner's Business Ethics Policy shall be grounds for immediate termination of this Agreement by the Owner without cause and for indemnity by the Consultant to the Owner for any damages suffered or losses incurred as a result of the failure or breach of the Owner's Business Ethics Policy.

28. Confidentiality and Data Security

28.1 In this Section:

"Trade Secret" means any information, including software and hardware configurations and software design and customization, identified or reasonably identifiable as confidential and proprietary information of the Owner which: (a) derives economic value, actual or potential, from not being generally known to other persons who might obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

"Confidential Information" means:

- (a) All information related to the Owner's business, operations, customers, employees, assets, data or Trade Secrets disclosed hereunder by the Owner or to which access has been given to the Consultant by the Owner under this Agreement.
- (b) Any information, including software or hardware configuration and software design and customization, disclosed by the Owner which is designated as confidential by the Owner or is reasonably regarded as confidential and proprietary information of the Owner concerning the Owner's business interests that is not generally available to third parties including:
- (i) production processes, business plans and other materials or information relating to the business of the Owner;
 - (ii) portions of computer software (in source and/or executable code) and related documentation that does not obtain trade secret status in any media, including all modifications, enhancements and versions and all options available with respect thereto; and
 - (iii) information defined above as a Trade Secret but which is determined by a court of competent jurisdiction not to rise to the level of a trade secret under applicable law.

The parties agree that the terms and conditions of this Agreement in its entirety shall be considered Confidential Information.

28.2 Each party shall:

- (a) maintain the secrecy of the other party's Confidential Information;
- (b) securely store and maintain the other party's Confidential Information;
- (c) not use the other party's Confidential Information except for the performance of the terms of this Agreement or disclose same to anyone except for the minimum number of the receiving party's employees or agents who have a need to know such information, provided all such persons have agreed to be bound by obligations of confidentiality no less protective than those set out in this Agreement; and
- (d) notify the other party immediately upon discovery of any unauthorized use or disclosure of the other party's Confidential Information, and will cooperate with the other party in every reasonable way to help regain possession of such Confidential Information and to prevent its further unauthorized use.

28.3 Confidential Information shall not include any information which is publicly available at the time of disclosure or subsequently becomes publicly available through no fault of the recipient party or is rightfully acquired by the recipient party from a third party without obligations of confidentiality.

28.4 Within thirty (30) calendar days of completion or termination of this Agreement or of the disclosing party's written request:

- (a) the receiving party will destroy or return to the disclosing party in the format requested by the disclosing party, all Confidential Information acquired by the receiving party in the course of carrying out activities under this Agreement.
- (b) the receiving party may retain, subject to the terms of this Section 28, one (1) copy of the Confidential Information for the sole purpose of compliance with and to the extent and for so long as required by:
 - (i) any law applicable to it;
 - (ii) any court, regulatory agency or authority to which it is subject; or
 - (iii) the professional standards of its professional governing body (to the extent in possession of the Confidential Information in a professional capacity).

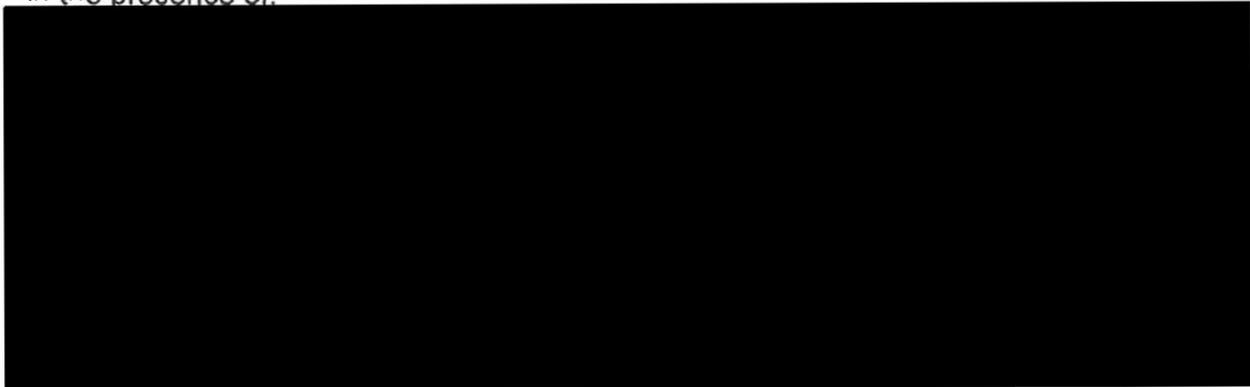
28.5 The Consultant agrees that all access to the Owner's Information Technology assets are solely provided to the Consultant for use in performance of work under this Agreement. Any other use is strictly prohibited. The Consultant shall not permit use of any such access or assets by anyone other than those authorized in advance by the Owner.

29. Counterparts

This Agreement may be executed by the parties in counterparts, each of which, when so executed and delivered to the other, shall be deemed an original and when taken together shall be deemed one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Agreement shall be the same as delivery of an original.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

EXECUTED by the Consultant
in the presence of:



EXECUTED by Newfoundland Power Inc.
in the presence of:

Peter Collins
Witness Please Print

Byron Chubb
Signatory Please Print

Director Technology
Position/Title Please Print

VP, Energy Supply & Planning
Position/Title Please Print

Peter Collins
Signature

[Signature]
Signature

APPENDIX A
CERTIFICATE OF INSURANCE

CA-NP-139, Attachment B (Redacted)
CERTIFICATE OF INSURANCE

WHENEVER. WHEREVER.
 We'll be there.



Attn: Insurance Representative, please complete this Certificate of Insurance.
 18-046 CIS Assessment and Planning

Contract Number _____ **Contract Name** _____

Broker Name _____ **Address** _____
 Ernst & Young LLP, Fortis Place, 5 Springdale Street, Suite 800, St. John's, NL A1E 0E4

Contractor's Company Legal Name _____ **Address** _____
 Newfoundland Power Inc. P. O. Box 8910, St. John's, Newfoundland, A1B 3P6

Additional Insured (for Commercial General Liability and Environmental Impairment Liability only) _____ **Address** _____

This document certifies that the following policies of insurance and indicated coverage are at present in force subject to the terms, conditions and exclusions as contained therein covering the operations of the insured in connection with the above noted Contract made between the Contractor and Newfoundland Power Inc.

Policy Type	Required	Limits of Liability	Insurer & Policy Number	Inception Date D/M/Y	Expiry Date D/M/Y
Commercial General Liability including:	X	Minimum limit \$2,000,000 per occurrence & maximum deductible \$5,000 property damage			
• <i>Cross Liability</i>	X	As per policy limit			
• <i>Non-owned auto</i>	X	As per policy limit			
• <i>Forest fire fighting expenses</i>		As per policy limit			
• <i>Use of explosives for blasting</i>		Minimum limit \$500,000			
• <i>Collapse & Underpinning</i>		As per policy limit			
Automobile Third Party Liability including:	X	Minimum limit \$2,000,000			
• <i>Off-road vehicles (snowmobiles, ATVs, etc) liability coverage</i>		As per policy limit			
Non-owned aircraft		Minimum limit \$2,000,000			
Non-owned watercraft		Minimum limit \$2,000,000			
Environment Impairment Liability		Minimum limit \$2,000,000 & maximum deductible \$5,000			
Hull & Aviation Liability		Combined single limit of \$5,000,000 per occurrence			
Fidelity Bond		Minimum limit of \$250,000 & maximum deductible of \$1,000			
Hook/Riggers Liability					
Transportation Rider					
Professional Liability		Minimum limit \$1,000,000			
Technology Errors and Omissions	X	Minimum limit \$3,000,000			
Cyber and Privacy Liability	X	Minimum limit \$3,000,000			

The Insurer will endeavor to notify Newfoundland Power Inc., in writing, 30 days prior to cancellation or material change of any policy, except in the event of nonpayment, where policy conditions dealing with termination will apply. Name of Insurer's Officer or Authorized

Insurance Representative: (Please Print) _____

Insurance Representative: Signature: _____ **Date:** _____

Phone #: _____ **Email Address:** _____

Appendix B - Scope of Work
for
CIS Assessment and Planning

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1. Executive Summary.....	1
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b. Newfoundland Power’s Customer Service System	4
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1. Executive Summary

Newfoundland Power Inc. (“Newfoundland Power” or the “Company”) is the primary distributor of electricity in Newfoundland and Labrador. The Company is responsible for delivering electricity and providing customer service to approximately 266,000 customers.

Since 1993, Newfoundland Power’s approach to customer service delivery has been underpinned by its Customer Service System (“CSS”). The system supports all essential customer service functions, including customer account management and billing, customer communications and contact management, and program and service delivery.

The CSS has exceeded its expected service life of 20 years. Newfoundland Power expects to extend the system’s service life to 30 years. Operation of the system beyond this timeframe presents increased functional and technical risks. These risks have been validated through a third-party assessment and are typical of billing systems implemented in the early 1990s.

Failure of the CSS would compromise Newfoundland Power’s ability to complete essential customer service functions. Replacement of the system is a once-in-a-generation effort necessary to ensure continuity in customer service delivery.

The Company has reviewed multiple methodologies for replacing the system based on industry best practices and have identified Assessment and Planning as the first stage. During this stage, Newfoundland Power will: (i) review existing customer service business processes, including any changes necessary to better serve customers; (ii) determine the functional and technical requirements of a replacement system to support these processes; and (iii) outline a business plan for transitioning to a replacement system, including estimated costs and timelines.

The results of the Assessment and Planning work will inform a proposal to be contained within the Company’s *2021 Capital Budget Application* and prepare the Company for a request for proposal phase.

2. Background

a. Customer Service Delivery at Newfoundland Power

Newfoundland Power is responsible for serving approximately 87% of all electricity customers in Newfoundland and Labrador. In 2017, the Company had approximately 266,000 total customers. Providing efficient and responsive customer service is a principal business function of Newfoundland Power.

The Company's customer service delivery is comprised of 3 key pillars:

- i. **Account management and billing** is a foundational element of providing service to customers. It involves reading over 254,000 customer meters, calculating and issuing approximately 3 million customer bills each year, managing all customer payments, and initiating collections processes, when necessary. The Company's approach to account management and billing has evolved over time to include options for customers such as paperless billing ("ebills"), the Equal Payment Plan, and online self-service options.¹ Such evolutions are necessary to continue meeting customers' service expectations.
- ii. **Communications and contact management** is necessary to maintain customer relationships. Newfoundland Power receives over 2 million customer-initiated contacts each year.² Customers expect to receive timely and accurate information on their accounts, outages, and programs and services offered by the Company. Newfoundland Power maintains multiple channels to provide this information to customers, including telephone, email, a website, social media, and SMS texting. Customers are increasingly choosing digital

¹ At year-end 2017, approximately 113,000 customers were enrolled in ebills, 43,000 customers were enrolled in the Equal Payment Plan, and over 97,000 customers had established accounts to use online self-service options.

² From 2013 to 2017, the Company received an average of approximately 2.4 million contacts from customers via telephone, email and the website.

communication channels to contact the Company.³ Digital communication allows Newfoundland Power to provide customers with information on a round-the-clock basis.

- iii. **Program and service delivery** includes customer conservation programs, customer financing programs, and requests for field work, such as tree trimming and new service connections. For example, Newfoundland Power has issued over 47,000 on-bill customer conservation rebates since 2009. The Company has also provided over \$5 million in customer financing programs. Such programs and services support the delivery of reliable and responsive electrical service to customers. Newfoundland Power maintains the capabilities to provide these programs and services to customers throughout its service territory.

Newfoundland Power manages its overall customer service delivery in a manner that balances service responsiveness and cost effectiveness. The Company issues quarterly surveys to gauge customers' satisfaction with its service delivery. Over the last 20 years, customers have indicated an average satisfaction level of 88%. Over the same period, customer service costs were reduced by approximately 8%, while the number of customers increased by 54,000. This operational efficiency has been supported by various technology-driven initiatives within the customer service function, including automated meter reading, paperless billing, and providing customer self-service options.

³ Over the last 5 years, visits to the Company's website more than doubled from approximately 1,005,000 in 2013 to 2,843,000 in 2017. Over the same period, email contacts from customers more than doubled from approximately 49,000 in 2013 to 124,000 in 2017.

b. Newfoundland Power's Customer Service System

i. System Functionality

The foundational technology underpinning Newfoundland Power's customer service delivery is the Company's CSS. The CSS was developed and implemented over 4 years at a total cost of approximately \$10.2 million. It was launched in 1993 and, at the time, was the largest capital project in Newfoundland Power's history.

Implementation of the CSS modernized customer service delivery at Newfoundland Power. It allowed the Company to eliminate manual billing and account management processes and centralize its customer service function. This achieved operational efficiencies without reducing the level of service to customers.

The CSS was developed with an expected service life of 20 years, but continues to provide broad-based customer service functionality today. Essential functions of the CSS include:

- i. Storing, maintaining and protecting information related to over 266,000 active customer accounts and over 1 million inactive accounts, including account name, address, and contact details;
- ii. Processing monthly metering data to automatically generate virtually all customer bills, including the automatic issuance of ebills to customers;⁴
- iii. Tracking and applying customer payments and managing the Company's collections process, including generating automatic correspondence and calls to customers, when necessary;

⁴ Billing for net metering customers and some large general service customers is currently completed through manual processes outside of the CSS.

- iv. Connecting directly with the Company's website and telephone system to provide customer self-service options, including the ability for customers to view account balances, request payment arrangements, and report outages online;
- v. Providing a record of customers' service history and previous contacts with the Company, which facilitates responding to a large volume of customer inquiries each year;
- vi. Facilitating the delivery of programs and services to customers, including all on-bill customer conservation rebates, customer financing programs, and requests for field work; and
- vii. Logging and tracking day-to-day work queues for customer service staff, such as customer billing adjustments, high billing inquiries, and energy conservation requests.

This functionality is essential to providing service to customers. Much of this functionality has evolved over the last 2 decades in response to changing customer expectations, industry practices and regulatory requirements. For example, the CSS was upgraded in 2003 to support the Equal Payment Plan for customers, in 2011 to deliver the Provincial Government's residential energy rebate, and in 2016 to deliver the Rate Stabilization Plan ("RSP") Refund to customers. Such modifications have resulted in a highly customized and complex system that is unique to Newfoundland Power. This complexity and customization is typical of systems implemented in the 1990s.

3. Assessment & Planning Scope of Work

There are 4 milestones within Newfoundland Power's Assessment and Planning Stage: (i) Current State Assessment and Data Assessment Guidance; (ii) Target State Assessment; (iii) Application Development Planning; and (iv) Business Case.

Assessment & Planning Deliverables

i. Current State Assessment and Data Assessment Guidance

(a) Current State Assessment

The goal of the *Current State Assessment* is to document the business processes that guide how Newfoundland Power currently delivers customer service, how these processes are supported by the underlying CSS technology, and the strengths and weaknesses of the current approach.

The successful candidate will manage and produce a high level Current State Assessment, as a necessary deliverable from this phase. Additionally, the successful candidate will help the Company define a framework, with the use of their supplied templates to ensure Newfoundland Power's internal detailed documentation effort is exhaustive and successful.

As part of this assessment, Newfoundland Power staff will review and document over 300 business processes through interviews, surveys and workshops with approximately 90 subject matter experts within the Company. Identifying and documenting these processes is necessary to determine the specific processes that must be supported by the replacement system.

The successful candidate will also assess and summarize the technology underlying the CSS. A technology risk assessment report has been recently completed and will be used to provide input and guidance to this task. However, technology risks will continue to be assessed throughout this work to inform the timing of subsequent project stages and any required changes to contingency planning necessary to minimize emerging risks. Additionally, technology integrations and inter-system connections will be reviewed and updated to outline how well the CSS technology operates to support related business processes, including the system's connectivity to other operational technologies.

(b) Data Assessment Guidance

The goal of the *Data Assessment* is to support a seamless transition of all necessary customer data to the replacement system. The transition of data is necessary to ensure the Company can continue to provide accurate and timely information to customers.

Newfoundland Power's CSS includes 25 years of customer data related to approximately 266,000 current customer accounts and over 1 million inactive accounts. There are nearly 500 million records contained across hundreds of database tables.

The successful candidate will guide Newfoundland Power staff to document: (i) which data should be transitioned to the replacement system; (ii) any quality issues with the data and any immediate and longer term approaches for addressing those issues; and (iii) how the data will be transitioned to the replacement system.

ii. Target State Assessment

The goal of the Target State Assessment is to outline how Newfoundland Power will continue to provide customer service over the longer term and the functional and technical requirements of the underlying replacement technology. This will be completed by: (i) assessing the results of the Current State Assessment; (ii) developing a set of requirements for future business processes and technology; (iii) assisting with consultations with Newfoundland Power customers to identify potential areas for improvement within the customer service delivery function and ; (iii) scoring these requirements against the capabilities of commercial software products.

Completing this assessment requires an understanding of the capabilities of commercial software products. With the successful candidate's guidance, the Company will review industry standards, best practices and emerging trends. This information will be collected through interviews with software vendors, industry advisors, and utilities with recent experience replacing their systems. In addition to functionality, various technical criteria will be considered, including the: (i) performance and complexity of the underlying technology; (ii) ease of integration with other

technologies; (ii) flexibility to implement new functionality over time; (iii) support and maintenance requirements; and (iv) cybersecurity capabilities.

The Target State Assessment will yield a set of alternative solutions that can meet Newfoundland Power's requirements. Each alternative will be evaluated at a high level to show how the solution can meet the Company's requirements, highlighting benefits that would be delivered to customers, estimating associated resource requirements and costs, and approximate implementation timeframes. Ultimately, the Target State Assessment will result in the development of a set of requirements for how Newfoundland Power will ensure continuity in customer service delivery.

iii. Application Development Planning

The goal of *Application Development Planning* is to identify how Newfoundland Power will implement a replacement Customer Information System that meets customers' service expectations and all regulatory and business requirements.

Based on the findings of the Target State Assessment, the Application Development Plan will include:

- i. Any changes to business processes that are required to ensure efficient and responsive customer service delivery over the longer term;
- ii. High level functional and technical requirements of a replacement system, including required connectivity to other Company systems, support and maintenance requirements, and cybersecurity requirements;
- iii. A resourcing plan for developing and implementing the replacement system, including existing staff that will be assigned to the project and any hiring requirements;

- iv. An estimate of the capital cost to implement the project and subsequent operating costs once the replacement system has been installed;
- v. A timeline for project execution, encompassing both the Application Development and Post Implementation Stages of the project; and
- vi. A procurement plan outlining the processes to be used for purchasing the required hardware, software and vendor support for the project;

iv. Business Case

The Business Case will provide an overview of potential options to address The Company's challenge with the current CSS. There would be detail documentation outlining the superior option for Newfoundland Power and would include key components from the Application Development Plan.

Additionally the Business Case will be used to inform a project proposal to be contained within the Company's *2021 Capital Budget Application*.

4. Conclusion

Newfoundland Power has outlined a potential approach for replacing its CSS based on industry best practices. This approach will ensure continuity in the customer service delivery function over the longer term.

The first stage requires Assessment and Planning work to determine how the Company will continue to provide responsive and efficient customer service, the functional and technical requirements of the underlying technology, and a process for implementing the replacement system.

SCHEDULE A
CONSULTANT SCHEDULES

Consultant's Understanding and Requirements of the Work
For
CIS Assessment and Planning

Consultant's Understanding and Requirements of the Work

The Contractor's understanding and requirements of the Work are as outlined in the attached documents "Appendix B: Understanding and Requirements of the Work" which were submitted as part of the Consultant's Proposal in response to Request for Proposal 18-046, "CIS Assessment and Planning"

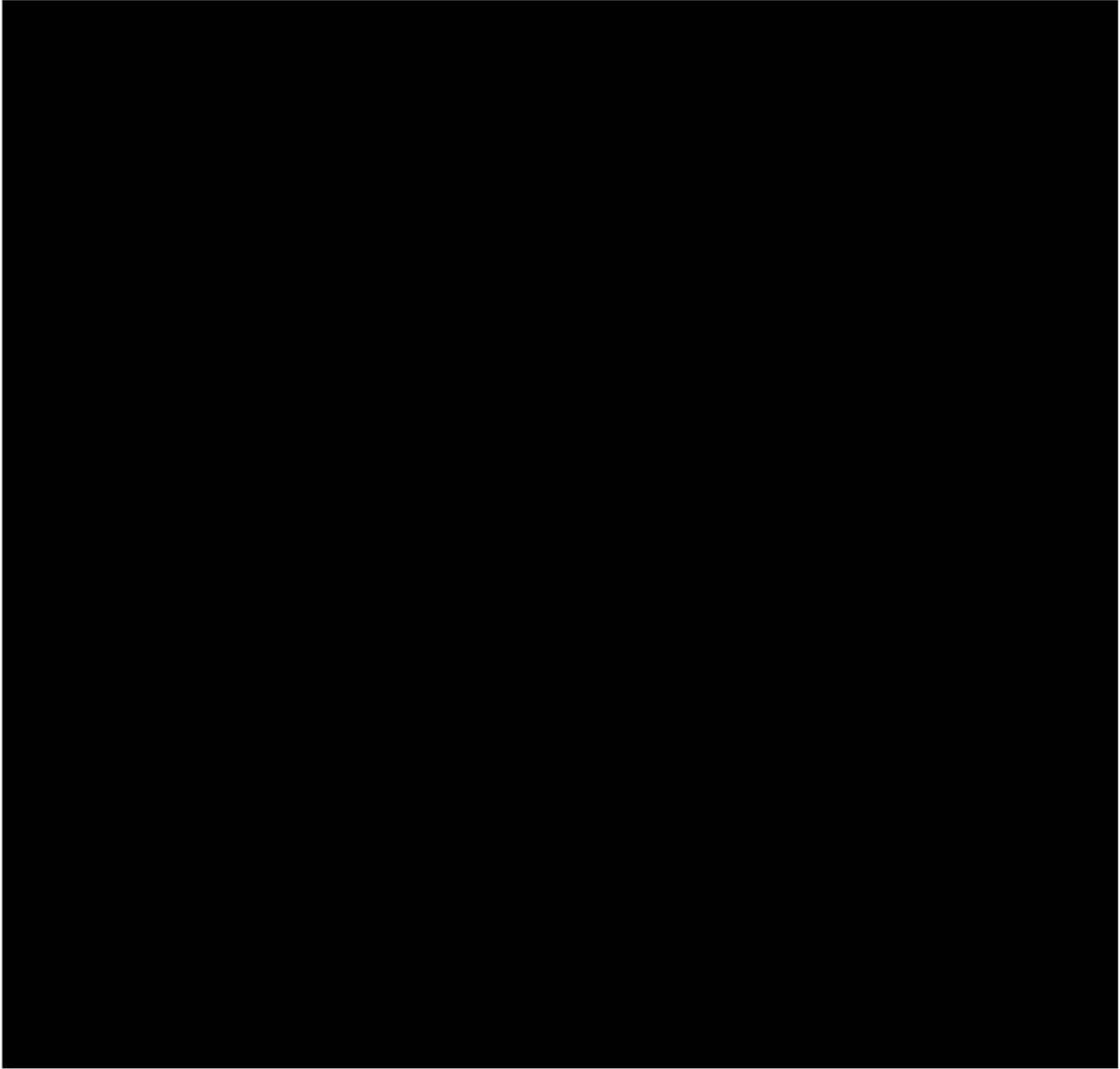
APPENDIX B

Understanding and requirements of the work



NEWFOUNDLAND POWER INC.

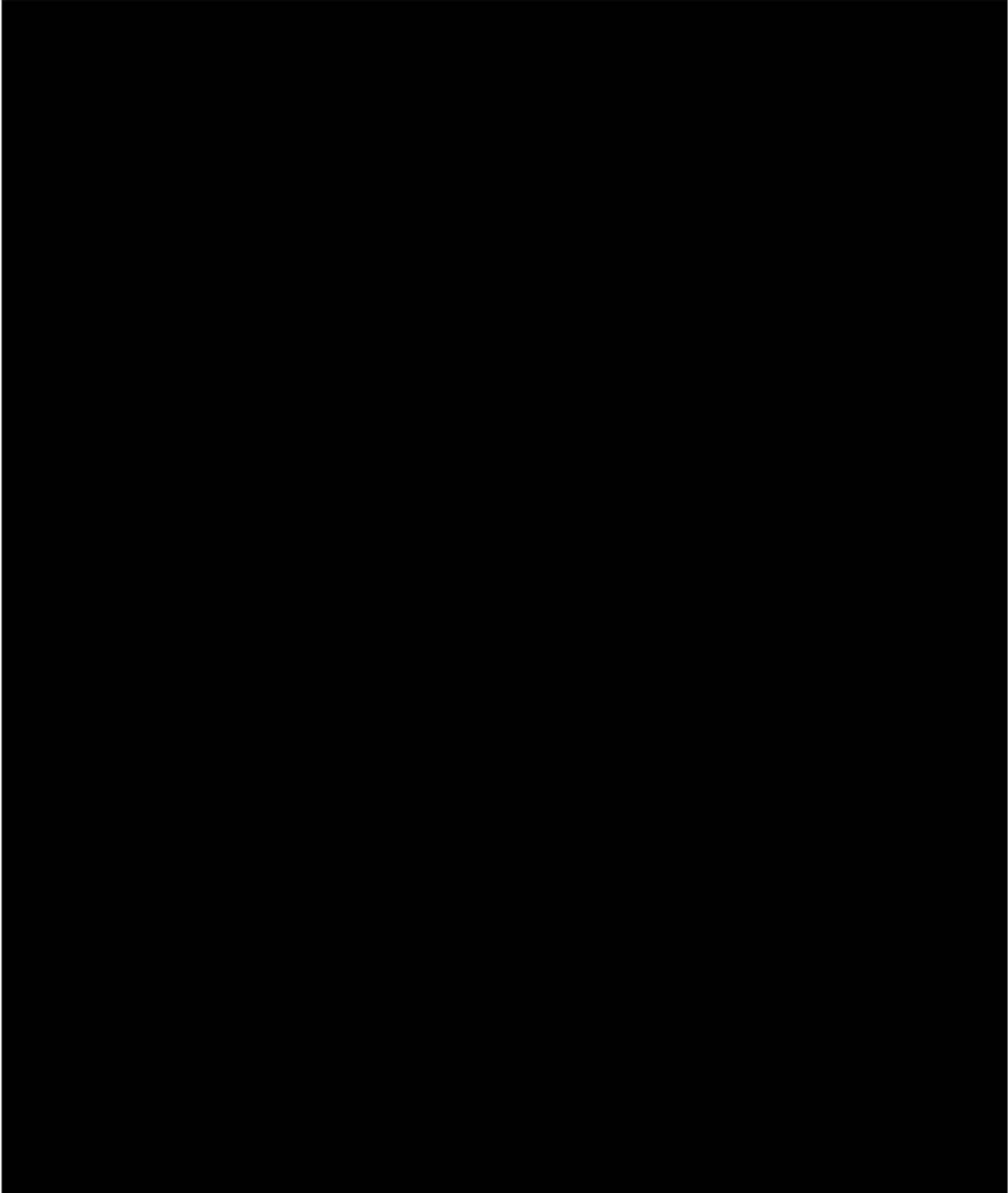
PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)





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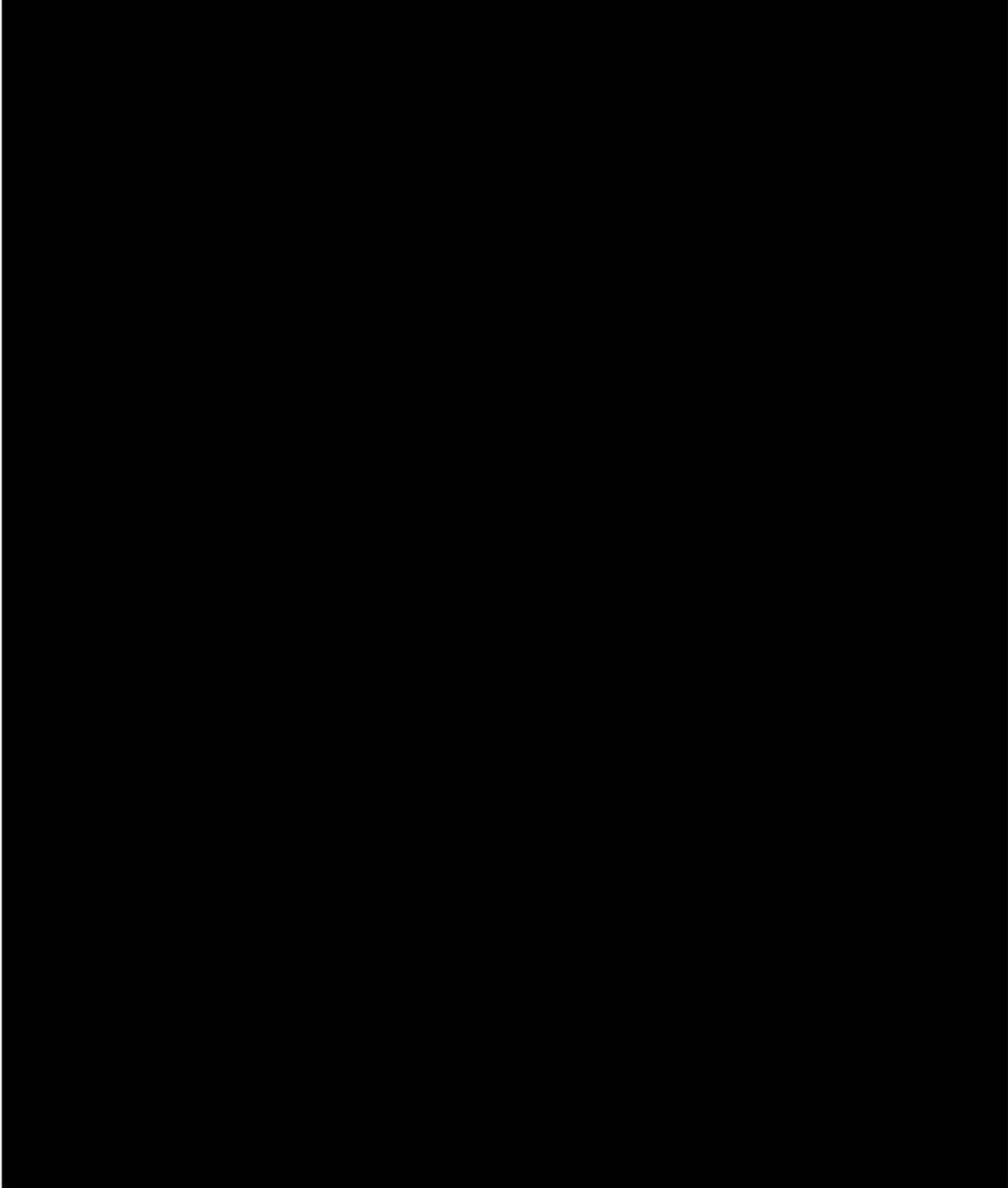
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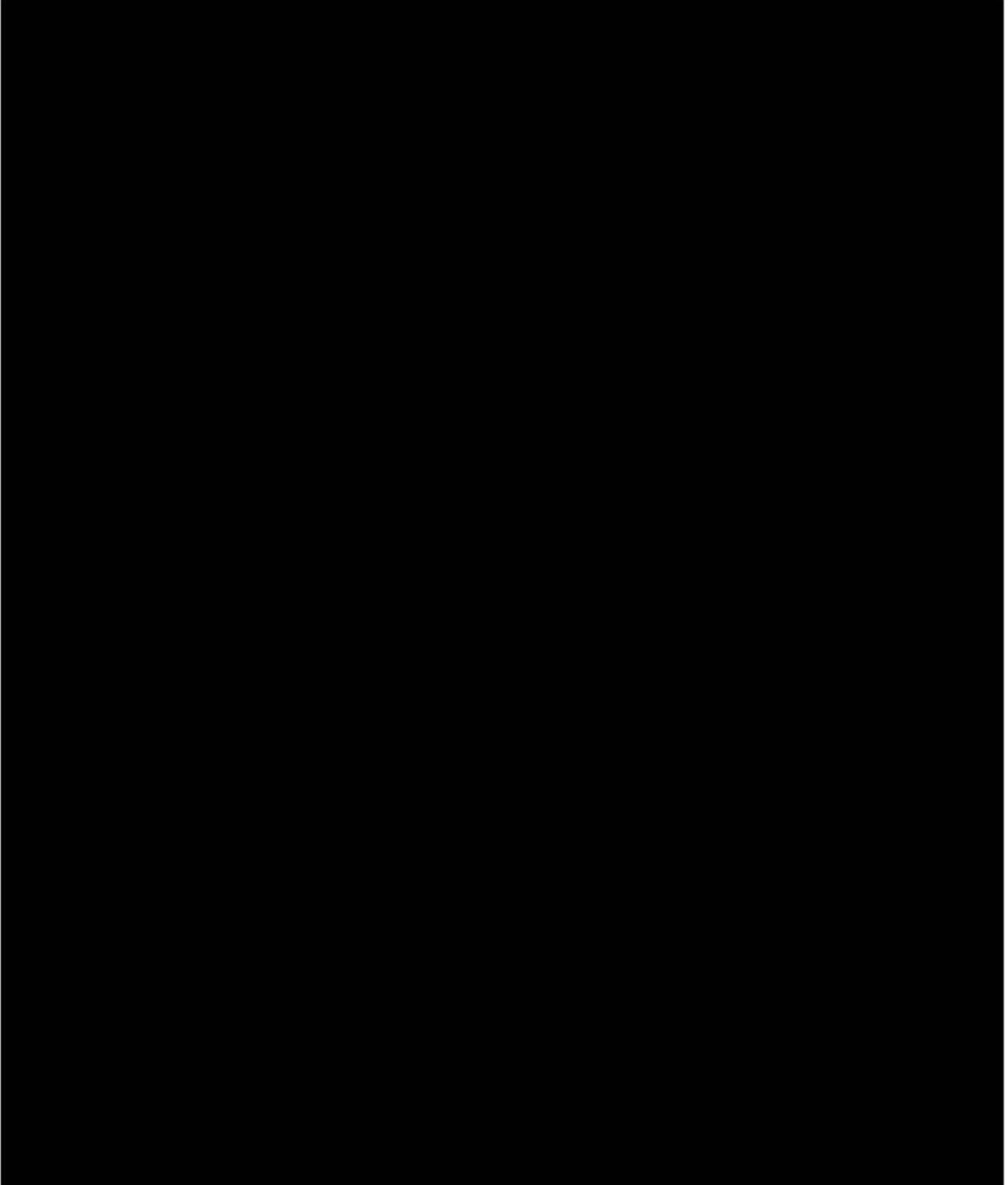
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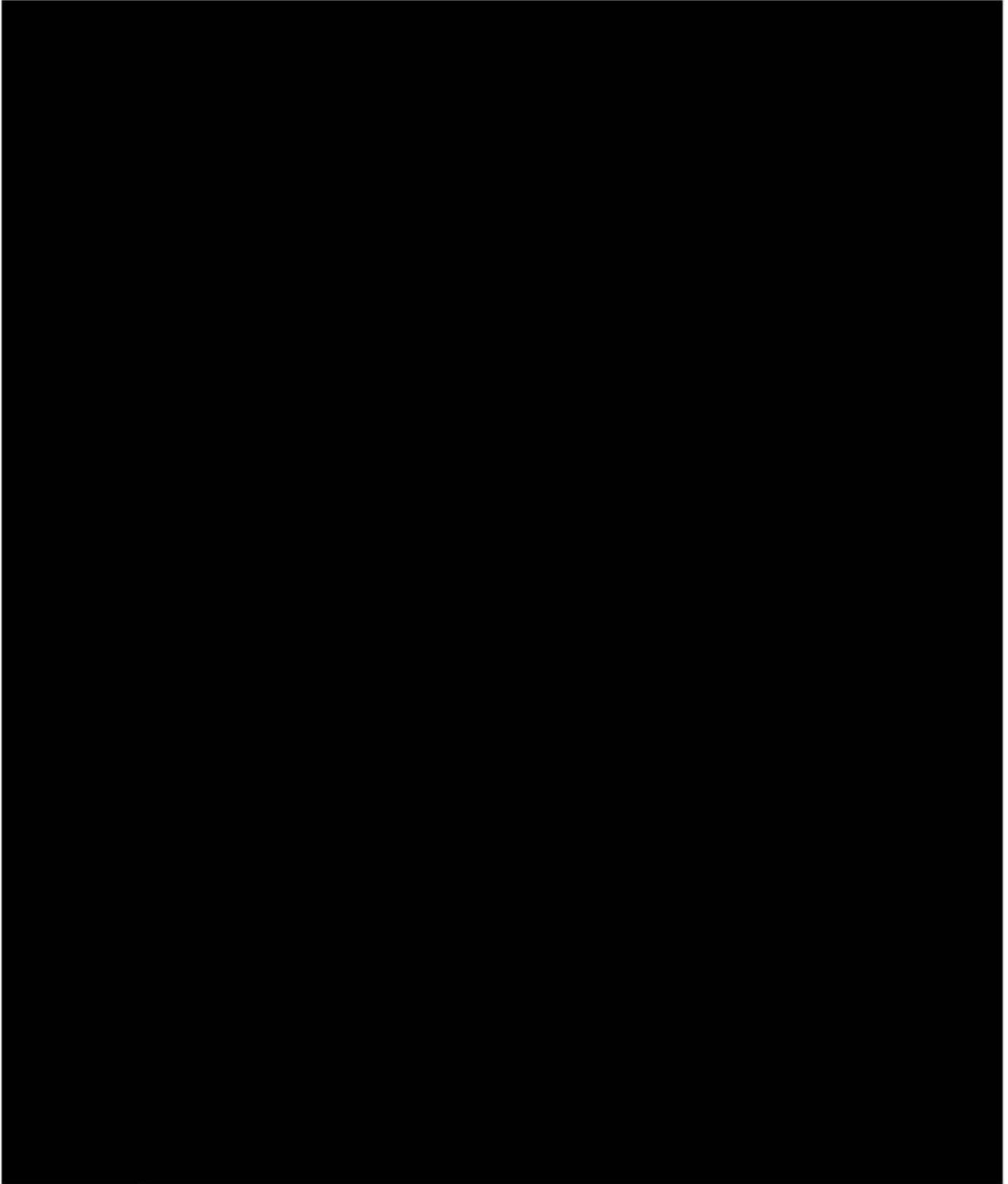
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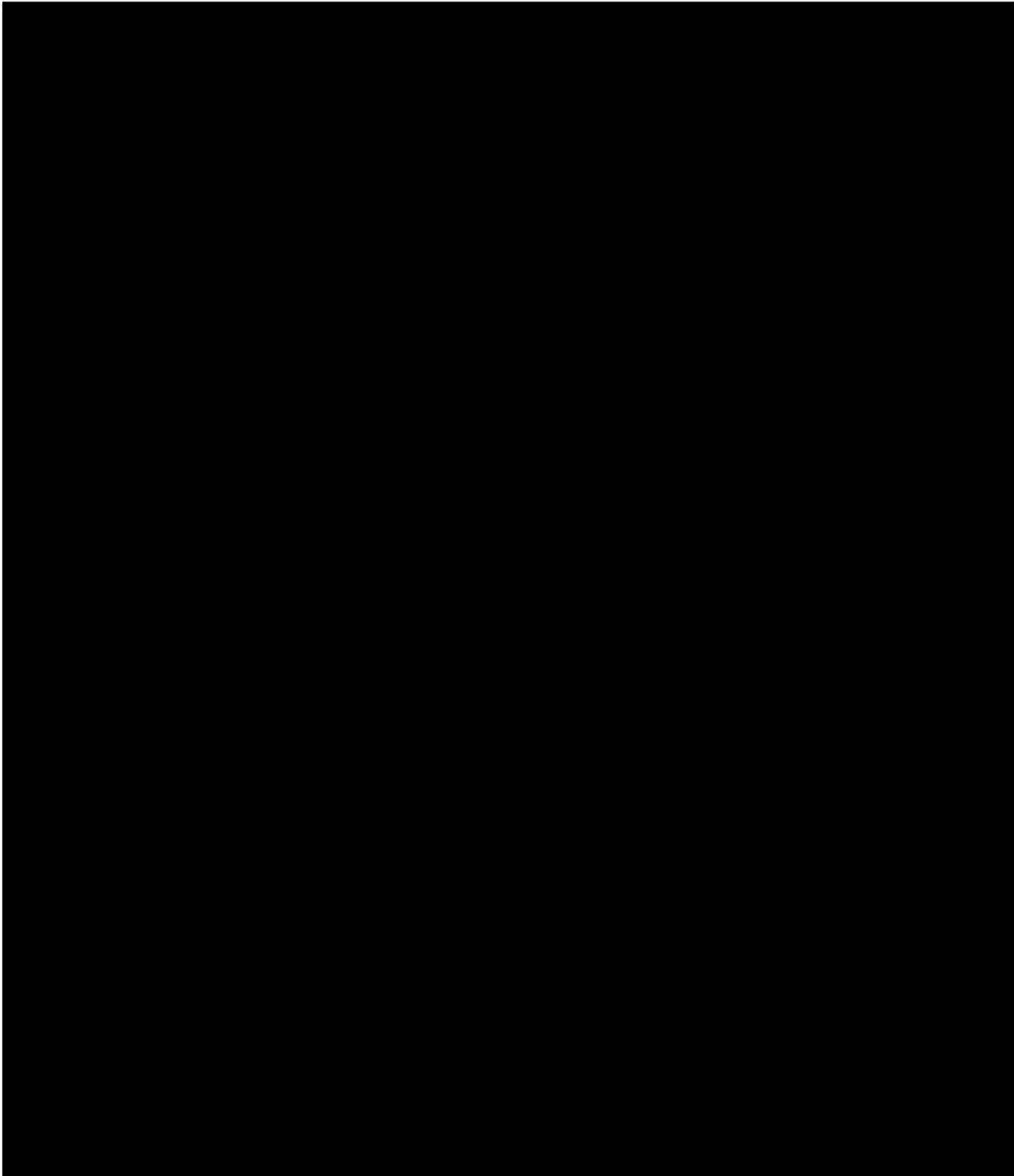
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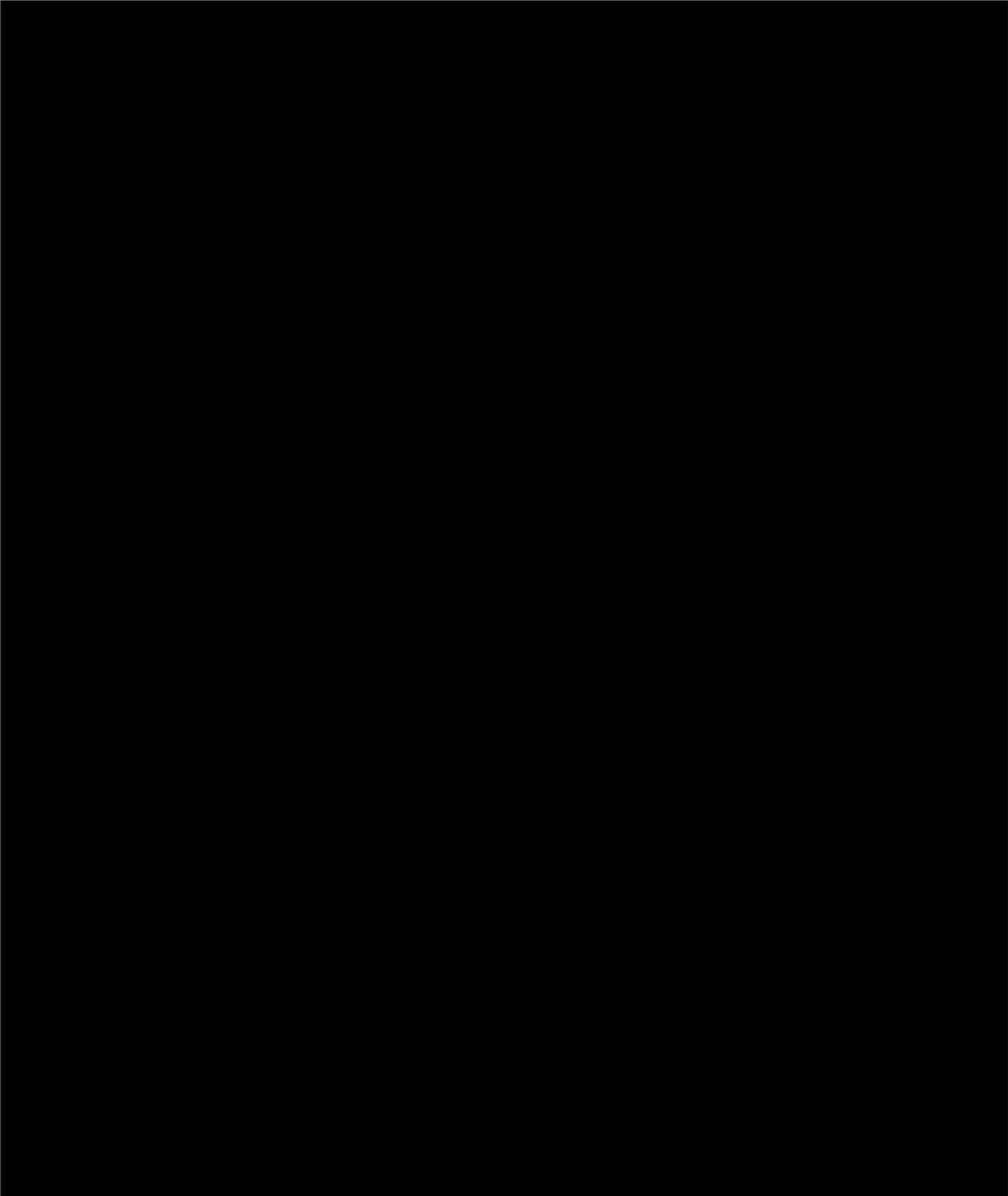
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NEWFOUNDLAND POWER INC.

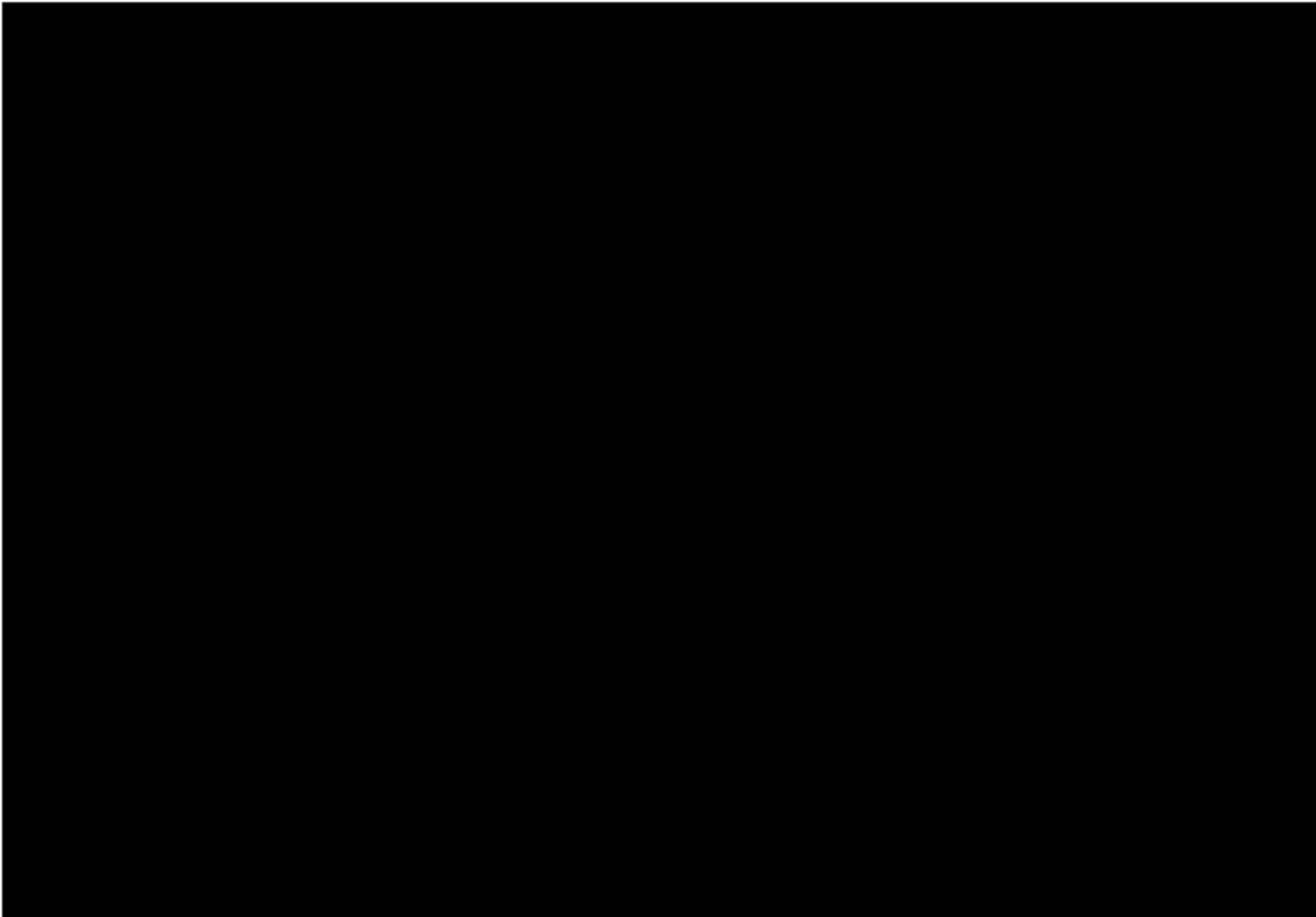
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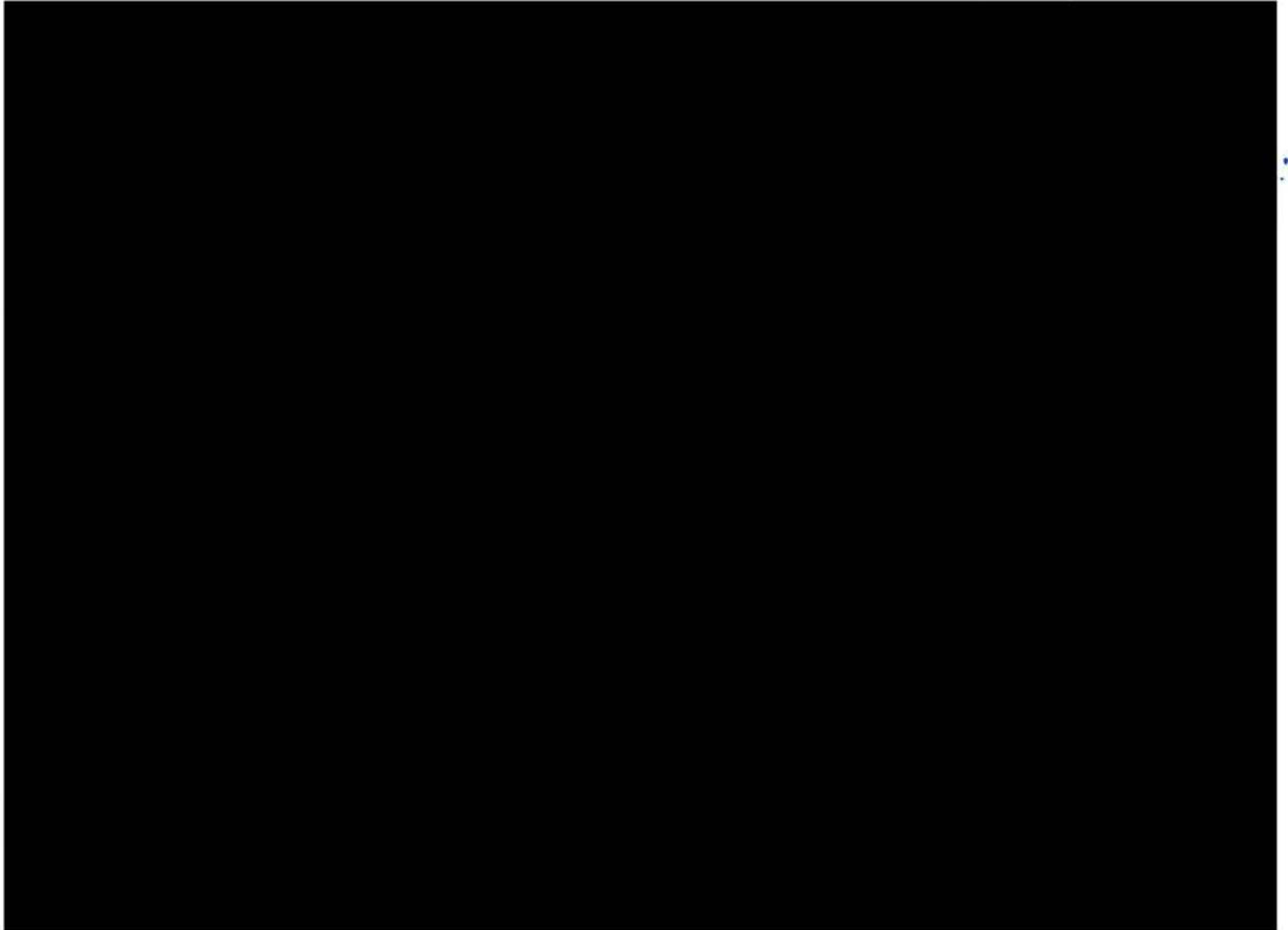
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PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)



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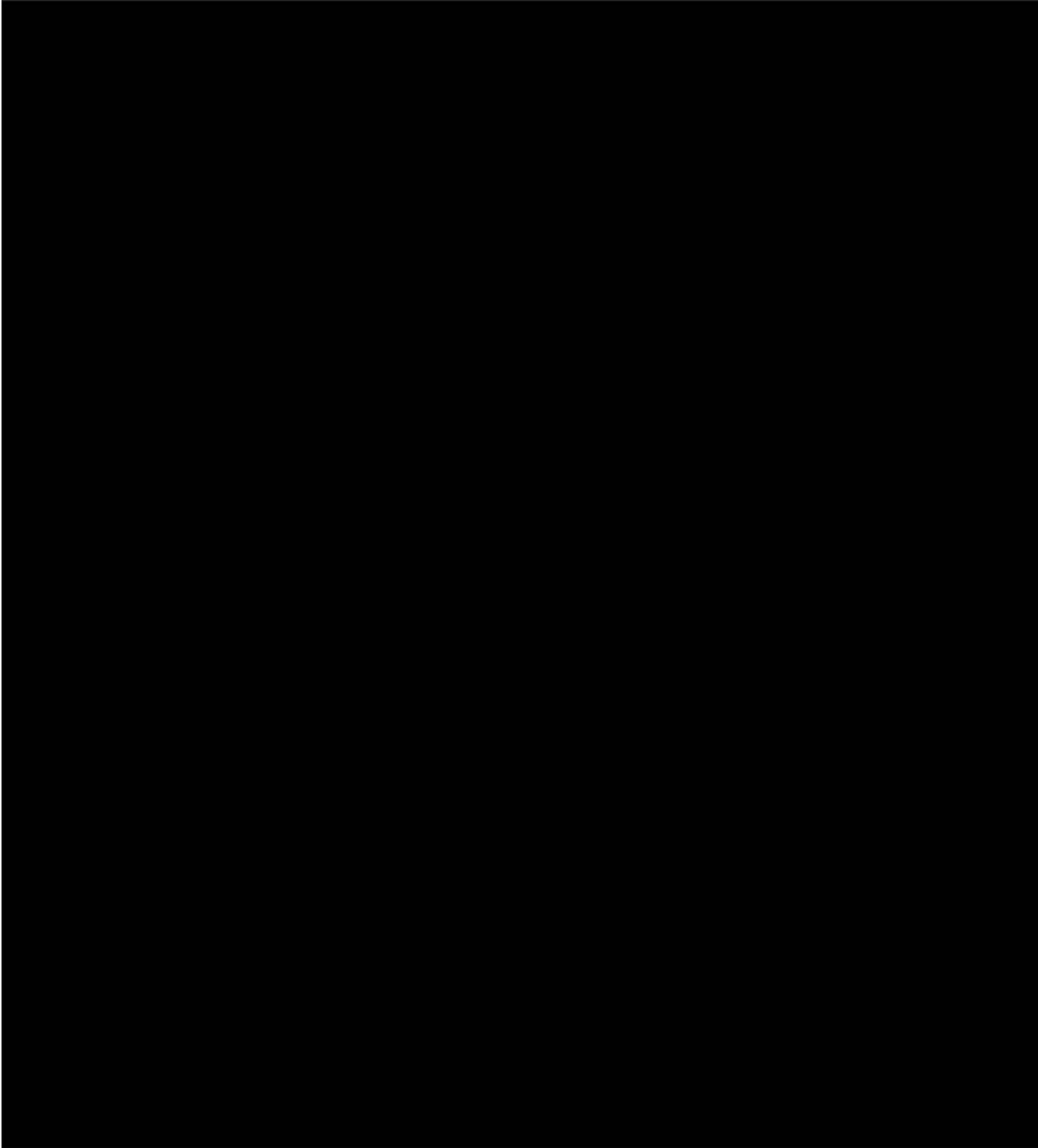
PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)





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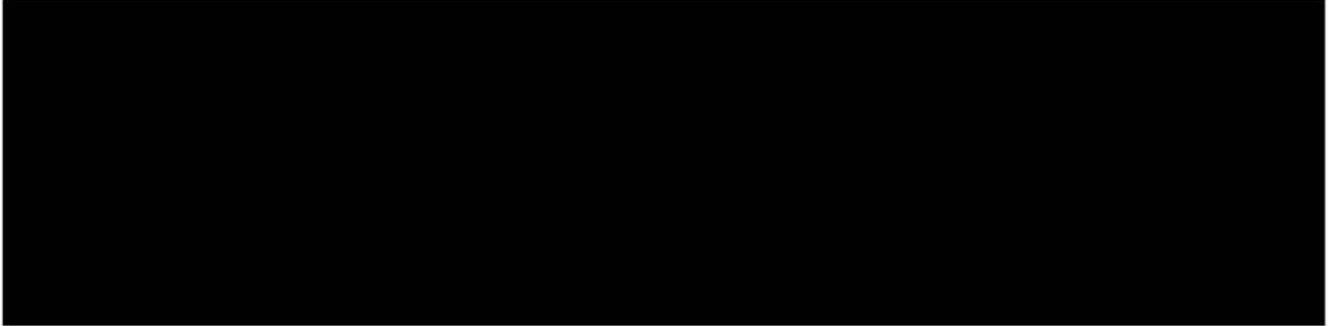
PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)





NEWFOUNDLAND POWER INC.

PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)



Schedule of Experience

The Consultant confirms it has performed the services as outlined in the attached document "Appendix, E: Knowledge and Experience" which was submitted as part of the Consultant's Proposal in response to Request for Request for Proposal 18-046, "CIS Assessment and Planning" issued by the Owner.

APPENDIX E

Knowledge and experience



NEWFOUNDLAND POWER INC.

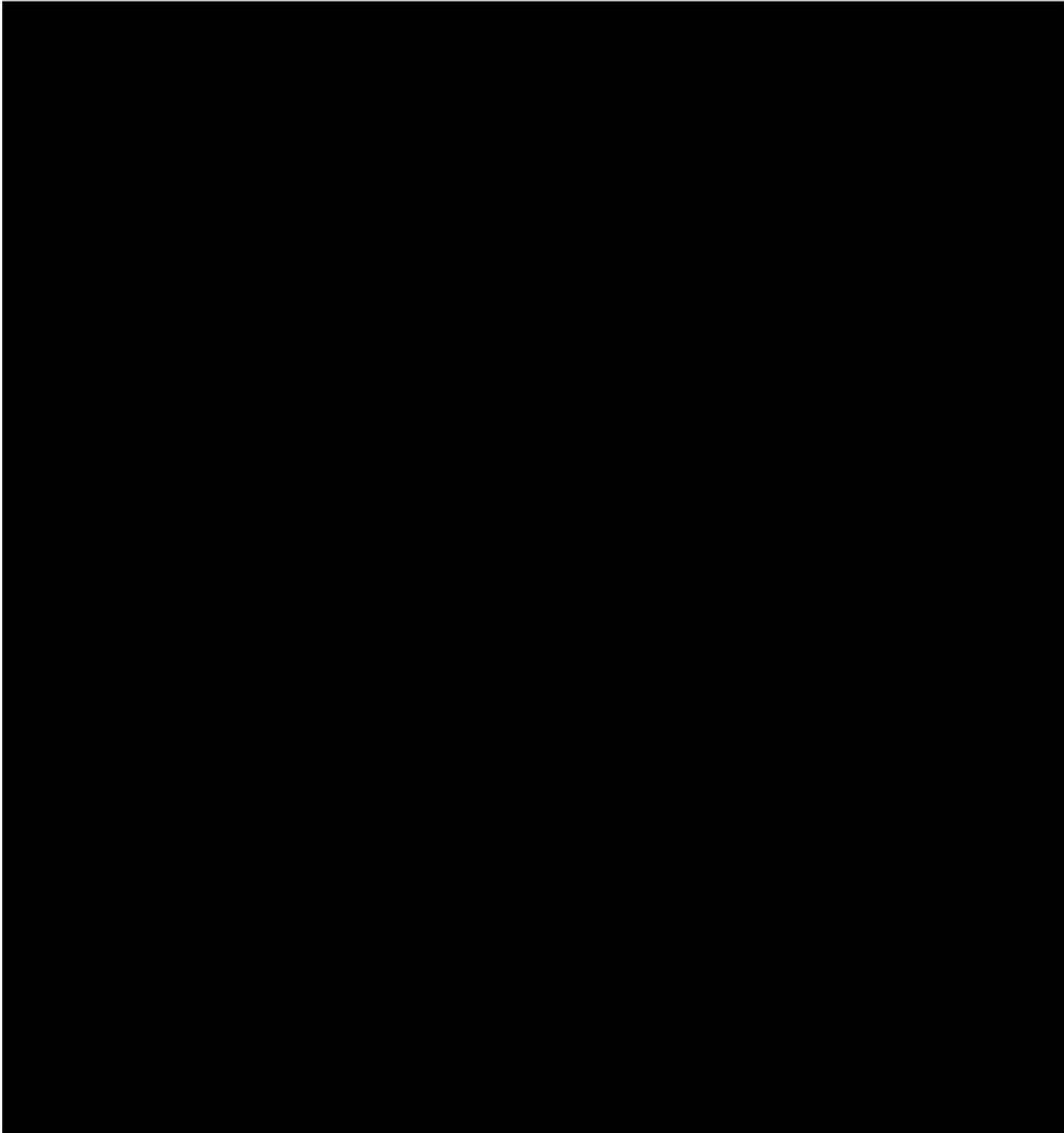
PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)





NEWFOUNDLAND POWER INC.

PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)



Schedule of Personnel and Subcontractors

In performance of the Work, the Consultant shall employ the personnel and subcontractor as outlined in the attached document "Appendix, F: Resource Qualifications" which was submitted as part of the Consultant's Proposal in response to Request for Proposal 18-046, "CIS Assessment and Planning" issued by the Owner.

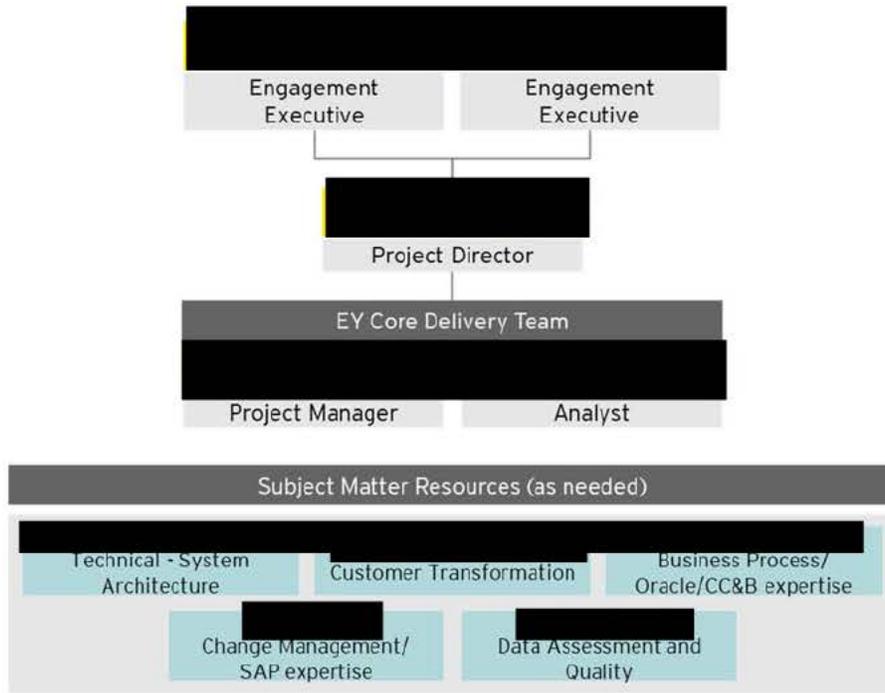
APPENDIX F

Resource qualifications

NEWFOUNDLAND POWER INC.

PROPOSAL FOR CIS ASSESSMENT AND PLANNING (RFP# 18-046)

EY Personnel



Proposed employees' classifications

Classification	Proposed number	
	Core Team	SMR Panel
Partner/Associate Partner	2	1
Senior Manager/Manager	2	4
Analyst/Consultant	1	-

Partnerships

EY does not plan to use any subcontractor for the delivery of the work covered in the scope of this RFP. All proposed team members are EY employees.

Contractor Schedules
for
18-046 - CIS Assessment and Planning
Schedule of Prices

APPENDIX H

Cost

NEWFOUNDLAND POWER INC.

CIS ASSESSMENT AND PLANNING (RFP# 18-046)

Schedule of Prices

Item No.	Description	Unit	Price	Total
1	High Level Current State Assessment and Data Assessment Guidance	Lump Sum	\$ 209,278.33	\$ 209,278.33
2	Target State Assessment	Lump Sum	\$ 144,885.00	\$ 144,885.00
3	Application Development Planning	Lump Sum	\$ 64,393.33	\$ 64,393.33
4	Business Case	Lump Sum	\$ 64,393.33	\$ 64,393.33
Subtotal				\$ 482,950.00
HST (15%)				\$ 72,442.50
Total Estimated Contract Price				\$ 555,392.50

The above fees of 482,950 include professional fees of \$429,800 and incidentals (travel, lodging, meals, etc.) of \$53,150.

We feel that expenses have been adequately estimated at \$53,150. However, if additional trips/expenses are required, we would seek to utilize remote capabilities as a first option and if travel is required, we would seek NL Power approval before incurring any costs above the budget.

For NL Power’s evaluation purposes, it is important to note that the above milestones and related activities are highly interdependent and overlapping in many cases. It therefore allowed for a significant amount of judgement in the allocation of fees to each milestone. It may be more reliable to evaluate pricing based on the Subtotal.

Notes:

1. The lump sums tendered in the Schedule of Contract Prices shall be for the Work finished complete in every respect and they must include all incidental or contingent expenses and risks of every kind necessary to complete the Work in accordance with the Contract.
2. The Owner will issue payment within thirty (30) days from the invoice date for invoices presented by the Contractor.

Contractor Schedules
for
18-046 - CIS Assessment and Planning
Schedule of Milestones and Payments

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#	Milestone	Date	Payment	Acceptance Criteria (for Payment)
1	High Level Current State Assessment and Data Assessment Guidance	April 15 th , 2019	\$209,278.33	High Level Current State and Data Assessments completed and accepted by Newfoundland Power Inc
2	Target State Assessment	May 31 st , 2019	\$144,885.00	Target State Assessment completed and accepted by Newfoundland Power Inc.
3	Application Development Planning	June 30 th , 2019	\$64,393.33	Application Development Planning completed and accepted by Newfoundland Power Inc
4	Final Report Submission and Business Case	January 31 st , 2020	\$64,393.33	Business Case completed and accepted by Newfoundland Power Inc