IN THE MATTER OF NSPI APPLICATION FOR APPROVAL
Of THE DIGBY WIND PROJECT P-128.10 (DWP)

CLOSING SUBMISSION by QUETTA INC. January 14,2011

The issue before the Board is this:

Mr. Bennett and his team –"played the cards dealt to them" and Mr Bennett made a business decision. That was to press forward in the interests of time and reap all the benefit possible from the opportunities presented by using the bid from EUS and not try to improve by engaging in questionable tactics suggested or at least implied in the line of questions that were raised at the hearing. So the question before the Board becomes— "Was this a good decision?"

A question was asked and answered :

"Q. Why didn't you call for new tenders after the project was changed?

A. To meet the deadlines that had been set. "

I said 'questionable tactics 'and I refer to the practice of "shopping the bids". The line of questions asked and particularly the questions arising from NSPI responses came as close as possible to asking 'why not shop the bids' without articulating it. For example the question was repeatedly asked --'how can you be sure you got he lowest possible cost for the benefit of your customers '? By what criterion would the questioner have tested or made a judgment on any answer to that question? I suggest respectfully, that the question falls into the fold as that old saw "When did you stop beating your wife?" It can't be answered.
Bids from others were available and the bid chosen was below all of them.

The practice of using the bid evaluation process as a means to search for reduced costs by asking the bidders 'what else can you do to improve your bid to match another ', is anathema to any self-respecting owner /buyer. This is particularly so for an owner who, by the nature of his business, must go frequently to the market with RFP s.
When you ask a bidder to reconsider his offer for any reason you are compromising the process and, once you have made the bid price an open question, the bidder is just as entitled to raise the price as lower it. Please remember that the expression used, to describe the difference between the successful bidder's offer and the next highest bid is --" the amount left on the table "by the successful bidder. (ie. how much higher he could have gone and still win the contract)
In the event that the Board considers that my concerns have been overstated allow me respectfully to suggest that the Board consider consulting another source or opinion in the field of contract management. Canadian Construction Association or Federal Department of Public Works. The latter has done extensive work in studying the many different contract types and the processes and rules of practice covering their use.

We are on notice to expect hearings on some two billion plus dollars of new capital spending and the Board might wish to see what is happening in the world of construction and supply contracts today. You may wish to test some of the wording in the “Code of Conduct “ to ensure that the literal interpretation of words like ‘least possible’ are not in conflict with the concept of --‘best practice in the long term’-.

All of which is respectfully submitted.

John H. Reynolds PEng. QUETTA INC.