

# **Procurement at Hydro One**

## **A Guide for Indigenous Businesses**



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Hydro One is committed to developing and maintaining relationships with Indigenous peoples that demonstrate mutual respect for one another while supporting procurement opportunities for qualified Indigenous businesses and the development and viability of Indigenous Suppliers who can provide goods and services to Hydro One.

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## I. Hydro One Purchasing Policy – Overview

Hydro One purchases the materials and services that it uses in its work of providing power across Ontario in adherence to the following principles:

- 1. Financial Stewardship**
  - Utilizing a value-for-money approach to source materials and services.
- 2. Supplier Relationships**
  - Ensuring that materials and services are acquired from qualified Suppliers by establishing consistent expectations for working with Suppliers that enhance relationships and the value-for-money proposition.
- 3. Health, Safety & Environmental and Corporate Social Responsibility**
  - Considering responsible ways for sourcing from businesses which conduct operations in a socially responsible manner in accordance with good environmental, health, safety and corporate social responsibility practices.
- 4. Indigenous Procurement**
  - Developing and maintaining relationships with First Nations & Métis peoples that demonstrate mutual respect for one another.
  - Encouraging the development and viability of qualified First Nations & Métis businesses by identifying contracting opportunities, conducting workshops and the promotion of business networking within the First Nations & Métis communities.

### Business Development

Hydro One purchases a variety of materials and services for use at our sites all throughout Ontario. The following are some examples of the type of services and materials procured.

- 1.** Heavy duty equipment with or without operators (floats, trucks, backhoes, cranes, etc.)
- 2.** Construction services and materials including aggregate, concrete, fencing, pole digging and rock drilling services
- 3.** Forestry/vegetation management services
- 4.** Electrical equipment
- 5.** Security Services
- 6.** IT Software and Hardware

### Hydro One's Procurement Process – Overview

- 1.** Supplier requests an invitation to register on Hydro One's SAP Ariba system via email to [SupplierContact@HydroOne.com](mailto:SupplierContact@HydroOne.com)
- 2.** Supplier receives an email invitation and registers through the provided link
- 3.** Supplier receives invitations via email to participate in RFX events
- 4.** Supplier views the event details which:
  - Shows how much time is remaining to submit your response
  - Shows when the event will start accepting responses and when event will close
  - Supplier can review and accept Bidder Agreement
- 5.** Supplier prepares response as per the requirements specified in the RFX event
  - Suppliers will be able to communicate with the Hydro One buyer via the Ariba message board
  - Suppliers are required to regularly monitor their message board for the duration of the event for notes/instructions from the buyer

6. Supplier submits proposal to Hydro One
7. Hydro One evaluates proposals
8. Hydro One awards the contract

## II. SAP Ariba System

1. **Registration** – To register for the Ariba System, using Internet Explorer or Chrome, email [SupplierContact@HydroOne.com](mailto:SupplierContact@HydroOne.com) requesting an invitation. After successfully registering as a supplier, you will receive invitations via email to participate in applicable sourcing events.
2. **Log in** – To access a sourcing event and the pertaining documentation available, click on the "Log In to Ariba" button located in <http://www.hydroone.com/about/suppliers>.
3. **Sourcing Event** - To view and/or participate in a sourcing event, please follow the instructions provided in the invitation email.
4. **User Guides** - The following user guides are available at <http://www.hydroone.com/about/suppliers> for instructions on steps 1-3:
  - [User Guide - Supplier Registration](#)
  - [User Guide - Responding to a Sourcing Event](#)
  - [User Guide - DocuSign](#)

## III. Types of Sourcing Events

Hydro One uses two types of documents in its procurement process. They are collectively known as RFx.

- Information gathering (RFI)
- Competitive procurement (RFPQ, RFP and RFQ)

### Request for Information (RFI)

A market research tool sent to a broad base of potential suppliers for the purpose of gathering information, building a supplier database used to determine what products and services are available, scope business requirements, and/or estimate project costs.

### Request for Pre-Qualification (RFPQ)

A competitive process used to solicit supplier capabilities and qualifications, with the intention of establishing a list of pre-qualified suppliers, usually based on financial and/or other technical criteria which does not solicit pricing from suppliers.

### Request for Proposal (RFP)

A competitive process used to solicit proposals for the supply of materials or services for which suppliers must develop and propose a business application or solution.

### Request for Quotation (RFQ)

A competitive process used where a description of exactly what needs to be procured is provided and the evaluation is based predominantly on price and delivery requirements.

## IV. Bidding Opportunities

### 4.1 Outline Agreements (OA)

These are blanket agreements for defined categories of materials or services without commitment to total volume and value requirements.

One or more suppliers may be awarded work on an 'as and when required' basis.

### 4.2 Project Specific

Hydro One also posts RFx events for specific projects. These events are for work that is not repetitive.

In some cases when there has been an initial prequalification, subsequent RFx events may only be directed to prequalified suppliers.

A typical example would be a large outsourced construction projects such as a new transformer station build.

## V. References

### Procurement FAQs

#### **Q1. How do businesses declare their Indigenous participation and/or ownership in an RFx?**

▶ During Ariba registration, Indigenous suppliers can identify as First Nations, Métis or Inuit and must provide a signed declaration form confirming they meet the definition of an Indigenous business. This process is consistent with the federal government validation process.

#### **Q2. Can Indigenous businesses partner with non-Indigenous businesses and respond to RFxs?**

▶ Absolutely – within most RFPs, preference is given in the evaluation for any Indigenous participation, as outlined in the RFx. This could include joint venture or subcontracting with an Indigenous business. In these instances, such partnerships are mutually beneficial as non-Indigenous qualified businesses increase their chances of award while the Indigenous business leverages the strengths of the partnership.

#### **Q3. Many Indigenous businesses cannot obtain bonding or other means of financial security. Is bonding or other forms of security always required?**

▶ Hydro One would generally only ask for bonding/security in the situation of a major infrastructure build. Alternatives could be discussed with the successful Proponent at the time of contract signing.

#### **Q4. Can anyone register for Hydro One's SAP Ariba system?**

▶ Yes, any individual or business can register in Ariba and participate in RFx events that they are invited to. The RFx response must be submitted by the party who would be contracted to provide the material or service.

#### **Q5. Do you have to be a registered/incorporated business to bid on work?**

▶ Individuals can respond to an RFx. It is not a requirement to be an incorporated business.

#### **Q6. What are some general requirements to work with Hydro One?**

▶ In most cases, Suppliers are required to provide proof of \$5M per occurrence of both Commercial General Liability and Auto Insurance and WSIB. When Health and Safety is required, the Supplier will register and submit all Health and Safety, Insurance and WSIB documentation in ISN @ <https://www.isnworld.com/>.

## Indigenous Business Directory

Hydro One's Indigenous Business Directory is available at <http://www.hydroone.com/about/suppliers/indigenous-procurement>. This marketing tool can be used by non-Indigenous businesses to find Indigenous businesses for subcontracting, employment, or partnership opportunities thus increasing their competitiveness.

If you are an Indigenous business and would like to be added to Hydro One's [Indigenous Business Directory](#), you can consent during the Ariba registration process. If you have questions regarding this directory, please contact [SupplierContact@HydroOne.com](mailto:SupplierContact@HydroOne.com).

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### Acronyms

**ISN:** ISNetwork

**OA:** Outline Agreement

**RFI:** Request for Information

**RFP:** Request for Proposal

**RFPQ:** Request for Pre-Qualification

**RFQ:** Request for Quotation

**RFx:** Request for information, proposal, quote or prequalification, etc.

**WSIB:** Workplace Safety and Insurance Board