

1 **UNDERTAKING J17.1**

2
3 **Undertaking**

4
5 Provide the most current integrated vendor performance scorecard for each of the
6 ESMSA vendors on a confidential basis.
7

8
9
10
11 **Response**

12
13
14 OPG has three ESMSA contractors: (1) ES Fox, (2) Black & McDonald, and (3) the
15 SNC/Aecon Joint Venture.
16

17 There is currently no scorecard available for the SNC/Aecon Joint Venture. The
18 SNC/Aecon Joint Venture was engaged as an ESMSA contractor on December 19,
19 2014 and did not complete a significant amount of work in 2015. The scorecard for its
20 2016 performance is still being prepared as OPG is currently reviewing the Heavy
21 Water Storage Facility project (see Ex. N2-1-1), which will inform the preparation of the
22 2016 ESMSA performance scorecard for the SNC/Aecon Joint Venture.
23

24 The most current operational performance scorecards for ES Fox and Black &
25 McDonald are provided entirely in confidence as Attachment 1 and Attachment 2,
26 respectively. In addition to capital project work, these scorecards encompass work the
27 ESMSA contractors undertake for outages, minor modifications and minor projects. As
28 discussed in Ex. D2-2-3, p. 20, under the ESMSAs, a percentage of each contractor's
29 invoice (inclusive of costs, profits and overheads), is withheld by OPG and contributed
30 to a performance fee pool. The scorecard then informs what percentage of the fees held
31 at risk by OPG are returned to each contractor. As a result, a score of less than 100%
32 means that OPG retains some of the fees that were due to the contractor. Such retained
33 fees are then allocated on a *pro rata* basis back to project costs.
34

35 These scorecards do not capture all projects completed by each contractor as larger,
36 more complex projects subject to a performance fee may have their own tailored
37 performance scorecard.

ATTACHMENT 1

FILED CONFIDENTIAL IN ITS ENTIRETY

ATTACHMENT 2

FILED CONFIDENTIAL IN ITS ENTIRETY

UNDERTAKING J17.2

Undertaking

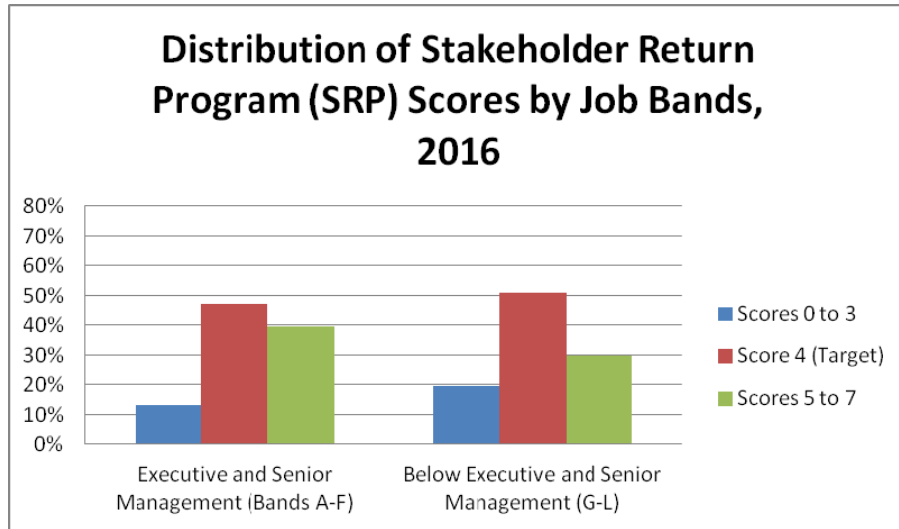
Reference: L-6.6-15 SEC-076, Attachment 2

To recreate with the 2016 actuals, the Stakeholder Return Program distributions.

Response

Graph 1 below shows the distribution of 2016 actual SRP scores on the same basis as L-6.6-15-SEC-076, Attachment 2 and is consistent with Figure 10 on p.168 of the 2013 Annual Report of the Office of the Auditor General Ontario.

Graph 1



1 **UNDERTAKING J17.4**

2
3 **Undertaking**

4
5 To confirm whether the Auditor General is aware of OPG's revised 2016 rehire policy.
6
7
8
9

10
11
12 **Response**

13
14 OPG has not discussed with the Auditor General the refinements made to the rehire
15 procedure.
16

17 These refinements were made to enable the business to meet its work program needs
18 in a cost-effective manner and recognize that former OPG employees represent an
19 experienced talent pool that can be drawn upon for their unique skills and experience.
20 This is particularly true for individuals who have been licensed by the Canadian Nuclear
21 Safety Commission as there is not a ready supply of talent available in Canada.
22

23 These refinements have not removed the underlying controls associated with the
24 Auditor General's recommendations. The primary control feature of the rehire
25 procedure that relates to the Auditor General's recommendations to improve succession
26 planning and knowledge retention / transfer and thereby minimize the use of rehires, is
27 the use of a waiting and working period. Waiting and working periods continue to be
28 utilized in the revised procedure.
29

30 Additional controls to ensure optimal utilization of staff resources and a healthy
31 succession pipeline for talent have also been put in place through the Resource
32 Planning & Control Team (RPCT) as described in L-1.2-2-AMPCO-005.
33
34
35

UNDERTAKING J17.5

Undertaking

Ref: K17.1, page 43 (Public Sector Salary Disclosure)

For salaries \$200k or greater, provide the breakdown of unionized staff versus management.

Response

The table below provides the number and percentage of employees who were paid \$200K or more by year and union status, as shown on the Public Sector Salary Disclosure Act (PSSDA) list. The definition of salary used under the PSSDA includes all amounts reported as employment income on the Canada Revenue Agency T4 slips. This includes base salaries, incentives, shift premiums, other allowances, and overtime paid to employees. All amounts are reported in the year they are paid, which may vary from the year they are earned and recognized in OPG's costs.

Employees with PSSDA Salaries > \$200K	2013		2014		2015		2016	
	#	% of T4's (total)	#	% of T4's (total)	#	% of T4's (total)	#	% of T4's (total)
Management	175	1.3%	141	1.1%	174	1.4%	168	1.3%
Union	351	2.6%	228	1.8%	254	2.0%	337	2.6%
Total Employees > \$200K	526	3.9%	369	2.9%	428	3.4%	505	4.0%
Total Number of T4s Issued	13504		12815		12558		12771	

The number of management paid over \$200K in any given year is influenced by corporate performance as reflected in OPG's Corporate Balanced Scorecard. Please refer to JT3.1 for a copy of OPG's scorecard results for 2013 through 2015.

- Below plan performance in 2013 resulted in lower pay at risk incentives being paid in 2014 and a reduction in the number of management paid over \$200K in 2014.

- 1 • Strong corporate performance in 2014 resulted in higher pay at risk incentives
2 being paid in 2015, increasing the number of management paid over \$200K in
3 2015.
4
- 5 • Corporate performance in 2015 was slightly above plan, resulting in lower pay
6 at risk incentives being paid in 2016 as compared to 2015, and a reduction in
7 the number of management paid over \$200K in 2016.
8

9 For union positions, the combined effect of base salaries, overtime, shift premiums, and
10 other allowances will affect the numbers on the list in any year.
11

12 Year over year changes in the number of union represented employees who were paid
13 over \$200K in any year is influenced by work program demands and the associated
14 overtime that is worked to return units to service during an outage and complete priority
15 work when staffing levels are below plan. In years where more overtime is utilized, the
16 number of union represented employees paid over \$200K has increased, and
17 conversely, when less overtime was utilized the number has decreased.
18

19 In addition to overtime, another factor contributing to the overall number of union
20 represented employees being paid over \$200K includes the allowances paid to nuclear
21 authorized staff in recognition of obtaining and recertifying their licenses with the
22 Canadian Nuclear Safety Commission. Approximately 4% of OPG's union represented
23 employee populations are in Nuclear Authorized positions which have licensing
24 requirements. The amount of allowance paid varies by role and how long an individual
25 has been licensed for, and serves as a mechanism to retain these individuals who are
26 critical to OPG's safe and reliable operations.
27

1 **UNDERTAKING J17.6**

2
3 **Undertaking**

4
5 Ref: K17.1, page 43 (Public Sector Salary Disclosure)

6
7 For salaries \$200k or greater, to provide the number of earners/total people included in
8 the public sector salary disclosure for 2014 to 2016.

9
10
11
12 **Response**

13
14 Please refer to Undertaking J17.5.
15