Board Staff Interrogatory #175

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 11 / Attachment 3 / pp. 62-64

Preamble:

Bates White provided an example of its calculation of an EPC Contractor final cost for vendor procured items.

Question(s):

a) Please explain the interaction, if any, between Bates White's EPC Contractor final cost calculation with: (i) the combined labour productivity / wage adjustment; and (ii) the EMWG adjustment factor.

Response

The following response was prepared by Bates White:

a) As modelled in the Bates White cost estimate, the "combined labour productivity/wage adjustment" and the "EMWG adjustment factor" address two separate phenomena. i) The "combined labour productivity/wage adjustment" is designed to address two factors: work conditions on the Darlington Site which are different from those applicable to the commercial construction sites for which RSMeans was developed, and differences in pay scales for workers at the Darlington site and those for metropolitan Toronto. ii) The EMWG unit installation rates reflect installation experience at nuclear power plants, as distinct from the RSMeans work breakdown estimates, which reflect unit installation rates in commercial construction. Bates White calculated the "EMWG adjustment factor" to address this difference. Also please see response to Ex. L-D2-02-Staff-173.