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VIA E-MAIL

Our File: 58880.004
Your File: Unknown

October 28, 2010

Dan Doyle
Chair of the Executive Project Board
Smart Metering Project

Dear Mr. Doyle:

**Re: Fairness Monitor Report to Conclusion of Recommendation of Preferred Proponent
Meter Deployment RFP No. 463
BC Hydro Smart Metering Infrastructure Project**

I was appointed in April 2010 as Fairness Monitor for BC Hydro's Smart Metering Infrastructure Project. My terms and reference included monitoring and reporting on the fairness of the procurement processes adopted for the Solution Integrator (SI) RFP 371, Meter Data Management Systems (MDMS) RFP, Meter Supply (MS) RFP 4401 and the Meter Deployment (MD) RFP 463 components of the overall project. This report summarizes my observations and conclusions with respect to the procurement process followed for the Meter Deployment RFP 463 to the point of recommendation of a preferred proponent to BC Hydro's Project Management Board.

The activities undertaken by me during the course of my evaluation of the procurement process for RFP 463 included a review of and reporting on the Request for Proposals (RFP) itself, the Evaluation Manual setting out the guidelines to be followed by the evaluators of the proposals received and attending interactive sessions between the two proponents, Corix Utilities Inc. and Honeywell International Inc. I also attended an evaluation orientation meeting for the RFP evaluators, meetings with advisors to the Evaluation Committee, and I attended the evaluation sessions of the Evaluation Committee and the meetings held with the due diligence advisors to the Evaluation Committee.

In addition to the foregoing meetings, I was copied on various emails exchanged between BC Hydro's contact person for RFP 463, and the proponents, as well as emails exchanged between representatives of PartnershipsBC and various other individuals involved in the procurement process.

Finally, I was kept fully advised of all fairness issues arising during the course of the procurement process, including conflict of interest issues and potential fairness issues arising

during the course of the process. In all cases, there was a full and detailed consideration of the issues in question and each was resolved to my satisfaction.

I found the entirety of the procurement process for RFP 463 to the point of recommendation of preferred proponent to be fair, transparent and concluded without bias being shown in favour of any proponent. All proponents, in my view, were treated in a fair and equal manner and the terms and conditions of the RFP were complied with in all respects. The evaluators responsible for evaluating the proposals and recommending a preferred proponent to the Project Management Board demonstrated a keen awareness of both the RFP and the Evaluation Guidelines and the need to conduct a robust, fair and transparent evaluation of the proposals received. In this respect they were appropriately guided by the multiple advisors to the process, including technical advisors (SME's), legal counsel, due diligence advisors, all under the guidance and watchful eye of PartnershipsBC.

In sum, the procurement process for RFP 463 to the point of recommendation of preferred proponent has, in my opinion, been conducted in an exemplary manner, without any unresolved fairness issues.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, sweeping oval followed by several smaller, overlapping loops and a final flourish.

John R. Singleton, Q.C.
Fairness Advisor