

**REQUEST FOR PROPOSALS
PETROLEUM PRODUCTS PRICING ADVISORY SERVICES**

TERMS OF REFERENCE

Introduction

The Board is an independent, quasi-judicial regulatory body constituted by the *Public Utilities Act, R.S.N. 1990*. The Board has responsibility for regulating electric utilities, automobile insurance rates, petroleum products pricing, licensing of ambulance services and certain public passenger bus services and, where directed by Government, for determining expropriation compensation and conducting insurance reviews. Statutory responsibilities are carried out under the authority of: the *Public Utilities Act*; the *Electrical Power Control Act*; the *Petroleum Products Act*; the *Automobile Insurance Act*; the *Insurance Companies Act*; the *Motor Carrier Act*; the *Expropriation Act*; and the *Public Utilities Acquisition of Lands Act*.

The Board's regulatory mandate requires examination and determinations in respect of issues relating to the establishment of maximum retail and wholesale prices for regulated petroleum products in the province.

Scope of Work

The range of services to be provided will vary from year to year and may include a core level of activities relating to the Board's regulatory role for maximum retail and wholesale pricing of petroleum products in accordance with the *Petroleum Products Act*. From time to time the petroleum pricing advisor may be required to:

- (1) Undertake research and analysis and provide advice on a variety of technical and other matters related to petroleum products pricing;
- (2) Undertake projects related to specific matters before the Board, or with respect to special projects initiated by the Board;
- (3) Prepare detailed technical and analytical reports for consideration by the Board;
- (4) Work closely with Board staff, and liaise with petroleum industry representatives and others as required; and,
- (5) Appear before the Board as an expert witness as required to present direct and cross examination evidence as to their reports and findings.

Examples of some potential projects include:

- Detailed study of storage and distribution costs associated with delivering regulated petroleum products to the different zones within the province.
- Detailed study of wholesale and retail margins for suppliers and retailers of regulated petroleum products.
- Assist in the review of Pricing Zone designations and recommendations for Zone reassignment.

Qualifications and Experience

The necessary qualifications and experience would normally be acquired through a minimum of 10 years of relevant work experience in the downstream petroleum industry, preferably in local markets. Experience in a refining or regulatory setting is preferred. Superior analytical, interpersonal and communication skills are essential, as well as demonstrated initiative and independence.

Conflict of Interest Declaration

The Board requires that the proponent provide a statement setting out that there are no potential conflicts or declaring any and all possible conflicts of interest. Failure to report any such conflict will be cause for disqualification.

Term of Engagement

It is expected that the contract will be for an initial term of five years; however the appointment will be on an annual basis with potential renewal based on performance every year over the five-year period. At the end of the initial term the Board may renew for a further term of three years with terms to be negotiated. The Board reserves the unqualified right not to renew the contract.

Proposal Content

Proposals must include the following:

- (1) An outline of the specific qualifications and experience relevant to the services to be provided;
- (2) Proposed fee arrangement for each year of the initial five-year term, and expectations with respect to reimbursement for disbursements; and
- (3) A Conflict of Interest declaration.

Conditions

The Board will not be liable for any costs incurred by the proponents in the preparation and presentation of proposals.

The Board reserves the right to accept or reject any and/or all proposals. The lowest, or any proposal, will not necessarily be accepted and the Board may, at its sole discretion, accept a non-compliant proposal.

Process

The Board must receive three copies of the proposals no later than 3:00 p.m., on Friday, May 22, 2009. The envelope should be sealed and clearly marked **Proposal for Petroleum Pricing Advisory Services** and should be addressed to the Director of Corporate Services and Board Secretary, Board of Commissioners of Public Utilities, P.O. Box 21040, Suite E-210, 120 Torbay Road, St. John's, NL, A1A 5B2.

Additional information may be obtained by contacting the Director of Corporate Services and Board Secretary at (709)-726-8600 or by email at cblundon@pub.nl.ca.

The Board may select one or more proposals and require that the persons submitting the proposals meet with the Board prior to the final selection.

Cheryl Blundon
Director of Corporate Services & Board Secretary