



Request for proposal – Allocation of Indirect Costs Methodology

1. Introduction

The Utilities Regulation and Competition Authority (URCA) is the independent regulator for the Electronic Communications Sector (ECS) and Electricity Sector (ES) in The Bahamas. The ECS is comprised of fixed and mobile telecommunications services, spectrum, numbering, and broadcasting. URCA's powers and responsibilities for the ECS have been established under the Communications Act, 2009 (Comms Act), which charges URCA with the responsibility for implementing the ECS Policy and enforcing the competition provisions of the Comms Act. In 2016, pursuant to the Electricity Act, 2015, URCA became responsible for the regulation of the Electricity Sector (ES) which comprises governing the generation, transmission, distribution, and supply of electricity.

2. Objective

Pursuant to the URCA Act section 39 (2) Accounts and Audits which states, "The accounts shall, to the fullest extent possible, allocate URCA's revenues, costs and expenses, whether in respect of personnel or otherwise, to each of the regulated sectors", and section 39 (3)(b), which states that, "In allocating URCA's costs and expenses under subsection (2), URCA shall use its reasonable endeavours to...allocate indirectly incurred costs and expenses on a reasonable and transparent basis." Therefore, based on these statutory requirements, URCA seeks to develop a methodology and an accompanying policy that would allocate indirect costs in a manner that complies with the provisions of the URCA Act.

3. Background

URCA currently employs 34 people across nine (9) departments which are the: Executive Office, Finance, Legal, Human Resources & Learning, Facilities, Administration, Corporate & Consumer Relations, ECS, and ES. The first seven (7) listed departments provide cross-sectional support to the ECS and ES. URCA is governed by a Board consisting of six (6) members: three (3) non-executive members (including the Chairperson), and the CEO, Director of Utilities and Energy, and Director of Electronic Communications as Executive members of the Board. The URCA Act also establishes an Audit Committee comprising the

non-executive members and chaired by an accounting professional who is not a member of the Board.

The URCA Act, Section 40 gives URCA the authority to, “...conduct its affairs as to ensure that its revenues which are at least sufficient to enable URCA to meet the costs of carrying out its functions, including anticipated costs for the forthcoming financial year.” Therefore, on an annual basis URCA calculates annual fees billed to licensees to cover costs of its operation. URCA’s budget for 2023 can be found on URCA’s webpage or this [link](#).

4. Terms of Reference for Consultancy services

Given the above, URCA seeks to identify and engage the services of suitably qualified entities or individuals to provide an appropriate methodology and accompanying policy that would provide the basis for the allocation of indirect costs. The entity/individual is expected to perform the following:

- i) Gain an understanding of the legislation that underlines the statutory requirements for URCA’s cost allocation;
- ii) Develop an understanding URCA’s environment and typical indirect costs;
- iii) Determine allocation factors/methodology to distribute costs equitably without undue costs or effort; and
- iv) Develop a draft policy document in consultation with internal stakeholders that updates and monitors data and methodology to ensure that the allocation methodology is consistent, fair and equitable.

5. Deliverables

Key deliverables expected:

- i) The Methodology to be utilized in the allocation of indirect cost; and
- ii) Draft Policy document that addresses the periodic monitoring and update of data and methodology

6. Responses to Request for Proposal

Responses are to contain the following information:

- a. Letter of Transmittal
- b. Technical Capability
- c. Work Plan with timelines
- d. Financial Proposal

Respondents must submit their proposals and all associated documents in accordance with the following guidelines:

i) One (1) digital copy placed on a thumb drive and three (3) printed copies of the proposal, placed in sealed, opaque packages marked:

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Chief Executive Officer

Utilities Regulation and Competition Authority

Frederick House

Frederick Street

P.O. Box N-4860

Nassau, The Bahamas

ii) Complete proposals must be received no later than 5:00 p.m. on the response deadline date of 28th July 2023. Late proposals will not be accepted under any circumstances.

iii) Any enquiry required with URCA during this proposal process should be addressed to:

Faith Johnson, Chief Finance Officer

telephone 242-396-5223

e-mail address: fajohnson@urcabahamas.bs).

a.) Letter of Transmittal

The proposal shall comprise a letter of transmittal, which must contain the following statements and information:

i) Company name, mailing and physical address, telephone number(s), fax number(s) and website address;

ii) Name, title, email address and telephone number of the person(s) to contact authorised to represent the firm and to whom correspondence should be directed;

iii) Brief statement of the respondent's understanding of the services to be performed under the contract;

iv) Corporate Officer or person authorised to bind the vendor to the proposal must sign the letter and cost schedule; and

v) Statement stating the proposal and cost schedule will be valid and binding for at least ninety (90) days following the proposal due date and will become part of the contract negotiated with URCA.

b.) Technical Capability

The technical information provided must include at a minimum:

i) A brief description of the Respondent's firm/organization and an outline of recent experience on assignments of a similar nature and scope; and

ii) A list of the proposed personnel by area of expertise, the position that would be assigned to each team member and their tasks.

c.) Work Plan

i) Respondent is required to develop and submit a comprehensive work plan that sets out milestones in anticipation of 20 October 2023 completion date for the project.

ii) Work plan must provide comments on the approach and methodology to the scope of work to be performed, including suggestions that may improve the quality/effectiveness of the project.

d.) Financial Proposal

i) The financial proposal must state all costs associated with the services to be provided, including a remuneration/rate sheet for each proposed team member assigned to the project.

ii) The responding entity/individual will provide a fixed price financial proposal of fees and any ancillary costs or consideration by URCA.

Evaluation Criteria

Submitted proposals will be evaluated by a committee selected by URCA’s management team. Failure to satisfy the submittal requirements may be cause for rejection of submission. The proposals submitted will be ranked based on the following maximum allocation of points for specific elements of each proposal:

Criteria	Maximum Score
Technical Evaluation: Firm’s experience in completing projects of similar nature and scope – 15% Qualification/experience of personnel proposed for assignment to the project (i.e. qualifications) – 10% Completeness of response – 10%	35%
Work Plan: Approach and methodology to performing the work in response to the Terms of Reference - 25% Timetable for prompt completion of the project – 10%	35%
Financial Evaluation: The lowest financial proposal submitted by a technically qualified party will receive the highest score – 30%	30%
Total	100%

7. Reporting and Accounting

The Consultant will report directly to URCA's appointed Project Lead. The primary point of contact and project lead for the Consultant regarding the day-to-day activities will be the Chief Finance Officer or designate.

8. Contract

Respondents shall submit a draft contract for URCA's consideration, which must be consistent with the Terms of Reference and Deliverables contained in the submitted proposal. Final terms and conditions of the contract will be subject to URCA's approval.

9. Miscellaneous

URCA reserves the right to:

- a) Reject any or all proposals for failure to meet the requirements contained herein or for any other reason which in URCA's sole judgment, renders the proposal unsuitable;
- b) Waive any technicalities; and
- c) Select the proposal which, in URCA's sole judgment, best meets URCA's requirements.

This RFP creates no obligation for URCA to award a contract or compensate the Bidder for any costs incurred during proposal presentation, response, submission, presentation, or oral interviews. URCA also reserves the right to negotiate further with any respondent to the RFP.