



NEW BRUNSWICK
ENERGY & UTILITIES BOARD

COMMISSION DE L'ÉNERGIE ET DES SERVICES PUBLICS
NOUVEAU-BRUNSWICK

REQUEST FOR PROPOSAL

for

INDEPENDENT AUDIT SERVICES

Issued: **September 8, 2022**

Submission Deadline: **October 6, 2022**

REQUEST FOR PROPOSAL INDEPENDENT AUDIT SERVICES

BACKGROUND

The New Brunswick Energy and Utilities Board (Board) is an independent quasi-judicial tribunal. The Board's mandate and powers are contained in the *Energy and Utilities Board Act* and other statutes.

Additional information can be found in the Annual Report section on the Board's website at www.nbeub.ca/annual-reports.

1.0 INTRODUCTION

1.1 Purpose

- 1.1.1 The Board invites proposals (Proposals) from qualified accounting firms (Proponents) to provide Independent Audit Services (Services).
- 1.1.2 Pursuant to section 13 of the *Regulatory Variance Accounts and Deferral Account Regulation – Electricity Act*, N.B. Regulation 2022-17 (Regulation), the New Brunswick Power Corporation (NB Power) is required, for the fiscal year commencing on April 1, 2022, and each fiscal year thereafter, to file a report with the Board no later than 60 days after the end of the fiscal year that shall contain:
- (a) a reconciliation of the actual balance in each of the Energy Supply Cost Variance Account and the Electricity Sales and Margin Variance Account; and
 - (b) a variance analysis identifying the cause of variances in
 - (i) energy supply costs,
 - (ii) sales revenues and margins for both in-province and out of province load, and
 - (iii) amounts recovered from or reimbursed to customers through rate riders.
- 1.1.3 The Board must retain an independent auditor to verify the accuracy of the balances in each of the Energy Supply Cost Variance Account and the Electricity Sales and Margin Variance Account in accordance with section 14 of the Regulation.
- 1.1.4 The Services will commence upon receipt of the report filed by NB Power pursuant to section 13 of the Regulation and will be in effect for a period of five consecutive years, subject to any amendments to sections 13 and 14 of the Regulation or any other relevant amendments to the *Electricity Act*, S.N.B. 2013, c.7.

2.0 SELECTION PROCESS

2.1 Request for Proposal Stage

2.1.1 Proposals must be submitted in accordance with the requirements of this Request for Proposal (RFP). Following the evaluation of the Proposals, the successful Proponent will be invited to enter into a contract for the Services.

2.2 Procurement Timeline

2.2.1 The following table outlines the expected milestones and timeline for the selection of the successful Proponent for this assignment.

Procurement Timeline	
Anticipated Milestones	Date
Issue of RFP for Independent Audit Services	September 8, 2022
Submission Deadline	October 6, 2022
Selection of the successful Proponent	October 21, 2022

3.0 SCOPE OF WORK

3.1 Role of Auditor

3.1.1 The scope of work for the Services is set out in Appendix A.

4.0 EVALUATION

4.1 Evaluation Criteria

4.1.1 The Evaluation Committee, as established by the Board (Committee), will evaluate the Proposals in accordance with Appendix B.

4.2 Evaluation Process

4.2.1 To assist in evaluating the Proposals, the Committee may, in its sole and absolute discretion:

- a) Conduct reference checks to verify information regarding a Proponent, and may conduct any background investigations that it considers necessary;
- b) Rely on and consider any information from such references;
- c) Consider information from other sources;
- d) Seek clarification or further information from Proponents in writing; and

- e) Consider any supplementary information in the evaluation.

5.0 CONTACT WITH PROPONENTS

5.1 Defects or Irregularity with RFP

- 5.1.1 If, in the opinion of the Committee, any Proposal contains a defect or irregularity, or fails to comply with any requirement of this RFP that, in the opinion of the Committee, can be remedied without providing an unfair advantage over other Proponents, the Board Contact may request clarification from the Proponent in writing.

5.2 Notification of Award

- 5.2.1 A written notice to the successful Proponent will be the only valid form of notification of award.

6.0 SUBMISSION INSTRUCTIONS

6.1 Submission Time and Location

- 6.1.1 Each Proponent shall deliver one (1) signed original copy and three (3) copies of the Technical Proposal and supporting information and three (3) copies of the Financial Proposal no later than **4:00 p.m. A.D.T. on October 6, 2022** (Submission Deadline) to the Board's address at:

New Brunswick Energy and Utilities Board
City Hall Building, 14th Floor
15 Market Square, Suite 1400
P.O. Box 5001
Saint John, N.B.
E2L 4Y9

Attention: Véronique Otis, Legal Counsel (Board Contact)

- 6.1.2 Proposals sent by fax or e-mail will NOT be accepted.
- 6.1.3 Proposals received after the Submission Deadline will not be considered and will be returned unopened.
- 6.1.4 The Board assumes no responsibility for improperly addressed or delivered Proposals.
- 6.1.5 The Technical Proposal shall be sealed in an envelope, clearly indicating the Proponent's name and address and marked: **Technical Proposal: Independent Audit Services**.
- 6.1.6 The Financial Proposal shall be sealed in an envelope, clearly indicating the Proponent's name and address and marked: **Financial Proposal: Independent Audit Services**.

6.2 Mandatory Requirements

6.2.1 Each Proposal must comply with the following mandatory requirements. Each Proposal must:

- a) Be in English *or* French;
- b) Be received at the Board's address before the Submission Deadline;
- c) Be addressed to the person named in subsection 6.1.1;
- d) Adhere to content as required in this RFP;
- e) Be for the entire scope of work; and
- f) Specify personnel assigned to this RFP including their proposed role for the scope of work.

6.2.2 Incomplete Proposals will be rejected.

6.3 Enquiries

6.3.1 All enquiries (including notification of any discrepancies or errors or omissions) must be submitted by e-mail, no later than five business days prior to the Submission Deadline, to the Board Contact at: veronique.otis@nbeub.ca.

6.3.2 The Board reserves the right not to respond to enquiries. If a change to the RFP or additional information is warranted, the Board's response will be communicated to all Proponents by means of written Addenda. Orally-communicated information shall not be binding upon the Board. Enquiries made after the Submission Deadline will not receive a response.

6.3.3 The Board is not responsible for any error that may occur from a submission of an enquiry.

6.4 Addenda

6.4.1 Written addenda are the only means of amending or clarifying this RFP. Only the Board Contact is authorized to amend or clarify this RFP. Amendments or clarifications will be posted on the Board's website before the Submission Deadline.

6.5 Revisions Prior to the Submission Deadline

6.5.1 A Proponent may, by written notice to the Board Contact, amend or withdraw its Proposal prior to the Submission Deadline.

6.5.2 The Proponent will not be entitled to revise its Proposal after the Submission Deadline, except to the extent requested by the Board for purposes of clarification, pursuant to the enquiry process outlined in section 6.3.

6.5.3 At the Submission Deadline, all Proposals which have not been previously amended or withdrawn become irrevocable for a period of at least **ninety (90) days**.

7.0 RFP TERMS AND CONDITIONS

7.1 Cost of Preparing Proposals

7.1.1 Each Proponent is solely responsible for all costs it incurs in the preparation of its Proposal, including costs of providing information requested by the Board, attendance at meetings and conducting due diligence.

7.2 Limitation of Damages

7.2.1 Each Proponent, by submitting a Proposal, agrees that:

- a) In the event any or all Proposals are rejected, or the scope of work or the competitive selection process is modified, suspended or cancelled for any reason, neither the Board nor any of its employees will be liable, under any circumstances, for any claim or to reimburse or compensate the Proponent in any manner whatsoever, including but not limited to costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other matter; and
- b) The Proponent waives any and all claims whatsoever, including claims for loss of profits or loss of opportunity, in the event that the Proponent is rejected or disqualified in the competitive selection process or for any other reason.

7.3 Disclosure

7.3.1 The Board is committed to an open and transparent competitive selection process while understanding the Proponents' need for protection of confidential commercial information. To assist the Board in meeting this commitment, Proponents will cooperate and extend all reasonable accommodation to this endeavour.

7.4 Reservation of Rights

7.4.1 The Board reserves the right, in its sole and absolute discretion, to:

- a) Amend the scope of work, modify, cancel or suspend the RFP or the competitive selection process, at any time for any reason;
- b) Require Proponents to provide additional information after the Submission Deadline to support or clarify their Proposals;
- c) Require any or all Proponents to attend an interview with the Committee;
- d) Accept or reject any Proposal based on the evaluation criteria as determined in the sole and absolute discretion of the Committee;
- e) Not accept any or all Proposals;

- f) Reject any or all Proposals without any obligation, compensation or reimbursement to any Proponent or any of its team members;
- g) Withdraw this RFP and cancel or suspend the competitive selection process;
- h) Re-advertise for new submissions, call for tenders, or enter into negotiations for the Services or for work of a similar nature with any person or firm whether pursuant to a competitive procurement or tender process or otherwise; or
- i) Extend, from time to time, any date, any time period or deadline provided in this RFP, upon written notice to all Proponents.

7.4.2 The Board is not obligated to accept the lowest cost or any Proposal submitted. The Board further reserves the right to select the successful Proponent in any manner deemed (in its sole and absolute discretion) to be in the best interests of the Board.

7.5 Firm Pricing

7.5.1 Prices contained in the Proponent's Financial Proposal will be firm and not subject to change for the entire contract term unless otherwise expressly permitted in the contract.

7.6 Cancellation

7.6.1 The contract may be cancelled by either party for any reason without cause or penalty upon 30 days written notice and the auditor shall be compensated for services and deliverables provided up to the date of the notice.

7.7 Agreement to Terms and Conditions

7.7.1 By submitting a Proposal, the Proponent is deemed to have acknowledged all the undertakings, terms and conditions contained in this RFP and to be bound by them. An authorized signing officer of the Proponent must sign the Proposal.

APPENDIX A

TERMS OF REFERENCE

This Appendix A will form the basis for the scope of work under the contract.

The scope of work for the successful Proponent is described as follows:

1. Upon receipt of the report prepared by NB Power in accordance with section 13 of the Regulation, the successful Proponent shall independently verify the accuracy of the balances in each of the Energy Supply Cost Variance Account and the Electricity Sales and Margin Variance Account.
2. Pursuant to section 14 of the Regulation, the successful Proponent shall produce a report for the Board, which:
 - (a) confirms the balances as set out in the report required under section 13 of the Regulation, or
 - (b) if not satisfied that the balances are accurate, make such recommendations to the Board as are necessary to adjust the balances.
3. The successful Proponent must ensure that their report meets the highest standard of audit assurance in order for the Board to rely upon the work of the auditor in setting just and reasonable rates.
4. The successful Proponent must provide the report to the Board, in both official languages, within 60 days of receiving the report required under section 13 of the Regulation.

APPENDIX B

PROPOSAL GUIDELINES AND EVALUATION CRITERIA

1. PROPOSAL GUIDELINES

1.1 Overview of Proposals

1.1.1 Proposals will include, in addition to the required number of copies specified in section 6.1 and the Mandatory Requirements identified in this RFP:

- a) All of the information requested in this appendix;
- b) Follow the format set out below; and
- c) Include sufficient information to enable appropriate evaluation of the Proposal, with reference to the Evaluation Criteria, while avoiding extraneous information.

1.2 Number of Copies and Packaging Requirements

1.2.1 The Proponent should provide all of the information requested below in an envelope, clearly marked and addressed in accordance with subsection 6.1.1 of this RFP.

1.3 Submission Format and Evaluation Criteria

1.3.1 Each Proposal must:

- a) Be no longer than 20 pages in length; and
- b) Include the name of the Proponent, a contact person, phone number, e-mail address and a return address.

The following is an overview of the categories and weighting of the rated criteria relevant to the evaluation of proposals under this RFP:

Item	Content	Evaluation Criteria	Scoring (Points)
Title Page		Not Applicable	
Introduction		Not Applicable	
Roles and Qualifications	<ul style="list-style-type: none"> • Experience and Success • Personnel • Resumes for key personnel 	<ul style="list-style-type: none"> • Experience and qualifications with a description and role of auditor's key personnel • Successful contracts with similar clients 	30
Availability	<ul style="list-style-type: none"> • Discuss availability of key personnel 	<ul style="list-style-type: none"> • Availability of key personnel for duration of the contract 	15
Methodology	<ul style="list-style-type: none"> • Approach to work 	<ul style="list-style-type: none"> • Confirm all tasks that would be provided that are necessary to complete the scope of work described in Appendix A • Schedule and timelines 	20
Quality	<ul style="list-style-type: none"> • Quality and completeness of submission 	<ul style="list-style-type: none"> • Evaluation Committee's assessment 	10
Value Added	<ul style="list-style-type: none"> • Additional information, specialized knowledge and options 	<ul style="list-style-type: none"> • Auditor's ability to provide additional services • Evaluation Committee's assessment 	5

Item	Content	Evaluation Criteria	Scoring (Points)
Auditor Costs and Remuneration	<ul style="list-style-type: none"> • Fixed fee for the described scope of work set out in Appendix A • Disbursements cost estimate • Terms and conditions under which the Auditor might request a variation in the fixed fee • Fee schedule for team including titles and hourly rates (if relevant to variation in fee proposals) 	<ul style="list-style-type: none"> • Fixed fee • Total estimated costs (fee plus disbursements) • Potential outcomes from variation in the terms and conditions 	20
Total Scoring (Points)			100