

# REQUEST FOR PROPOSALS TO CONSULT ON AND DEVELOP LONG RUN INCREMENTAL COST (LRIC) MODEL

## Clarification #3

---

**DATE: JUNE 21, 2011**

### **Question 22**

I would like to understand a bit more the background of the Consultation. Especially the choice of the very 'sequential' design of the Consultation with a 6 month period for the consultation and then a 3 month period for the implementation of the model. It seems so different from the two-stage (or more) consultations conducted by many other regulators. (i.e. a first on the model type and a second on the preliminary results and glide paths or other combinations that allow to reach acceptance of the cost modelling step by step).

### **Answer 22**

The OUR expects that the consultancy will follow very closely the process used by other regulators. That is, discussions on model type, relevant increment, glide path and other issues regarding principles, methodology and guidelines proposed would be dealt with in the consultation phase. Based on comments received from stakeholders, the Consultant will prepare a final position on these matters. The finalised principles, methodology and guidelines will then be used to develop the LRIC model. At this stage, the Consultant may hold meetings with stakeholders to share preliminary results and fine tune the model. However, Consultants may present an alternative approach that covers all the necessary phases indicated in the RFP.

### **Question 23**

RFP describes a semi-detailed timetable of the expected services: 9 months with a breakdown in 4 phases (5 months, 1 month, 2 months and 1 week).

Is the breakdown mandatory (timing and sequence)?

Should a technical offer comply with the mentioned breakdown (timing and sequence)? Or, is it possible to submit an alternative breakdown (timing and sequence) of 9 months (alternative

breakdown also including industry discussion and consultation, time for stakeholder responses, model development and training)?

**Answer 23**

The OUR anticipates that the consultancy will last a period of nine (9) months. However, this period and its associated breakdown (timing and sequence) is not mandatory. Consultants may submit an alternative breakdown that covers all the necessary phases as indicated in the RFP.

**Question 24**

If one person can carry all the specific functions of the 3 functional areas identified, could this person theoretically get the 30 points (10 from each functional area)?

**Answer 24**

Yes. As indicated in Clarification 1, Bidders may indicate more or less than 3 persons as they desire. However, scoring will be based on the 3 functional areas identified. The scoring will depend on the ability and experience of the named person(s) to carry out the specific function.