



North Dakota Legislative Management

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September 10, 2013

TO: PROSPECTIVE OIL INDUSTRY CONSULTANTS

The North Dakota Legislative Management is seeking proposals for consultant services for assistance in the study of likely changes to oil industry practices, production, impacts, and tax policy in the foreseeable future in North Dakota. The Legislative Management has assigned the responsibility to study future oil industry changes to the Energy Development and Transmission Committee, Senator Rich Wardner, Chairman. Your organization is invited to submit a proposal for providing consulting services to the committee by Friday, October 4, 2013.

The selection of the consultant will be made by the Chairman of the Energy Development and Transmission Committee subject to approval by the Chairman of the Legislative Management.

As provided in Section 8 of 2013 House Bill No. 1198, the independent consultant must have demonstrated insight into current and future production advances. The consultant's insight must include:

1. The use of carbon dioxide and water or other means of enhancing production.
2. The effects of mature production areas on state and local tax policy.
3. The future infrastructure needs.
4. Environmental considerations.

The objective of the study is the development of a legislative vision of appropriate long-term policy issues and revenue and expenditure expectations. The study is meant to provide answers to what would be the effects of changes in taxation, e.g., changes in rates and incentives; and whether the tax revenues collected would be adequate to meet expenditures, especially for infrastructure needs and environmental costs. In addition, the study is meant to address the effect of technological advances, especially in enhanced oil production, and maturation of oil development on tax collections and impacts, including impacts to the infrastructure and the environment.

The resulting contract will require periodic written reports to the Energy Development and Transmission Committee on the status of the project and on tentative findings and recommendations with a final written report due by August 29, 2014. The final written report must be provided with at least 20 written copies and an electronic copy. The proposal should include information on the individuals who would conduct the study, including educational and employment experiences, and the consultant's experience with the oil industry and state government. The proposal should include representative samples of summaries of similar or related studies conducted. The proposal should include references for previous related studies. Proposed contract amounts should be inclusive of all expenses.

Please provide a base proposal of the most basic analysis to meet the requirements of the study. Please provide additional proposals with additions to the base proposal for additional analysis that provides more meaningful and reliable results. The expectation is the base proposal will be under \$125,000 and each level of additional analysis will be under \$50,000. The options are intended to provide an opportunity to weigh the value of additional analysis.

The Legislative Management intends to award the contract based on the information contained within the proposals received as well as information received from other sources. The Legislative Management reserves the right to accept or reject any or all proposals and to award a contract the Legislative Management considers the most advantageous to the state. Consultants under contract for the state should be able to obtain lodging in the state at the rate provided by law for state government officials and employees (\$69.30 per night plus tax).

If you are interested in submitting a proposal for providing these services, please submit your proposal to the Legislative Council office at the address below by Friday, October 4, 2013. The committee or chairman may need to hear formal presentations from consultants submitting proposals chosen for final consideration.

The Legislative Council is the point of contact for this request for proposal (RFP). All consultant communications regarding this RFP should be directed to the Legislative Council.

Contact:

Legislative Council - Timothy J. Dawson, Legal Counsel
Email: tdawson@nd.gov

State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0360
Telephone: 701-328-2916
Fax: 701-328-3615

The RFP, any amendments to the RFP, and all questions submitted with responses will be provided to all interested consultants. Interested consultants are encouraged to contact Mr. Dawson by email to receive any updates related to this RFP.

Sincerely,



Senator Ray Holmberg
Chairman

RH/JJB