RAILBELT RELIABILITY COUNCIL
REQUEST FOR PROPOSALS: ACCOUNTING SERVICES 20230306-01

1. INTRODUCTION

The Railbelt Reliability Council (RRC) is seeking a qualified firm to provide financial recordkeeping and accounting services. The selected proposer will be responsible for (1) developing and implementing the recordkeeping and accounting functions required to effectively provide for the business functions of the RRC and (2) managing these functions for the RRC for the agreed contract term. The Finance and Audit Committee of the RRC (FAcom) will ultimately select a firm based on the firm’s understanding of the needs of the RRC, the qualifications of the proposer, and other elements included in Section 4 of this document.

This RFP package includes: A Proposal Cover Page to be submitted.

The anticipated annual payment to the selected proposer, for services provided, falls within the range of Twenty Thousand Dollars ($20,000.00) and Thirty Thousand Dollars ($30,000.00).

2. BACKGROUND

The RRC is subject to regulatory requirements with respect to annual budgets and invoicing for services based upon approved budgets. An initial (inception) budget will form the basis for invoices to be served on the five Railbelt Load Serving Entities (LSEs) through an authorized “surcharge” assessed by means of the approved RRC tariff. The “surcharge” allocates the initial budget to the LSEs on the basis of an approved allocation method, and the tariff provides the authority to invoice the LSEs, providing the source of revenue for the organization.

After the inception period, the RRC is required to file with the Regulatory Commission of Alaska (RCA) an annual budget for the upcoming fiscal year following the content and procedural requirements of 3 AAC 46.160. The proposed budget will include a description and explanation of the proposed budget by account and subaccount, including a schedule and explanation of each account and subaccount that has increased or decreased more than ten percent (10%) from the previous period. The new fiscal year budget, after public review and adjustment, will form the basis for the surcharge for the upcoming fiscal year in accordance with 3 AAC 46.420 and .430.

The books and records of the RRC must be maintained in a manner that separately shows the costs of general administration and each of the five major functional activities of the RRC. The five major functional activities are: 1) developing reliability standards; 2) ensuring compliance with and enforcement of reliability standards; 3) integrated resource planning; 4) costs associated with standards
for nondiscriminatory open access transmission and interconnection; and 5) standards for transmission system cost recovery. The initial (inception) budget will consist almost exclusively of general administration and general plant; the budget and costs of the functional activities will vary from year.

The recordkeeping will include maintaining a balancing account to record monthly revenues and actual expenses. The balancing account will record the actual costs incurred in each of the budgeted categories (i.e., functional activities) that had been approved, the surcharge payments received from the LSEs, and any additional receipts of the RRC. A methodology to treat capitalized equipment purchases and the associated depreciation expense must be developed to integrate into the balancing account, cash requirements, and auditing requirements of the organization.

At least once annually, an application will be made to the RCA to adjust the surcharge. Annualized filings for the next fiscal year will be based on the RRC’s proposed budget. The detail will include the dollar amount of each functional activity and general administration, the dollar amount of each line item in the budget by account and subaccount, a schedule of each account and subaccount that differs from prior year budget by ten percent (10%), and a schedule of each account and subaccount for which actual costs differ by more than five percent (5%) from the prior year’s budget. The application will also provide the calculation of the surcharge for the forthcoming year based on the proposed budget, and entries associated with the balancing account balance.

The RRC will become financially operational upon RCA approval of the inception budget, initial surcharge and tariff, currently expected no later than May 31, 2023. A possibility exists that an interim budget and surcharge may be approved prior to that date. If so, the RRC will begin invoicing and collection of revenues that will support the expenditure of funds necessary to begin the business activities of the RRC.

3. **Scope of Work**

3.1 **Initiating Service**

The initial service of the selected proposer will be to make recommendations to FAcom, based on the scope of the RRC’s regulatory and business requirements, on recordkeeping systems, and software. The software recommendation will include a recommendation on accrual or cash accounting or a combination of the two. The recommendation will recognize the requirement for cash management and the impact of depreciation expense on that requirement. The selected system will be designed and structured with the anticipation that, at some future time, the RRC will establish in-house accounting and regulatory reporting functions. It should be recognized in the recommendations that RRC operating activities could begin within a relatively short timeframe, and no later than May 31, 2023.

Upon acquisition of the recommended software and a decision on cash or accrual accounting, establish the recordkeeping for the RRC using the proposed chart of accounts provided by the RRC and the recordkeeping necessary to meet the regulatory requirements of the RRC. The level of detail should be such to accomplish the budget-to-budget and actual-to-budget reports required for the periodic budget submissions to the RCA and any subsequent applications for surcharge revisions.
Initially, the RRC will have limited staffing capability. Recognizing the limited staffing of the RRC, develop proposed procedures for accounting policies required for the RRC. The procedures will recognize the limitations of a small organization to meet all requirements of GAAP separation of duties but will strive for the best fit and security and include a recommended periodic review by outside services to fill in the holes of the recommended GAAP separation of duties. The policies will recognize the different configurations of the RRC that will exist prior to and following the hiring of the RRC staff and include detailed descriptions of the authorities and responsibilities of staff and contractors with respect to the financial activities of the organization.

3.2 ON-GOING SERVICES

The selected proposer will be responsible to coordinate and accomplish the accounting functions on behalf of the RRC, including:

- Invoicing the tariffed monthly surcharge to each of the five Railbelt LSEs.
- Receiving and recording invoice payments.
- Coordinating with a selected employment service firm for twice monthly payroll, health insurance, retirement plans and other benefit payment systems for an expected 10-12 employees.
- Receiving invoices from vendors, processing, and submitting them for review and approval.
- Making payments for office rent, utilities, office supplies, computer equipment, contract services, employee, and Board expenses. Contracted services are expected to involve between 5 to 20 professional contractors, generally invoicing for the services rendered to the RRC on a monthly basis.
- Recording expenses of the RRC by function and account/subaccount.
- Maintaining banking records and reconciliations, cash positions statements, and provision of monthly financial status reports for RRC review.
- Establishing and maintaining the balancing account with monthly entries.
- Prepare weekly, monthly, quarterly, and annual federal tax forms and state corporate reports, including, but not limited to:
  - Alaska Biennial and Change of Official Reports.

3.3 OTHER SERVICES

In addition to providing the accounting and recordkeeping services, the selected proposer will be expected, as required or requested, to:

- Assist regulatory attorneys and RRC staff with the preparation of reports and documentation of expenses to the RCA.
- Assist RRC staff in developing and tracking annual budget filings and applications for surcharge revisions.
- Assist in answering questions from independent auditors or other authorized individuals regarding accounting functions, annual audits, and periodic reviews of RRC operations.

4. SELECTION CRITERIA

The following criteria will be considered for FAcom’s selection of a proposer:
• Relevant company experience/depth;
• Relevant experience and expertise of key staff;
• Understanding of RRC’s requirements;
• Ability to meet schedule;
• Estimated cost for scope; and
• Hourly rates of key staff.

5. **Bid Selection Schedule**

Content of bid selection timeline.

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date and Time (Alaska Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Listed</td>
<td>2/7/2023 by 11:59 PM</td>
</tr>
<tr>
<td>Pre-Proposal Conference</td>
<td>2/14/2023 at 2:00 PM</td>
</tr>
<tr>
<td>Questions Due</td>
<td>2/21/2023 by 11:59 PM</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>2/27/2023 by 11:59 PM</td>
</tr>
<tr>
<td>Interview Candidates</td>
<td>3/7/2023 at 2:00 PM</td>
</tr>
<tr>
<td>Anticipated Decision Date</td>
<td>3/14/2023 by 11:59 PM</td>
</tr>
</tbody>
</table>

6. **RFP Instructions & Rules**

5.1 **Instructions for Submitting a Proposal**

Please submit all proposals to the Treasurer of the RRC, David Thomas (DThomas@homerelectric.com), and to the administrative email account of the RRC (info@akrrc.org).

5.2 **Evaluation & Selection**

Proposal will be evaluated on relevant company experience, and expertise of key staff, understanding of the RRC’s requirements, and the ability to meet the RRC schedule.

5.3 **Duty to Inquire, Questions, & Explanation to Offerors**

Any pertinent questions submitted to David Thomas (DThomas@homerelectric.com) or the RRC administrative email account (info@akrrc.org) will be considered and any responses necessary will be made within two (2) business days and sent to all proposers.

7. **Submittal Items**

• A proposed initial term of twelve (12) months of accounting services;
• Documentation that the proposer either possesses a current Alaska Business License, maintains an office and staff within Alaska, is incorporated in Alaska, or is registered as a foreign corporation authorized to do business in Alaska;
• A description of proposer’s team including resumes of key member(s);
• Three references of reasonably similar organizations, non-profits or corporate entities for whom accounting services have been provided;
• Verifiable experience and expertise, if any, within the regulated electricity industry;
• Verifiable experience and expertise, if any, with consulting firm activities and accounting systems;
• Demonstrated comprehension of the RRC’s required services and clearly articulated strategy for performance including: A description of activities to initiate services and develop recommendations;
• Provision of recommendations on software and cash or accrual accounting within 1-2 weeks of contract award;
• Evidence of the firm’s capability to provide the requested scope of initial and on-going services;
• Provisions for training services for anticipated RRC in-house accounting staff; and
• Under a separate seal, a cost proposal detailing estimated personnel hours and billing rates. The RRC will consider cost proposals for services provided on a time and material basis.
## Submittal Information

Submit this completed form as the cover page of your proposal.

## Description

**Request for Proposals (RFP): 20230306-01**  
**Accounting Services**

## Offeror Information (To Be Completed by Offeror)

### Business Information

- **Company/Organization Name**:  
- **Address**:  
- **Telephone Number**:  
- **Website Address**:  
- **Fax Number (Optional)**: 

### Representative Authorized to Sign Offer

- **Authorized Representative (AR) Name**:  
- **AR Title**:  
- **AR Email Address**:  
- **AR Telephone Number**:  
- **AR Mailing Address**: 

## Signature

I certify that all RFP instructions, rules, explanations, and scope of work have been reviewed, understood, and compiled with; and that all information in this submission is true, correct, and in compliance with the terms of the RFP.

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**Authorized Representative Signature**

**Date**