

**RFP Name: NPCC Independent Contract Compliance Auditor RFP (for
2019) Independent Contract Compliance Auditors- Request for Proposal
Responses due November 26, 2018**

Northeast Power Coordinating Council, Inc. (NPCC) is a 501(c)(6) not-for-profit corporation in the state of New York responsible for promoting and improving the reliability of the international, interconnected bulk power system in Northeastern North America. NPCC carries out its mission through (i) the development of regional reliability standards and compliance assessment and enforcement of continent-wide and regional reliability standards, and coordination of system planning, design and operations, and assessment of reliability, (collectively, “regional entity activities”), and (ii) the establishment of regionally-specific criteria, and monitoring and enforcement of compliance with such criteria (collectively, “criteria services activities”). NPCC was delegated compliance enforcement authority in the Northeastern United States by the North American Electric Reliability Corporation (NERC) and has comparable responsibilities under individual MOUs with the Canadian Provinces and authorities of Hydro-Quebec, Ontario, New Brunswick, and Nova Scotia.

NPCC is soliciting proposals to retain the services of Independent Contract Auditors/Consultants to conduct compliance audits of registered entities in the Northeastern United States and Canada. In this context, independent refers to an individual/entity having the knowledge, judgment and capability to execute responsibilities autonomously, not being subject to control by others, and being free of actual and perceived conflicts of interest.

NPCC is seeking Independent Contract Compliance Auditors who have experience in Operations and Planning, experience in auditing of FERC Order No. 693 reliability standards and French/English bilingual contractors. Knowledge and expertise in the all FERC approved NERC Reliability Standards is a must. Auditors are also being considered for CIP auditing and Entity Assessment. Particular experience in auditing CIP standards; expertise in CIP version 5 and 6 standards and experience conducting Inherent Risk Assessment and Internal Controls Evaluations is necessary. All interested candidates must complete required NERC training at their own expense.

A. Retention of Independent Contract Compliance Auditors- Scope of Services

The Scope of Services for Contract Auditors includes:

1. Participate in on-site compliance audits, including ensuring all aspects of the on-site audit have been conducted consistent with NPCC procedures and policies;
2. Participate in off-site audits including review of submitted material and ensuring that all aspects of the off-site audit have been conducted consistent with NPCC procedures and policies;
3. As appropriate and as assigned, participate in the NPCC Compliance Audit Team for either the on-site audit or off-site audit;
4. As appropriate and as assigned, participate in the NPCC Entity Assessment process;
5. As appropriate and as assigned, participate in NERC and NPCC process informational sessions;
6. Technical review of submitted materials from registered entities;

7. Draft the audit report, consistent with the NERC Audit Report Template, which shall include observations and findings, identification of specific potential violations and severity levels of non-compliance.

8. Provide necessary input and support for any discussions regarding settlement or hearings issues related to any audit findings.

NPCC is also soliciting proposals to retain the services of Independent Contract Consultants to conduct internal control evaluations of NERC registered entities in the Northeastern United States and Canada as per the NERC Internal Control Evaluation Guide.

In this context, independent refers to an individual/entity having the knowledge, judgment and capability to execute responsibilities autonomously, not being subject to control by others, and being free of actual and perceived conflicts of interest.

NPCC is seeking Independent Contract Consultants whose experience in risk assessment and in the development and implementation of internal controls can be applied to assess the internal controls associated with electric utility industry Operations and Planning activities.

A. Retention of Independent Contract Internal Control Consultant- Scope of Services

The Scope of Services for Contract Internal Control Consultant includes:

1. As appropriate and as assigned, participate in internal control evaluations at the site of the electric utility industry entity;
2. As appropriate and as assigned, participate in off-site reviews of the entity's submitted internal control material (either remotely or at the NPCC offices);
3. As appropriate and as assigned, participate in NERC and NPCC internal control process related informational sessions (either remotely, at the NPCC offices, or an industry conference location);
4. As appropriate and assigned, provide input and support to NPCC management during the development of an entity's risk and internal control evaluation report.

B. Minimum Insurance Requirements

Respondents who apply to be retained as an Independent Contract Compliance Auditor at NPCC must be self-insured. Contract Compliance Auditors is required to maintain, as a minimum, the following coverages and limits:

1. Worker's Compensation Insurance in statutory limits of the worker's compensation laws for the state(s) in which the work is performed and Employer's Liability Insurance limits of \$1,000,000 per occurrence, \$1,000,000 for bodily injury by disease policy limit, and \$1,000,000 for bodily injury by disease for each employee. This is not required if contractor has no employees (e.g., a sole proprietor).
2. Commercial General Liability Insurance with contractual liability coverage (for all contracts related to the work) and bodily injury, property damage, and personal injury in policy or policies of insurance such that the total available limits combined shall not be less than \$1,000,000 per person, \$1,000,000 each occurrence, and \$1,000,000 general aggregate limit.
3. Automobile Liability Insurance covering all owned, non-owned, and hired automobile, trucks and trailers. Such insurance shall provide coverage not less than that of a Standard Commercial Automobile Liability policy (or business Auto Policy) including owned, non-

owned or hired vehicles in limits not less than \$1,000,000 Combined Single Limit each occurrence for bodily Injury and Property Damage on an annual basis.

4. Excess Umbrella Liability of \$1,000,000.00. Insurance specified hereinabove shall be minimum requirements and Contractor is responsible for providing any additional insurance deemed necessary to protect Contractor's interests from other hazards or claims in excess of the minimum coverage requirements. The liability of the Contractor to the Company is not limited to Contractor's insurance coverage.
5. Additional Insured Requirement, if selected as an Independent Contract Compliance Auditor. If selected, all certificates of insurance shall indicate in the special items section that Yoh Services, LLC and NPCC have been endorsed on the insurance policies as additional insureds as their interests may apply.

C. Bids for Consulting Services

Respondent shall propose remuneration for Consulting Services on an hourly basis not to exceed \$150/hour; remuneration for NERC and NPCC process informational sessions not to exceed \$100/hour and for travel time not to exceed \$50/hour. NPCC provides reimbursement for reasonable travel expenses. All bids shall be treated confidentially. Bids must be submitted without collusion, and NPCC reserves the right to reject a bid that has not been derived independently.

Your response to the RFP creates no contractual or other rights or obligations. Failure by NPCC to select a Respondent for negotiations shall create no claim, or cause of action, legal or equitable, including but not limited to, damages for Respondent's cost of preparation.

D. Selection Criteria and the RFP Process

The annual contract will be made to the respondent(s) whose proposal is/are most cost effective, fair, reasonable, and in the best interest of NPCC.

E. Format of Submittals, Prerequisites and Requirements

Please provide the following:

a. A General Statement of Qualifications that responds to the RFP information in Section A which includes a CV, resume, or description of the firm including name of firm, complete address, contact person, telephone number and email to Sal

Buffamante, AVP, at sbuffamante@npcc.org.

b. Proof of valid insurance as specified in Section B.

This RFP will be posted until November 26, 2018.