

PUBLIC UTILITIES COMMISSION OF SRI LANKA

Guidelines for conducting regulatory impact analysis (Ex-Ante)

A. Background

The Public Utilities Commission of Sri Lanka (PUCSL), established by the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002, is a multi-sector regulatory agency. Presently, it is the economic, technical and safety regulator of the electricity industry in Sri Lanka and is expected to regulate water service and petroleum industries in future.

The Commission commenced regulation of the electricity industry in Sri Lanka in April 2009 with the enactment of the Sri Lanka Electricity Act, No. 20 of 2009, amended by the Sri Lanka Electricity (Amendment) Act, No. 32 of 2013 (SLEA). Thereafter, key regulatory instruments required for regulating the electricity industry have been promulgated from time to time including licenses, regulations, rules, codes, methodologies, guidelines etc.

B. Objective

The Commission now intends to adopt a suitable method for conducting regulatory impact analysis or regulatory impact assessment to critically assess the effects of and improve the quality of proposed or revision of existing regulatory instruments in order to improve the quality of regulation. Towards this end, the Commission invites eligible consultancy firms to indicate their interest in providing the services (“the Services”) described below.

C. Scope of the Services

- I. Study the regulatory framework envisaged by Act, No. 35 of 2002, Act, No. 20 of 2009 as amended and other relevant laws, regulations, rules, codes, methodologies, guidelines etc. as well as regulatory processes followed by the Commission.
- II. Study local and international best practices in conducting regulatory impact analysis, especially methods practiced by similar regulatory agencies.
- III. Consult with key persons identified in consultation with the Commission.
- IV. Based on the above, identify issues and constraints, if any, and recommend options with pros and cons.
- V. Based on the above, formulate guidelines for conducting regulatory impact analysis (RIA) that would make regulation more efficient and effective by enabling the Secretariat to:
 - a. Consider the costs and benefits of different options and stakeholder perspective of their effects
 - b. Decide whether to proceed and if so to justify the proposed or revision of existing regulatory instrument
 - c. Design and implement regulatory instruments with the greatest net benefit

- VI. The guidelines should include, amongst others, the following:
 - a. Criterion for selecting activities and regulatory interventions that need to undergo RIA process – whether interventions that are compulsory by the law or are urgent are required to undergo RIA process in part or entirety.
 - b. A method to identify the parties affected by the regulatory intervention
 - c. A method to identify and quantify the costs of development and implementation of the intervention with respect to all the stakeholders (affected parties). Costs may include development cost, implementation cost, compliance cost etc.
 - d. A method to identify and quantify the benefits of implementation of the intervention with respect to all the stakeholders (affected parties). Benefits may include reduced costs, improved customer satisfaction, improved safety etc.
 - e. A method to compare the costs and benefits, to conduct break-even analysis, to conduct cost-effectiveness analysis and to make decisions on the regulatory interventions with all the analysis done.
 - f. A method of obtaining data to perform all above processes
 - g. A method of consulting relevant stakeholders in-between and after the RIA process.
- VII. Provide training for the staff of the Commission on the application of the RIA process
- VIII. Conduct a case study (a pilot run) using the guidelines developed.
- IX. Based on the pilot run, make necessary amendments to the guidelines.

D. Conditions

- I. Interested consultancy firms must provide information indicating that they are qualified to perform the Services. Consultancy firms may associate with other firms in the form of an association or a sub-consultancy to enhance their qualifications.
- II. Expressions of Interest should include the following information:
 - a. Description of similar assignments carried out demonstrating knowledge and experience in relevant field along with the name of client (with references), nature of the assignment, location, contract value, date and duration etc. (Please use the format given in **Annex 1**);
 - b. Status of the firm and availability of appropriate skills (technical and managerial), indicating the business registration as well as names and qualifications of the key staff etc. (Please use the format given in **Annex 2**);
 - c. Any intention to associate with another firm(s)/ individual(s) including the information identified in item a) and b) above relating to other firm(s)/ individual(s) (Please use the formats given in **Annex 1** and **Annex 3**); and
 - d. Brochure(s) and any other information.
- III. The Expressions of Interest received will be evaluated and only the shortlisted firms will be invited to submit detailed technical and financial proposals to provide the Services. The shortlisting criteria include:
 - a. Qualifications in the field of the assignment;
 - b. Technical and managerial capabilities of the organization;
 - c. Core business and years in business;
 - d. Qualifications of key staff;
 - e. Client references; and
 - f. Administrative and financial strength

- IV. Interested consultancy firms may obtain clarifications vide the contact details indicated below, from 9.00 am to 4.30 pm during weekdays excluding public holidays.
- V. Expressions of Interest must be sent in a written form to the address below (in person, by post, facsimile or e-mail) by 3:00 pm, 21st September 2020. If Expressions of Interest is submitted in person or by post, on the top left corner of the envelop 'EOI for Guidelines for conducting regulatory impact analysis (Ex-Ante)' must be mentioned.

E. Timeline and Deliverables

- I. Inception Report and presentation(s) within 3 weeks of awarding this assignment
- II. Draft Final Report and presentation(s) within 11 weeks of awarding this assignment
- III. Training, Pilot run and the Final guideline within 16 weeks of awarding this assignment

F. Budget

The estimated budget allocated for the study is LKR 4,293,000

Chairman
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Annex 1

Status of the Firm

[Using the format given below, please provide all the requisite information in respect of the status of your firm and each associate for this assignment; Any associated Individuals are required to complete only item 1, 2 and 7 below.]

- 1) Name and address of the firm/ individual:
- 2) Nature of association (joint venture, sub- consultancy etc.):
- 3) Business registration no:
- 4) Core business:
- 5) Years of business:
- 6) Annual turnover (US\$), in 2018:, in 2017:, in 2016:
- 7) Qualifications of key staff/individual:

	Name	Area of expertise	Education	Technical & managerial experiences with the firm indicated under item 1 above (refer the assignments mentioned in Annex 1, if any)	Technical & managerial experiences outside the firm indicated under item 1 above
1					
2					
3					

Annex 2

Similar assignments carried out within the last 5 years

[Using the format given below, please provide all the requisite information in respect of each assignment for which your firm, and each associate for this assignment, was legally contracted, either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment.]

Name of the Firm ¹			
Name and address of client with references:			
Name of assignment:			
Approximate value of contract (USD):		Duration of assignment (months):	
Location:		Total No of staff-months of the assignment	
No of professional staff-months provided by you:		Approx. value of the services provided by firm (USD):	
Start date (month/year):		Completion date (month/year):	
Name of associated consultants, if any:			
Name of senior professional staff of your firm involved and functions performed (indicate most significant Director/ Coordinator, Team Leader):			
Narrative description of assignment (including international experiences and experience in similar conditions, knowledge in electricity sector, regulation and regulatory accounting, experience in and/or knowledge of Sri Lankan accounting standards or access to same etc.):			
Description of actual services provided by your staff within the assignment:			

¹ Indicate the firms' name or associate firms'/ individuals' name

Annex 3

Details of Associations

Associates name	Nature of association	Role	Responsibility