

**POLICY GOVERNING FUNDING BY  
GOVERNMENTAL AND  
PRIVATE ORGANIZATIONS,  
NATIONAL ASSOCIATION OF  
REGULATORY UTILITY COMMISSIONERS**

(As Amended November 9, 1998, February 24, 1999, February 28, 2001 and  
November 11, 2001, November 19, 2008)

**I. General**

**Section 1. Scope of Policy.** This policy statement by the National Association of Regulatory Utility Commissioners (NARUC) shall govern applications in the name of the NARUC for funding from governmental and private organizations and the employment of consultants and other persons to be paid from such funding.

**Section 2. Applications for Funding.** Each application for funding shall be consistent with the NARUC Constitution and shall be approved in advance by the Board of Directors, or by the Executive Committee, and signed by the Executive Director of the Association. A copy of the application (or a summary thereof if voluminous) shall be sent immediately to each member of the Board of Directors.

**II. Consultants**

**Section 3. Competitive Bidding.** Each contract for consultant services shall be awarded after the request for competitive bids. The selection of the successful bidder shall be based on an evaluation by the NARUC of the price, experience, reliability, expertise and performance methodology evidenced by the bidding process. Competitive bids may be dispensed with when only a single source is qualified to perform the work, or when the price is less than \$50,000.00.

**Section 4. List of Potential Bidders.** The NARUC shall maintain a current list of potential bidders who appear to have the expertise to perform the work called for by the request for bids. Other potential bidders shall be added to the list upon request, if they appear qualified.

**Section 5. Request for Bids.** The NARUC request for bids shall identify the work to be performed, the time allotted for performance, and the deadline for the submission of bids. The request for bids shall be advertised in the NARUC Bulletin and mailed to those on the appropriate list of potential bidders.

**Section 6. Bids.** Each bid shall respond fully to the NARUC request for bids, state the total price for the performance of the work, and identify the persons, including their education and experience, to perform the work. A bid shall become the property of the NARUC and shall not be returned to the bidder. All bids may be rejected by the NARUC when appropriate.

**Section 7. Selection of Consultant.** The consultant to perform the work, whether competitive bidding is used or not, shall be recommended by the chair of the committee to provide policy direction for the conduct of the work, after consultation with the NARUC Executive Director, and approved by the Executive Committee. The Executive Committee shall act promptly, either in a meeting or by the individual contact of its members.

**Section 8. Consultant Contracts.** Each contract between the NARUC and a consultant, as selected above, shall be prepared and signed by the NARUC Executive Director and shall include the following provisions.

(a) The contract shall identify the work to be performed, the employees of the consultant to perform it, reporting requirements, the time allotted for performance, and the total price for the work.

(b) The contract shall place limitations on reimbursement for travel expenses, if anticipated.

(c) The contract shall identify the NARUC committee representatives, in consultation with NARUC staff members, to review and accept or reject the work of the consultant.

(d) The consultant shall act as an independent contractor and shall not be deemed an agent or employee of the NARUC for any purpose.

(e) The consultant shall not engage in other activity that would create a conflict of interest with the performance of the contract.

(f) The consultant shall not discriminate against any person because of race, color, religious creed, ancestry, national origin, age or sex. The consultant shall comply with all other applicable laws regarding the operation of its business.

(g) The consultant (including any employee or subcontractor engaged in the performance of the contract) shall not be, or have been, a member of the NARUC during the course of the contract or within one year prior to its execution. This prohibition shall not apply if the consultant is a non-profit educational or research organization that provides assistance to the regulatory community. In addition, this prohibition may be waived by a majority vote of the NARUC Executive Committee based upon a finding that no other consultant can reasonably perform the contract or that waiving the prohibition is otherwise in the Association's interest.

(h) The consultant shall indemnify and hold harmless the NARUC against any claim for damages incurred by reason of any willful or negligent act of commission or omission of the consultant in the performance of the contract.

(i) The contract shall be subject to termination, with or without cause, by either the NARUC or the consultant, upon thirty days advance notice from one to the other.

**Section 9. Reimbursement of NARUC Staff Expenses.** The NARUC shall be reimbursed from such funding for expenses incurred in assisting in the administration of the work. Each NARUC staff member, so involved, shall maintain a written record of the time devoted.

### **III. Other Employment**

**Section 10. Other Employment.** Each person needed to perform the work under a funding arrangement, other than a consultant as provided in Sections 3 through 9 above, shall be employed by the Executive Director in consultation with the chair of the committee to provide policy direction for the conduct of the work. The employment contract shall contain the provisions of Section 8 above to the extent practicable.

Adopted by the NARUC Executive Committee on March 4, 1993, and amended by the 110<sup>th</sup> NARUC Annual Convention on November 9, 1998.