

DRAFT REQUEST FOR PROPOSALS FOR CONSULTING SERVICES

Section 11 of 2015 Senate Bill No. 2015 provides for an appropriation of \$400,000 to the Legislative Council for purposes of securing consultants to study oil and gas tax incentives and oil and gas recovery techniques. The following contains the proposed language to be included in a request for proposals for consulting services directed to prospective oil and gas industry and economic consultants:

The North Dakota Legislative Management is seeking proposals for consultant services for assistance in the study of scientific and economic information regarding oil and gas recovery and enhanced recovery techniques. The Legislative Management has assigned the responsibility to study oil and gas industry developments and associated economic impacts to the interim Taxation Committee, Senator Jessica Unruh, Chairman. Your organization is invited to submit a proposal for providing consulting services to the committee by Tuesday, September 1, 2015.

The selection of consultants will be made by the Taxation Committee subject to approval by the Chairman of the Legislative Management.

As provided in Section 42 of 2015 Senate Bill No. 2015, the study must include analysis of:

1. The current scientific information regarding oil and gas recovery and enhanced recovery techniques, including:
 - a. A detailed analysis of the use of carbon dioxide in enhanced oil recovery;
 - b. The feasibility of implementing various enhanced oil recovery methods; and
 - c. The potential timelines associated with the implementation of enhanced recovery techniques.
2. The current economic information regarding oil and gas recovery and the estimated future annual economic impacts that may result from the application of enhanced recovery techniques. The analysis should take into consideration:
 - a. The various oil formations within the state;
 - b. The application of existing tax incentives to current and foreseeable conditions; and
 - c. Recommendations for the elimination, modification, or addition of tax incentives and the effect recommended changes may have on the interests of:
 - (1) The state;
 - (2) Political subdivisions;
 - (3) The environment; and
 - (4) Fossil fuel energy production industries, including the lignite industry.

The objective of the study is to provide a clear picture of the current and future landscape of the oil and gas industry and economic climate in North Dakota with an emphasis on carbon capture technologies and enhanced oil recovery to allow for a comprehensive legislative evaluation of existing, alternative, and potential future tax incentives that would best serve the interests of the state, political subdivisions, the environment, and the energy industry. The resulting contracts will require periodic reports to the Taxation Committee on the status of the project and on tentative findings and recommendations. The final written report will be due by Friday, August 19, 2016.

Each proposal should include:

1. Information on the individuals who would conduct the study, indicating educational and employment experiences, and the company's experience with the oil and gas industry and economic analysis;
2. Representative samples or summaries of related studies conducted by the company and the status of the implementation of any recommendations; and
3. References for previous related studies.

Proposed contract amounts should be inclusive of all expenses. Consultants under contract for the state should be able to obtain lodging in the state at the rate provide by law for state government officials and

employees (\$74.70 per night plus tax). Meals should be reimbursed at a maximum rate of \$35 per person per day.

The Legislative Management intends to award contracts 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 contracts which the Legislative Management considers the most advantageous to the state.

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 Tuesday, September 1, 2015. The committee plans to meet on Wednesday, September 16, 2015, at the State Capitol, Bismarck, North Dakota, 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. All consultant communications regarding the request for proposal should be directed to the Legislative Council.