

Fuels 2018 – 1 – Expression of Interest
Cayman Islands Fuel Sector Markets
Regulatory (Analysis & Definition) Assessment



Launch Date: 8 June 2018

Closing Date: 6 July 2018

8 June 2018

Request for Expression of Interest in Consulting Services

Cayman Islands Fuel Sector Markets Regulatory (Analysis & Definition) Assessment

The Utility Regulation and Competition Office (OfReg, the Office), is the independent multi sector regulator with responsibility for the key utility providers in the Cayman Islands.

Two of the sectors, namely the Information & Communication Technology (ICT) and the Energy/Electricity, and to a great extent the Water Sector have pre-existing and relatively mature regulatory regimes prior to the amalgamated Office, however the Fuel Sector, which is the focus of this engagement, has now emerged into the (economic) regulatory space in the Cayman Islands. The Office is currently in the early stages of establishing a comprehensive regime to effectively supervise the Fuel sector, in order to achieve its mandate of assuring competition, transparency, efficiency and innovation in the markets, along with its continuing function of safety and compliance across the sector.

The Utility Regulation and Competition (URC) Law (2018 Revision) is the principal legislation and the specific legislation which governs the sector are The Dangerous Substances Law (2017 Revision) and the Fuel Market Regulation Law, 2017.

In order to support the preliminary work initiated, and to strengthen and further establish its regulatory role in the sector, the Office is inviting **expressions of interest** (EOI) from qualified and experienced consultants who wish to be considered to undertake a comprehensive regulatory evaluation and assessment of the fuel sector in the Cayman Islands.

Objective of Assessment is to:

- I. Broadly review and define the market and market structures which exist within the sector. The Fuel Market Regulation Law has deemed the major suppliers as having significant market power.
- II. Extent of corporate structures' influence on the functioning of the market(s)
- III. Assess and analyse the impact of *supply chain and logistics*, and infrastructure factors on the market operation and behaviour
- IV. Assess the qualitative and quantitative elements and the state of competition by products, products types, geography, market channels, etc. against the existing legislative framework and identify existing and potential anticompetitive practices which may impact/impede future competition in existing and potential future fuel markets
- V. Identify and evaluate potential regulatory models which may be applicable to the Cayman Islands
- VI. Recommend employment of various market analysis tools to inform future regulatory decisions including amendment to existing regulatory framework

Anticipated Design of Assessment:

The comprehensive assessment will cover all three of the Cayman Islands to identify their uniqueness and behaviour as separate and an aggregated market. The consultant's input will be instrumental in designing the final scope of the undertaking. The design will take into account information now being received and analysed, additional information required, various

Product and geographic markets, cost of service, price behaviours including the impact of the various stages of the supply chain on end prices, and the general economic behaviour of the market as a consequence of market forces which are acting on the sector.

This undertaking is time sensitive with anticipated delivery of preliminary assessment by end Q3 2018

Broad Outcomes for OfReg's consideration:

- I. Identify and evaluate regulatory models and intervention strategies
- II. Recommend Market Rules and Determination
- III. Share lesson learned from studies undertaken on similar or comparable sectors
- IV. Engagement and involvement of broad stakeholder groups

Pre-Qualification:

- I. Name of Principals Officers and identify lead person(s) and provide their resumes.
- II. Organisation Structure including core expertise and ownership/date of incorporation and potential partners for this project
- III. Financial Overview/Statements for last 3 years
- IV. List of relevant/similar assignments undertaken in last 5 years, including those undertaken in jurisdictions like the Cayman Islands
- V. Broad requirement of support anticipated from OfReg, local participants and other potential stakeholders
- VI. Copies of relevant documents (qualification, certificate of incorporation Third Party Insurance)
- VII. Names and relevant contact of References
- VIII. Company Code of Conduct for Staff
- IX. Declaration of no litigation for the past five years issued by attorney or solicitor
- X. Declaration of "no conflicts of interest" with related parties or industry participants in the Cayman Islands

Administrative Requirements:

Date of EOI:	8 June 2018
Closing date for Receipt of EOI by OfReg:	6 July 2018
Methods of Submission:	

By email to: procurement@ofreg.ky

By post to:

Utility Regulation and Competition Office
P.O. Box 2502
Grand Cayman KY1-1104
Cayman Islands

By courier to:

Utility Regulation and Competition Office
3rd Floor Alissta Towers
85 North Sound Rd.
Grand Cayman
Cayman Islands



Expressions of Interest must be identified as “EOI – Fuel Market Assessment” in the subject block of the email or on the envelopes if submitted by post or courier, and addressed to the attention of:

Chief Fuels Inspector & Director - Fuels Market

Any queries relating to this EOI may be addressed to Duke Munroe at duke.munroe@ofreg.ky or info@ofreg.ky.

Notes:

1. The person signing the EOI must demonstrate the authority to make the submission on behalf of entity
2. OfReg will not pay fees or reimburse any costs incurred to prepare the EOI
3. This exercise does not constitute an agreement with OfReg or bind OfReg to accept the EOI or move forward with this evaluation and assessment.

END.