

# CENTRAL VERMONT RECOVERED BIOMASS FACILITY PROJECT

## REQUEST FOR PROPOSAL

### ECONOMIC ANALYSIS AND FINANCIAL VIABILITY COMPONENT

#### Of collecting and delivering sufficient food scraps to the proposed anaerobic digester

##### Central Vermont Solid Waste Management District

The Central Vermont Solid Waste Management District (CVSWMD) is currently soliciting proposals for professional services to complete the economic analysis component of the feasibility study for food scraps collection as part of the Central Vermont Recovered Biomass Facility Project (CVRBF). The CVRBF Project is a partnership involving the Central Vermont Solid Waste Management District (CVSWMD), Vermont Technical College (Vermont Tech), the Vermont Environmental Consortium, and the Vermont Sustainable Jobs Fund. The project is funded by a grant, obtained with the support of Senator Patrick Leahy, from the U.S. Department of Energy EERE Biomass Program, Grant Award # DE-FG36-08GO88079.

It is the intent of CVSWMD to complete the work of this portion of the Feasibility Study through the use of qualified entities (firms, partnerships, or cooperators) to provide consultant services. To that end, this Request for Proposals (RFP) is being tendered to identify the most qualified entities willing to prepare an economic analysis. Each proposal shall specify each and every item as set forth in the scope of work and specifications for the project. Failure to set forth any item in the scope of work and specifications without taking exceptions may be grounds for rejection. CVSWMD reserves the right to reject all proposals and to waive all formalities.

Interested and qualified firms should submit their proposal on or before 4PM **November 30, 2009**, in accordance with the guidelines provided below.

- Proposals shall be mailed to Leesa Stewart, 137 Barre Street, Montpelier, VT in a sealed envelope that is clearly marked "Proposal for Economic Analysis"
- Proposals shall include a narrative description of the methods to be used to fulfill the scope of Work under this RFP
- Proposals shall include budget for performing the work under this scope of work.
- Proposals shall be opened promptly at 10 AM on December 1, 2009

Any questions about the proposal process should be directed to Leesa Stewart at (802)229-9383 X102 or [adminmanager@cvswwmd.org](mailto:adminmanager@cvswwmd.org).

**PURPOSE OF THE ECONOMIC ANALYSIS AND FINANCIAL VIABILITY COMPONENT:**

The purpose of the Economic Analysis and Financial Viability Component is to conduct research to determine the cost and appropriate “break even” or revenue generating pricing structures for hauling of *10 and 20 tons per day* of source separated food scraps from schools and businesses in the Central Vermont region. These food scraps will be delivered to a proposed anaerobic digester to be located on the campus of VT Tech, a state college located in Randolph, VT.

The goal of the Economic Analysis and Financial Viability Component is to assess the CVSWMMD’s current pricing structure for the collection and hauling of food scraps from commercial and institutional enterprises in the region and recommend adaptations, revisions, and considerations necessary, enable financial sustainability for the program.

CVSWMD currently operates a food scrap collection program that collects contaminant free food scraps from restaurants, grocers, schools and commercial cafeterias in central Vermont and delivers them to farm enterprises and compost facilities. The CVSWMMD anticipates expanding the customer base of this existing operation to the point where it will collect sufficient tonnage of food scraps to enable it to meet the 10 to 20 ton daily requirement of the VT Tech Digester plus continue to deliver materials to existing receiving operations.

The CVSWMMD knows it has developed a collection methodology that delivers one of the most contaminant-free sources of food scraps to receiving facilities. Recently, the CVSWMMD re-structured the basis of its customer pricing scenario in order to achieve a commercially viable operation.

**SCOPE OF WORK FOR ECONOMIC ANALYSIS AND FINANCIAL VIABILITY COMPONENT:**

Prepare a draft report to be due on or before December 31, 2009 and a final report due no later than January 31, 2010, detailing all of the findings and conclusions from work described as follows:

- Review the existing pricing structure for collection, inclusive of all underlying financial assumptions. Identify any weaknesses, missing components and/or potential factors not taken into consideration in the assumptions and the resulting issues that may arise due to these situations.

- Analyze the costs of collection and transport of a minimum of 10 tons of food scraps per day, 7 days per week, and 52 weeks per year. Because it is presently uncertain what the ideal size of the anaerobic digester will be, it is likely that the facility might require 14 tons of food scraps and could possibly be developed for a maximum of **20 tons per day** of food scraps. Analysis should consider viability at the minimum tonnage, with an identification of issues that will require consideration and attention at the higher tonnage rates. Review the collection methods and staffing structures assumed by the CVSWMD that contribute to the current pricing scenario. CVSWMD has considered several different transportation methods and staffing structures. It will be important for the Proposer to examine this information in developing an economic analysis. Offer the CVSWMD insight into alternatives that may provide economic or financial benefits and describe appropriate staffing levels
- The CVSWMD is a municipal government entity. CVSWMD intends to operate the food scrap collection program as an Enterprise Fund. Proposers shall recommend the pricing structure(s) that will enable CVSWMD to realize net income on food scrap collection and that that offers it a competitive advantage in the marketplace.
- Provide a schematic of a proposed pricing and new client recruitment that exhibits the “break even” point. Determine the optimal number of customers and quantity of materials needed to achieve financial viability.
- Develop cost estimates for the following:
  1. Capital equipment costs, including capital equipment lifespan and replacement costs
  2. Operational costs, i.e. utilities, labor, maintenance, etc.
  3. Personnel costs, including benefits
- Conduct economic analysis, and operational budget for operation of the food scraps collection program for a three year period, Identify challenges and issues CVSWMD might face in developing a financially viable food scraps collections program.

## **QUALIFICATIONS:**

Firms interested in providing consultation services will be able to demonstrate experience and staff expertise in the following areas:

- Experience in economic and financial analysis, modeling, and planning for solid waste, recycling, and/or composting operations/businesses
- Design of financial projections and models
- Experience in developing cost estimates for operations planning

- Experience developing information that is accessible to a range of individuals including financial staff, boards of supervisors and members of the public.
- Experience in all disciplines associated with this type of study and facility (i.e. cost, price and revenue analysis)
- Ability to complete draft analysis by December 31, 2009
- It is the expectation of CVSWMD that this work be performed at a cost not to exceed \$30,000.

## **PROPOSALS:**

Proposals shall be prepared by interested firms. Proposals shall consist of the following:

All proposals should be titled **Proposal for CVSWMD Food Scrap Collection Program Economic Analysis and Financial Viability Component**.

Please send the completed proposal to **Leesa Stewart, Administrative Manager at 137 Barre Street, Montpelier, VT 05602**. If you have questions about the proposal, contact Leesa Stewart at CVSWMD 802-229-9383 X 102.

*Proposals must be received no later than 4:00 PM EST on November 30, 2009.*

## **Format:**

- **Content:** The proposal shall contain the following items:
  - Cover Letter
  - Key Personnel
  - Related Projects
  - Background Experience
  - Statement addressing the firm's ability to complete work by December 31, 2009
  - Budget for the Proposal
- **Size of Proposal:** The entire proposal shall **not exceed 10 pages in length**.

**Cover Letter:** The proposal shall be submitted with a cover letter summarizing key points in the proposal and state what unique qualities of those working on the project make them the best candidate to be awarded the work. Any introductory remarks may also be placed in the cover letter. The use of any sub-consultants should be identified in the cover letter.

- **Scope of Work:** The proposer shall describe its plan to provide the requested services. This section should include a narrative description of the proposed

methodology to accomplish the required tasks, as well as any innovations used on similar projects that may be applicable to the project.

- **Key Personnel:** A list of key personnel for this project must be submitted along with a summation of the person's expertise that suits them to this work. Each person's role in the project shall be identified.
- **Related Projects:** Proposer should provide a list of work of a similar nature accomplished for other clients. Each should include a description of the degree and type of involvement by your firm
- **Background Experience:** This section should contain a brief history of your firm names of principals, concise descriptions of the types of work accomplished, indication of current staff size and location, and other relevant information if you will be working with any proposed subcontractors, you should include a similar description of their background and indicate its relevance to this project. This section should also contain information demonstrating that your firm has a good working relationship with its clients, including a list of references.

## **PROPOSAL EVALUATION:**

### **Selection Procedure:**

- Proposals not meeting stated requirements and those that do not respond to each item required will not be given further consideration.
- Proposals shall be evaluated and awarded by CVSWMD staff and the Financial Oversight Committee.

### **Selection Criteria:**

Evaluation of the proposals will be based on the following criteria, listed in order of importance.

- **Qualifications and experience of firm and subcontractors** Qualifications, experience, and commitment of assigned staff.
- **Response to Request for Proposal:** Clear and concise proposal following the requirements of this RFP. CVSWMD expects proposals to demonstrate a familiarity with public sector projects, financial and economic analysis of solid waste projects and/or programs, and a history of working with small and innovative clients.
- Experience analyzing the financial needs of new, innovative programming

**SCHEDULE:**

Proposals Due:	November 30, 2009
Notification of Acceptance/Rejection of Proposal:	December 1, 2009
Project Start Date:	December 3, 2009
Draft Report Due:	December 31, 2009
Comments by staff	January 15, 2009
Final Report due by	January 31, 2009

Costs of preparation of proposals will be borne by the proponent.

This RFP does not constitute an offer of employment or to contract for services.

CVSWMD reserves the option to reject any or all proposals, wholly or in part, received by reason of this request.

CVSWMD reserves the right to award the contract to the firm who represents the proposal which in the judgment of CVSWMD, best accomplishes the desired results, and shall include, but not be limited to a consideration of the fee for services, proposers experience with similar projects and proposers stated ability to complete the work within the required deadlines

Any intellectual property developed by the selected contractor during performance of the contract shall be owned by CVSWMD and available for use by the contractor or others only by specific arrangement with CVSWMD.

CVSWMD reserves the option to retain all proposals, whether selected or rejected.

All proposals shall remain firm for thirty (30) days following closing date of receipt of proposals.

CVSWMD and its sub-contractors do not discriminate on the basis of age, creed, sex, national origin, religious or political affiliation, sexual orientation, HIV status, or disability.