LMOP Workshop: Developing an Effective RFP

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Agenda

Planning for an RFP

- Essential Elements of an RFP
- Evaluating Proposals



Before Issuing an RFP

- Identify and define roles of your project team
 - Who will administer the bidding process?
 - Schedule site visits
 - Answer questions
 - Hold pre-bid meetings
 - Develop a ranking system and evaluate responses against pre-established criteria
 - Ensure that the project team includes:
 - Financial/procurement experts
 - Attorney/General Counsel
 - Technical experts
 - ♦ <u>A project champion</u>



Before Issuing an RFP

- Outline a realistic project schedule
 - What schedule constraints may affect the project?
 - ARRA funding deadlines
 - Council or Board of Supervisor approvals
 - Budget cycles
 - Other construction activities on the landfill
 - Negotiations with contracts
 - Procuring equipment
 - Permitting



Before Issuing an RFP

- Outline and communicate realistic expectations for the project
 - Evaluation of initial gas curves and energy potential
 - Preliminary economic feasibility
- Consider what type of Partnership you are seeking
 - Self-developed
 - Partner
 - Developer only



Essential Elements of an RFP

1. Scope of work

- 2. Landfill site information (drawings, maps, preliminary gas measurements, well field plans, gas quality, waste data, anticipated waste receipts, project feasibility studies)
- 3. Timelines for proposal and project
 - Timelines for respondents as well as for reviewers
- 4. Required vendor qualifications
- 5. End-user information (utilities or cooperatives servicing landfill, energy demand of other planned end use)



Essential Elements of an RFP

- 6. Types of projects under consideration (electricity, direct use)
- 7. Proposal evaluation criteria
- 8. Rights to gas and other environmental attributes
 - Energy sales, RECs, carbon credits
- 9. Due diligence
 - Length of due diligence periods
 - 10. Administrative requirements
 - Specific forms, system registrations, page limits, fees, contact information for questions



Respondents should be asked to provide:

- 1. Developer Description
 - Experience and project history
 - Scope of services offered (developer, owner, operator)
 - Technical and financial qualifications



2. System Technical Components

- Description of energy project or project options
- Technology description and performance data
 - Operating uptime
- Well field placement



3. Project Financial Components

- Plan for obtaining energy revenues (sales of gas, electricity, and/or steam sales)
- Plan for using GHG credit revenues
- Project Financing Plan
- Letter of credit
- Standardize units of measurement for financial information (e.g., Shared savings of energy produced, X% of energy sold; % of Net Revenues)



Regulatory

- Responsibility for environmental compliance
- Plan for permitting and community approval

General Project Operations

- Detailed schedule with a description of how they will meet milestones listed in RFP
- Operation and maintenance plan

6.

4.

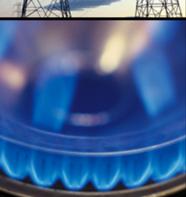
5.

Cost Proposal

 Request in separate sealed envelop and be evaluated apart from technical proposal







Evaluating RFPs

- Compare each response against ability to meet performance specifications of project
- Avoid basing selection on promised revenues or energy recovered
- Ask clarifying questions
- Select a team that has demonstrated experience with similar scale projects and ability to manage project and meet schedule
- Separate evaluation of technical and financial considerations
 - Revenue sharing strategy and financial considerations will be weighted against technical sections of proposal





Conclusion

- A well written RFP will provide
 - Anticipated contract terms
 - Clear understanding of roles and project scope
 - Minimize uncertainty
- A landfill owner can improve their probability of finding a successful project partner that meets their needs with a well written RFP



LMOP Resources for Landfill Owners

- LMOP Resources available
 - Project Development Handbook
 - http://www.epa.gov/Imop/publicationstools/handbook.html#01
 - RFP Samples
 - Project scheduling and case studies
 - List-serves to LMOP Partner Network