



**REQUEST FOR QUALIFICATIONS/PROPOSALS  
FOR  
THE DEVELOPMENT OF A  
RENEWABLE NATURAL GAS PROJECT**

**Submittal Deadline:  
3:00 PM – May 25, 2018**

# DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY

## REQUEST FOR QUALIFICATIONS/PROPOSALS TO DEVELOP A RENEWABLE NATURAL GAS PROJECT

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Electronic Copies of this RFQ/P available at:  
<https://cityofdubuque.sharefile.com/d-s60b4011b8ce4ab4b>

# REQUEST FOR QUALIFICATIONS/PROPOSALS TO DEVELOP A RENEWABLE NATURAL GAS PROJECT

## I. INTRODUCTION

The Dubuque Metropolitan Area Solid Waste Agency (DMASWA) is issuing this Request for Qualifications/Proposals (RFQ/RFP) to solicit proposals from experienced developers to invest, install and maintain equipment to clean the DMASWA's landfill gas (LFG) to pipeline grade standards and market the gas as a renewable natural gas (RNG) product, including its environmental attributes. DMASWA anticipates the Projects environmental attributes will be recorded and sold a Renewable Identification Numbers (RINS) under the Renewable Fuel Standard (RFS). Qualified vendors are invited to submit a proposal in the format outlined in this RFQ/RFP.

DMASWA is an inter-governmental agency organized under Iowa Code Chapter 28E and overseen by a three (3) member Board of Directors. Membership consists of the City and County of Dubuque, Iowa. DMASWA's charge is to manage solid waste generated within its service area, which includes the municipalities and the rural population within Dubuque county. Contractual agreements are in place to provide services to Delaware county. DMASWA accepts waste from Grant county in WI and Jo Davis county in IL.

DMASWA operates a 140,000 ton per year municipal solid waste landfill, household hazardous materials collection center (Regional Collection Center), yard debris composting facility, and eleven (11) recyclables drop-off stations. DMASWA is self-supported solely through user fees it collects. It has an active landfill gas collection system in place in the closed landfill cells and is destroying the LFG it collects by a flare. Leachate is collected and managed through the City of Dubuque's Water and Resource Recovery Center.

DMASWA's municipal solid waste landfill was developed in 1976 with the intention of landfilling for 30 years and then closing the site. Property acquisitions over the last decade now give it a potential landfill capacity lasting to the end of the century. The active fill area, Cell 9, has a constructed capacity of four years with a permitted capacity estimated for 29 years. The Cell 10 siting process is anticipated to begin in 8-10 years.

In 2010, DMASWA's voluntarily installed a landfill gas collection and control (GCCS) to reduce its greenhouse gas impact. The system was installed in the closed and capped portions of the landfill. The cap system consists two systems - one being compacted clay and the other a composite basil liner with an evapotranspiration (ET) cap.

DMASWA's GCCS is a registered project with the Carbon Action Reserve (CAR) since 2010. It manages the system utilizing the procedures put in place to facilitate the generation of Carbon Credits. DMASWA completed verification of the credits and registered them for sale in 2011 & 2012. From 2013 to present, DMASWA remains a project with Zero Credit Reporting.

The GCCS collects 600 – 700 standard cubic feet per minute (scfm) of biogas from the anaerobic decomposition of municipal solid waste. Average methane content is 50-55%. Total production is estimated at 165,500 dekatherms produced annually. The active portion of the landfill, Cell 9, is not connected to the GCCS. Site maps, including proposed skid location, well field data, analyzer panel data and the most recent analytical results of a LFG sample are located in the Appendixes at the end of this RFP/Q.

Based upon results from the EPA's LandGem Model, located in Appendix C, indicate a total gas production will reach a peak of 750 scfm in approximately 2053 and continue producing biogas for the next 50 years or more. The biogas system may be expanded in the future to accommodate the peak volume and expansion of the GCCS.

**II. PROJECT DESCRIPTION**

The intent of this RFQ/RFP for the Development of a Renewable Gas Project is to select a qualified and competent developer (Proposer) to form a partnership with DMASWA to continue reducing the environmental impacts and maximize the value of the LFG generated by the landfill. The DMASWA desires to utilize this resource to achieve the following objectives:

- ◆ Further reduce greenhouse emissions by offsetting the usage of other fossil fuels, such as diesel or gasoline while maximizing its environmental attributes as measured by the generation of verified RINS;
- ◆ To create an environment where there is a potential for the creation of local jobs; and,
- ◆ Generate revenue and reduce operational costs to reduce subsidy the landfill tipping fee offers to several DMASWA programs.

DMASWA recognizes its strengths consist of development of partnerships, ability to operate and maintain the infrastructure for collection of LFG with a knowledgeable team and motivation to improve the environmental impact of its operations.

To contrast the DMASWA recognizes that it does not have the capital to fund this project, without acquiring debt; does not have the knowledge or experience to install and operate the required equipment for this Project; and has little experience marketing gas and ability to respond to energy markets in a timely manner.

To this end, the DMASWA issued this RFQ/P to select a Proposer to provide the investment to install, maintain and operate a LFG cleaning system with the purpose to convert the "raw" landfill gas to usable renewable natural gas which meets pipeline "gas quality" standards. The selected Proposer will be working with DMASWA staff, contractors, and other program consultants. DMASWA recognizes that the selected Proposer will be assuming significant risk for its investment in which a significant return is expected. DMASWA will evaluate proposals to ensure the maximum value of the LFG's physical and environmental attributes.

The tentative RFQ/RFP schedule is as follows:

|                               |   |
|-------------------------------|---|
| <b>March 21, 2018</b>         | <b>Request for Qualifications/Proposals released</b>                                |
| <b>May 14, 2018</b>           | <b>4:00 PM Deadline for RFQ/RFP questions to the DMASWA</b>                         |
| <b>May 18, 2018</b>           | <b>12:00 PM Addendum issued with summary of questions</b>                           |
| <b>May 25, 2018</b>           | <b>3:00 PM RFQ/RFP response due</b>   |
| <b>May 29 – June 15, 2018</b> | <b>RFQ/RFP Committee review for a recommendation</b>                                |
| <b>June 4 – 13, 2018</b>      | <b>Committee Follow-up Interviews and Questions to Proposers</b>                    |
| <b>June 20, 2018</b>          | <b>Recommendation provided to the Board of Directors</b>                            |
|                               | a) Issuance of Letter of Intent to Selected Proposer                                |
|                               | b) Execution of confidentiality agreement   |
|                               | c) Authorization for staff to negotiate a Lease Agreement and Development Agreement |
| <b>October 17, 2018</b>       | <b>Consideration of a Lease and Development Agreement</b>                           |
| <b>July 1, 2019</b>           | <b>Beneficial usage project in operation</b>  |

DMASWA recognizes that after its issuance of the Letter of Intent, the remaining schedule can be modified due to the actuality of the Project requirements such as regulatory issues, vendor supply, etc. Proposer will provide a Gantt Chart of its anticipated schedule from the date of the Letter of Intent.

### **III. SCOPE OF WORK**

The scope of work pursuant to this RFQ/RFP includes the following provisions, and any other provisions agreed to during the contract negotiation process. DMASWA and selected Proposer shall perform, but are not limited to, the following services and equipment for the efficient operation to maximize renewable natural gas (RNG) production:

#### Proposed DMASWA Responsibilities

1. DMASWA will provide a negotiated minimum delivery amount, in scfm and methane content, to the selected Proposer at least 90% of the time per year. Notice will be provided to selected Proposer if well(s) in the field will be removed from service. This amount may be increased, upon mutual agreement, as DMASWA expands the existing collection system or develops a new source of methane generation.
2. Wellfield Operations. DMASWA will maintain control of the operation and maintenance of the well field. This will include balancing the well field to maximize methane gas collection while minimizing other contaminants (nitrogen and oxygen), dewatering of wells and tuning well heads to meet demand. Data collected for the operation of the well field will be shared with the selected Proposer.
3. Site Access. Provide selected Proposer with an identified area for installation of its equipment required for the cleaning of the LFG, 24-hour 7 day a week access to the site and utility easements on DMASWA property per a proposed ground lease agreement.
4. GCCS Performance and LFG Analytical Data. DMASWA will provide all available gas flow graphs, building site, architectural, structural, mechanical, electrical, plumbing, telecommunications, fire protection, security drawings and specifications to the selected Proposer. These drawings and specifications may not be complete or in an as-built condition. Selected Proposer will need to confirm the accuracy of drawings and specifications. DMASWA will provide any necessary hazardous material protection or abatement on its site.
5. Compliance. DMASWA will maintain current permits and assist selected Proposer with permits as needed for operation of the Project. Selected Proposer may be required to be a co-permittee for DMASWA permits such as NDPES or Title V.

#### Proposed Selected Proposer Responsibilities

1. Financing. Selected Proposer is required to develop a Project feasibility study, financial pro-forma and secure financing prior to the execution of a sales contract.
2. Gas Cleaning Equipment. Selected Proposer will be responsible for specifying and securing the equipment to convert raw LFG to a high BTU biomethane or RNG. Selected Proposer is required to clean the gas to either the pipeline specifications as established by Black Hills Energy (BHE) or to provide detailed specification if a virtual pipeline is used.

Selected Proposer is required to submit a preliminary design plan for review by DMASWA prior to installation. Such plans are required to be stamped by an engineer licensed in the state of Iowa of the required discipline. Such approval will not be reasonably withheld by DMASWA. A copy of the final as-builts will be provided and kept on file with DMASWA.

If BHE is utilized, its gas specifications are in Attachment H. Prior to injection, BHE will require interconnection agreement and a transportation agreement prior to injection. Meeting the nitrogen specification is a major concern for BHE. To guarantee the quality of the gas, BHE will install and maintain the necessary gas quality testing equipment at the injection point into the distribution system. DMASWA strongly encourages Proposer to contact Mark Ernst, Project Manager, Black Hills Energy at 563-589-4015 or [mark.ernst@blackhillscorp.com](mailto:mark.ernst@blackhillscorp.com) for details on this requirement.

3. Utilities. Selected Proposer is responsible for the installation of all electrical, mechanical, process piping, data/communications, etc. within the confines of the Selected Proposer's leased area or easement. The electrical provided is Maquoketa Valley or it may be Alliant if new lines are provided from Industrial Park. DMASWA can provide assistance with said approvals and with grading service if requested and agreed upon.
4. Existing Flare. It is recommended the existing LFG flare be relocated from the west side of the Facility to the north east end. The re-location and installation the flare will be coordinated with the selected Proposer and expense for such re-location may be negotiable.
5. System Operation. Selected Proposer will be responsible for the daily operation of the gas cleaning system and data management. This service may be sub-contracted with prior approval from DMASWA, with approval not reasonably withheld. DMASWA shall have access to view information but unable to make any adjustments.

Selected Proposer will maintain a presentable and safe work site. Selected Proposer will receive a copy of the DMASWA's required Emergency Response and Remedial Action Plan (ERRAP). Selected Proposer will work with DMASWA to modify the plan to include the added operation and contacts to the plan before operation of the system begins.

6. Gas Sales. Selected Proposer is required to establish transportation and delivery agreements for the processed RNG. The natural gas provider in the vicinity is Black Hills Energy (BHE). For injection into its pipeline, selected Proposer is required to meet the quality standards set by BHE in Appendix H. Selected Proposer will need to execute both interconnection and transportation agreements directly with Black Hills. Other forms of RNG transport to a market is acceptable but Proposer is required to provide details on the transport and end use.

The DMASWA reserves the right to purchase a portion of the RNG, at a discounted wholesale rate, after injection into the pipeline for its or its owner's future use. This may include but not limited to comfort heat, electrical generation and/or transportation fuel.

7. Environmental Attributes. Selected Proposer retains the rights of the environmental attributes of the RNG. It is responsible for performing all work in accordance with Code

of Federal Regulations (CFR) Title 40, Part 80 Subpart M – Renewable Fuel Standard (RFS), the Energy Independence and Security Act (EISA), and all state and local regulations. The gas produced from DMASWA would likely be classified as a Cellulosic Biofuel (D-3). Selected Proposer is required, and DMASWA will cooperate as required, to conduct a third-party audit of the proposed Project for the registration of renewable credits. Other uses of the RNG is permissible but selected Proposer is required to provide details on the end use and the usage of the environmental attributes of the gas.

8. Compliance. Selected Proposer will be responsible for ensuring its operations meet federal, state and local laws, regulations and codes. Selected Proposer is responsible for acquiring permits for its operations and activities as required. DMASWA can assist is requested to secure permits.

#### **IV. FACILITY TOUR**

A facility tour for interested proposers may be scheduled through John Foster, Solid Waste Agency Administrator, 563-589-4354 or [jfoster@cityofdubuque.org](mailto:jfoster@cityofdubuque.org). During the tour, staff can provide information regarding data collection and provide further information as requested.

Proposers may be granted access for additional data collection activities, at its own expense, with at least 24 hours prior notice of the requested activity to the Agency Administrator. Any visitor to the site is required to check in with the Scale House and display reflective clothing.

#### **V. AGREEMENTS**

It is anticipated the following legal documents will be utilized during the course of the development of this project between the DMASWA and selected Proposer. Proposer will be required to execute agreements for its operations. DMASWA may be a party to these agreements if required.

1. Letter of Intent. The Letter of Intent is a document designed to indicate DMASWA's desire to begin good faith negotiations with the preferred Proposer and is generated from DMASWA to the Proposer. Included in Appendix G is a draft for review. The intent is to provide DMASWA and selected Proposer an opportunity to review information, fully refine the proforma and negotiate agreements in good faith. This Letter will become void after the Development Agreement is executed or negotiations cease or December 30, 2018.
2. Confidentiality Agreement. As part of the negotiation process, DMASWA recognizes confidential information may be exchanged. To protect Proposer during this process, it may propose a Confidentiality Agreement to DMASWA representatives to protect such information secrets. This agreement will become void after the Development Agreement is executed or negotiations cease.
3. Ground Lease & Easement Agreement. Selected Proposer will provide DMASWA the area dimensions required for the cleaning and support equipment and easements for utilities and access. If injecting into the pipe line, selected Proposer may add the area required for the injection point to the ground lease or DMASWA can establish a ground lease directly with Black Hills. DMASWA will prepare a draft ground lease for review by

selected Proposer. The proposed term for the ground lease is 10 years with annual renewals.

4. Development and Operations Agreement. Selected Proposer will provide a base agreement with it response as a base to begin the negotiation process. This agreement shall outline DMASWA's and Proposer's responsibilities and compensation to DMASWA for the utilization of its LFG. The anticipated execution date of this agreement is by November 2, 2018.
5. Insurance Requirements. Selected Proposer must obtain and maintain insurance specified in Schedule F for contractors/subcontractors and Schedule A for ground lease both in Attachment I and J respectively to this RFP. Proposers must provide confirmation that the requirements will be met. The insurance certificates can be supplied at a later date by the selected Proposer.

## VI. STATEMENT OF QUALIFICATIONS REQUIREMENTS

All requests for clarification or further data required relating to this RFQ/RFP may be submitted by e-mail to [jfoster@cityofdubuque.org](mailto:jfoster@cityofdubuque.org) or U.S. mail to John Foster, 925 Kerper Court, Dubuque, Iowa 52001, before 4:00 PM CT Monday, May 14, 2018. Questions and responses will be provided in the form of an addendum issued before May 18, 2018 to proposers who have declared an intent to submit a proposal and posted at [www.dmaswa.org](http://www.dmaswa.org).

Interested firms shall submit qualifications/proposals to ensure proper evaluation of the firm's capabilities. **Responses to this RFQ/RFP must be labeled and received before 3:00 PM, May 25, 2018** at:

DMASWA – RNG Project  
Attn: Agency Administrator  
925 Kerper Court  
Dubuque, IA 52001

Five (5) hard copies and one (1) digital copy (USB flash drive or CD-ROM) of the RFQ/RFP response must be submitted. Responses must be double sided and adhere to a 30-page limit. Late submittals will not be evaluated. The responses will be distributed to Review Team for review and subsequent recommendation. The Team consists of Agency staff, City of Dubuque staff and external independent technical consultants. Formal action by DMASWA's Board of Directors is anticipated to occur at its June business meeting.

### Statement of Qualifications

Proposals must contain, at the minimum, the following information and in the following order:

1. Letter of Transmittal. The letter of transmittal should briefly outline the Proposer's understanding of the work and general information regarding the Proposer and its staff anticipated to be assigned to the Project, including sub-consultants. Provide a clear and concise statement as to how the Proposal will assist the DMASWA to accomplish its objectives.
2. Profile of Firm. Provide identification and brief description of key staff that will be assigned to this Project. Include in the staff descriptions any prior experience with the DMASWA,

their technical abilities, experience with other projects of this nature and their proposed responsibilities for the Project. The profile should include office locations.

3. Qualifications. Include information to demonstrate the requisite experience, skills, and resources necessary to complete the Project of this type as identified in Section III. Scope of Work.
4. Financial Resources. The financial viability of any Proposal should be demonstrated to provide assurance that the Proposer, as well as any firm(s) involved in the Proposal, has adequate financial strength. Financial strength is an indicator of the likelihood that the proposer is able to carry out the responsibilities of the life of the contract. Each proposal must include the following financial information for each Proposer involved in the Proposal:
  - Current audited financial statements, including balance sheet, income statement, and statement of cash flows for each party (If audited financial statements are not available, a listing of assets, liabilities, profit and loss statement and cash flow must be provided); and,
  - You may be required to provide security. Acceptable security includes: a guaranty from a guarantor acceptable to DMASWA with an investment grade rating from S&P and/or Moody's or a letter of credit from a US bank acceptable to DMASWA with ratings of A- or higher from S&P and/or A3 from Moody's.

DMASWA recognizes that certain information contained in proposals submitted may be confidential and may represent a competitive or business strategy. The proposer is responsible for identifying those portions of their proposal which they consider confidential. Notwithstanding the above, Proposals in their entirety may be shared with the Public or any other governmental entity that has regulatory authority over this project. Additionally, proposals may be evaluated by DMASWA hired third party consultants and/or attorneys.

5. Financial Model. The DMASWA recognizes this section may contain confidential financial information. Follow the process outlined in Section VII to identify pages that are confidential. Provide detailed financial pro-forma outlining modeled expenses and revenues, including market projections. This section should include the financial model utilized for compensating DMASWA for its efforts to supply raw LFG to the selected Proposer. Including details on how the project will be registered under the RFS for the generation of RINS.

The DMASWA's preferred compensation model is a fixed annual revenue to DMASWA, for the operational costs of its well field and compliance, along with a revenue sharing option with the Developer for the environmental attributes; which includes but not limited to RINS, LCFS credits, Carbon Credits, usage of other waste products from the production of the RNG, etc.

6. Technical Information. The DMASWA recognizes this section may contain confidential trade information. Follow the process outlined in Section VII to identify pages that are confidential. Include a detailed explanation of the proposed project, methods of work, Proposers efforts and assets to be employed, and a clear and concise statement as to the nature and extent of anticipated results. Identify vendors and partners required for each step in the process. Include a description of the marketing process and the ends use of the

RNG. In this section the proposer will provide a proposed Gantt Chart outlining anticipated milestones and requirements for the Project.

7. Sample Contracts. Proposer is to provide a proposed confidentiality agreement, if applicable, for review and comments from DMASWA.

Include a draft of a proposed operations and maintenance agreement for the project for review by the DMASWA. This agreement will provide specific liability responsibilities, including conditions and amount for a performance bond or security for the project, term, compensation and termination conditions.

Proposer is to review and return the DMASWA proposed Letter of Intent, Appendix G, with any comments and alternative language to this on the document. The proposed ground lease will be provided to the selected Proposer during the negotiation process.

8. References. Proposers should demonstrate overall management and project experience as reflected by the successful completion of similar projects. Provide a listing of similar projects Proposer has worked on and/or developed with entity name, location, project type and summary, contact name, phone number and email address. Review Team is anticipated to contact references to verify qualifications.

**Faxed and/or emailed proposals will not be accepted.**

## **VII. CONFIDENTIALITY**

Any requests for confidentiality will be subject to the provisions of the Iowa Public Records Law. DMASWA may request a waiver of any request for confidentiality. Any data that the Proposer does not want disclosed to the public for any purpose or used by the DMASWA, except for evaluation purposes must have the title page marked with the following legend:

“Use and Disclosure of Data

The proposal includes data that shall not be disclosed outside of the DMASWA Review Team and shall not be duplicated, used or disclosed, in whole or in part, for any purpose other than to evaluate the proposal unless disclosure is required by law. However, if a contract is awarded to this offeror as a result of or in connection with the submission of this data, DMASWA shall have the right to duplicate, use, or disclose the data to the extent provided in any resulting contract. This restriction does not limit DMASWA’s right to use information contained herein if obtained from any other source without restriction. The materials subject to this confidentiality provision are contained in pages [insert page and paragraph numbers].”

Each page or data sheet of the Proposer wishes to restrict must be clearly marked with the following legend:

“Use or disclosure of data contained on this [page, sheet] is subject to the restriction on the title page of this proposal.”

## VIII. SELECTION PROCESS

### Selection Criteria

All submittals will be reviewed based upon written responses to the RFQ/RFP: the respondent's qualifications, past project history, proposed financial model, key team members and sub-consultants, and other factors deemed important. DMASWA may schedule interviews and/or site visits with a limited number of Proposer between June 4 – 13, 2018. Proposer will be contacted by DMASWA for appointment. Priority will be provided to firms utilizing equipment and labor from the Dubuque area labor shed.

DMASWA may reject any or all proposals if, in its opinion, they do not meet the RFQ/RFP's requirements. Agency staff's recommendation will be subject to DMASWA Board of Directors' consideration and approval. DMASWA anticipates selection will occur and negotiations will be completed by October 30, 2018. All proposers will be notified in writing regarding the results of the selection process.

### Reservations

DMASWA reserves the right to reject any and all submittals; to waive formalities, technical requirements and/or deficiencies; or to solicit for new or additional proposals if deemed to be in its best interests. DMASWA reserves the right to interview the three highest ranked firms.

### Proposer's Costs

Any costs incurred on the part of the proposer for responding to this RFQ/RFP are the responsibility of the proposer.

