



METRO

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RFP 10-1594

REQUEST FOR PROPOSALS: REVIEW OF SOLID WASTE DISPOSAL CHARGES

Finance and Regulatory Services

600 N.E. Grand Avenue
PORTLAND, OR 97232
(503) 797-1700

Project Manager:

Douglas Anderson
Policy and Compliance Manager
(503) 797-1788
doug.anderson@oregonmetro.gov

Procurement:

Karen Slusarenko, CPPB
Procurement Analyst
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Notice is hereby given that proposals for RFP 10-1594 for: Review of Solid Waste Disposal Charges shall be received by Metro, 600 N.E. Grand Avenue, Portland OR 97232-2736 until 2:00 p.m., February 3, 2010. It is the sole responsibility of the proposer to ensure that Metro receives the Proposal by the specified date and time. All late Proposals shall be rejected. PROPOSERS SHALL REVIEW ALL INSTRUCTIONS AND CONTRACT TERMS AND CONDITIONS.

Request for Proposals

FOR

REVIEW OF SOLID WASTE DISPOSAL CHARGES

I. INTRODUCTION

The Finance and Regulatory Services section of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for a review of solid waste disposal charges. Proposals are due no later than 2:00 p.m., February 3, 2010 in Metro's business offices at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document.

II. BACKGROUND AND HISTORY OF THE PROJECT

Metro owns two solid waste transfer stations in the Portland metropolitan area, and sets user charges (tip and transaction fees) at both stations annually. In addition, Oregon state law allows Metro to levy a surcharge on any solid waste that is generated in the region, whether or not it is delivered to a Metro-owned transfer station or a privately-owned disposal site. Together, these fees generate over \$50 million annually that is dedicated to operating Metro's transfer stations and funding Metro's solid waste programs such as waste reduction, landfill closure and household hazardous waste collection. Metro does not review or set rates for privately-owned disposal facilities.

The Metro Council adopts a rate schedule annually by ordinance. Until 2009, all other solid waste rate-making functions (e.g., design, computation, review, recommendation) were assigned to a Rate Review Committee that was chaired by a Metro Councilor and consisted of six persons appointed by the Council President and approved by the Metro Council. In November 2009, to increase the separation of functions, the Metro Council amended its rate code to establish a sequence of rate-making steps, eliminate the Rate Review Committee, and distribute the various charges of the committee among these newly-established steps. The technical review functions formerly assigned to the committee were moved to an independent expert. Under the new code, before proposing rates to the Metro council, the Chief Operating Officer is required to:

Submit provisional rates to review by at least one independent expert. The reviewer shall test the provisional rates for accuracy, adequacy, the reasonableness of underlying assumptions, compliance with applicable law and requirements, consistency with adopted criteria of the Council, and any other criteria specified by the Chief Operating Officer or recommended by the reviewer under generally accepted professional or best practices for rate review. The Chief Operating Officer shall provide the reviewer with access to the rate model, data, assumptions, criteria, and any other information that the Chief Operating Officer used to calculate the provisional rates. At the conclusion of his work, the reviewer shall deliver a written report to the Council and the Chief Operating Officer documenting the reviewer's findings, exceptions and recommendations.

[Excerpt from Metro Ordinance No. 09-1223, adopted November 12, 2009]

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The purpose of this Request for Proposals is to procure the services of an independent expert to perform the work described in the excerpt above. The Metro Council will consider the expert's findings and recommendations, among other factors, during its public deliberations leading to adoption of new rates for the next fiscal year.

III. PROPOSED SCOPE OF WORK AND SCHEDULE

- A. Overview. This project will be completed in two consecutive phases over a six+ week period spanning most of February and March 2010. During Phase 1 the successful proposer will become familiar with Metro's rate authority, policies, criteria, methodologies, and implementation. During Phase 2 the successful proposer will review the specific provisional rates developed by Metro staff for FY 2010-11 and provide written findings, exceptions (if any) and recommendations directly to the COO and Metro Council.
- B. Contract Term. The successful proposer will enter into a one (1) year contract with options to renew for up to two additional one-year periods. The options to renew may be exercised at Metro's sole discretion.
- C. Work Elements. Metro is seeking proposals from qualified firms to perform the following services and to deliver the described products on the following schedule. Annotations are provided *in italics* to assist the potential proposer with understanding the scope of the tasks and deliverables.

Phase 1 Solid Waste Rate Background about February 10 to March 3, 2010

Tasks

1. Understand foundations

- Legal background, authority and constraints; rate criteria and policies.
- Rate structure, application, and history.

Note. Metro will provide background materials to the contractor; no primary research will be required to identify background.

2. Review methodology

- Handling of direct costs and capital requirements.
- Allocation methodologies for indirect costs and miscellaneous revenue.
- Tests of the rate model for accuracy, integrity, consistency.
- Determine whether rates as calculated and levied properly incorporate Metro's rate authority, legal constraints, rate criteria and policies.

Note. The rate model is currently implemented in Microsoft Excel. Metro will provide the contractor with a fully documented, operational copy of the model.

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Deliverable

A brief memorandum to the project manager identifying any errors, omissions or shortcomings of the methodology, together with recommendations for corrective actions.

Phase 2 Review of Rates March 4, 2010 to March 29, 2010

Task: Review provisional rates provided by Metro staff for Fiscal Year 2010-11, including:

- Confirmation that rates are based on methodologies reviewed in Phase 1;
- Tests of rates for accuracy and revenue adequacy;
- Review of underlying assumptions for reasonableness;
- Assessment of compliance with applicable law and requirements;
- Assessment of consistency with adopted rate criteria and policies;
- Tests of any other criteria specified in the contract between Metro and the successful proposer.

Notes. Metro will provide provisional rates to the contractor on or about February 26, 2010. Provisional rates will be delivered in the form of a fully documented copy of the same rate model that Metro provided for Phase 1, with data updated to reflect the Proposed FY 2010-11 Budget which is scheduled to be finalized about February 26. The contractor will have access to the Proposed Budget; however, the contractor will not be required to review the budget itself for allowable costs. The contractor's responsibility for determining the allowability of any revenue requirements will be limited to a determination that such revenue requirements are correctly handled within the rate model.

Deliverables

1. A written report to the Metro Council and the Chief Operating Officer documenting findings, exceptions, recommendations, comments and observations. A draft report or management letter shall be delivered to the project manager on or before Wednesday March 24, 2010. The final report is due on Monday March 29, 2010 and will be delivered to the Metro Council on Thursday April 1, 2010.
2. Public testimony (at Metro's option). Present findings and recommendations to the Metro Council in open public session and answer questions from councilors. One public session up to 1 hour in length during the month of April should be anticipated. *Note: During Phase 2, Metro will determine the need for public testimony. Accordingly, proposers must provide a separate cost proposal for this deliverable.*

IV. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following knowledge and experience:

- A. Staff assigned to this project must have generally recognized knowledge of theories and best practices for utility rate setting. "Generally recognized knowledge" may be evidenced by presentations before expert audiences, publications, and similar activities.

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- B. Experience in the design and computation of user charges for utilities in general; and in particular, for publicly-owned utilities.
- C. Experience in presenting and supporting findings, recommendations and exceptions before municipal councils and/or public utility commissions.

V. PROJECT ADMINISTRATION

Douglas Anderson, Policy & Compliance Manager, will administer this project.

VI. PROPOSAL INSTRUCTIONS

- A. Submission of Proposals. Metro will accept two forms of submittals, written or electronic.
 - 1. Written submissions. One (1) original and three (3) copies of the proposal shall be furnished to Metro, addressed to:

**Procurement Services
METRO
Attention: Karen Slusarenko, CPPB
600 Northeast Grand Avenue
Portland, OR 97232-2736**

Mark the envelope: **“Response to RFP 10-1594: Review of Solid Waste Disposal Charges”**

- 2. Electronic submissions. Proposals may be furnished on readable media such as a CD or DVD, or emailed. To submit proposals on readable media, furnish one (1) original disc to the address above and mark: **“Response to RFP 10-1594: Review of Solid Waste Disposal Charges”** on both the disc and the envelope. Email proposals to karen.slusarenko@oregonmetro.gov. Include in the subject line **“Response to RFP 10-1594: Review of Solid Waste Disposal Charges”**

It is the sole responsibility of the proposer to ensure that Metro receives the proposal by the specified deadline.

Facsimile (“faxed”) proposals will not be accepted.

- B. Deadline. Proposals will not be considered if received after 2:00 p.m., February 3, 2010.
- C. RFP as Basis for Proposals
This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information which is not addressed in this

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RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Douglas Anderson at the address on the cover page of this RFP or emailed to doug.anderson@oregonmetro.gov. Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after January 21, 2010.

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity. In Accordance with Oregon Public Records Law (ORS 192), proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.

E. Minority, Women and Emerging Small Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100, which encourages the use of minority, women and emerging small businesses (MWESB) to the maximum extent practical. Copies of these MWESB requirements are available from the Metro Procurement Office, 600 NE Grand Avenue Portland, OR 97232-2736, (503) 797-1816.

VII. PROPOSAL CONTENTS

The proposal should contain not more than twelve (12) pages of written material (excluding biographies and brochures, which may be included in an appendix), describing the ability of the consultant to perform the work requested, as outlined below. Respondents are encouraged to submit proposals electronically as specified in Section VI.A.2 of this RFP. If hard copies are submitted, they must be double-sided, on recycled paper with post consumer content. No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. Transmittal Letter. Indicate who will be assigned to the project, who will be project manager, and that the proposal will be valid for ninety (90) days.

➤ 1 page

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- B. Work Plan. Describe the objectives to be met, and how the work will be done within the given time frame to meet these objectives. Include a proposed work plan and schedule.

➤ Up to 2 pages, excluding graphics.

- C. Staffing and Project Manager Designation. Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must assure responsibility for any subconsultant work and shall be responsible for the day-today direction and internal management of the consultant effort.

➤ Up to 2 pages, excluding resumes

- D. Knowledge and experience. Indicate how your firm meets the knowledge and experience requirements listed in section IV of this RFP. List representative projects conducted during the past five years that involved services similar, or directly related, to the services required here. Include only projects in which staff identified in C. above participated. For each of these other projects, include the name of the customer contact person, his/her title, role on the project, and telephone number. In a separate table, identify persons on the proposed project team who worked on each of the projects listed, and their respective roles.

➤ Up to 5 pages, excluding tables

- E. Cost. Present the proposed cost of the project and the proposed method of compensation for the initial year and each of the two renewal years. List hourly rates for staff assigned to the project, total personnel expenditures, support services, subconsultant fees (if any), and any expenses to be reimbursed. Include a separate cost proposal for the public testimony option described in Section III.C of this RFP.

➤ 1 page

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- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

➤ 1 page

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- E. Equal Employment and Nondiscrimination Clause Metro and its contractors will not discriminate against any person(s), employee or applicant for employment based on race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation, disability for which a reasonable accommodation can be made, or any other status protected by law. Metro fully complies with Title VI of the

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Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see www.oregonmetro.gov.

IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.
- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

	<u>Percentage of Total Score</u>
Work Plan and Approach	
Demonstrated understanding of the project objectives	15%
Methodology	15%
Knowledge and experience of project staff	25%
Commitment to meeting the project schedule	25%
Cost	20%
Total	<hr/> 100%

X. APPEAL OF CONTRACT AWARD

Aggrieved proposers who wish to appeal the award of this contract must do so in writing within seven (7) days of issuance of the notice of intent to award by Metro. Appeals must be submitted to Darin Matthews, Procurement Officer, 600 NE Grand, Portland, Oregon 97232 and must state the specific deviation of rule or statute in the contract award. Metro will issue a written response to the appeal in a timely manner.

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XI. NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro; it is included for your review prior to submitting a proposal.

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SAMPLE CONTRACT

Must Be Under \$50,000

Contract # _____

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and _____, referred to herein as "Contractor," located at _____.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective _____ and shall remain in effect until and including _____, unless terminated or extended as provided in this Agreement.

2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.

3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed _____ AND _____/100THS DOLLARS (\$ _____).

4. Insurance.

a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:

(1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability, shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and

(2) automobile bodily injury and property damage liability insurance coverage shall be a minimum of 1,000,000 per occurrence.

b. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.

c. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

d. If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

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e. Contractor shall provide Metro with a Certificate of Insurance complying with this article, and naming Metro as an additional insured within fifteen (15) days of execution of this contract, or twenty-four (24) hours before services under this contract commence, whichever date is earlier.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for six years after Metro makes final payment and all other pending matters are closed.

7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents.

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapters 279A, 279B and 279C and the recycling provisions of ORS 279B.025 to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.



600 NE Grand Ave.
Portland, OR 97232-2736
(503) 797-1700

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14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

By _____
Title _____
Date _____

METRO
By _____
Title _____
Date _____