

LMOP Workshop: Developing an Effective RFP

Alex Stege
SCS Engineers
Contractor to U.S. EPA LMOP





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
 - ◆ *A project champion*



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



RFP Response Components

Respondents should be asked to provide:

1. Developer Description

- ◆ Experience and project history
- ◆ Scope of services offered (developer, owner, operator)
- ◆ Technical and financial qualifications



RFP Response Components

2. System Technical Components

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



RFP Response Components

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)



RFP Response Components

4. Regulatory

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

5. General Project Operations

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

6. 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/lmop/publications-tools/handbook.html#01>
 - RFP Samples
 - Project scheduling and case studies
 - List-serves to LMOP Partner Network