

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

REQUEST FOR PROPOSAL

SOCIOECONOMIC IMPACT ANALYSIS

The District is seeking a qualified consultant to provide socioeconomic impact analysis services for draft rules.

Submittal: Five (5) copies of the proposal must be received at the address below on or before:
Thursday, July 1, 2004 – 5:00 PM

PROPOSALS RECEIVED AFTER THE TIME AND DATE STATED ABOVE
WILL NOT BE ACCEPTED.

Address to: Scarlett Noguera, Air Quality Specialist
Rule Development Section
San Joaquin Valley Unified Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, CA 93726

Mark Envelope: "PROPOSAL - Socioeconomic Impact Analysis"

Issuance Date: June 1, 2004

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TABLE OF CONTENTS

1.0	BACKGROUND.....	4
2.0	SUMMARY	4
3.0	SCOPE OF WORK	6
4.0	SCHEDULE OF DELIVERABLES	7
5.0	REQUIRED QUALIFICATIONS	7
6.0	RESPONSE SUBMITTAL REQUIREMENTS	8
7.0	ESTIMATION OF COSTS.....	11
8.0	PROPOSAL EVALUATION AND CONSULTANT SELECTION.....	12
9.0	INSURANCE.....	13
10.0	INQUIRIES.....	14

1.0 BACKGROUND

The San Joaquin Valley Air Basin is designated as a non-attainment area under the State and Federal Ambient Air Quality Standards for ozone and particulate matter (PM10). Pursuant to the California Clean Air Act and the Federal Clean Air Act, the San Joaquin Valley Unified Air Pollution Control District must adopt rules and regulations to attain the State and Federal Ambient Air Quality Standards.

Before any new or amended District rule that significantly affects air quality is adopted, State law (Health and Safety Code Section 40728.5) requires that a socioeconomic assessment of the proposed new or amended rule be performed, and that the District makes a good faith effort to identify and minimize any adverse socioeconomic impacts. The assessment must identify the types of businesses impacted and evaluate the proposed rule's impacts on the regional economy, employment, and cost to businesses. Pursuant to District policy, the socioeconomic impact assessment is performed concurrently with the rule development process to allow for refinements to the rule before the District Governing Board considers the proposed rule. In order to estimate the cost and magnitude of direct impacts to affected businesses, data is collected, business representatives are surveyed or contacted to gather compliance costs; or an alternative method approved by the District is used to assess business responses.

2.0 SUMMARY

In the preparation of this Request for Proposals (RFP) the words "Consultant," "Contractor," and "Proposer" are used interchangeably, as are the words "Assessment" and "Analysis."

The District is seeking a qualified contractor to prepare socioeconomic impact assessments of proposed rules and regulations. The purpose of this RFP is to solicit services to conduct socioeconomic impact analysis for fifteen (15) rule development projects.

2.1 The consultant will prepare socioeconomic impact analysis reports for the rule projects, as requested in Section 3.0 to:

- Determine business responses to compliance costs.
- Assess socioeconomic impacts on the affected businesses, industry, and regional economy using the IMPLAN model.
- Present direct and indirect economic impacts.

- Describe basic characteristics of the industries with affected sources, including but not limited to:
 - Number of establishments - by type (using 2 digit SIC codes) and size (employment),
 - Revenue and profitability characteristics - by industry and size,
 - Output or sales (use budget for government and non-profits organizations),
 - Nature of markets/service areas (to where and who),
 - Qualitative characteristics - economic and financial standing, strategic and/or historic importance to the valley
 - Labor force characteristics - number of employees, by industry.

The District is currently planning rule development projects that affect fifteen (15) source categories, which are listed below in Table 1. **The District reserves the right to change or substitute source categories.**

Table 1 - Source Categories

1. Small Boilers, Process Heaters & Steam Generators (2 - 5 MMBtu/hr)
2. Internal Combustion Engines – Agricultural Engines
3. Solid Fuel Fired Boilers, Steam Generators, and Process Heaters
4. Industrial Water Heaters (0.075 – 2.0 MMBtu/hr)
5. Residential Space Heaters
6. Commercial Dryers
7. Motor Vehicle and Mobile Equipment Coating Operations
8. Glass Melting Furnaces (SOx)
9. Oilfield Steam Generators (SOx)
10. Open Burning
11. Visible Emissions, Particulate Matter Concentration (Grain Loading), Particulate Matter Emission Rate Rule (Process Weight)
12. Fertilizer Applications
13. Concentrated Animal Feeding Operations (CAFO)
14. Agricultural Composting Operations
15. Polystyrene Foam, Polyethylene and Polypropylene Manufacturing

- 2.2 For all the services outlined in this RFP, the cost shall not exceed \$245,000. Payments by the District will be made at the completion of each milestone, as identified in Section 3.0, for the fifteen (15) rule projects addressing the source categories listed in Table 1. The cost per rule project may vary, but the entire scope of the fifteen (15) rule projects, shall not exceed \$245,000. The District anticipates all work for the projects covered under this contract to be completed by the end of the 2008-year with the majority of the rule projects occurring during the first 24 months of the contract.

3.0 SCOPE OF WORK

Through a performance-based contract, the following work is required for each rule project:

- 3.1 **FOCUS GROUP, SURVEY AND/OR DATA COLLECTION:** Hold focus group meetings, develop an economic survey and/or collect data necessary for the completion of each rule project. Provide the District with a progress memo to demonstrate the completion of this milestone.
- Cost for this milestone, shall not exceed 25% of the project cost.
- 3.2 **ADMINISTRATIVE DRAFT:** Provide an administrative draft of the socioeconomic analysis report, in electronic format for District staff review. Section 2.1 identifies the minimum information necessary for this report. Provide an electronic version of the report in Microsoft Word format.
- Cost for this milestone, shall not exceed 35% of the project cost.
- 3.3 **PUBLIC DRAFT REPORT:** Provide a draft socioeconomic analysis report and present the report at a public workshop for the proposed rule. This draft of the socioeconomic analysis report shall address District staff comments made on the administrative draft. Please refer to Section 2.1 for the minimum information necessary in the report. Provide an electronic version of the report in Microsoft Word format.
- Cost for this milestone, shall not exceed 20% of the project cost.
- 3.4 **FINAL REPORT:** Provide a final socioeconomic analysis report, on each of the rule projects addressing District and public comments as necessary. Provide an electronic version of the report in Microsoft Word format.
- Cost for this milestone, shall not exceed 10% of the project cost.
- 3.5 **GOVERNING BOARD PRESENTATION:** Present the final socioeconomic analysis report at the Governing Board hearing for the proposed rule, as needed.
- Cost for this milestone, shall not exceed 10% of the project cost.

4.0 SCHEDULE OF DELIVERABLES

All milestones will be deemed complete and payable once the District receives an acceptable deliverable, as determined by the District.

Deliverable	Due Date
PROGRESS MEMO	Two weeks after focus group meeting.
ADMINISTRATIVE DRAFT REPORT	Four weeks after, surveying or collection of cost data
PUBLIC DRAFT REPORT	One week after receiving comments from District staff
FINAL REPORT	One week after receiving comments from the District and/or public
FINAL REPORT PRESENTATION	When the rule project goes to the Governing Board for consideration, a presentation of final findings may need to be made.

The District may amend the above schedule, as it sees necessary.

5.0 REQUIRED QUALIFICATIONS

The consultant selected to perform the services outline in this RFP, shall have demonstrated experience and extensive expertise in the following areas:

- 5.1 Developing and performing surveys targeted towards industry-specific groups and businesses on technically complex issues or rules.
- 5.2 Conducting industry-specific macroeconomic studies.
- 5.3 Understanding environmental regulation and its potential economic and/or socioeconomic impacts.
- 5.4 Knowledge of and accessibility to economic and demographic databases and survey methods.
- 5.5 Data compilation, access and manipulation, and model testing.
- 5.6 Methods of socioeconomic impact analysis, including regional econometric modeling, input/output modeling (IMPLAN), etc.
- 5.7 Public speaking and presenting sensitive matter to non-technical audiences.

- 5.8 Providing staffing adequately experienced to handle and support the contract.

6.0 RESPONSE SUBMITTAL REQUIREMENTS

6.1 Contents of Proposal

Submitted proposals must follow the format outlined below and all requested information must be included in the submittal package. The submitted proposals shall not exceed 25 pages and the font used should be no smaller than 12 point. Failure to submit proposals in the required format, or omission of requested information, will result in elimination from proposal evaluation.

- 6.1.1 **COVER LETTER** - Must include the name, address, telephone number of the company, and be signed by the person or persons authorized to represent the firm.
- 6.1.2 **TABLE OF CONTENTS** - Clearly identify material contained in the proposal by section and page number.
- 6.1.3 **SUMMARY (SECTION I)** - State overall approach to the outlined project including the objective(s) and scope of work to be performed.
- 6.1.4 **WORK PROGRAM (SECTION II)** - Describe work activities or tasks to be performed including the sequence of activities and a description of methodology or techniques to be used.
- 6.1.5 **PROGRAM SCHEDULE (SECTION III)** - Provide projected milestones or benchmarks for deliverables - major products/reports within the total time allocated.
- 6.1.6 **PROJECT ORGANIZATION (SECTION IV)** - Describe the proposed management structure, program monitoring procedures, organization of the contracting group, staff levels allocated to this contract, and facilities available.
- 6.1.7 **ASSIGNED PERSONNEL (SECTION V)** - Identify the principals having primary responsibility for implementing the proposal. Discuss their professional and academic backgrounds. Provide a summary of similar work they have previously performed. List the amount of time, on a continuous basis, that each principal will spend on this project. Describe the responsibilities and capacity of the technical personnel involved. Substitution of project manager and/or lead

personnel will not be permitted without prior written approval of the District.

- 6.1.8 DISTRICT RESOURCES (SECTION VI) - Describe any District services and staff resources needed to supplement consultant activities to achieve identified objective(s).
- 6.1.9 SUBCONTRACTORS (SECTION VII) - If subcontractors are to be used, identify each of them in the proposal. Describe the work to be performed by them and the number of hours or the percentage of time they will devote to the project. Provide a list of their assigned staff, qualifications, and relationship to project management, schedule, costs and hourly rates.
- 6.1.10 CONSULTANT CAPABILITY AND REFERENCES (SECTION VIII) - Provide a summary of the firm's relevant background experience. Discuss the applicability of each experience to this RFP. Include examples of socioeconomic evaluations or related projects completed for other parties that are of a similar nature to the work requested herein.
- 6.1.11 ALTERNATIVE PROPOSALS (SECTION IX) - Provide statements of alternative proposals, if any, labeled "Alternative Proposal Number One," "Alternative Proposal Number Two", etc.
- 6.1.11.1 The format of each alternative proposal submitted may be abbreviated to address the following:
- Work Program
 - Methodology
 - Assigned Personnel
 - Estimated Costs
- 6.1.11.2 Alternative Proposals will be considered for portions of this project. Contractors may bid on all or any of the source categories identified in Table 1. Bids will only be considered for entire grouping of source categories in Table 1. The entire project of analyzing all fifteen (15) rule projects is budgeted not to exceed the amount specified in Section 2.2. Bids will not be accepted for the analysis of individual rules.
- 6.1.12 COSTS OF PROPOSAL (SECTION X) - Identify all costs associated with the execution of this RFP within the established price ceiling identified in Section 2.2, Section 3.0 and Section 7.0.

- 6.1.13 CONFLICT OF INTEREST (SECTION XI) - Identify actual or potential conflicts of interest resulting from any contractual work performed, or to be performed, for other clients, as well as any such work done, or to be done, by its proposed subcontractors. Specifically, proponents must disclose any recent or current contracts with the District; business entities regulated or proposed to be regulated by the District, and/or any environmental or business interest group. In addition, proponents must disclose any contracts with the District, public or private entities, which are scheduled to be performed in the future, or which are currently under negotiation. The District will consider the nature and extent of such work in evaluating the proposal (see Section 8.0).
- 6.1.14 ADDITIONAL DATA (SECTION XII) - Attach a copy of any analogous socioeconomic analysis prepared for a regionally significant project. Provide other essential data that may assist in the evaluation of this project.

6.2 Proposal Submission

All proposals must be submitted according to the specifications set forth in Section 6.1 - "Contents of Proposal" and this section. Failure to adhere to these specifications may be cause for rejection of proposal.

- 6.2.1 Signature - An authorized representative of the firm shall sign all proposals.
- 6.2.2 Due Date - Interested firms shall submit five (5) complete sets of the proposal in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the bidding firm and the words:

"Proposal - Socioeconomic Impact Analysis"
Fourth Contract

Proposals must be received at the address below, no later than 5:00 p.m. on July 1, 2004, and should be directed to:

Scarlett Noguera, Air Quality Specialist
Rule Development Section
San Joaquin Valley Unified Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, CA 93726

Late proposals will not be accepted. Any correction or resubmission done by the proponent will not extend beyond the submittal due date.

- 6.2.3 Addenda - The District may modify the proposal and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period of June 1, 2004 to July 1, 2004.
- 6.2.4 Grounds For Rejection - A proposal may be immediately rejected for any of the following reasons:
- Proposal is received at any time after the exact due date and time set for receipt of proposals, or
 - Proposal is not prepared in the format prescribed, or
 - Proposal is signed by an individual not authorized to represent the firm.
- 6.2.5 Disposition of Proposals - The District reserves the right to reject any or all proposals. All responses become the property of the District. One copy of the proposal shall be retained for District files.
- 6.2.6 Modification or Withdrawal - Once submitted, proposals, including the composition of the contracting team, cannot be altered without prior written consent of the District. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

7.0 ESTIMATION OF COSTS

The total cost for these services shall not exceed \$245,000. Estimation of costs must be based on how much it will cost to analyze each rule project milestone, as specified in Section 3.0, for a total of fifteen (15) rule projects applicable to the source categories identified in Table 1, and using established procedures to report the socioeconomic impacts of the rule projects.

Costs must be itemized using the following categories:

- 7.1 Labor - List an hourly labor rate for each assigned principal and technical specialist. Rate quoted must include labor, general, administrative, and overhead costs.
- 7.2 Supplies and Equipment - Provide an itemized list of supplies to be purchased or leased specifically for the fifteen (15) rule projects. The District will not pay for any equipment unless adequately justified. Any equipment paid for by the District will become the property of the District.

(Should it be needed, the District will provide the selected consultant with the IMPLAN model, which will be solely used on District projects.)

- 7.3 Subcontractor Costs - Identify subcontractors by name; list cost per hour or per day, and the number of hours or days their services will be used.
- 7.4 Travel Costs - Identify estimated travel costs, including the number of trips required, destinations, and approximate costs of travel. Travel costs are reimbursed at prevailing rates for the contracting company or District rates; whichever is lower, unless negotiated otherwise.
- 7.5 Miscellaneous Costs - If any.

The total cost submitted, must be clearly identified in under Section X – Costs of the Proposal.

Charges for supplies, equipment, travel, and subcontractors will be paid at cost. It is expected that general, overhead, and administrative costs are included in the hourly rate for labor. Bids submitted will be held to the cost for each rule project milestone given in the response quote. It will be assumed that all contingencies and/or anticipated escalations are included. No additional funds will be paid above and beyond the original quote given by the selected firm.

The anticipated contract life is for no more than three years. If the contract has not expired by the three year anticipated life, then the balance of the contract will be open for re-evaluation to consider cost of living increases.

8.0 PROPOSAL EVALUATION AND CONSULTANT SELECTION

District staff will evaluate all proposals to determine responsiveness to the RFP. Staff will recommend the selection of a consultant to District management who, in turn, will make a recommendation to the District Governing Board for final approval and execution of a contract.

Proposals will be evaluated on the following criteria:

Table 3 - Evaluation Criteria

- Previous experience developing and conducting socioeconomic analyses for California air districts
 - Presentation of Proposal in regard to clarity and thoroughness
 - Familiarity with economic databases, economic/socioeconomic data compilation and manipulation for policy analysis
 - Actual or potential conflicts of interest
 - Cost effectiveness
-

During the selection process, District staff may interview consultants with scores above a natural break, for clarification to the proposal as well as to evaluate the public speaking and presentation skills of the individual assigned to the public interaction portion of the contract. No new material can be submitted at this time.

The contract will be awarded to the consultant with the highest-scored proposal based on the evaluation criteria as listed in Table 3, and rating factors, giving consideration to actual or potential conflicts of interest.

The contract is subject to approval by the District Governing Board. All consultants will be notified of the results by letter.

9.0 INSURANCE

The District requires that any consultant, prior to endorsement of a contract, meet the following insurance requirements.

- 9.1 Without limiting District's right to obtain indemnification from Consultant or any third parties, Consultant, at its sole expense, shall maintain in full force and effect insurance policies throughout the term of this Agreement the following insurance policy(s):
 - 9.1.1 Liability insurance for bodily injury, including automobile liability, with limits of coverage of not less than two hundred and fifty thousand dollars (\$250,000) each person and five hundred thousand dollars (\$500,000) each occurrence; and
 - 9.1.2 Liability insurance for property damage with limits of coverage not less than fifty thousand dollars (\$50,000) each occurrence; and
 - 9.1.3 Workers compensation insurance in accordance with the California Labor Code; and
 - 9.1.4 Professional liability insurance with limits of coverage of not less than one million dollars (\$1,000,000) per occurrence, three million dollars (\$3,000,000) annual aggregate.
- 9.2 The foregoing insurance policy(s) shall not be canceled, reduced, or changed, without a minimum of thirty (30) - calendar days advance, written notice given to the District.
- 9.3 Prior to performing its obligations under this Agreement, the consultant shall provide the District a certificate of insurance from an insurer acceptable to the District evidencing proof of such insurance coverage required herein.

10.0 INQUIRIES

For technical questions or clarifications on the proposal submittal requirements, please contact:

Scarlett Noguera, Air Quality Specialist
San Joaquin Valley Unified Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, CA 93726
Phone (559) 230-5800
FAX (559) 230-6064
Email: scarlett.noguera@valleyair.org