

**CITY OF HOUSTON  
MAYOR'S OFFICE  
S10- Q24644  
NOTICE OF REQUEST FOR QUALIFICATION**

**STRATEGIC  
PURCHASING DIVISION  
901 Bagby Street,  
Concourse Level  
Houston, Texas 77002**

**CITY OF HOUSTON RFQ**

To provide **"One Bin for All"** mechanical biological treatment system with advanced resource recovery processing services for residential municipal solid waste in the City of Houston, TX.

**GENERAL INSTRUCTIONS, TERMS AND CONDITIONS  
FOR A MUNICIPAL SOLID WASTE AND RECYCLABLES SERVICE CONTRACT**

The City of Houston invites the submittal of Statements of Qualifications (SOQs) from qualified firms interested in providing municipal solid waste and recyclables processing for **"One Bin for All"** resources utilizing mechanical biological treatment systems with advanced resource recovery processing. The firm will perform all services necessary to process residential municipal solid waste and recyclables as described in the Statement of Work (SOW) and in accordance with the Objectives and Scope of Services.

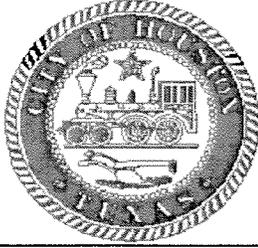
**PRE-SUBMISSION CONFERENCE**

The City will conduct a Pre-submission conference on **June 27, 2013 at 9:00 AM CDT., in SPD Conference Rm. 1 at City Hall Annex, 900 Bagby Street, (Concourse Level), Houston, TX 77002.** Attendance to the Pre-submission conference is optional.

Prospective contractor(s) needing additional information/clarification to this Request for Qualification (RFQ) are requested to e-mail questions to Greg Hubbard at [greg.hubbard@houstontx.gov](mailto:greg.hubbard@houstontx.gov). The deadline for submitting questions is **July 10, 2013 at 3:00 PM CDT.** **No questions will be accepted after deadline.** All questions will be answered by a letter of clarification to this RFQ and posted on the City's e-bidding website, and automatically e-mailed to all who registered to receive this RFQ.

Please review the Statement of Work below. If you believe that your firm meets the minimum requirements as outlined in the SOW of the RFQ, please submit your Statement of Qualifications to the City Secretary's Office and address below. Respondents must submit six (6) copies of the RFQ, including one (1) printed original signed in **blue** ink, and two (2) electronic CD copies are to be submitted in a sealed envelope bearing the assigned RFQ Number (Q24644). Submit these RFQ requirements no later than **Thursday, August 22, 2013 by 2:00 PM CDT.** **No SOQ's will be accepted after this deadline.**

**Mail to:**  
City Secretary's Office  
City Hall Annex  
900 Bagby  
Houston, Texas 77002



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**SCHEDULE**

The anticipated schedule for this RFQ is as follows:

RFQ issue date:	June 12, 2013
Pre-qualification submission conference:	June 27, 2013 (9:00 a.m. CDT)
Deadline for receipt of questions:	July 10, 2013 (3:00 p.m. CDT)
Deadline for issuance of answers/addenda/amendments:	July 26, 2013
Deadline for receipt of response to RFQ:	August 22, 2013 (2:00 p.m. CDT)
Review and evaluation:	September-October 2013
Potential interviews/site visits/review of supplemental information:	October-November 2013
Recommendation of Respondent:	November-December 2013
Letter of Intent to negotiate with selected Respondent(s):	November-December 2013

**DEFINITIONS**

**Equity Member:** Equity Member refers to an entity whose predominant role, for the purposes of the Project, is to directly or indirectly contribute shareholders' equity to the Respondent group.

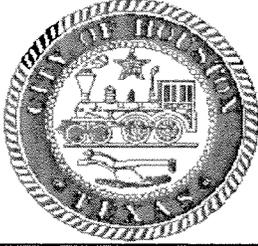
**Guarantor:** Guarantor refers to an entity, whether a parent company or otherwise, that will provide a guarantee for the obligations of another entity in the Respondent group. These obligations may be equity commitments or commitments to perform tasks as part of the Project.

**Lead Contractor:** Lead Contractor refers to an entity or joint venture nominated in the SOQ to provide design and construction services, and will be primarily responsible for the construction of the Project. The Lead Contractor may subcontract services to smaller firms, however, the Lead Contractor performs an overarching role in coordinating these smaller firms for Project delivery. A Lead Contractor may also be an Equity Member. If a Lead Contractor is not an Equity Member, it will be considered a Major Non-Equity Member for purposes of the RFQ.

**Lead O&M Firm:** Lead O&M Firm refers to the entity nominated in the SOQ to provide operations and maintenance services for the Project.

**Major Non-Equity Member:** Major Non-Equity Member refers to an entity that proposes not to contribute equity or financial support to the Respondent group, but instead proposes to render services that are essential to construction, operations and/or overall delivery of the Project. Major Non-Equity Members are likely to be Lead Contractors or Lead O&M Firms.

**Respondent:** Respondent refers to the entity or group of entities (in the case of a consortium) on whose behalf an SOQ is submitted. Typically, a Respondent group of entities will comprise one or more Equity Members and one or more Major Non-Equity Members.



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**STATEMENT OF WORK**

**1.0 BACKGROUND:**

1.1 The City of Houston ("City" or "Houston") is actively seeking ways to expand residential curbside recycling and to increase its overall diversion rate. Houston collects municipal solid waste (MSW) and recyclable material from approximately 377,000 single-family households (SFHs) and small apartment complexes of eight units or less. The City's collections efforts generate the following approximate tonnages annually:

1.1.1 Residential Trash Service:	400,000 tons
1.1.2 Residential Single Stream Curbside Recycling:	27,000 tons
1.1.3 Residential Dual Stream Curbside Recycling:	3,100 tons
1.1.4 Neighborhood & Drive-through Recycling Centers:	4,100 tons
1.1.5 E-Waste (Drive-up & Community Collection):	500 tons
1.1.6 Yard Waste	18,000 tons
1.1.7 Tree/Wood Waste	57,000 tons
1.1.8 Heavy Trash	136,000 tons

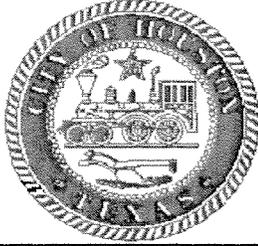
1.2 The City's Solid Waste Management Department (SWMD) is responsible for city residential municipal solid waste (R-MSW) collection. The SWMD provides weekly curbside mixed waste collection to single family households. The SWMD collects approximately 35% of Houston's total waste stream, while the private sector collects about 65%. Arrangements for delivery and including any private sector waste would be up to the Respondents. During fiscal year 2012, the SWMD collected and sent to one of three landfills or transfer stations approximately 536,000 tons of compacted and non-compacted mixed wastes (residential and heavy trash).

1.3 The City has not conducted a waste characterization study in more than ten years. The City is currently seeking proposals to conduct a waste characterization study in fall 2013. The City will make that information available to the successful Respondent(s) as soon as possible.

1.4 The City also provides single-stream, curbside-recycling collection to 105,000 SFHs (28%), and provides dual-stream, curbside-recycling collection to 100,000 SFHs (26%). The existing single stream program collects approximately 2,000 tons of recyclables each month and has a 62% household participation rate. The dual stream program collects 258 tons of recyclables each month and achieves a 22% household participation rate. The neighborhood drop-off and environmental collection centers collect an additional 383 tons each month.

1.5 There is no direct fee charged to residents for SWMD's services. Generally, money for SWMD's operations comes from the City's General Fund. However, residents may be charged for extra waste bins, and for tags on waste that does not fit in the bin.

1.6 The major locations of waste transfer, disposal and/or recycling activity currently used by the

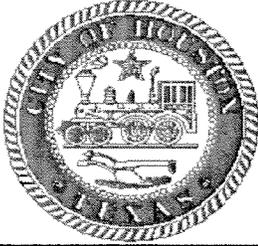


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City are indicated in Exhibit 1. The City of Houston owns three transfer stations, which are operated under contract by Republic Waste Services. The MSW collected by the SWMD is either direct-hauled to one of two landfills owned by Republic Services and one owned by Waste Management, or is taken to one of the City's three transfer stations. The MSW taken to the transfer stations is hauled by Republic Services to one of its landfills. The disposal sites, both landfills and transfer stations are noted as follows:

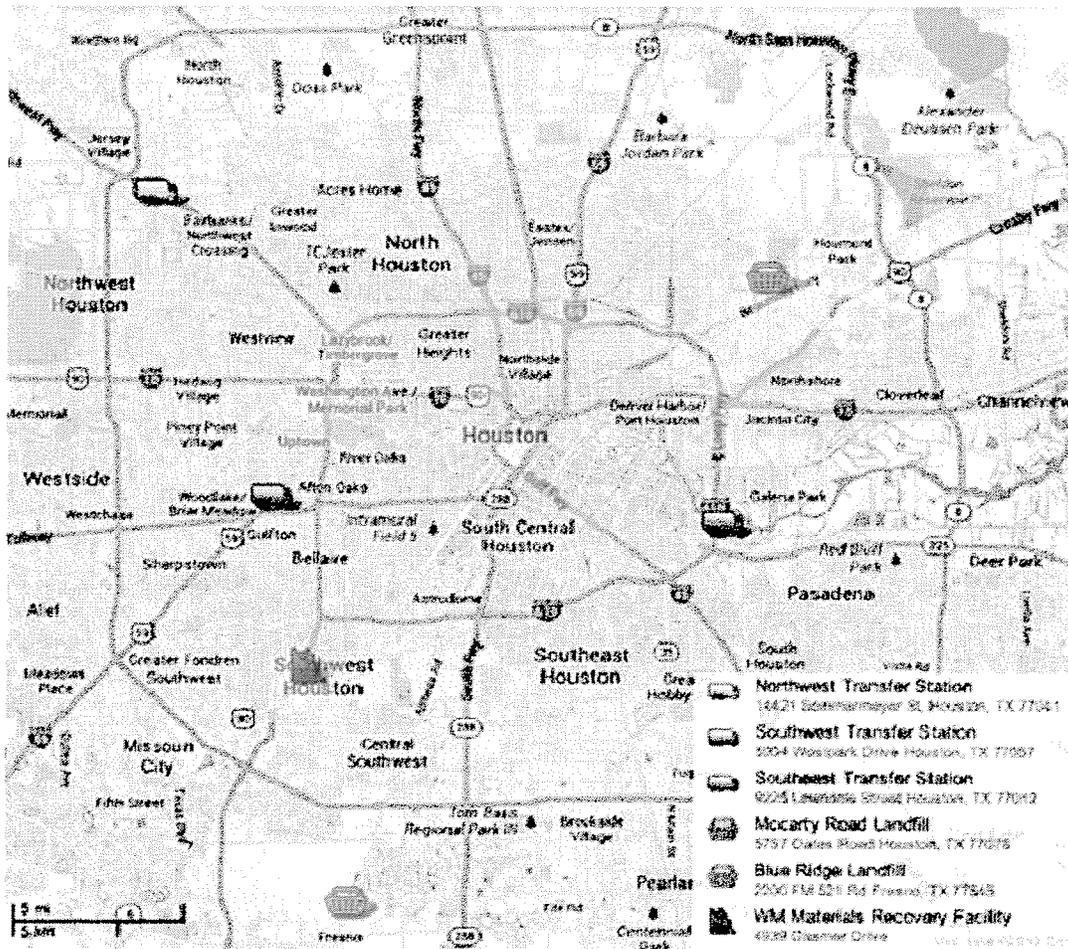
- 1.6.1 McCarty Road Landfill: Located on Oates Road in Houston (Harris County) and is owned and operated by Republic Waste Services.
- 1.6.2 Blue Ridge Landfill: Located in Fresno (Fort Bend County) near Houston, and is owned and operated by Republic Waste Services.
- 1.6.3 Waste Management: Located in Humble (Harris County) near Houston, and is owned and operated by Waste Management.
- 1.6.4 Northwest Transfer Station
- 1.6.5 Southwest Transfer Station
- 1.6.6 Southeast Transfer Station



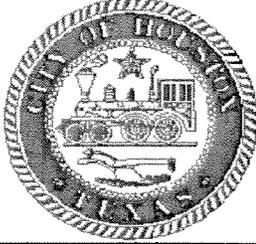
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**Exhibit 1**  
**Major Solid Waste and Recycling Locations Currently Used by the City**



- 1.7 Green waste (yard and tree/wood waste) is generally managed separately by the City of Houston through a contract with Living Earth Technologies Company (LETCO). Four special stations receive the green waste, which is then ground, chipped, or composted to be sold in the Houston marketplace. The most recent annual available data (2012) indicates 75,209 tons of green waste was managed through this program. Green waste comprises about 13% of the residential waste stream managed and collected by the City of Houston.
- 1.8 The SWMD provides a dedicated weekly yard waste service in which only grass clippings, small branches, and leaves are set curbside in compostable bags. Residents may bundle and set out small branches as long as they measure less than four feet in length, are less than 18



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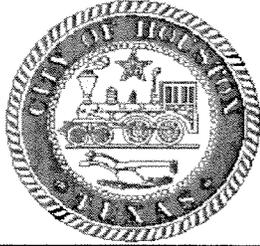
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inches in diameter, and weigh less than 50 pounds. This separate yard trimmings collection service is offered to all citizens who receive mixed waste collection service. The Department collected less than 20,000 tons of this material in fiscal year 2012, because it appears that many residents opted to grass-cycle or backyard compost rather than purchase the mandatory compostable bags.

- 1.9 The City also collects big tree waste (including limbs, branches and stumps) every other month on the resident's designated heavy trash collection day. This woody waste is processed under the LETCO contract. On alternating months, junk waste is collected. The Department collected approximately 57,000 tons of wood waste during fiscal year 2012.
- 1.10 Household hazardous waste (HHW) can be dropped off at the two environmental service centers. E-waste can be dropped off at three sites (Westpark Consumer Recycling Center and the North and South Environmental Service Centers). Each year the Department also conducts special E-waste events with Council members.

**2.0 OBJECTIVE/SCOPE OF SERVICES:**

- 2.1 The City is seeking the development of a mechanical biological treatment facility with advanced resource recovery (MBTARR) processing that is privately financed, owned and operated (hereinafter called "Center"). Although the Center may utilize public participation to the extent available (tax-exempt financing, 380 Agreements, etc.), the City does not currently intend to finance nor take any equity position in the Center. The City desires a self-sustaining facility/process that minimizes costs and risks to the City. Submissions that are unclear on this point, or do not reflect the City's intentions, may be considered non-responsive to this RFQ. The City of Houston is seeking a developer (hereinafter called "Developer"), design team (hereinafter called "Design Team") and other key team members. Developers may include construction firms on their team, but this is not required. Developers should include equipment manufacturers as part of their team.
- 2.2 Propose technologies for the Center that include mixed waste processing coupled with gasification and/or anaerobic digestion for the creation of a gaseous or liquid fuel, composting or catalytic conversion technologies. Technologies that rely on incineration or require combustion will not be evaluated.
- 2.3 The City's goals and objectives for the "One Bin for All" Project (hereinafter called "Project") are summarized as follows. Only SOQs that describe financing, building and operating the Center, and/or alternatives that meet the stated goals, will be evaluated.
  - 2.3.1 Transform the concept of "municipal solid waste" into "resource recovery," eliminating *all* distinctions between "trash" and "recycling" within the first year following acceptance of equipment and facility.



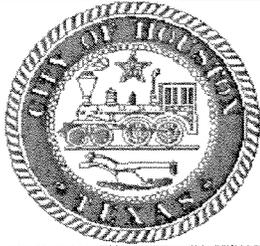
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- 2.3.2 Provide the City with a substantial increase (17% to 55%) in the volume of valuable resources for recovery/diversion within the first year following acceptance of equipment and facility. Provide the highest guaranteed diversion rate for City R-MSW materials, 75% or better, within "Year 2" and after.
- 2.3.3 Allow all residents to put all of their discarded materials into one bin (excluding heavy trash, e-waste and hazardous household waste).
- 2.3.4 Decrease the volume of waste sent to landfills by recovering more materials.
- 2.3.5 Allow technology and new process systems to sort household materials more effectively than current systems.
- 2.3.6 Reduce greenhouse gas emissions (GHG) from a 2010 baseline of 30,955 MTCO<sub>2</sub>E, by diverting organic material from landfills and converting it into feedstocks, thereby improving air quality.
- 2.3.7 Reduce City MSW costs through reduced charges and revenue sharing.
- 2.3.8 Increase the net jobs that result from managing R-MSW as compared to the current method of primarily transferring and disposing of R-MSW in landfills.
- 2.3.9 Secure through a Service Agreement, a developer(s) with key team members that include design, equipment, finance, construction firms and a commitment to meet the City's Minority and Women Business Enterprise ("MWBE") subcontracting goals for execution of a contract and long-term operation of the Center.
- 2.3.10 If necessary to create an economically feasible transaction, explore available city council approved tax incentives or other means of public participation such as tax exempt bonds.
- 2.3.11 Encourage collaboration, creativity and innovation between the selected Respondents and City staff and other stakeholders.

**3.0 M/WBE COMPLIANCE:**

- 3.1 The Contractor must provide written statements/forms/letters acknowledging that they understand and will comply with the following conditions listed below if they are recommended for contract award:
- 3.2 Provide a written statement acknowledging the City's MWBE Program and Contractor's willingness to make a good-faith effort in utilizing certified MWBE subcontractors. The Contractor shall comply with the City's MWBE programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good-faith efforts to award



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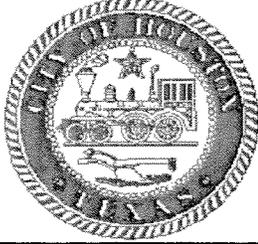
subcontracts or Supply Agreements up to 22% of the value of this Agreement to M/WBEs. Contractor acknowledges that it has reviewed the requirements for good-faith efforts on file with the City's Office of Business Opportunity ("OBO"), and will comply with them. Additionally, the Contractor shall require written subcontracts with all M/WBE subcontractors and shall submit all disputes with M/WBEs to binding arbitration to be conducted in Houston, Texas, if directed to do so by the OBO Director.

**4.0 SUBMISSION OF QUALIFICATIONS:**

- 4.1 Respondents are urged to be complete, but concise, in their responses. The City appreciates brevity and clarity. The City expects SOQs submitted in response to this RFQ to provide enough information about the requested items so as to allow the City to evaluate and competitively rank and shortlist the Respondents based on the Evaluation Criteria set out in Section 8.0. SOQs shall be written in the English language only and shall provide cost and revenue references in U.S. dollar denominations.
- 4.2 Outline in sequential order the major areas of the Qualifications submission in the following order using tabs for each section on 8.5 x 11 paper. All pages must be consecutively numbered and correspond to the table of contents.
- 4.3 Respondents should prepare their SOQ in the order set forth in this section. Respondents shall divide their SOQ into three sections to facilitate the evaluation process, namely:
  - 4.3.1 General Section (Article 5.0)
  - 4.3.2 Financial Section (Article 6.0)
  - 4.3.3 Technical Section (Article 7.0)

**5.0 GENERAL SECTION:** Respondents shall include the following general and legal information in the "general section" of their SOQ.

- 5.1 Respondent's Contact Information. Indicate the name, title, firm name, address, telephone number, facsimile number and email address for all persons on the Respondent's team who the Respondent wishes to receive notices in relation to the Project.
- 5.2 Submittal Letter. A duly authorized official or representative of the Respondent must execute the transmittal letter in blue ink. For Respondents that are joint ventures, partnerships, limited liability companies, consortia, or other associations, the transmittal shall have appended to it letters on the letterhead stationery of each Equity Member, executed by authorized officials of such Equity Member, stating that representations, statements and commitments made in the SOQ on behalf of the Equity Member have been authorized by, are correct, and accurately represent the role of the Equity Member in the Respondent team.
- 5.3 Table of Contents. Outline in sequential order the major areas of the RFQ, including

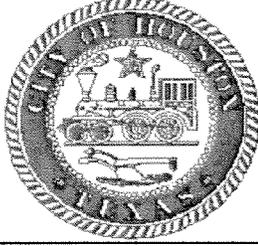


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enclosures.

- 5.4 Executive Summary. Summarize your Qualifications submission in two to three pages outlining why your team is best suited to meet the objectives of the City, and indicate which components of the project you are interested in developing.
- 5.5 Outline the organization of your team, companies involved, key personnel and a summary of roles and responsibilities. Also indicate and provide contact information for the primary individuals leading this process.
- 5.6 Developer Information and Experience:
- 5.6.1 Company information. Provide background information on the Respondent(s) including company history, years in business, number of employees, and any other information communicating capabilities.
- 5.6.2 Relevant Developer Experience. Summarize projects where the Respondent has developed a project similar to that described in this RFQ or has served as developer and provided services (and obtained financing) for a project of comparable size and scope as that described in this RFQ. Include the following:
- 5.6.2.1 Project name, location and images.
- 5.6.2.2 Project team name(s) and roles including:
- 5.6.2.2.1 Lead investor;
- 5.6.2.2.2 Lead design firm;
- 5.6.2.2.3 Lead construction company;
- 5.6.2.2.4 Lead mixed waste processing equipment supplier;
- 5.6.2.2.5 Lead conversion technology supplier; and
- 5.6.2.2.6 Lead operations contractor.
- 5.6.2.3 Year project completed (or "In Design" or "Under Construction").
- 5.6.2.4 Short description of services provided.
- 5.6.2.5 Identification of the key individuals who worked on the project and will work on this project.
- 5.6.2.6 Reference contact information.
- 5.6.2.7 Project development summary of project capital funding, and your role in raising the capital.



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5.6.2.8 Resumes. Summarize the experience of the key team members that will work on this project.

5.7 Design Team Information and Experience:

5.7.1 Company information. Provide background information on the designer(s) including company history, years in business, number of employees and any other information that communicates capabilities.

5.7.2 Relevant Experience. Summarize projects where the design team has provided design services on a project similar to that described in this RFQ or has served as the designer and provided services for a project of comparable size and scope as that described in this RFQ to include:

5.7.2.1 Project name and location and images;

5.7.2.2 Design team name(s) and roles;

5.7.2.3 Year project completed (or "In Design" or "Under Construction");

5.7.2.4 Short description of services provided;

5.7.2.5 Identification of the key individuals who worked on the project and will work on this project;

5.7.2.6 Summary of the role of the public sector (if any);

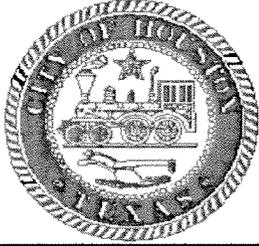
5.7.2.7 Reference contact information; and

5.7.2.8 Project development cost.

5.7.3 Resumes. Summarize the experience of the key team members who will work on this project.

5.7.4 References. Provide at least three references that can be contacted. Please include public entities, if possible.

5.8 A list and a brief description of all instances during the last five years involving waste management projects in which the Respondent (or any other organization that is under common ownership with the Respondent), any Equity Member, or any Major Non-Equity Member was (i) determined, pursuant to a final determination in a court of law, arbitration proceeding or other dispute resolution proceeding, to be liable for a material breach of contract or (ii) terminated for



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cause. For each instance, identify an owner's representative with a current phone and fax number (and email address if available).

**6.0 FINANCIAL SECTION:** [Respondents shall include the following financial information in the "financial section" of their SOQ.]

6.1 A summary of the Respondent's experience: On successfully closing the financing of infrastructure projects, with an emphasis on waste management projects involving comparable payment mechanisms; and successfully developing large waste management projects that involved the Respondent sharing substantial risks associated with design, construction, financing, operations and maintenance. The form included at Appendix A should be completed as part of the summary of this financial experience.

6.2 Submit company's audited annual financial statements for the past two years in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s). In addition, include a Dunn & Bradstreet report or federal tax forms filed to the Internal Revenue Service (IRS) for the past two years.

6.3 Demonstrate financial feasibility and discuss constraints, including cost, legal, regulatory and workforce.

**7.0 TECHNICAL SECTION:** [Respondents shall include the following information in the "technical section" of their SOQ.]

7.1 Technical qualifications pertaining to the Center's design.

7.2 References attesting to the technical qualifications for the Center's design.

7.3 Technical qualifications pertaining to the Center's construction.

7.4 References attesting to the technical qualifications for the Center's construction.

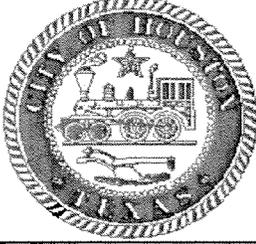
7.5 Technical qualifications pertaining to the Center's operations and maintenance.

7.6 References attesting to the technical qualifications for the Center's operations and maintenance.

7.7 Unique intellectual property proposed.

7.8 Personnel Qualifications. A separate resume of no more than two pages each for the following key personnel and management staff:

7.8.1 Proposed lead individual from each Equity Member and Major Non-Equity Member;



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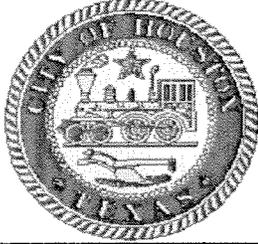
- 7.8.2 Proposed project manager for the Lead Contractor, and proposed program superintendent for the Lead Contractor;
- 7.8.3 Proposed design manager for the lead engineering Firm;
- 7.8.4 Proposed operations manager for the Lead O&M firm. Any other key members of the Respondent's management team; and
- 7.8.5 Any other individual that the Respondent wishes to identify at this time.
- 7.9 Statement of technical and subcontracting approach including GHG reductions and identification of any perceived technical challenges and proposed innovations to meet these challenges. The statement of technical and subcontracting approach may, at the Respondent's discretion:
  - 7.9.1 Address any or all of the technical elements of the Project opportunity, including design and construction or operations and maintenance; and
  - 7.9.2 Identify specific subcontractors and subconsultants to be included in the Respondent's team, and detail the relevant knowledge and experience that they bring to the Project.
- 7.10 Additionally, the documents listed below must be provided:

<b>TABLE 1 - REQUIRED FORMS</b>
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
Statement of Residency.doc
Drug Forms
PoP 1a Pay or Play Acknowledgment Form
Contractor Questionnaire
Hire Houston First Affidavit (See Details Below)

7.10.1 ***All forms can be downloaded from the following link: <http://purchasing.houstontx.gov/forms.shtml>. Respondent will be able to click and print each required document from this site.***

**8.0 QUALIFICATION EVALUATION CRITERIA:**

- 8.1 In evaluating the submitted SOQs, the following criteria will be used when evaluating the RFQ responses and are listed in the order of importance to the City of Houston:
  - 8.1.1 Conformance to the RFQ instructions regarding organization and format;



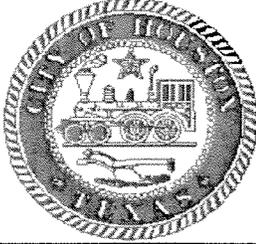
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- 8.1.2 Creativity and Innovation; and
- 8.1.3 The responsiveness to the requirements set forth in this RFQ.
- 8.2 Those SOQs not responsive to this RFQ may be excluded from further consideration, and the Respondent will be so advised. The City may also exclude from consideration any Respondent who the City determines, in its sole discretion, included a material misrepresentation in its SOQ. The City may, in its sole discretion, request clarifications of the information submitted in the SOQ.
- 8.3 Respondents shall be solely responsible for any or all costs associated with the response to this RFQ and negotiations for the development of the Center and a Service Agreement with the City.
- 8.4 The City will evaluate and score each responsive SOQ according to the criteria set forth below:

<b>Evaluation Criteria</b>	<b>Allotted Points</b>
Technical Qualifications and Capability	40
Statement of Technical and Subcontracting Approach including greenhouse gas reductions	20
Statement of Financial Approach and Qualifications including Capacity	20
Creativity and Innovation	10
M/WBE Participation	Pass or Fail 5
Conformance to the RFQ requirements	Pass or Fail 5
<b>Total Points</b>	<b>100</b>

- 8.4.1 Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).
- 8.5 The order in which the evaluation criteria appear within each category is not an indication of weighting or importance.
- 8.6 **Statement of Technical Qualifications and Capability** (40% weighting). The City will

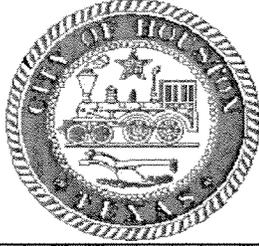


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evaluate each Respondent's technical section according to the following criteria:

- 8.6.1 The extent and depth of the Respondent's relevant experience, including its success in carrying out comparable projects and responsibilities independently and in combination with other firms, including:
  - 8.6.1.1 The Respondent's experience in successfully managing the design and construction process for infrastructure projects, particularly in the waste management sector;
  - 8.6.1.2 The Respondent's record in successfully operating and maintaining waste management facilities to a high standard over an extended contract term;
  - 8.6.1.3 The extent and depth of relevant experience of the management team and the stability and likelihood of success of the proposed management structure; and
  - 8.6.1.4 The extent and depth of relevant experience of the management team and key personnel listed.
- 8.7 **Statement of Technical and Subcontracting Approach** including greenhouse gas reductions (20% weighting). The City will evaluate each Respondent's technical and subcontracting section according to the following criteria:
  - 8.7.1 The extent to which the statement of technical and subcontracting approach demonstrates an understanding of the technical complexity of the Project;
  - 8.7.2 The extent to which the statement of technical and subcontracting approach identifies Project technical problems and challenges and suggests innovative solutions to these problems and challenges;
  - 8.7.3 The extent to which the statement of technical and subcontracting approach demonstrates an effective approach to integration and management of subcontractors and sub-consultants; and
  - 8.7.4 The extent to which the statement of technical and subcontracting approach demonstrates use of subcontractors and sub-consultants with an understanding of, and familiarity with, challenges and requirements particular to this Project and this region.
- 8.8 **Statement of Financial Approach Qualifications and Capacity** (20% weighting). The City will evaluate each Respondent's Financial section according to the following criteria:
  - 8.8.1 The extent to which the Statement of Financial Approach demonstrates an understanding of the financial complexity of the Project;



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8.8.2 The extent to which the Statement of Financial Approach identifies Project financing constraints and challenges, and suggests innovative solutions to these constraints and challenges;

8.8.3 The Respondent's experience in successfully closing the financing of large infrastructure projects, with an emphasis on waste management projects involving comparable payment mechanisms;

8.8.4 The Respondent's demonstrated experience in successfully developing waste management projects that involved the Respondent sharing substantial risks associated with design, construction, finance, operation and maintenance;

8.8.5 The financial capability of the Respondent as demonstrated by financial statements included in the SOQ, as well as all other information submitted as part of this section; and

8.8.6 The specificity and degree of unqualified financial support for the Respondent from lenders and investors as indicated by:

8.8.6.1 Bank letters of support indicating willingness to finance the Project; and

8.8.6.2 Letters from sureties/banks indicating their willingness to provide a surety bond or irrevocable letter of credit to the Respondent.

8.9 **Creativity** (10% weighting). The City will evaluate each Respondent's creativity section according to the following criteria:

8.9.1 The innovation and creativity demonstrated, using proposed elements to achieve the shift from waste to "resources."

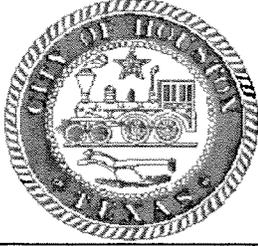
8.10 **M/WBE Participation** is a Pass or Fail criterion for 5%.

8.11 **Conformance to the RFQ requirements** is a Pass or Fail criterion for 5%.

**9.0 SHORT-LISTED RESPONDENTS ADDITIONAL RESPONSE REQUIREMENTS:**

9.1 Following the evaluation by a review committee of the initial SOQ submittals, highly qualified Respondent(s) will be placed on a short list and be required to provide applicable responses to the additional requirements outlined in this Section.

9.2 In addition, the short-listed Respondent(s) will be required to review and make comments as it pertains to the City Draft Contract (i.e., General Terms and Conditions; indemnification;



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insurance requirements; risk elements such as capital, operation and maintenance costs, recovered product and tipping fee incomes, etc.).

9.3 This section has four major areas of additional information required: General Requirements, Technical Requirements, Financial Requirements, and Facilities Physical Characteristics.

9.4 General Requirements:

9.4.1 Concur with the project goals and objectives to be incorporated into a Service Agreement with a multi-year duration to be executed by the City;

9.4.2 Describe an approach to develop the Center as a project that requires no additional funding beyond what the City of Houston paid in 2012 to manage its MSW. Respondents are encouraged to offer the lowest, most responsive cost, which addresses the most number of desired outcomes for the City;

9.4.3 Demonstrate reduced operating and capital costs to the City as a result of a minimum 15-year contract;

9.4.4 Demonstrate either that the Center is co-located at an existing licensed landfill site or that the Respondent has an agreement with an existing "Type 1" permitted site to receive residual material under the terms of the Service Agreement;

9.4.5 Secure and provide evidence of a partnership with a hauler/landfill operator, if not the Respondent, for additional MSW and disposal capacity;

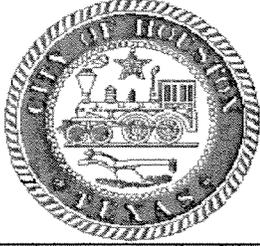
9.4.6 If composting is proposed, have composting be co-located with a landfill activity so that there can be a credit of landfill fees to the Center's service fees;

9.4.7 Secure and provide evidence of a willingness to have a "mutual" cooperation relationship with the operator of the City transfer stations;

9.4.8 Assuming the City is the anchor tenant of the Center, specify additional types and amounts of feedstock materials needed to reach necessary scale (if applicable);

9.4.9 Create an education center that is world class, including the ability to visually tour both processing and conversion technologies in a safe and efficient manner, which educational center will conduct routine educational events as part of its service to the City, with details to be addressed in the Service Agreement;

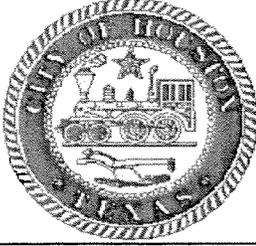
9.4.10 Provide a Project schedule;



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- 9.4.11 Provide an estimate of the number of permanent full-time jobs to be created in Houston and the basis for that projection, demonstrating financial feasibility;
- 9.4.12 Provide a 90% probability estimate of the annual tons of GHG emissions that will be reduced by the Respondent's Center at full operation;
- 9.4.13 Provide full disclosure of all associated firms that are members of the Respondent's team, including the Respondent's willingness to comply with the City's requirement for up to 22% involvement of M/WBE subcontractors;
- 9.4.14 Provide detailed reports on all activities to the project team to enhance the likelihood of the successful implementation of the Project for the City; and
- 9.4.15 Indicate interest in utilizing the following additional potential feedstock: green waste, including yard waste and big wood from the heavy trash cycle. Heavy junk trash, household hazardous waste, and waste from discarded electronic products will be handled separately and not be a potential feedstock for this facility.
- 9.5 Technical:
- 9.5.1 Propose technologies for the Center that include Mixed Waste Processing coupled with gasification and/or anaerobic digestion for the creation of a gaseous or liquid fuel, composting or catalytic conversion technologies (such as creating drop-in fuels from biomass). RFQs that rely on incineration technologies or technologies that require combustion will not be evaluated;
- 9.5.2 Produce compressed natural gas (CNG) at the site within 12-24 months following acceptance of equipment and facility;
- 9.5.3 Guarantee a 55% diversion rate, by weight, of the City of Houston's residential waste within one year after acceptance of the processing equipment and Center;
- 9.5.4 Guarantee a waste diversion rate of 75% of City of Houston's residential waste by weight within two years after acceptance of the processing equipment and Center;
- 9.5.5 Provide the City with concept drawings, narratives, process flow diagrams, mass balance graphics, and calculations that support the system proposed;
- 9.5.6 Conduct a periodic audit of the City's residential waste stream and report the results to the City; and
- 9.5.7 Commit to providing the City some revenue sharing from the sale of products and outputs from the Center.

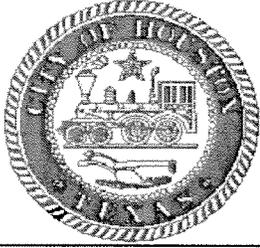


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9.6 Financial:

- 9.6.1 Statement of Financial Approach. A statement of the Respondent's financial approach to the Project, including:
- 9.6.1.1 Likely financing structure e.g., on balance sheet financing/project financing;
  - 9.6.1.2 Access to and use of tax-exempt finance;
  - 9.6.1.3 Anticipated cost of financing the project, and identification of any perceived challenges to financing the Project and proposed innovations to meet these challenges; and
  - 9.6.1.4 Pro forma for the Project (in Excel).
- 9.6.2 Provide performance guarantees regarding the processing and/or conversion technology equipment, which should begin 30 days after acceptance of the equipment and the Center;
- 9.6.3 Proposed methodology for determining the service fee paid by the City, including any revenue sharing with the City, and competitiveness with City's current and projected transfer and disposal services costs;
- 9.6.4 Show ability to provide timely and accurate financial and operational reporting (profit & loss, debt service, visitors, and diversion rate as examples), on a monthly, quarterly, and annual basis;
- 9.6.5 Summarize financial information pertaining to each Respondent, Equity Members, Major Non-Equity Members, guarantors and others as required;
- 9.6.6 Provide financial statements (except to the extent confidential) in a separate notebook, and comply with the following requirements:
- 9.6.6.1 GAAP/IFRS. Financial statements for the Respondent, including the Equity Members and Major Non-Equity Members and, if applicable, any joint ventures making up the Major Non-Equity Members for the three most recent fiscal years, audited by a certified public accountant in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) or International Financial Reporting Standards (IFRS);
  - 9.6.6.2 Audited Financial statements must be audited by an independent party qualified to render audit opinions (e.g., a certified public accountant). If audited



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financial statements are not yet available for the most recently completed fiscal year, the SOQ shall include unaudited financials for such fiscal year, certified as true, correct and complete by the chief financial officer or treasurer of the entity;

9.6.6.3 **Newly Formed Entity.** If the Respondent is a newly formed entity and does not have independent financial statements, financial statements for the Equity Members shall be sufficient (and the Respondent shall expressly state that the Respondent is a newly formed entity and does not have independent financial statements); and

9.6.6.4 **Guarantors.** If any Equity Member or Major Non-Equity Member of the selected Respondent's team does not have audited financial statements, the City may require a guarantee covering such entity's performance and financial obligations by a Guarantor acceptable to the City.

9.6.7 **Credit Rating.** If available, please provide the credit rating for the Respondent, including the rating for each Equity Member and Major Non-Equity Member and, if applicable, each of the joint venturers comprising the Major Non-Equity Members. If no credit ratings exist, include a statement specifying that no credit ratings exist for that entity;

9.6.8 **Letters of Bank Support.** For each Equity Member, please provide no less than two and no more than four letters from underwriters or from the Equity Member's principal banks, indicating that the identified member is capable of securing, managing, and bringing to financial close the financing of a project of this size and nature involving a public-private partnership; and

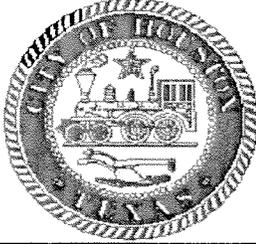
9.6.9 City has not yet determined the specific form or amount of any bonds, guarantees, or other security that it may require for the Service Agreement. Respondents are advised that the resulting service contract may require a package of bonds and other security in a total amount greater than the value of the service contract amount.

9.7 **Facilities Physical Characteristics:**

9.7.1 **Visitor Center Space.** Create a world class educational space in which to host entities from around the world as they explore the concept of "*One Bin for All.*"

9.7.2 Include any parking requirements created by the proposed Center, bike parking and electric vehicle charging stations.

9.7.3 **City Office Space.** Allocate space for the City to monitor the Center's performance of the Service Agreement as well as use of a conference room for meetings related to the Project.



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**10.0 HIRE HOUSTON FIRST:**

**10.1 Designation as a City Business or Local Business**

10.1.1 To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or Respondent must submit the **Hire Houston First Application and Affidavit ("HHF Affidavit")** to the Director of the Mayor's Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission if at all possible.

10.1.2 **Download the HHF Affidavit** from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

[www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf](http://www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf)

10.1.3 Submit the completed application forms to: Mayor's Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to [HHF-MOBO@houstontx.gov](mailto:HHF-MOBO@houstontx.gov) or faxed to 832.393.0952.

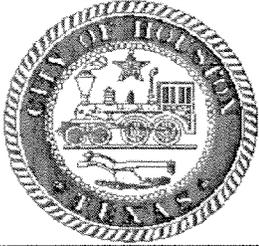
**10.2 Award of Procurement Pursuant to a Request for Qualifications, Best Value Solicitation or Alternative---Pursuant to Chapter 15 of the City Code of Ordinances**

10.2.1 IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO:

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "LOCAL BUSINESS," AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "CITY BUSINESS." AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED IN SECTION 15-181 OF THE CODE.

**11.0 SELECTION PROCESS:**

11.1 The award of this Agreement will be made to the best Respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of each Respondent. Therefore, the Respondent shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any submission if the evidence submitted by or the investigation of the



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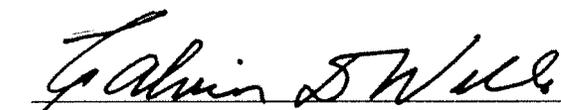
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Respondent fails to satisfy the City or the Respondent is deemed unqualified to provide the services contemplated.

11.2 The City of Houston has sole discretion and reserves the right to cancel this RFQ, or to reject any or all SOQs received prior to contract award.

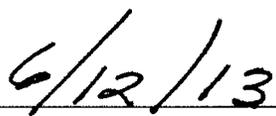
**12.0 NO CONTACT PERIOD:**

12.1 Neither Respondent(s) nor any person acting on Respondent(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the award, aside from Respondent's formal response to the solicitation, communications publicly made during the official pre-submission conference, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Respondent(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Respondent. However, nothing in this paragraph shall prevent a Respondent from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action.

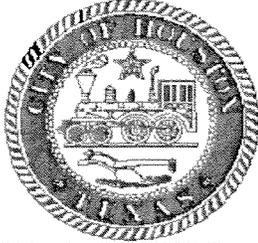

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Calvin D. Wells, ARA Deputy Director  
City Purchasing Agent


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Date



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**Appendix A**

Experience of the Respondent in the Delivery of Infrastructure Projects

List three projects that demonstrate the Respondent's experience in delivering infrastructure projects. The project experience listed below should be comparable to the Project described in this RFQ, including delivery of waste management facilities, recycling plants and/or experience with mechanical biological treatment with advanced resource recovery (MBTARR) facilities.

In addition to the details submitted in the form below, Respondents should submit a one-page narrative description of each project listed. The description should provide, at a minimum: an overview of the project, an explanation of how the experience gained is relevant to this Project, highlighting similarities in design, construction, operations, maintenance and approach to financing.

<u>COMPANY NAME</u>	<u>PROJECT NAME AND LOCATION</u>	<u>PROJECT COST</u>	<u>FINANCING STRUCTURE</u>	<u>START DATE AND COMPLETION DATE</u>	<u>% OF TOTAL PROJECT COMPLETED BY JUNE 30, 2013</u>	<u>LEVEL OF COMPANY'S PARTICIPATION</u>	<u>ROLE OF ENTITY IN THE PROJECT</u>
[Example: Waste Facilities, Inc.]	[Urban Recycling Plant, Mexico City]	[\$xxx,xxx]	[Financed through a combination of debt (senior and subordinate) and equity.]	[Start: 4/1/2002]  [End: 2/28/2005]	[100%]	[\$xxx,xxx]  [% of Work: 80%]	[Waste Facilities, Inc. performed 25% of the design work and oversaw 100% of the construction of the project.]
<u>1</u>	-	-	-	-	-	-	-
<u>2</u>	-	-	-	-	-	-	-
<u>3</u>	-	-	-	-	-	-	-

1. Project cost means the total construction cost of the project (if completed) or the total construction cost budgeted (if not yet completed).
2. List the start date as the date of financial close. List the completion date as first day of operation.
3. Level of participation refers to money and percentage of the work undertaken for the project.