



Request for Proposal for:

Fiscal Forecasts and Fund Balance/Reserve Analysis

Release Date: September 20, 2021

Proposals Due: October 18, 2021

About the Agency

StopWaste (The Agency) helps Alameda County's businesses, residents, and schools waste less, recycle more and use water, energy, and other resources efficiently. We're a public agency governed by the Alameda County Waste Management Authority (WMA), the Alameda County Source Reduction and Recycling Board (RB), and the Energy Council (EC). Our work helps people make better decisions everyday about the products they buy, the resources they use, and the items they throw away.

The Agency's budget consists of the following:

- Core funded projects, spending over which the Boards have significant discretion. Similar to a public agency's General Fund, core revenues are based on tonnage fees on materials deposited in landfills. (Expenditures for core funded projects are described in greater detail in the Project Overview section.)
- Externally funded projects which are funded by grants and contracts.
- Pass through projects, which include legally mandated disbursements of specific tonnage fees referred to as Measure D funds.

The focus of this analysis will be on core revenues, expenditures, fund balance (net position) and reserves. A thorough understanding of the Agency's core fees is critical to developing forecasting scenarios. The Agency budget is available at: <https://www.stopwaste.org/budget>.

Project Overview & Description

The Agency is requesting proposals from qualified consultants to assist in developing guidelines for the amount of available core fund balance and designated reserves to maintain, expressed as a percentage of annual core expenditures or another appropriate benchmark.

The Agency's primary source of core revenue is through per ton fees on refuse disposed at the landfill. The Agency's mission is to reduce waste, creating a unique funding dilemma: as our projects and programs divert more tonnage from landfill, revenue decreases, which curtails our ability to deliver programs in support of the Agency's mission and goals. Over time, our work has evolved beyond reducing landfill tonnage to incorporate longer term, systemic approaches to addressing waste, such as focusing on the regenerative economy, promoting reuse, supporting extended producer responsibility, delivering energy efficiency programs, and other efforts that address root causes of waste.

Long term core revenues have decreased very gradually over time and are expected to decline further in the future. In light of this expectation, the Agency adopted an internal policy, to match ongoing expenditures with ongoing revenue, to avoid either fee increases or large expenditure reductions. Fund balances were only used for "one-time" expenses and not for ongoing programmatic expenses.

For the past several years, revenues exceeded budgeted projections, and expenditures were below budget. Consequently, fund balances (which were already relatively healthy) grew. Currently, available

fund balances along with designated reserves that are discretionary) are equivalent to 2.4 years of core expenditures.

The most recent five-year forecast shows very modest declines in revenue with expenditures matching those amounts, and therefore no significant change to fund balance. While the revenue forecasts may be relatively accurate, given the expectation of tonnage reductions resulting from a range of efforts and innovations., there will continue to be upward pressure on core expenditures. Labor costs and PERS and health care costs rise annually, although the Agency has been very aggressive in addressing its unfunded liability with a projected funded status of almost 95%. Retiree health costs of approximately \$300,000 per year have been covered by the Agency's trust account, which is currently 100% funded. While the trust is performing well, at some point retiree health payments may become a component of the core budget which, along with modest labor cost increases and future PERS or health increases, could add \$500,000 or more to the core budget each year.

Scope of the Analysis

The selected firm will perform the following:

- Prepare a variety of revenue and expenditure forecasts, including five-year and ten-year periods. These forecasts would be based on differing revenue and expenditure scenarios developed by the consultant in conjunction with Agency staff (e.g., core revenues decline, increasing, staying flat, expenditures increasing, declining, etc.).
- Using the results of these forecasts, determine appropriate available fund balances (and reserves). Include any industry standards if applicable.
- Determine how long the Agency can maintain the strategy of matching ongoing revenues to ongoing expenditures and provide recommendations. Initial longer-term forecasts do indicate that modest reductions in revenue and modest increases in expenditures can exhaust fund balances in about eight years, based on current per ton fees.
- Discuss whether a different fee structure should be implemented, including pros, cons, and recommended timing.
- Evaluate alternatives to changing the fee structure.

The proposal should include costs for a range of forecasts and corresponding available fund balances/reserves. The firm will provide the Agency all spreadsheets and supporting documentation.

Firm Qualifications and Experience

Firms submitting proposals must be qualified to perform these analyses and staff assigned to the project must have relevant experience.

Firms should provide resumes of staff assigned to the project, projected number of hours and their hourly rate. The proposal should include a brief overview of the firm, including number of years in business, number of employees, the principal supervisory and management staff and others assigned to the engagement.

Timeline

The results of these analyses will be presented to two Board committees and the Waste Management Authority (WMA) board in March 2022. As such, these results must be submitted for management review no later than the first week of February 2022. The firm will deliver three (3) copies of the final report, one unbound, two (2) printed double-sided on “recycled content paper,” (no plastic covers). Copies must also be available in PDF format. A representative from the firm will be required to attend the aforementioned meetings to respond to questions or provide additional information.

To be considered, the Agency must receive bid proposals submitted to rfp@stopwaste.org by **October 18, 2021, at 5:00 p.m.** It is anticipated that the selected firm will be notified no later than the second week of November 2021.

Submittal Instructions

Include in your proposal:

1. A statement of your firm’s experience particularly with public sector entities, and a list of references.
2. A brief overview of the manner in which the firm proposes to conduct the project.
3. The amount the proposal. Also, include the hourly fee which will be charged to the Agency for additional services if required.
4. An appendix which contains a brief resume of the person or persons who will be engaged in the project.
5. Appendix A: Required Contract Elements: Professional Services Agreement including Insurance Requirements and Conflict of Interest. (attached)

Release of RFP:	September 20, 2021
Proposals Due:	October 18, 2021, 5pm PST
Short list Interviews:	Week of October 25, 2021 (Tentative)
Notification of Selected Contractor:	Week of November 8, 2021 (Tentative)

Please email your proposal to rfp@stopwaste.org and direct questions to Pat Cabrera (pcabrera@stopwaste.org)

Proposals may also be mailed, or hand delivered to:

StopWaste
Attention: Pat Cabrera
1537 Webster St.
Oakland, CA 94612

Fax responses and proposals received after October 18, 2021, at 5:00 pm will not be accepted.

Attachments & Additional Documents

- Attachment A: Required Contract Elements
- [Alameda County Waste Management Authority Service Contract](#)

Attachment A - Required Contract Elements

Professional Services Agreement including Insurance Requirements and Statement of Economic Interest

It is a requirement of the Alameda County Waste Management Authority that any individual or firm selected to provide professional consulting services must be able to comply with the terms of our professional services agreement (attached) **or link?** which includes the following insurance requirements:

- A. **Comprehensive general liability insurance:** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis including products and completed operations, personal & advertising injury liability, blanket contractual liability, and broad-form property damage liability coverage. The combined single limit for bodily injury and property damage shall be at least \$2,000,000. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- B. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), bodily injury and property damage liability insurance covering owned, non-owned (Code 9), rented, and hired (Code 8) cars. The combined single limit for bodily injury and property damage shall at least \$1,000,000.
- C. **Statutory workers' compensation and employer's liability insurance** as required by state law with a limit of at least \$1,000,000 per accident for bodily injury or disease. Neither Contractor nor its carrier shall be entitled to recover any costs, settlements, or expenses of workers' compensation claims arising out of this agreement. The Employer's Liability policy shall be endorsed to waive any right of subrogation against the Agency, its employees or agents.
- D. **Professional Errors and Omissions Liability Insurance.** The limit of liability shall be at least \$1,000,000. If the policy is written on a "claims made" basis, Contractor must maintain required coverage for a period of three years after the expiration of this agreement. Contractor may satisfy this requirement by renewal of existing coverage or purchase of either prior acts or tail coverage applicable to said three-year period.

In addition, the individual or firm's project manager may be required to submit a Statement of Economic Interest Form (Form 700) as required by the State Fair Political Practices Commission. For a copy of a Form 700, please see the California Fair Political Practices Commission website at <http://www.fppc.ca.gov>

Please sign the statement below to indicate that you and your firm understands and will comply with the terms of the Authority's professional services agreement including the required insurance policies and will submit a Statement of Economic Interest Form if requested by Authority staff.

I have reviewed and will comply with the terms of the Authority's professional services agreement and certify that my firm has the ability to obtain the required insurance policies and submit the Statement of Economic Interest Form.

I understand that failure to comply with any of these requirements will result in the Agency's refusal to enter into a contract for services with my firm.

Name: _____

Title: _____

Firm: _____

Signature: _____ Date: _____