



CITY OF SPOKANE – PURCHASING
& CONTRACTS
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Spokane, Washington 99202
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INFORMAL REQUEST FOR PROPOSALS

<p><u>IRFP NUMBER:</u> 6458-25</p> <p><u>IRFP TITLE:</u> Solid Waste Rate Study</p> <p><u>IRFP COORDINATOR:</u> Tanya Lester, City of Spokane Purchasing Department</p> <p><u>QUESTION DEADLINE:</u> Monday October 20th <u>TIME:</u> 4:30 PM</p>	<p><u>PROPOSAL DUE DATE:</u> Monday Nov. 3rd <u>TIME:</u> 11:00 AM</p> <p><u>PROPOSAL SUBMITTAL:</u> All Proposals shall be submitted electronically through the ProcureWare online procurement system portal: https://spokane.procureware.com by the due date and time.</p>
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1. GENERAL INFORMATION

1.1 COMMUNICATION

All communication between the Proposer and the City shall be with the Request for Proposals Coordinator and submitted through the ‘Clarifications’ tab in the City of Spokane’s online procurement system portal: <https://spokane.procureware.com>. Any communication directed to other parties is prohibited.

1.2 BACKGROUND AND PURPOSE

The City of Spokane, through its Solid Waste Department (hereinafter “City”) is initiating this Request for Proposals (hereinafter “RFP”) to solicit Proposals from Firms interested in providing a Solid Waste rate study.

The City of Spokane operates its own solid waste management utility, which is an enterprise fund. This includes a Collections department, which offers municipal solid waste, recycling, and organics collection services. The department serves over 72,000 residential curbside customers and collects approximately 62,000 tons of MSW, 20,000 tons of recyclables, and 20,000 tons of organics annually. Our commercial collections group services a wide variety of container sizes including 1-6 yard dumpsters, roll offs, and compactors. Annual commercial volume exceeds 65,000 tons.

The Disposal department includes a Waste to Energy Facility, transfer station, recycling and HHW collection center, two closed landfills, and an open landfill cell for periodic use. Regional curbside, commercial, and self-haul waste is brought to the Waste to Energy Facility and over 280,000 tons of MSW is processed annually. The facility also collects organic material, recyclables, and construction debris that is sent to other sites for processing or disposal.

The City wishes to have a rate study conducted to determine the true cost of service for the various lines of business and resulting rate structure to cover those costs and maintain necessary reserves. In addition, the City is faced with future cost considerations such as the institution of mandatory organics collection in 2030 as determined by the state legislature and the carbon tax resulting from the Climate Commitment Act applied to the Waste to Energy Facility, beginning in 2027. The City desires to have a rate model developed with the ability to update the projected costs of these programs and provide the resulting needed rates in future years as implementation approaches.

1.3 MINIMUM QUALIFICATIONS

The firm must be licensed to do business in the State of Washington. The Firm must have demonstratable experience in analyzing and recommending utility billing rates for municipalities. Ideal respondents will have authored or be otherwise able to point specifically to relevant guidance set in print.

1.4 CONTRACT PERIOD

Any contract resulting from this RFP will be for a three (3) year term. Contract is renewable upon mutual agreement for two (2) additional three (3) year terms at mutual agreement.

1.5 ADDENDA

It is the responsibility of Proposers to check the City of Spokane’s online procurement system <https://spokane.procureware.com> for Addenda or other additional information that may be posted regarding this Request for Proposals.

1.6 TERMS AND CONDITIONS

Terms and Conditions applicable to this RFP are included herein by reference and attached to this RFP as Attachment 1.

1.7 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

Deadline for Questions	Date10/20/25
Proposals Due	Date11/3/25
Evaluation, Negotiation and Contract Award	Date11/17/25
Begin Contract Work	Date12/16/25

The City reserves the right to revise the above schedule.

1.8 DEFINITIONS

Definitions for the purposes of this RFP include:

City – The City of Spokane, a Washington State municipal corporation, the agency issuing this RFP.

Firm – Consultant, Individual or Company including Sub-consultants whose Proposal has been accepted by the City and is awarded a fully executed, written contract.

Proposal – A formal offer submitted in response to this solicitation.

Proposer - Firm submitting a Proposal in order to attain a contract with the City.

Request for Proposals (RFP) – Formal procurement document in which a service or need is identified but no specific method to achieve it has been chosen. The purpose of an RFP is to permit the consultant community to suggest various approaches to meet the City's needs at a given price.

2. SCOPE OF SERVICES

SOLID WASTERATE STUDY

Please provide a scope of services to complete a Solid Waste Rate Study for the City of Spokane (City). By following the processes described below, provide the City with alternatives for adopting updated rates for Solid Waste Collection, while not negatively impacting Solid Waste Disposal and continuing to maintain healthy and appropriate reserve levels. Moreover, recommended rates should demonstrate a clear nexus between the rates charged and the City's costs of providing the related services. Any differences in price will be explainable and justified by corresponding differences in cost.

The proposed scope would involve tasks from the below chart in each year of our engagement. These annual tasks result in a constantly updated financial plan that will inform the City's overall rate adjustments for its Solid Waste Utility from year to year. Each year will also include a comprehensive cost-of-service update to address more complex cost-allocation issues (e.g., new state solid waste mandates). From time to time, depending on the City's needs, the proposal would augment the Cost-of-Service task (Task 2) with two additional tasks aimed at a comprehensive redesign of the City's existing rates. Tasks 3 and 4 are the additional rate design tasks completed only on an as-needed basis. The initial results should enable the City to determine future needs for additional work and the frequency of such work.

Overview of the Proposed Rate Study Process for Solid Waste		
1- Cash Revenue Requirements (Annually)	2-Cost-of-Service (Annually)	3-Preliminary Rate Design
Develop a 10-yr comprehensive financial plan representative of the City's upcoming projected operating and capital needs, inclusive of financing considerations, reserve policies, and other financial performance goals. The accepted plan provides the total cash-needs for the Solid Waste Utility.	Allocation of the revenue requirements among the City's various classes of service.. The final cost-of-service analysis demonstrates the factual basis for any differences in rates.	Preparation of preliminary rate structures using outputs from the cost-of-service and additional considerations based on the City's policies. The process will involve the development of a handful of alternative rate structures for the City to consider, including the existing rate structure and evaluation of a Public Rule/Fee Scenario.
4- Rate Testing	5-Reporting (Annually)	6-Project Management
Quantitative evaluation of agreed-upon preliminary rate alternatives to determine the expected revenue from each. Based on a comprehensive analysis of billing records from past periods, the billing frequency analysis helps establish both an expected revenue level and an expected range of earnings based on variation in demand observed in the past.	Create a court-worthy administrative record outlining, in detail, the cost basis for each component of the rate structure and the relationship between the costs of service and the rate charged.	<i>The tasks included here involve all those needed to effectively manage the project, the team, and the related scope, schedule, and budgets. These tasks take place throughout the project timeline and should not add to the total project duration.</i>

PROPOSED RATE PROCESS

Your proposal should include a long-term solution for the City's solid waste rates and charges that includes an ongoing process that will repeat the above tasks through a three-year cycle. In each three-year cycle, you will provide a) annual revisions to the City's long-range financial plans indicating any changes to the revenue requirements; b) an annual proposal for short-term increases to the existing rates based on the long-range plan findings; and c) a tri-annual comprehensive cost-of-service study. The process should be adapted each year to include comprehensive rate structure adjustments if the City wishes.

Proposed Annual Rate Evaluation Process

TASK	FREQUENCY
Task 1	Annually
Task 2	Annually
Task 3 and 4	As needed after initial rate design
Task 6	Annually

Task 1 Revenue Requirement Financial Plan

Review total revenue the City will need from its solid waste collections and disposal services to meet its obligations in operating expenses, capital costs, debt service, and reserve funding. Each year, update a comprehensive 10-year financials plan with the projected future rate adjustments needed for each.

Sub-Tasks

1.1 Gather data inputs and financial requirements.

Typical items include budget data, billing information, policy documentation, asset data, bond statements, CAFRs, and related financial and operational data. Be prepared: City staff resources must be scheduled.

1.4 Prepare final calculation of revenue requirement.

After reviewing the projection with the City, prepare the final calculation of revenue requirements to use in subsequent tasks. These calculations should, in each year, provide a forward “rate path” demonstrating a 5-year recommended series of overall rate adjustments to be made across the board to all elements of the then existing rate structure.

1.2 Populate forecast model with City's financials and policy preferences. Based on the data/information received, input the City's budgets, existing revenues, and other financial data into the forecast model. Include analysis of the City's policies for things like reserve levels, project funding preferences, staffing requirements, debt management, and other performance objectives.

1.5 Prepare summary memoranda and presentations.

Document the findings and recommendations from the financial forecast in a summary memorandum. Also, develop a combined presentation file summarizing the findings.

1.3 Review preliminary model with City.

After the preliminary model, schedule and conduct a meeting with the City to review results in a live on-site workshop to allow the staff to evaluate and make changes to the model in a live setting. This task and Task 1.2 can and often are repeated to arrive at a suitable recommendation.

1.6 Present findings and recommendations.

If needed, present the financial plan findings and recommendations to the City Council or stakeholder groups.

Deliverables

- Information request
- Financial planning models
- Review meeting (1x meeting)

- Summary memoranda
- Presentation materials
- Presentation of findings (1x meeting)

Task 2 Cost-of-Service Study

Each year includes a comprehensive cost-of-service study for solid waste collections and disposal. The Cost-of-service evaluation is the critical component in the rate-setting process that will establish the cost justification for any difference in rates from one customer class to the next.

Sub-Tasks

2.1 Gather the data requirements. Issue a data request that will include access to the billing system and all billing records, asset registers, and operating metrics of the solid waste system. These are used to analyze customer demands on individual system components which forms the basis of cost allocations.

2.2 Prepare preliminary cost allocation. Develop a preliminary cost allocation using the most recent year's revenue requirement. The analysis will include all the allocation steps necessary to identify differences in costs between classes clearly. All allocation processes shall be based on generally accepted industry approaches, but specifically tailored to the unique application and circumstances for the City's solid waste department.

2.3 Review of cost allocations. Continued evaluation of the preliminary results, comparing the existing revenue by class with the proposed cost of service to identify and resolve any issues. Includes at least one on-site review meeting with the City.

2.4 Final cost-of-service. Update the cost-of-service to reflect the findings for the selected test year (the year for which rates are to be adopted) and conduct final reviews and issue identification with the City before finalizing the analyses.

2.5 Summary memorandum. Prepare a summary report of the findings for the cost-of-service evaluation suitable for internal use and discussion.

Deliverables

- Information request
- Cost-of-service model (x1)
- Review meeting (1x meeting)
- Summary memoranda (x1)

Task 3 Preliminary Rate Design

Prepare a preliminary rate design that is subject to the cost-of-service evaluation reflecting the recommended changes to the rate structure. The proposed changes, if any, would be based on the findings from the cost-of-service and would, therefore, be focused on structural issues rather than simple increases.

Sub-Tasks

Sub-Tasks

3.1 Gather the data requirements. Any additional information needed beyond that already collected to complete Tasks 1 and 2 would be requested in this task. Additional information for rate design may include additional billing detail, additional billing history, or related details.

3.3 Prepare preliminary alternatives. Based on the rate review workshop, prepare some alternative rate designs to address the noted gaps in the existing structure. At a minimum, prepare two alternatives consisting of the existing rate structure as one, and

3.2 Rate review workshop. Schedule a rate review workshop with the City to go over the existing rate structure in detail. During the workshop, evaluate the performance of the existing rates vs. the cost-of-service findings and discuss the City's objectives and goals for the rates. The objective of the workshop is to identify areas for improving the existing rate structure to meet the City's goals and objectives, including the cost-of-service objectives.

at least one alternative. Up to three alternatives may be considered.

3.4 Final rate review workshop. The purpose of this workshop is for the City to select a rate structure, or up to two such structures, for further testing and evaluation. (Similar to task 3.2)

Deliverables

- Information request
- Rate review workshop (1x meeting)
- Summary of alternative rate designs
- Final rate review workshop (1x meeting)

Task 4 Rate Testing

Given the City's selection of up to two alternative rate structures in the previous task, conduct a series of more strenuous analytical testing to evaluate the revenue performance and risks inherent in each structure.

Sub-Tasks

Sub-Tasks

4.1 Conduct risk-based modeling. Prepare the models necessary for testing the rate structures. The key risk factors to be included in the modeling scenarios are those factors related to cost impacts to residential versus commercial customers, service level increases, price elasticity, and economic indicators. Techniques used in the testing procedure may include bill frequency analysis, Monte Carlo analysis, or other methods determined to be appropriate for the City's needs.

4.2 Review results. Review the preliminary results of the analysis with the City to evaluate the findings and determine whether any adjustments should be made to the rate structures.

4.3 Prepare final testing. Based on the comments in the review workshop, make modifications to the rate structures as needed and prepare the final testing procedures.

4.4 Report on testing results. Prepare a summary memorandum to describe the testing outcomes. At a minimum, the testing results will describe the expected revenue earned from the proposed rate structure, and the expected range of revenue earnings based on the variables examined. The report should identify strategies for addressing possible revenue shortfalls (e.g., augmentation of reserve levels). The testing output may also provide the following reports depending on the City's needs:

- Expected customer impact from the change in rates, by customer class and demand levels
- Affordability metrics
- Expected revenue for normal demand levels
- Expected revenue for max/min demand levels observed in the past ten years
- Comparison of cost-of-service to expected revenue

Deliverables

- All models used for rate testing
- Review workshop (1x meeting)
- Summary report of testing results

Task 5 Reporting

There will be an updated rate report for the City after each year of engagement. The annual report will reflect the updated financial plan from Task 1 and will provide details of the cost-of-service, and rate design efforts undertaken for further study for the year.

Sub-Tasks

5.1 Prepare a draft report. Prepare the draft report to include two main parts: a) a report of the 10-year financial plan updates; and b) a companion report of the cost-of-service and rate structure recommendations.

5.2 City review and comment. Once the draft is completed, provide the City with a working copy for review and comment. Anticipate the City will need at least ten working days to review the draft and provide comments (more time available as needed).

5.3 Prepare final report. Once the City has finished its review of the draft, begin the preparation of a final report.

5.4 Model delivery, review, and training. Deliver all the models, work papers, and other materials developed during the course of our work at the City's request. Also, at the City's request, provide an additional workshop for review and to familiarize the City's staff with the processes and principles involved in the City's rate setting.

5.5 Delivery of final report. Arrange for delivery of the final report to include whatever formats the City requires.

Deliverables

- Draft report
- Final report
- Review and training workshop (1x meeting)

Task 6 Project Management

Tasks included here involve all those needed to effectively manage the project, the team, and the related scope, schedule, and budgets. These tasks take place throughout the project timeline and should not add to the total project duration.

Sub-Tasks

6.1 Annual initiation meeting. Each year, as the annual process commences, the City will request and schedule a project initiation meeting. This meeting will be a review of the goals and objectives of the overall project and focus the efforts of the project team. The items covered at the meeting

6.3 Monthly status reports. With monthly invoices, provide a status report summarizing the work that has been completed to date, the work scheduled for the next 30-day invoice period, and the key milestones outside of 30 days.

include a review of the scope of work, identify project objectives, expectations and deliverables, outline the project schedule and key milestone review points and discuss appropriate lines of communication.

6.2 Monthly progress meetings. After the project has started, a standing status meeting to take place at least once per month – more often if desired – to review progress, identify project risks, and revisit scheduling items.

Deliverables

- Annual initiation meeting
- Monthly progress meetings
- Monthly status report and invoice

Schedule

The schedule should include the timelines of the specific tasks and the tasks that can be done concurrently. The schedule should also reflect a completion date for the first year's work of no later than June 1st 2026.

Please be aware that reports, information and access provided must be clearly communicated so the deliverables are both complete and minimizes the impact to City staff.

The project timeline would be different in years when the City requests to perform the rate design tasks (Tasks 3 & 4).

Budget

The annual budget will be dependent upon the scope for the year in question. Years in which the scope would include Tasks 3 and 4 would involve more effort than would the typical years. Please develop budget estimates for both.

Table 1: Estimated Budget for Typical Year

Task	Labor Hrs.	Cost
Task 1		
Task 2		
Task 5		
Task 6		
Total Labor Costs		

Expense Estimate

Grand Total

Table 2: Estimated Budget for Years Including Tasks 3 and 4

Task	Labor Hrs.	Cost
Task 1		
Task 2		
Task 3		
Task 4		
Task 5		
Task 6		

Total Labor Cost

Expense Estimate

Grand Total

3. PROPOSAL CONTENTS

3.1 PREPARATION OF PROPOSAL

Proposals shall be clear, concise, in order and titled as: Letter of Submittal, Technical Proposal, Management Proposal and Cost Proposal.

3.2 LETTER OF SUBMITTAL

The Letter of Submittal shall be signed and dated by a person authorized to legally bind the Firm to a contractual relationship. Include the following information about the Firm and any proposed sub-consultants:

- A. Name, address, principal place of business, telephone number, and e-mail address of legal entity or individual with whom contract would be written.
- B. Legal status of the Firm (sole proprietorship, partnership, corporation, etc.) and location of the facility from which the Firm would operate.
- C. Identification of any current or former employees from the participating Agencies employed by or on the Firm's governing board as of the date of the Proposal or during the previous twelve (12) months.
- D. Confirmation that Firm meets minimum qualifications as identified in Paragraph 1.3 "Minimum Qualifications".
- E. Acknowledgement that the Firm will comply with all terms and conditions set forth in the Request for Proposals, unless otherwise agreed by the Agencies.

3.3 TECHNICAL PROPOSAL

Proposal content for this section shall include an understanding of the City's requirements with a comprehensive proposed approach, methodology and work plan.

- A. Demonstrate a clear and concise understanding of the project requirements along with a proposed approach, methodology for management, and successful completion of the scope of services. Describe how Firm will respond proactively to issues and scope changes. The Firm may also present any creative approaches that may be appropriate and may provide any pertinent supporting documentation.
- B. Provide a detailed description of the work plan with all proposed tasks, services, activities, and other items necessary to accomplish the scope of the project as described in the Scope of Services section. Include a project schedule with completion dates for elements of work and deliverables. If applicable, provide name and address of any sub-consultant and what services they may provide. Include the Firm's expectations about any City staff involvement in the tasks, services, and activities necessary to execute the work plan.

3.4 MANAGEMENT PROPOSAL

Proposal content for this section shall include experience, capabilities, qualifications, and application of resources to convey the ability to perform the scope of services.

- A. Indicate the experience the Firm, staff and any sub-consultants have relevant to the scope of services. Provide name, title, brief description of duties, responsibilities, qualifications, and years of pertinent experience. Provide details describing project team, team assignments, allocation of resources, lines of authority, and responsibility. Identify person within the Firm that will have prime responsibility and authority for the work. Indicate availability for each staff member assigned to the project and include percentage of time each will be assigned to the project. Describe how Firm will respond proactively to issues and project scope changes. Resumes may be included limited to 2 pages per person. The Firm shall commit that staff identified in its Proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the City.
- B. Include a list of contracts the Firm has had during the last three (3) years up to a maximum of ten (10) contracts that relate to the Firm's ability to perform the services needed under this RFP. Provide contract period, contact names, phone numbers and e-mail addresses. Identify three (3) specific references from this list and briefly describe the work accomplished. Do not include City staff as references. The Firm grants permission to the City to contact the list provided.
- C. If the Firm has had a contract terminated for default in the last five (5) years, describe the incident. Termination for default is defined as notice to stop performance due to the Firm's non-performance or poor performance and if the issue of performance was either (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Proposer was in default. Provide other party's name, address, phone number and email address. If no such termination for default has been experienced by the Firm in the past five (5) years, so indicate.

3.5 COST PROPOSAL

The Cost Proposal shall identify all costs to be charged including any expenses necessary to accomplish the tasks and to produce the deliverables under the contract. Submit as a fully detailed budget with a total cost. Firms are required to collect and pay Washington state sales tax, if applicable. Do not include Washington state sales tax in Proposal.

4. PROPOSAL SUBMISSION AND EVALUATION

4.1 SUBMISSION OF PROPOSALS

Proposals shall be submitted with most favorable terms that can be proposed. There will be no best and final offer procedure. Proposals shall be submitted electronically through the City of Spokane's online procurement system portal: <https://spokane.procureware.com> before the due date and time. **Hard paper, e-mailed, or faxed copies will not be accepted. Late Proposals shall not be accepted.** Proposers must register if they have not done so previously and follow the steps below to enter and submit the electronic Proposal:

1. Click on "Bids" located on the left hand column.
2. Find the applicable project and click the "Project Number".
3. Click on the "Response" tab.
4. In the "Questions" tab, **answer questions and upload required documents** into the bid portal by clicking on "Browse" for each item. Note that only one document can be uploaded per question line item so combine if necessary.
5. Click on the "Pricing" tab and enter pricing as requested. A "Comment" field is available if needed. Skip "Pricing" Tab if it has no line items. Cost shall be included in Proposal document submitted.
6. Once the Questions have been entered, the yellow "Question Response" information message will change from incomplete to complete. Then the "Submit" button will become available.
7. Click the "Submit Bid" button and review the terms and conditions, pop-up window that appears. If you agree to the terms and conditions, click the "I Accept and Submit this Bid" button.
8. If you want to remove your Proposal, click the red "Withdraw Bid" button in the "Response" tab for the applicable Proposal.

4.2 EVALUATION PROCEDURE

Responsive Proposals will be evaluated in accordance with the requirements stated in this solicitation and any addenda issued. Point scoring is preliminary for evaluation discussion to determine ranking. The City, at its sole discretion, may elect to select the top-scoring Firms as finalists for an oral presentation and evaluation. The RFP Coordinator may contact the Firm for clarification of any portion of the Firm's Proposal.

4.3 EVALUATION SCORING

The Proposal will be evaluated as follows:

TECHNICAL PROPOSAL – 35% Project Approach/Methodology/Understanding Work Plan/Schedule/Deliverables	35 Points (Maximum) 35 Points (Maximum)	70 points
MANAGEMENT PROPOSAL – 30% Firm and Staff Experience/Capabilities/Qualifications	60 Points (Maximum)	60 points
COST PROPOSAL – 35%	70 Points (Maximum)	70 points
GRAND TOTAL FOR WRITTEN PROPOSAL		200 POINTS

4.4 AWARD/REJECTION OF PROPOSAL/CONTRACT

This RFP does not obligate the City to award a contract. Any contract awarded as a result of this procurement is contingent upon the availability of funding.

The City of Spokane reserves the option of awarding this contract in any manner most advantageous for the City and without further discussion of submitted Proposal. Failure to comply with any part of the RFP may result in rejection of Proposal as non-responsive. The City also reserves the right, at its sole discretion, to waive minor irregularities, reject any and all Proposals received without penalty and to not issue a contract from this RFP. More than one contract may be awarded. Contract negotiations may incorporate some or all of the Proposal.

Award of contract, when and if made, will be to the Proposer whose Proposal is the most favorable to the City including, but not exclusively, consideration of the evaluation criteria. Interlocal agreements accessing other agency contracts where applicable may be considered as a Proposal. Contract is optional (non-exclusive) use.

6. RFP ATTACHMENTS

Attached to this RFP and incorporated herein by reference are the following background documents:

- Attachment 1 IRFP #6458-25 Terms & Conditions
- Attachment 2 IRFP #6485-25 Bid Document