

REQUEST FOR PROPOSAL

DENVER REGIONAL AIR QUALITY COUNCIL (RAQC)

**ANALYSIS & EVALUATION
OF
POTENTIAL FUEL OPTIONS
IN THE DENVER/NORTH FRONT RANGE
NON-ATTAINMENT AREA
IN TERMS OF
SUPPLY IMPACTS
AND
COMPLIANCE COSTS FOR INDIVIDUAL REFINERS
& CONSUMERS**

July 2009

INVITATION TO BID

DATE: July 15, 2009
DIRECT INQUIRIES TO: Gerald J. Dilley
PHONE NO: (303) 629-5450 ext. 240

RETURN BID TO: Denver Regional Air Quality Council
1445 Market Street
Denver, Colorado 80202
Attn: Gerald J. Dilley

DATE BID DUE: **August 14, 2009, 12:00 p.m. (noon) Mountain Standard Time**

Bids properly marked as to DATE, and HOUR of opening, subject to the conditions herein stipulated and in accordance with the specifications set forth and/or attached hereto, will be accepted at the address listed above, prior to the date and time listed for the bid opening. All bids shall be quoted F.O.B. destination, unless otherwise specified, to the delivery location or jobsite listed herein.

SEALED COMPETITIVE PROPOSAL FOR:
ANALYSIS & EVALUATION OF POTENTIAL FUEL OPTIONS IN THE DENVER/NORTH FRONT RANGE NON-ATTAINMENT AREA IN TERMS OF SUPPLY IMPACTS AND COMPLIANCE COSTS FOR INDIVIDUAL REFINERS, MARKETERS & CONSUMERS

Prices shall be quoted F.O.B. destination and include delivery to the Denver Regional Air Quality Council. See attached pages for terms and conditions and proposal requirements.

IMPORTANT: Bidders should read the entire document before submitting bid.
BIDS MUST BE SIGNED IN INK.

TERMS: Terms of less than 30 calendar days will not be considered.

TYPED OR PRINTED SIGNATURE

Handwritten signature by Authorized Officer or Agent of Vendor (in ink)

VENDOR ADDRESS

TITLE _____
DATE _____
PHONE # _____

The above bid is subject to Terms and Conditions on attached sheets. **RETURN THIS COPY**

PROPOSER COST SUBMITTAL

PROPOSER'S NAME

PROPOSER'S ADDRESS STREET AND NUMBER

CITY

STATE

ZIP CODE

NAME OF AUTHORIZED OFFICIAL (PRINT OR TYPE)

OFFICIAL TITLE

SIGNATURE OF AUTHORIZED OFFICIAL

TELEPHONE NUMBER

E-MAIL ADDRESS

TASK 1 COSTS _____

TASK 2 COSTS _____

TASK 3 COSTS _____

TASK 4 COSTS _____

TASK 5 COSTS _____

TASK 6 COSTS _____

TASK 7 COSTS _____

TOTAL TASK 1-7 COST _____

TASK 8 COSTS _____

RFP TERMS AND CONDITIONS

1. **LATE BIDS/PROPOSALS WILL NOT BE ACCEPTED OR CONSIDERED.** It is the responsibility of the bidder/proposer (hereinafter “bidder” or “proposer”) to ensure that the bid/proposal (hereinafter “bid” or “proposal”) arrives prior to the time and at the place indicated in the bid. Telephone or facsimile responses will not be accepted.
2. Specifications are provided to identify product/service required and to establish an acceptable quality level. Bids on products of equal quality and usability will normally be considered unless otherwise stated. The Denver Regional Air Quality (RAQC) will be the sole judge in determining “equals” in regard to quality, price and performance. Samples of product(s), when required, must be furnished free of expense to the RAQC, and, if not destroyed by tests, may upon request at the time the sample is furnished, be returned at bidder’s expense. Failure to furnish brochures, specifications, and/or samples as requested may be sufficient cause for rejection of bids.
3. Bidders shall furnish all the information required and are expected to examine the drawings, specifications, schedule of delivery and all instructions. Should the bidder find any part of the listed specifications, terms and conditions to be discrepant, incomplete or otherwise questionable in any respect, it shall be the responsibility of the bidder to call such matters to the attention of the RAQC immediately. Failure to do so will be at the bidder’s risk. All official changes to this bid will be furnished, in writing by the RAQC.
4. The bidder shall furnish the products and/or services in strict accordance with the specifications, and at the price set forth for each item. In case of error in extension, the unit price will prevail. All products quoted shall be newly manufactured and of the manufacturer’s current model, unless otherwise specified.
5. The bid should be returned in an envelope sealed and properly marked as to opening time and date.
6. No bid shall be withdrawn for a period of less than sixty (60) calendar days subsequent to the opening of the bids, unless otherwise stipulated by the RAQC.
7. **Independent Contractor.** The contractor shall perform its duties herein as an independent contractor and not as an employee. Neither the contractor nor any agent or employee of the contractor shall be, or shall be deemed to be, an employee or agent of the RAQC. Contractor shall pay when due all required employment taxes and income tax withholding, shall provide and keep in force workers compensation (and show proof of such insurance) and employment compensation insurance in the amounts required by law, and shall be solely responsible for the acts of the contractor, its employees, and its agents.
8. Bidder agrees to comply with all applicable federal and state laws, regulations and policies, as amended, including those regarding discrimination and unfair labor practices.

ADMINISTRATIVE INFORMATION

- A. ISSUING OFFICE: This Request for Proposal (RFP) is issued by the Denver Regional Air Quality Council (RAQC). The RAQC is the sole point of contact on this RFP.
- B. INVITATION TO SUBMIT PROPOSALS: The RAQC is hereby contacting prospective offerors who have an interest or are known to do business relevant to this RFP. All interested offerors who were not contacted are invited to submit a proposal in accordance with the rules, procedures and dates set forth herein. In the event of “No Bid”, please sign the Invitation for Bid form, indicating “No Bid,” and return it to the RAQC.
- C. PURPOSE: This RFP provides prospective offerors with sufficient information to enable them to prepare and submit proposals for consideration by the RAQC to satisfy the need for expert assistance in the completion of the goals of this RFP.
- D. SCOPE: This RFP contains the instructions governing the proposal to be submitted and the material to be included therein, including mandatory requirements which must be met to be eligible for consideration.

E. SCHEDULE OF ACTIVITIES:

1.	RFP Published	07/15/09
2.	Mandatory Joint Offerors Conference Call (10 AM MST)	07/22/09
3.	Prospective Offerors Written Inquiry (e-mail acceptable)	08/10/09
4.	Proposal Submission	
	9 hard copies including original and 1 electronic copy	08/14/09
5.	Bidder Interviews (option of the RAQC)	Week of 08/17/09
6.	Proposal Selection (estimated)	08/28/09
7.	Contract Finalized (estimated)	09/01/09
8.	Contract Period (estimated)	September 2009-March 2010

- F. INQUIRIES: Unless otherwise noted, prospective offerors may make written inquiries concerning this RFP to obtain clarification of the requirements. No inquiries will be accepted after the date/time indicated in the Schedule of Activities. Send all inquiries to:

Denver Regional Air Quality Council
1445 Market Street
Denver, Colorado 80202
Attn: Gerald J. Dilley

E-mail inquiries are limited to one set of questions per day. Direct all e-mail inquiries to:

Gerald J. Dilley at jdilley@raqc.org.

Response to all inquiries will be made in writing in a timely manner and will be posted on the RAQC website along with the questions raised. Any oral interpretations of clarifications to this RFP shall not be relied upon. All changes to this RFP must be in writing to be valid.

- G. MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn by the offeror prior to the established due date and time.
- H. PROPOSAL SUBMISSION: Proposals must be received on or before the date and time indicated in the Schedule of Activities. Late proposals will not be accepted. It is the responsibility of the offeror to ensure that the proposal is received by the RAQC on or before the proposal opening date and time. Offerors mailing their proposals shall allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. The proposal package shall be delivered or sent by mail to:

Denver Regional Air Quality Council
1445 Market Street
Denver, Colorado 80202
Attn: Gerald J. Dilley

The RAQC Invitation for Bid form must be signed in ink by the offeror or an officer of the offeror legally authorized to bind the offeror to the proposal. Proposals that are determined to be at variance proposal requirements may not be accepted. Proposals must be submitted and sealed in a package showing the following information on the outside of the envelope:

OFFEROR'S NAME
PROPOSAL DUE DATE AND TIME

- I. ADDENDUM OR SUPPLEMENT TO REQUEST FOR PROPOSAL: In the event that it becomes necessary to revise any part of this RFP, an addendum will be provided to each offeror who received the original RFP. It is the responsibility of offerors, prior to the bid date, to enquire as to addenda issued and ensure their bid reflects any and all changes. The RAQC will maintain a register of holders of this RFP. Any party receiving this RFP other than from the RAQC should inform the RAQC of its interest in order to ensure receipt of any addenda.
- J. BIDDER INTERVIEWS: Offerors who are deemed most qualified after initial evaluation may be asked to interview with the selection committee.
- K. ACCEPTANCE OF RFP TERMS: A proposal submitted in response to this RFP shall constitute a binding offer. Acknowledgment of this condition shall be indicated by the signature of the offeror or an officer of the offeror legally authorized to execute contractual obligations. A submission in response to this RFP acknowledges acceptance by the offeror of all terms and conditions, including compensation, as set forth herein.

Any offeror shall identify clearly and thoroughly any variations between its proposal and this RFP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance.

- L. PROTESTED SOLICITATIONS AND AWARDS: Any actual or prospective offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Executive Director of the RAQC. The protest shall be submitted in writing within seven working days after such aggrieved person knows or should have known.
- M. COST DATA/BUDGET: Proposals must include Cost/Data/Budget providing factual information concerning the cost of labor, material, travel, overhead and other cost elements expected to be incurred.
- N. CONFIDENTIAL/PROPRIETARY INFORMATION: Any restrictions on the use or inspection of material contained within the proposal shall be clearly stated in the proposal itself. Written requests for confidentiality shall be submitted by the offeror with the proposal. The offeror must state specifically what elements of the proposal are to be considered confidential or proprietary. Confidential and proprietary information must be readily identified, marked and separated/packaged from the rest of the proposal. Co-mingling of confidential or proprietary information and other information is not acceptable. The RAQC will make a written determination as to the apparent validity of any request for confidentiality and send it to the offeror. Neither a proposal in its entirety nor proposal price information will be considered confidential or proprietary. Any information that will be included in any resulting contract cannot be considered proprietary.
- O. RFP RESPONSE MATERIAL OWNERSHIP: All material submitted regarding this RFP becomes the property of the RAQC. Proposals may be reviewed by any person after the Notice of Intent to Award letter has been issued. The RAQC reserves the right to use any and all information and material presented in reply to the RFP, subject to the limitations outlined in (N), Confidential/Proprietary Information. Disqualification of an offeror does not eliminate this right.
- P. PROPOSAL PRICES: Estimated proposal prices are not acceptable. Best and final offers cannot be considered in determining the apparent successful offeror. All work toward a deliverable task will be billed on a time and materials basis subject to a not to be exceeded budget for each deliverable task. All work will be performed consistent with the schedule specified in the contract.
- Q. SELECTION OF PROPOSAL: All offerors will be notified in writing regarding the results of the RFP evaluation. Upon review and approval of the evaluation committee's recommendation for award, the RAQC will issue a Notice of Intent to Make Award letter to the apparent, successful offeror. A contract must be completed and signed by all parties concerned on or before the date indicated in the Schedule of Activities. If this

date is not met through no fault of the RAQC, the RAQC may elect to cancel the Notice of Intent to Make Award letter and make the award to the next most responsive offeror.

- R. AWARD OF CONTRACT: The award will be made to that offeror whose proposal, conforming to the RFP, will be the most advantageous to the RAQC, price and other factors considered.
- S. ACCEPTANCE OF PROPOSAL CONTENT: The contents of the proposal of the successful offeror, including persons specified to implement the project, will become contractual obligations if acquisition action ensues. Failure of the successful offeror to accept these obligations in a contract may result in cancellation of the award, and such offeror may be removed from future solicitations.
- T. STANDARD CONTRACT: The RAQC reserves the right to incorporate standard RAQC contract provisions into any contract resulting from this RFP.
- U. RFP CANCELLATION: The RAQC reserves the right to cancel this Request for Proposal at any time without penalty.
- V. RAQC OWNERSHIP OF CONTRACT PRODUCTS/SERVICES: Proposals, upon established opening time, become the property of the RAQC. All products/services produced in response to the contract resulting from this RFP will become the sole property of the RAQC. The contents of the successful offeror's proposal will become contractual obligations.
- W. INCURRING COSTS: The RAQC is not responsible for any cost incurred by offerors prior to the issuance of a legally executed contract or procurement document. No proprietary interest of any nature shall occur until a contract is awarded and signed by all concerned parties.
- X. MINORITY PARTICIPATION: It is the RAQC's goal to achieve maximum participation of minorities in the procurement process. Accordingly, minority enterprises are to be utilized whenever possible. By the submission of a proposal, the offeror shall agree to utilize the maximum amount of minority business firms that the offeror finds to be consistent with the efficient performance of any resulting contract.
- Y. NON-DISCRIMINATION: The offeror shall comply with all applicable state and federal laws, rules, and regulations involving non-discrimination on the basis of race, color, religion, national origin, age, or sex.
- Z. REJECTION OF PROPOSALS: The RAQC reserves the right to reject any and all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal or all items proposed if deemed in the best interest of the RAQC.

- AA. PARENT COMPANY: If an offeror is owned or controlled by a parent company, the name, main office address, and parent company's tax identification number shall be provided in the proposal.
- BB. NEWS RELEASES: News releases pertaining to this RFP shall not be made prior to execution of the contract without prior written approval of the RAQC.
- CC. CONTRACT CANCELLATION: The RAQC reserves the right to cancel, for cause, any contract resulting from this RFP by timely written notice to the contractor.
- DD. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:
1. By submission of this proposal, each offeror certifies, and in the case of a joint proposal each party thereto certifies, as to its own organization, that in conjunction with this procurement:
 - (a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor;
 - (b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror prior to opening, directly or indirectly to any other offeror or to any competitor; and
 - (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.
 2. Each person signing the Invitation for Bid form of this proposal certifies that:
 - (a) He is the person in the offeror's organization responsible within that organization for the decision as to prices being offered herein and that he has not participated, and will not participate in any action contrary to (1)(a) through (1)(c) above; or
 - (b) He is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate in any action contrary to (1)(a) through (1)(c) above; and as their agent does hereby so certify; and he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.
 3. A proposal will not be considered for award where (1)(a), (1)(c), or (2) above has been deleted or modified. Where (1)(b) above has been deleted or modified, the proposal will not be considered for award unless the offeror furnishes with the proposal a signed statement which sets forth in detail the circumstances of the

disclosure and the head of the agency, or his designees, determines that such disclosure was not made for the purpose of restricting competition.

- EE. TAXES: The RAQC, as a purchaser designated as a 501(c)(4) organization, is exempt from all federal taxes and from all state and local government use taxes. Seller is hereby notified that when materials are purchased in certain political subdivisions, the seller may be required to pay sales tax even though the ultimate product or service is provided to the RAQC. This sales tax will not be reimbursed by the RAQC.
- FF. ASSIGNMENT: Except for assignment of antitrust claims, neither party to any resulting contract may assign any portion of the agreement without the prior written consent of the other party.
- GG. AVAILABILITY OF FUNDS: Financial obligations of the RAQC payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available. In the event funds are not appropriated, any resulting contract will become null and void, without penalty to the RAQC. In addition, the parties recognize that the successful Offeror is to be paid, reimbursed, or otherwise compensated with funds provided to the RAQC by the State from the Federal Government. In the event that such funds or any part thereof are not received by the RAQC, the RAQC may immediately terminate the contract.
- HH. INSURANCE: If the proposal so states, the contractor shall procure at its own expense, and maintain for the duration of the work, the following insurance coverages and provide the RAQC with certificates as an additional insured.
1. Standard Worker's Compensation and Employers' Liability, as required by State statute, including occupational disease, and covering all employees at a work site.
 2. General Liability (PL & PD) (Minimum)
 - (a) Combined single limit - \$600,000 written on an occurrence basis.
 - (b) Any aggregate limit will not be less than \$1 million.
 - (c) Contractor must purchase additional insurance if claims reduce the annual aggregate below \$600,000.
 - (d) RAQC to be named as additional insured on each comprehensive general liability policy.
 - (e) Certificate of Insurance to be provided to the RAQC within 10 working days of the receipt of the award.
 - (f) Insurance shall include provisions preventing cancellation without 60 days prior notice by certified mail to the RAQC.
 3. Automobile Liability (minimum). The Contractor shall carry a minimum of \$600,000 combined single limit auto insurance.

4. Additional coverages may be required in specific solicitations.

For any insurances required by this RFP, a completed Standard Certificate of Insurance form shall be provided to the RAQC by the contractor prior to the date of any contract.

- II. INDEMNIFICATION: To the extent authorized by law, the contractor shall indemnify, save and hold harmless the RAQC, its employees, and agents, against any and all claims, damages, liability, and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the contractor or its employees, agents, subcontractors, or assignees pursuant to the terms of the contract resulting from this RFP.
- JJ. VENUE: The laws of the State of Colorado, U.S.A. shall govern in connection with the formation, performance and the legal enforcement of any resulting contract.
- KK. PAYMENT: The successful Offeror shall submit monthly invoices at the first of the month or as determined by the RAQC. The invoice shall reflect the appropriate Purchase Order/Contract Release Request number, the service location(s) and other data as required in the Scope of Work.

It is hereby understood and agreed that the payment terms shall be net 60 days. Since this project is dependent upon federal funds, delays in payment can occur. The successful Offeror acknowledges that net terms are effective on the date that the RAQC receives an accurate invoice from the consultant and invoices the Colorado Department of Transportation. Payment is deemed to be made on the date of the mailing of the check.

RFP DESCRIPTION

BACKGROUND

In 1997 EPA adopted a new, more stringent National Ambient Air Quality Standard (NAAQS) for ozone based on the latest ozone health effects information. The standard was set as a level of 0.08 ppm averaged over an 8-hour period. Attainment of the standard is based on the 4th maximum 8-hour ozone concentration recorded at each monitoring location each year, averaged over a three-year period.

State and regional agencies in the Denver metropolitan area entered into a voluntary agreement with EPA in December 2002 that laid out a process for achieving attainment with EPA's 1997 8-hour ozone standard in an expeditious manner, but no later than December 31, 2007. Called the Early Action Compact for Ozone (EAC), the agreement sets forth a schedule for the development of technical information and the adoption and implementation of the necessary control measures into the State Implementation Plan (SIP) to comply with the 8-hour standard by December 31, 2007 and maintain the standard beyond that date. The EAC Ozone Action Plan (SIP) was adopted by the Colorado Air Quality Control Commission (AQCC) in March 2004 and submitted to EPA in the summer 2004. EPA promulgated approval of the Ozone Action Plan in the Federal Register ([Vol. 70, Number 94, May 17, 2005](#)). A revision to the Ozone Action Plan to preserve the reductions estimated in the original plan was approved by the AQCC on December 17, 2006 and the Colorado State Legislature in Spring 2007, and submitted to the EPA by the Governor in August 2007. EPA approved this revision in February 2008.

In April 2004, EPA designated and classified areas of the country that violated the 8-hour standard. Based on the 2001-2003 design values, the Denver Metro Area/North Front Range (DMA/NFR) area violated the 8-hour ozone standard at three monitors and was included on EPA's 2004 list of nonattainment areas. However, based on terms in the Early Action Compact, EPA deferred the nonattainment area designation pending the area continuing to meet the deadlines in the EAC and achieving the 8-hour standard by December 31, 2007 (based on data from the 2005-2007 ozone seasons).

Despite efforts in the EAC Ozone Action Plan (OAP) that reduced ozone-causing emissions in the DMA/NFR, the area failed to achieve the standard due to high readings in July 2007, resulting in a three-year (2005-2007) design value of 0.085 parts per million (ppm) at one monitor (Rocky Flats North) which violated the 8-Hour Ozone NAAQS.

On November 20, 2007 the EPA did not continue the deferral of the effective date for non-attainment in the DMA/NFR 8-hour non-attainment area and the official non-attainment designation became effective at that time. The non-attainment area (NAA) designation required the development of a revised Attainment SIP within one year of the official designation date.

OZONE ACTION PLAN

After several months of analysis and evaluation and after more than 40 stakeholder and public meetings, the RAQC proposed an Ozone Action Plan in September 2008 for Public Hearing to the Air Quality Control Commission (AQCC) to reduce ozone levels in the Denver/North Front Range area by 2010. The Ozone Action Plan approved by the AQCC in December 2008, includes elements that will be included in the federally-enforceable Attainment State Implementation Plan (SIP), elements that are included as state-only enforceable measures in state regulation, and elements not adopted that need further evaluation. The elements not adopted but under further evaluation could be adopted as possible SIP measures or as state-only requirements in the near future. A copy of the Ozone Action Plan and the Attainment SIP may be found at www.raqc.org/reports/StateImplementationPlans/ozone8hour/2008/Final_OZSIP_2008_AQCCapproved121208.pdf

NEW 8-HOUR OZONE STANDARD

In March 2008 EPA established a new, more stringent standard for ozone based on a review of the most recent health effects information. The new 8-hour standard is set at a level of 0.075 ppm (or 75 parts per billion (ppb)) averaged over an eight-hour period. As with the 1997 standard, a violation of the standard occurs when the three-year average of the fourth maximum values at a monitor exceeds the federal standard. A violation occurs, due to rounding of monitoring values, when the three-year average is equal to or greater than 0.076 ppm (or 76 ppb).

Under EPA's rule establishing the new standard, the Governor made recommendations for areas of non-attainment in March 2009. EPA will review the Governor's recommendations and make final non-attainment determinations in March 2010. States will have to submit revised state implementation plans for the new ozone standard by March 2013. EPA will later establish attainment dates for areas, which will range between 2013 and 2030 depending on the severity and classification of the area.

In the meantime, the 1997 8-hour ozone standard and all the associated regulatory requirements remain in place. States and non-attainment areas are expected to continue their plans for implementing the 1997 standard. EPA will address transition issues from the 1997 standards to the 2008 standard in a separate future rulemaking.

Currently, through summer 2008, eight monitors along the DMA/NFR violate the new 0.075 ppm 8-hour ozone standard. The current Attainment SIP awaiting Colorado legislative and EPA approval is not intended to address attainment of the 0.075 ppm 8-hour ozone standard. However, the Regional Air Quality Council (RAQC) and the Colorado Department of Public Health and Environment (CDPHE) will continue to consider measures that move the region toward attainment of the new 8-hour ozone standard as expeditiously as practical. Provisions in the 2008 Ozone Action Plan are intended to begin moving the region to compliance with the new standard and to begin planning now to evaluate potential strategies to give the regulated community time to plan to comply as needed.

POTENTIAL STRATEGIES REQUIRING ADDITIONAL EVALUATION

During the development of the Ozone Action Plan and SIP revision, and in anticipation of meeting the new, more stringent 8-hour ozone standard, the RAQC, CDPHE, and interested stakeholders considered several measures that hold considerable promise for further reducing ozone levels in the future. However, the RAQC and CDPHE concluded these measures need additional evaluation and analysis because of the potential impacts and complexities of the strategies.

The RAQC and CDPHE are initiating additional technical and modeling analysis of these strategies during 2009. The RAQC and AQCC will consider these strategies for a possible state-only plan and/or SIP amendment. The timeline for the implementation of these potential strategies will be considered during the stakeholder and regulatory processes.

POTENTIAL FUEL STRATEGY OPTIONS

Among the additional strategies that will undergo further analysis and evaluation by the RAQC and CDPHE is an evaluation of potential fuels strategies including 7.0 RVP base gasoline, federal reformulated gasoline, and eliminating the one-pound psi RVP waiver for ethanol blended gasoline. The evaluation will also address any national fuels strategies that may be coming from EPA in the future.

1.0 DESCRIPTION OF WORK

For this process, the RAQC, in coordination with the CDPHE, is seeking a consultant(s) to provide expertise in evaluating the following four fuels strategies for the DMA/NFR NAA:

- Retain the current 7.8 lb. RVP summertime standard, but eliminate the one pound ethanol waiver .
- Adopt a 7.0 lb. RVP summertime standard and retain the one pound ethanol waiver.
- Adopt a 7.0 lb. RVP summertime standard and eliminate the one pound ethanol waiver.
- Opt-into the federal Reformulated Gasoline Program (RFG).

The scope of the study is to analyze the various fuel options; and to:

- quantify costs of the various fuel options;
- discuss potential supply impacts, including any disruptions in either the DMA/NFR area or Colorado markets;
- obtain a better understanding of the ability of individual refiners to provide the fuel product options described above to the DMA/NFR market;
- identify and expand upon any barriers and impediments to the adoption of lower volatility/reformulated gasoline, as part of any proposed fuel strategy;

- examine the robustness of industry to weather market ups-and-downs and to survive supply disruptions and price spikes.

Following are specific tasks that need to be performed in order to meet the objectives:

TASK 1: Summary of the Colorado and Front Range Fuels Market

The consultant shall identify the following:

- major fuel providers, including ethanol providers, to the Colorado and DMA/NFR markets;
- volumes of gasoline and ethanol normally used throughout the year, and especially during the summer months; and
- refineries and pipelines involved in supplying the DMA/NFR and Colorado markets.

The consultant shall examine and discuss the following:

- the general relative Colorado and DMA/NFR market shares of each of the major providers;
- major products and estimated supplies to the Colorado and Front Range markets of each of the major providers;
- other markets of the major providers; and
- possible cross-trading with other fuel providers.

TASK 2: Describe the Capabilities of Refiners

The consultant shall review and discuss the capabilities of each refiner to provide product to the Colorado and Front Range markets, including,

- a description of the processing capabilities of the supplying refineries,
- their processing units and throughput, as well as
- the portion of their product that is normally supplied to the Colorado and Front Range markets.

The consultant shall

- examine the capability of the fuel provider to produce the different fuels under study, and
- identify any refinery configuration changes that would be necessary to produce such fuels, including
 - any changes to the feed stocks that the refinery would need, and
 - any lost efficiencies in plant operation.
- describe likely refinery upgrades needed to supply compliant product to the Front Range market.

TASK 3: Quantify Cost Impacts

The consultant shall quantify cost impacts resulting from the different scenarios. These will include:

- any increase in gasoline price to the consumer,
- possible fuel blend stock price impacts
- any changes in ethanol price to the refiners/markets and consumer
- likely breakdown of costs and price impacts to the producers, distributors, and retailers.
- likely capital costs for each refiner.
- likely operation cost impacts, including cost of production, lost income and/or profit from lower refinery volumes, and lost opportunity costs; in analyzing these costs, the consultant should consider the costs for each refinery but should only report each operation cost element as an average cost in price per gallon produced for all refineries.

The consultant shall quantify the costs associated with supply impacts for the different fuel scenarios, if any. This includes any potential

- supply shortages,
- tightness,
- constraints,

The consultant shall describe competing gasoline markets and the ability of fuel suppliers to supply those markets at the expense of the Colorado and Front Range markets.

Task 4: Quantify Distribution Impacts

The consultant shall quantify distribution impacts for the different scenarios. This shall include any changes in the amount or volume of gasoline entering or leaving the Front Range market. Specifically whether a specific fuel strategy will result

- in supply shortages,
- disruptions,
- market tightness, or
- other factors that could contribute to supply impacts to the motoring public, and that could result in restriction in supply induced price increases or price spikes.

Increases in gasoline volumes or the possibility of future refinery capacity growth as a result of restructure of refineries should also be discussed, if likely.

Task 5: Quantify Ethanol and Biofuels Impacts

It is expected that the use of biofuels, including fuel ethanol will increase in the future. To gain a better understanding of the supply and cost impacts the growing biofuels market will have on the various fuel options, as well as on fuel prices and supplies in general, the consultant will:

- identify the major biofuel providers, and discuss their capabilities
- quantify the types, supplies, and sources of biofuels.

- identify and discuss the impacts the various options have on renewable fuel providers
- identify and discuss the impacts increased biofuel use will have on gasoline fuel supply
- discuss potential changes to the current biofuels market and infrastructure
- evaluate availability of Renewable Fuel credits for each refiner and the impact on each fuel option.
- evaluate the economic and supply impacts of Renewable Fuel Standard requirements for cellulosic ethanol beginning in 2015

Task 6: Describe Impacts any Proposed or Adopted Federal Rules May have on the Current Industry and Their Ability to Provide Required Fuels

The consultant will examine and discuss current and future federal fuels mandates and their effect on adoption of the four proposed fuel strategies.

Over the last several decades the federal government has more tightly regulated fuel properties as well as promoted alternatives to conventional fuels. Such parameters as fuel volatility, lead, sulfur, and benzene content, and evaporative and exhaust emissions effects concerning ozone forming ability, and CO and HAPs emissions, have all been increasingly regulated.

It is expected that the federal government will continue to push for cleaner and greener fuels and other alternative power sources. In this context, the consultant shall discuss the effects that current federal acts, such as the Energy Independence and Security Act of 2007, Energy Policy Act of 2005, Mobile Sources Air Toxics Rule, and any pertinent executive orders or any items that are contained in the 2009 federal economic stimulus package will have on the current or future Colorado and Front Range fuels markets. Specifically:

- effect on fuel prices
- effect on fuel supplies
- effect these initiatives, and in particular the Energy Policy Act boutique fuel limitations, will have on the ability of industry to implement any of the four fuel options being studied.

Task 7: Reports, Presentations and Technical Support

The consultant will develop an electronic draft Final Report for internal review. The consultant will be available to discuss, and answer questions, from the RAQC and APCD staff, regarding the report, as it is being prepared. After the internal review, a Final Report including 30 hard copies and an electronic copy will be completed.

Four presentations of the study data are anticipated as follows:

- After completion of the Final Report a meeting of interested stakeholders will be scheduled by the RAQC/APCD to discuss the findings

- A presentation of the Final Report findings will be presented to each of the following:
 - Regional Air Quality Council
 - Northern Front Range MPO
 - Air Quality Control Commission

The consultant will be available to respond to questions generated at each of the above four meetings.

Task 8: Testimony at State Regulatory Proceedings

The consultant will provide testimony, as necessary, in state regulatory proceedings before the AQCC.

2.0 DELIVERABLES AND SCHEDULE

The milestones are as follows:

- The work products described in Task 1-6 shall be submitted in draft form for review as coordinated by the RAQC and the consultant during the process of the work.
- The work products described in Task 1-6 shall be compiled in a draft Final Report for APCD/RAQC staff review by January 1, 2010.
- A Final Report shall be completed by early February 2009.
- A presentation of the Final Report findings is anticipated at a meeting of interested stakeholders in late February 2009.
- Presentations of the Final Report to the RAQC and NFRMPO are anticipated in March 2010.
- Presentation of the Final Report to the AQCC as appropriate and requested, likely in late 1st quarter or 2nd quarter of 2010.
- Testimony at state regulatory proceedings is separate from Tasks 1-7 under costs, and will be specifically requested, if necessary. Such proceedings, if required, would likely occur in late 2010.

A proposed schedule for completion of Tasks 1-6 and preparation of the draft Final Report and Final Report is required in the proposal.

3.0 THE PROPOSAL

Proposers shall submit bids with tasked items. Based on the availability of funds, the RAQC reserves the right to prioritize tasks or delay completion of tasks until such time as funds may become available.

Any response to the RFP must contain:

Analysis & Evaluation of Potential Fuels Options in the Denver/North Front Range Non-attainment Area in Terms of Supply Impacts and Compliance Costs for Individual Refiners, and Consumers

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- 1) Task completion requirements. Proposals should indicate the level of effort required, the approach to be taken, and include an estimate of hours and cost by task. The proposal should contain a cost matrix which shows actual hours and cost by individual personnel, and travel, other direct, administrative, and indirect costs for each respective task.
- 2) Related experience with similar types of projects.

Proposal responses are limited to 30 pages, exclusive of key staff resumes and budgets. Nine (9) copies of each proposal and one (1) electronic copy must be supplied.

3.1 Anticipated Cost

The RAQC expects to have a limited budget for this modeling effort, so cost for the tasks performed will be an important factor in selection of a contractor. The proposal should include a firm, fixed-price cost for each task outlined in the RFP so the RAQC can determine how best to maximize and prioritize the tasks performed within the available budget. Currently, \$120,000 has been allocated for this effort, and an additional \$30,000 may be available. Task 8 may or may not be required and the funding for this task, if needed, has not been determined at this time.

3.2 Amendments to the RFP

The RAQC reserves the right to issue amendments in the form of addenda to this RFP prior to the date for proposal submissions. All persons known by the RAQC to have received the RFP will be sent any and all amendments. Failure to acknowledge receipt of the amendments in accordance with the instructions contained in the addenda may result in proposals being rejected. The RAQC will allow a reasonable time for the acknowledgment of receipt following issuance of the amendments.

The RAQC reserves the right to issue amendments after the date of proposal openings. All persons submitting proposals will be sent any such amendments. The failure to acknowledge receipt of amendments provisions stated in the previous paragraph will apply to post-opening amendments as well.

3.3 Submission of proposal

All proposals must be received by the RAQC, 1445 Market Street, Denver, CO 80202 on or before 12:00 PM (noon) MDT on August 14, 2009. The proposals will be publicly acknowledged at that time. Acknowledgment of the proposers' submission will occur on August 17, 2009 or as soon as possible thereafter.

Telephone, telegraph, e-mail, or fax proposals will not be accepted. A late proposal will not be eligible for consideration and will be returned unopened, with notification of the

reason for its refusal. Proposers must submit their cost proposal, rounded to the nearest dollar, on the proposal form that accompanies this RFP and sealed in an envelope.

3.4 Modification of Proposal

Proposal modification by amendment will be accepted on conditions that:

- 1) The amendment arrives before the deadline for proposal submittal;
- 2) The amendment is in writing and signed by the proposer; and
- 3) The proposal, as amended, conforms in all aspects to the requirements in this RFP.

3.5 Withdrawal of Proposal/Mistakes in Bid

A proposal may be withdrawn at any time prior to the proposal opening.

3.6 Disqualification of Proposers

The RAQC reserves the right to reject any and all proposals in writing, before or after the opening, for evidence of conditions including but not limited to collusion with intent to defraud or other illegal practices on the part of the proposer.

3.7 Non-Conformance

Any proposal that does not conform to all of the requirements of the RFP may be rejected. The RAQC will so notify the affected proposer in writing of the rejection and the reason for the rejection.

3.8 Statement of Financial Condition and Debarment

A firm shall provide a statement regarding its financial viability and possible debarment. All proof is subject to review by the RAQC and acceptance or rejection is at the discretion of the RAQC. The RAQC will check for debarred parties at www.epls.gov to ensure we do not award to debarred parties.

The RAQC reserves the right to ask for additional information concerning financial responsibility or debarment. If a proposer unreasonably fails to provide such information, the RAQC may find the proposer to be non-responsive.

3.9 Related Experience Statement

The proposal must contain a proposer's experience statement as described below:

- 1) The proposer must provide a list of previous and current contracts of a similar nature, if any, which were awarded to the proposer by a governmental agency and/or the private sector. The statement should provide details on its management ability as well as its technical expertise and a listing of its projects and accomplishments.
- 2) The proposer must include the following in each list described above:
 - a. Contract duration, including dates;
 - b. Geographic area served; and
 - c. Name, address, and telephone number of the contracting agency which may be contacted for verification of all data submitted.

3.10 Proposers Conference/Questions and Answers

The mandatory telephone conference for Proposers will be held at 10:00 a.m. Mountain Standard Time on July 22, 2009. A call-in number will be provided to Proposers who respond via email to Gerald J. Dilley at jdilley@raqc.org by 12:00 p.m. (noon) on July 21, 2009.

The RAQC will accept written questions through the close of business on August 10, 2009. Questions delivered by e-mail (jdilley@raqc.org) will be acceptable. The RAQC will provide answers to all written questions as expeditiously as possible and post the answers and questions on the RAQC website, www.raqc.org. The responses to questions will become a part of the RFP.

Any corrections or necessary revisions that are identified will result in a formal amendment to this RFP, which will be provided to all persons and entities known to have received this RFP.

3.11 Evaluation of Proposals

An evaluation committee will be established to evaluate all proposals in accordance with the evaluation factors stated in this RFP. After the initial review of the proposals by the evaluation committee, the proposers may be asked to make an oral presentation in support of their proposals. It is likely that the oral presentation will be done by telephone conference. Upon final consideration, the evaluation committee will make a recommendation to the Executive Director of the RAQC. The Executive Director will make the final decision.

The evaluation committee will score each proposal to assist in its recommendation to the Executive Director. In this capacity, the committee will:

- 1) Score each proposal on the criteria below; and

- 2) Develop a final ranking of each proposal with a narrative that addresses pertinent points and issues.

Proposals will be evaluated based on the following criteria:

- 1) The ability to provide sound technical support (10 pts.);
- 2) Experience with similar projects (10 pts.);
- 3) Personnel qualifications (15 pts.);
- 4) Availability and support of management (5 pts.);
- 5) Completeness and clarity of the proposal (20 pts.);
- 6) Cost (20 pts.); and
- 7) Schedule (20 pts).

3.12 Award of Contract

The contract shall be awarded to the responsible proposer determined to be the most advantageous to the RAQC based on the evaluation factors set forth in Section 3.11 of this RFP. After proposals are opened, meetings may be held with the proposers determined to be the most responsive. Discussion may be held to clarify requirements and to make minor adjustments in services to be performed and in related costs. Any change to the proposal shall be submitted/confirmed in writing by the contractor.

Before an award can be made to a proposer, the RAQC reserves the right to reject any and all proposals or waive any minor nonsubstantive irregularity in proposals received. Upon selection of a proposal, the RAQC will issue a Letter of Intent specifying a date by which a contract must be executed.

In the event the proposer the evaluation committee has determined to be the most advantageous withdraws their proposal, the award shall be given to the next declared most advantageous proposer as determined by the evaluation committee.

3.13 Contract Duration and Renewal

The RAQC intends to sign the contract as soon as possible after notification to the successful proposer. The provisions of the contract will remain in force for a period not to exceed one year following the execution of the contract.

3.14 RAQC Preference

Any or all proposals may be rejected in whole or in part if the Executive Director determines in writing that such action is in the RAQC's best interest.

3.15 Confidentiality

The contents of all proposals, correspondence, working papers, and any other medium which discloses any confidential aspect of the proposal shall be held in the strictest confidence until notice of intent to award.

All proposals will be publicly opened. A register of proposals will be developed by the evaluation committee, providing a proposer name and description of that proposal. This register of proposals will be made public only after the contract is awarded. Confidential information submitted with proposals shall be readily separable and accompanied by a written request of confidentiality.

4.0 PRIME CONTRACTOR RESPONSIBILITIES

If the proposal includes services supplied by other contractors, it will be mandatory for the successful proposer to identify them and to assume responsibility for their performance.

4.1 Subcontracting

The Contractor's use of subcontractors shall not diminish the Contractor's obligations to complete the work in accordance with the contract. Each contractor shall control, coordinate, and be responsible for the work of subcontractors. The contractor shall be responsible for informing all subcontractors of all terms, conditions, and requirements of the contract. The RAQC reserves the right to approve all subcontractors prior to their assumption of duties on behalf of the contractor. The contractor shall forward to the RAQC a listing of each designated subcontractor which indicates their purpose or area of participation.

Should the contractor utilize subcontractors, detail regarding the solicitation of Disadvantaged Business Enterprises (DBE) subcontractors must be provided.

If our awarded contractor employs subcontractors we will provide them:

- Form 6100-2 DBE Subcontractor Participation Form

4.2 Patent and Copyright Infringement

The contractor shall defend, protect, and save harmless the RAQC, its officers, agents, and employees against all suits at law or in equity and from all damages, claims, or

demands for actual or alleged infringement of any patent or copyright by reason of the contractor's use of any equipment or supplies in connection with the contract.

4.3 Conflict of Interest

The contractor and/or subcontractors must affirm in writing that he/she currently has no interest and shall not acquire any interest, direct or indirect, which would pose a conflict of interest in any manner or degree with the performance of services required by this RFP for the life of the contract.

5.0 CONTRACT GENERAL TERMS

A proposer's response to this RFP shall be considered as the proposer's formal offer. The RAQC reserves the right to negotiate additional contract terms within the scope of the RFP. The signing of the contract by the RAQC shall constitute the RAQC's written acceptance of the successful proposal.