

COUNTY OF BUTTE
REQUEST FOR PROPOSALS
For
THE DEVELOPMENT OF A
LANDFILL GAS UTILIZATION PROJECT
AT THE BUTTE COUNTY NEAL ROAD LANDFILL

OBJECTIVE

To enable the County of Butte to determine the most qualified Developer, which is defined as the firm that offers the most favorable financial package and service incentives, and whose project approach exhibits the lowest risk to the County for the landfill gas development rights at the Butte County Neal Road Landfill.

SUMMARY

The County of Butte Department of Public Works ("County") wishes to utilize the energy potential of the Butte County Neal Road Landfill's ("Landfill") landfill gas ("LFG") to produce financial benefits for the County. Such utilization and associated operations must comply with federal, state, and local environmental regulations. The County believes this can be achieved by selecting a Developer to market the gas or energy, and to permit, design, build and operate a project.

The County will consider proposals for all utilization technologies. Technologies will be evaluated by the County's Selection Committee in accordance with this RFP. The County will base its decision to sign an agreement with a Developer on 1) project revenues, 2) incentives to the County and 3) the Developer's proven experience with the proposed project. The County will also consider the potential risk of failure of the Developer to successfully implement and sustain operation of the project.

I. BACKGROUND

Location: Neal Road Landfill is reached by exiting Highway 99 at Neal Road (approximately eight miles south of the City of Chico) and heading east approximately one mile to 1023 Neal Road. The Landfill operations' offices are located on site.

Climatic Conditions: The Landfill is located in an area that is best described as "valley" with moderate, rainy winters and hot, dry summers. The seasonal average rainfall is 20-25 inches per year, nearly all of which falls from November through April. The winds are typically north-south in direction.

Land Use: The 189 acre site is designated "Public" in the Land Use Element of the County General Plan. The landfill is permitted for a disposal footprint of 140 acres. The remaining acreage acts as a buffer and is available for certain other County uses. A site map is attached as Exhibit A.

Operating History: The Landfill is an active Class III landfill owned and operated by Butte County. Prior to the County's ownership, the site received and burned refuse from 1965 to 1970. The County purchased the site in 1970 and converted it to a sanitary landfill. The County operated the Landfill until 1978, when the operation was contracted out. In 2003, the County resumed operation of the Landfill.

Until 2004, landfill operations included only Modules 1, 2 and 3. Module 2 is built on a compacted clay liner system with leachate collection. Modules 1 and 3 are unlined modules without a leachate collection system. In 2004, closure was completed for Module 2 and portions of Modules 1 and 3. A Landfill Gas Collection (LFG) and Control System was installed for the closed areas. Closure of the remaining portions of Modules 1 and 3, and expansion of the landfill gas collection system for these modules, was completed in April 2007. The closure area (Modules 1, 2 & 3) encompasses approximately 57 acres with waste depth of approximately 185 feet. Approximately 6.2 million cubic yards of municipal solid waste (trash) is in place in these closed modules. Using a trash to cover soil ratio of 4:1, it is estimated that approximately 7.8 million

cubic yards of air space is utilized (based on a 1951 U.S. Geological Survey and 2007 aerial survey).

The Landfill receives municipal waste and small amounts of green waste and demolition material. Green waste is currently diverted for recycling purposes. The combination of green waste and demolition material is believed to be less than 10 percent of the total waste stream. The waste shed generally includes the entire unincorporated County area (urban and rural), the Town of Paradise and the Cities of Chico, Gridley and Biggs.

Current Operations: The Landfill has been, and will continue to be, divided into modules. Module 1 consists of 21.5 acres (approximately 2.33 million cubic yards of trash). A portion of Module 1 was closed in 2004, with the remainder closed in 2007. Module 2 consists of 9.8 acres (approximately 1.06 million cubic yards of trash) and was closed in 2004. Module 3 consists of 25.7 acres (approximately 2.81 million cubic yards of trash). A portion of Module 3 was closed in 2004, with the remainder closed in 2007. These three closed modules have LFG collection systems in place. Since 2004, operations have been conducted in Module 4, which is a double composite lined module. Module 4 currently receives approximately 580 tons of waste per day. There are currently no LFG collection facilities in this module. The County has contracted with an engineering firm to design a master plan for development of a LFG collection and control system for current and future modules.

Future Capacity: In July 2004, the Landfill was issued a revised Solid Waste Facility Permit that increased the disposal footprint from 66 to 140 acres to provide total landfill capacity of 25,271,900 cubic yards. Approximately 17.4 million cubic yards of permitted capacity remain today. Estimates calculated in a 2001 document projected closure in 2034; however, the California Integrated Waste Management Act of 1989 requires recycling, which may extend the life of the Landfill. Actual tons received are trending less than estimates developed in the 2001 projections. Based on July 2007 aerial and CAD calculations, approximately 270,038 cubic yards of trash and cover soil were placed from July 2006 to July 2007.

LFG Control: All of the collected LFG is destroyed by a single enclosed flare with the capacity of 1,800 scfm. The LFG collection and control system consists of 36 vertical extraction wells and 7 vadoze zone wells at the Landfill. All extraction wells are located in the closed modules. LFG flow to the flare is approximately 1450 scfm, with a methane content of approximately 40 percent by volume.

LFG Condensate Collection, Treatment, and Disposal: LFG condensate is collected in three (3) condensate traps that are automatically pumped to a storage tank. The County injects the condensate into the flare.

Permits and Regulatory Agencies: The Landfill operates under a Waste Discharge Requirement Permit, No. R5-2002-0145 issued by the California Regional Water Quality Control Board – Redding Office, 415 Knollcrest Drive, Redding, CA. The Landfill operates under a Local Permit to Operate No. NRL-01-01 and a Title V Permit issued by the Butte County Air Quality Management District, 2525 Dominic Dr., Chico, CA. Solid Waste Operations are regulated by the California Integrated Waste Management Board, 1001 I Street, Sacramento, CA 95814, Solid Waste Facility Number 04-AA-0002. The serving electric utility is Pacific Gas & Electric Company. For interconnection information, contact PG&E directly.

The County will initiate the California Environmental Quality Act (CEQA) process for any proposed landfill gas utilization project. It is anticipated that the project will be issued a “Categorical Exemption.” The County of Butte Department of Development Services will be the lead agency.

The County has a permit for the flare from the Butte County Air Quality Management District. The Developer will be responsible for the cost of obtaining the appropriate BCAQMD permits for the proposed facility. The County has submitted an application for renewal of its Title V permit and the BCAQMD will consider the application for renewal in 2008. The application did not include landfill gas to energy facilities, but there may be an opportunity to discuss these facilities with the BCAQMD during the review process.

II. ADDITIONAL REPORTS, DATA, AND MAPS

Drawings and reports are available for viewing by appointment at the County of Butte Neal Road Landfill offices. Public Works will also post these exhibits in PDF form on the Butte County Public Works Web Site, [Butte County Public Works](http://buttecounty.net/publicworks) (<http://buttecounty.net/publicworks>) - see "Projects for Bid." The County does not warrant, guarantee, or claim that the exhibits are completely accurate or applicable to the project; Developers may access and use them at their own risk. The following documents are available for viewing:

1. Earliest available topographical map;
2. Most recent topographical map;
3. Collection system drawing;
4. GC, GC/MS and other gas analysis from flare testing, and
5. LFG operational data (well field and flare).

Any addendum to the RFP will be posted on the web site. The County will also send email notification to contacts identified by RFP respondents of record.

III. COUNTY PARTICIPATION

The County will be responsible for obtaining project approval pertaining to CEQA, the Solid Waste Facility Permit and the Title V Permit. The County may also assist the Developer, who will have the lead role and will be responsible for all associated costs, in securing the appropriate BCAQMD permit(s). The Developer will be responsible for all costs associated with obtaining the BCAQMD permit(s).

IV. SCOPE OF THE PROPOSAL

The County would like to derive both income and services from the sale or lease of LFG at the Landfill. Income might come as a percentage of gross revenue, a ground lease, an up front lump-sum payment, and/or a graduated production payment. Services might

include providing operation and maintenance of the existing collection system and flare, condensate disposal, and /or installing new wells for future lifts.

In response to this RFP, Developers are **to specifically state** if they will assume all costs, labor, and equipment to:

- A. Negotiate an energy or product sales agreement;
- B. Design and construct a facility to deliver energy or a product;
- C. Supply, now and in the future, any additional horizontal and vertical wells and headers that may required for emissions control or commercial gathering of LFG;
- D. Assume operating and maintenance responsibility and costs for the existing flare, wells, and collection system;
- E. Assume all responsibility and costs for replacement wells and collection system components in both the existing system and in future systems;
- F. Secure or renew all local, state, and federal permits and rights-of-way for the construction and operation of a facility.

The Developer must acknowledge in its proposal that collecting LFG to meet environmental regulations will take precedence over collecting LFG for commercial use if the two come into conflict. Language to this effect will be included in any applicable Gas Lease Agreement.

V. **CONTRACT REQUIREMENTS**

The Developer is encouraged to submit sample agreements for gas sales and site lease/license; however, the County will develop the final agreements. In addition to contractual terms to be negotiated between the parties, the Developer's contract shall comply with the terms of the "Butte County Standard Insurance Provisions," shown as follows:

STANDARD INSURANCE REQUIREMENTS

Before the commencement of work, Contractor shall submit Certificates of Insurance and Endorsements evidencing that Contractor has obtained the following forms of coverage and minimal amounts specified:

A. MINIMUM SCOPE OF INSURANCE.

- 1.) Commercial General Liability coverage (Insurance Services Office (ISO) "occurrence" form CG 0001 1185).]
- 2.) Automobile Liability Insurance – standard coverage offered by insurance carriers licensed to sell auto liability insurance in California. Construction contracts only - Insurance Services Office's Business Auto Coverage form number CA 0001 0187 covering "any auto" and endorsement CA 0029 1288 Changes in Business Auto and Truckers Coverage forms - Insured Contract.
- 3.) Workers' Compensation Insurance as required by the Labor code and Employers Liability insurance
- 4.) Professional Liability Insurance - when the contract involves professional services such as engineering architectural, legal, accounting, instructing, and consulting, professional liability insurance is required.

B. MINIMUM LIMITS OF INSURANCE.

- 1.) **General Liability:** At least \$1,000,000 combined single limit **per occurrence** coverage for bodily injury, personal injury and property damage, plus an annual aggregate of at least \$2,000,000. If a general aggregate limit is used, then either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be **twice** the required per occurrence limit. The contractor or contractor's insurance carrier shall notify County if incurred losses covered by the policy exceed 50% of the annual aggregate limit.
- 2.) **Automobile Liability:** At least \$100,000 to cover bodily injury for one person and \$300,000 for two or more persons, and \$50,000 to cover property damages. However, policy limits for construction projects shall be at least \$1,000,000 combined single limit per accident for bodily injury and property damage for autos used by the contractor to fulfill the requirements of this contract, and coverage shall be provided for "Any Auto", Code 1 as listed on the Accord form Certificate of Insurance.
- 3.) **Workers' Compensation and Employer's Liability:** Workers' Compensation insurance up to policy limits and Employer Liability insurance each with policy limits of at least \$1,000,000 for bodily injury or disease.
- 4.) **Professional Liability Insurance (Delete if not contracting for professional services)**
Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS.

Any deductibles or self-insured retention must be declared on certificates of insurance and approved by the County. At the option of the County, either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the County, its officers, officials, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

D. OTHER INSURANCE PROVISIONS.

1.) General liability insurance policies shall be endorsed to state:

- a.) The County, its officers, officials, employees and volunteers are to be covered as insured as respects liability arising out of activities performed by or at the direction of the Contractor, including products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees or volunteers.
- b.) Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- c.) Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2.) Construction contracts. Construction contracts must also provide an endorsement for Automobile liability insurance, which includes the items listed in D1 above.

E. ACCEPTABILITY OF INSURANCE CARRIERS.

Insurance is to be placed with insurers who are licensed to sell insurance in the State of California and who possess a Best's rating of no less than A-: VII. If the contractor's insurance carrier is not licensed to sell insurance in the State of California, then the carrier must possess a Best rating of at least A: VIII. (For Best ratings go to <http://www.ambest.com/>)

F. VERIFICATION OF COVERAGE.

Contractor shall furnish the County **certificates of insurance** and original **endorsements** affecting coverage required by this clause. All certificates of insurance and endorsements are to be received and approved by the County before work under the contract has begun. The County reserves the right to require complete, certified copies of all insurance policies required by this contract.

Certificates of insurance shall state that the insuring agency agrees to endeavor to mail to County written notice 30 days before any of the insurance policies described herein are cancelled. Contractor agrees to notify County within two working days of any notice from an insuring agency that cancels, suspends, reduces in coverage or policy limits the insurance coverages described herein.

G. SUBCONTRACTORS.

Contractor shall include all subcontractors as insured under its policies or require all subcontractors to be insured under their own policies. If subcontractors are insured under their own policies, they shall be subject to all the requirements stated herein, including providing the County certificates of insurance and endorsements before beginning work under this contract.

VI. PROPOSAL PREPARATION EXPENSES

Proposals prepared in response to this RFP, along with associated presentations and contract negotiations, are at the sole cost and expense of the Developer. The Developer expressly understands that the County will accept no claims for reimbursement.

VII. SUBMITTING THE PROPOSAL

By November 29, 2007, Developers MUST notify Project Manager, Mr. Bill Mannel, Butte County Public Works, by email (bmannel@buttecounty.net) or Fax [(530-538-7171)] of their intent to submit a proposal. Failure to provide the notice of intent to propose may be considered grounds for disqualification from the proposal process. In the email or fax, please provide the company's fax number, phone number, contact person, the contact persons email address, and street address if different from the one used to transmit this RFP.

There will be a MANDATORY Developers' meeting/job walk on Friday, November 30, 2007 at 1:00 p.m. at the Neal Road Landfill Offices, 1023 Neal Road, Paradise, CA 95969 (Hwy 99 to Neal Road, proceed approximately 1 mile east to landfill entrance, park adjacent to modular offices). The County Project Manager, the Consultant Engineer and a representative from the Butte County Air Quality Management District will be available for questions and clarifications. Only proposals from Developers who attend the meeting /job walk will be considered for this RFP.

The Developer must submit its proposal in response to this RFP in two parts, with each part enclosed in a separate sealed envelope or box, as follows:

PART A (8 copies)

One envelope or box identified as "Developer's Technical Offering" and listing the name of the Developer shall include eight (8) copies of the proposal. The proposal shall be submitted in sufficient detail to allow for a thorough evaluation and comparative analysis. The County does not judge proposals by the volume presented; it should be brief and

concise, yet complete. The proposal should include, at a minimum, the following information:

1. Introduction: An introduction to the proposal, including a statement of the Developer's understanding of the project.
2. Approach: A detailed description of the Developer's approach to implementing the project.
3. Organizational Chart: Submit an organizational chart of the Developer's company showing the relationship of the Project Manager to the company's top management. This should include organizational relationships for all phases of the project, including marketing, permitting, engineering, construction, start-up, and operations. Name and show the relationship of any partner or affiliate.
4. Personnel: Identify the person designated as the Developer's Project Manager and include a full resume of his/her background. The Project Manager must be available for discussions and coordination with County staff, as required. Indicate other personnel, consultants and contractors that will be working on the project. Include a brief resume of each key person on the organization chart, highlighting his/her specific qualifications relevant to tasks they will perform.
5. Schedule: Submit a project schedule that includes all elements of the project, such as marketing the energy or product, permitting, engineering, construction, and start-up activities. The County will include milestones in the Agreement that are based on Developer's schedule and failure to meet these agreed upon milestones will trigger penalties up to and including termination of the Agreement.
6. Financing: Describe how the project will be financed, including the source(s) of financing. Indicate whether tax credits (or other Federal, state, or local subsidies) are to be used. If used, how will they affect the project? Enclose the most recent financial statement of your company, including the most recent audited financial statement.

PART B (one copy)

The second envelope or box shall be securely sealed and marked "Developer's Financial Offering" and listing the name of the Developer. Only one (1) copy of the financial offering is requested at this time.

1. The Developer shall use and include the attached "Proposal Economic Benefit Summary" sheet (Exhibit B) to clearly state any production payments or rents to be paid, leases to be executed, and other incentives to the County. An example of an incentive to the County could be operating and maintaining the flare station and/or operating and maintaining the well field.
2. The Developer may submit multiple offerings or business structures.

Note: The County will provide the County's estimated annual savings for items 3, 4, 5 of Exhibit B by email prior to the Job Walk on November 30, 2007

All envelopes and/or boxes shall be sealed and addressed to:

County of Butte, Attn: Mr. Bill Mannel
Department of Public Works
7 County Center Dr.
Oroville, CA 95965

The envelopes and/or boxes shall be plainly marked: "*PROPOSAL FOR THE DEVELOPMENT OF A LANDFILL GAS UTILIZATION PROJECT AT THE BUTTE COUNTY NEAL ROAD LANDFILL.*"

Questions concerning this RFP are to be addressed to Mr. Bill Mannel at bmannel@buttecounty.net. All questions must be emailed. Questions will be answered via email with a copy of the question and reply sent to all Developers. No questions will be taken or answered after 12:00 p.m. Friday, January 18, 2008.

Proposals are due at the above address by 5:00 p.m. on Friday January 25, 2008.

The County will return all proposals received after this time and date.

VIII. THE SELECTION PROCESS

The Selection Committee (“Committee”), comprised of County employees representing a variety of disciplines, will conduct the evaluation and selection process. One or more consultants may also be retained to assist in technical, financial and legal analysis. Such consultants are ineligible to propose on this project. During the evaluation period, the Committee or the County may independently seek additional information concerning the Developers and their proposals.

As part of the evaluation and selection process, the County may invite one or more potential Developers to be interviewed by and make a presentation to the Committee and/or the Board of Supervisors. Consideration in recommending the final candidate(s) to the County’s Board of Supervisors will include:

1. The Developer’s previous experience and success providing similar projects;
2. The risk to the County of failure to develop or early project termination;
3. The Revenue offered;
4. The Services offered;
5. The condition and performance of the Developer’s operating projects;
6. The strength of a power sales Agreement or product sales Agreement, and
7. Operation and maintenance of the flare.

The Board of Supervisors may select one primary and two alternate Developers for contract negotiations. It is anticipated that the Board will consider the Committee’s recommendations approximately two months after the proposal due date.

IX. RIGHTS OF THE COUNTY

The County reserves the right, at its sole discretion, to pursue any or all of the following actions related to this RFP, and may:

1. Issue addenda to the Request for Proposal

2. Request additional information and/or clarification from any of the Developers;
3. Negotiate a contract solely on the basis of the original proposal;
4. Negotiate a contract on the basis of additional information supplied by a Developer;
5. Negotiate a contract on any basis permitted by law, and
6. After Board of Supervisor's approval, issue subsequent requests for proposals or invitations to propose based on refinements of concepts proposed in response to this RFP.

This Request for Proposals is not a solicitation and does not obligate the County of Butte to accept any proposal, negotiate with any Developer, award a contract, or proceed with developing any project proposed in response to this RFP. The awarding of any contract shall be subject to such prior governmental approvals or determinations as may be required or appropriate.

X. LOCAL AND SITE CONDITIONS

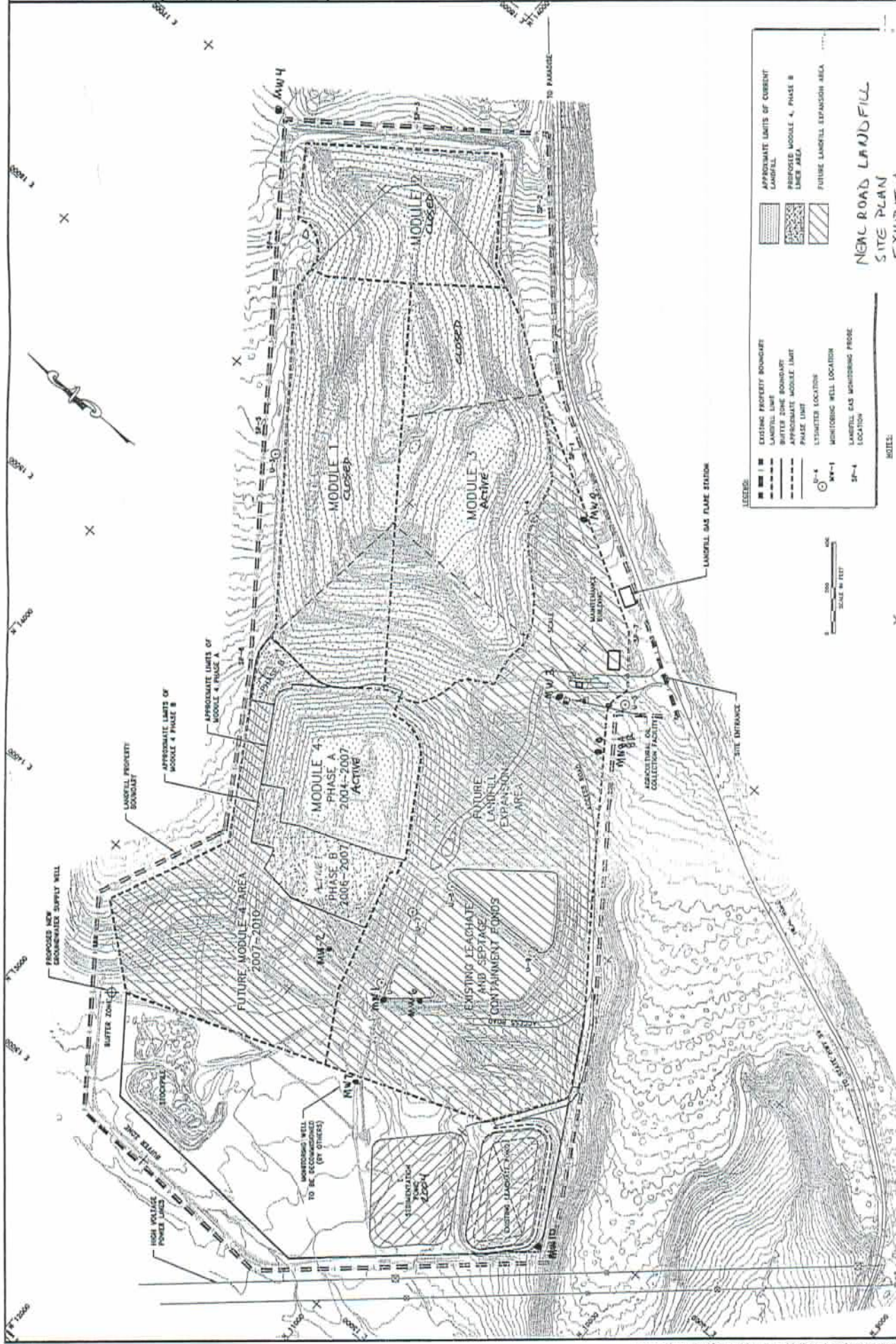
Each potential Developer shall satisfy itself by personal examination of the project site (see above time and date of mandatory site walk) and by such other means as it may choose to determine actual conditions, limitations, and requirements that may affect the execution of its proposal. Information derived from this personal examination or any other information supplied as a part of this RFP shall not relieve the Developer of the responsibility for the integrity of its proposal. The use of any oral or written information or material supplied by, or obtained from, the County shall be at the sole risk of the Developer. The failure or omission of any Developer to make the foregoing examinations and review, or its failure to visit and acquaint itself with site conditions, shall in no way relieve it from any obligation imposed by its proposal or by the negotiated contract. The submittal of a proposal shall be taken as prima facie evidence of the Developer's compliance with the requirements contained in this paragraph, as well as any other instruction or requirement contained herein.

The Developer shall not at any time after the proposal is submitted make or have any claim for damages or anticipated profits or loss of profit or otherwise because of any difference between the quantities of work actually done and anticipated work to be done as reflected in the submitted proposal and financial offering.

PUBLIC DISCLOSURE

All opened proposals will become the property of the County and will not be returned. All information contained therein shall be subject to public disclosure under the Public Records Act. Submission of the proposal shall be deemed a waiver of any exemption or exception to disclosure that the Developer may otherwise have.

EXHIBIT A
(Intentionally left Blank)



- LEGEND:**
- EXISTING PROPERTY BOUNDARY
 - LANDFILL LIMIT
 - BUTTE ZONE BOUNDARY
 - APPROXIMATE MODULE LIMIT
 - PHASE LIMIT
 - MW-1 LYSIMETER LOCATION
 - MW-2 MONITORING WELL LOCATION
 - MW-3 MONITORING WELL LOCATION
 - MW-4 MONITORING WELL LOCATION
 - MW-5 MONITORING WELL LOCATION
 - MW-6 MONITORING WELL LOCATION
 - MW-7 MONITORING WELL LOCATION
 - MW-8 MONITORING WELL LOCATION
 - APPROXIMATE LIMITS OF CURRENT LANDFILL
 - PROPOSED MODULE 4, PHASE B LIMIT AREA
 - FUTURE LANDFILL EXPANSION AREA



NOTES:

NEAL ROAD LANDFILL
SITE PLAN
EXHIBIT A

DATE	BY	CHKD	APP'D
04/17/08	JACOB		

EXHIBIT B

**PROPOSAL
ECONOMIC BENEFITS SUMMARY**

This form is to be completed and included in Developer's Proposal as described in Section VII. Part B. of the RFP. Fill in values where appropriate and circle either "yes" or "no" as indicated.

In their evaluation, the County's Selection Committee will apply a Net Present Value (NPV) calculation to each proposal. The values for the NPV calculation will come from this ECONOMIC BENEFITS SUMMARY. The dollars offered by the Developer in (1) and (2) will be entered into the calculation. Where a Developer agrees to provide a service listed below, the County's estimated savings will be included in the calculation.

- 1) Developer will pay County \$_____ per MM Btu for the LFG.
Or
Developer will pay County _____ percent of the Gross revenue received by the Developer for the sale of _____ kW of generation from the project.
Or
Developer offers _____
And:
Indicate the escalation factor applicable to Developer's offer: _____
- 2) Developer will pay \$_____ per year for a Site Lease of _____ sq ft.
- 3) At no cost to County, Developer will supply the power for the existing and any future collection system and flare blowers. yes / no
(County's estimated annual savings \$_____ credited to proposal)
- 4) Developer will operate and maintain the flare station. yes / no
(County's estimated annual savings \$_____ credited to proposal)
- 5) Developer will operate the existing and future collection system and provide minor maintenance. yes / no
(County's estimated annual savings \$_____ credited to proposal)
- 6) Other service or benefit Developer offers: _____