

MAY 13, 2008
USTIF BULLETIN #5
COMPETITIVE BIDDING

The USTIF has made the determination that the application of competitive bidding to sites for remediation and corrective action activities presents advantages for both the tank owner and the Fund. In addition, historical evidence indicates that these sites close faster than sites where Time & Material is the source of reimbursement.

To date, the Fund has applied the bidding process to over 50 sites. The signed contracts that are the results of the bidding process will address the future remediation needs at these locations. In addition, we expect the number of sites where the bidding process will be applied to increase significantly in the future.

With the experience we have gained through these first 50 sites, we have further refined and standardized our procedures for securing and evaluating bids for remediation activities to insure that the process remains fair and transparent. The following document represents the Fund's effort to insure that those consultants who choose to participate in the bidding process are aware of sites that are involved in the program and understand the nature of the bid process.

Consultants wishing to participate in the process and desiring notice of sites that are being put out for bids should make certain that they are registered on the USTIF web site under the Pay for Performance Program. As of now, there are 105 consulting firms registered with USTIF.

Pennsylvania Underground Storage Tank Indemnification Fund
Competitive Bidding Fact Sheet, (May 2008)

USTIF has determined that it is advantageous in some cases to obtain competitive bids for corrective action. Among the key advantages of this process are that it (a) facilitates USTIF's fiduciary responsibilities, (b) secures competitively priced corrective actions that satisfy Pennsylvania Department of Environmental Protection (PADEP) requirements, (c) ensures corrective actions whose costs are reasonable and necessary, (d) obtains good value for claimants, and (e) offers consultants the opportunity to operate in a fair bidding environment. The bidding process is described below.

ICF International (ICF) in consultation with USTIF identifies that the site is a candidate for bidding (all bidding activities are subject to USTIF approval). ICF then interacts with claimant and selects a Third Party Reviewer (TPR) to assist with the bid process and to help prepare a Request for Bid (RFB) for the site. In general, ICF will contact the claimant and the TPR will contact the PADEP to inform them the site is a candidate for competitive bidding, although the details of the notification process are claim-specific. The general steps in the bid process are outlined below:

1. Send the "Bid Opportunity Letter"

A time-and-materials, fixed price or pay for performance "Bid Opportunity Letter" (BOL) is sent to a list of potential bidders. The bidder list may be a list developed by the claimant that is acceptable to the Fund, or the list is derived from the 105 consultants who submitted their information to USTIF as being interested in competitive bidding. The BOL letter shall include:

- Site description;
- Bid structure – generally either a defined Scope of Work (SOW) or "bid-to-result" (such as site closure or an approved Site Characterization Report);
- A request asking the bidders to reply by a certain date to indicate their interest in receiving the Request for Bid (RFB) and

- Statement that there will be a mandatory site meeting.
2. Interested bidders will attend the mandatory site meeting and submit bids in the manner described in the RFB package.
 3. Bid Review and Scoring

Bidders submissions that are administratively qualified (submission in a timely manner, attend the mandatory pre-bid site meeting) will be evaluated. Numerical values will be assigned for defined SOW bids for three categories:

 - Understanding the problem and demonstrating knowledge of how to perform the work
 - Cost
 - Qualification and experience

Numerical values will be assigned to four categories in those cases where there is bid-to-result request.

 - Understanding of the problem
 - Technical and Regulatory Approach to Remediation
 - Cost
 - Qualifications & Experience
 4. Evaluation of Bids

A committee composed of at least one member of the USTIF Staff, one member of ICF Staff and the TPR who assisted in developing the bid package will score all bids based on the above criteria. USTIF recognizes that several bids may be acceptable and receive similar numerical scores. At the conclusion of the scoring process, the claimant will receive those bids whose numerical score places them in the category of meeting Reasonable and Necessary criteria and acceptable for USTIF funding. The claimant may select any of those consulting firms to implement the tasks described in the bid.