

Underground Storage Tank Indemnification Fund Bulletin 5: Competitive Bidding Fact Sheet

The Pennsylvania Underground Storage Tank Indemnification Fund (USTIF) has determined that it is advantageous in some cases to obtain competitive bids for corrective action that is required at a tank site. 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 (DEP) 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.

First, USTIF's third party administrator (TPA), in consultation with USTIF, identifies that the site is a candidate for bidding (all bidding activities are subject to USTIF approval). USTIF's TPA then interacts with the facility owner/operator to discuss the competitive bidding process and obtains a competitive bid agreement letter. After a claimant agrees to competitively bid the claim, a third party reviewer (TPR) is assigned to create a "Request for Bid" (RFB) on behalf of the claimant. A draft RFB is presented to the claimant for review and approval. The draft RFB is also submitted to the appropriate regional DEP office for potential review and comment. Notification of the RFB is completed through posting the RFB, along with all related attachments/resource materials, on the USTIF website. The general steps in the bid process are outlined below:

1. RFB Publication

As of October 2009, bid opportunities are open to all interested firms and will be listed on the USTIF website, <https://ustif.pa.gov/bids>, along with all related attachments/resource materials. The RFB shall include:

- General site background and history
- Bid structure – generally either a defined scope of work (SOW) or "bid-to-result" (such as site closure or an approved Site Characterization Report), as well as pertinent technical information and data
- Statement and date for a mandatory site meeting
- Requirements and date for bid submission

Bureau of Special Funds

2. Mandatory Pre-Bid Site Meeting

Interested bidders must attend the mandatory site meeting as indicated in the RFB. Failure to attend the mandatory pre-bid site meeting will disqualify any consultant from bidding.

3. Bidder Question and Answer Period

The site meeting will be followed by a question and answer period defined in the RFB.

- All questions must be sent via email to the technical contact named in the RFB. Bidders are not to contact or discuss an RFB with the claimant, USTIF, DEP, or USTIF's TPA.
- All questions and answers will be shared with all interested bidders who attended the mandatory site meeting.
- Questions and their respective answers will become part of the RFB, which in turn, will become part of the final contract.
- Bidders are responsible to monitor questions and answers and address any changes, modifications or clarifications made to the RFB as a result of the questions and answers.

4. Bid Submission

Bidders will submit bids in the manner described in the RFB. Late submissions and bids that are not signed will be rejected. Bids must be valid for at least 180 days unless affirmatively withdrawn by the Bidder.

5. Bid Review and Scoring

Bid submissions where the bidder was represented at the mandatory pre-bid site meeting and that were properly submitted by the designated due date and time will be accepted for review.

Clarification & Additional Information

After receipt of the bids, the USTIF shall have the right to contact Bidders for the purpose of:

- Seeking clarification of the Bid which informs the USTIF's understanding of statements or information in the Bid;
- As a result of clarification, determining whether the bidder seeks to withdraw their bid

Administrative Evaluation

USTIF will determine if a bid is administratively qualified based on certain criteria including, but not limited to acceptance of the Remediation Agreement, proposed modifications to the Remediation Agreement, history of terminated Remediation Agreements and demonstration of insurance requirements.

Technical Scoring

Bids that are considered administratively qualified are evaluated for technical viability before cost is considered. Bids that have technical scores that are equal to or greater than 70% of the highest technical score will advance to cost scoring. Bids with technical scores below 70% of the highest technical score are eliminated from further consideration.

Numerical values will be assigned for defined SOW bids for two categories:

- Understanding the problem and demonstrating knowledge of how to perform the work
- Qualifications and Experience

Numerical values will be assigned to three categories in those cases where there is a bid-to-result request:

- Understanding of the problem
- Technical and Regulatory Approach to Remediation
- Qualifications and Experience

Cost Scoring

Cost scores are determined by a cost formula. The bid(s) with the lowest total cost receives the maximum cost points available. The remaining bids are scored by applying the following cost formula: $(1 - ((B-A)/A)) \times C = D$

A = the lowest bid cost

B = the bidder's cost being scored

C = the maximum number of cost points available

D = bidder's cost score (points)

If a bid cost is double or greater than double the amount of the lowest bid cost the bid will be assigned zero cost points.

6. Evaluation of Bids

A committee comprised of at least two members of the USTIF staff, two members of TPA staff, and the TPR who assisted in developing the RFB will score all bids that are administratively qualified based on the above criteria. USTIF reserves the right to assign additional non-scoring members to the evaluation committee as needed. 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 scores place them in the category of meeting Reasonable and Necessary criteria and acceptable for USTIF funding. The claimant may select any of the consulting firms that had a technical score that allowed the bid to advance to cost scoring, to implement the tasks described in the bid; however, USTIF will only provide funding up to the highest fixed price of those bids determined to be Reasonable and Necessary for USTIF funding.

May 2008, Revised October 2009, August 2012, February 2017 and November 2020