

REQUEST FOR PROPOSALS FOR VERIFIED NUTRIENT REDUCTIONS

**SUSQUEHANNA RIVER BASIN COMMISSION
RFP NUMBER 2024-001**

DATE OF ISSUANCE: SEPTEMBER 17, 2024

REQUEST FOR PROPOSALS FOR VERIFIED NUTRIENT REDUCTIONS

A. BACKGROUND

The Susquehanna River Basin Commission (SRBC) is a federal-interstate compact Commission responsible for coordinated management of the water resources of the 27,510-square-mile Susquehanna River Basin. The basin is situated in New York, Pennsylvania, and Maryland and comprises 43 percent of the Chesapeake Bay’s watershed. The mission of SRBC is to enhance public welfare through comprehensive planning, water supply allocation, and management of the water resources of the basin. Under the authority of the Susquehanna River Basin Compact (Compact), SRBC regulates groundwater withdrawal, surface water withdrawal, diversions, and consumptive water use in the basin. The Compact also provides that SRBC may plan, design, acquire, construct, improve, develop, operate and maintain any and all projects, facilities, properties, activities, and services which are determined by the SRBC to be necessary, convenient, or useful for the purposes of the Compact (Section 3.4.1).

This Request for Proposals (RFP) represents the second round of proposals for delivery of nitrogen reductions. The SRBC awarded over \$11 million to 7 projects during the first round. The “pay-for-success” funding model under this RFP encourages innovative and cost-effective approaches to nitrogen reductions, and as such, the first round of funding has nitrogen reductions priced from approximately \$5 to \$150 per pound of nitrogen reduced for a range of practices.

B. PURPOSE

SRBC invites proposals for the delivery of nitrogen reductions in accordance with this RFP. Proposals must adhere to the format and content of this RFP. Proposals will not be evaluated unless all parts requested are submitted in a complete package by the listed deadline. The information set forth is the minimum required in order to qualify for consideration. The successful Offeror shall be required to enter into a Pay-for-Success Contract based on the specifications outlined in this RFP. A copy of the Pay-for-Success Contract is provided as a part of this package as Appendix A.

C. ISSUING OFFICER

The Issuing Officer and sole point of contact in the SRBC for this RFP shall be Jason Oyler, 4423 North Front Street, Harrisburg, Pennsylvania 17110. Please refer all inquiries to the Issuing Officer via ConowingWIP@srbc.gov.

D. CALENDAR OF ACTIVITIES

The SRBC will strive to adhere to the following schedule, but reserves the right to modify it:

Activity	Responsibility	Date
Dissemination of RFP	SRBC	September 17, 2024
Informational Webinar with Q & A	SRBC	October 9, 2024
Proposals submitted to SRBC	Offeror	December 16, 2024 by 4:00 p.m. EST
Proposal Selected and Contractor Notified	SRBC	February 5, 2025
Anticipated Contract Start Date	SRBC	No later than March 31, 2025

E. SCOPE OF WORK

The Conowingo Watershed Implementation Plan (CWIP) addresses the additional nutrient loads entering the Chesapeake Bay as a result of sedimentation behind Conowingo Dam. The reservoir located behind the Conowingo Dam was predicted to trap sediments and nutrients until at least 2025. New information determined that Conowingo Reservoir has reached dynamic equilibrium and is no longer effectively trapping nutrients flowing into the Chesapeake Bay. The United States Environmental Protection Agency's (EPA's) Chesapeake Bay Program took action by assigning Conowingo Nutrient Loads to Maryland, Pennsylvania, and New York.

The State of Maryland is implementing the CWIP by using \$25 million appropriated by the Maryland General Assembly to purchase "environmental outcomes," reductions in nitrogen loading quantified by the Chesapeake Assessment Scenario Tool (CAST) and verified using Chesapeake Bay Program Best Management Practice (BMP) verification guidance and applicable state protocols. Procurement will follow pay-for-success financing strategy, a cost-effective and risk averse approach to reducing nutrients that flow into the Chesapeake Bay. The nutrient reductions realized by the effort will be counted towards Maryland's Conowingo nitrogen load allocation of 0.18 million pounds/year and Maryland's Conowingo phosphorus load allocation of 0.003 million pounds/year.

Pay-for-success financing is authorized under Maryland's Conservation Finance Act (2022) and was piloted in the Clean Water Commerce Act. The process is a "reverse auction" where restoration projects with measured and validated nitrogen reductions will propose a cost per pound reduction in the application process. Should an applicant propose a nitrogen reduction at a cost deemed too high or where the verification of the reduction would be too uncertain, then that project will be rejected. Multiple application periods can ensure that only cost-effective contracts are developed and approved.

Maryland has long been a leader in achieving the numerical pollution reductions required by the EPA. The additional load allocation in the CWIP can be most efficiently addressed upstream. With lower costs and more opportunities to reduce pollution, the upstream approach will benefit Maryland in two ways. First, upstream reductions count towards the Chesapeake Bay Program load allocations. Second, the work will improve water quality and resiliency in the Chesapeake Bay.

SRBC is administering the financing and related procurement processes for Maryland's portion of the CWIP implementation.

F. GENERAL REQUIREMENTS

1. *Contract*

SRBC anticipates awarding approximately \$10 to \$12 million worth of contracts as a result of this RFP, and may award multiple contracts. Contracts may be for up to 20 years depending on the project type proposed. The contract will establish a per pound price that will be used to price the entirety of the award under the terms and conditions of the contract. Contracted projects will generally follow the process described below:

- a. SRBC will provide a solicitation seeking proposals to reduce nitrogen (this RFP). The Offeror(s) will prepare a proposal describing the project and the nitrogen and phosphorus reductions associated with the proposal, the proposed cost per pound of reduced nitrogen in a format specified by the request, a description of how implementation of the project will be financed prior to payment, a plan outlining how the reductions will be verified and reported, and an estimated life of the project and associated nutrient reduction per year.
- b. SRBC, in coordination with the Maryland Department of the Environment, will review the proposal(s), and at its discretion, select and accept a proposal(s) in whole/part using the scoring criteria provided in Section H.
- c. SRBC will issue a contract(s) for the final, accepted proposal using the template provided with this solicitation.
- d. The contractor(s) will track and invoice each project separately based on the agreed-upon payment schedule, not to exceed 20 years.

The SRBC reserves the right to reject any proposal based on a nitrogen reduction at a cost (per pound or total) deemed too high, where the verification of the reduction or nature of the project would be too uncertain, or there is a lack of available funding for the total project cost.

2. *Conditions*

All Offerors are hereby advised that this RFP is a solicitation and is not a commitment or offer to enter into an agreement or engage in any competitive bidding or negotiation pursuant to any statute, ordinance, rule, or regulation.

Offerors understand and agree that submission of a proposal constitutes acknowledgement and acceptance of, and a willingness to comply with, all of the terms, conditions, and criteria contained in this RFP.

False, incomplete, or unresponsive statements in connection with a proposal will be sufficient cause for the rejection of the proposal. The determination of the fulfillment of the above requirement will be SRBC's responsibility and its decision shall be final. SRBC reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

SRBC is not liable for any costs the Offeror incurs in preparation and submission of its proposal, or in participating in the RFP process.

SRBC has included the Pay-for-Success Contract that will be used as Appendix A. This contract contains the specific conditions applicable to successful Offeror(s) and should be reviewed by each Offeror before submitting a proposal.

Only projects with nutrient reductions available for purchase and use toward Maryland's CWIP load reduction are eligible. If nutrient reductions are already claimed by a Bay state

WIP or other entity, they are not eligible for funding. Only BMPs approved by the Chesapeake Bay Program that can be modeled using CAST and/or calculated following expert panel methodology are eligible for funding.

Previously constructed projects are not eligible under this RFP. However, a project that is currently in a design phase or is currently being constructed but not yet complete may be eligible provided the nutrient reductions associated with the project are available for purchase and use toward Maryland's CWIP load reduction, and are not already claimed as part of a Bay state WIP or other entity.

3. *Certifications*

By submitting a proposal, the Offeror certifies that it meets the following requirements. Please also review APPENDIX A – PAY-FOR-SUCCESS CONTRACT for a detailed description of all certifications and conditions.

- a. Will have access to all necessary equipment and has the organizational capacity and technical competence necessary to do the work properly and expeditiously.
- b. Will have legal access to the property necessary to complete the project, including the ability of SRBC to inspect the project.
- c. Has, or will obtain, insurance coverage as specified in APPENDIX A – PAY-FOR-SUCCESS CONTRACT.

G. PROPOSAL REQUIREMENTS

Responses to this RFP must be made according to the requirements set forth in this section for content and sequence. Failure to adhere to these requirements, or the inclusion of conditions, limitations, or misrepresentations in the submittal, may be cause for rejection. The deadline will not be extended to accommodate any correction and resubmission.

Proposals must include the following items:

1. *Cover Sheet*

A cover sheet, as set forth in Appendix B, which requires contact information, including the name and address of the Offeror; the name, telephone number, and e-mail address of the individual(s) responsible for the preparation of the proposal who may be contacted in the event of questions or notification.

2. *Project Description*

The Offeror will provide all information required in the application, which includes:

- a. Project or Nutrient Reduction Practice Name(s) – Multiple projects at multiple sites are allowed under a single application or may be submitted under separate applications.

Each project must be distinctly identified and only one cost value may be assigned to each individual proposed reduction.

- b. Location – Map, latitude, longitude, and description of ownership of each parcel. Demonstration of sufficient access for the project property will be required of any successful Offeror. Multiple projects at multiple sites are allowed under a single application. Each project location must be distinctly identified.
- c. Proposed Verification Plan – Describe the protocol for verifying and reporting that practices are completed to Chesapeake Bay Program standards using a third-party verifier. Given the wide range of BMPs available to applicants for implementation, the applicant should propose a verification plan that adheres to the accepted methodology the Bay states utilize for verification and reporting of BMPs for their own state WIPs. To the extent a practice does not have requirements for verification/inspections/reporting to occur by an agency or permittee (i.e., MS4), the applicant must hire a qualified consultant or nonprofit organization to conduct the verification and reporting of nutrient reductions as the third-party verifier. Structural practices may only require this once or at regular intervals. Annual practices must be verified yearly. SRBC is not a verifying party.
- d. Implementation Timeline and Details – Include expected start and completion dates for Planning, Design, Construction, Operation and Implementation phases of work. These may be approximate.
- e. Financing Plan – Include a description of how project implementation will be funded prior to any payment for verified and reported nutrient reductions. Also include any federal, state, or local government funding being provided for the project or practice, including the name of the department or agency providing the funding, the amount of funding received or that will be received, and the portion of the project or practice for which the funds are being or will be provided. Other funds that have already been allocated for a separate nutrient-based water quality improvement project may not be applied to the project unless there are excess benefits that could be a prorated share of nutrient reduction for Maryland’s CWIP obligations.
- f. Quantification Methods – Provide the necessary documentation to illustrate the nitrogen and phosphorus reduction calculations. Applications will only be ranked on nitrogen reductions modeled by CAST, or otherwise calculated using Bay-approved methods (i.e., expert panel methodology) and found in the Chesapeake Bay Program’s Quick Reference Guide to BMPs. The CAST model, and any other associated calculations, will be used to validate reductions before payment. Instructions for running CAST scenarios can be found in the application materials. For approved BMPs able to be modeled using CAST, any supplemental information needed to support the modeled reductions should be uploaded at the end of the “Project Details” section of the application where it allows for additional supporting information.

3. *Payment Schedule*

Applicants will include a schedule describing how much funding they will request each year and the total amount of funding requested to cover all costs. These rates must be tied to verified pounds of nitrogen being prevented each year. No funds will be provided until outcomes have been produced, verified, and reported. Rates should be inclusive of all costs including fringe benefits, overhead, and fee/profit. Payments are not to exceed 20 years. The Pay-for-Success Contract would provide annual payments being made for verified nitrogen reductions achieved during that year. Applicants' pricing and payment schedule in the proposal **must** conform to this method.

For an application with multiple projects and/or multiple locations, payment will occur upon completion of the project in accordance with the terms of the Pay-for-Success Contract. Payment will occur when verified and reported reductions are presented to SRBC on an annual basis. Verified reductions may be presented individually for multiple parcels and BMPs consistent with the terms of the contract. SRBC is not committed to purchase verified reductions in excess of the amount proposed by the project.

4. *Proposal Submission*

An electronic proposal, inclusive of all requested information and supporting documents, must be submitted via Amplifund:

<https://www.gotomygrants.com/Public/Opportunities/Details/c545b1fb-fcc6-4f81-975f-94a20eaf5936>

Proposals must be received by the time and date as provided in **Section D – Calendar of Activities**.

H. EVALUATION OF PROPOSALS

SRBC will screen proposals based on eligibility criteria and completeness, and project viability. All eligible and complete proposals will be evaluated based on the criteria outlined below:

1. **Lowest cost per pound of nitrogen removed and provided by an approved Bay Program BMP.** (up to 50 points)

Proposals will be awarded points based on the cost per pound of nitrogen. The cost per pound is calculated by dividing the total project cost by the total pounds of nitrogen that the project will reduce. Phosphorus reductions will not be factored into this criterion. The proposals with the lowest costs per pound of nitrogen will receive the maximum points and SRBC will award points in this criterion to other proposals based on how their cost per pound of nitrogen compares to the lowest cost proposal. SRBC may group proposals with similar costs for the purpose of awarding points in this category.

2. **Located in the Susquehanna River Watershed in Maryland Counties: Harford and Cecil.** (20 points)

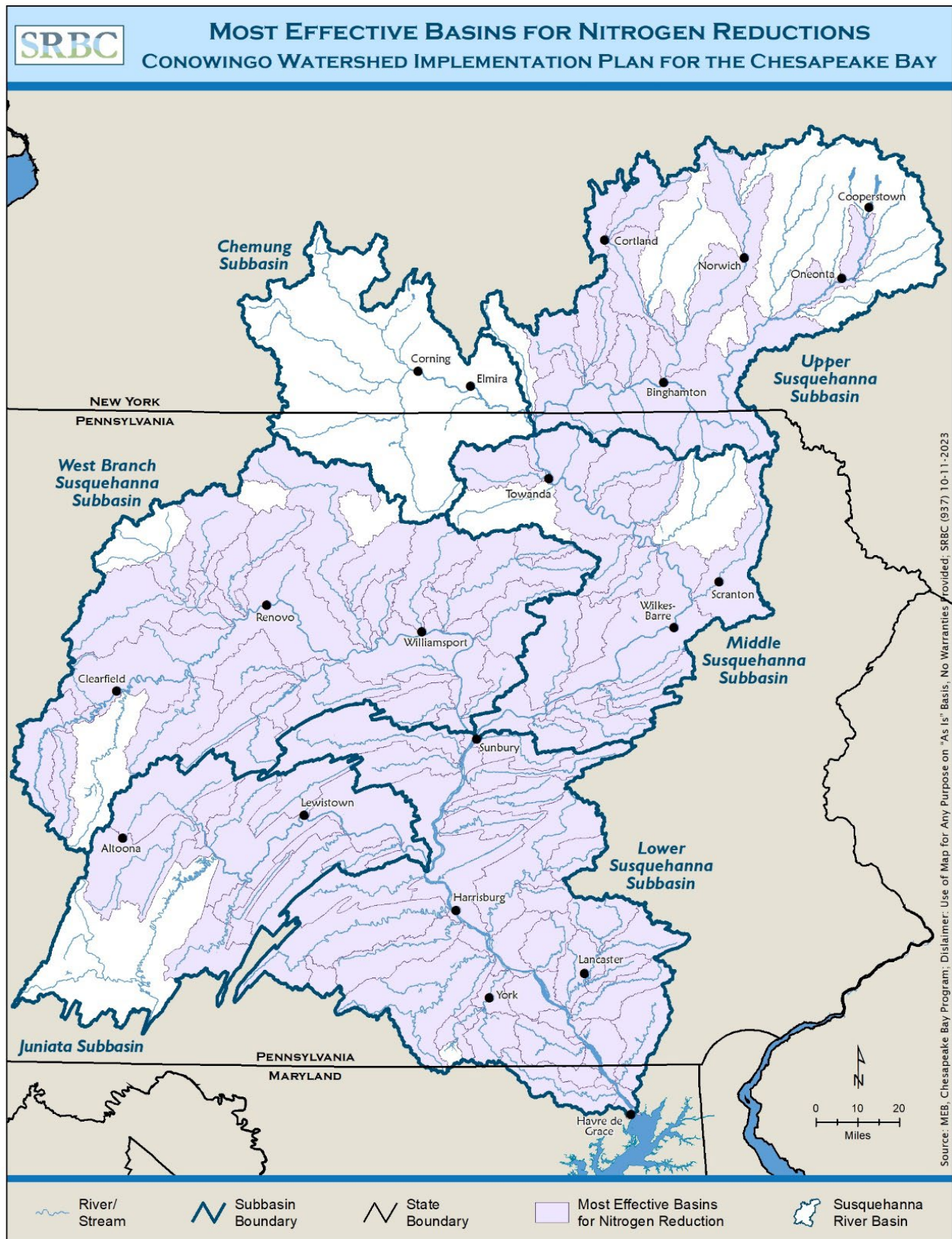
See map below for locations of projects that would receive these points.

3. **Involve dredging in the Conowingo Reservoir.** (10 points)

Any project that produces the overwhelming majority of its nitrogen reductions by directly removing sediment and debris from the Conowingo Reservoir would receive these points.

4. **Located in a most effective basin developed by the CWIP planning committee and approved by the Principal Staff Committee (PSC).** (10 points)

For projects that do not receive points under paragraphs 2 or 3, projects located in a most effective basin would receive these points. (See the dark area of the map below for locations of projects that would receive these points.) The most up-to-date map can be found at: <https://gis.chesapeakebay.net/wip/meb2022/>



I. QUESTIONS AND ANSWERS

SRBC will conduct a webinar on October 9, 2024, beginning at 9:00 a.m. EST that will include a question and answer session. SRBC will post a recording of the webinar, as well as the questions received and answers provided, within 1 week of the webinar date.

All questions related to the application process and Amplifund may be submitted via e-mail to ConowingoWIP@srbc.gov with “RFP Question” in the subject line.

All formal questions and responses are considered as addenda to, and part of, this RFP. SRBC shall not be bound by any verbal information provided by its employees or affiliated subcontractors, nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by SRBC.

APPENDIX A
PAY-FOR-SUCCESS CONTRACT

[PROVIDED AS SEPARATE LINK]

APPENDIX B
COVER SHEET

For: Susquehanna River Basin Commission
4423 North Front Street
Harrisburg, PA 17110

I have received and carefully examined the Request for Qualifications document (RFP Number 2024-001) issued by the Susquehanna River Basin Commission on September 17, 2024.

As an officer, I hereby certify that I am authorized to sign on behalf of:

Company Name:_____

Street Address:_____

City/State/Zip:_____

Telephone #:_____

This offer shall remain in effect for 150 days from the due date of the proposal document.

Signature:_____

Print Name:_____

Title:_____

Date:_____

The individual responsible for the preparation of this proposal who may be contacted in the event of questions or notifications is:

Name:_____

Title:_____

Telephone #:_____

E-mail Address:_____

Tax ID Number:_____