

# REQUEST FOR PROPOSALS

04-SF-40-2136

## Colorado River Basin Salinity Control Program

Bureau of Reclamation  
Upper Colorado Region

October 2003

# Application for Federal Assistance

SF-424 and Instructions

Can be found at the site listed below and must be returned with the proposal

[www.whitehouse.gov/omb/grants/grants\\_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html)

# Table of Contents

SECTION A - DESCRIPTION OF SERVICES .....	1
A.1 PURPOSE AND DESCRIPTION OF SERVICES.....	1
A.2 PROGRAM OBJECTIVES .....	1
A.3 OVERVIEW OF REQUEST FOR PROPOSALS (RFP) PROCESS.....	2
A.4 NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE.....	2
A.5 APPLICABLE REGULATIONS.....	2
A.6 RECLAMATION ASSISTANCE.....	3
SECTION B - REQUIREMENTS, INSTRUCTIONS, AND CONDITIONS TO OFFERORS .....	4
B.1 PROPOSAL PREPARATION AND SUBMISSION.....	4
B.2 UNNECESSARILY ELABORATE PROPOSALS OR QUOTATIONS.....	5
B.3 AMENDMENTS TO RFP .....	5
B.4 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF PROPOSALS .....	6
B.5 RESTRICTION ON DISCLOSURE AND USE OF DATA .....	6
B.6 EXPLANATION OR INTERPRETATION OF SOLICITATION .....	7
B.7 AWARDS .....	7
B.8 RETENTION/DISPOSITION OF MATERIALS .....	7
B.9 FAILURE TO SUBMIT OFFER .....	8
B.10 WILDLIFE HABITAT REPLACEMENT .....	8
B.11 FUNDING SUBJECT TO APPROPRIATION.....	8
B.12 ADDITIONAL REQUIREMENTS FOR LONG-TERM O&M.....	8
B.13 REPORTING REQUIREMENTS AND DISTRIBUTION .....	9
SECTION C - EVALUATION CRITERIA.....	11
C.1 GENERAL.....	11
C.2 COST EFFECTIVENESS .....	11
C.3 PERFORMANCE RISK.....	12
C.4 NEGOTIATION.....	14
C.5 NOTICE OF POSSIBILITY OF AWARD WITHOUT DISCUSSION .....	14
SECTION D - GOVERNMENT CONTACTS.....	15

## **SECTION A - DESCRIPTION OF SERVICES**

### **A.1 PURPOSE AND DESCRIPTION OF SERVICES**

The Bureau of Reclamation, Upper Colorado Region, (Reclamation) is requesting proposals for reducing salinity contributions to the Colorado River. Preference will be given to proposals for projects that are located in the Colorado River Basin above Hoover Dam and control over 1,000 tons per year of salt loading. Projects will generally be awarded with funding between \$1 million to \$3 million per year, based on the priorities of date of award and cost effectiveness. Project completion shall be commensurate with the tasks being proposed; however, it is anticipated that projects should be completed within three years. Such proposals may consist of measures to reduce salinity contributions originating from saline springs, leaking wells, irrigation sources, municipal and industrial sources, erosion of public and private land, or other sources. All salinity projects are required to replace incidental wildlife habitat losses concurrent with construction of salinity features.

The offeror will only be reimbursed up to the bid cost effectiveness and payment schedule. Savings in one part of the project may be used to offset additional costs for other parts of the project up to the agreement limit. Proposals will be evaluated and selected through the competitive, negotiated process herein described.

### **A.2 PROGRAM OBJECTIVES**

Total annual salt loading to the Colorado River is approximately 9 million tons per year. About one half of the present salt load can be attributed to natural sources such as erosion of lands and saline springs. The remainder of the salt load is human-induced, originating from irrigation practices and municipal and industrial sources. Damages resulting from this salt loading and the concentrating effects due to the consumptive use of water are estimated to be approximately \$300 million annually. These impacts accrue mainly to municipal, industrial, and agricultural water users in the Lower Basin of the Colorado River.

The objective of the salinity control program is to minimize the salt loading in the Colorado River Basin. In June 1974, Congress enacted the Colorado River Basin Salinity Control Act, Public Law 93-320, which directed the Secretary of the Interior to proceed with a program to enhance and protect the quality of water available in the Colorado River for use in the United States and Republic of Mexico. In 1975 the Environmental Protection Agency approved water quality standards developed by the seven basin states in response to the Federal Water Pollution Control Act. The standards included numeric criteria for three stations on the mainstem of the lower Colorado River - below Hoover Dam, below Parker Dam, and at Imperial Dam - and a Plan of Implementation to control salinity increases.

Previously authorized portions of the program are nearing completion and Reclamation is approaching the indexed 1974 appropriation ceiling of \$301 million. In response to this need, Congress has authorized the expenditure of an additional \$250 million (including Basin States cost sharing) for salinity control projects in the Colorado River Basin. Public Law 104-20 of July 28, 1995, authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to implement a basinwide salinity control program. The Secretary may carry out the purposes of this legislation directly, or make grants, enter into contracts, memoranda of agreement, commitments for grants, cooperative agreements, or advances of funds to non-federal entities under such terms and conditions as the Secretary may require. Throughout the remainder of this document the generic term "agreement" is used to describe the agreement mechanism. The appropriate

agreement mechanism will be determined on a case-by-case basis (i.e., grant or cooperative agreement).

### **A.3 OVERVIEW OF REQUEST FOR PROPOSALS (RFP) PROCESS**

Reclamation has published a notice in the FedBizOpps and other sources to solicit interest in participating in the program. Interested parties can download the RFP from the Internet at [www.usbr.gov/uc/progact/salinity](http://www.usbr.gov/uc/progact/salinity). Proposals will be evaluated and ranked under the criteria set forth in Section C by the ranking committee, which will be composed of representatives of the Colorado River Basin States and Reclamation. The Grant and Cooperative Agreement Officer (GCAO) will then determine which proposals are within the competitive range based on the results of the initial evaluation and ranking. The GCAO may choose to award agreements without discussions at this point. If the GCAO chooses to proceed with discussions, the offerors whose proposals are found to be in the competitive range will be notified and given an opportunity to improve the responsiveness of their proposals through a negotiation process. Offerors will then submit their best and final offers for final evaluation by the ranking committee. Reclamation will proceed to award agreements from among the highest ranked alternatives available to Reclamation.

### **A.4 NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE**

All awarded agreements will require compliance with the National Environmental Policy Act (NEPA), and with the Council on Environmental Quality and Department of Interior regulations implementing NEPA, before construction may begin. Compliance with all applicable state, Federal and local environmental and cultural and paleontological resource protection laws and regulations is also required. These may include, but are not limited to, the Clean Water Act, the Endangered Species Act, consultation with potentially affected tribes, and consultation with the State Historic Preservation Office.

Environmental compliance costs will be considered in the ranking of proposals, and depending upon the terms of the proposal and subsequent agreement between Reclamation and the project proponent(s), environmental compliance costs may be cost-shared by Reclamation.

Reclamation is the lead Federal agency for NEPA compliance. Reclamation will be responsible for evaluating technical information and ensuring that environmental, cultural, and socioeconomic concerns are addressed. As the lead agency, Reclamation is solely responsible for determining, in compliance with the applicable NEPA regulations cited above, the appropriate level of NEPA compliance which could be a categorical exclusion checklist, environmental assessment, or environmental impact statement. Findings of NEPA compliance must be acceptable to Reclamation in order for the project to be initiated.

Reclamation may initiate termination actions in accordance with 43 CFR 12.84 or 12.961 as applicable to the recipient.

### **A.5 APPLICABLE REGULATIONS**

43 CFR Part 12, and the following Office of Management and Budget (OMB) Circulars, as applicable, will be incorporated by reference and made a part of each grant or agreement awarded under this process. Failure of a recipient to comply with any provision may be the basis for withholding payments for proper charges made by the recipient and for termination of support.

- (a) Agreements with colleges and universities shall be in accordance with the following circulars:
- ! Circular A-21, Revised August 8, 2000, "Cost Principles for Educational Institutions"
  - ! Circular A-110, Revised September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"
  - ! Circular A-133, June 24, 1997, "Audits of Institutions of Higher Learning and Other Nonprofit Institutions"
- (b) Agreements with State and local governments shall be in accordance with the provisions of the following circulars:
- ! Circular A-87, Revised September 29, 1997, "Cost Principles for State and Local Governments"
  - ! Circular A-102, Revised August 29, 1997, "Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments"
  - ! Circular A-133, June 24, 1997, "Audits of Institutions of Higher Learning and Other Nonprofit Institutions"
- (c) Agreements made with nonprofit organizations shall be in accordance with the following circulars and provisions:
- ! Circular A-110, Revised September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"
  - ! Circular A-122, May 19, 1998, "Cost Principles for Nonprofit Organizations"
  - ! Circular A-133, June 24, 1997, "Audits of Institutions of Higher Learning and Other Nonprofit Institutions"
- (d) All agreements with organizations other than those indicated above shall be in accordance with the basic principles of OMB Circular A-110, and cost principles shall be in accordance with Part 31 of the Federal Acquisition Regulations, Subpart 31.2 entitled, "Contracts with Commercial Organizations."

## **A.6 RECLAMATION ASSISTANCE**

Any assistance Reclamation may provide to offerors, when it is in the best interest of the Government, will primarily involve extracting information from salinity reports completed by Reclamation.

Further, Reclamation assistance may be provided to the project sponsor in implementing the project when requested to do so and it is in the best interest of the Government. The cost of this assistance shall be considered a project cost and will be considered when ranking proposals.

Reclamation may, at its own discretion, provide direct assistance to the project sponsor when the proposed project has other associated indirect benefits of Federal interest (i.e., other water quality or environmental benefits). The cost of this assistance will not be considered a project cost.

# SECTION B - REQUIREMENTS, INSTRUCTIONS, AND CONDITIONS TO OFFERORS

## B.1 PROPOSAL PREPARATION AND SUBMISSION

**Proposal Content** - Each proposal should include a section on each of the following topics:

**(a) Title Page.** Provide a brief, informative, and descriptive title for the proposed work. Include name and address of organization, and name, address, E-mail address, telephone and facsimile numbers of the project manager.

**(b) Table of Contents.** List all major sections of the technical proposal in a Table of Contents.

**(c) Executive Summary.** Discuss briefly how the required work will be performed and what are the highlights of the proposal.

**(d) Background Data** - Include location (state, county, and direction from nearest town) and other appropriate information. For irrigation improvement projects this would include: project diversions, major crops, total acres served, miles of canals, miles of laterals, existing irrigation improvements (types, miles, acres), canal and lateral seepage losses, on-farm efficiency.

**(e) Salinity Control Methods** - Describe the proposed method to accomplish salt load reduction and expected life of the project. For irrigation improvement projects, project maps will trace the ditches to be abandoned or replaced. A few photographs of the existing project area (canals and laterals) would also be helpful.

**(f) Annual Salt Load Reduction** - Provide detailed documentation or references used in developing the salt load reduction estimates including loading rates, seepage, and efficiency information. Do not include salinity control benefits from existing improvements.

**(g) Cost Breakdown** – Shall be developed to a sufficient level of detail to provide for an objective evaluation of the proposal, including:

1. Wildlife habitat replacement costs per Section B.10
2. Contingency estimates
3. Total Cost – Indicate total amount of proposal and what the total Reclamation grant would be to the offeror

Time, if stated as a number of days in the proposals, will include Saturdays, Sundays, and holidays.

**(h) Risk Analysis** - Include a detailed overview of the proposed salinity control project addressing the performance risk evaluation criteria as listed in Section C.3.

### Proposal Length and Format

(a) Limited to **thirty-five (35)** 8 ½ inch X 11 inch pages, excluding any required forms stated in these instructions, **double-spaced** on one side of the page.

- (b) The font used shall be easily readable and shall be between 10 and 12 points, or a maximum average of no more than 15 characters per inch.
- (c) All pages in each individual volume shall be consecutively numbered, including pages with tables and exhibits. Pages that include tables, figures, or pictures will constitute a numbered page.
- (d) Reference materials, supporting materials, and documentation are to be clearly identified by attachment number and appended to the back of the proposal.
- (e) Print or type its name on each page of each technical proposal and cost proposal
- (f) Initial erasures or other changes by the person signing the offer.
- (g) Sign the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority.
- (h) Designate a person who will be in charge of the agreement administration and provide name, title, address, telephone, and faxogram number of designee.

### **Proposal Submittal**

- (a) Submit an original hard copy and 6 additional copies.
- (b) **Proposal must be received at the address below before 3:00 p.m. MST, February 27, 2004.**
- (c) Submit in sealed envelopes or packages and clearly labeled "Salinity Control Program Proposal."
- (d) Address to:

Ms. Lila Duffin  
Bureau of Reclamation  
Attention: UC-825  
125 South State Street, Room 7223  
Salt Lake City UT 84138-1147

### **B.2 UNNECESSARILY ELABORATE PROPOSALS OR QUOTATIONS**

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired and may be construed as an indication of the offeror's lack of cost consciousness. Elaborate art work, expensive paper and bindings, expensive visual and other presentation aids are neither necessary nor wanted.

### **B.3 AMENDMENTS TO RFP**

- (a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.



- (b) Offerors shall acknowledge receipt of any amendment to this solicitation by identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer.

#### **B.4 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF PROPOSALS**

- (a) Any proposal received at the office designated in the solicitation after the exact time specified for receipt will **not** be considered unless it is received before award is made and it--
  - (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
  - (2) Was sent by mail and it is determined by Reclamation that the late receipt was due solely to mishandling by the Government after receipt at the Government installation; or
- (b) Any modification of a proposal or quotation, except a modification resulting from the GCAO's request for "best and final" offer, is subject to the same conditions as in subparagraphs (a)(1) and (2) above.
- (c) A modification resulting from the GCAO's request for "best and final" offer received after the time and date specified in the request is subject to the same conditions as in subparagraphs (a)(1) and (2) above.
- (d) The only acceptable evidence to establish the date of mailing of a late proposal or modification sent either by registered or certified mail is the postmark on the wrapper or on the original receipt. If neither postmark shows a legible date, the proposal, quotation, or modification shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. Postal Service on the date of mailing. Therefore, offerors should request the postal clerks to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.
- (e) The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.
- (f) The proposal is not binding until both parties sign the final agreement. Proposals may be withdrawn by written notice received at any time before the agreement is signed.

#### **B.5 RESTRICTION ON DISCLOSURE AND USE OF DATA**

Offerors who include in their proposal or quotations data that they do not want disclosed to the public--

- (a) Mark the title page with the following legend:

"This proposal or quotation includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed--in whole or in part--for any purpose other than to evaluate this proposal or quotation. If, however, an agreement is awarded to this offeror as a result of--or in connection with--the submission of this data, the Government shall have the right to duplicate, use or disclose the data to the extent provided in the resulting agreement. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]"; and

- (b) Mark each sheet of data it wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

## **B.6 EXPLANATION OR INTERPRETATION OF SOLICITATION**

Any prospective offeror desiring an explanation or interpretation of the solicitation must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the agreement will not be binding. Any information given to a prospective offeror concerning the solicitation will be furnished promptly to all other prospective offerors as an amendment to the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

## **B.7 AWARDS**

- (a) Reclamation will attempt to negotiate agreements to implement projects resulting from this solicitation to the responsible offerors whose offers, conforming to the solicitation, will be most advantageous to the Government, cost or price and other factors, specified elsewhere in this solicitation, considered.
- (b) Reclamation may (1) reject any or all offers if such action is in the public interest, (2) accept other than the lowest offer, and (3) waive informalities and minor irregularities in offers received.
- (c) Reclamation may award an agreement on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.
- (d) The 1984 amendments to the Salinity Control Act authorized the USDA and BLM to participate in the salinity control program. Although integrated with Reclamation's work, both of these agencies have their own authorities to implement their respective programs. Although any proposal may be evaluated under Reclamation's ranking procedures, some proposals *may not* be awarded by Reclamation if they fall within the bounds of some other agency's authorities. For example, the USDA Salinity Control Program is responsible for onfarm irrigation improvements and rangeland improvements on private lands. BLM is responsible for the rangeland management program on BLM lands. EPA and the Basin States administer a pollution discharge permitting program that sets point source discharge standards for salinity and provides financial assistance for publicly owned treatment works.

## **B.8 RETENTION/DISPOSITION OF MATERIALS**

Proposals submitted in response to this RFP will not be returned but will be retained by the Government for official record purposes. Proposal material supplied to the offeror by Reclamation (including attachments and specifications) need not be returned to the procuring office but may be disposed of at the discretion of the offeror unless otherwise specifically directed.

## **B.9 FAILURE TO SUBMIT OFFER**

Recipients of this solicitation not responding with an offer should not return this solicitation. Instead, they should advise the issuing office by letter or postcard if they want to receive future solicitations for similar requirements. If a recipient does not submit an offer and does not notify the issuing office that future solicitations are desired, the recipient's name may be removed from the applicable mailing list.

## **B.10 WILDLIFE HABITAT REPLACEMENT**

The Salinity Control Act, Section 202(a)(6), provides for the replacement of incidental fish and wildlife values that are lost as a result of measures and associated works to reduce salinity. For irrigation improvement projects, a standard protocol for habitat evaluation is available upon request from Reclamation.

The following are minimum requirements for habitat replacement for salinity control projects:

- There is no net loss of habitat function. This is to say that acreage amounts need not be the same, but that there is no net loss in total value to wildlife.
- A guarantee or reasonable assurance must be provided that the replacement habitat features will survive and function (e.g., with an assured water supply) for the life of the project.
- Long-term active management must be included to assure that exotic plant species will not reduce the function of the site as wildlife habitat.
- Habitat replacement should be implemented in advance of project (pipeline) construction or otherwise, must occur concurrently.
- The estimated cost of the habitat replacement will be included in the cost effectiveness computation and included as a cost risk factor. Unless there is justification for a different value, Reclamation will assume that wildlife habitat replacement will cost 10% above the project construction and consider this in the ranking process.

## **B.11 FUNDING SUBJECT TO APPROPRIATION**

Funding for the program is subject to annual appropriations from Congress. The program is designed to run at about \$15-million per year, however, the actual funding level may be different. There are numerous ongoing projects within the program, and funding for new projects may not be available until fiscal year 2005.

## **B.12 ADDITIONAL REQUIREMENTS FOR LONG-TERM O&M**

In the case of projects that do not require reimbursement of annual operation and maintenance expenses, no further review or approval by Congress is required beyond the normal, annual appropriation of funds. In the case of projects which require a major, long-term commitment of resources to reimburse annual operation and maintenance expenses, Reclamation will require that a planning/NEPA compliance report be sent to Congress before committing to project funding or authorizing the project sponsor to proceed.

## **B.13 REPORTING REQUIREMENTS AND DISTRIBUTION**

Failure to comply with the reporting requirements contained in any agreement issued pursuant to this RFP may be considered a material non-compliance with the terms and conditions of the award. Non-compliance may result in withholding of future payments, suspension or termination of the agreement, recovery of funds paid under the agreement, and withholding of future awards.

**(1) Financial Reports** B All financial reports shall be signed by an Authorized Certifying Official for the recipient's organization.

**(a) SF-269 or SF-269a, Financial Status Report** B This form is utilized to report total expenditures for the reporting period. The SF-269 must be used if the recipient is accountable for the use of program income; otherwise, the SF-269a may be used.

A final SF-269 or SF-269a shall be submitted within 90 days following completion of the agreement.

**(b) SF-272, Report of Federal Cash Transactions** B This report shall be submitted by recipients that draw down cash advances by means of electronic funds transfer or Treasury check. Recipients shall identify in the ΔRemarks@ section the amount of cash advances received in excess of 3 days prior to disbursement and explain actions taken to reduce excess balances.

### **(2) Program Performance Reports**

**(a) Interim Reports** B Recipients shall submit an original and two copies of program performance reports on a quarterly basis within 30 days following the end of the reporting period. Program performance reports shall contain the following:

- (i) A comparison of actual accomplishments with the goals and objectives established for the reporting period;
- (ii) Where project output can be quantified, a computation of the cost per unit of output;
- (iii) When appropriate, reasons why goals and objectives were not met; and
- (iv) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

**(b) Annual Reports** B An annual program performance report shall be submitted within 90 days following the end of each year of the agreement. Copies of this report may be required to be included with any application for continuing support of the agreement.

**(c) Final Report** B A final program performance report shall be submitted no later than 90 days following the expiration or termination of the agreement.

### **(3) Significant Developments**

During the term of the agreement, the recipient must immediately notify the GCAO if any of the following conditions become known:

(a) Problems, delays or adverse conditions which will materially impair their ability to meet the objectives of the agreement;

(b) Favorable developments which enable the recipient to meet time schedules and objectives sooner than or at less cost than projected or to produce more beneficial results than originally planned.

This notification is to include information on the actions taken or contemplated to resolve problems, delays, or adverse conditions, and any assistance needed from Reclamation to help resolve the problem.

## SECTION C - EVALUATION CRITERIA

### C.1 GENERAL

In 1984, the Salinity Control Act was amended to direct the Secretary to give preference to units which reduce salinity at the least cost per unit of salinity reduction (or cost-effectiveness). Cost-effectiveness is defined as the Salinity Program's annual cost per ton of salt prevented from entering the Colorado River system. Conceptually, cost-effectiveness is analogous to determining the cost per mile to own and operate a car. That computation combines the annual expenses (loan payments, gas, maintenance, etc.) and divides by the miles traveled each year. The key to understanding this approach is to appreciate that the government evaluates all projects as if the money is borrowed from a loan institution and repaid in annual installments over the life of the project. This economic evaluation principle is required by the "Economic and Environmental Principles Guidelines for Water and Related Land Resources Implementation Studies," March 1983. This method lends consistency in the comparison of non-federally financed alternatives (which must borrow funds) to Federally financed projects.

Each proposal will be evaluated by a technical review panel in accordance with the following criteria and corresponding percentage weights:

- (a) Technical merit – those passing will be evaluated further
- (b) Cost effectiveness – 70% The annual cost for each ton of salt load reduction, expressed in dollars per ton.
- (c) Performance risk – 30% Performance risk will evaluate the cost and effectiveness risks of the proposal.

### C.2 COST EFFECTIVENESS

Cost-effectiveness is Reclamation's primary criteria for ranking its implementation priorities. Cost effectiveness may be computed by the sponsor using the method described below or will be computed by the evaluation team.

Cost Effectiveness - is computed in three steps:

- (a) Amortize the Salinity Control Program costs at the rate **5.875 percent** over the useful life of the project. Do include an estimate of USDA Salinity Program costs for joint BOR/USDA projects where USDA benefits (tons) are included below.
- (b) Divide the amortized capital costs by the annual number of tons of salt load reduction; thereby determining the cost per ton. Do not include any past salinity control benefits which have already been implemented. The proposal may claim joint salinity benefits from integrated USDA/Reclamations plans, but must also include the joint costs.

Each proposal shall be developed to a sufficient level of detail to perform an independent evaluation of the proposal's cost effectiveness. The proposal should reference Reclamation planning reports or provide a detailed analysis of methods used to evaluate the project's effectiveness (salinity reduction claims).

### **Example Computation:**

The proposal will request \$2 million to fund 8,000 tons per year of controls for 25 years at a 5.875 percent interest rate. The \$2 million cost amortizes to \$154,600 per year over the 25 year life of the project. The cost effectiveness is \$154,600 per year /8,000 tons per year or \$19 (rounded) per ton.

### **C.3 PERFORMANCE RISK**

The Salinity Control Act directs that cost effectiveness be prime criteria for ranking and selecting projects. However, it is rare that the actual performance of a project can be estimated precisely. Some methods of salinity control are more variable than others in their implementation. Under certain circumstances, accepting some risk may reduce the Program's costs. The ranking needs to consider that the most cost-effective proposals often have a degree of performance risk and whether this risk is acceptable.

Performance risk evaluation will be used to adjust the ranking of proposals to consider the reliability of the cost and salt load reduction estimates used in the cost-effectiveness computations.

Reclamation will adjust the ranking to consider a variety of performance risk factors. These will include the uncertainty in both program costs and tonnage reductions. The evaluation will include:

- ! **Investment Security** - Upfront funding or high initial payments for projects may add to the Program's exposure to cost overruns, failures, and defaults. Proposals where the Program pays as salt is produced or as facilities are completed, inspected, and placed into operation reduce this risk.
- ! **Plan Detail** - The lack of detailed plans, surveys, cost estimates, adequate contingencies, environmental compliance documents, mitigation plans, and water rights would add risk.
- ! **Cost Escalation** - In the case of privately financed projects which are reimbursed annually, broad based inflation adjustments may add a small degree of risk. Highly volatile indexes may add a higher degree of risk. Cost controls are important to Reclamation.
- ! **Methods Used to Predict Salt Load Reduction** - For example, industrial use or desalting of a known quantity and concentration of brine would normally have few risks associated with this category of performance risk, as long as the waste stream was handled correctly. Irrigation projects and other non-point source projects, where the regional salt loading is directly measured, computer modeled, and allocated to each of the different sources, will have somewhat more risk in this category depending upon the accuracy of the regional salt loading measurement. Projects which rely on only one measurement (like soil salinity) which are not corroborated through other independent methods or measurements would have the highest risk.
- ! **Project Life** - The project life is used in the amortization of the project's capital costs and cost effectiveness computation. Overly optimistic estimates of project life bias the cost effectiveness computation. The life expectancy of new technologies is generally less reliable than older, "time-tested" technologies. Also some technologies tend to have more risk than others. Deep well injection has a relatively high risk due to the uncertainties involved in estimating the well's receiving capacity and life. Pipelines tend to be more reliable than open ditches which are exposed to the local weather.

- ! **Operation and Maintenance (O&M)** - Some proposals may be more or less susceptible to poor O&M practices. To minimize this risk factor, sponsors may propose "robust" solutions that require relatively little maintenance. For example, buried irrigation laterals require little attention, while open concrete ditches are more prone to weathering and require annual maintenance to remain fully effective. The ranking team will consider the risk that the Program's capital investments may be lost from poor maintenance. In the past, Reclamation has provided supplemental, annual O&M funding to maintain certain projects. Reclamation has found this difficult to fund and administer. If essential to the continued performance of the project, the Program may consider (or may require) funding an O&M trust to cost share the maintenance of capital improvements and safeguard the Program's investment. If funded by the Program, this cost would be included in the proposal's cost effectiveness computation.
- ! **Management** - Generally, projects which rely on a high degree of management to maintain their efficiency will be downgraded unless there is reason to believe it is sustainable. Highly automated systems that are simple to operate will reduce this risk. For example, automatic sprinkler shutoffs would improve management risk.
- ! **Measurable or Verifiable Results** - Projects for which the salt load reduction can be independently verified add a degree of certainty to the proposal. For example, interception of saline springs is a highly verifiable method (both water volume and concentration can be directly measured). Irrigation delivery system improvements are somewhat more difficult to measure, but shallow monitoring wells next to the lined canal can confirm the absence of seepage and rainwater can be used to measure concentration. Onfarm deep percolation reductions may vary significantly from farm to farm and year to year. Statistical sampling may be required.
- ! **Other Factors** - any factors which might reduce the expected performance and degrade the actual (realized) cost effectiveness of the project.

Although the details of each proposal will be evaluated for performance risk, the following practices would typically rank from lowest risk to highest risk:

- ! Industrial processes which interrupt brine source, treat the brine, produce a measured (weighed) product, and bill the Program. Payments are made annually as salt is produced (or controlled). Measurement of salt is very accurate and only influenced by moisture content, scale accuracy, or laboratory analysis errors. If the Program only pays for salt as it is produced and weighed, there is no risk from poor maintenance or management.
- ! Physical improvements like canal and lateral piping are generally considered more effective than lining as it does not require annual maintenance to remain water tight. It generally has a longer life and is less affected by weather.
- ! Physical improvements like canal and lateral lining has proven to be effective at eliminating seepage, particularly in the Grand Valley Unit. However, cleaning of lined canals can cause punctures and freeze - thaw processes can cause damage to concrete linings.



- ! Automated water delivery systems and automated irrigation systems are less prone to "management" risk. However, these types of improvements are subject to uncertainty in the actual management of the system and technology that may not be widely accepted and tested.
- ! Irrigation management. These types of improvements are highly sensitive to the degree of irrigation management and are much less reliable than automated improvements. These practices are easily abandoned and require continued technical assistance to sustain in the field. Irrigation management can be effective if its initial costs are low and the technical assistance is provided through the project's life to sustain its benefits.

#### **C.4 NEGOTIATION**

If discussions are necessary, the GCAO will enter into such discussions with those offerors whose response to this RFP falls within the competitive range. The competitive range will be established by the GCAO after the initial evaluation of the proposals. Following negotiations, proposals will be reevaluated, scored and ranked according to the criteria contained in Sections C.2 and C.3 above.

#### **C.5 NOTICE OF POSSIBILITY OF AWARD WITHOUT DISCUSSION**

Offerors are cautioned to review carefully all terms, conditions, and specifications of the solicitation prior to submission of proposals. Reclamation may accept the most favorable initial proposal(s) without discussions. Offerors are cautioned that each proposal should be prepared based on the most favorable technical terms which can be submitted.

## SECTION D - GOVERNMENT CONTACTS

The Acquisition Office representative responsible for overall administration of the RFP and agreement(s) is:

Ms. Lila Duffin  
Bureau of Reclamation  
Attention: UC-825  
125 South State Street, Room 6107  
Salt Lake City UT 84138-1147  
Phone: (801) 524-3727  
Faxogram: (801) 524-3857  
Internet: [lduffin@uc.usbr.gov](mailto:lduffin@uc.usbr.gov)

Technical contacts are:

### Salinity Program

Mr. Kib Jacobson  
Bureau of Reclamation  
125 South State Street  
Salt Lake City UT 84138-1147  
Phone: (801) 524-3753  
Faxogram: (801) 524-5499  
Internet: [kjacobson@uc.usbr.gov](mailto:kjacobson@uc.usbr.gov)

Mr. John Redlinger  
Bureau of Reclamation  
400 Railroad Ave  
Boulder City NV 89005  
Phone: 702-293-8592  
Faxogram: 702-293-8042  
Internet: [jredlinger@lc.usbr.gov](mailto:jredlinger@lc.usbr.gov)

### Western Colorado

Mr. Mike Baker  
Bureau of Reclamation  
2764 Compass Drive  
Grand Junction CO 81506  
Phone: 970-248-0637  
Faxogram: 970-248-0601  
Internet: [mbaker@uc.usbr.gov](mailto:mbaker@uc.usbr.gov)

Mr. Stan Powers  
Bureau of Reclamation  
835 E Second Avenue, Suite 300  
Durango CO 81301  
Phone: 970-385-6555  
Faxogram: 970-385-6539  
Internet: [spowers@uc.usbr.gov](mailto:spowers@uc.usbr.gov)

Eastern Utah and Western Wyoming

Mr. Lee Baxter

Bureau of Reclamation

302 East 1860 South

Provo UT 84606

Phone: 801-379-1174

Faxogram: 801-379-1159

Internet: [lbaxter@uc.usbr.gov](mailto:lbaxter@uc.usbr.gov)