

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING	)	RESOLUTION NO. 88-944
EXECUTION OF A CONTRACT AWARD TO	)	
CAL RECOVERY SYSTEMS, INC. FOR	)	Introduced by Rena Cusma,
A PORTLAND AREA COMPOST PRODUCTS	)	Executive Officer
MARKET STUDY	)	

WHEREAS, The Metropolitan Service District is in the process of negotiating a Memorandum of Understanding document with Riedel Environmental Technologies, Inc. for a mass composting facility; and

WHEREAS, Riedel Environmental Technologies, Inc. has secured markets, all of which are outside the three-county area that lies within 45 miles of the City of Portland, for 100 percent of the first year's compost production; and

WHEREAS, The potential long-range effects of municipal solid waste compost added to the Portland metropolitan area may impinge on existing markets and markets targeted for sewage sludge and yard debris compost; and

WHEREAS, Cal Recovery Systems, Inc. successfully responded to the Solid Waste Department's Request for Proposals for a Portland area compost market study issued May 4, 1988, and was selected by the Metro Evaluation Committee as the top vendor for said proposal; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District authorizes the Executive Officer to execute a contract in the amount

of (\$38,828.00) with Cal Recovery Systems, Inc. to perform a market study of Portland area compost products.

ADOPTED by the Council of the Metropolitan Service District  
this 7th day of July, 1988.

  
Mike Ragsdale, Presiding Officer

SG/sm  
9727C/545  
06/14/88



# GRANT/CONTRACT SUMMARY

METRO METROPOLITAN SERVICE DISTRICT

GRANT/CONTRACT NO. 88-6-699 SW  
FUND: Misc Prof Serv DEPARTMENT: Solid Waste  
SOURCE CODE (IF REVENUE) \_\_\_\_\_

*FY 87-88*  
BUDGET CODE NO. 30-06-00-7500-6500  
(IF MORE THAN ONE) \_\_\_\_\_

### INSTRUCTIONS

- OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
- COMPLETE SUMMARY FORM.
- IF CONTRACT IS —
  - SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
  - UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
  - OVER \$2,500, ATTACH QUOTES, EVAL FORM, NOTIFICATION OF REJECTION, ETC.
  - OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
- PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT Market Study - Portland Area Compost Products

2. TYPE OF EXPENSE

<input checked="" type="checkbox"/> PERSONAL SERVICES	<input type="checkbox"/> LABOR AND MATERIALS	<input type="checkbox"/> PROCUREMENT
<input type="checkbox"/> PASS THROUGH AGREEMENT	<input type="checkbox"/> INTER-GOVERNMENTAL AGREEMENT	<input type="checkbox"/> CONSTRUCTION
		<input type="checkbox"/> OTHER

OR

TYPE OF REVENUE  GRANT  CONTRACT  OTHER

3. TYPE OF ACTION

<input type="checkbox"/> CHANGE IN COST	<input type="checkbox"/> CHANGE IN WORK SCOPE
<input type="checkbox"/> CHANGE IN TIMING	<input checked="" type="checkbox"/> NEW CONTRACT

4. PARTIES Cal Recovery Systems Inc

5. EFFECTIVE DATE July 1, 1988 TERMINATION DATE September 16, 1988  
(THIS IS A CHANGE FROM \_\_\_\_\_)

6. EXTENT OF TOTAL COMMITMENT:

ORIGINAL/NEW	\$ <u>38,828.00</u>
PREV. AMEND	_____
THIS AMEND	_____
<b>TOTAL</b>	\$ <u>38,828.00</u>

### 7. BUDGET INFORMATION

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 1988-89 \$ 38,828.00

B. BUDGET LINE ITEM NAME Misc Prof Svcs AMOUNT APPROPRIATED FOR CONTRACT \$ 250,000.00

C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF June 1, 1988 \$ 211,172.00

### 8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

<u>Cal Recovery Systems Inc</u> SUBMITTED BY	\$ <u>38,828.00</u> AMOUNT	<input checked="" type="checkbox"/> MBE
<u>Northwest Economic Associates</u> SUBMITTED BY	\$ <u>39,069.00</u> AMOUNT	<input type="checkbox"/> MBE
<u>E+A Environmental</u> SUBMITTED BY	\$ <u>39,819.00</u> AMOUNT	<input type="checkbox"/> MBE

9. NUMBER AND LOCATION OF ORIGINALS - Nine proposals were submitted; Copies of each proposal are located in the Office of Contracts (w/ A. Hazen) and in the Solid Waste Dept.

10. A. APPROVED BY STATE/FEDERAL AGENCIES?  YES  NO  NOT APPLICABLE  
 B. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT  YES  NO
11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS?  YES  NO  
 IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION Executive Office, Oregon State
12. WILL INSURANCE CERTIFICATE BE REQUIRED?  YES  NO
13. WERE BID AND PERFORMANCE BONDS SUBMITTED?  YES  NOT APPLICABLE  
 TYPE OF BOND \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_  
 TYPE OF BOND \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_
14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)
- |   |               |                              |
|---|---------------|------------------------------|
| NAME <u>Lawrence &amp; Craig</u>              | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME <u>Resource Conservation Consultants</u> | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____                                    | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____                                    | SERVICE _____ | <input type="checkbox"/> MBE |
15. IF THE CONTRACT IS OVER \$10,000  
 A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?  
 YES  NO - contractor is a Registered DBS in the state of Oregon
- B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?  
 YES DATE \_\_\_\_\_ INITIAL \_\_\_\_\_

16. COMMENTS:

## GRANT/CONTRACT APPROVAL

INTERNAL REVIEW

X. Wong 6/13/88

DEPARTMENT HEAD

Donald R. Bell 6/14/88

FISCAL REVIEW

Ellen G. Finn

BUDGET REVIEW

6-14-88

CONTRACT REVIEW BOARD

(IF REQUIRED) DATE \_\_\_\_\_

1. \_\_\_\_\_  
COUNCILOR

2. \_\_\_\_\_  
COUNCILOR

3. \_\_\_\_\_  
COUNCILOR

COUNCIL REVIEW

(IF REQUIRED)

DATE \_\_\_\_\_

LEGAL COUNSEL REVIEW AS NEEDED:

A. DEVIATION TO CONTRACT FORM \_\_\_\_\_

B. CONTRACTS OVER \$10,000 Wrenn Sherlock w/ comments

C. CONTRACTS BETWEEN GOVERNMENT AGENCIES \_\_\_\_\_

**PORTLAND AREA COMPOST PRODUCTS MARKET STUDY**

**SCOPE OF WORK**

**CAL RECOVERY SYSTEMS INCORPORATED  
160 BROADWAY SUITE 200  
RICHMOND, CA 94804**

**UNDER CONTRACT TO:**

**The Metropolitan Service District  
2000 SW First Avenue  
Portland, Oregon 97201-5398**

## I. PURPOSE OF CONTRACT

The purpose of this contract is to obtain the services of Cal Recovery Systems, Inc. (hereafter known as Contractor) to assist the Metropolitan Service District (hereafter known as Metro) in the investigation of market segmentation of existing and potential markets for sewage sludge compost product, yard debris compost product and municipal solid waste compost product (as proposed by Riedel Environmental Technologies, Inc.).

Presently, the Portland metropolitan area is composting sewage sludge and yard debris to produce two separate compost products. This study will address the broad question: Will the presence of an additional source of compost product exceed the demand for compost products and seriously impede the development of future compost product markets for sewage sludge and yard debris compost products?

The question has been divided into eight tasks, the combination of which answer the larger question(s) of market competition and provide an information base for future compost product marketing attempts. Task 1 provides technical assistance to Metro staff in a comparative analysis of the three area compost products; Task 2 defines the geographic market area; Task 3 identifies organic products that presently compete with compost products; Task 4 updates and expands an earlier marketing report prepared by Northwest Economic Associates on yard debris compost; Task 5 assesses the potential market structure for the three area compost products; Task 6 examines current and future product markets for organic compost products; Task 7 - assesses the effects of retaliatory pricing by competing distributors of organic products; and Task 8 incorporates information obtained in Tasks 1 through 7 into a written report to be submitted Metro by the Contractor.

## II. SCOPE OF WORK

### A. General Project Parameters

1. All raw data obtained by the contractor in the project interview and data collection process shall be submitted to Metro in a legible form at time of project completion (September 16, 1988).

2. Metro staff will be utilized in the development of the survey instrument and in the selection of sample size to be surveyed.

**B. Specified Tasks To Be Performed By Contractor**

Task 1: The Contractor shall assist Metro Staff with the analysis of area compost products: sewage sludge compost, yard debris compost and MSW compost; and compare them to determine if 1) they are three distinct products and 2) whether composition indicates three different market niches. If available, the Contractor shall aid Metro in comparing specifications from other organic products with yard debris, sewage sludge and MSW compost products.

Metro will provide the Contractor with technical specifications on yard debris, sewage sludge and MSW compost products.

Task 2: The Contractor shall define the geographic area in which organic compost products can profitably be sold. This shall include the City of Portland and a fifty (50) mile radius beyond the city boundaries. In addition, the Contractor shall include areas outside this range. Acceptance of compost product under a variety of deliver/cost scenarios shall be examined.

Task 3: The Contractor shall identify organic products competitive to yard debris, sewage sludge and MSW compost products.

To accomplish this task, the Contractor shall first perform mail surveys of compost product distributors and processors within the geographic area defined in Task 2. An attempt will be made to send mail surveys to all compost product distributors and processors listed in the appropriate telephone directories. Follow-up telephone calls and personal interviews will be conducted with individuals who do not return the survey forms and with those that convey interest in using or selling the materials.

Task 4: The Contractor shall describe the current size of organic compost product market segments (within the geographic area as defined in Task 2 above). This task will be accomplished by performing end-user surveys of the landscape and nursery industries and local municipalities using the techniques described in Task 3.

In addition, a residential end-user survey will be performed by telephone interview sampling a minimum of 500 homeowners in the Portland area. Respondents for this survey will be randomly selected from local telephone directories or from appropriate census data lists.

Task 5: The Contractor shall assess the potential market structure for yard debris compost, sewage sludge compost, and MSW compost and competing products. This task will be accomplished through the tailoring of survey instruments used in Tasks 3 and 4.

Task 6: The Contractor shall determine the current and future product market for organic product sales. This information will be obtained from the surveys performed in Tasks 3 through 5 above.

In performing Tasks 3 through 6 the Contractor shall structure the survey instrument(s) to include the following concepts:

1. User familiarity with sewage sludge, yard debris and MSW compost products.
2. User knowledge of advantages and disadvantages of utilizing these products.
3. User familiarity with environmental and health concerns with most compost products.
4. Type and quantity of compost product currently being used.
5. Willingness to purchase a different product and under what conditions.
6. The range of prices currently being obtained by competing products (include a low, mid and high range).

Task 7: The Contractor shall assess the effect of retaliatory pricing by distributors of competitive products on established market niches with the threat of product displacement.

Task 8: The Contractor shall prepare a final written report to be submitted to Metro no later than September 16, 1988 summarizing the results of these tasks and the approach used in this analysis. The Contractor shall submit a draft report to Metro no later than August 31, 1988. The final report will also include the Contractors recommendations to Metro on future marketability of yard debris, sewage sludge and MSW compost products.

a. The organization of the final report shall be in a format similar to the following:

1. Executive Summary
2. Introduction
3. Methodology



4. Results
5. Conclusions
6. Appendix

b. Questions to be answered in the final report include the following:

1. Who uses what product?
2. Are there distinct product niches or is there an overlap in usage?
3. What is the breakdown of users by amount and type of product?
4. The amount of displacement of any of the competing compost products.

c. The Contractor shall prepare a table cross-tabulating market segments (identified in Task 3) with organic and compost products (identified in Task 2).

Metro reserves the right to delete any of the tasks during the project to conform to budgetary or any other constraints.

### III. PERSONNEL ASSIGNED

The Contractor shall assign the following personnel to perform the eight tasks or portions of the eight tasks described in Section II of this document:

#### A. Primary Contractors

Cal Recovery Systems Inc.

Louis Diaz - Project Manager  
George Savage - Principal-in-Charge  
Clarence Golueke - Technical Advisor  
Linda Eggerth - Marketing Analyst  
Matthew Sourthworth - Project Assistant

#### B. Subcontractors

1. Resource Conservation Consultants

Wayne Rifer  
Catherine Paglin  
Paul Vandenberg

2. Lawrence and Craig, Inc.

Mary Lawrence  
Linda Craig

Reference to subcontractors is made in this Scope of Work for convenience only. Such mention is not intended to create in any manner a direct or indirect contractual relationship with any of the Contractor's subcontractors. Contractor is solely liable and responsible to Metro for all services to be performed under this Agreement whether by Contractor or its subcontractors, and for payment to any subcontractors it might engage.

IV. COMPENSATION

The Contractor will be compensated for work performed within the Scope of Work with fees outlined, subject to the following maximums:

Table 1. Summary of Proposed Budget by Task

Task Description	CRS	RCC	L&C	ODCs	Total
Task 1. Analysis of Compost Products	\$1,468				\$1,468
Task 2. Definition of Geographic Area	586	\$ 480		\$1,560	2,626
Task 3. Identification of Competitive Products	4,192	1,280	\$ 490	150	6,112
Task 4. Current Size of Market	4,464	1,600	1,020	150	7,234
Task 5. Potential Market Structure	5,368	960	490	1,710	8,528
Task 6. Current and Future Product Market	3,640	720		150	4,510
Task 7. Effect of Pricing	2,514				2,514
Task 8. Reporting	<u>5,556</u>	_____	_____	<u>280</u>	<u>5,836</u>
Totals	\$27,788	\$5,040	\$2,000	\$4,000	\$38,828

Table 2. Breakdown of Proposed Budget by Cost Element

A. DIRECT LABOR	Rate	Hrs		
L. Diaz	29.98	56	\$1,645	
G. Savage	29.38	8	235	
C. Golueke	17.30	28	484	
M. Southworth	19.21	162	3,113	
L. Eggerth	16.35	70	1,215	
Technical Support	9.62	144	<u>1,385</u>	
TOTAL DIRECT LABOR				\$8,077
B. OVERHEAD (200% of Direct Labor)				16,154
C. SUBCONTRACTOR -- RCC (burdened rates)				
W. Rifer	60.00	28	\$1,680	
C. Paglin	40.00	52	2,080	
P. Vandenberg	40.00	32	<u>1,280</u>	
TOTAL RCC				5,040
D. SUBCONTRACTOR -- L&C (burdened rates)				
M. Lawrence/L. Craig	40.00	32	\$1,280	
Support Personnel	20.00	26	520	
Other Direct Costs			<u>200</u>	
TOTAL L&C				2,000
E. CRS OTHER DIRECT COSTS				
Travel			\$3,120	
Postage/Telephone/Telefax			800	
Reproduction/Miscellaneous			<u>80</u>	
TOTAL OTHER DIRECT COSTS				4,000
E. FEE				<u>3,557</u>
F. TOTAL				\$38,828

Contractor shall submit itemized billings and receive payment for services rendered in two installments: The first on August 12, 1988 for half the award amount (\$19,414.00) and the balance to be paid upon completion and delivery to; and approval of the Final Report by Metro. Certification of approval or specification of any deficiencies to be corrected shall be issued by the Director of the Metro Solid Waste Department within seven (7) days of receipt of the Final Report. Final payment shall not issue until certification of approval is issued or any specified deficiencies are corrected. Any specified deficiencies shall be completed within thirty (30) days of receipt of Directors letter.

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this \_\_\_\_\_ day of \_\_\_\_\_ 1988, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S.W. First Avenue, Portland, Oregon 97201-5398, and CAL RECOVERY SYSTEMS, INC., hereinafter referred to as "CONTRACTOR," whose address is 160 Broadway, Suite 200, Richmond, California 94804, for the period of July 1, 1988, through September 16, 1988, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. To comply with all applicable provisions of ORS Chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the state of Oregon, as if such provisions were a part of this Agreement;
4. To maintain records relating to the Scope of Work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times and locations;

5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with the CONTRACTOR'S negligent performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors; and

6. To comply with any other "Contract Provisions" attached hereto as so labeled.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of THIRTY-EIGHT THOUSAND EIGHT HUNDRED TWENTY-EIGHT and NO/100THS (\$38,828.00) DOLLARS and in the manner and at the time designated in the Scope of Work in a timely manner; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That METRO may terminate this Agreement upon giving CONTRACTOR five (5) days written notice without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable

attorney's fees and court costs, including fees and costs on appeal to an appellate court;

4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

CAL RECOVERY SYSTEMS, INC.

METROPOLITAN SERVICE DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SG/sm  
9726C/542

**PORTLAND AREA COMPOST PRODUCTS MARKET STUDY**

**SCOPE OF WORK**

**CAL RECOVERY SYSTEMS INCORPORATED  
160 BROADWAY SUITE 200  
RICHMOND, CA 94804**

**UNDER CONTRACT TO:**

**The Metropolitan Service District  
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Presently, the Portland metropolitan area is composting sewage sludge and yard debris to produce two separate compost products. This study will address the broad question: Will the presence of an additional source of compost product exceed the demand for compost products and seriously impede the development of future compost product markets for sewage sludge and yard debris compost products?

The question has been divided into eight tasks, the combination of which answer the larger question(s) of market competition and provide an information base for future compost product marketing attempts. Task 1 provides technical assistance to Metro staff in a comparative analysis of the three area compost products; Task 2 defines the geographic market area; Task 3 identifies organic products that presently compete with compost products; Task 4 updates and expands an earlier marketing report prepared by Northwest Economic Associates on yard debris compost; Task 5 assesses the potential market structure for the three area compost products; Task 6 examines current and future product markets for organic compost products; Task 7 - assesses the effects of retaliatory pricing by competing distributors of organic products; and Task 8 incorporates information obtained in Tasks 1 through 7 into a written report to be submitted Metro by the Contractor.

## II. SCOPE OF WORK

### A. General Project Parameters

1. All raw data obtained by the contractor in the project interview and data collection process shall be submitted to Metro in a legible form at time of project completion (September 23, 1988).

2. Metro staff will be utilized in the development of the survey instrument and in the selection of sample size to be surveyed.

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Mary Lawrence  
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IV. COMPENSATION

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	TOTAL DIRECT LABOR				\$8,077
B.	OVERHEAD (200% of Direct Labor)				16,154
C.	SUBCONTRACTOR -- RCC (burdened rates)				
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	C. Paglin	40.00	52	2,080	
	P. Vandenberg	40.00	32	<u>1,280</u>	
	TOTAL RCC				5,040
D.	SUBCONTRACTOR -- L&C (burdened rates)				
	M. Lawrence/L. Craig	40.00	32	\$1,280	
	Support Personnel	20.00	26	520	
	Other Direct Costs			<u>200</u>	
	TOTAL L&C				2,000
E.	CRS OTHER DIRECT COSTS				
	Travel			\$3,120	
	Postage/Telephone/Telefax			800	
	Reproduction/Miscellaneous			<u>80</u>	
	TOTAL OTHER DIRECT COSTS				4,000
E.	FEE				<u>3,557</u>
F.	TOTAL				\$38,828

Contractor shall submit itemized billings and receive payment for services rendered in two installments: The first on August 12, 1988 for half the award amount (\$19,414.00) and the balance to be paid upon completion and delivery to; and approval of the Final Report by Metro. Certification of approval or specification of any deficiencies to be corrected shall be issued by the Director of the Metro Solid Waste Department within seven (7) days of receipt of the Final Report. Deficiencies in the Final Report shall include comments regarding deficiencies in the Draft Report, written correspondence between Contractor and Metro relating to deficiencies in the Draft Report, and deficiencies in the analysis of Tasks one through seven as outlined in the Scope of Work unless otherwise agreed upon by both Contractor and Metro in writing. Final payment shall not issue until certification of approval is issued or any specified deficiencies are corrected. Any specified deficiencies shall be completed within thirty (30) days of receipt of Directors letter.



**METRO**

# Memorandum

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

Date: July 6, 1988

To: Internal Affairs Committee

From: Donald E. Carlson, Council Administrator *D.E.C.*

Regarding: INVESTIGATION OF PROCUREMENT FOR COMPOST MARKETING SERVICES/RESOLUTION NO. 88-944

Resolution No. 88-944 was considered at the June 23, 1988 meeting of the Committee. The resolution authorizes the Executive Officer ". . . to execute a contract in the amount of \$38,828.00 with Cal Recovery Systems, Inc. to perform a market study of Portland area compost products." The Committee deferred action on the resolution to the July 7, 1988 meeting and requested that Council staff investigate a complaint about the selection process from one of the firms responding to the RFP.

In conducting the investigation, staff contacted Mr. Dick Turner and Mr. Scott Dalton of the Turner Group, the firm questioning the RFP process, and Sandy Gurkewitz, Metro Solid Waste staff person in charge of this project.

The complaint appears to be that the process "wasn't fair" in that 1) The Turner Group responded to the original RFP and was one of two firms which met the DBE/WBE requirements and were rejected and 2) the second RFP was changed to give advantage to other competitors.

The following appears to have occurred:

1. The Department issued an RFP on March 16, 1988 with a due date of April 15, 1988.
2. Because of unclear instructions regarding DBE/WBE requirements, the Department issued Addendum No. 1 which clarified the DBE/WBE requirements and changed the due date for responses to April 29, 1988.
3. The Department received seven responses on April 29, 1988 including:

Cal Recovery Systems,  
E & A Environmental Consultants, Inc.  
Oregon Strategies



Northwest Economics Assoc.  
R. A. Wright Engineering  
The Turner Group  
Mater Engineering

Of the respondents, The Turner Group was the only one which met the DBE/WBE requirements. R. A. Wright might have met them.

4. A selection committee made up of a representative from DEQ, a representative from the City of Portland Department of Environmental Services and three persons from the Solid Waste Department reviewed the responses and decided to re-issue the RFP because a majority of the respondents failed to meet the DBE/WBE requirements. The selection group was unanimous in its view that The Turner Group's response was insufficient in respect to evidence of technical experience regarding the project. Based on this, the selection committee agreed to reject all responses and re-issue the RFP. The Turner Group was notified orally of this decision. The RFP in Section VII. Consultant Selection Process states that "E. Metro reserves the right to reject any and all proposals."
5. A new RFP was issued on May 5, 1988 with a response date of May 26, 1988. The revised RFP was changed with the insertion of the following language in Section VII. Consultant Selection Process (see underlined portion):

"3. Evidence of experience in:

- a. Marketing research of agricultural commodities similar to those described in the RFP.
- b. Marketing research of recycled materials.

Proposer shall list projects conducted over the past five (5) years similar to the work required here. For each project, include the name of the contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed study team who worked on each project and their perspective roles. Include resumes of individuals proposed for this contract.

4. Experience and ability working with a government or not-for-profit organization.

Proposer shall list projects conducted over the past five (5) years similar to the work required here. For each project, include the name of the contact person, his/her title, role on the project, and telephone number."

6. On May 26, 1988, the Department received proposals from nine firms--the original seven and two new ones--Debonni and Associates and Eweson West Corp.

7. The selection committee rated each proposal using a predetermined set of criteria and a rating form for each proposer (see Exhibit A). The proposers were ranked by each Committee member; the rankings were given a numerical value, and the proposers were given a total score. The process is described, and the results are shown in Exhibit B).
8. As a result of the rankings, the three top firms were interviewed by the selection Committee and Cal Recovery Systems, Inc. was recommended for the project.

Staff Conclusions:

Based on the above, it is my conclusion that the Department went through a rational process to select a firm to do the work proposed. There does not appear to be any evidence that the Department deliberately changed the RFP to favor one firm over the others. The wording changes included in the second RFP appear to ask only for additional information and do not provide different criteria than was originally stated.

It appears that there are differences in judgement about qualifications. The Turner Group obviously believes it is qualified to do the work so should have been selected at the end of the first round. The selection committee obviously felt differently, so decided to re-issue the RFP. Both are right from their respective points of view. The important thing is that the Department put together a selection process which listed criteria related to the work to be done, measured the responses against the criteria and made a decision based on the results.

In closing, I'd make two observations. First, it appears this project is one which can be approached from several points of view--marketing, engineering, economics and environmental science. The names of the firms responding seem to indicate the various disciplines or approaches to the project.

Second, the need for this review might, in part, have been avoided if the original Staff Report had described more fully the selection process used. I would suggest in the future the departments err on the

Internal Affairs Committee  
July 6, 1988  
Page 4

side of providing more detailed information on the process used, how the decision was reached and if there were any glitches in the process. Such information will be useful to the Council when questions arise, such as in this case, in time and energy saved.

DEC:gpwb  
IAC.706

attachments

cc: The Turner Group  
Sandy Gurkewitz

RFP PROPOSER EVALUATION  
COMPOST MARKET STUDY

PROPOSER: \_\_\_\_\_

SELECTION CRITERIA

QUALIFICATIONS

	very poor 1	poor 2	satis- factory 3	good 4	excel- lent 5
1. Experience in ag-commodities or recycled materials marketing.					
2. Experience working with local government or not-for-profit organizations.					
3. Overall understanding of the project.					
4. Ability to comply with RFP.					
5. Quality and creative use of Metro Analyst time.					
6. Quality of method of survey in obtaining good primary and secondary data.					
7. Proposed cost of project based on consultant summary of proposed work.					
8. Innovation and creativity of overall proposal.					
9. Illustrated ability to reach key persons in the target market industries (nursery, landscape, etc.)					
10. References.					

11. Compliance with DBE/WBE goals.

Yes

No

Evaluator # \_\_\_\_\_

REQUEST FOR PROPOSALS/PROPOSER SELECTION  
PORTLAND AREA COMPOST PRODUCT STUDY

On May 4, 1988, a Request for Proposals was issued for a market survey examining market segmentation of the three Portland area compost products: yard debris, sewage sludge and municipal solid waste compost. The following nine proposers responded:

- DeBoni and Associates
- Northwest Economics Associates
- E & A Environmental Consultants, Inc.
- Cal Recovery Systems, Inc.
- The Turner Group, Inc.
- Mater Engineering, LTD.
- Oregon Strategies, Inc.
- R. A. Wright Engineering, Inc.
- Eweson West Corporation

Compliance with Metro's DBE/WBE goals was met by each proposer. A five-member Evaluation Committee ranked the proposals (from most responsive to least responsive) based on the following criteria:

1. Experience in ag-commodities or recycled materials marketing;
2. Experience working with local governments, or non-profit organizations;
3. Overall understanding of the project;
4. Ability to comply with the RFP;
5. Quality of method of survey in obtaining good primary and secondary data;
6. Quality and creative use of Metro Analyst time;
7. Proposed cost of project;
8. Innovation and creativity of overall proposal;
9. Illustrated ability to reach key persons in the target market industries; and
10. References.

Proposer rankings were subsequently transformed into the following matrix. The top three proposers were selected for interviews based on their numerical scores.

Ranking	INTERVIEWER				
	1	2	3	4	5
1	CAL	CAL	E&A	Turner	CAL
2	E&A	E&A	RAW	E&A	E&A
3	NEA	NEA	NEA	CAL	OSI
4	RAW	Mater	OSI	Mater	Mater
5	Turner	RAW	CAL	NEA	NEA
6	OSI	Turner	Mater	DeBoni	Turner
7	Mater	DeBoni	DeBoni	OSI	DeBoni
8	Eweson	Eweson	Turner	RAW	RAW
9	DeBoni	OSI	Eweson	Eweson	Eweson

Numerical scores were determined as follows:

<u>Ranking</u>	<u>Score</u>
1	4
2	3
3	2
4	1
5-9	0

A total of 20 points were possible (four points x five evaluators) for each proposal. Scores for each proposer were as follows:

	<u>Proposers</u>	<u>Score</u>
1.	E & A Environmental Consultations, Inc.	16
2.	Cal Recovery Systems, Inc.	14
3.	Northwest Economics Associates, Inc.	6
4.	R. A. Wright Engineering, Inc.	4
5.	The Turner Group, Inc.	4
6.	Mater Engineering, LTD	3
7.	Oregon Strategies, Inc.	3
8.	DeBoni and Associates	0
9.	Eweson West Corporation	0

On June 1 and 2, 1988, the three top-ranked proposers, E & A Environmental Consultants, Inc., Cal Recovery Systems, Inc. and Northwest Economics Associates were interviewed by the Evaluation Committee. Proposers were further evaluated on general criteria for the project and on particular questions in reference to their proposals.

Through this process Cal Recovery Systems, Inc. was selected for consideration of a contract award to perform a market study of Portland area compost products.

SG/sm  
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Exhibit A

Resolution No. 88-944

REQUEST FOR PROPOSALS  
FOR PORTLAND AREA COMPOST PRODUCTS MARKET STUDY

The Solid Waste Department of the Metropolitan Service District (Metro) is requesting proposals for a marketing survey examining market segmentation of the three Portland area compost products: yard debris compost, sewage sludge compost and municipal solid waste compost. This is a two and one half month project to be completed on September 16, 1988.

Eight (8) copies of the proposal shall be delivered to Ms. Sandy Gurkewitz, Metropolitan Service District, 2000 S.W. First Avenue, Portland, OR 97201-5398 no later than 4:00 p.m. on May 26, 1988. Proposals will not be considered if received after 4:00 p.m. Postmarks are not acceptable. Questions may be directed to Sandy Gurkewitz at 221-1646.

## TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PROJECT DEFINITION/BACKGROUND STATEMENT	2
III.	SCOPE OF WORK	11
IV.	PERSONAL SERVICES AGREEMENT	16
V.	PROPOSER QUALIFICATIONS AND CAPABILITIES	19
VI.	GENERAL/CONTRACT CONDITIONS	19
VII.	CONSULTANT SELECTION PROCESS	20
VIII.	SCHEDULE	23
IX.	APPENDIX	
	1. <u>Market Analysis of Portland Metropolitan Area Yard Debris.</u>	
	2. <u>Metropolitan Service District Marketing Plan for Yard Debris Compost.</u>	
	3. Summary of Riedel Environmental Technologies Marketing approach from their proposal.	
	4. Metro Ordinance No. 87-231 - Metro's Disadvantaged Business Program	



## I. INTRODUCTION

Riedel Environmental Technologies Inc. (RET) has proposed to the Metropolitan Service District (Metro) the construction of a composting facility that will process 160,000 tons per year of municipal solid waste (MSW) into a salable compost product. This facility will utilize the DANO composting technology which consists of aerated predigestion of MSW through a horizontal tube followed by windrow composting. MSW will be source separated through voluntary citizen action, further separated at the transfer station and sorted once more at the compost facility before entering the DANO drum. Approximately 600 tons per day of waste will be processed to yield 88,000 tons per year (176,000 cubic yards) of mature compost product with a moisture content of 40-55%. The DANO process of composting has successfully been employed in Europe and many tons of compost have been utilized there agriculturally.

Metro is pleased with the prospect of composting MSW as a part of its integrated approach to waste management. However, due to the presence of two other locally produced compost products, Metro is concerned about the possible displacement of local market niches already established by these products. Additionally, Metro is concerned that the introduction of an additional compost product will cause supply to exceed the demand for this type of product. Therefore, Metro would like to investigate marketing issues associated with the two locally produced compost products; sewage sludge compost and yard debris compost; and the proposed MSW compost product.

In 1986, a marketing study on yard debris compost (YDC) was prepared for Metro by Northwest Economic Associates (NEA). This work resulted in the production of two documents: Market Analysis of Portland Metropolitan Area Yard Debris and Metropolitan Service District Marketing Plan for Yard Debris Compost (included for reference). Conclusions from these works indicate that the outlook for yard debris sales is good. However, the entry of any new suppliers of organic compost products could negatively affect yard debris compost sales. Other obstacles to yard debris compost marketing might arise from attempts to displace organic products already-accepted by users.

Unfortunately, the NEA report was limited in its scope because it did not consider all competing organic products or all market segments associated with the marketing of organic products in the Portland Metropolitan area. Metro would like to update and expand this analysis to include all organic

compost products found in the Portland metropolitan area, production and transportation costs of these products, and possible effects of retaliatory pricing by vendors of competitive products.

Analysis of product market segmentation and overlap in the Portland metropolitan area will help Metro policy makers evaluate the MSW compost proposal.

## II. PROJECT DEFINITION/BACKGROUND STATEMENT

### A. PROBLEM STATEMENT

The Metropolitan Service District (Metro) is presently negotiating with Riedel Environmental Technologies Inc. (RET) for the construction of a composting facility that will process 160,000 tons of municipal solid waste (MSW) per year. The amount of composted product (RET projects it will produce is approximately 88,000 tons or 176,000 cubic yards per year. In light of the existence of the three other major compost producers in the Portland Metropolitan area: 1) North American Soils, Inc. - sewage sludge compost (1987 estimates 38,000 - 45,000 tons per year or 76,000 - 90,000 cubic yards per year); 2) Grimm's Fuel Co. - yard debris compost, and 3) McFarlane's Bark Inc. - yard debris compost (Grimm's and McFarlane's combined production for 1987 - 21,300 tons per year or 48,000 cubic yards per year); Metro is concerned that the presence of an additional source of compost will exceed the demand for compost products and seriously impede the development of future compost markets. Metro is therefore soliciting bids for a market study to investigate market segmentation of existing and potential markets for the Portland area compost products. Results from this analysis will aid Metro policy-makers in determining the value of the MSW composting proposal.

### B. BACKGROUND/HISTORY OF PROJECT

Metro is the solid waste management planning authority for the region within Clackamas, Multnomah and Washington counties. Solid waste management as defined by ORS 459.005 means the "prevention or reduction of solid waste; management of the storage, collection, transportation, treatment, utilization, processing and final disposal of solid waste; or resource recovery from solid waste; and facilities necessary or convenient to such activities."

As the solid waste management planning authority, Metro was mandated by the Oregon State Legislature to reduce the amount of waste going into the landfill.

One of the largest components of the composite solid waste stream going to the landfill is yard debris. This represents approximately 10% of the total waste stream (See Table 1). Metro is presently recycling approximately 24% of yard debris into a salable compost product. If more of this material could be recycled, landfill life could be significantly extended. Metro has set goals in its Solid Waste Management Plan to recycle up to 75% of yard debris waste. This will be accomplished through a phased implementation of collection and facilities development.

In addition, Metro is negotiating with RET to process a portion of the mixed waste to produce an additional salable compost product to further reduce the amount of garbage entering the landfill. Composting 160,000 tons per year of MSW (approximately 12% of the waste stream), would result in diversion of 96,000 tons per year of MSW (7 1/2% of the total waste stream) from a landfill.

Once a refuse-derived compost product is produced, Metro would like RET to sell as much of the finished product as possible. As described in the problem statement, Metro is concerned that the production of an additional compost product in the Portland area will compete with existing products and saturate a limited compost product market. Therefore, compost markets must be examined to address this potential problem.

Results from the following studies are provided as a preliminary characterization of the existing compost product markets in the Portland Metropolitan area.

1. Yard Debris Marketing Survey and Analysis

a. Summary - Marketing/Competitive Products

In 1986, Northwest Economic Associates (NEA) performed a market survey and analysis for Metro detailing prospective markets for yard debris. The geographic area examined included the City of Portland and a fifty mile radius around the city. The yard debris products NEA examined included yard debris compost and hog fuel markets. Yard debris compost was compared with the following organic compost products deemed as competitors also being sold in the Portland area at that time. These included:<sup>1</sup>

- Composted animal manure
- Mushroom compost and related organic products<sup>1</sup>
- Sludge compost

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<sup>1</sup>NEA did not include peat moss or bagged compost in its 1986 analysis. Proposers should consider these two products when evaluating tasks in the Scope of Work section.

TABLE 1

PORTLAND MSD WASTE CHARACTERIZATION  
ANNUAL WEIGHT SUMMARY (AUG. 1986 - JULY 1987)

<u>COMPONENT</u>	<u>Municipal Waste Disposed (Tons)</u>	<u>Metro Region Disposed (Tons)</u>
Combustibles	574,609	769,537
Paper	240,127	283,900
Corrugated Board/Kraft Paper	68,785	86,514
Newspaper	29,568	33,156
Office Paper	32,256	37,989
Other Paper	109,518	126,242
Plastics	54,242	69,694
Milk Jugs	2,481	2,610
Containers	6,134	7,250
Durable Plastics	5,583	9,035
Other Plastics	40,044	50,742
Yard Debris	68,854	101,593
Prunings	20,470	39,632
Leaves/Grass Clippings	48,384	61,961
Wood	55,345	124,212
Textiles	25,915	35,475
Food Waste	60,307	63,411
Disposable Diapers	10,063	10,535
Fines	13,572	14,693
Miscellaneous Organics	45,178	65,021
Non-Combustibles	111,310	199,750
Recyclable Glass	24,861	26,582
Beverage	14,193	15,333
Other Recyclable Glass	10,668	11,249
Aluminum	6,203	9,473
Food Containers	1,999	2,223
Other Aluminum	4,204	7,250
Ferrous Metal	41,216	69,501
Food Containers	14,336	15,273
Other Ferrous Metal	26,880	54,228
Other Non-Ferrous Metals	1,447	3,673
Miscellaneous Inorganics	37,553	60,521
Other	3,308	7,345
Reusable	2,550	4,050
Hazardous Waste	207	1,643
Other	551	1,643
Total	689,228	966,633

Source: SCS Engineers. 1987. Waste Stream Characterization Study Presented to: Solid Waste Department, Metropolitan Service District.

- Bark
- Blended soil, i.e. topsoil such as sandy loam blended with organic matter
- Commercial fertilizer

Table 2 is included to show the annual sales of organic products in the Portland Metropolitan area.

The major market segments identified by NEA include the Landscape/Institutional, the Nursery and the Residential segments. Figure 1 shows the market segmentation of yard debris compost products in 1986.

However, NEA recommended that YDC would have to displace a number of products to obtain sales within the nursery industry. These include the following:

- Bark
- Peat moss
- Other organic materials
- Native soils

However, they suggested that Metro target the bulk bark sales because it was the largest product category identified.

NEA described the yard debris compost market as positive if no long-term marketing program were established and no new suppliers of organic compost products entered the Portland area or quickly expanded production and sales.

TABLES 3 and 4 describe the estimated amount of yard debris compost that will be produced and sold over the next four years and the amount presently being sold.

#### b. YDC as a Principal Recyclable Material

The Oregon Environmental Quality Commission has recently designated yard debris compost as a principal recyclable material. This will require local governments to provide collection service for separated yard debris and deliver it to processors for recycling. If the Solid Waste Management Plan goals of 75% reduction of yard debris are met, an additional 680,000 cubic yards per year (68,000 tons per year) of yard debris will eventually be available for composting. The amount of yard debris compost will

Table 2

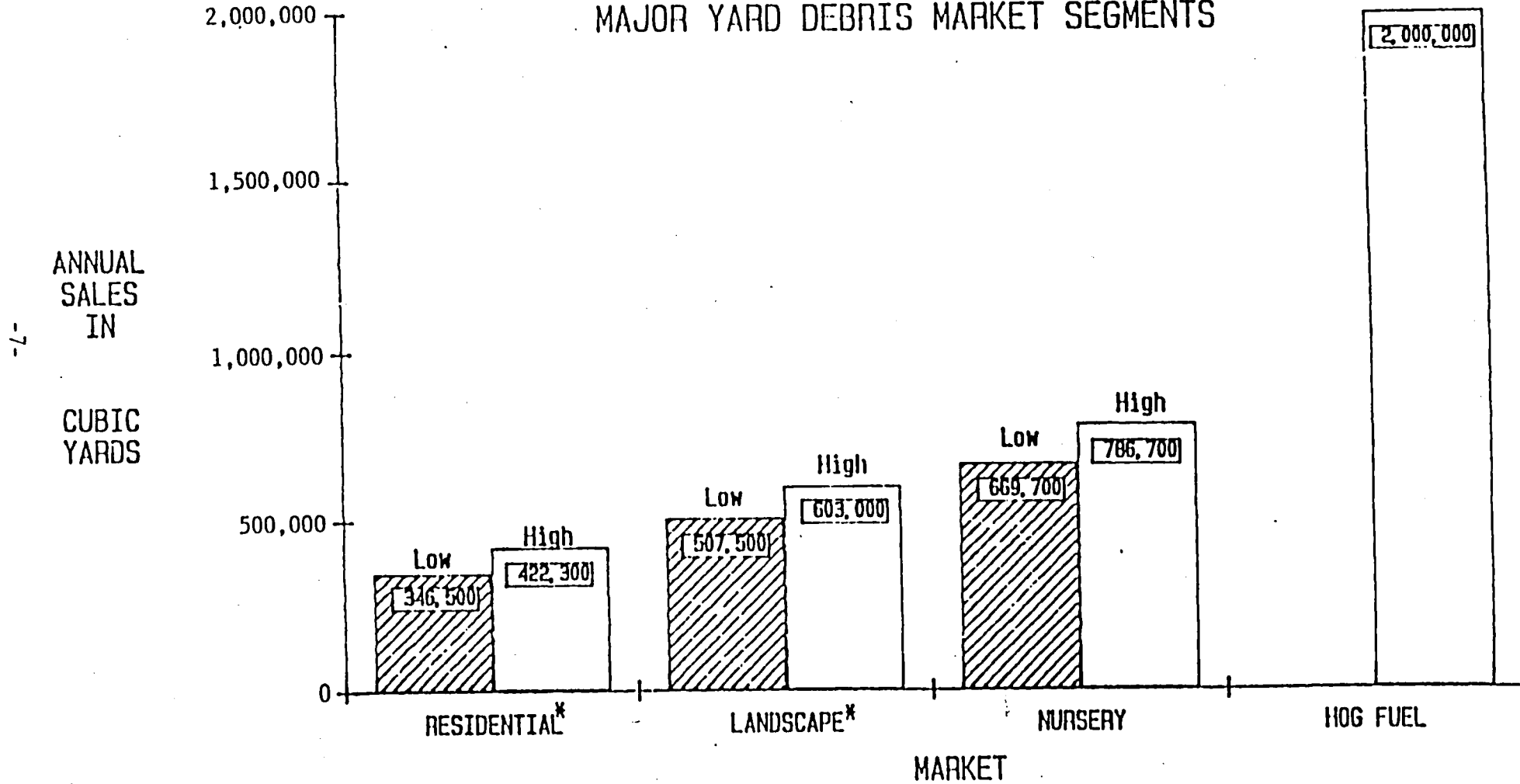
ESTIMATED ANNUAL ORGANIC PRODUCT SALES  
IN THE PORTLAND METROPOLITAN AREA  
IN CUBIC YARDS

Product Category	Total Volume	End Use Category			Special
		Residential	Landscape	Nursery	
Bulk Bark	1,277,000- 1,500,000	250,000- 300,000	390,000- 450,000	637,000- 750,000	--
Bagged Bark	12,000- 14,300	11,500- 13,300	500- 1,000	0	--
Taulman Sludge	22,000	0	7,500	14,500	--
Sawdust & Shavings	120,000- 151,000	1,000- 2,000	1,000- 2,000	18,000- 22,000	100,000- 125,000
Manure Products	12,000- 16,000	10,000- 12,000	2,000- 4,000	0	--
YARD DEBRIS COMPOST	18,700	10,500	8,000	200	--
Other Organic Products	12,000- 15,000	11,500- 14,500	500	0	--
Top Soil	150,000- <u>200,000</u>	52,000- <u>70,000</u>	98,000- <u>130,000</u>	0	--
<b>TOTALS</b>	<b>1,623,700- 1,937,000</b>	<b>346,500- 422,300</b>	<b>507,500- 603,000</b>	<b>669,700- 786,700</b>	<b>100,000- 125,000</b>

Source: Northwest Economics Associates. 1986. Metropolitan Service District Marketing Plan for Yard Debris Compost.

Figure 1  
TOTAL CURRENT SIZE OF

MAJOR YARD DEBRIS MARKET SEGMENTS



\* - Total sales of yard debris compost for 1986 in these two market segments is 19,000 cubic yards.

Source: Northwest Economics Associates, 1986. Metropolitan Service District Marketing Plan for Yard Debris Compost.

TABLE 3  
PROJECTED SALES OF YARD DEBRIS COMPOST  
(Reported in Cubic Yards)

	Projected amount of yard debris diverted from landfill and available for processing into compost <sup>1</sup>	Projected targeted sales for YDC <sup>2</sup>
1988	298,648	42,100
1989	358,378	53,800
1990	430,053	65,500
1991	516,064	77,200

<sup>1</sup> Source: Metropolitan Service District. 1986. Request for Proposals for Yard Debris Products Marketing.

<sup>2</sup> Source: Northwest Economic Associates. 1986. Market Analysis of Portland Metropolitan Area Yard Debris.

Note: Yard debris is reduced during compost by a factor of seven.

TABLE 4  
1987 PRODUCTION/SALES ESTIMATES  
FOR YARD DEBRIS (YDC) AND SEWAGE SLUDGE (SSC) COMPOST

	<u>YDC</u>	<u>SSC</u>
<u>Amount Produced</u> (cubic yds/year)	48,000 <sup>1</sup>	77,000-90,000 <sup>2</sup>
(tons/year)	21,300	38,000-45,000
<u>Amount Sold</u> (cubic yds//year)	48,000	60,000 <sup>3</sup>
(tons/year)	21,300	30,000

<sup>1</sup>Source: Heidi Sieberts, Metro analyst, based on 330,000 cu yds processed in 1987.

<sup>2</sup>Source: City of Portland, 1987 estimates.

<sup>3</sup>Source: Estimated by Steve Lokey, Taulman Weiss, 1987 estimates.



TABLE 5  
FUTURE PRODUCTION OF YARD DEBRIS COMPOST

	AMOUNT PROCESSED (1987)	AMOUNT TO BE PROCESSED*
Cubic yards/year	330,000	680,000
Tons/year	33,000	68,000
	1987 PRODUCTION (of YDC)	FUTURE PRODUCTION** (of YDC)
Cubic yards/year	48,000	97,100
Tons/year	21,300	43,000

\* -Source: This number represents 75% of Yard Debris to be diverted from the landfill as stated in the Solid Waste Management Plan. This value is based on the current SCS waste composition study which reports approximately 102,000 TPY or 1,020,000 cubic yards per year of yard debris in the Portland metropolitan waste stream. Metro is currently diverting approximately 330,000 cubic yards per year (33,000 Tons/year) or 24% of the total from the waste stream for composting. The total annual amount of YDC in the wastestream is thus about 1,340,000 cubic yards (134,000 tons).

\*\* - This number is calculated by dividing 680,000 cubic yards by seven.

TABLE 6  
FUTURE PRODUCTION OF YARD DEBRIS, SEWAGE SLUDGE AND  
MUNICIPAL SOLID WASTE COMPOST PRODUCTS

	<u>YDC</u>	<u>SSC</u>	<u>MSWC</u>	<u>TOTAL</u>
Cubic yards/year	97,100	60,000	176,000	333,100
Tons/year	9,700	6,000	17,600	33,300

will increase from 48,000 cubic yards (21,300 tons) presently being processed to approximately 97,000 cubic yards (43,000 tons) per year (See Table 5). What this means in terms of the total amount of MSW, SS and YDC compost products being produced is nearly a tripling of the present amount (See Table 6).

## 2. Taulman Compost Products Marketing Study

NEA's 1986 study was preceded by a similar study they prepared for the Taulman Company describing marketing opportunities for Taulman Compost Products. The geographic area for the Taulman product was also restricted to the 50 mile radius surrounding Portland to minimize transportation costs. The reasoning for this limitation was twofold. First, the Taulman product has a high moisture content (50% or more) which makes it heavier than the same cubic yardage of competing products. Due to this weight different transportation costs would be higher for this product than for competitive products. Secondly, NEA determined food crop, turf grass and fuel use markets (markets likely to occur outside the 50 mile city radius) as low potential market segments for the Taulman product. Sewage sludge compost is generally not suitable for food crop production due to the presence of small amounts of heavy metals. In addition, NEA determined that sewage sludge compost could not compete with chicken manure for this market segment because vegetable farmers could purchase chicken manure at a nominal cost.

NEA identified three major competitors for the Taulman product:

- Bagged growing media/mulch products through retail outlets
- Bagged and bulk peat moss
- Bulk bark dust

In 1987 as they additionally identified composted animal manure, mushroom compost, blended soil, and commercial fertilizer as competitors for YDC (see page 5 of this RFP). As their highest priority NEA recommended that the Taulman Company establish its compost as a substitute for peat moss.

In addition, the market segments identified for the Taulman product differed from those identified for YDC:

- Bagged product market
- Container ornamental nurseries
- Other nurseries
- Landscape industry

- Forest seedling nurseries
- Export markets

NEA praised the Taulman Company's marketing attempts point and encouraged their continued enthusiastic efforts.

### III. SCOPE OF WORK

The scope of work in this RFP is designed to answer a number of questions regarding Portland area compost products. It is divided into seven parts: Task 1 - provide technical assistance to Metro staff in a comparative analysis of the three area compost products; Task 2 - define the geographic market area; Task 3 - identify organic products that compete with compost products; Task 4 - update and expand the earlier marketing report prepared by Northwest Economic Associates; Task 5 - assess the potential market structure for the three area composts; Task 6 - examine the current and future product markets for organic compost products; Task 7 - assess the effects of retaliatory pricing by competing distributors of organic products; and Task 8 - submit a written report to Metro on the results from tasks one through seven.

Metro reserves the right to delete any of the tasks during the project to conform to budgetary or any other constraints.

#### General Project Parameters

1. All raw data obtained by the contractor in the project interview and data collection process shall be submitted to Metro in a legible form at time of project completion (September 16, 1988).
2. A minimum of fifteen (15) hours per week of Metro staff (Analyst) time should be utilized throughout the scope of work implementation process (exclusive of contract consultation time).
3. The lists of inquiries and statements of information required which are outlined under each of the Tasks 1-8 below, are not intended to inhibit a Contractor from assessment of other important data normally associated with a market survey, but should aid the Contractor in understanding the minimum information Metro must obtain.

## Specified Tasks To Be Performed By Contractor

Task 1: The Contractor shall assist Metro Staff with the analysis of area compost products: sewage sludge compost, yard debris compost and MSW compost; and compare them to determine if 1) they are three distinct products and 2) whether composition indicates three different market niches. The following parameters should be examined at a minimum. The Contractor shall determine if other parameters are important in determining marketability of the above listed compost products. In addition, if available, the Contractor shall aid Metro in comparing specifications from other organic products with yard debris, sewage sludge and MSW compost products. Parameters to be examined:

- bulk density
- particle size distribution
- organic matter content
- major nutrient content
- significant minerals
- pH
- contaminants (herbicides, heavy metals)
- weed seed presence
- crop seed germination
- moisture content

Metro will provide Contractor with technical specifications on yard debris, sewage sludge and MSW compost products.

Task 2: The Contractor shall define the geographic area in which organic compost products can profitably be sold. This shall include the City of Portland and a fifty (50) mile radius beyond the city boundaries. In addition, the Contractor shall include areas outside this range.

In the 1986 NEA study, the market survey area was defined to include the City of Portland and a fifty (50) mile radius beyond the city boundaries. These boundaries were selected because it was believed that sales distribution outside the 50 mile radius would be impossible due to exorbitant transportation costs. Metro would like this concept to be explored further. Particularly in the case of compost sales for use in reforestation or agriculture, the 50 mile limit will not apply. In addition, Portland's access to foreign trade due to the presence of the Port of Portland should be considered in this task.

Task 3: The Contractor shall identify organic products competitive to yard debris, sewage sludge and MSW compost

products. This task shall include as a minimum the following organic products and serve as an update of the NEA report to Metro prepared in 1986:

- Bulk Bark
- Bagged Bark
- Bagged Sewage Sludge Compost
- Bulk Nursery Mixes
- North American Soils Sewage Sludge Compost
- Sawdust and Shavings
- Manure Products
- Yard Debris Compost
- Top Soil
- Mushroom Compost
- Peat Moss
- Worm Castings
- Fish Meal

To accomplish this task, Contractor shall perform representative surveys of compost product distributors and processors. In designing these surveys the following questions should be kept in mind:

1. What products competitive to MSWC, SSC and YDC are presently available?
2. How much of each product is being used?
3. Identify any "non-traditional" compost crossover markets suitable for the compost products (eg., fill areas, erosion control, berming, oil or chemical cleanup, worm farming, animal bedding).

Task 4: The Contractor shall describe the current size of organic compost product market segments (within the defined geographic area). This is to include at a minimum the landscape industry, the nursery industry, local municipalities and the residential segment.

NEA described the total current size of major yard debris market segments in the Portland metropolitan area in 1986 as the residential segment, the landscape industry and the nursery industry (See Figure 1). Metro wishes to update and expand these results to include market segmentation for sewage sludge compost and other organic products being sold in the defined geographic area.

Task 5: The Contractor shall assess the potential market structure for yard debris compost, sewage sludge compost, and MSW compost and competing products.

In performing this task the Contractor shall perform an end user survey (as determined in Task 4) to determine:

1. User satisfaction with products presently being used and willingness to switch if given the opportunity.
2. User knowledge of sewage sludge, yard debris and MSW compost products.
3. User knowledge of environmental and health concerns with most compost products.
4. Of those presently using compost products would they switch, and how much of each would they take.
5. Of those not presently using compost products would they try any and which ones.

Task 6: The Contractor shall determine the current and future product market for organic product sales.

In performing this task the contractor shall keep the following questions in mind:

1. Who uses what product?
2. Are there distinct product niches or is there an overlap in usage?
3. What is the breakdown of users by amount and type of product?
4. What is the range of prices currently being obtained by competing products? (include a low, mid and high range.)
5. The amount of displacement of any of the competing compost products.

The Contractor shall prepare a table cross-tabulating market segments (identified in Task 3) with organic and compost products (identified in Task 2).

Task 7: The Contractor shall assess the effect of retaliatory pricing by distributors of competitive products on established market niches with the threat of product displacement.

With the introduction of a large amount of an additional organic product to local area markets or attempts at displacing accepted products, distributors may feel threatened and respond by reducing the price of their product. The effect of such a response might negatively impact the development of new product markets through non-competitive pricing. The Contractor shall explore this aspect of market development in the context of previously described tasks.

Task 8: The Contractor shall prepare a draft written report to be submitted to Metro by August 26, 1988 summarizing the results of these tasks and the approach used in this analysis and a final written report to be submitted to Metro by September 16, 1988. This report will also include the Contractors recommendations to Metro on future marketability of yard debris, sewage sludge and MSW compost products.

The organization of the final report shall be in a format similar to the following:

1. Executive Summary
2. Introduction
3. Methodology
4. Results
5. Conclusions
6. Appendix

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S. W. 1st Avenue, Portland, Oregon 97201-5398, and \_\_\_\_\_, hereinafter referred to as "CONTRACTOR," whose address is \_\_\_\_\_, for the period of \_\_\_\_\_, 19\_\_, through \_\_\_\_\_, 19\_\_, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. To comply with all applicable provisions of ORS Chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the state of Oregon, as if such provisions were a part of this Agreement;
4. To maintain records relating to the Scope of Work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;

PERSONAL SERVICES AGREEMENT



5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors; and

6. To comply with any other "Contract Provisions" attached hereto as so labeled.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of \$\_\_\_\_\_ and in the manner and at the time designated in the Scope of Work; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That METRO may terminate this Agreement upon giving CONTRACTOR five (5) days written notice without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

PERSONAL SERVICES AGREEMENT

4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

CONTRACTOR

METROPOLITAN SERVICE DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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01/23/86  
BOILERPLATE

PERSONAL SERVICES AGREEMENT

## V. QUALIFICATIONS AND CAPABILITIES

The scope of work included within this RFP involves markets survey research and associated analysis and projections into potential and existing markets for yard debris, sewage sludge and municipal solid waste compost products. The selection process will be weighted toward those firms who have experience in the following:

- Marketing of agricultural commodities relating to products described in the RFP
- Marketing of recycled materials
- Local government or not-for-profit organization work experience.

## VI. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award -- This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Contract Type -- Metro intends to award a personal service contract with the selected firm for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.
- C. Billing Procedures -- Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of service can occur. A monthly billing, accompanied by a progress report, will be prepared for review and approval.
- D. Validity Period and Authority -- The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contracted during the period in which Metro is evaluating the proposal.

## VII. CONSULTANT SELECTION PROCESS

A. Proposals should contain the following information:

1. Letter of transmittal to contain a brief summary of the key points of the proposal
2. Project work plan which outlines the methodology for the performance of the tasks identified within the Scope of Work of this RFP. A work flow chart for all tasks should be included. The project work plan shall identify the methods to be used in obtaining research data and describe how the fifteen (15) hours per week allotted for a Metro staff person will be utilized.
3. Budget/cost proposal which illustrates the total budget estimated for the prime consultant and each sub-consultant or person(s), a breakdown of the total budget for direct labor, overhead, direct expenses (i.e., travel, subsistence, etc.) and fixed fee and labor rates. Proposers are encouraged to provide any additional budget information considered significant or relevant to present a more clear understanding of their cost proposal. The budget/cost proposals shall be broken down into categories (Tasks #1-8) outlined within the Scope of Work section of this RFP. Identification and time schedules of any and all subcontractors, sub-consultants within an outside the principal consultant firm, shall be included. A budget not to exceed \$40,000 shall be established for this study.
4. Resumes of key personnel featuring experience which is most directly relevant to the Scope of Work of this RFP. References with telephone numbers and addresses shall be included.
5. Time allotment for each key person who will be involved with the activities described in the Scope of Work.
6. List of sub-consultants and subcontractors which might be used. Metro encourages use of Certified Disadvantaged Business Enterprises (DBE) and Women-owned Business Enterprises (WBE).
7. Adherence to Metro's Disadvantaged and Women Owned Business Goals (DBE/WBE) must be demonstrated before Proposer can be

considered for a Personal Services contract award.

The successful proposer will be required to meet Metro's Disadvantaged business Program goals or clearly demonstrate that a good faith effort has been made to meet the goals. The goals for this contract are: Disadvantaged Business Enterprises (DBE's) seven (7) percent and Women Business Enterprises (WBE's) five (5) percent of the proposed contract amount. The goals may be achieved by subcontracting with DBE/WBE's, joint venturing with DBE/WBE's or by DBE/WBE's submitting proposals as prime consultants. If a DBE firm joint ventures with a non-DBE firm or submits a proposal as a prime consultant, the WBE participation goals would have to be met or the proposer must have made good faith efforts to achieve the goals. Similarly, if a WBE firm joint ventures with a non-WBE firm or submits a proposal as a prime consultant, the DBE goals would have to be met or the proposer must have made good faith efforts to achieve the goals. DBE/WBE's must be certified by the State of Oregon as DBE/WBE's to be counted toward the goals. A directory of certified DBE/WBE firms is available from the Office of Minority and Women Businesses, State Executive Department, Salem OR 97310 (503) 378-5651.

B. Proposals shall be addressed to:

Sandy Gurkewitz  
Analyst, Solid Waste Department  
Metropolitan Service District  
2000 S. W. First Avenue  
Portland, OR 97201-5398

C. Proposals will be reviewed by a selection committee. Finalists will be interviewed June 1,2 1988. At that time. the consultant(s) should be prepared to give a fifteen (15) minute presentation outlining their proposal. The presentation will be followed by a question and answer period.

D. The selection shall include, but not be limited to, the following selection criteria in evaluating each submitted proposal:

1. Compliance with the RFP.

2. Understanding the project.
3. Evidence of experience in:
  - a. Marketing research of agricultural commodities similar to those described in the RFP.
  - b. Marketing research of recycled materials.

Proposer shall list projects conducted over the past five (5) years similar to the work required here. For each project, include the name of the contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed study team who worked on each project and their perspective roles. Include resumes of individuals proposed for this contract.

4. Experience and ability working with a government or not-for-profit organization.

Proposer shall list projects conducted over the past five (5) years similar to the work required here. For each project, include the name of the contact person, his/her title, role on the project, and telephone number.

5. Quality of designated use of Metro staff time in the project work plan.
6. Quality of proposed methods of obtaining market research data.
7. Commitment to delivering quality results at a reasonable cost.
8. Ability to adhere to the required work schedule.
9. Responsiveness to Metro's policy of encouraging use of Certified Disadvantaged Business Enterprises and Women-owned Business Enterprises.

- E. Metro reserves the right to reject any and all proposals.

VIII. SCHEDULE

May 5, 1988	RFP documents sent out to interested consultant firms/ publication of RFP notice in area newspapers.
May 26	Proposals due
June 1,2	Interviews and consultant selection
June 10	Final contract negotiations
July 1	Consultant begins work on project
Sept 2	Draft project report to Metro staff
Sept 16, 1988	Consultant completes work of project, final document submitted to Metro.