



Request for Qualifications to Assist with a Financial Audit of Host Fee and Local Surcharge Fee Payments Made by Pollution Control Facilities in Lake County, IL

December 11, 2017

I. Purpose

The Solid Waste Agency of Lake County (SWALCO) seeks statements of qualifications from firms qualified to provide professional services to assist SWALCO conduct a financial audit of host fee and local surcharge fee payments made by WMI's Countryside Landfill, and Advanced Disposal's Zion Landfill. The scope also includes a financial audit of the host fee payments made by Groot/Waste Connections' Lake Transfer Station.

This Request for Qualifications (RFQ) includes the following remaining sections:

- Section II – Submittal Information
- Section III – Background
- Section IV – Project Supervision
- Section V – Project Deliverables
- Section VI – Qualifications Information
- Section VII – Project Understanding, Proposed Scope of Services and Schedule
- Section VIII – Selection Process

II. Submittal Information

To be considered, your company's statement of qualifications (SOQ) must arrive at the following address by **3 p.m., January 9, 2018**:

Solid Waste Agency of Lake County
1311 N. Estes Street
Gurnee, IL 60031
Attn: Walter Willis

One (1) original and three (3) photocopies, along with an electronic copy, must be submitted to SWALCO by the deadline on January 9, 2018.

The Statement of Qualifications must be organized as follows and adhere to the noted page limitations (minimum 1-inch borders with minimum font size of 12):

1. Cover letter (2 pages, maximum)
2. Qualifications information (5 pages, maximum, not including resumes and certificate of insurance)
3. Project understanding (1 page, maximum)
4. Proposed Scope of Services (6 pages, maximum, not including the consultant's fee schedule)

The front and back covers (if used) will not count toward your page limitation.

All questions should be directed to Walter Willis in writing at wwillis@swalco.org. The deadline for submitting questions regarding this RFQ is 3 p.m., December 19, 2017. Responses to any questions submitted will be provided to all firms sent the RFQ by December 21, 2017.

III. Background

SWALCO and several of its members receive host fee payments pursuant to written agreements and/or receive local surcharge payments in accordance with 415 ILCS 5/22.15. It is SWALCO's intent to conduct an analysis of the payments made according to the written agreements and Illinois law, and to determine if the payments have been properly made per the terms of the agreements and the State law. SWALCO has not previously conducted a formal audit of the host fee and local surcharge payments, so there are no past studies or reports that can be provided.

The project team for this audit will include personnel from Lake County's Finance and Administrative Services Department and the Lake County Health Department. The Finance Department will bring its auditing and accounting expertise and the Health Department will bring its knowledge of the landfills and the waste streams accepted. In addition, with Lake County having a delegation agreement with the Illinois Environmental Protection Agency, the IEPA has agreed to provide oversight on this project to ensure we are utilizing similar procedures the IEPA uses when it conducts payment audits. This will be helpful since the local surcharge payment is made on the same waste streams the IEPA receives payment on for the state fees.

The specific host agreements to be audited include:

- Lake County/SWALCO's agreement with the Zion Landfill
- City of Zion's agreement with the Zion Landfill
- Village of Winthrop Harbor's agreement with the Zion Landfill
- Village of Grayslake's agreement with the Countryside Landfill

- Lake County's and SWALCO's agreements with the Lake Transfer Station (two separate but identical agreements)
- Village of Round Lake Park's agreement with the Lake Transfer Station

The local surcharge fee payments to be audited are for the payments made by the Countryside Landfill and the Zion Landfill to SWALCO and the Lake County Health Department.

The time period for the audit will be the most recent 12-month period of payments available at the start of the project. Copies of all the host agreements have been included with this RFQ.

IV. Project Supervision

The selected consultant will work under the direction of Walter Willis, Executive Director of SWALCO. The consultant will be required to appoint a project manager who will be the regular contact for the Agency for this project.

V. Project Deliverables

The budget for this project is set at \$20,000. Therefore, the consultant selected for this work will be selected based on its qualifications, understanding of the expected work product, and proposed scope of services. SWALCO is asking the consultant to demonstrate how it would best utilize the \$20,000 budget to conduct a financial audit of the host fee and local surcharge payments to determine if they have been made in compliance with the agreements and State law. How the consultant will systematically analyze the data is left to the consultant's discretion and should be explained in the scope of services section of the SOQ. Ultimately, SWALCO reserves the right to review, comment and alter the scope of services during final contract negotiations. The following project deliverables are expected from the consultant:

1. For each of the 6 host agreement payments, an assessment of whether the host fee payments over the most recent 12-month period have been made in compliance with the agreements. If host fee payments have not been made correctly the consultant shall estimate the underpayment of the host fee as part of the scope of work.
2. For each of the two landfills, an assessment of whether the local surcharge payments over the most recent 12-month period have been made in compliance with the exemptions provided in 415 ILCS 5/22.15. If local surcharge payments have not been made correctly the consultant shall estimate the underpayment of the local surcharge payment as part of the scope of work.
3. A final written report documenting the procedures used to conduct the audits of the host fee and local surcharge payments, and the results of the audits. The final report shall also include recommendations for improving the recordkeeping associated with the payments, and how often such audits should be conducted.

4. Attendance at one Executive Committee meeting (likely July 19, 2018), and one SWALCO Board of Directors meeting (likely August 23, 2018) to present the results of the audit.

VI. Qualifications Information

As stated in Section II, the consultant is limited to five pages to present its qualifications information, not including project team members' resumes and certificate of insurance information. Each SOQ should contain the following qualifications information:

1. Background information on the firm, including, but not limited to, an overview of the firm, number and type of employees, principals or partners, areas of specialization, specialized solid waste planning experience in Illinois, and other information that would indicate the necessary qualifications to accomplish this project.
2. List the personnel who will be assigned to the project and describe their education, experience/qualifications and licenses. Provide a project team chart and copies of resumes. Identify the project manager, and each other project team members' specific areas of responsibility on the project.
3. Identify any subcontractors, if any will be used, and their specific responsibilities. Provide background information on each subcontractor.
4. Describe your involvement in projects of similar size and scope in Illinois and other regions, providing the name, address and telephone number of three references.
5. Describe any business relationships you have with Waste Management, Inc., Advanced Disposal, or Groot/Waste Connections. SWALCO wants to be sure that the consultant it hires does not have a conflict of interest with any of the waste management companies it will be expected to audit.
6. Include evidence of insurance for the following coverage's:
 - a. General Liability
 - b. Auto Liability
 - c. Worker's Compensation
 - d. Professional Liability

VII. Project Understanding, Proposed Scope of Services and Schedule

As stated in Section II, the consultant is limited to one page to demonstrate its understanding of the project, and six pages to articulate its proposed scope of services to meet the deliverables listed in Section V.

SWALCO has decided not to prescribe a set scope of services but instead is allowing the consultant to use its creativity, knowledge and skill sets to recommend an approach, using the \$20,000 set budget, to meet the project deliverables. That stated, the following items must be addressed in the scope of services section of the consultant's SOQ:

- A description of the proposed scope of services, linked to the project budget.

- A project budget showing the hours to be worked by the project team members on each relevant scope of services item, their hourly rates and total project cost. Also provide a copy of the fee schedule to be used throughout the duration of the project (this will not count against the page limitation).
- A project schedule based on these five key dates: 1) the project start date is assumed to be January 29, 2018, 2) the first internal draft of the audit report is due June 25, 2018, and 3) the final audit report is due July 11, 2018, 4) presentation to the SWALCO Executive Committee on July 19, 2018, and 5) presentation to the SWALCO Board of Directors on August 23, 2018.

VIII. Selection Process

SWALCO will review all SOQ's which are submitted prior to the deadline. SWALCO reserves the right to reject any or all SOQ's or to cancel the selection process at any time. SWALCO also reserves the right to request additional information or clarification from respondents. This is a qualifications-based selection process, cost is set at \$20,000 and therefore cost will not be a factor in the selection process.

SWALCO will rank the SOQ's received from most qualified to least qualified to fulfill the requirements of the project. SWALCO reserves the right to interview respondents to provide an additional opportunity to present their qualifications and proposed scope of services. Ultimately, the Board of Directors will vote on which firm to approve.

The following are key dates in the selection process:

1. RFQ Issuance Date – December 11, 2017
2. Deadline for Questions – December 19, 2017
3. SOQ Submittal Date – January 9, 2018 (3 p.m.)
4. Interview (if conducted) – TBD (at SWALCO's Gurnee office)
5. Consultant approved by SWALCO Board – January 18, 2018
6. Contract finalized, project start date – January 29, 2018