

5. SECTION B - SCOPE OF SERVICES

5.1. BACKGROUND

- 5.1.1. There is currently no incumbent contractor performing these services or any contractor performing work related to these services.
- 5.1.2. Budget: The County does not disclose budget information for a Best Value procurement.
- 5.1.3. A Sample Contract in Attachment D is provided for informational purposes only. Please do not return any portion of this sample contract with your Proposal. The County's General Terms and Conditions in Section J will not be altered for the final contract.
- 5.1.4. Effective financial planning and sustainable rate setting are critical components of managing Montgomery County's high-performing Solid Waste System. As operational complexities, regulatory requirements, and capital investment needs continue to grow, the Montgomery County Department of Environmental Protection (DEP) faces increasing pressure to ensure fiscal responsibility while maintaining reliable service delivery and environmental compliance. To address these challenges, the County is undertaking a comprehensive financial planning initiative to strengthen its long-term financial health and operational resilience.
- 5.1.5. This initiative will involve the development of a customized, dynamic rate modeling tool and the preparation of detailed financial forecasts to inform rate-setting and policy decisions. The tool will enable County staff to evaluate revenue requirements, test rate structures, and analyze the impact of various financial and operational scenarios across customer sectors. In parallel, a Six-Year financial forecast will be developed to project revenues, expenditures, cash flows, and capital funding strategies, aligned with the County's Solid Waste Capital Improvement Program.
- 5.1.6. In addition to near-term forecasting, a broader assessment of long-term financial obligations, such as landfill closure/post-closure care, equipment replacement, facility expansion, and environmental compliance, will be conducted to guide strategic funding decisions. This includes evaluating financing alternatives and reserve targets and integrating them into a 10-year Strategic Financial Plan that will identify key risks, opportunities, and stabilization measures to support long-term sustainability and ratepayer equity.
- 5.1.7. To further support strategic decision-making, a comparative and benchmark analysis will be performed to assess how the County's rates and services compare with peer jurisdictions. This will help identify best practices and potential areas for increased efficiency or enhanced service delivery.
- 5.1.8. Finally, ongoing support will be provided to help County staff apply the model in real-world planning scenarios, including annual updates and policy evaluation. This phased and collaborative approach ensures that the County is equipped with the tools, knowledge, and insights necessary to adapt to evolving conditions and make data-informed financial decisions over both the short and long term.

5.2. INTENT

- 5.2.1. The purpose of this Contract is to develop a comprehensive financial planning framework for the County's Solid Waste System that ensures long-term fiscal sustainability, supports strategic decision-making, and promotes transparency and equity in rate-setting. This includes the development of a dynamic rate model, detailed

financial forecasting, capital funding analysis, and ongoing financial consultation to address evolving operational, regulatory, and market conditions.

5.2.2. Areas of focus for these services include, but are not limited to the following:

5.2.2.1. Enhance Financial Resilience

5.2.2.1.1. Equip the County with robust financial planning tools and strategies that support long-term operational and capital needs.

5.2.2.2. Improve Rate-Setting Transparency and Equity

5.2.2.2.1. Develop rate structures and forecasting tools that reflect actual system costs, promote fairness across customer classes, and are easily understood by stakeholders.

5.2.2.3. Ensure Long-Term Fiscal Sustainability for Ratepayers

5.2.2.3.1. Promote stable, predictable rates through responsible financial planning, long-term cost management, and alignment of revenues with system needs—minimizing rate volatility and financial burden on customers.

5.2.2.4. Support Strategic Decision-Making

5.2.2.4.1. Provide accurate, data-driven financial forecasts and scenario analyses to inform policy, capital planning, and budgeting decisions.

5.2.2.5. Maintain Regulatory and Environmental Compliance

5.2.2.5.1. Identify and plan for long-term obligations such as landfill closure, post-closure care, and other compliance-related expenses.

5.2.2.6. Foster Operational Efficiency and Benchmarking

5.2.2.6.1. Use comparative analysis to identify opportunities for performance improvement, cost optimization, and enhanced service delivery.

5.3. SCOPE OF SERVICES/SPECIFICATIONS/WORK STATEMENT

- 5.3.1. The County seeks the support of a qualified financial consulting firm to assist in developing a comprehensive financial planning and rate-setting framework for its Solid Waste System. This support is essential to ensure the financial sustainability, operational effectiveness, and regulatory compliance of the system over the near and long term.
- 5.3.2. Specifically, the County requires the development of a dynamic, user-friendly rate modeling tool that can evaluate cost recovery needs, project revenues and expenditures, and simulate rate impacts across customer classes under various economic and operational scenarios. In addition to the model, the County needs a detailed Six-Year financial forecast and a 10-year strategic financial plan that integrates capital planning, debt service, reserve policies, and long-term liabilities such as landfill closure/post-closure care.
- 5.3.3. The County also seeks comparative benchmarking analysis against peer jurisdictions, guidance on optimal funding strategies, and ongoing consultation to ensure internal staff can effectively maintain and utilize the rate model. The consulting firm must provide scenario planning support and be available on an as-needed basis following the initial project phase.

- 5.3.4. This effort is critical to maintaining financial transparency, stabilizing rates for ratepayers, and ensuring that the County can responsibly plan for future capital and operational needs in an evolving regulatory and market environment.

5.3.5. **OBJECTIVES**

Objectives of this contract include but are not limited to the following areas of expertise. These specific items will be tasked separately or combined into specific Task Orders with specified deliverables.

5.3.5.1. Develop a Dynamic Rate Model

Create a user-friendly, flexible tool that incorporates forecasting, cost analysis, rate design, and scenario testing.

5.3.5.2. Deliver a Six-Year Financial Forecast

Provide a detailed financial outlook, including revenue and expense projections, cash flows, and capital funding aligned with the Solid Waste Capital Improvement Program.

5.3.5.3. Analyze Long-Term Financial Obligations

Identify future funding requirements for capital infrastructure, environmental compliance, and lifecycle equipment costs, and recommend appropriate funding mechanisms.

5.3.5.4. Ensure Long-Term Fiscal Sustainability for Ratepayers

Develop rate strategies and financial policies that promote rate stability, manage cost escalation, and maintain affordability while meeting the full financial requirements of the system.

5.3.5.5. Prepare a 10-Year Strategic Financial Plan

Offer a long-term financial outlook to assess risk factors, market uncertainties, and potential policy impacts on system sustainability.

5.3.5.6. Conduct Benchmarking and Comparative Review

Evaluate County rates and services against peer agencies to identify areas for improvement and validate current performance levels.

5.3.5.7. Facilitate Scenario Planning and Staff Training

Support County staff with guided scenario analysis and provide training to ensure independent use of the rate model.

5.3.5.8. Provide Ongoing Financial Support

Offer as-needed consultation for updates to the rate model, budgeting support, and responses to emerging financial challenges.

5.3.6. **CONSULTING SERVICES**

5.3.6.1. Annual Work Plan

Following the issuance of a Notice-to-Proceed (NTP) and executed Purchase Order, the Contractor must provide the Contract Administrator with a final detailed work plan for all portions of **Task Order 1** (see Attachment E), within a to-be-specified period of time. The work plan will be based on the preliminary

work plan submitted with the technical proposal including any modifications made during negotiations. The final work plan must contain detailed descriptions of all tasks to be performed, products to be delivered, timetable for completing each task, study phase, and milestones for the year's effort.

5.3.6.2. Reviews

The Contract Administrator or designee will be the sole point of contact between the County and Contractor and will be responsible for reviewing and approving specifications and reports. For purpose of scheduling this project, the Contractor may assume a ten (10) working day turnaround on submissions requiring review and approval of the Contract Administrator.

Six (6) months after initial contract has been signed, there will be an overall review of progress to date between the Contract Administrator and Contractor. At this point, if sufficient progress has not been made, or the quality of the work is felt to potentially interfere with the accomplishment of the goals of the project, the County may terminate the contract.

The Contractor will complete a draft Six-Year Financial Forecast Report and submit one (1) electronic copy to the Contract Administrator for review. The electronic format must be compatible with County standard software such as Microsoft Office or Adobe Pro. The Contractor will meet with the Contract Administrator for discussion and acceptance within 30 calendar days after submission of the draft Six-Year Financial Forecast Report.

The Contractor will provide one (1) electronic copy of the Six-Year Financial Report. The electronic copy must be ADA compliant, since this copy is posted on the County's Website.

5.3.6.3. **OTHER SERVICES**

The Contractor must establish formal evaluation and quality control procedures to monitor each facet of the final contract. The evaluation and quality control procedures must provide sufficient information to allow the County's administrators to monitor the program's progress and effectiveness. The County's administrators will use the quality control report to evaluate the effectiveness of the program on an annual basis. The Contractor will submit the quality control report to the Contract Administrator identified in the final contract not later than June 1 of each contract year.

5.3.7. **METHOD OF ORDERING WORK**

5.3.7.1. The County may use two (2) different methods of placing orders from the final contract: Purchase Orders (PO's) and/or Blanket Purchase Orders (BPO's) related to a Task Order issuance.

5.3.7.2. Task Orders: The County will issue Task Order Requests for Proposals (TOPR). The TOPR will include a detailed description of the work, including a completion date. Information in the TOPR may include but is not limited to: a description of the scope of work/assignment, expected objectives, deliverables, the expected timeframe for completion, the level of effort required, expected payment structure (e.g., lump sum, time and materials, unit price, or combination, etc.), any background information to be supplied by the County. Task Orders may include