

US EPA ARCHIVE DOCUMENT

**RFP #H-040-08**  
**Addendum Document #1**  
**Delivery of Environmental Management System (EMS) Services for the Dairy Sector**  
**Vendor Conference Questions and Final Agency Answers**

**1. How does the DNR define an effective EMS?**

DNR does not use the phrase “effective EMS” in this RFP nor have we defined what constitutes an “effective EMS.” Under Objective 4, the RFP states the goal of helping at least 15 dairy producers to fully implement an ISO 14001 or functionally equivalent EMS.

ISO 14001 is an internationally recognized standard for environmental management systems (refer to [http://www.iso.org/iso/catalogue\\_detail?csnumber=31807](http://www.iso.org/iso/catalogue_detail?csnumber=31807)).

As specified in section 299.83(1)(dg) of Wisconsin Statutes,

“Functionally equivalent environmental management system” means an environmental management system that includes all of the following elements and any other elements that the department determines are essential elements of International Organization for Standardization standard 14001:

1. Adoption of an environmental policy that includes a commitment to compliance with environmental requirements, pollution prevention, and continual improvement in environmental performance.
2. An analysis of the environmental aspects and impacts of an entity’s activities.
3. Plans and procedures to achieve compliance with environmental requirements and to maintain that compliance.
4. Identification of all environmental requirements applicable to the entity.
5. A process for setting environmental objectives and developing appropriate action plans to meet the objectives.
6. Establishment of a structure for operational control and responsibility for environmental performance.
7. An employee training program to develop awareness of and competence to manage environmental issues.
8. A plan for taking actions to prevent environmental problems and for taking emergency response and corrective actions when environmental problems occur.
9. A communication plan for collaboration with employees, the public, and the department on the design of projects and activities to achieve continuous improvement in environmental performance.
10. Procedures for control of documents and for keeping records related to environmental performance.
11. Environmental management system audits.
12. A plan for continually improving environmental performance and provision for senior management review of the plan.

**2. What are the expectations of the DNR regarding farms being ISO14001 registered by the end of this project?**

The Department places no priority on whether farms participating in this project meet the ISO 14001 Standard or the Functionally Equivalent EMS definition (see above). However, Objective 4 does state that the selected vendor will provide assistance to help at least 15 Wisconsin dairy producers

fully implement an ISO 14001 or functionally equivalent EMS for their business by April 30, 2010. The ultimate expectation for this project is that a fully implemented EMS could pass an audit, but a fully implemented ISO 14001 EMS or functionally equivalent EMS does not have to be registered by an accredited registrar.

**3. What are the farms that are currently enrolled in the EMS / ISO14001 / Green Tier processes?**

As of 2/14/08 only two dairy producers are participating in Green Tier: Holsum Dairies in Hilbert and Jon-De Farm in Baldwin. As of 2/14/08 the department has no Green Tier applications pending from any other dairy farms. The department is aware of several other Wisconsin dairy farms that have completed EMS training courses and are believed to be at various stages in the implementation of an EMS. These other farms are Baldwin Dairy in Baldwin, Emerald Dairy in Emerald, Saxon Homestead Farm in Cleveland, Quonset Farms in Oostburg, Pagels Ponderosa in Kewaunee, Dairy Dreams in Lincoln, Blue Royal Farm in Reedsville, Ebert Enterprises in Algoma, Grandview Dairy in Casco, and Meadow Brook Farms in Manitowoc. DNR is unaware of any additional dairy farms that might be currently enrolled in EMS training, whether ISO 14001 or Functional Equivalent.

**4. When providing examples of past work, much of which is proprietary, what qualifies as appropriate samples of past work? For example, would title pages, table of contents, masked materials etc. be appropriate?**

If a proposer wishes to designate submitted materials as confidential and proprietary they should indicate those documents as such on the form included in the RFP (DOA-3027 - Designation of Confidential and Proprietary Information). It is up to the proposer to determine what submissions will best demonstrate their past work. Choosing to black out company names and sensitive information is an option that proposers may take. Inclusion of only title pages or tables of contents may not give the evaluators enough information to determine a vendor's capabilities. Proposers should take that into consideration when preparing their submissions.

**5. What approaches did you use in the past to get dairy farms enrolled in EMS / ISO14001/ Green Tier? Historically how did you get companies and/or dairy farms to the Green Tier level? What was in it for the farmer or the company to participate in EMS / ISO 14001 / Green Tier activity?**

DNR believes that virtually all of the Wisconsin dairy farms that have partially or fully implemented an EMS began doing so as a result of government-sponsored outreach and training projects. The first major project of this sort was a 5-year, 10-state collaborative effort funded by the US Department of Agriculture (USDA) that involved University of Wisconsin-Extension staff. Three subsequent projects sponsored by the Wisconsin Agricultural Stewardship Initiative (WASI) relied on contractors to deliver EMS training services. Question 6 below explains how proposers can get more information about these projects.

DNR has done virtually nothing with respect to EMS training, a generic EMS, or EMS consulting. DNR's efforts have been concentrated on recruiting and enrolling Green Tier participants. The approach DNR has used in the dairy sector is to give talks and presentations to a variety of audiences explaining how the Green Tier program works. DNR staff have made presentations on this topic to dairy sector trade associations (Dairy Business Association, Professional Dairy Producers of Wisconsin, Professional Nutrient Applicators Association of Wisconsin, Wisconsin Cheese Makers Association) and numerous individual businesses. DNR contacts with individual dairy producers have focused primarily on dairy producers known to have completed the EMS training courses mentioned above.

Very little research exists on what motivates farmers to implement an EMS and how they benefit. Most of this research comes from overseas. One excellent example is available at <http://www.rirdc.gov.au/reports/EMSCaseStudies/contents.pdf>. Concerning Green Tier, businesses are motivated by a variety of factors. Two DNR fact sheets explain the environmental and business cases for Green Tier:

<http://dnr.wi.gov/org/caer/cea/environmental/documents/environcase.pdf>

<http://dnr.wi.gov/org/caer/cea/environmental/documents/businesscase.pdf>

- 6. Will the WI Dairy EMS information developed to date be made available to RFP proposers so that vendors can more accurately determine the effort required under Objective 2?**

Information about the 10-state EMS project is available from the University of Wisconsin-Extension at <http://www.uwex.edu/AgEMS/livestock/project.html>. DNR has a copy of some of the EMS training materials developed for the second WASI project but none of the more current information from the third WASI project. DNR can share electronic copies of the materials in DNR's possession upon request, provided the contractor agrees to certain restrictions on use of the material. Contractors who are interested in more complete information about the three WASI-sponsored projects may wish to contact WASI's Executive Director, Timm Johnson, at 608-224-4653.

- 7. Does DNR have any information about the costs of these earlier efforts to promote EMS in the dairy sector?**

DNR did not sponsor any of the earlier projects and does not have detailed budget information. DNR is not aware of the total costs of the USDA project or the portion that was dedicated to EMS outreach in Wisconsin. The first and second WASI projects each provided EMS training and technical assistance to 3 dairy farms at a cost of \$25,000. The third WASI project provided similar services to 6 more dairy producers at a cost of approximately \$23,000.

- 8. Why is there a special priority placed on recruiting participants from Northeast Wisconsin's Lakeshore Basin? What is the geographical scope of this basin? Do you require specific locations in the State?**

Details about the Lakeshore Basin including its geographical scope are available at:

<http://dnr.wi.gov/org/gmu/lakeshore/index.htm>

DNR is not requiring the contractor to offer EMS training in any one particular location. However, DNR believes there are potential benefits and efficiencies that may be realized if the trainees come from dairy farms clustered in a relatively small number of locations, as opposed to 30 or more locations scattered all across Wisconsin. DNR also feels that the trainers, trainees, and consultants may all benefit from proximity to the dairy farms listed in Question 3. More than half of the farms listed in Question 3 are in the Lakeshore Basin.

- 9. To what extent will the DNR provide regulatory knowledge and support pertaining to related laws and regulations required of the dairy industry?**

As indicated in Question 1, a functionally equivalent EMS must include plans and procedures for identifying applicable environmental requirements and achieving compliance. DNR is planning to use other funds from the 2007 State Innovation Grant to develop a tool that will help dairy producers identify applicable environmental requirements. DNR staff also routinely assist Wisconsin businesses with compliance questions, but it must be emphasized that DNR does not have any

resources dedicated specifically to this project for helping dairy sector project participants achieve compliance.

**10. To what extent are you expecting that this program will provide materials, training and technical assistance for free to the participants? What leeway is there in charging fees to participants?**

DNR prefers to receive proposals that address the requirements of this contract without the use of participant fees. Such proposals are easiest to evaluate and the contracts are easier to administer. However, DNR has requested proposals because we do not have a settled opinion about the best way to meet the project objectives. Contractors are free to make any proposal they think will best meet the project objectives.

Contractors should understand that DNR believes the project's minimum participation goals can be met within the total project budget without charging additional fees to participants. Contractors who wish to submit a proposal involving the assessment of participant fees should carefully document how much would be charged to any participant and under what circumstances. Furthermore, such a proposal should explain how the assessment of participant fees is necessary to meet project objectives or leads to better outcomes that exceed the minimum project goals.

If participant fees are to be assessed, the contractor will be required to very carefully account for all revenues and expenditures and must be prepared to demonstrate to DNR's satisfaction that the two revenue streams are never paying for the same exact service.

**11. What will be the value of the auditing RFP Contract?**

DNR expects the value to be \$75,000 maximum. This number could potentially change between now and when the RFP is issued.

**12. The RFP states that any proposal over \$120K may be rejected. Can you elaborate on this?**

The total available budget for this project is \$120,000. "Rejected" means that proposals over \$120,000 may not even be evaluated or scored by DNR.

**13. Do you foresee any additional funding from the DNR for EMS outreach and development?**

Proposals should assume that DNR will not provide any additional funding for EMS outreach and development.

**14. Can DNR elaborate or provide an example of what they mean under Section 4.1.4 related to the solicitation of EMS Auditing Services?**

DNR is working from an assumption that an EMS audit may have very little credibility with the public if the auditor or the auditor's organization was also involved in training or consulting the business being audited. Reasonable people might question whether the auditor in such a circumstance could be entirely objective, or whether the auditor might have a vested interest in giving a "passing grade" even if one is not deserved.

DNR is willing to entertain proposals from organizations that disagree with the assumption stated above, but Section 4.1.4 of the RFP explains that the burden would fall on the contractor to propose

ways of ensuring that auditors would operate independently from trainers and consultants, and audit results would not be jeopardized by a perceived conflict of interest.

**15. How many references must be provided for each subcontractor?**

Contractors should submit whatever number of references they feel is appropriate to fulfill the requirements in Section 4.5 of the RFP.

**16. The processor EMS is not mentioned under Objective 2 is it not required?**

The contractor is not required to develop a Generic EMS for processors (under Objective 2) but is expected to include at least one processor in a training course (under Objective 3). DNR encourages potential contractors to explain in their proposals how they will accommodate a processor in their training course if they choose not to develop a Generic EMS for processors.

**17. What is the definition of affiliated dairy service providers?**

This term refers to professionals who provide almost any kind of service to dairy producers that might directly or indirectly affect environmental management. It includes but is not necessarily limited to custom manure haulers, crop consultants, extension agents, county or NRCS conservation staff, etc.

**18. Explanation of what Green Tier is? The proposal refers to Green Tier Enrollment – does this mean enrollment in the DBA-GTAP Charter? Is it also, DBA-GTAP? Also, does DBA-GTAP mean the same as “in Green Tier”?**

Green Tier is DNR’s voluntary program for environmental leadership. General information about Green Tier is available at <http://greentier.wi.gov/>.

Individual businesses such as a dairy farm or dairy processor can participate in Green Tier at the Tier 1 level or the Tier 2 level. The Green Tier program also includes a special type of agreement called a Charter. A Charter is a written agreement between DNR and an “association of entities,” for example a trade association. The purpose of a Charter is to help the entities in the association to improve environmental performance and participate in Green Tier at the Tier 1 or Tier 2 level.

In November 2007 DNR signed a Green Tier Charter with a newly-formed organization called the Dairy Business Association – Green Tier Advancement Project (DBA-GTAP). The full text of the DBA-GTAP Charter is available from DNR’s website at this address:  
<http://dnr.wi.gov/org/caer/cea/environmental/participants/widairy/documents/finalcharter.pdf>.

In the Charter, DBA-GTAP agreed to provide a variety of services that will help dairy producers participate in Green Tier at the Tier 1 or Tier 2 level. Some of these services are only to be provided to dairy producers who follow a process to become “Charter members.”

All Charter members will be participants in Green Tier at the Tier 1 or Tier 2 level, but the converse is not true. Tier 1/Tier 2 participants need not be Charter members. In fact, as of February 2008 two dairy producers are in Tier 1 but neither is a DBA-GTAP Charter member.

Wherever the RFP refers to “enrollment” or “participation” in Green Tier it is referring to dairy sector businesses that have received an approval letter and a numbered certificate from DNR accepting them into Green Tier at either the Tier 1 level or the Tier 2 level. There is no requirement in the RFP for



DBA-GTAP Charter membership. In other words, the goal of 10 dairy producers enrolled in Green Tier will be met whether all, some, or none of the 10 also become DBA-GTAP Charter members.

Contractors responding to this RFP can propose whatever they believe to be the best way to meet the Green Tier enrollment objectives stated in the RFP.

- 19. Does the goals mentioned in the synopsis, equal the objectives and deliverables for training 30 dairy producers and at least 1 dairy processor and helping 15 of the trainees to fully implement an EMS and enroll 10 of these dairy producers in Green Tier? Meanings are these numbers required or are they goals?**

Contractors should submit proposals that they believe are most likely to result in achievement of the objectives, but ultimately the numbers specified in the objectives (30+1/15/10) are goals. DNR will hold the contractor accountable for implementing their proposal in the manner proposed and with the level of effort proposed, but DNR understands that the contractor couldn't possibly guarantee that the numeric goals will be met (for essentially the same reasons that a teacher cannot guarantee how many students will pass a test).

- 20. Is it DNR's intention that the generic EMS developed in this proposal become public property and be shared with anyone interested in developing their own EMS without us providing outreach to develop and implement a proper EMS?**

The federal grant which funds this project has specific provisions regarding copyrighted material. In keeping with the requirements of the federal grant that funds this project, the generic EMS could be copyrighted by the contractor. However, any copyrighted material could be reproduced, published, or used (with attribution) by the State of Wisconsin, by the United States government, or by other government contractors for a variety of government purposes.

Please note that the State of Wisconsin is requesting proposals for this project in part because the State has no intention of getting into the business of providing EMS training or consulting services. DNR views the generic EMS as a tool that has value in and of itself, but much greater value when coupled with some kind of training and consulting services.

- 21. How many training sessions are required?**

DNR has requested proposals because we do not have a settled opinion about the best way to meet the project objectives. Contractors are free to make any proposal they think will best meet the project objectives.

- 22. Can the trainings be web-based?**

DNR has requested proposals because we do not have a settled opinion about the best way to meet the project objectives. Contractors are free to make any proposal they think will best meet the project objectives.

- 23. Regarding financial stability documentation, what kind of documentation are you expecting and what are the criteria for acceptance to satisfy this requirement?**

The typical documentation is generally company annual reports that include income statements and balance sheets for the most recent fiscal reporting periods. In the absence of annual reports or audited financial statements vendors may submit whatever information they think will be sufficient to show

the state that the proposing organization is financially viable. We expect proposing vendors to provide documentation about their proposed organization which gives the state some kind of assurance of that organization's viability as a going concern capable of fulfilling the requirements of the contract. This documentation could take many forms from a simple statement about the principal members and their business history to letters of reference from your bank to references from prior customers who can validate the organization's capacity to handle a contract of this nature.

**24. If a proposer is using subcontractors, do the subs have to supply financial statements as well?**

If subcontractors are a major part of the proposing organization, documentation on how they contribute to the financial stability of the team should be included. As noted above this documentation can take many forms and it is the duty of the proposer to provide information which gives the state some kind of assurance of that organization's viability as a going concern capable of fulfilling the requirements of the contract.

**25. Please elaborate on Section 3.4? Can the contract be renegotiated for a higher amount?**

This section gives the state the right to negotiate rather than just accept what is proposed by a vendor, including the award amount. If the state decided it needed additional services beyond what was proposed by the vendor it would be possible that additional cost would be allowed. Do not expect that the State will reject a proposal to allow a higher contract amount. The funds for this project are limited and proposals that suggest costs greater than the available funds may be rejected.

**26. Can you explain how you determined the maximum hourly rate? How was the cap rate that may be paid at \$69.66 per hour determined?**

This rate cap was determined by the federal agency providing the grant funds being used for this project. This cap is a salary cap only and is intended to only cover labor.

**27. How do you want the overhead shown on the budget?**

Proposers can choose to show it in whatever manner they feel adequately conveys the necessary information. If a proposer and their accountant have determined an overhead billing rate that accurately reflects their reasonable and customary overhead expenses they are welcome to use that rate in their budgets in conjunction with the use of a second hourly rate for their labor costs as this should meet agency requirements for grant reporting.

**28. Can billings be done monthly instead of quarterly?**

The RFP has been revised to allow for monthly invoices and payments. Progress reports will only be required on a quarterly basis.

**29. What are reasonable and customary items to include in overhead? Does it include professional liability insurance and workman compensation?**

Liability insurance and workman's compensation insurance would be reasonable and customary overhead items. Profit and other costs such as office space, equipment and utilities would all be reasonable and customary overhead expenses. Proposers should consult with their own accountants if a more detailed answer is needed.

**30. What are the limits for transportation rates?**



The State has established Uniform Travel Schedule Amounts for state employees. This agency would expect vendors providing services to adhere whenever possible to the amounts established for employees. This link provides access to information about the State's Uniform Travel Schedule Amounts: <http://oser.state.wi.us/docview.asp?docid=5038>

**31. What are the rates and/or limits for travel expenses?**

See above answer to Question 30.

**32. Clarify what is meant by the state's standard net 30 payment terms, quarterly reporting and invoice paying and withholding from each quarterly payment 10% of the total amount specified on each respective invoice?**

State law requires that all properly presented invoices are paid within 30 days. This contract will require the awarded vendor to prepare and submit quarterly reports along with invoices reflecting all appropriate charges for the quarterly period. Those invoices will be paid within 30 days, except for 10% of the invoice total amount that the state will be holding back for payment with the final invoice the vendor submits for the project along with final report required by the project.

**33. Can you explain the need for the 10% hold on each quarterly payment? Since the project is 2 years long it's unreasonable to ask a firm to hold their WIP (work in progress) this long.**

The 10% holdback clause is required to ensure the delivery of the final required report in a fashion that meets the needs of the State.

**34. Does DNR charge any fees for Green Tier participation?**

No.

**35. Should the training courses be offered to farmers individually or in groups?**

DNR has requested proposals because we do not have a settled opinion about the best way to meet the project objectives. Contractors are free to make any proposal they think will best meet the project objectives.