

US EPA ARCHIVE DOCUMENT

RFP #H-041-08  
Environmental Management System (EMS) Auditing Services for the Dairy Sector  
Agency Response to Vendor Questions  
Addendum Document #1, April 9, 2008

1. **Can an addendum to the contract be made if the project is completed before the end date of June 30, 2010? For example, if we complete the project in a year or a year and a half, will payments be adjusted or must we take the full amount of time in the contract to implement?**

Auditing is a function of having fully implemented environmental management systems. Therefore, it is very unlikely the project is capable of being completed prior to June 2010.

Payments will be based on the actual completion of audits and the submission of the required reports. Even if all required audits and reports were completed long before 6/30/10, those events would not require a contract addendum. It is not likely that the agency will be ready to accept a final project report before the dates indicated in the RFP.

Any changes to the billing terms stated in the RFP would only be permitted based on the needs of the contact/project manager.

It should be noted that dairy producers who began implementing EMS under the auspices of prior DNR efforts (e.g. Agricultural Watershed Improvement Network) may inquire and/or request auditing services. In the event inquiries and/or requests are made, the vendor awarded this contract and the DNR project manager will need to discuss: cost and benefits, effect on RFP #H-041-08 goals and objectives and if the audits should be performed as a part of this contract.

It should also be noted that the highest priority of this project is to provide auditing services to producers receiving training from the vendor awarded the contract for RFP #H-040-08 (i.e. Delivery of Environmental Management System (EMS) Services for the Dairy Sector).

2. ***“Deliverable 2- Each audit report should be submitted to DNR upon its completion”. “It will not be necessary to provide a lengthy detailed report on each audit or to disclose any sensitive or confidential business information”. What are the DNR’s requirements regarding the audit reporting requirements? Will an aggregate report of the project be acceptable or can generalities be made regarding the findings?***

For the purposes of this contract, there are several ways audit reports will be shared with the department.

- Objective 1, deliverable 1a; activities undertaken (which includes audit results) are required to be summarized in quarterly reports,
- Objective 1, deliverable 1b; all activities (which includes all audits undertaken and audit results) are required to be included in the final report, and
- Objective 2, deliverable 2; each audit conducted must be summarized and the results shared with the department.

For purposes of Green Tier enrollment, audit reporting requirements are outlined in the following draft guidance “Proving EMS Functional Equivalency:”

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

3. **In regard to the final report, is it DNR’s intention to incorporate the continual improvement processes/steps that have or will be implemented by the producer?**

First; Note the statement on page 14 of the RFP (i.e. Section 5; Project Requirements) regarding Objective 2:

*“...the description should be very specific about the proposed approach to auditing, noting all the activities that will be necessary to prepare for, conduct, and close out an EMS audit of a dairy producer or a dairy processor.”*

Second; whether or not “continual improvement processes/steps” are incorporated into the final report, is a function of whether or not the highest scoring proposal “incorporate[s] the continual improvement processes/steps that have been or will be implemented by the producer” in their proposal.

**4. If invoices are submitted monthly, are payments paid on a monthly basis i.e. a maximum of 30 days after receipt of invoice?**

Yes, 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.

**5. Is 10% deducted from each monthly invoice and held for final payment until the final report has been received?**

No, as indicated in Section 7.1 of the RFP:

*“DNR will set aside from the total project budget of \$75,000 an amount equal to the maximum amount for preparing a final report as specified in the proposal. If the total amount paid by the DNR reaches the amount of the total project budget less the proposed final report amount, no further payments will be made to the contractor until the final report is submitted and accepted and a final invoice is submitted.”*

**6. Where does DNR stand on charges to participants to offset fees for work/travel if needed to accomplish DNR goals?**

Awarded vendors will not be allowed to charge fees to participants without the agency/project managers’ approval. At this time the agency wants proposals that address the requirements of this contract without the use of participant fees. Based on the needs of the agency and the project it may be determined that additional participant fees could benefit the process, but proposals submitted in response to this RFP should not assume that participant fees will be allowed.

**7. Who was awarded the EMS Training, Consulting grant?**

A notice of intent to award a contract for RFP #H-040-08 (Delivery of Environmental Management System (EMS) Services for the Dairy Sector) was issued to Perfect Environmental Performance LLC (PEP) on Monday, April 7, 2008.

**8. Since we do not know the type of operation we are dealing with at this time, how do we estimate the amount of time producers will need to spend on corrective actions for the proposal? How are “sites” defined for purposes of this RFP and how will “sites” be counted for purposes of meeting the stated goals of this RFP.**

The department relies on the experience of the vendor working with the dairy industry and with EMS auditing to inform the contents of their proposal, as noted in Sections 4.2 and 4.4. of the RFP.

As noted in section 5 of the RFP:

*“Concerning Objective 2, the description should be very specific about the proposed approach to auditing, noting all of the activities that will be necessary to prepare for, conduct, and close out an EMS audit of a dairy producer or a dairy processor. For each activity, this description should include an estimate of the level of effort required of both the auditor(s) and the auditee(s) to complete the activity. In cases where site-specific factors might significantly influence the time necessary to complete an activity, the description should identify those factors and explain both the range of values of the time commitment and the most likely value for a typical audit.”*

For the purposes of this RFP, “site” is a function of EMS scope. For example, if a dairy producer has several locations (e.g. two milking locations and one calving operation), but has only one EMS to cover all locations; it will be counted as one audit. If on-the-other-hand a dairy producer has several locations (e.g. two milking locations and one calving operation), but each location has a separate EMS, then each location will require an individual audit and be counted as separate audits. As noted in Section 5 of the RFP:

*“In cases where site-specific factors might significantly influence the time necessary to complete an activity, the description should identify those factors and explain both the range of values of the time commitment and the most likely value for a typical audit.”*

**9. Please describe what the ISO 14001 standard contains from an audit perspective that DNR’s “functionally equivalent” stipulation does not?**

It is highly probable that an EMS audit against the ISO 14001 standard will also satisfy the requirements outlined in Wis. Stats. §299.83 (dg) (1). However, an EMS audit against the “functionally equivalent” standard may not meet the ISO 14001 Standard.

The department will accept audits to the ISO 14001 standard or the “functionally equivalent” standard as specified in Wis. Stats. §299.83 (1) (dg):

(dg) “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.

ISO 14001 is an internationally recognized standard for environmental management systems. Please refer to the following link for additional information about the ISO 14001 standard:

- [http://www.iso.org/iso/iso\\_catalogue/catalogue\\_tc/catalogue\\_detail.htm?csnumber=31808](http://www.iso.org/iso/iso_catalogue/catalogue_tc/catalogue_detail.htm?csnumber=31808)

For information on the requirements of declaring an EMS “functionally equivalent” please refer to “*Proving EMS Functional Equivalency*”- draft guidance at:

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

**10. Is it DNR’s preference to have ISO 14001 certificates issued if the audit complies?**

The department does not have a preference to have ISO 14001 certificates issued. For the purposes of Green Tier enrollment, ISO 14001 certificates are not required.

However, as outlined in section 5 (i.e. Project Requirements) of the RFP:

*“The plan should also note whether or under what circumstances an audit performed by the contractor would result in the issuance of an ISO 14001 registration certificate by an accredited registrar.”*

**11. Section 5.1 Deliverable 1a discusses deliverables for Objectives 2 – 4. As reference, there are only two listed. What are all of these objectives?**

Section 5.1, Objective 1, Deliverable 1b discusses Objectives 2-4; this is a typographical error. There are only two (2) deliverables for Objective 1 and one (1) deliverable for Objective 2.

**12. Rate caps were set based on labor rates. What is the cap set or what is DNR’s “reasonable” customary overhead rate for items? Does the cost for each of these items that are included within this area have to be broken out (i.e. workman’s comp, liability, facilities, etc.)?**

DNR has not set “reasonable customary overhead rates.” The rate cap shown in Section 6.1 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.

Liability insurance and workman’s compensation insurance would be reasonable and customary overhead items. Other costs such as office space, equipment and utilities would all be reasonable and customary overhead expenses. Proposers are being asked to provide detailed cost breakdowns as necessary to allow a complete understanding of all proposed costs included on the Cost Proposal form. Proposers should consult with their own accountants if necessary to provide the required level of detail.

**13. Many items in the Uniform Travel Schedule Amounts can not apply to a contractor. There is no access to state personnel to authorize travel, gives us state cars, access state rental agencies where car insurance is paid, id to obtain government airfares, personal car use approvals, etc. In addition, items like 42.5 cents a mile for a mileage rate are not standard in private business given recent changes in gas prices. Which rates and items in this document are we required to adhere to for this proposal?**

The State has established Uniform Travel Schedule Amounts for state employees. This agency (WDNR) would expect vendors providing services to adhere whenever possible to the amounts established for employees, in particular those regarding meal reimbursements, lodging and mileage. When traveling for State business needs, vendor employees could qualify for State rate discounts for lodging.

This link provides access to information about the State's Uniform Travel Schedule Amounts:

- <http://oser.state.wi.us/docview.asp?docid=5038>

**14. If the final report has to be submitted by June 30, 2010, is it assumed that vendors will be paid when submitting their final invoice for work conducted in June?**

Yes

**15. If the number of farms audited is less than the stated goals and objectives (i.e. 10 dairy farms), would contract requirements be satisfied?**

As noted in the response to Question 1, auditing is a function of having fully implemented EMS's.

If it turns out the vendor responsible for training and implementing dairy EMS's fails to satisfy the goals and objectives outlined in RFP #H-040-08, the selected vendor will not be held responsible for falling short of the stated goals and objectives for this RFP #H-041-08.

**16. What if all the audit requests for this project come in near the end of the project time frame? It may be difficult to handle audit scheduling and performance without compromising the completion of the final required report, etc. How will the selected contractor be asked to deal with this potential situation?**

Should the vendor awarded the contract for RFP #H-041-08 encounter this situation the department would entertain a request for a grant extension, allowing the contractor a short extension of the time frame for this contract. Any solution to this possible problem would have to be worked out between the contractor and the project manager, taking into considerations the total number of audits performed up to that point in time along with the number of late requests, etc.