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**Report No. 5  
Privatizing Solid Waste  
Management Services**

**A Summary Guide for  
the Governorates of  
Egypt**

**Solid Waste and Public  
Clean-Up Project  
Governorate of Alexandria,  
Egypt**

**USAID Contract LAG-I-  
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March 30, 2001

*Prepared for*  
Governorate of Alexandria, Egypt  
and  
United States Agency for  
International Development

*Prepared by*  
Abt Associates Inc.  
The Institute for Public-Private  
Partnerships

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**REPORT NO. 5**  
**PRIVATIZING SOLID WASTE MANAGEMENT SERVICES**  
**A SUMMARY GUIDE FOR THE GOVERNORATES OF EGYPT**

**Solid Waste and Public Clean-Up Project**  
**Governorate of Alexandria, Egypt**

**INTRODUCTION**

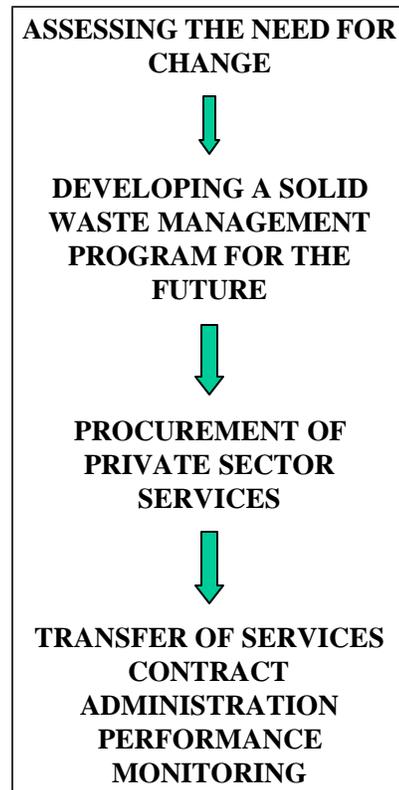
Solid waste management is one of the most serious and difficult to solve environmental problems existing in Egypt. Like so many developing countries around the globe, Egypt is being overwhelmed by solid waste generated from various sectors including residential, commercial, medical, and industrial. The negative impacts are not limited to aesthetics or the environmental considerations alone. Unmanaged solid waste creates threats to public health and safety, business and tourism development, and the overall quality of life for Egyptians.

Most Governorates in Egypt do not have the capital, physical, or technical resources needed to manage solid waste in a way that meets community standards. The use of public-private partnerships offers a means of overcoming these problems and improving solid waste management.

**BACKGROUND**

Municipal solid waste service expenditures in developing countries range from 20 to as high as 50 percent of the total municipal budgets. At the same time, a low level of service is provided with only 50 to 70 percent of the solid waste actually collected. High costs and poor service indicates a need for change in the existing system or that the private sector may be more efficient in providing such services. Higher efficiency can result from the flexibility and freedom of action that private sector management has in performing its tasks.

The private sector has historically demonstrated that it can provide greater financial discipline and accountability in meeting its performance and business goals than is typically the case with public institutions. Since private sector companies operate in a competitive environment, they must be efficient if they are to make a profit and maintain market position. When there is no direct competition to drive the need for efficiency, as is the case for many government services, the level of efficiency is often quite low. For this reason, many local governments have successfully



entered into public-private partnerships, resulting in increased service efficiency and, in many cases, lowering overall costs to ratepayers.

The purpose of this document is to provide pertinent information about creating solid waste management public-private partnerships. The following topics are discussed:

- Assessing the Need for Change
- Developing a Solid Waste Management Program
- Procurement of Private Sector Services
- Transfer of Services
- Contract Administration and Performance Monitoring.
- Sources of Revenue

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## **ASSESSING THE NEED FOR CHANGE**

Evaluating the need for change requires making an assessment of the performance and efficiency of the existing service system and comparing the existing level of service with the expectations and desires of the customers.

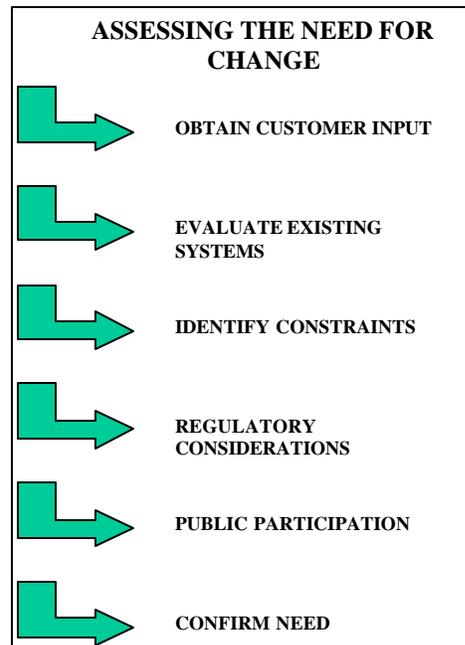
Residential and commercial customer focus groups should be organized to obtain customer input about existing services and to identify desired characteristics of any new solid waste management services. Customer surveys can also be made to gather opinions and input regarding the quality of existing services and the levels of service desired with improved existing or new services. Typically, customers express opinions and are concerned about the following issues:

- Frequency and reliability of services.
- Negative impacts of accumulated garbage in the streets including:
  - Odors.
  - Insects.
  - Rodents.
  - Smoke.
  - Disease.
  - Lowered quality of life.
- Lack of practical waste disposal alternatives.
- Inequity between costs and benefits.

Comprehensive evaluations of each component of the existing solid waste management system should be undertaken to provide the background information needed from which new waste

management plans can be developed. The evaluation of the existing solid waste management system should include:

- Identification and evaluation of the physical and service attributes of the system including:
  - Waste sources.
  - Waste quantity.
  - Waste characteristics.
  - Collection.
  - Storage and handling.
  - Street sweeping.
  - Processing/Reuse (i.e., recycling and composting).
  - Disposal (i.e., landfilling and incineration).
- Economics and funding.
- Management and administration.
- Identification of obstacles to good performance.
- Regulatory considerations.
- Public awareness and participation.



The need for change is evident when it is concluded that existing solid waste management services do not meet customer expectations and/or the cost of providing the service is excessive when compared to the level of service received.

## **DEVELOPING A SOLID WASTE MANAGEMENT PROGRAM**

The development of a new and comprehensive solid waste management program for the future utilizing resources of the private sector requires close coordination and cooperation between the Office of the Governor and the Local Popular Council.

The legislative and executive branches of government must be in general agreement on the following issues:

- The Governorate should maintain responsibility for establishing solid waste management policy.

- The Governorate should relinquish all operational responsibilities for solid waste management.
- Private contractors should be utilized to provide solid waste management services.
- The Governorate must monitor the private contractors to insure compliance with all contract terms and conditions including performance specifications.
- Ordinances must be created and enforced for effective solid waste management.

Once agreement has been reached on these principals, a formal agreement should be made defining specific roles and responsibilities of the legislative and executive branches. This agreement should also define the process to be followed during the planning and implementation process. For example, the Governorate of Alexandria municipal solid waste services are provided by the Central Administration for Cleaning and Beautification, which is overseen by the Secretary General. However, the executive and legislative branches both actively participated in the waste management privatization planning process with the legislative branch (e.g., Local Popular Council) taking the lead during the procurement process.

Plan development should begin with the adoption of a project vision statement. The following vision statement is an example taken from the Governorate of Alexandria project:

*“The Governorate of Alexandria Solid Waste Management Implementation Plan Project will work to develop effective, integrated, sustainable solid waste management in the Governorate of Alexandria through a cooperative and strong working relationship between the public and private sector.”*

This vision statement should be followed by the development of a project goal from which measurable objectives can be identified. The Governorate of Alexandria project goal is provided in the following statement:

*“Environmentally sound and cost-effective integrated solid waste management (collection, processing/reuse and disposal) for all urban districts of the Governorate of Alexandria including all low-income areas.”*

Once a vision statement and project goal is established, specific project objectives can be developed. Examples of desirable objectives include the following:

- Daily residential waste collection and transfer.
- Daily commercial and industrial waste collection and transfer.
- Comprehensive waste collection in low-income areas.
- Regular street sweeping and washing.
- Environmentally sound disposal facilities.
- Frequent construction and demolition waste removal and disposal.
- Environmentally sound medical waste collection and disposal.
- Cost-effective solid waste management services.

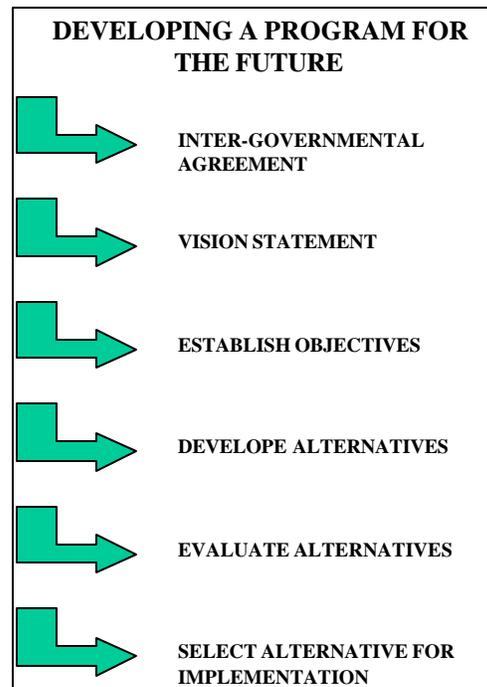
- Equitable customer cost recovery system.

The following tasks should be completed as the next step in the process of preparing a new solid waste management plan for the future:

- Summarize the strengths and weaknesses of the existing solid waste system.
- Review and summarize desirable practices in solid waste management and determine if they are applicable to local conditions.
- Develop alternative methods (if any) of meeting project goals and objectives.
- Identify existing solid waste related laws and regulations as well as needed changes.
- Identify and evaluate the potential benefits of privatization.

Once alternatives have been developed, each should be evaluated with consideration given to the following factors:

- Institutional
- Technical
- Economic
- Legal and regulatory
- Administrative



After the evaluation is complete and a comparison of alternatives is made, a final plan of action is prepared that contains all of the decisions made regarding the desired future plan for solid waste management.

## **PROCUREMENT OF PRIVATE SECTOR SERVICES**

There are many different ways to involve the private sector in solid waste management. The following list contains some of the more common types of agreements or relationships that form the basis for many public-private partnerships.

- Service Contracts
- Management Contracts
- Leases

- Build-Operate-Transfer
- Concessions
- Divestiture

Factors that must be considered when choosing an option or combination of privatization options include the allocation of responsibility for asset ownership and capital investment; the assignment of commercial risk; and the scope of services assigned to the private sector contractor. For example, service contracts typically allocate only small amounts of risk and responsibility to the private sector and therefore generally result in little improvement to overall managerial efficiency. On the other end of the spectrum, divestiture places nearly all responsibility with the private sector. However, this requires a strong political commitment and substantial regulatory capacity on the part of the public agency.

A complete discussion of each of these options is beyond the scope of this document. In the case of privatization of solid waste services, typically a combination of the above options is usually accepted as the preferred method.

The fundamental objective of the competitive procurement process is to secure the services of competent private sector contractors at the lowest possible cost. Achievement of this objective requires the following:

- Widespread awareness of the project among potential service providers to maximize the number of potential bidders.
- That desired services are clearly and completely defined in the tender documents.
- That the proposed contract fairly allocates risk between the parties of the contract.
- A procurement process conducted in a way that avoids impropriety or the appearance of impropriety.

The competitive procurement process includes the preparation of procurement documents and the review and evaluation of the submissions received in response to these documents. Responsibility for these activities should be given to special technical and financial evaluation committees established by the Governorate. These committees should be composed of representatives of relevant parts of the Governorate and could include representatives of other related groups as well. Prospective members could include representatives of the following:

- Governor's staff.
- Local assembly.
- General Secretary of the Governorate.

- Governorate departments involved with solid waste management, municipal planning, finance, and legal services.
- Consumer groups.
- Environmental groups.
- Business and industry.

Selected representatives should be assigned to the independent technical and financial review committees based upon their expertise and experience. Selected representatives should be fully informed about all previous work on the project and be given all documents produced in the earlier project development process.

The first significant step in the procurement process is the identification of contractors qualified and interested in contracting for the work. Generally, it is best to limit the number of contractors invited to submit tenders to only those contractors that have been pre-qualified. The purpose of pre-qualification is three-fold:

- First, to confirm the existence and interest of contractors who are qualified to provide the services desired.
- Second, to ensure that tenders are received only from contractors who have the prerequisite experience and the technical, financial, and managerial capabilities to successfully undertake the responsibilities and duties of the contract.
- Third, to save the cost of tender preparation for those contractors who would fail to qualify for the work at the time of tender evaluation. Thus only pre-qualified contractors would be issued Tender Documents.

The pre-qualification process consists of the following five steps:

- Preparation of the Request for Qualifications (RFQ).
- Public advertisement of the availability of the RFQ.
- Issuance of the RFQ to interested contractors.
- Evaluation of the responses received from prospective contractors.
- Notification and publication of results.

The RFQ document should contain the type of information indicated in the following sample table of contents. This document should be prepared under the direction of the technical and financial committees with assistance from professionals having private sector procurement training and experience.

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## **TABLE 1: SAMPLE TABLE OF CONTENTS**

### ***REQUEST FOR QUALIFICATIONS***

#### *SECTION 1 – GENERAL INFORMATION*

- 1.1 Introduction*
- 1.2 Proposed Contractor Responsibilities*
- 1.3 Responsibilities of the Governorate*
- 1.4 Project Schedule*

#### *SECTION 2 – GENERAL REQUIREMENTS*

- 2.1 Submission Deadline and Address*
- 2.2 Number of Copies*
- 2.3 Signature*
- 2.4 Governorates Rights and Liabilities*
- 2.5 Cost to be borne by Respondents*
- 2.6 Confidentiality*
- 2.7 Submittal Format and Forms*
- 2.8 Request for Clarifications*
- 2.9 Joint Ventures, Subcontractors, and Suppliers*

#### *SECTION 3 – DESCRIPTION OF PROPOSED CONTRACT SERVICES*

- 3.1 General*
- 3.2 Residential Solid Waste Collection*
- 3.3 Commercial Solid Waste Collection*
- 3.4 Transfer Facility Construction and Operation*
- 3.5 Recycling and Composting Facility Construction and Operation*
- 3.6 Street Sweeping and Washing*
- 3.7 Sanitary Landfill Construction and Operation*
- 3.8 Industrial Waste Collection*
- 3.9 Medical Waste Collection and Treatment*

#### *SECTION 4 - CURRENT WASTE MANAGEMENT OVERVIEW*

- 4.1 Introduction*
- 4.2 Waste generation*
- 4.3 Collection*
- 4.4 Facilities*

#### *SECTION 5 - RESPONSE AND SUBMITTAL REQUIREMENTS*

- 5.1 Mandatory Response Requirements*
- 5.2 Response for Specific Services*
- 5.3 Response Language*

#### *SECTION 6 - PRE-QUALIFICATION EXPERIENCE*

- 6.1 General*
- 6.2 Minimum Pre-Qualification Experience for Waste Collection*
- 6.3 Minimum Pre-Qualification Experience for Recycling and Composting*
- 6.4 Minimum Pre-Qualification Experience for Landfill Design, Construction, and Operation Experience*
- 6.5 Minimum Pre-Qualification Experience for Medical Waste Collection and Treatment*

- 6.6 *Minimum Pre-Qualification Experience for Industrial Waste Collection and Disposal*
- 6.7 *Minimum Pre-Qualification Experience for Street Cleaning*

*SECTION 7 - EVALUATION AND SELECTION PROCESS*

- 7.1 *Objectives*
- 7.2 *Methodology*
- 7.3 *Pre-Qualification*
- 7.4 *Technical Qualifications*
- 7.5 *Financial Qualifications*

*APPENDIX A - RESPONSE SUBMITTAL DOCUMENTS*

*FORM 1 LETTER OF INTENT*

*FORM 2 COMPANY PROFILE*

*FORM 3 SOLID WASTE MANAGEMENT EXPERIENCE SUMMARY*

*FORM 4 MUNICIPAL SOLID WASTE COLLECTION, TRANSFER FACILITY CONSTRUCTION AND OPERATION, AND WASTE DELIVERY*

*FORM 5 RECYCLING AND COMPOSTING SERVICES*

*FORM 6 STREET SWEEPING AND CLEANING SERVICES*

*FORM 7 SOLID WASTE DISPOSAL (LANDFILL) SERVICES*

*FORM 8 INDUSTRIAL WASTE COLLECTION AND DISPOSAL SERVICES*

*FORM 9 MEDICAL WASTE COLLECTION AND DISPOSAL SERVICES*

*FORM 10 STATEMENT OF FINANCIAL CAPABILITY*

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In order to obtain the best service at the least cost, it is in the best interest of the contracting agency to expose the project to the maximum number of prospective contractors. This objective can be achieved through the following:

- Advertisement in major domestic newspapers.
- Advertisement in international publications including:
  - Major newspapers.
  - Industry association newsletters and web sites.
  - Industry trade journals.
  - Commercial attaches at embassies.

If the project is to be advertised internationally and/or in monthly publications, at least sixty days is needed from the initiation of the advertising process until the time of distribution of the RFQ. This amount of time is needed to place the advertisement and have it actually appear in the publication. If only local advertising is done, the time period for distribution of the RFQ can be shortened to approximately thirty days.

A typical advertisement should contain at a minimum, the following information.

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## **TABLE 2: ANNOUNCEMENT**

### ***Request for Expressions of Interest***

***(INSERT DATE OF FIRST PUBLICATION)***

Governorate of \_\_\_\_\_  
(Administrative Unit)  
(Address and Telephone Number)

(Official project name)

The (name of institution), intends to enter into a contract with a qualified firm to manage, operate, maintain, and provide all necessary customer services related to the provision of Solid Waste Management Services in the \_\_\_\_\_ Governorate. The service area comprises \_\_\_\_\_ having an approximate population of \_\_\_\_\_ and numerous commercial and industrial facilities.

The (name of institution) is soliciting expressions of interest from firms seeking to be pre-qualified to submit proposals. The Request for Qualifications (RFQ) will provide a summary of the project and details of the required information. Only firms that are pre-qualified will be permitted to submit tenders for the work.

Written requests for the RFQ must be received by (name of institution) not later than noon local Egyptian time on (date). The request may be mailed or sent by FAX to:

(Name, Address, Telephone, Fax Number, etc.)

The request may be faxed to the attention of (name of person) at (telephone number). Please provide the name and address of the contact person with address, phone, fax, and e-mail to which the RFQ is to be sent. The (name of institution) will not be responsible for the quality of completeness of fax transmissions.

Dated: xx xxxxx 2001

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The RFQ should be issued to all parties making a written request. In order to provide answers to questions asked during the RFQ response process and/or to communicate additional instructions to potential respondents, an official list of all parties requesting an RFQ must be kept. This official list should include the name, address, telephone number, and person to whom the RFQ was issued. A

minimum of 45 to 60 days should be allowed between the time the RFQ is sent out until the contractors response is due to be returned.

Responses should be reviewed and evaluated by the technical and financial evaluation committees in accordance with the criteria previously established and contained in the RFQ. Approximately thirty days should be allowed to complete this activity. This process can be simplified by using a form that provides a checklist for each of the minimum requirements versus the contractor's capabilities and experience for each of the qualification criteria.

The evaluation criteria should be established and agreed upon by the technical and financial evaluation committees during the time that the RFQ is being prepared. Evaluation criteria typically considered includes the following:

- Prior experience on similar work.
- Financial strength and stability.
- Litigation history.
- Prior client references.
- Compliance with the response requirements of the RFQ.

It is not necessary to rank the respondents because it is desirable to pre-qualify as many contractors as possible to maximize competition for the work. At the pre-qualification stage, the only requirement is to decide whether or not the respondent has submitted all of the required information and if the respondent meets the minimum qualifications and experience requirements. If the minimum requirements are met or exceeded, then the respondent should be pre-qualified and given the opportunity to submit a tender for the work.

The evaluation process will result in the identification of pre-qualified contractors. All Respondents to the RFQ should be notified of the results of the pre-qualification process according to the schedule provided in the RFQ. This final step in the pre-qualification process should be completed within 100 days after the release of the RFQ.

The Request for Tenders (RFT) can be issued at the same time contractors are notified that they have been pre-qualified, if the RFT has been completed. Only those respondents judged to be qualified (pre-qualified) to undertake the work should be issued a RFT.

Following is an example of a typical formal invitation to submit a tender provided to a Pre-qualified Contractor.

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**TABLE 3: INVITATION FOR PRE-QUALIFIED CONTRACTORS**

*(Official Project Name)*

Contract No: \_\_\_\_\_

Competitive sealed TENDERS for a contract for (OFFICIAL PROJECT NAME) with the (CONTRACTING GOVERNMENT ENTITY) will be addressed to:

[Designated Procurement Officer,  
(Government Agency)  
(Address)]

until the hour of \_\_ o'clock on the \_\_ day of \_\_\_\_\_ 2001 at which time tenders duly delivered and submitted will be opened. Any tender received after the stated closing time will be returned unopened. The (name of contracting entity) reserves the right to accept or reject any or all tenders. A mandatory Site Tour and Bidders Conference will be held at the offices of the (\_\_\_\_\_) at \_\_A.M. on the \_\_ day of \_\_\_\_\_ 2001.

The work consists of (insert brief description of services to be contracted) under the terms of the draft contract. Contract documents will be available at the offices of (\_\_\_\_\_) after 10 A.M. on the \_\_ day of \_\_\_\_\_ 2000. A non-refundable fee of (\_\_\_\_\_) in cash or check payable to the (\_\_\_\_\_) will be charged for each set of tender documents.

Each Tender Proposal shall be accompanied by a tender security deposit (Offer Security) in the amount specified and subject to the conditions provided for in the Instructions for Bidders.

All Tenders shall remain valid and may not be withdrawn for a period of (\_\_) calendar days after the actual date that the Tenders are received and opened. Complete Instructions for Bidders are included in the documents. The (\_\_\_\_) reserves the right to extend the stated Tender opening date for any period of time, if, in its opinion, there are reasonable and advantageous grounds for such an extension in accordance with procedures given in the Information for Bidders.

All correspondence regarding this Invitation should be addressed to the designated Contracting Officer at the address above.

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The tender documents are the most important procurement documents, containing all of the proposed terms and conditions for the submittal of the tender and the proposed contract for services. As can be seen in the following example of a Table of Contents for a Request for Tender, this is a very lengthy and complicated document that should be prepared by professionals having considerable procurement experience.

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#### **TABLE 4: EXAMPLE TABLE OF CONTENTS**

##### **TENDER DOCUMENTS**

###### *SECTION 1 Project Background*

###### *1.1 General Description of Project*

###### *SECTION 2 Source of Funds*

###### *2.1 Introduction*

###### *2.2 Payment*

###### *SECTION 3 Documents and Timetable*

###### *3.1 Introduction*

###### *3.2 Documents Comprising the RFT*

###### *3.3 Clarification of the Tender Documents*

###### *3.4 Timetable*

*SECTION 4 Preparation of the Proposal*

- 4.1 Technical and Financial Proposal*
- 4.2 Cost of Proposals*
- 4.3 Corrupt or Fraudulent Practices*
- 4.4 Proposals by Joint Ventures or Other Forms of Association*
- 4.5 Technical Proposal Requirements*
- 4.6 Financial Proposal Requirements*
- 4.7 Proposal Security*

*SECTION 5 Submission, Receipt and Signing of Proposals*

- 5.1 Format and Signing of Tender*
- 5.2 Sealing and Marking Tender*
- 5.3 Deadline for Submission of Tender*
- 5.4 Period of Validity of Tender*
- 5.5 Modification and Withdrawal of Proposals*
- 5.6 Contact with Government Officials*
- 5.7 Bidders Compensation and Taxes*

*SECTION 6 Opening and Evaluation of Proposals*

- 6.1 Opening of Proposals*
- 6.2 Right to Accept or Reject*
- 6.3 Evaluation of Proposals*

*SECTION 7 Draft Contract*

- 7.1 Successful Bidder*
- 7.2 Notification of Award*
- 7.3 Performance Security*

*ANNEX A GENERAL CONDITIONS OF THE CONTRACT*

**ARTICLE 1 CONTRACT AND INTERPRETATION**

- 1.1 Definitions*
- 1.2 Contract Documents*
- 1.3 Interpretation*
- 1.4 Notices*
- 1.5 Law Governing Contract*
- 1.6 Settlement of Disputes*

**ARTICLE 2 - SUBJECT MATTER OF THE CONTRACT**

- 2.1 Services and Performance*
- 2.2 Term, Commencement and Completion of the Contract*
- 2.3 Contractor's Responsibilities*
- 2.4 Contracting Agency Responsibilities*

**ARTICLE 3 - EXECUTION OF THE SERVICES**

- 3.1 Contract Representatives*
- 3.2 Subcontracting*
- 3.3 Testing and Laboratory Analysis*
- 3.4 Use and Possession of Existing Facilities*
- 3.5 Meetings and Reporting*
- 3.6 Safety*
- 3.7 Equipment, Materials and Supplies*
- 3.8 Emergency Response Plan*

- 3.9 *Ownership of Property*
- 3.10 *Staffing and Employment*
- 3.11 *Collection and Handling of Revenues (if applicable)*

**ARTICLE 4 - ACCOUNTING, INFORMATION, RECORDS AND INTELLECTUAL PROPERTY**

- 4.1 *Information*
- 4.2 *Records Management, Accounting, Inspection and Auditing*
- 4.3 *Ownership of Data, Information and Documentation*
- 4.4 *Confidentiality*

**ARTICLE 5 - INDEMNITY AND INSURANCE**

- 5.1 *Indemnification*
- 5.2 *Force Majeure*
- 5.3 *Insurance*

**ARTICLE 6 - EXPENDITURES, COMPENSATION, WITHHOLDING AND LIQUIDATED DAMAGES**

- 6.1 *Expenditures*
- 6.2 *Compensation to be Paid to the Contractor*
- 6.3 *Payment*
- 6.4 *Withholding Payment and Liquidated Damages*

**ARTICLE 7 - SECURITIES, GUARANTEES, REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CONTRACTOR**

- 7.1 *Performance Security*
- 7.2 *Representations and Warranties of the Contractor*
- 7.3 *Guarantee of Parent and Joint Venture Participants*
- 7.4 *Representations and Warranties of the Contracting Agency*
- 7.5 *Defect Liability*

**ARTICLE 8-CHANGE IN CONTRACT ELEMENTS**

- 8.1 *Adjustments to Contractor's Compensation as a Result of Change in Contract Elements*
- 8.2 *Termination*
- 8.3 *Assignment*

- APPENDIX 1 *Contract Particulars*
- APPENDIX 2 *Service Requirements*
- APPENDIX 3 *Existing Facilities*
- APPENDIX 4 *Performance Standards*
- APPENDIX 5 *Performance Monitoring*
- APPENDIX 6 *Withholding and Liquidated Damages*

APPENDIX 7 *Contractor's Technical Proposal*

APPENDIX 8 *Performance Security Requirements*

- APPENDIX 9 *Capital Improvements*
- APPENDIX 10 *Staffing Policy*

- Annex B *(Standard Form of Proposal Security)*
- Annex C *Bidders Price Form*
- Annex D *Bid Proposal Form Letter*

As can be seen from a review of the previous outline of tender requirements, preparing a response to a RFT can require a large commitment of resources by the bidder. A clear understanding of the scope of the work and the selection criteria will help prospective bidders make the important decision of whether or not to respond to the RFT. The governorate will also benefit by not having to evaluate proposals that do not meet their minimum evaluation criteria or are not completely responsive to the services desired.

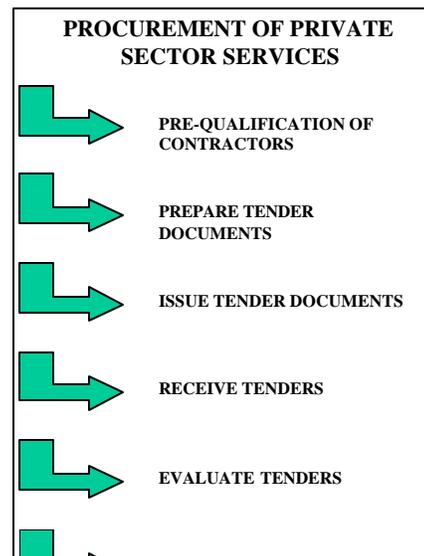
The technical evaluation criteria must be precisely stated in the RFT documents. Suggested criteria include, but should not be limited to the following:

- Level of success providing similar services on a similar scale.
- Favorable references from present and past customers.
- Adequacy and applicability of proposed work plan.
- Qualifications of proposed management and administrative personnel.
- Worker health and safety protection plans.
- Recruitment and training of local work force.
- Proposed customer outreach and complaint resolution plan.
- Environmental compatibility of operations and facilities.
- Litigation history.
- Clarity and responsiveness of the tender.

The governorate may choose to give each of the selection criteria equal consideration or to “weight” the factors to reflect priorities and specific service goals. If the selection criteria are to be weighted, the “weighting formula” should be clearly stated and explained in the RFT documents.

In addition to the evaluation of the technical aspects of the tender, the bidders proposed price is also a significant factor in the selection process. It is good practice to consider the bid price only after the technical evaluation committee has determined that the technical proposal is acceptable and a comparative rating of all bidders has been completed. Ultimately, the contractor submitting the lowest bid may be awarded the contract or the contract may be awarded to another contractor who has submitted a better technical proposal for a slightly higher price. This demonstrates why it is so important for the establishment of rules that are included in the tender documents in order that the procurement process is transparent, fair, and equitable.

The contract is the principal instrument documenting the entire agreement between the contracting parties as accurately as possible. A draft of the proposed contract is provided to the bidder as part of the tender package. However, it cannot be a complete contract at that time. The final contract needs to incorporate by reference other documents that have



been generated or used in the procurement process. An example is the Contractor's Technical Proposal, submitted as required by the terms of the RFT is typically incorporated into the final contract.

### **TRANSFER OF SERVICES**

If the governorate is currently providing waste management services, the transition to a private sector contractor will require that consideration be given to the transfer of the existing labor and equipment to the contractor. Secondment of some or all of the employees is an option. However, if this is to be done, it must be spelled out in the tender. The transfer of existing equipment and facilities to the contractor is also an option that can be considered. In any event, planning is necessary to ensure a smooth transition to the new service provider.

A transition period of three to six months between contract execution and the beginning of the service should be allowed to give the contractor time to hire staff, purchase equipment, and otherwise prepare to begin service. This will also be an appropriate time for the Governorate to plan for transfer or sale of equipment and plan for the future of its current employees.

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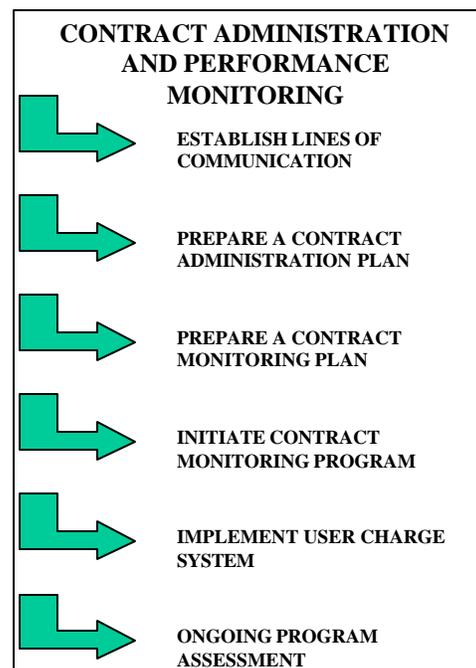
### **CONTRACT ADMINISTRATION AND PERFORMANCE MONITORING**

Signing of the contract marks the beginning of the contract administration and monitoring process. Contract administration and monitoring are important activities that are needed to insure that the parties to the contract are fulfilling their obligations in compliance with the terms of their agreement.

Specifically, a good contract administration and monitoring plan should define and state the following:

- Primary and secondary lines of communication between the contractual parties.
- The administrative requirements and procedures.
- The financial requirements and procedures.
- The technical requirements and procedures.
- Staffing requirements.
- Monitoring procedures.

Each party to the contract needs to identify the official representative of their organization through which all official communications related to the contract should pass. This is important to



avoid conflict and misunderstandings over the life of the contract. The designated representative of the Governorate should be someone experienced in contract administration and familiar with the project and contract.

Once the contract has been executed, an outline summary or checklist of the specific administrative, financial, and technical requirements of the contract should be developed. A separate list should be made for the requirements of the governorate and the contractor. Once this list has been prepared, specific individuals should be assigned responsibility for each contract requirement.

Numerous people will need to be assigned to the task of monitoring the contractor's performance in the field to insure that he is fulfilling his responsibilities as set forth in the contract.

## **SOURCES OF REVENUE**

Local sources of funding for solid waste management can be derived from either user charges or taxes. A user charge should reflect the cost of the service provided except where the community decides to subsidize low-income areas or families. In that case, charges may be set higher in high-income areas in order that lower income areas can be charged less. User charges are typically billed directly to the customer.

## **CONCLUSIONS**

Improving solid waste management services is not an easy task. It requires the cooperation and assistance of government officials, politicians, local citizens, and technical experts, all working toward the ultimate goal of creating and implementing an effective solid waste management plan that is cost-effective, efficient, and customer service oriented.

Private sector participation in solid waste management can significantly improve the technical and managerial capacity within the service sector, thereby improving the quality and efficiency of service. Whether these objectives are met depends upon the quality and effectiveness of the plan development and procurement process. A poor job in the preparation of the procurement documents can ultimately result in dissatisfied customers and difficult negotiations with the private partner during the implementation phase.

The process of creating effective public-private partnership is complex and time consuming, but the extra effort will result in significant benefits for many years into the future.

All phases and steps of public-private partnerships should be carefully treated according to Egyptian laws and legal regulations. This is to ensure credibility of the process. Full knowledge of existing laws and regulations in such matters makes the entire process easy, safe, and quick. Such knowledge should be manifested in a manner of well defined procedures.