

Montgomery County Pay for Performance 2016-17

Background

- County needs more impervious acreage treated for the MS4 permit in a short period of time.
- County currently contracts separately for design, construction and maintenance for MS4 BMP's
- Need to evaluate and implement innovative approaches to meet MS4 permit requirement
- Provides an opportunity to compare the costs between the pay for performance and traditional approaches

Montgomery County Pay for Performance 2016-17

Objectives:

- Acquire IA credit to meet our MS4 permit
- Compare the cost effectiveness of all BMP's versus Green Infrastructure
- Determine ability of contractors to meet reduced timeframes
- Determine the willingness of the private sector to participate
- Determine the effectiveness of turn key operation with little County oversight

Montgomery County Pay for Performance 2016-17

Components of the RFP

- \$10.2 million
- Two categories: All BMP types and just Green Infrastructure (\$5.1 million per category)
- Criteria with an emphasis on cost effectiveness
- Select only one contractor per category
- Easements required
- Maintenance cost estimates
- Payment only upon completion of work
- Certification

Montgomery County Pay for Performance 2016-17

Results of the RFP Process

- Issued RFP on October 25, 2016, signed contracts on June 5, 2017
- Six addendums issued that focus on project eligibility
- Extended response time by 40 days
- Seven proposals received
 - Three for category A
 - Four for category B
- Four projects met initial scoring criteria

Montgomery County Pay for Performance 2016-17

Results of the RFP process continued.....

- Conducted four face to face interviews
- Selected one project in each category
- Selected projects:
 - **Category A multiple pond retrofit projects**
 - 174 IA treated \$29,000 per IA
 - **Category B one stream restoration project**
 - 120 IA treated \$38,000 per IA

Montgomery County Pay for Performance 2016-17

Lessons Learned

- Have clear procurement requirements –MFD
- Clearly define eligibility areas
- Simply the number of BMP types to be funded
- Be careful with evaluation criteria – cost
- Achieved lower costs per IA treated
- More lessons to be learned
- Planning on another Pay for performance RFP later this year