

REQUEST FOR PROPOSAL

AIR QUALITY OPERATOR PERMIT PREPARATION FOR CFR PART 71 RENEWAL
BLACK MESA COMPLEX - PEABODY WESTERN COAL COMPANY



REQUESTED BY:

OPERATING PERMIT SECTION
NAVAJO AIR QUALITY CONTROL PROGRAM
NAVAJO NATION ENVIRONMENTAL PROTECTION AGENCY

STATEMENT OF PURPOSE

The Operating Permit Section of the Navajo Air Quality Control Program (NAQCP) is seeking experienced air permitting consulting firms to submit a proposal to draft and finalize an operating permit and a statement of basis pursuant to 40 CFR Part 71 and Clean Air Act (CAA) Title V, for Peabody Western Coal Company's Black Mesa Complex, located on the Navajo Nation, in Navajo County, Arizona, approximately 19 miles west of Kayenta on Highway 160, then 8 miles south of Route 41. The Black Mesa Complex performs surface-coal mining. The operating permit is for facility wide PM-10 emissions control. Therefore, this request for proposal (RFP) to draft and finalize (renew) the Title V Operating Permit and to write the statement of basis is for facility wide PM-10 emissions control at Peabody Western Coal Company's Black Mesa Complex, located on the Navajo Nation.

BACKGROUND INFORMATION

The NAQCP under the Air and Toxics Department of the Navajo Nation Environmental Protection Agency (NNEPA) began in 1992, as a Section 103 grant funded program, under the CAA. The program now is funded under CAA Section 105. The NAQCP is subdivided into two sections, the Air Quality Section and the Operating Permit Section. The Operating Permit Section issues permits for fourteen major source polluters on the Navajo Nation under federal delegated authority, CAA Title V and 40 CFR Part 71, respectively. The Operating Permit Section issued in June 2008 the first of several to-be Title V Operating Permits since receiving federal delegation in October 2004. Issued operating permits are for five years.

The Navajo Nation Environmental Protection Agency (NNEPA) has several programs with federal delegated authority and primacy; those programs are the Navajo Air Quality Control Program (NAQCP) of the Air and Toxics Department and the Surface Groundwater Protection Department, which manages three federal delegated programs. The Navajo Nation is the first American Indian Tribe to attain federal delegated authority to regulate major source air polluters under 40 CFR Part 71 and the Tribal Authority Rule as outlined in the Clean Air Act of 1990.

The NAQCP of NNEPA is committed to the protection of human health and the environment, and serves the vast Navajo Nation, comprising 27,000 square miles in the four corners region of the southwestern United States in states Arizona, New Mexico and Utah. The Navajo Nation has 255,543 enrolled members of the Navajo tribe and 180,000 people reside on Navajo land.

Contact the NAQCP Operating Permit Section office at (928) 729-4096 for questions regarding proposal submittals and confirmation. Mailed proposals must have post marked deadline date to qualify; emailed proposals will not be accepted. Acceptable is hand-delivered proposals to the NAQCP Operating Permit Section office, Navajo Route 112, Building # 2427, Fort Defiance, Arizona. Please provide three proposal copies upon submission.

SCOPE OF WORK

For this project, the selected air permitting consulting firm will perform the tasks described below, but does not have to limit itself to these tasks to make it a successful project. The consultants must be very familiar and experienced with USEPA guidelines for preparing air permits and also understand the expectations of NAQCP of NNEPA.

Task 1 Review the permit application submitted by Peabody Western Coal Company for the Black Mesa Complex and determine completeness; if and as needed, request for any additional information from Peabody Western Coal Company to complete the application

To undertake activities under this task, the consultant will designate qualified individuals with experience to review permit applications, in particular surface-coal mining operations. The consultant will document any information gathered from Peabody Western Coal Company's Black Mesa Complex and share and discuss it with NAQCP staff. The Navajo Nation on behalf of NAQCP has the authority and is justified to request for and receive any additional information, if needed, to determine the completeness of the applications to proceed with drafting the permit.

Task 2 Develop the Statement of Basis for Peabody Western Coal Company's Black Mesa Complex and prepare the first draft permit, submit first draft permit to NAQCP, US EPA Region 9, Peabody Western Coal Company, and others as needed for review and to receive comments

The consultant will utilize the application and any supplemental information gathered from Peabody Western Coal Company's Black Mesa Complex as a roadmap to develop the statement of basis, which will be submitted to NAQCP for review and comments. Once the statements of basis has been reviewed and if found acceptable by NAQCP, the consultant will proceed with the first draft of the permit. At this point in time and as needed, modifications of the statements of basis may be needed. The consultant will ensure that the permit contain adequate monitoring requirements to achieve better compliance and improved air quality. The consultant will utilize the statement of basis to prepare the first draft of the permit. The first draft permit will be submitted to NAQCP, Peabody Western Coal Company, and others as needed for review. The consultant will coordinate with NAQCP staff in reviewing and sorting through the comments received to be incorporated (addressed) into the second draft permit. Once the comments from the reviewers (regulator, owner and operator, etc.) are received by the consultant and the scope of these comments determined, the consultant will proceed to the next stage of the project.

Task 3 Incorporate the comments into the second draft permit to prepare the third draft permit, submit the third draft permit for review by all concerned, and solicit comments from the public pursuant to the Navajo Nation Operating Permit Regulations for public notice and comment period.

This task will involve the consultant reviewing with NAQCP the comments received on the second draft permits and under the guidance of NAQCP incorporate changes and re-draft the permits, as a third draft. The third draft permits will be submitted to NAQCP, Peabody Western Coal Company, and others as needed. The NAQCP will arrange for public comments to be received by issuing appropriate public notices. The consultant will be involved in this process, but the NAQCP will be in charge of issuing the notice and arranging for comments to be received. The required public comment period will be adhered.

Task 4 In consultation with NAQCP, US EPA Region 9 and Peabody Western Coal Company, incorporate changes in the third draft permit in response to comments received.

Under this task, the consultant will develop a review of the comments received and discuss them with NAQCP and others as needed. All technical and operational issues will be dealt directly with the Peabody Western Coal Company's Black Mesa Complex, but environmental issues may be shared with

the oversight committee as well as the attorney retained by NNEPA. If any environmental groups are involved, the consultant will seek the guidance of NAQCP.

Task 5 Address all communication, recordkeeping, reporting, and evaluation requirements.

This task involves the preparation and establishment of communication, recordkeeping, and reporting requirements in compliance with standards to be identified by NAQCP. Communication may be electronic, phone, or surface mail; or when needed, express mail or personal delivery of documents and information, may be required.

Task 6 Complete preparations of the finalized permits and submit the permits to NAQCP using deadline dates agreed upon with NAQCP

Success of this project will be defined by the accomplishment of the main goal of the project, namely the issue of finalized permit to Peabody Western Coal Company's Black Mesa Complex. The final product will be the complete permit ready to be issued to the Black Mesa Complex. Four hard copies of the finalized permit will be submitted to NAQCP along with an electronic copy. A narrative report may be prepared as well to be used for closing out the project.

OUTCOME AND PERFORMANCE STANDARDS

In accomplishing the goals of the project in a timely and effective manner, the consultant will establish a procedure to evaluate the performance and measure the success of various tasks describe above. The consultant will also initiate corrective measures, in consultation with NAQCP. The corrective actions may involve situations when a particular task(s) is running behind schedule for unforeseen reasons. Project Evaluation and Review Technique (PERT) method may be utilized for evaluating progress along with a timeline. Periodic meetings and reporting will assess the short term as well a long term success of the project activities. Periodic updates on the project activities and recommended corrective actions will be reported to discuss the project's success and failures. Based on this, recommended corrective actions will be implemented in a timely manner and the performance measurement method will be updated. The consultant will submit written reports about the progress of the project and submit relevant information as needed, to NAQCP on a monthly and quarterly basis. Periodic meetings and/or conference calls will be arranged, as appropriate, during the course of the project. NAQCP will evaluate the progress of the task under the project and provide input to guide the consultant.

REQUIREMENTS FOR PROPOSAL SUBMISSION

Applicants must submit a statement of work no longer than 5 pages, excluding a cover page. Attachments for budget section and credentials section will not count toward the 5 page limit. All application documents must be formatted for 8 ½ " X 11" paper using no smaller than 11-point Times New Roman font with 1" margins as one Microsoft Word or Adobe Acrobat (PDF) file.

Closing Date and Time: January 09, 2009; 5:00PM; Mountain Standard Time

EVALUATION AND AWARD PROCESS

NAQCP, with the help of a proposal evaluation team, will evaluate the proposal and rank the proposals. Evaluation criteria are as follows.

SCORING CRITERIA FOR PROPOSAL EVALUATION		
A.	<u>Methodology of Work</u> Please do not simply copy the tasks, and describe how each task will be completed.	35 points
B.	<u>Consultant's Capability, Experience, and Qualifications</u> Please identify relevant experience especially in projects involving fractionation of natural gas liquids, and necessary qualifications of consulting firm to accomplish the project tasks along with reference.	15 points
C.	<u>Involvement/ Commitment of Key Project Staff</u> Include the background and capability of key project team personnel.	15 points
D.	<u>Project Timeline and Measures to Assess Performance</u> Please indicate milestones and how they will be successfully achieved.	10 points
E.	<u>Reasonableness and Clarity of Proposal Cost</u>	15 points
F.	<u>Navajo Preference Priority</u> <ul style="list-style-type: none"> • 10 points for priority 1 • 5 points for priority 2 	10 - 5 points

Following the evaluation of the proposals, a short list of proposers will be developed for interview (either onsite or by telephone) for further discussion of methodology of work, etc. and cost, as necessary. The award of the consultant contract will be made in accordance with the Navajo Nation Business Preference Law. The Navajo Nation reserves the right to reject any and all proposals, whether within applicable costs, and waive any informality in the best interest of the Nation.

PROCESS SCHEDULE

NAQCP will **not** meet with individual applicants to discuss draft proposals, provide informational comments on draft proposals, or provide advice to applicants on how to address ranking criteria. Applicants are responsible for the contents of their proposals. NAQCP staff will answer requests for clarification about the contents of this announcement and administrative issues related to the submission of a proposal.

PROPOSAL SELECTION PROCESS		
	PROCESS	DEADLINE
A	<u>Request for Proposal Posted</u> Announced on AQCP website, newspapers, etc., and consultants notified	Dec. 10
B	<u>Proposal Submittal</u> Proposal must be submitted via certified mail or hand-delivered to AQCP office by 5:00PM	Jan. 09
C	<u>Notification of Proposal Selection</u> Proposal selected for funding will be requested to submit a formal application packet.	Jan. 15
D	<u>Consultant Formal Application Packet Submittal</u> Formal application packet due	Jan. 22
E	<u>Contract Document Processing Completed</u> Contract Administration, Office of the Controller, the Navajo Nation, will complete professional services agreement document (contract)	Feb. 6
F	Commencement of Proposal Project	Feb. 10

After a determination to award the selected project proposal, a professional services contract between the Navajo Nation and selected consulting firm will commence. The professional services contracts identifies terms and conditions under which the project is awarded. The contract would be made and entered into by and between the Navajo Nation (acting through the Navajo Nation Environmental Protection Agency) and the selected consulting firm.

CONTACT(S)

Contact the NAQCP Operating Permit Section office at (928) 729-4096, or Charlene Nelson, NAQCP Program Supervisor, via email at charlenenelson@navajo.org. Mailed proposals must have post marked deadline date to qualify; emailed proposals will not be accepted. Hand-delivered proposal to the NAQCP Operating Permit Section office, Navajo Route 112, Building # 2427, Fort Defiance, Arizona, is acceptable too.