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Requests for Proposals for Privatization

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ABSTRACT

Since the 1970s, there has been a trend toward the privatization of solid waste management services in many parts of the world. Before a decision is made to privatize services, a thorough analysis of the privatization option should be conducted. Goals and objectives need to be established, the scope of services defined, and the advantages and disadvantages carefully weighed. Typically, the following types of issues need to be addressed during the process: political, management, financial, contractual, service-related, competition, human resources, and public support.

Once a decision has been made to privatize one or more solid waste services, the next key step is the preparation of the Request for Proposals (RFP) document. Preparation of a comprehensive and carefully-written RFP is essential to minimize risk to the municipality during the procurement process and to ensure the implementation of services that meet the needs of the community. A comprehensive RFP generally addresses the following topic areas: summary, project background information, description of the procurement process, instructions for preparation of proposal, scope of services, and business arrangements. It would also include technical, cost, and contract-related forms to be completed by proposers, as well as a draft of the contract agreement, both of which serve to streamline the contract negotiation process.

INTRODUCTION

Solid waste management is a service which is essential to public health and environmental protection. Because it is an essential service, the responsibility for solid waste management falls within the public domain, usually upon local government agencies. The delivery of solid waste services can be provided by the public sector, or the private sector can be utilized to provide some or all of the services. Since the 1970s, there has been a trend towards the privatization of solid waste management services in many parts of the world.

The intent of privatizing solid waste services is to provide a solution to existing problems and relieve the public sector of some burdens -- without creating new problems. Minimization of problems requires a