



## **ADDENDUM 1**

**Date:** February 28, 2014

**RFP No:** OP-01-14/Lease and Operation of Sanitary Landfill And Waste Collection Services

**Location:** San Angelo, Texas

**Submission Deadline:** March 14, 2014, 2:00 PM Local Time

The following clarifications, changes, additions, and/or deletions are hereby made to the specifications and contract documents from questions relating to this RFP:

### **LEGAL FRONT END**

**1. Section 3: Proposal / Bid Security: Does the City require the Bid Bond to cover 5% of one year of revenue for the Landfill and Collection proposal; OR does the Bid Bond cover 5% of revenues over the term of the Proposal(s)?**

**Response:** The Bid Bond shall be issued in any form outlined in this section and shall be in the amount of a minimum of 5% of the first year of the total proposed revenue.

**2. Section 5: Procurement Schedule: When will responses to Proposers' questions be issued by the City? What is included in the March 17 – 20 time frame?**

**Response:** Proposers' questions will be answered in the form of an Addendum posted on the City's website at [www.cosatx.us](http://www.cosatx.us). March 5<sup>th</sup> at 3:00 pm CST will be the final opportunity for Proposers to present questions related to the RFP. The March 17 – 20 time frame is designated for the City to ask questions to Respondent(s) regarding their respective proposal(s).

**3. Tab 7 & Tab 16: Letter of Credit: This section requires the Letters of Credit to be included with the Proposal, but Appendix C Section C8 and Appendix D Section D12 do not require Letters of Credit until 15 days after the commencement date.**

**Response:** Proposals should include a statement offering a Letter of Credit as declared in Appendix C Section C8 and Appendix D Section D12, respectively.

### **APPENDIX A**

**4. Page 1: General Information - Entrance Facilities:**

**a. The current entrance facilities are owned by Trashaway. Does the City have an agreement for transfer of those facilities to a successful respondent?**

**Response:** The entrance facilities as detailed are owned by Trashaway Services. The City has no agreement or expectations of an agreement for transfer or sale of these facilities.

**b. Do Respondents need to propose different gate locations?**

**Response:** Respondents shall provide a comprehensive Proposal to include entrance(s)' and facility(s)' construction, placement, and logistics.

**c. Are utilities available on the north-side of the existing site?**

**Response:** Electrical utility is available on the north side of the existing site. Sanitary sewer and water access are not currently available, but may be at some point in the future.

**5. Page 1: General Information – 320 Acres North of Current Site: Will the City consider including the 320 acres north of the landfill identified as a potential soil borrow site as part of the leasehold?**

**Response:** Refer to Appendix C Section C14.1 and Appendix A Page 5: Soil Balance for options regarding this property. Expansion of waste disposal services onto the 320 acres to the north of the existing site may be available as an amendment to the original lease at an appropriate time based on an acceptable proposal and negotiated terms. Such offering may be included in the Landfill Lease if deemed appropriate by the City.

**6. Page 2: Table A3**

**a. What is done with the volume of composted materials shown in Table A3?**

**Response:** Composted material is currently used to aide in liquid solidification or is provided to the public at no charge.

**b. Why was there a sharp decline in liquid waste quantities between 2010 and 2011?**

**Response:** A large hauler of liquid waste constructed an additional site for liquid waste disposal in 2010.

**c. How was liquid waste processed and how will it be processed under the new contract?**

**Response:** Liquid waste is currently processed in solidification ponds and used for cover after solidification. Respondents shall provide options for liquid waste in their Proposals.

**7. Remaining Disposal Capacity – Cell 11A Airspace – Page 5: What is the estimated completion date and an estimated cost of construction of Cell 11A.**

**Response:** Estimated time of completion for Cell 11A is June 2014. The cost to construct the cell is not anticipated to exceed \$1.3 million.

**8. Table A5 – Page 7:**

**a. Define the description and hauler of the quantities of City of San Angelo waste.**

**Response:** City of San Angelo Waste is waste, including but not limited to brush, debris, and spoils, delivered via City trucks, sweepers, pickups, or trailers, or via approved contracted trucks, vehicles, and trailers to the Landfill. This waste does not include containers collected by the City Collector from City Departments.

**b. What are the origination locations for the quantities listed in Table A5?**

**Response:** All quantities listed for Residential, Commercial, and Roll-off have origination points within the municipal boundary of the City of San Angelo. The Non-City and Gate Customers include everyone outside the municipal boundary of the City of San Angelo.

**c. Provide a list of commercial and industrial service units including size of container, type of container, and frequency of collection.**

**Response:** Refer to Customer Matrix at [www.cosatx.us](http://www.cosatx.us)

**9. Figures A6 – A8: Collection Routes: What are the average number of customers collected on each collection day?**

**Response:** Figures A6 and A7 encompass approximately 11,000 residential customers, respectively. Figures A8 encompasses approximately 8,000 residential customers.

**APPENDIX B**

**10. Area Tipping Fee Payment shall be defined as:** “the portion of the Area Tipping Fee paid to the City by the Lessee for each ton of solid waste disposed of at the Landfill originating outside Tom Green County.”

**APPENDIX C**

**11. Section C7.1: Term: Will the remaining life of the permit include the new potential landfill to the north of the existing site?**

**Response:** No. The site may be permitted at a future date and added to or contracted for at the appropriate time, if deemed appropriate by the City.

**12. Section C7.2: Scope of Services: What expectation does the City have for the new operator to assume liabilities for prior violations, historical contamination, or other environmental tortuous liability claims?**

**Response:** Proposals to assume all liabilities are requested. Proposals for such will be evaluated to determine feasibility and value and the results thereto will determine the extent of the City’s expectations for assumption of liabilities during contract negotiations.

**13. Section C7.2: Scope of Services – Leasehold Improvements: Define “leasehold improvements”.**

**Response:** Leasehold improvements are any improvements appurtenant to the landfill including but not limited to fences, buildings, and facilities constructed or made by the Lessee during the term of the Lease.

**14. Section C7.2.1: Lessee’s Obligations:**

**a. Citizens’ Convenience Center: Define the City’s intent for a Citizens’ Convenience Center.**

**Response:** A Citizens’ Convenience Center is a location, permanent or movable, located away from the working face, for disposal of self-haul waste. Such waste shall subsequently be transported to the working face by the Lessee.

- b. **Dead Animal Acceptance:** Provide the quantity of dead animals disposed of from the City Animal Shelter.

**Response:** Approximately 8,720 carcasses last year.

- c. **Fencing:** Provide the type and length of existing fencing.

**Response:** Approximately 14,000 feet of 5' field fence.

**15. Section C7.3: Waiver of Disposal Fees: What is the approximate tonnage of City of San Angelo Waste?**

**Response:** 21,507 tons disposed of last year.

**16. Section C8: Irrevocable Letter of Credit: Will a Performance Bond be accepted in lieu of the Irrevocable Letter of Credit requested in this section?**

**Response:** The City prefers an Irrevocable Letter of Credit per the terms of Section C8, but may accept a Performance Bond in lieu of the Irrevocable Letter of Credit during negotiations, if the City deems it to be in the best interest of the City and provides the best value.

**17. Section C9.1.4: Retroactive Application: How can a successful new proposer provide the City with a retroactive indemnity for claims that occurred during the term of the previous agreement with a different contractor?**

**Response:** Retroactive indemnity does not apply to a new contractor who wins the bid and has no previous agreements with the City or prior claims pending.

**18. Section C9.2.1.6: Sub-Contractors' Insurance: How does the City define a sub-contractor that must maintain the required insurance?**

**Response:** A sub-contractor is a contractor hired by the successful Respondent to perform part or all of the agreed contract.

**19. Section C9.2.2.3: Workers' Compensation and Employer's Liability: Why does the City want \$3,000,000 in Worker's Compensation insurance when the statutory maximum recovery is only \$500,000?**

**Response:** Respondents shall provide insurance as specified in this Section.

**20. Section C12.4: Liquidated Damages: Does the City anticipate having a staff person on-site full-time to inspect for liquidated damage penalty items.**

**Response:** City staff will not be on the Landfill site full-time; however, a dedicated staff member will regularly perform inspections.

**21. Section C12.4.A.6: Maximum Turn Around Time Requirements: Explain the requirements of this section.**

**Response:** The requirement is to ensure efficient operations for the City Collector when using the Landfill for disposal of City Waste.

**22. Section C14: Landfill Expansion: What is the City's long-term plan for waste management after the existing landfill closes?**

**Response:** The City will permit and establish a new greenfield site for waste disposal services on the 320 acres to the north of the existing site.

**23. Section C15: Closure and Post Closure Care: What amount will be required by the successful Respondent to be deposited in the Closure and Post Closure Trust?**

**Response:** The City will require all closure and post closure cost liabilities incurred by the Successful Respondent, currently estimated to be \$8.4 million, to be held in the Closure and Post Closure Trust. Respondents shall determine and provide in their Proposals amounts to be deposited to the Closure and Post Closure Trusts initially upon establishment of the Trust, and annually thereafter in the form of the Trust Payment Factor, so-as to cover all costs and liabilities related to closure and post-closure at the end of the negotiated contract.

**24. Section C20: Use of Subcontractors: What types of consulting and subcontracting agreements require the City's prior approval?**

**Response:** All consultants and subcontractors used by the Lessee will require approval by the City.

**APPENDIX D**

**25. Section D7.3.2: Residential Service Units:**

- a. **When will the City decide whether to include recyclables material collection under an exclusive contract?**

**Response:** City Council has stated they currently do not wish to include recyclables in an exclusive contract.

- b. **Is yard waste comingled with solid waste per this section? Is any of the yard waste presently collected going to the organics area of the Landfill?**

**Response:** Successful respondents will be allowed to collect comingled yard waste and solid waste. Currently, yard waste collected by the City Collector is not diverted to the organics area of the Landfill.

- c. **Will the City accept proposals for curbside collection of recyclables every other week via 90-100 gallon carts?**

**Response:** Respondents shall provide Proposals as specified in Section D7.3.2.3. Alternative Proposals will be accepted.

- d. **Will residents be required to excavate Freon before collection?**

**Response:** Citizens will be directed by Ordinance to have Freon evacuated by a licensed contractor and tagged prior to pickup. However, all bulk waste shall be collected whether Freon is excavated or not. Licensed Landfill personnel shall evacuate all Freon not evacuated prior to collection. The Ordinance will contain provisions for additional charges to the citizen if Freon is not evacuated prior to collection.

**26. Section 7.4.1: Residential Carts: Will the City accept carts manufactured outside the United States?**

**Response:** Carts manufactured within the United States are preferred but not required.

**27. Section 7.4.2: Commercial Containers:**

**a. Will the City require new metal dumpsters at the start of the new contract?**

**Response:** Commercial containers do not have to be new.

**b. Add under Section 7.4.2: Commercial Containers:**

- Containers used to provide service to Commercial and Industrial Customers must have lids intact and fully operational, and be of uniform type, color, and labeling.
- The successful respondent is required to provide repair and maintenance to containers used to provide service to Commercial and Industrial Customers including, and up-to, replacement of damaged containers. General upkeep, cleaning, and housekeeping will be the responsibility of the customer.

**28. Section 7.4.3: Collection Vehicles:**

**a. Will the City require all collection vehicles to be new at the start of the contract?**

**Response:** Respondents shall refer to the specifications as listed in this section.

**b. Where will residents be required to place their carts for collection?**

**Response:** Residences with rear garage access in alleys shall be collected in the alley. All other residences will have collection services performed on the street.

**29. Section D11: Liquidated Damages:**

**a. Will the successful respondent be allowed to appeal an assessment of liquidated damages?**

**Response:** Yes. However, final decision is granted to the Solid Waste Administrator.

**b. Add: Failure to Repair or Replace Commercial or Industrial Containers in Accordance with the Agreement: \$100 each incident**

**30. Section D12: Irrevocable Letter of Credit: Will a Performance Bond be accepted in lieu of the Irrevocable Letter of Credit requested in this section?**

**Response:** The City prefers an Irrevocable Letter of Credit per the terms of Section D12, but may accept a Performance Bond in lieu of the Irrevocable Letter of Credit during negotiations, if the City deems it to be in the best interest of the City and provides the best value.

**31. Section D13.2.2.4: Insurance Environmental Liability Coverage: Will the City accept coverages below the amounts specified?**

**Response:** Respondents shall submit Proposals with the coverages specified. Alternative Proposals may be accepted during negotiations, if the City deems it to be in the best interest of the City and provides the best value.

**32. Section D14.2: Payments: Are Franchise Fees paid to the City based on gross receipts?**

**Response:** Yes

**33. Section D14.2.1: Delinquent Accounts:**

**a. At what point will the Collector be notified of past due customers in order to withhold service?**

**Response:** In addition to the payment, as detailed in Section D14.2.1 the City will also provide reports of new accounts, terminated accounts, and accounts in collections on a monthly basis.

**b. Will the City remit payment to the Collector upon remittance by the customer?**

**Response:** Refer to the payment formula in Section D14.2.1. As shown, fees are paid to the Collector based on “Accounts billed for the past month” as opposed to “Accounts collected for the past month”. Fees are not withheld until an account is 90 days past due, during which time the Collector has been paid, but the City has received no payment on the account. Therefore, when accounts are brought current, there is no additional remittance to the Collector.

**34. Section D15: Termination: Will the City give notice of default with an opportunity to cure before terminating the contract for cause?**

**Response:** Refer to Section D15(i).

**35. Section D15: Termination: Item (vii) should read: the successful Respondent fails to provide and maintain the Irrevocable Letter of Credit as required by the Agreement.**

**36. Section D17.3: Single-Family Residential Containers: When shall a sample cart be provided?**

**Response:** Sample carts may be requested by the City during the Respondent interview process.

**37. Section D17.6: Multi-Family and Designated Non-Residential: Provide an example of Designated Non-Residential Recycling Property.**

**Response:** Designated Non-Residential Properties are commercial or industrial properties where recycling services may feasibly be designated. Examples include: Retail Stores, Printing Companies, Packaging Companies, etc.

**APPENDIX F**

**Section F1: Residential Collections Services**

**39. Clarify “one-time charge for a cart for recycling due to customer neglect or abuse”.**

**Response:** Fee billed to the customer by the Collector when a replacement cart is provided due to a customer’s abuse, neglect, loss, or theft of the previous cart.

**40. How should pricing fees be provided if the tipping fee charged by the Landfill is not known?**

**Response:** Pricing should be a COST-PLUS amount. i.e. the margin above the tipping fee charged by the Landfill. Respondents can use a tipping fee of \$30.00 per ton if Proposing on a sole Collections contract. If proposing a combined Landfill contract and Collections, Respondents should use the tipping fees provided in their Landfill – Combined Award proposal.

**41. What is City staff's preference for a recycling implementation schedule?**

**Response:** Refer to Appendix D Section D7.3.2.3 for specifications. Proposals on recycling services should include a full implementation of single stream recycling services no sooner than the first six months after the Operation Commencement Date but no later than 36 months after the Operation Commencement Date.

**42. What commodities should be included or excluded in single-stream recycling?**

**Response:** Respondents should provide options for a recycling service to include what materials will be accepted as single-stream recyclables and the logistics for diversion of such commodities.

**43. Clarify a "Combined Service" for collection and recyclables.**

**Response:** A "combined service" is a collection program that includes solid waste and recyclables collection services performed by the same Collector with logistics and frequency proposed for collections for both commodities.

**44. Is there a limit on what can be charged on a daily rental of a roll off container?**

**Response:** Respondents may propose any pricing schedule. Pricing will be evaluated with final pricing negotiated to offer the best value to the citizens of San Angelo.

**GENERAL QUESTIONS**

**45. Does the City require all waste entering the landfill to be charged by the ton and not the cubic yard?**

**Response:** Measurements by the ton are preferred, but alternatives may be included in the Proposal as well. If offering a Proposal by the cubic yard, Proposals must include a conversion to tons.

**46. Are there limitations on the origination of waste allowed to be disposed at the existing and proposed Landfill sites?**

**Response:** Currently the RFP specifications provide no restrictions of the origination of waste accepted at the Landfill. However, the City withholds the right to do so at any time prior to or after the Operation Commencement Date.

**47. Are there limitations to an increase in waste disposed of at the Landfill?**

**Response:** Currently the RFP specifications provide no restrictions of the quantities of waste accepted at the Landfill. However, the City withholds the right to do so at any time prior to or after the Operation Commencement Date.



**48. Can the Contractor who operates the Landfill charge itself, a sister company, a third-party company, or a municipality a volume discount rate for disposal? Are there restrictions as to how low the rate can be set?**

**Response:** Respondents can provide alternative Proposals to the requested specifications if the Respondent deems appropriate. Landfill charges will be billed as proposed, negotiated, and subsequently contracted.

**49. Will there be a difference in the payment per residence to the contractor, and the amount the City will charge the citizens.**

**Response:** Yes. See the payment structure in Appendix D Section 14.2.1.

**50. What collections program is currently in place?**

**Response:** Refer to Appendix A: Current Collections Services on page 6 for current collections programs.

**51. What allowance will be made for a phased in collections program? How shall the Bond or Letter of Credit be calculated in this situation?**

**Response:** Respondents may provide alternative Proposals for collections services if the Respondent deems appropriate. Refer to Appendix D Section D12 for Bond or Letter of Credit amount requirements.

**52. What is the longest term Collection Contract the City will consider?**

**Response:** Refer to Appendix D Section D7.1. Alternative Proposals may be included if the Respondent deems appropriate.

**53. Will the City accept Proposals for MSW and/or Recyclables to be used as fuel in a waste-to-energy project or facility?**

**Response:** Yes

**54. Will the City consider a separate Contractor of the collection of recyclables from residents, separately from the contract to collect MSW?**

**Response:** Yes

**55. Does the City have an area in the permit boundary for composting yard waste and for solidification of solid waste?**

**Response:** Yes

**56. Will the current Ordinance regarding a "state landfill surcharge fee" be corrected to reflect current state allowances?**

**Response:** All such fees will be included in the Municipal Tipping Fee Payment.

**57. Does the current ordinance allow additional charges to be added to posted commercial rates (i.e. fuel surcharges, lock fees, casters, environmental fees, etc.)?**

**Response:** All fees shall be reflected in the Municipal, County, and/or Area Tipping Fees, respectively. Current ordinances and contracts will be rewritten to reflect services and pricing as proposed and negotiated.

**58. Does the City intend to award the successful proposer an exclusive contract for commercial recycling services within the municipal boundary of the City of San Angelo?**

**Response:** The City will choose services and related matters as proposed, negotiated, and as deemed most beneficial to the City. However, City Council has indicated they do not wish to enter into an exclusive contract for recycling services.

**59. Is there excess waste located outside the existing Landfill permit boundary?**

**Response:** No

**60. What is the current zoning for the existing Landfill site, the five acres owned by Trashaway, Inc., and the 320 acres to the north of the existing site?**

**Response:** Ranch and Estate

**67. What are the historical compaction rates at the Landfill for the past three years?**

**Response:** Refer to [FY 2006-2013 MSW Annual Reports](http://www.cosatx.us) at [www.cosatx.us](http://www.cosatx.us)

**68. What assets of the Landfill does the City own?**

**Response:** The City owns the flare skid and fencing on all areas except the five acres owned by Trashaway, Inc. All other buildings and equipment are owned by Republic Services, Inc.