FINANCE DEPARTMENT
*Purchasing Division*

# Addendum 7

RFP-05-06-09 Recycle Plus

March 10, 2006

Please be advised of the following information pertaining to the City of San Jose Recycle Plus Request for Proposal 05-60-09.

The following are responses to questions received as of March 3, 2006. Questions are organized according to pertinent RFP sections. Some questions are duplicated in appropriate sections.

**Section 1 General Introduction**

1.1 Q **RFP Sections 1.1 and 3.3- *Proposal Options*- Pages 1-2 and 3-2-** The language in bold on Page 1-2 of the RFP, and the bottom of Page 3-2 implies that if a proposer wishes to propose on Solid Waste *and* Recycling Services, that they *must* propose each service separately (stand alone), as well as on a combined basis. If a proposer wishes to propose combined services only, will the proposer be disqualified if they indicate that their proposal contemplates only a combined SFD Solid Waste and SFD Recycling Services proposal for each District? We hope that this is not the City's intent, but would request clarification. Please note that due to a number of variables (including varying facility infrastructure and overhead issues), some proposers may desire to submit a proposal only for combined SFD Solid Waste and Recycling services, but not each component individually. Please also note that if the City insists on separate stand alone bids for the SFD Solid Waste and SFD Recycling components, a proposer wishing to bid both Districts A and B for these services would have to prepare three (3) different financial models for each District, and then three (3) more for the Multi-District Discount----or nine (9) in total. We believe this requirement may result in some proposers that would have otherwise bid both components, bidding on one Service Type only. Lastly, given that the City has historically chosen a single contractor to service both of these waste streams in each Service District, it would seem appropriate to allow for a bid option that contemplates a combined proposal only.

A Section 1.1 of the RFP states that "Proposers that wish to provide both SFD Solid Waste Services, and SFD Recycling Services must submit 1) a separate cost proposal for SFD Solid Waste Services, 2) a separate cost proposal for Recycling Services, and 3) a separate cost proposal for combined SFD Solid Waste and Recycling Services." The City will not allow a proposal option for a combined proposal only; in order to be considered responsive, a proposal for combined service must also include separate pricing for SFD Solid Waste Service and separate pricing for SFD Recycling Services.

1.2 Q **RFP Section 1.2- *Schedule*- Page 1-2-** We are concerned about the very short proposal turnaround time associated with a project of this magnitude, particularly for companies that will need to develop a local operating and processing infrastructure in order to properly respond to the City's RFP. Previous Recycle Plus RFPs have had an 80 to 90 day turnaround, while this one allows for only 45 days. A proposal due date that is one-month from the date of the Pre-Proposal conference is extremely aggressive. Moreover, it appears that the City is targeting a March 24

date to address all questions submitted by the March 17 "deadline for written questions." Even if the City had final written responses to all questions and information requests by the March 24 date, this does not allow enough time for proposers to digest the new/updated information, revise proposals and financial models, and distribute financial pro formas and draft proposals for internal review and approval, prior to finalizing and producing the proposals for submittal on April 3, 2006. In addition, the City's answers to questions may result in the need for follow-up questions and an additional addendum.

We realize that the City is facing a shorter timeline than usual and, therefore, would like to expedite the process. However, this has to be weighed against the long-term benefits of ensuring that the City receives the most competitive proposals coupled with the highest quality service program----and does so from as many qualified respondents as possible. The bottom line is that we strongly urge the City to consider a *minimum* of a one month extension to the April 3, 2006 due date, and that the City notify prospective proposers of its decision regarding the extension request at (or prior to) the pre-proposal conference, as it may impact participation in the RFP process.

A As delineated in Addendum 5, the due date for the RFP has been extended from April 3rd to April 17th. Time and location of when and where RFP response is to be delivered remains the same.

1.3 Q What is required regarding signed addenda?

A See section 4.2.11 of Request for Proposal**.**

**Section 2 Background Information**

2.1 Q **RFP Section 2.3.2- *Current Program Information- Current Rates*- Page 2-2-** Please provide a schedule of the most current rates for all SFD Solid Waste and Recycling Services included in the current contracts between the City and Green Team and the City and Norcal Waste Systems. Also, please note that the "Total Monthly Hauler Payment" line item in the Data Entry Forms is missing for Districts A and C. Please provide this data, at least for the last 6 months of 2005.

A The document "Hauler Invoices July 05 – Dec 05" is included with Addendum 7. These invoices include the most current rates for SFD solid waste and recycling services.

2.2 Q **Section 2.3.3- Table 2-2- On-Premises and Disability Service Recipients- Pages 2-3 and 2-4-** Table 2-2 of the RFP indicates the average # of service recipients receiving on-premises service and free service due to disability, monthly. We would like clarification as to the "monthly" reference. For instance, in District C, there are 15 on-premises service recipients noted and 57 disability service recipients. Questions: (a) Do these figures represent the average number of service recipients receiving *weekly* collection service, or should we be dividing by 4.33? (b) We assume that these on-premises and disability service recipients are included in the service recipient totals noted next to the container sizes in Table 2-2, and are *not* in addition to these totals, however please confirm, (c) Are we correct in assuming that the "free service" reference in Table 2-2 for disability service recipients is referring only to the on-premises component of the service (see Draft Agreement Section 5.04.2.1), and that the base collection service is not free? and (d) Does the "on-premises service recipient" count noted in Table 2-2 represent only those service recipients receiving Subscription On-premises service (as defined in Draft Agreement Section 5.04.2.2), while the "disability service recipient" count represents those receiving Non-subscription On-premises service (as defined in Draft Agreement Section 5.04.2.1)?

A a) The figures in Table 2-2 represent service recipients receiving weekly collection service.
b) Correct, the on-premise and disability service recipients listed in Table 2-2 are included in the service recipient totals as listed next to the container sizes.
c) For service units receiving non-subscription on-premise collection service, the contractor shall only be compensated at the base service rate listed in Exhibit 1 of the agreements. The contractor will <u>not</u> be compensated at the additional subscription on-premise rate.
d) Correct, the "average number of on-premise service recipients" listed in Table 2-2 represents those service recipients receiving subscription on-premises service <u>only</u>. It does <u>not</u> include service recipients receiving non-subscription on-premise service (disability service recipients).

2.3 Q **RFP Section 2.3.3 – Table 2-2 – District C Unit Counts – Pages 2-3 and 2-4 – Table 2-2** reflects 66,497 SFD service recipients receiving Garbage services and 66,712 receiving Recycling services in District C. Is there a reason why the number of Recycling services service recipients exceeds the number of Garbage service recipients in District C (Note: District A reflects 90,074 for Garbage and 89,556 for Recycling)?

A The City's data for recycling service recipients is less accurate than data for garbage service recipients because a customer's monthly rate is based on garbage service only. For this reason, recycling carts may be somewhat overstated or understated. Additionally, the Recycle Plus shared cart program may also result in discrepancies between garbage and recycling service recipients. About 270 customers, Citywide, participate in this shared cart program. A duplex, triplex or fourplex may share one garbage cart and at the same time utilize two or three recycling carts.

2.4 Q **RFP Section 2.3.3- Table 2-2- *Breakdown of Single Family and Multi-family Complexes*- Pages 2-3 and 2-4-** Table 2-2 provides a breakdown of service recipients by cart size. A SFD Service Unit, for the most part, is defined as a dwelling unit receiving cart service, which we assume will approximate the number of Service Recipients noted in Table 2-2. If possible, please also provide a breakdown (for each service District) of SFD Service Units in terms of how many of the total SFD Service Units are (a) single family residences and (b) dwelling units within multi-family residences receiving cart service. Please also provide the number of multi-family complexes that comprise the dwelling unit count in Item (b), and, if possible, with a breakdown by number of complexes and units with duplexes, tri-plexes, four-plexes, etc?

A The vast majority of multi-family complexes are serviced under an existing agreement with GreenTeam of San Jose. A small number of complexes receiving garbage cart service are serviced in the single-family program. Units in these complexes share 96-gallon garbage carts and 96-gallon recycling carts. A table listing the total number of multi-family complexes receiving garbage carts service, and the number of garbage and recycling carts at these complexes is included below. Information on the number of units at these complexes is not available.

| | District A | District C |
|---|---|---|
| # of complexes with shared carts | 122 | 15 |
| # of 96-gal garbage carts at these locations | 257 | 465 |
| # of 96-gal recycling carts at these locations | 412 | 736 |

2.5 Q **RFP Section 2.3.3- Table 2-2- SFD *Recycling Services*-** Page 2-4- We assume the SFD Recycling Service Service Recipient count noted in Table 2-2 (Page 2-4) represents the total number of Service Recipients with carts, irrespective of actual participation rates, however, please confirm. We realize the recycling set-out rate in the City is extremely high, however, does the City actually track the set-out percentages by District and, if so, can you provide this information?

A Yes, table 2-2 Summary of Service District Account Information represents the total number of service recipients with recycling carts in service districts A and C, and yard trimmings carts in service district C, as of December 16, 2005. The City receives annual route audit information from the current hauler, which records participation rates. The table below shows participation rates (percent of set-outs) during a 2005 route audit.

| **Collection Day** | **District A Garbage** | **District C Garbage** | **District A Recycling** | **District C Garbage** |
|---|---|---|---|---|
| Monday | 88% | 89% | 77% | 82% |
| Tuesday | 92% | 90% | 82% | 81% |
| Wednesday | 92% | 92% | 84% | 85% |
| Thursday | 91% | 91% | 83% | 82% |
| Friday | 92% | 91% | 81% | 84% |

2.6 Q **RFP Section 2.3.3- *New Single-Family Home Growth*- Page 2-4-** Page 2-4 of the RFP indicates that the City Planning Department estimates that 750 new single-family homes will be added citywide annually in 2007 and beyond. *Questions:* (a) Since the service recipient data included in the RFP is for December 2005, what is a fair estimate as to the single-family home growth over the next 18 months, by Service District (if possible), prior to implementation on July 1, 2007?, (b) Is the 750 annual home growth figure a fair estimate for each of the 6 years of the contract?, and (c) Is it safe to assume that these growth figures represent even growth throughout each Service District, or is it expected to be disproportionately higher in one District over another?

A The City's Department of Planning, Building and Code Enforcement projections for new single-family units added per fiscal year (July thru June) are as follows:

FY 2005/06 - 1,000 single-family units
FY 2006/07 - 750 single-family units
FY 2007/08 - 750 single-family units
FY 2008/09 - 750 single-family units
FY 2009/10 - 750 single-family units
FY 2010/11 – 750 single-family units

Projections beyond FY 2010-11 are not available. Additionally, growth projections are Citywide, and are not available by service district.

**Section 3 Service Requirements**

3.1 Q ***Neighborhood Clean-Up Services- Page 3-2-*** The italicized note on this page indicates that Neighborhood Clean-up Services will not be part of the new contract pursuant to this RFP. The monthly reports included in RFP documents contain a Data Entry Sheet, with line items for "Tons Clean-up Disposed" and "Tons Clean-up Recycled." Do these line items relate to the Neighborhood Clean-ups that are included in the City's current contract, but that will be excluded from the new contract?

A Yes, the tons captured in the monthly report relate to the current contracts. Neighborhood Clean-up Services are **not** included in the new contracts.

3.2 Q The RFP says that the contractor has to have an office in San Jose, but it does not say that the MRF has to be in San Jose, can it be in a near by city like Hollister?

A Yes, the materials recovery facility used for processing recyclable materials can be located outside the city limits of the City of San Jose. See Table 3-1, page 3-5.

3.3 Q **RFP Section 3.4- Table 3-1.B- *Large Item Collection*- Page 3-5-** Questions: (a) It appears that all Large Item collections are to be done exclusively by the SFD Recycling contractor. Is this correct? (b) Will the contractor be compensated for all Large Item collections (based on the rate input on Form A-3), or does the Service Recipient get an allowance (i.e., one call per year) at no charge?, and (c) Does the line item entitled "# of Large Item Collections" on the Data Entry Forms supplied with the RFP documents represent the number of chargeable Large Item pick-ups, or does it represent the total number of items collected---or are they one in the same under the current contract (Note: this question assumes that the City's current contract mirrors the RFP in that Service Recipients can place up to 3 items per collection)?

A Large item collections will be performed by the recycling contractor (rather than the garbage or yard trimmings contractors), however Section 3.02 of SFD Recycling Services Agreement allows residents to dispose of recyclable or large items by other appropriate means. The contractor will be compensated for all large item collections at the rate specified in Exhibit 1 of the SFD Recycling Services Agreement. Residents pay for all collection appointments, and may put out one to three items for each Large Item Collection fee paid. The line item titled "# of Large Item Collections" in the City provided Monthly Report is based the number of collection appointments (with 1-3 items), rather than the number of items collected.

3.4 Q **RFP Section 3.4- Collection Days and Boundaries- Page 3-3-** The RFP indicates that the City would like proposers to maintain the current collection day boundaries, however, it would be difficult to make this assessment without knowing the number of units serviced each day (in each District) and/or the current routing system in the City. As such, we would appreciate it if the City could provide current route information in the following format (SFD routes, large item routes, avg hours, crew size, etc), for each Service District:

A The question states that "the City ***would like*** proposers to maintain the current collection day boundaries" (bold italics added). Actually, Section 3.4 of the RFP states "current collection day boundaries ***will be*** maintained" and section 4.4.9.1 of the RFP states "…the City … ***requires*** the maintenance of the current collection day boundaries." The number of units served each day is available in Section 9 (Appendices) of the RFP and is titled "Service Recipients by Collection Day." The requested current route information is not available.

3.5 Q **Section 3.5.5, Page 3-9, Collection and Street Sweeping Vehicles**.
Would the City consider limiting un-containerized Yard Trimmings to Christmas trees? The existing language of "un-containerized collection of overage, leaves, and Christmas trees" essentially provides for numerous large piles of green waste similar to the current system.

A No, the City will not consider limiting un-containerized yard trimmings to Christmas trees. Section 5.09.4 of the Yard Trimmings and RSS Agreement states that overages are not limited by total weight or volume of organic waste.

3.6 Q **Section 3.5.15, Page 3-12, Consolidated Utility Billing System (C-UBS)**
There is a reference on line 241 to exhibits located in Sections 6 and 7 of the RFP. I found exhibits to the agreement under section 6A, but I could not locate Sections 6 and 7 of the RFP.

A Sections 6b and 7 of the RFP are included in Addendum 2.

3.7 Q **Section 3.5.9- Materials Recovery Facility- Page 3-10-** Please indicate which materials recovery facilities are currently being used by the City's current contractors for the processing and marketing of Recyclable Materials and Large Items.

A GreenTeam of San Jose (Waste Connections, Inc.) owns and operates the MRF located at 1333 Old Oakland Road, San Jose, CA 95112. Norcal Waste Systems of San Jose, Inc. subcontracts with California Waste Solutions, Inc. for recyclable processing at the MRF located at 1005 Timothy Dr., San Jose, CA 95133.

3.8 Q **RFP Section 3.5.15- Billing and Customer Database- Page 3-12-** We interpret this section of the RFP to mean that the City will provide the successful contractors with access to a full database of customer billing and service information (i.e., customer names, addresses, telephone numbers, container sizes, special service designations, current collection days, etc.) to facilitate the development of routes, work order processing, invoicing, etc. and that this database will be available on line to both the City and contractor. Are we correct in our assumption and, if so, are we also correct in assuming that our transition plan need not involve a customer data base development component since the City will be providing this information prior to contract start-up?

A A CD with service locations by collection day was provided to all proposers at the pre-proposal conference, and includes address, district, and collection day information for initial analysis. Contractors will have access to all data required for routing, and service provision. Prior to contract start-up, a service data set will be provided with addresses, container sizes, service days, and any special service designations required for routing, and service planning. In addition, both the City and contractors will be utilizing the C-UBS customer information system on an ongoing basis to complete work orders, process invoices, and provide resident education. This system will have all of the service data listed above, as well as resident names and contact information. While proposers will not need to include a data base development component in their transition plans, they will need to consider their strategy for connecting with the C-UBS system, and getting training on use of the City's data.

**Section 4 General Instructions to Proposers**

4.1 Q **RFP Section 4.2.3.1- *Technical Proposal*- Page 4-3-** The RFP requires the submission of 21 Technical Proposals by the proposal due date. This will require a fair amount of production and assembly time that could be better spent on other tasks related to the RFP, particularly given the short time frame associated with this procurement. We respectfully request that the City consider reducing the number of proposal copies required to be submitted by the proposal due date and, instead, reserve the right to obtain any additional copies from proposers after the due date, if and when it becomes necessary.

A On further review, the City confirms that Section 4.2.3.1 of the RFP will remain unchanged.

4.2 Q **RFP Section 4.4.4- *Financial Statements*- Page 4-14-** The RFP requires the submission of audited financial statements (or business tax returns) for the entity that will be signing the Agreement. These documents are not available for our operating subsidiaries, however, as a public company, we are in a position to provide financial assurances to the City that we trust will be more than adequate and acceptable to the City. We can provide the consolidated audited financial statements of our (parent) company on the whole, through the submission of our company's Annual Report and Form 10-K. The Annual Report and Form 10-K includes, not only our audited financial statements, but additional disclosures, information and reporting requirements provided by the company and/or mandated by the Securities and Exchange Commission, that provide much greater detail about the company and our financial condition than the financial statement requirements set forth in the RFP. As such, in order to meet the financial statement requirement set forth in Section 4.4.4.1, we trust that it would be acceptable to provide the Annual Report and Form 10-K (which includes audited financial statements) of our parent company, providing that the parent company provides a parent company guarantee of the performance of its subsidiaries. Please confirm whether or not this approach is acceptable.

A Yes, it would be acceptable to provide the Annual Report and Form 10-K (which includes audited financial statements) of the parent company, providing that the parent company provides a parent company guarantee of the performance of its subsidiaries.

4.3 Q If questions were submitted prior to the pre-proposal conference, when will they be responded to?

A All questions that are submitted prior to the pre-proposal conference are to be addressed by March 10, 2006.

4.4 Q Local preference, when does it apply? At time of submission? Or prior to submission?

A Local preference needs to be in place on or before time of submission of RFP.

**Section 5 Proposal Evaluation Process**

No questions were received.

**Section 6A SFD Solid Waste Services Agreement**

6a.1 Q **SW Draft Agreement Section 5.03.3 (Page 10) and Recy. Draft Agreement Section 5.03.3 (Page 12) -** Hours of Collection in the Central Business District and Transit Mall Zone- Questions: (a) In which District are these areas located? (b) How many SFD Service Units are located in these areas, and of that total, how many are Small Civic Service Units or Dwelling Units within Mixed Use Dwellings, and (c) What type of service (for the most part) is being provided to SFD Service Units in this area (i.e., fully automated cart service, manual collection from cans/bags, etc.)?

A a) Both areas are located in District A. Descriptions of these areas can be found in the Municipal Code, Sections 9.10.1500 and 9.10.1510 located in the appendices of the RFP.
b) Data on the number and type of service units in these areas is not available.
c) Any SFD service unit in these areas receives SFD solid waste service in accordance with the terms and conditions of the agreement. The type of service provided in these areas is not

fundamentally different than any other area of the City (largely automated cart collection, with manual collection of oil containers and extra recyclables).

6a.2 Q **SW Draft Agreement Section- 5.04.1 (Page 11) and RFP Sections 2.3.3- Table 2-4 (Page 2-5) and 8 (Form A-2) (Page 8-4)- *Tagged Garbage Bags*-** The RFP provides for additional compensation to the contractor for the collection of Tagged Garbage Bags. While Section 2.3.3 (Table 2-4) provides figures for the number of Tagged Garbage bags collected in each Service District, we could not find any data in the Monthly reports as to the number of Tagged Garbage Bags collected by the contractors, and invoiced to the City. Questions: (a) Please indicate whether or not the contractor was compensated for this service on a "per bag" collected basis, and (b) indicate whether or not the tonnage related to Tagged garbage Bags is included in the total "Tons Garbage Collected" figures contained in the Data Entry Forms.

A a) Contractor is compensated per tagged garbage bag collected.
b) Yes, "Tons Garbage Collected" includes tonnage from tagged garbage bags.

6a.3 Q **SW Draft Agreement Section 5.04.1 (Page 11) and Recy. Draft Agreement Section 5.06.1 (Page 17) - *Cart Placement*-** The Draft Agreements indicate that carts can be placed within 3 –feet of the curb, etc., however, the current program allows for in-street cart placement in order to facilitate maximum collection efficiency and uninterrupted fully automated collection to the greatest extent possible. We would request that the City modify these sections accordingly to allow contractor to instruct residents to place carts in the street, with wheels against the curb. It is important that the Agreement reflect this point in order to provide the contractor with the necessary assurances that the City is agreeable to continuing this practice.

A There will be no modification to these sections. They are intended to provide flexibility for collection in areas of the City where placement against the curb is either impractical or unsafe. Contractors will be required to collect all carts that meet the specifications of Section 5.04.1 of the SFD Solid Waste Services Agreement and Section 5.06.1 of the SFD Recycling Services Agreement. However, through its public education program, the City consistently encourages service recipients to place their carts for collection with wheels against the curb.

6a.4 Q **Draft Agreement Section 5.04.4 (Page 12) and Recy. Draft Agreement Section 5.06.5 (Page 19)- *Courtesy Notice*-** The above-referenced sections of each Draft Agreement indicates that collection must be performed even if Carts (or, in the case of SW, Carts and Tagged Bags) are not set out in according to program instructions and must be moved to facilitate collection. However, there is no remedy for habitual violators of the Cart placement requirements---only the allowance for a "Courtesy Notice" with no enforcement mechanism. While as a practical matter, the contractor will generally collect the material, there should nevertheless be a provision added to this section that allows for the placement of a non-collection notice for habitual violators of Cart placement requirements. Would this language addition be acceptable to the City?

A No, the language of Section 5.04.4 of the SFD Solid Waste Services Agreement and Section 5.06.5 of the SFD Recycling Services Agreement will not be changed. The contractor shall collect all carts set-out in accordance with the parameters of the agreements.

6a.5 Q **SW Draft Agreement Section 5.04.6 (Page 13) and Recy. Draft Agreement Section 5.06.7 (Page 19) - *Replacement of Garbage Carts*-** The last sentence of the 3rd paragraph of these sections indicate that "this provision is intended to be applied on a per Service Recipient basis, not a per Service Unit basis." Based on the definitions of Service Recipient and Service Unit as set forth in Article 1, we fail to see the difference between the two as it relates to the application of Sections 5.04.6 and 5.06.7. Please indicate why there is a distinction between the two, by way of an example.

A A "service recipient" is the "person" receiving service; the "service unit" is the "location" (usually a house) where the service is performed. Each service recipient is entitled to one replacement (at no cost to the service recipient or the City) during the term of the agreement. Regardless of how many different locations the service recipient may live in during the term of the agreement, they may only receive one replacement at no cost (to the service recipient or the City) during the term

of the agreement. Replacements in excess of once per agreement term are compensated at the "Exchanges in Excess of Once per Year" service rate set forth in Exhibit 1 of the agreements. *Example:* Mr. Mendez, who lives on Cherry Lane, reports his first stolen cart during the agreement term. Two years later, he moves to Elm Street and reports another stolen cart. The contractor is not compensated for the Mr. Mendez' first replacement on Cherry Lane, but is compensated for his second replacement (now living on Elm Street). Mr. Jones moves into the same service location on Cherry Lane after Mr. Mendez moves out. Mr. Jones reports his first stolen cart during the term of the agreement. Even though it is the second replacement at the Cherry Lane address (the "service unit"), the contractor is not compensated because it is the first replacement for Mr. Jones (the "service recipient").

6a.6 Q **SW Draft Agreement Sections 5.04.6 and 5.04.8 (Page 13), Recy. Draft Agreement Sections 5.06.7 and 5.06.9 (Pages 19-20), and RFP Section 8 (Forms A-2 and A-3) (Pages 8-4 & 8-5)- *Replacement and Exchange of Garbage Carts*-** The above-referenced sections of each Draft Agreement allow for the contractor to be compensated for cart "replacements" or "exchanges" in excess of one per year per Service Recipient, however, Forms A-2 and A-3 have a line item only for Cart Exchanges in excess of 1 per year. Since the rate for a cart replacement may be different than a rate for a cart exchange, will the City be adding another line item to Forms A-2 and A-3 for "Cart Replacements in Excess of Once per Year"?

A No, an additional line will not be added to Forms A-2 and A-3. For applicable cart replacements and applicable cart exchanges, the contractor is compensated at the same "Cart Replacements in Excess of Once per Year" service rate included in Exhibit 1 of the agreements.

6a.7 Q **SW Draft Agreement Sections 5.04.6 & 5.04.8 (Page 13), Recy. Draft Agreement Sections 5.06.7 & 5.06.9 (Page 19-20), and RFP Section 2.3.3- Tables 2-2 & 2-4 (Pages 2-3 to 2-5)- *Replacement and Exchange of Garbage Carts*-** Tables 2-2 and 2-4 of RFP Section 2.3.3 identify the number of cart replacements and exchanges that occurred in the prior year in each Service District. Does the City have any record as to how many of these were chargeable to the Service Recipients?

A There are no records of chargeable cart replacements at this time. The Consolidated Utility Billing System, scheduled to "go-live" in July 2006, will have the capability to track these charges accurately.

6a.8 Q **SW Draft Agreement Section 5.04.2.2 (Page 12) – *Subscription On-Premises Service*-** We assume that the reference to *"one-hundred (100) yards"* is intended to be *"one-hundred (100) feet"*, however, please confirm. Please note that it would not be possible to provide a single on-premises rate premium that would cover a set-out range as great as 100 yards (i.e., there is a significant difference as to how one would service a 50-foot walk-in vs. a distance of, say, 75 yards, etc.). Moreover, we could not envision any residential property receiving cart service that would be anywhere close to 300 feet deep, hence, our assumption that the City intended the figure to be 100 feet as opposed to 100 yards.

A "One-hundred (100) yards" is correct.

6a.9 Q **SW Draft Agreement Section 5.06- *Contaminated Christmas Trees*-** Page 14- Given the fact that a Christmas Tree is deemed contaminated if its stand has not been removed, we assume that the SFD Solid Waste Contractor ends up collecting a large portion of the trees pursuant to Section 5.06 of the Draft Agreement. Questions: (a) Is the intent of Section 5.06 that the contractor must collect contaminated Christmas Trees set out for collection that have not been broken down for placement into their Garbage Cart? If so, (b) Can the City provide some historical data as to the quantity (or tonnage) of trees collected by the SFD Solid Waste contractor in the prior year, and (c) please indicate over what period of time the contractor will be required to collect contaminated Christmas Trees set out for collection (i.e., during the two-week period after Christmas, etc.), and whether or not a provision will be added to the Draft Agreement specifying the cut-off date after which this service will no longer be provided at no charge.

A Christmas trees cannot be collected as yard trimmings if there are metal or plastic stands, ornaments, or excessive tinsel that have not been removed. However, the incidences of collecting

these trees as garbage is insignificant when compared to the total number of trees collected. Residents are educated about the proper set-out of Christmas trees, and are given the opportunity to remove ornaments and non-wood stands through non-collection notices left by the yard trimmings driver. As a part of the annual holiday contingency planning, contractors sign a service schedule outlining the procedures for Christmas tree collection. In this document, garbage collection drivers agree to drive by any contaminated trees until mid-January. This gives the yard trimmings drivers opportunities to leave non-collection notices reminding the residents to remove stands and ornaments. The yard trimmings driver may then collect the trees the next collection day. In mid-January, any remaining trees are collected by the garbage contractor in order to ensure that all trees are removed from the street by the end of January.

6a.10 Q **SW Draft Agreement Section 7.01.1 (Page 18) and Recy. Draft Agreement Section 7.01.1 (Page 24) - *Equipment Specifications***- Please indicate which areas of the City (within Service Districts A and C) are not conducive to fully automated collection, and what type of collection application is employed in these areas (i.e., semi-automated, manual, etc.). In doing so, please provide an estimate as to the number of SFD Service Units in each of these areas.

A There are two separate locations in District C (with a combined total of 11 SFD service units) with manual collection (via a supervisor's pick-up truck). District A has routes serviced by split-bodied, semi-automated collection vehicles (Load-All). The number of service units currently collected in District A by a Load-All is 3,643. Routes serviced by a Load-All are shown in the document "District A Semi-Auto Collection Routes", included in Addendum 7.

6a.11 Q **SW Draft Agreement Section 7.01.2 (Page 18) and Recy. Draft Agreement Section 7.01.2 (Page 24) - *Clean Air Vehicles***- Do the City's current contractors utilize Alternative Fuel Vehicles? Section 7.01.2 of the Draft Agreements does not appear to mandate the use of Alternative Fuel Vehicles, and allows the contractor to utilize vehicles that run on diesel fuel as long as the contractor is compliant with all applicable federal and state laws and regulations, etc. Please confirm.

A The current haulers utilize alternative fuels (Biodiesel and Puranox) in their vehicles, however the vehicles themselves are not considered alternative fuel vehicles. The 2006 Recycle Plus RFP does not have an alternative fuel requirement. The Contractor is required to ensure its fleet meets all applicable federal, state, and local laws and regulations, including, but not limited to, fuel and emissions standards.

6a.12 Q **SW Draft Agreement Section 8.01 (Page 21) and Recy. Draft Agreement Section 8.01 (Page 27)** - Billing and Collection of Payments- Section 8.01 of the Draft Agreements provides that the contractor will be compensated based on the number of Service Units in its service areas. Section 2.3.3 (Table 2-2) of the RFP highlights the number of "Service Recipients" receiving SFD Services for each cart size. In the case of Garbage collection, the total Service Recipient count is 90,074 and 66,497 for Districts A and C, respectively. Is it safe to assume that these figures also represent the number of Service Units that the contractor is being compensated for? If not, please clarify.

A Yes, the counts in Table 2-2 represent the number of service units that the contractor is compensated for. However, these numbers will change as service units are added or deleted, and when service levels change.

6a.13 Q **SW Draft Agreement Section 18.01 (Page 37) and Recy. Draft Agreement Section 20.01 (Page 48) - *Indemnification***- The above-referenced sections of each Draft Agreement contain general indemnification provisions, however, in addition to the Contractor's requirement to indemnify and defend the City with counsel selected by Contractor, Sections 18.01 and 20.01 also allow the City to secure its own attorneys and requires the Contractor to reimburse the City for such legal fees and expenses. In terms of the latter point, the Contractor should not be liable for any defense costs the City chooses to incur on its own, since we have no control over such decisions. As such, we would suggest deleting the language at the end of the 3rd sentence of Sections 18.01 and 20.01 that begins with *"…, or the City, at the City's option…"*, through the rest of the sentence.

A The suggested change in the proposed agreement(s) should be listed as an exception to the agreement in Form B of the Proposer's response to the RFP.

6a.14 Q **SW Draft Agreement Article 19 (Pages 38-41) and Recy. Draft Agreement Article 19 (Pages 49-51) - *Default of Agreement*-** We noticed that the Draft Agreements are void of a Force Majeure provision, which is fairly standard in solid waste collection contracts. We trust that the City will add such a provision, however, please confirm or clarify.

A The City is open to adding a force majeure provision if a Proposer wishes to suggest language in Form B of the response to the RFP. However, the City will not accept a force majeure provision that includes strikes or other labor actions. In addition, the inclusion of a force majeure provision will not excuse the successful Proposer(s) from beginning service on July 1, 2007.

6a.15 Q **SW Draft Agreement Section 14.02 (Page 31) and Recy. Draft Agreement Section 16.02 (Page 41)- *Wage Policy*—**The above-referenced sections of each Draft Agreement specify that the contractor shall pay employees specified wage rates as set forth in Exhibit 12. Do these wages and benefits reflect the current wage rates of Recycle Plus drivers under the Collective Bargaining Agreements held by the City's current contractors? If so, please provide an updated version of this schedule reflecting what the wage rates and benefits will be on July 1, 2007, assuming they are already set forth in the respective CBAs. If the 2007 figures are based on an index that is yet to be determined, please provide information as to how and when the wage rates are to be adjusted. Lastly, are we correct in assuming that the wage rates included in Exhibit 12 are only a guideline and that the final rates to be included in Exhibit 12 will be as set forth in any Collective Bargaining Agreement that the contractor may enter into prior to contract start-up?

A The City of San Jose Office of Equality Assurance Wage Determination as shown in Exhibit 12 of the SFD Solid Waste Services, SFD Recycling Services and Yard Trimmings and Residential Street Sweeping Services agreements does not reflect the current wage rates of Recycle Plus drivers under their respective collective bargaining agreements.

The Office of Equality Assurance will issue a new Wage Determination in February 2007 that will become effective July 1, 2007. The annual adjustment will be based on the United States Department of Labor/Bureau of Labor Statistics Consumer Price Index, All Items, for all Urban Consumers [CPI-U] for San Francisco-Oakland-San Jose.

The Office of Equality Assurance Wage Determination will become the wage rates required should there be no collective bargaining agreement(s) between the contractor(s) and a recognized union(s). If there are collective bargaining agreements between a contractor(s) and a recognized union(s), the wages paid under the collective bargaining agreement(s) will become the prevailing wage rates**.**

**<u>Section 6B SFD Recycling Services Agreement</u>**

6b.1 Q. **SW Draft Agreement Section 5.03.3 (Page 10) and Recy. Draft Agreement Section5.03.3 (Page 12) -** Hours of Collection in the Central Business District and Transit Mall Zone- Questions: (a) In which District are these areas located? (b) How many SFD Service Units are located in these areas, and of that total, how many are Small Civic Service Units or Dwelling Units within Mixed Use Dwellings, and (c) What type of service (for the most part) is being provided to SFD Service Units in this area (i.e., fully automated cart service, manual collection from cans/bags, etc.)?

A a) Both areas are located in District A. Descriptions of these areas can be found in the Municipal Code, Sections 9.10.1500 and 9.10.1510 located in the appendices of the RFP.
b) Data on the number of service units in these areas is not available.
c) Any SFD service unit in these areas receives SFD solid waste service in accordance with the terms and conditions of the agreement. The type of service provided in these areas is not fundamentally different than any other area of the City (largely automated cart collection, with manual collection of oil containers and extra recyclables).

6b.2 Q SW Draft Agreement Section 5.04.1 (Page 11) and **Recy. Draft Agreement Section 5.06.1 (Page 17) - *Cart Placement***- The Draft Agreements indicate that carts can be placed within 3 –feet of the curb, etc., however, the current program allows for in-street cart placement in order to facilitate maximum collection efficiency and uninterrupted fully automated collection to the greatest extent possible. We would request that the City modify these sections accordingly to allow contractor to instruct residents to place carts in the street, with wheels against the curb. It is important that the Agreement reflect this point in order to provide the contractor with the necessary assurances that the City is agreeable to continuing this practice.

A There will be no modification to these sections. They are intended to provide flexibility for collection in areas of the City where placement against the curb is either impractical or unsafe. Contractors will be required to collect all carts that meet the specifications of Section 5.04.1 of the SFD Solid Waste Services Agreement and Section 5.06.1 of the SFD Recycling Services Agreement. However, through its public education program, the City consistently encourages service recipients to place their carts for collection with wheels against the curb.

6b.3 Q **SW Draft Agreement Sections 5.04.6 and 5.04.8 (Page 13), Recy. Draft Agreement Sections 5.06.7 and 5.06.9 (Pages 19-20), and RFP Section 8 (Forms A-2 and A-3) (Pages 8-4 & 8-5)- *Replacement and Exchange of Garbage Carts***- The above-referenced sections of each Draft Agreement allow for the contractor to be compensated for cart "replacements" or "exchanges" in excess of one per year per Service Recipient, however, Forms A-2 and A-3 have a line item only for Cart Exchanges in excess of 1 per year. Since the rate for a cart replacement may be different than a rate for a cart exchange, will the City be adding another line item to Forms A-2 and A-3 for "Cart Replacements in Excess of Once per Year"?

A No, an additional line will not be added to Forms A-2 and A-3. For applicable cart replacements and applicable cart exchanges, the contractor is compensated at the same "Cart Replacements in Excess of Once per Year" service rate included in Exhibit 1 of the agreements.

6b.4 Q **SW Draft Agreement Section 5.04.6 (Page 13) and Recy. Draft Agreement Section 5.06.7 (Page 19) - *Replacement of Garbage Carts***- The last sentence of the 3rd paragraph of these sections indicate that "this provision is intended to be applied on a per Service Recipient basis, not a per Service Unit basis." Based on the definitions of Service Recipient and Service Unit as set forth in Article 1, we fail to see the difference between the two as it relates to the application of Sections 5.04.6 and 5.06.7. Please indicate why there is a distinction between the two, by way of an example.

A A "service recipient" is the "person" receiving service; the "service unit" is the "location" (usually a house) where the service is performed. Each service recipient is entitled to one replacement (at no cost to the service recipient or the City) during the term of the agreement. Regardless of how many different locations the service recipient may live in during the term of the agreement, they may only receive one replacement at no cost (to the service recipient or the City) during the term of the agreement. Replacements in excess of once per agreement term are compensated at the "Exchanges in Excess of Once per Year" service rate set forth in Exhibit 1 of the agreements.
*Example:* Mr. Mendez, who lives on Cherry Lane, reports his first stolen cart during the agreement term. Two years later, he moves to Elm Street and reports another stolen cart. The contractor is not compensated for the Mr. Mendez' first replacement on Cherry Lane, but is compensated for his second replacement (now living on Elm Street). Mr. Jones moves into the same service location on Cherry Lane after Mr. Mendez moves out. Mr. Jones reports his first stolen cart during the term of the agreement. Even though it is the second replacement at the Cherry Lane address (the "service unit"), the contractor is not compensated because it is the first replacement for Mr. Jones (the "service recipient").

6b.5 Q **SW Draft Agreement Sections 5.04.6 & 5.04.8 (Page 13), Recy. Draft Agreement Sections 5.06.7 & 5.06.9 (Page 19-20), and RFP Section 2.3.3- Tables 2-2 & 2-4 (Pages 2-3 to 2-5)- *Replacement and Exchange of Garbage Carts***- Tables 2-2 and 2-4 of RFP Section 2.3.3 identify the number of cart replacements and exchanges that occurred in the prior year in each Service District. Does the City have any record as to how many of these were chargeable to the Service Recipients?

A There are no records of chargeable cart replacements at this time. The Consolidated Utility Billing System, scheduled to "go-live" in July 2006, will have the capability to track these charges accurately.

6b.6 Q **Recy. Draft Agreement Section 5.06.1- *SFD Recycling Overages*- Page 17**- Section 5.06.1 allows for occasional overages of recyclables, including corrugated cardboard. Based on the language in this section, it appears that the set-out requirements for recyclable materials overages (other than the OCC) would facilitate the driver being able to deposit the overages into a recycling cart (after it is emptied), for a second lift into the truck body hopper. However, there does not appear to be any language in this section that would enable the same collection process as it relates to OCC. As such, we would recommend adding another sentence at the end of this section clarifying that the OCC placed next to the cart must be broken down by the Service Recipient to the point that it can be deposited into the Recycling Cart. Questions: (a) would the recommended language addition in the preceding sentence be acceptable to the City?, and (b) can the City provide some statistics or estimates as to how many service recipients, on average, set out recyclables overages in a given week (i.e. percentage set-out rate, etc.)?

A (a) No, the recommended language will not be added to Section 5.06.1 of the SFD Recycling Services Agreement. The City provides on-going outreach to residents encouraging them to place OCC in carts whenever possible, or to break-down OCC into 4-foot by 4-foot sections.
(b) The requested information is not available.

6b.7 Q **Recy. Draft Agreement Sections 5.06.3.1 and 5.05.2.1- *Non-Subscription On-Premises Service* - Pages 15 & 18-** Agreement is supposed to mirror the similar provision contained in Section 5.04.2.1 of the SFD Solid Waste Services Draft Agreement (i.e., disability qualification), however, please confirm or clarify.

A Sections 5.06.3.1 and 5.05.2.1 of the SFD Recycling Services Agreement will be modified to more closely mirror the similar provisions in the SFD Solid Waste Services Agreement. This change will be issued as an addendum.

6b.8 Q **SW Draft Agreement Section 7.01.1 (Page 18) and Recy. Draft Agreement Section 7.01.1 (Page 24) - *Equipment Specifications***- Please indicate which areas of the City (within Service Districts A and C) are not conducive to fully automated collection, and what type of collection application is employed in these areas (i.e., semi-automated, manual, etc.). In doing so, please provide an estimate as to the number of SFD Service Units in each of these areas.

A There are two separate locations in District C (with a combined total of 11 SFD service units) with manual collection (via a supervisor's pick-up truck). District A has routes serviced by split-bodied, semi-automated collection vehicles (Load-All). The number of service units currently collected in District A by a Load-All is 3,643. Routes serviced by a Load-All are shown in the document "District A Semi-Auto Collection Routes", included in Addendum 7.

6b.9 Q **SW Draft Agreement Section 7.01.2 (Page 18) and Recy. Draft Agreement Section 7.01.2 (Page 24) - *Clean Air Vehicles***- Do the City's current contractors utilize Alternative Fuel Vehicles? Section 7.01.2 of the Draft Agreements does not appear to mandate the use of Alternative Fuel Vehicles, and allows the contractor to utilize vehicles that run on diesel fuel as long as the contractor is compliant with all applicable federal and state laws and regulations, etc. Please confirm.

A The current haulers utilize alternative fuels (Biodiesel and Puranox) in their vehicles, however the vehicles themselves are not considered alternative fuel vehicles. The 2006 Recycle Plus RFP does not have an alternative fuel requirement. The Contractor is required to ensure its fleet meets all applicable federal, state, and local laws and regulations, including, but not limited to, fuel and emissions standards.

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Services for each cart size. In the case of Garbage collection, the total Service Recipient count is 90,074 and 66,497 for Districts A and C, respectively. Is it safe to assume that these figures also represent the number of Service Units that the contractor is being compensated for? If not, please clarify.

A Yes, the counts in Table 2-2 represent the number of service units that the contractor is compensated for. However, these numbers will change as service units are added or deleted, and when service levels change.

6b.11 Q If the MRF was in Hollister, would the prevailing wages be those of Hollister or San Jose?

A Regardless of where the MRF is located, Contractor or any subcontractor will be obligated to pay not less than the prevailing wage as indicated in Exhibit 12 "Wage Policy" of the agreements.

6b.12 Q The RFP says that at the end of the contract the carts belong to the city of San Jose. What about the carts currently being used, will the current hauler pick them up and the new hauler will distribute new ones, or do the city own those carts as well and will they stay at the residents home and be used until they need to be replaced?

A As of July 1, 2007, the new contractors will take ownership of carts in the possession of a service unit. The current haulers will not pick them up. These carts will remain at service units, where they will be used until they need to be replaced.

6b.13 Q **SW Draft Agreement Section 18.01 (Page 37) and Recy. Draft Agreement Section 20.01 (Page 48) - *Indemnification*-** The above-referenced sections of each Draft Agreement contain general indemnification provisions, however, in addition to the Contractor's requirement to indemnify and defend the City with counsel selected by Contractor, Sections 18.01 and 20.01 also allow the City to secure its own attorneys and requires the Contractor to reimburse the City for such legal fees and expenses. In terms of the latter point, the Contractor should not be liable for any defense costs the City chooses to incur on its own, since we have no control over such decisions. As such, we would suggest deleting the language at the end of the 3rd sentence of Sections 18.01 and 20.01 that begins with *"…, or the City, at the City's option…"*, through the rest of the sentence.

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The Office of Equality Assurance Wage Determination will become the wage rates required should there be no collective bargaining agreement(s) between the contractor(s) and a recognized union(s). If there are collective bargaining agreements between a contractor(s) and a recognized union(s), the wages paid under the collective bargaining agreement(s) will become the prevailing wage rates**.**

**Section 7 YT and RSS Services Agreement**

No questions were received.

**Section 8 Proposal Forms**

8.1 Q **RFP Section 8- Proposal Form B-** ***Exceptions to Agreement*****- Page 8-13-** Similar to Item (16), above, Form B (on page 8-13) also makes reference to the inclusion of exceptions, but this form seems to be independent of RFP Section 4.4.7. We are confused as to where to include our exceptions---in an attachment to Form B or in accordance with the outline in Section 4.4.?. It would certainly be easier to include them in Technical Proposal Section 7, as would be the case in following the format in RFP Section 4.4. Please clarify. Also, similar to the points raised in Item (16), above, the first and fourth paragraphs of Form B implies that our Cost Proposal should be reflective of the RFP specifications without consideration of any exceptions, and that our exceptions are to be quantified separately. We view our submission as a proposal, not a bid, and for the same reasons as stated in Item (16), there may be exceptions that we take that are plain and simply an integral part of our proposal whether or not such exceptions have a quantifiable cost impact. While the City clearly does not have to accept our exceptions, the proposer, likewise should not be bound to specifications (and contract terms) that it took exception to. The parties can always negotiate these exceptions and, if we cannot reach mutually satisfactory terms, the proposal will, by definition, be withdrawn. We respectfully request that the City modify Form B accordingly, or indicate that the proposer can do so by way of a footnote to the form if necessary.

A (a) Exceptions to the proposed agreement(s) should be included as part of Form B. Each page of the exceptions is to be titled "Form B Exceptions to Agreement" and attached to Form B.
(b) If an exception would not have a quantifiable cost impact, the Proposer should state that in Form B.
(c) A Proposer may indicate on Form B that the Proposer's response to the RFP is conditioned on reaching a mutually satisfactory resolution of terms to which exception is taken.

8.2 Q **RFP Section 8-** ***Proposal Forms*****-** Please indicate when we can expect to receive the Section 8 forms in an electronic format. While we understand that Forms A –1 and B through I will likely be in Word format, it would be helpful if Forms A-2 through A-7 were also available in an Excel format. Also, where there is overlap between the information requested in the Section 8 Proposal Forms and the Section 4.4 narrative requirements, may we cross-reference between the two, as opposed to reiterating the same information in both places?

A Forms will only be provided in PDF Format**.**

8.3 Q **RFP Section 8- Proposal Forms C through H (Pages 8-14 to 8-21)-** Certain line item inputs on Forms C through H require detailed narrative that may require additional pages (i.e., Item 16 of Form F, etc.). Rather than including the narrative description in (and behind) the forms, would it be acceptable to refer the reader to the relevant section of our proposal by inserting" See Section xxx of the Proposal for the above information" ?

A Format and information required for responses remain as requested for in the RFP. No changes are approved.

8.4 Q On the forms that must be turned in with the bid packages, there is one the we have to tell you about the trucks we will use, at this time we have not purchased the trucks and only open winning the bid will we purchase them, so what do we do with this form for now?

A Proposer needs to list in detail all trucks that will be used in the performance of this Agreement. If Proposer currently does not own these vehicles and will procure when awarded the contract(s), proposer then must list equipment that would be purchased to fulfill performance requirements. Finally, equipment that is listed cannot later be substituted unless the City has provided specific approval.

**Section 9 Appendices**

No questions were received.

**Other Questions**

01 Q Is there a solid waste characterization study available?

A No, the City has not completed a solid waste characterization study. A study is under consideration, however results will not be available until later in the Fall.

02 Q CNG Addendum: Is the City open to using other fuels instead of CNG?

A The City would specifically like to see an alternative using CNG or LNG fuel vehicles. Details of the RFI for fuel options are included in Addendum 6. Otherwise, proposers may include any other alternative fuels as part of their base proposal.

03 Q Please confirm the times for 24 hour phone service:

A As outlined in Section 3 of the RFP, Table 3.1 A, Customer Service, the contractor must staff phones from 8am to 6pm Monday through Friday, and on Saturday after a recognized holiday. Outside of those hours, the contractor must provide a phone machine or service to capture any calls that come in.

04 Q Do you have call volume data by district? Do you have transition call numbers?

A The call volumes are not maintained by district, but the current contractor servicing Districts A and C for garbage and recycling and yard trimmings and street sweeping for District C handles an average of 145 calls per day at this point. These daily averages were a bit higher in the early part of the contract, as follows:

| Year | Average Daily Calls |
|---|---|
| 2002 | 191 |
| 2003 | 194 |
| 2004 | 207 |
| 2005 | 180 |
| 2006 | 145 |

Because there will be few changes during the transition in 2007, we do not anticipate the increase in calls to the City call center as we saw in 2002, when carts were being delivered, service days were changing, and there were major changes to the program.

05 Q Today (at the pre-proposal conference) a question was asked on how many calls come into the CSRs in one day, the manager answered 600-1000. Out of that number, how many calls are for recycling, solid waste and yard trimmings?

A The City of San Jose customer service staff handles an average of 600-1000 calls per day. This does not include residents who use the call router to get transferred directly to a contractor about a

service question. While the call data is not tracked by service type, a special survey was done in June of 2005 to look at the types of work orders generated by Customer service representatives from the City as well as the contractors. During June, there were 5,277 work orders entered for SFD garbage, 5778 for SFD recycling, 1003 for yard trimmings, and 220 for street sweeping, Citywide.

**All other Terms and Conditions of the Request for Proposal remain the same.**