

**Form 2 Rate Proposal**  
**Monthly Rates Unless Otherwise Specified**

	<b>RFP ADDENDUM #1 - REVISED 081718</b>	<b>Service Level Count</b>	<b>Pounds Per Unit</b>	<b>Disposal Fee</b>	<b>Collection Fee</b>	<b>Total Service Fee</b>
	<b>Service Level</b>					
<b>Monthly</b>	One 32 gallon Garbage Cart					\$ -
<b>Weekly</b>	One 19/20-gallon Garbage Cart	1279				\$ -
<b>Residential</b>	1 32/35-gallon Garbage Cart	2826				\$ -
<b>Curbside</b>	1 60/64-gallon Garbage Cart	1725				\$ -
<b>Service</b>	1 90/96-gallon Garbage Cart	856				\$ -
	Additional 32 Gallon Cans (weekly svc)					\$ -
<b>Total Garbage</b>	Extras (32 gallon equivalent)	76				\$ 4.00
<b>Customers:</b>	<b>Miscellaneous Fees:</b>					
<b>6686</b>	Recycling Only (no garbage service)					
	Compostables Only (no garbage service)					
	Extra Compostables (32 gallon bag/bundle/can)	5				\$ 3.00
	Second 96-Gallon Compostables Cart (rental only)	9				\$ 1.50
	Additional 96-Gallon Compostables Cart (for excess above limit)					\$ 6.00
	Sunken Can Surcharge	7				
	Return Trip	19				\$ 6.00
	Roll-out Charge, per 25 ft, per cart, per time	19				\$ 3.00
	Drive-in Charge, per month	215				\$ 6.00
	Overweight/Oversize container (per p/u)					\$ 3.00
	Redelivery of one or more containers					\$ 10.00
	Cart Cleaning (per cart per cleaning)					\$ 10.00
<b>On-Call</b>	Non-CFC Containing Large Appliances ("white goods"), per item					\$ 20.00
<b>Bulky</b>	Refrigerators/Freezers/Air Conditioners per item					\$ 30.00
<b>Waste</b>	Sofas, Chairs, per item	1				\$ 20.00
<b>Collection</b>	Mattresses, Boxsprings, per item	1				\$ 20.00
<b>Weekly</b>	One 20-gallon Garbage Cart					\$ -
<b>Commercial</b>	1 32/35-gallon Garbage Cart					\$ -
<b>/MF Can and</b>	1 45-gallon Garbage Cart					\$ -
<b>Cart</b>	1 60/64-gallon Garbage Cart	1				\$ -
	1 90/96-gallon Garbage Cart(23)	93				\$ -
<b>NOTE:</b>	Extras (32-gallon equivalent)	21				\$ 4.00
<b>Column C is</b>	Extras (64-gallon equivalent)					\$ -
<b>total MF</b>	Extras (96-gallon equivalent)					\$ -
<b>and comm</b>	<b>Ancillary Fees:</b>					
<b>containers.</b>	Weekly 35-gal Cart Yard Debris/Foodwaste service					
<b>Number in</b>	Weekly 64-gal Cart Yard Debris/Foodwaste service					
<b>column B in</b>	Weekly 96-gal Cart Yard Debris/Foodwaste service	57				
<b>(red) is the</b>	Return Trip	1				\$ 6.00
<b>portion that</b>	Roll-out Charge, per addtn'l 25 ft, per cart, per p/u					\$ 1.50
<b>are MF</b>	Redelivery of containers					\$ 10.00
	Cart Cleaning (per cart per cleaning)					\$ 10.00
<b>Weekly</b>	1 Cubic Yard Container					\$ -
<b>Commercial/</b>	1.5 Cubic Yard Container					\$ -
<b>/MF Detachabl</b>	2 Cubic Yard Container (1)	6				\$ -
<b>Container</b>	3 Cubic Yard Container					\$ -
<b>(compacted)</b>	4 Cubic Yard Container					\$ -
	6 Cubic Yard Container					\$ -
<b>Commercial</b>	1 Cubic Yard, 1 pickup/week(1)	2				\$ -
<b>Detachable</b>	1 Cubic Yard, 2 pickups/week(6)	8				\$ -
<b>Container</b>	1 Cubic Yard, 3 pickups/week					\$ -
<b>(loose)</b>	1 Cubic Yard, 4 pickups/week					\$ -
	1 Cubic Yard, 5 pickups/week					\$ -
	1.25 Cubic Yard, 1 pickup/week(4)	10				\$ -
	1.25 Cubic Yard, 2 pickups/week(1)	1				\$ -
	1.25 Cubic Yard, 3 pickups/week					\$ -

**Form 2 Rate Proposal**  
**Monthly Rates Unless Otherwise Specified**

1.25 Cubic Yard, 4 pickups/week					\$ -	
1.25 Cubic Yard, 5 pickups/week					\$ -	
2 Cubic Yard, 1 pickups/week(9)	28				\$ -	
2 Cubic Yard, 2 pickups/week(3)	6				\$ -	
2 Cubic Yard, 3 pickups/week					\$ -	
2 Cubic Yard, 4 pickups/week					\$ -	
2 Cubic Yard, 5 pickups/week					\$ -	
3 Cubic Yard, 1 pickup/week(3)	12				\$ -	
3 Cubic Yard, 2 pickups/week(6)	7				\$ -	
3 Cubic Yard, 3 pickups/week(2)	3				\$ -	
3 Cubic Yard, 4 pickups/week					\$ -	
3 Cubic Yard, 6 pickups/week	1				\$ -	
4 Cubic Yard, 1 pickup/week(5)	16				\$ -	
4 Cubic Yard, 2 pickups/week(6)	8				\$ -	
4 Cubic Yard, 3 pickups/week	2				\$ -	
4 Cubic Yard, 4 pickups/week	1				\$ -	
4 Cubic Yard, 6 pickups/week	1				\$ -	
6 Cubic Yard, 1 pickup/week	8				\$ -	
6 Cubic Yard, 2 pickups/week	4				\$ -	
6 Cubic Yard, 3 pickups/week	2				\$ -	
6 Cubic Yard, 4 pickups/week					\$ -	
6 Cubic Yard, 5 pickups/week					\$ -	
8 Cubic Yard, 1 pickup/week	4				\$ -	
8 Cubic Yard, 2 pickups/week(1)	2				\$ -	
8 Cubic Yard, 3 pickups/week	1				\$ -	
8 Cubic Yard, 4 pickups/week					\$ -	
8 Cubic Yard, 5 pickups/week					\$ -	
Extra loose cubic yard in container, per pickup(17)	27				\$ 10.00	
Extra loose cubic yard on ground, per pickup					\$ 20.00	
<b>Detachable Container Ancillary Fees (per occurrence):</b>						
Stand-by Time (per minute)					\$ 1.60	
Container Cleaning (per yard of container size)					\$ 10.00	
Redelivery of Containers					\$ 20.00	
Return Trip					\$ 10.00	
		<b>Daily Rent</b>	<b>Monthly Rent</b>	<b>Delivery Charge</b>	<b>Haul Charge</b>	
<b>Service Level (based on pick ups)</b>						
<b>Commercial Drop-box Collection</b>	Non-compacted 12 cubic yard Drop-box (1boxes)	3				
	Non-compacted 15 cubic yard Drop-box (0 boxes)					
	Non-compacted 20 cubic yard Drop-box (2 boxes)	4				
	Non-compacted 25 cubic yard Drop-box (2 boxes)	16				
	Non-compacted 30 cubic yard Drop-box (0 boxes)					
	Non-compacted 40 cubic yard Drop-box (6 boxes)					
	Compacted 10 cubic yard Drop-box (1 boxes)	2				
	Compacted 15 cubic yard Drop-box (1 boxes)	11				
	Compacted 20 cubic yard Drop-box (1 boxes)	2				
	Compacted 25 cubic yard Drop-box (2boxes)(1)	8				
	Compacted 30 cubic yard Drop-box (3 boxes)(1)	10				
	<b>Drop-box Ancillary Fees</b>					<b>Per Event</b>
	Return Trip					\$ 25.00
	Stand-by Time (per minute)					\$ 1.60
Container cleaning (per yard of container size)					\$ 10.00	
Drop-box directed to other facility (per one-way mile)					\$ 3.75	
<b>Multifamily Recycling</b>	Surcharge per cubic yard of MF garbage collected	1372			\$ -	
			<b>Pounds Per Unit</b>	<b>Disposal Fee</b>	<b>Collection Fee</b>	<b>Haul Charge</b>
<b>Service Level</b>						

**Form 2 Rate Proposal**  
**Monthly Rates Unless Otherwise Specified**

<b>Temporary Collection Hauling</b>	2 Yard detachable Container					
	4 Yard detachable container					
	6 Yard detachable container	1				
	8 Yard detachable container					
	Non-compacted 10 cubic yard Drop-box					
	Non-compacted 20 cubic yard Drop-box	1				
	Non-compacted 25 cubic yard Drop-box					
	Non-compacted 30 cubic yard Drop-box	1				
	<b>Service Level</b>			<b>Delivery Fee</b>	<b>Daily Rental</b>	<b>Monthly Rental</b>
<b>Temporary Collection Container Rental and Delivery</b>	2 Yard detachable container					
	4 Yard detachable container					
	6 Yard detachable container	1				
	8 Yard detachable container					
	Non-compacted 10 cubic yard Drop-box					
	Non-compacted 20 cubic yard Drop-box	1				
	Non-compacted 30 cubic yard Drop-box					
<b>Event Services</b>						<b>Per Day</b>
	Delivery, provision, collection of a set of 3 carts (G, R & C)					\$ -
<b>Hourly Rates</b>	<b>Service</b>					<b>Per Hour</b>
	Rear/Side-load packer + driver					\$ -
	Front-load packer + driver					\$ -
	Drop-box Truck + driver					\$ -
	Additional Labor (per person)					\$ -
<b>Commodity Value</b>	Projected Commodity Value per instructions in Addendum	4500				\$ -

**Proposal Alternatives**

(1) Weekly Single-Family Recyclables Collection		Per month increase in garbage rate per SF customer
(2) Mandatory Collection		Per mo increase or decrease in garbage rate per Custor
(3) Spring Clean-up Scenario A on-call		Per month increase in garbage rate per SF customer
(4) Spring Clean-up Scenario B event		Per month increase in garbage rate per SF customer
(5) Spring Clean-up Scenario C drop-off		Per month increase in garbage rate per SF customer
(6) Relaxed Collection Vehicle Standard		Annual increase or decrease to revenue requirement
(7) Relaxed Cart Standard		Annual increase or decrease to revenue requirement
(8) Embedded Commercial Recycling		Per month increase per cubic yard of garbage collected
(9) Alternative Service Fee Escalation Component - WST		Annual increase or decrease to revenue requirement
(10) Alternative Service Fee Escalation Component - 3.5%		Annual increase or decrease to revenue requirement

**City of Mercer Island**  
**Solid Waste Collection RFP Addendum #1**  
**August 17, 2018**

Please remember to acknowledge receipt of this Addendum on the appropriate place on your **Form 5**, Certification.

**Notices:**

1. An additional question period will be allowed if any clarifications are needed for this Addendum. Proponent questions may be submitted through **4:00 p.m. on August 24, 2018**. The City will use its best efforts provide an additional addendum in a timely manner.
2. **Attachment A** contains a list of questions received in response to the RFP, along with responses.
3. **Attachment B** contains a list of City facilities, including the current level of garbage and recycling services.
4. **Attachment C** is a replacement Form 2 with minor corrections. Please ensure that you use the correct Form 2 (dated 081718) with your proposal.
5. **Attachment D** addresses the revised recycling commodity adjustment mechanism.
6. **Attachment E** contains the minimum list of recyclable materials to be accepted in the residential and commercial recycling programs. Proponents are encouraged to add materials with existing markets that can be economically collected. The qualitative proposal scoring will consider the scope of a proponent's recycling proposal.

**Attachments:**

- (A): Table of RFP Questions and Answers
- (B): List of Service Levels at City Facilities
- (C): Revised Form 2 dated 081718
- (D): Recycling Commodity Adjustment Mechanism
- (E): Defined Recyclables List

**City of Mercer Island**  
**Solid Waste Collection RFP Addendum #1**  
**August 17, 2018**

Please remember to acknowledge receipt of this Addendum on the appropriate place on your **Form 5**, Certification.

**Notices:**

1. An additional question period will be allowed if any clarifications are needed for this Addendum. Proponent questions may be submitted through **4:00 p.m. on August 24, 2018**. The City will use its best efforts provide an additional addendum in a timely manner.
2. **Attachment A** contains a list of questions received in response to the RFP, along with responses.
3. **Attachment B** contains a list of City facilities, including the current level of garbage and recycling services.
4. **Attachment C** is a replacement Form 2 with minor corrections. Please ensure that you use the correct Form 2 (dated 081718) with your proposal.
5. **Attachment D** addresses the revised recycling commodity adjustment mechanism.
6. **Attachment E** contains the minimum list of recyclable materials to be accepted in the residential and commercial recycling programs. Proponents are encouraged to add materials with existing markets that can be economically collected. The qualitative proposal scoring will consider the scope of a proponent's recycling proposal.

**Attachments:**

- (A): Table of RFP Questions and Answers
- (B): List of Service Levels at City Facilities
- (C): Revised Form 2 dated 081718
- (D): Recycling Commodity Adjustment Mechanism
- (E): Defined Recyclables List

**RFP ADDENDUM #1 - ATTACHMENT A - CITY OF MERCER ISLAND SOLID WASTE COLLECTION**

**RESPONSE TO RFP QUESTIONS**

**AUGUST 17, 2018**

	Section	Hauler	Question/Comment	Response	Action
1.	RFP SECTION 1.1	RCS	RFP Section 1.1 states, "the City shall have a unilateral option for up to two additional extensions of up to one year each." Extensions should be entered into by mutual agreement, especially considering the fact that solid waste contracts are longer term contracts (i.e., ten years). After ten years, there are many factors that impact services or new programs that could be implemented, and a mutual contract extension would be a mechanism to discuss any service modifications and program development. Forecasting a term longer than ten years will increase rates due to the long-term risk.	<p>Contracts can always be amended through mutual agreement at any time during the contract period. The extension is intended as written: a clear option to extend by the City without restriction or requirements to renegotiate the contract.</p> <p>The City has reconsidered the length of the commitment required of the selected contractor and is willing to either revise the contract to include only one extension of up to two years or retain the base contract term of two two-year extension, during contract finalization. Please indicate in your proposal whether you prefer one or two extensions.</p>	None at this time. Number of extensions to be determined at time of contract finalization.
2.	RFP Section 1.2	WM	Please provide the number of customers currently serviced on limited access routes by day and line of business.	As previously indicated, Republic currently uses one (1) LAV for weekly garbage and one (1) LAV truck is currently used for every-other-week collection of compostable/recyclables. A LAV route customer list in MS Excel format is available upon direct request from the City's contract.	None. Proponents may request the route list.
3.	RFP Section 1.2	WM	Please provide the total number of residential customers currently serviced per day.	The service area map previously provided indicates the current weekly collection schedule. Estimated routing/fine tuning of the number of customers per day shall be performed by each proponent as part of developing their proposal.	None.
4.	RFP Section 1.2	WM	Please provide the customer count and service level for multi-family properties with recycle service.	The City does not have this information accessible. Proponents are encouraged to investigate current levels recycling levels at multifamily sites and propose accordingly. The City is interested in innovated approaches to increase multifamily recycling performance above current levels.	None.
5.	RFP Section 1.2	RCS	RFP Section 1.2 states, "Extras are charged for compostables set-outs exceeding 320 gallons." In order to reduce confusion for customers, can the threshold for extras be the same across all material types? Therefore, extras across all material type for single family customers would be for amounts exceeding 96 gallons.	RFP Section 1.2 describes the <u>existing</u> collection system, not the draft contract included with the RFP.	None.
6.	RFP 1.3.2	WM	In reference to the IR Response Table, please provide the release date for the addendum regarding the total number of City residential utility customers to aid our calculations around mandatory collection.	The City has 7,222 residential utility customers.	Number has been provided.

7.	RFP Appendix C- Form 2	WM	Please clarify if the number of drop-box hauls on Form 2 includes recycle and yard waste hauls.	The drop-box hauls on Form 2 reflect only Garbage loads. Drop-box recycling and yard waste hauling is not part of the City's current contract.	None.
8.	RFP Appendix C- Form 2	WM	Please clarify that all compacted drop-boxes are owned by the customer and not the current hauler.	The provision of compactor drop-boxes is outside the scope of this contract. The City does not know the status of each drop-box or the associated leasing terms.	None.
9.	RFP Section 1.3.2	RCS	RFP Section 1.3.2 and Contract Section 5.3.1: We strongly recommend using CPI for Water, Sewer, Trash. This CPI is more closely aligned with market factors impacting the cost for service in the solid waste and recycling industry. Without using CPI for Water, Sewer, Trash, proposers would have to factor uncertainties into the costs upfront. Using an adjustment more reflective of industry costs would reduce those built-in, up-front costs for ratepayers.	RFP Alternative #9 addresses this option.	None.
10.	RFP General	RCS	If a proposer requests a copy of a competitor's proposal in advance of the contract award, would this be a violation of the procurement rules?	All proposals received in response to this RFP are public records as defined in RCW 42.56.010, and they subject to disclosure under the State's Public Records Act (chapter 42.56 RCW). As a result, it is not "a violation of the procurement rules" to request "a copy of a competitor's proposal in advance of the contract award." If such a request is received by the City, the City will fulfill the records request as required under the Public Records Act after the deadline for submitting proposals is expired and all proposals are unsealed (which could be before "the contract award").	None.
11.	RFP General	RCS	Will call center performance be considered in the qualitative criteria?	Yes.	None.
12.	RFP General	Cedar Grove	We would like to retain the language from the current Mercer Island contract:  Pass-through Adjustment. Increases or decreases in the tipping fee charged by King County becoming effective after the date of this agreement shall be passed through to all customers with thirty days advance notice. Increases or decreases in processing fees for yard waste or recyclables shall be passed through to all customers with thirty days advance notice, provided they do not exceed the rate of inflation as calculated by the Consumer Price Index used in subsection b. of this section. If a processing fee increases at a rate greater than the rate of inflation, the contractor must explain the necessity of the increase, and receive written permission from the City prior to increasing customers' rates. The contractor shall make reasonable efforts to ensure that processing facilities are charging	The Contractor is responsible for developing agreements with its subcontractors that reflect the price escalation provisions of the contract. Costs from other or affiliated subcontractors/private companies can not be passed through as with publically-regulated disposal fees.  The City is willing to consider a contract provision that allow the Contractor to petition the City for extraordinary increases, however the City will retain the sole discretion of whether to accept or negotiate any rate revision associated with the request.	None at this time.

			rates that are competitive with comparable facilities in the region.		
13.	RFP General	Cedar Grove	Recycling and Composting are one in the same by nature whether owned by the contractor or a 3 <sup>rd</sup> party, but the City is allowing a market adjustment based on a national index for recycling. If the City is unwilling to view composting in the same light, the simple ask is that the City allow for the processing of compostables to be considered under this contract's change of law so if there are unforeseen issues that impact the ability to process compostables the City will review the situation and potentially provide a price change. We understand this request may come from a 3 <sup>rd</sup> party processor, then through the contractor, but that processor is still responsible for a large portion of Mercer Island waste and the health of the contract long term.	See answer to Question #12	
14.	RFP General	Cedar Grove	<p>What is the difference between the transition plan in Section C.3 and the Implementation Section D? Should these sections be merged?</p> <p>C.3 Transition and Implementation Plan.</p> <p>Describe your proposed transition and implementation plans to ensure an efficient and successful implementation of service provisions as outlined in the Base Contract. Identify the major issues and describe your proposed approach. Discuss customer information, promotion and notification, customer service, customer response, procurement and delivery of vehicles, containers and other equipment, contingency plans and other considerations which will ensure a successful transition and/or implementation of the Services consistent with the start of collection services. Include a timeline which identifies major tasks and key dates in the transition and implementation plan.</p> <p>D. Implementation and Public Information</p> <p>If you would be a new service provider for the City, describe in detail how your Entity would work with the existing contractor to ensure a smooth transfer of information and cart/container exchanges in a timely manner to prior the contract services start date. Identify the individuals involved in this effort, their qualifications and previous experience in transitioning existing collection programs. Describe whether the same person will be serving as part of the management staff throughout the Contract term as serves during the transition/ implementation period.</p>	<p>Section C.3 should address how you would roll-out services under the new contract and transition customers from the current service package to the new service package. This section applies to all proponents, both the incumbent and challengers.</p> <p>Section D is specific to new providers that would need to manage a comprehensive container, routing and billing transition.</p>	None.
15.	RFP General	Cedar Grove	It is clear from the City responses in Appendix D on 7-19-18 that none of the respondents will use the proposed approach to index the cost of commingled recycling; therefore, the City needs to set a cost per ton within the RFP for processing commingled recycling that all proposers will utilize to submit collection rates.	Please see the attached Addendum section regarding recycling.	As described.
16.	RFP General	Cedar Grove	Since Mercer Island actively promotes diversion of compostables, it would be great for solid waste to close the recycling loop by implementing a sustainable purchasing policy to mandate the use of compost from their processor that serves Mercer Island.	This discussion is outside the purview of the RFP process. The City may consider this policy discussion at a future date.	None at this time.



17.	RFP General	RCS	Please provide a list of current addressed serviced by Limited Access Vehicles (LAV).	A list will be e-mailed to any prospective proponent requesting it.	Available upon request.
18.	Contract Section 1	RCS	It is very important to clearly define commonly used terms in the contract to ensure that the contractor and City have matching expectations. Please define "Contamination," "Embedded Service," and "Comingled." This will improve communication and clarity between the City and the Contractor over the term of the agreement. In addition, we recommend using Washington Statute Chapter 82.18 to define Recycled Commodity in the Agreement.	As indicated in the industry review response, there doesn't appear to be a significant benefit to creating these definitions in the contract. However, the City would consider adding appropriate definitions during contract finalization, provided that the definitions do not materially change the contractor's commitment to provide the RFP specified services.  The use of Chapter 82.18 RCW definitions for solid waste taxation (excluding recyclables) are not appropriate for this contract.	No changes at this time.
19.	Contract Section 2	RCS	Section 2 of the Agreement states that contractors will be given 90 days prior notice of a contract extension. Can the City revise this to 12 months prior notice? Many cities in the area have a 12 month notification period for contract extensions, which serves as a reasonable timeframe for adjustments, program changes, or reinvestment of capital.	Although 90 days is admittedly fairly short, it does allow the City and Contractor the maximum time possible to continue end-of-contract negotiations (if pursued) and allow for the City to ensure that services continue to be provided if the negotiations fail.	No changes.
20.	Contract Section 4.1.11	RCS	We agree with the response to item 43 in the Industry Review response table, particularly the statement, "The objective is not to just make materials 'go away,' but to be processed to a level that materials are correctly sorted and send to the correct market and that the contractor perform a reasonable level of due diligence to ensure that those materials are, in fact, recycled."  However, Section 4.1.11 of the Draft Contract could be adjusted to better reflect this sentiment. Please consider our revision below:  <i>The Contractor shall recycle or compost <del>all</del> as much of the collected Source-separated Recyclables and Compostables <del>collected</del> possible, using a reasonable level of due diligence, unless express prior written permission is provided by the City. The Contractor shall use facilities that:</i> <ul style="list-style-type: none"> <li>• <i>Process materials to a high standard to maximize the recovery and recycling of <del>all</del> incoming recyclable and compostable materials;</i></li> <li>• <i>Are operated to minimize <del>cross-contamination</del> improper sorting and baling of materials that would result in otherwise Recyclable materials being misdirected to a market or disposal where they would not be recovered;</i></li> <li>• <i>Are designed and operated to minimize the residual stream of otherwise recoverable materials destined for disposal.</i></li> <li>• <i>Have sufficient preprocess and screening staff and equipment to ensure that otherwise recoverable materials are not cross-contaminated and rendered non-recyclable due to the nature of the processing facility.</i></li> </ul>	The City may consider this or similar language proposed by the Contractor during contract finalization, provided that the overall intent of diligent processing and no disposal of recyclables without City permission is retained in the final contract.	No changes at this time.

			<i>The City and Contractor agree that the Contractor is being compensated to <del>fully</del> recycle or compost those incoming materials to <u>the fullest extent possible under market conditions, given <del>and</del> that maximum cost-effective recovery is a primary objective of the City's collection programs</u></i>		
21.	Contract Section 4.1.11	Cedar Grove	<p>Would the City consider including this language to ensure compostable materials are processed in a responsible manner?</p> <p>4.1.11 Requirement to Recycle and Compost and Quality Assurance</p> <p>The Contractor shall recycle or compost all Source-separated Recyclables and Compostables collected, unless express prior written permission is provided by the City. The Contractor shall use facilities that:</p> <ul style="list-style-type: none"> <li>• Process materials to a high standard to maximize the recovery and recycling of all incoming recyclable and compostable materials;</li> <li>• <b>Meet or exceed Washington state standards for compost facilities for design and construction requirements under WAC 173-350-220;</b></li> <li>• <b>Provide continuous testing of final compost product to make sure that it meets state Compost Quality Standards under WAC 173-350-220;</b></li> </ul>	The contractor may use any facility as long as it is properly permitted by the jurisdictional authorities. The City would prefer to not create an obligation to monitor, regulate, or otherwise enforce compliance of these WACs on subcontracted facilities used by its collection contractor. That is more properly the role of the relevant permitting agencies.	No changes at this time.
22.	Contract Section 4.1.14.5	RCS	We appreciated that the weight limit on bags was revised downward during the Industry Review. However, bag manufacturers typically state that their bags can hold up 40 pounds. Please revise this limit to 40 pounds.	There are numerous bags that have a capacity of 50+ pounds. The City would prefer to not be overly restrictive. If a customer uses bags that are too thin, the contractor can tag them as inappropriate or dangerous. If this is an on-going issue, contractors could include a suggested minimum "mil" standard for bags in their educational materials.	No change.
23.	Contract Section 4.1.19	RCS	Do the labor disruption performance fees listed in items 1 through 4 on Page 20 compound? So, for example, if a labor disruption enters the 14 <sup>th</sup> day, would the fee on that 14 <sup>th</sup> day be \$18,500 (\$1,000 from item 1, + \$2,500 from item 2 + \$5,000 from item 3 + \$10,000 from item 4)? Or would the fee on day 14 be \$10,000?	No. The latter example is correct.	No change at this time.
24.	Contract Section 4.1.19	RCS	The revised \$1,000 fee for failure to comply with the Contractor-prepared Strike Contingency Plan (stated in line 2, Page 21) is adequately covered in the labor disruption performance fees cited in items 1 through 4 on Page 20. We understand that the City intends to enforce this fee "reasonably," as stated in the response to the Industry Review. However, if the goal of the labor disruption performance fees is to "reflect the best estimate of the impacts of the Labor Disruption to Customers and the City," then the \$1,000 Strike Contingency Plan fee remains excessive and redundant.	No. A contractor could have a contingency plan and ignore it if there were not a separate penalty.	No change at this time.
25.	Contract Section	RCS	Section 4.1.23: In the Puget Sound region, it has become industry standard to pay recycling drivers a lower wage. We strongly disagree with this practice, and	This will be a qualitative factor in evaluation proposals.	No change at this time.

	4.1.23		we encourage the City to mandate wage parity between garbage and recycling drivers in this RFP. Given the fact that recycling is an important principle in the City, it seems contradictory that a potential contractor should be allowed to value the work of recycling drivers less by paying them less than their solid waste counterparts.		
26.		RCS	Thank you for providing the number and locations of sunken cans in item 66 of the Industry Review response table. Since sunken cans lower productivity and increase the risk of driver injury, these customers should have a separate rate to reflect this. Please revise the cost sheet to include a separate rate for serving sunken cans.	Line 17 of the Form 2 is a sunken can surcharge. Please propose your suggested surcharge in the appropriate cell.	No change at this time.
27.	Contract Section 4.2.2.1	RCS	Recycling should be listed as a separate line item on customer invoices, in order to help customers understand the value of their recycling service.	The current collection system does not have itemized recycling charges and the City does not intend to change this unless a factual case can be made for a significant reduction in contamination levels.	No change at this time.
28.	Contract Section 4.2.2.1	RCS	The explanation for “engag[ing] in product stewardship and/or waste prevention activities” stated in item 70 of the Industry Review response table could have a major impact on commodity values in the state. If this is expected of the contractor, it is all the more important for the City to consider our recommendation for Recycling Adjustment Proposal.	See the recycling attachment to this addendum.	Changes as indicated.
29.	Contract Section 4.2.2.2 and 4.2.3.2	RCS	Recycling/Compostables Carts shall be delivered by the Contractor to new Single-Family Residence Customers, those Customers requesting replacements, or Customers that had previously rejected their Recycling/Compostables Cart <a href="#">due to reasonable deficiencies</a> , within seven (7) days of the Customer’s initial request.	The intention of this provision is to allow residents to obtain recycling and/or composting carts at no additional charge even if a previous resident at that address had refused them.	No change.
30.	Contract 4.2.5.1	WM	Please consider adjusting multifamily embedded recycling from unlimited to 100% of a customer’s solid waste service level. WM finds that multifamily properties are typically the greatest contamination offenders and unlimited embedded recycling creates the potential for larger contamination issues.	The City hopes to enhance and expand its multifamily recycling program. Limiting recycling volumes to properly participating sites seems counterproductive. The City prefers more active contamination and monitoring activities to solve contamination problems. If those do not work, the City would consider re-evaluating its position.	No change at this time.
31.	Contract Section 4.2.10	WM	In reference to the IR Response Table, please provide the release date for the addendum regarding service levels at City facilities.	See Attachment B to this Addendum.	As provided.
32.		RCS	Item 93 in the Industry Review response table notes that processing fees per ton will not be required in monthly reports. Please clarify that, in the event the contractor requests a rate adjustment due to processing costs, that processing costs per ton would be disclosed at that time.	There will be no rate adjustments due to processing costs.	No change.
33.	Contract Section 5.1.2	RCS	Section: We strongly encourage the city to negotiate a processing agreement with the two available composters. This would provide the City greater control over their compostable processing costs. Doing so will also mitigate rate impacts for the City by lowering the potential for pricing in excessive rate	The City understands the benefit of certainty this would provide to contractors. However, a city the size of Mercer Island is poorly situated to procure and administer additional contracts on behalf of its collection contractor. We hope that the contractors can use	No change.

			increases over the life of the contract term.	their existing “bulk purchasing power” to make suitable arrangements with subcontractors.	
34.	Contract Section 5.3.1	RCS	The cap on CPI adjustments should be removed or raised. Capping CPI adjustments could have a negative impact on the quality of the City’s collection program, should the cost of providing services outpace the rate adjustments. Furthermore, CPI should be based on the Water, Sewer, and Trash CPI, as noted in our question 3, in order to more accurately reflect costs	The City has a number of contracts that have the specified floor and ceiling, and would like to continue this approach. If a proponent would prefer a different range (either with a floor and cap or just straight CPI without a floor and cap), the contract exception process can be used to specific the benefits and costs of that alternative.	
35.	Contract Section 5.3.4	WM	Please provide the release date for the addendum regarding the proposed recycling adjustment language. Does the City plan to allow Proposers the opportunity to comment once the addendum to this section is released?	See attached. There will be an additional round of questions allowed, as detailed on the Addendum cover page.	Attached.
36.	Contract Section 5.4	RCS	Please revise the following: “changes in federal, state, <del>or</del> local, government laws, policies, or regulations that result in a detrimental change in circumstances or a material hardship for the Contractor...”	The proposed change is too broad. It would allow a change due to any law or policy change by any government in the world.	No change.
37.	Contract Section 6.2(4)	RCS	Please revise as follows, based on the response to item 109 of the Industry Review response table:  The Contractor <del>disposes of uncontaminated Recyclables or Compostables causes uncontaminated Recyclables or Compostables to be disposed of in any way</del> , such as in a landfill or incinerated at an incinerator or energy recovery facility, rather than delivering them for processing, without the prior written permission of the City	The proposed change would effectively allow materials to be disposed or burned as long as they were delivered to a processing facility first. That is not the intention of this section.	No change.
38.		RCS	The response to item 117 of the Industry Review response table notes that “One of the objectives [of the Recycling Adjustment Proposal – Index Values] is to find an independently reported reference value to track trends without necessarily accurately reflecting the actual received by the contractor.”  However, we believe that it is necessary to accurately reflect the actual received material by the contractor, and believe it would be extremely beneficial to both the City and the contractor.  We therefore propose that the Recycling Adjustment Proposal be revised to reflect the actual received material by the contractor. To do so, contractors would factor the cost for an independent auditor to annually review the nature of the material received and the processing costs to recycle that material. Based on this audit, the processing rate would be set for the following year in collaboration with the City and the contractor.  The response to item 135 of the Industry Review was concerned that the cost for the audit would be “prohibitive for the City.” Factoring this cost	See attached recycling adjustment mechanism.	As attached.

			<p>into the rates and requiring the contractor to therefore cover the cost of the audit would eliminate this concern.</p> <p>This structure would ensure a transparent partnership occurred between the City and the contractor and would better reflect the actual processing costs for material.</p>		
--	--	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

## ADDENDUM #1 – ATTACHMENT B – CITY OF MERCER ISLAND SOLID WASTE COLLECTION

Facility	Address	Service Levels
Mercer Island City Hall	9611 SE 36th Street	Garbage 2 yd (1x service per week), Recycle 4yd (1x service per week)
Mercer Island Maintenance Facility	9601 SE 36th Street	Garbage 6 yd (3x service per week) Garbage 6yd (1x service per week) Recycle 4yd (3x service per week)
Mercer Island Reservoir Facility	4350 88th Ave SE	Garbage 2 yd (1x service per week)
Luther Burbank Park	2040 84th Ave SE	Garbage 6 yd (2x service per week) Recycle 6 yd (1x service per week)
Aubrey Davis Park	2101 72nd Ave SE	Garbage 6 yd (2x service per week)
Fire Station #91	3030 78th Ave SE	Garbage 2 yd (1x service per week) Recycle 1.25 yd (1x service per week)
Mercer Island Boat Launch	3600 East Mercer Way	Garbage 6 yd (2x service per week seasonal use (April – October)
Island Crest Park	5000 Island Crest Way	Garbage 6 yd (1x service per week)
Mercerdale Park/Mercer Island Thrift Shop Drop-box	7710 SE 34th	Up to 125 drop-box hauls and 155 tons annually. Additional hauls or tonnage shall be at Contract rates
Mercer Island Community & Event Center	8236 SE 24th	Garbage 4yd (3x service per week), Recycle 3 yd (2x service per week), Yardwaste 90 gal (Service EOW)
Fire Station #92	8473 SE 68th	Garbage 2 yd (1x service per week), Recycle 2-90 gal (Service EOW), Yardwaste 90 gal (Service EOW)
South Mercer Playfields	84th Ave SE and SE 78th	Garbage 4 yd (1x service per week)
Downtown receptacles (up to 34 )	34 locations within the downtown zone.	1x service per week (November – March); 2x service per week April - October

## RFP ADDENDUM #1 – ATTACHMENT D – COMMODITY ADJUSTMENT MECHANISM

The City has reviewed proponent feedback and further considered the variety of potential processing arrangements (affiliated companies vs. 3<sup>rd</sup> party MRFs) used by proponents, as well as the City's need to ensure a fair rate evaluation process.

Proponents shall use the following approach to develop their proposed **Form 2** rates:

1. All processing costs shall be included in the proposed customer rates. Processing costs will be escalated over the life of the contract in step with the service component of customer rates, but not otherwise adjusted. (This is consistent with how processing costs are handled locally in existing contracts).
2. Proponents shall project their initial commodity sales value and provide that estimate on the revised **Form 2**. That estimate will be multiplied by the projected recycling tonnage (4,500) to arrive at a value to subtract from the Contractor's total rate revenue. The result will be used for the proposal rate score. For example, if a proponent's total monthly revenue (service counts times proposed customer rate) is \$300,000 and the calculated commodity sales value is \$25,000, then the proponent's rate score will be based on  $\$300,000 - \$25,000 = \$275,000$ . Similarly, if the calculated commodity sales value is  $-\$25,000$ , then the proponent's rate score will be based on  $\$300,000 - (-\$25,000) = \$325,000$ .
3. Do not include commodity revenues in the customer rates proposed on **Form 2**.
4. At contract finalization the City and selected contractor will negotiate:
  - a. An appropriate measure to adjust commodity value. In the case of contractors with WUTC certificates, the measure will be based on the change in WUTC approved commodity rates over time. In the case of contractors with third party processing arrangements, the measure will be based on independent market indices or other similar measure.
  - b. Whether a portion of recycling commodity value will be included in rates or all commodity value will be included as a separate line item.
  - c. Frequency the commodity value will be adjusted.
  - d. How this change in approach will be communicated to customers and successfully implemented.
5. The contractor will be allowed to do an initial adjustment prior to the October 1, 2019 program roll-out to capture the change in market value between the time that proposals are developed and actual market conditions in Fall 2019.

The draft contract will be revised to reflect the above approach at the time the contract is finalized. Since the selected proponent's approach to processing is unknown, the appropriate contract language can not be written at this time in the process.

If any proponent has a proposed alternative to this approach, they may address it as a contract exception in accordance with the RFP instructions.

**Contract Exhibit C: Recyclables List**

Recyclable Item	Curb	Call-in	Handling Instructions	Limitations
<b>Aluminum</b> – All clean aluminum cans, trays, pie tins, and clean food containers	X		Place in recycling Container	
<b>Corrugated Cardboard</b> – All corrugated cardboard boxes	X		All corrugated cardboard boxes placed in or next to recycling Container.	No larger than 3' x 3' in size, larger boxes shall be cut down to size.
<b>Glass Containers</b> – All colored or clear jars and bottles, rinsed, with lids removed	X		Empty, remove lids, and place in recycling Container.	
<b>Paper</b> – All clean mixed paper, colored paper, magazines, phone books, catalogues, advertising supplements	X		Place in recycling Container.	
<b>Plastic Containers</b> – All plastic bottles, jugs, and tubs.	X		Empty, clean, place in recycling Container.	Plastic bottles, jugs, tubs or containers that have hazardous or toxic products, such as motor oil or pesticides are excluded.
<b>Scrap Metal</b> – All ferrous and non-ferrous scrap metal, including lids > 3" free of wood, rubber, and other contaminants	X	X Large Items	Small items: Place in recycling Container or secure (e.g. bundle or box) next to recycling Container. Large items: Call to request pickup at least 24 hours before regular service day.	Small items: Less than 2' x 2' and 35 lbs. Less than 5% non-metal parts. Large items: Larger than 2' x 2'. Call to request pick-up. Single family only
<b>Tin Cans</b> – All clean food and beverage tin cans and tin lids 3" or larger	X		Place in recycling Container.	
<b>Used Cooking Oil</b>	X	X	Seal uncontaminated oil (no large solids) in clean, clear, screw-top plastic jugs. Label jugs with name and address and place next to recycling Cart.	Limit: Three (3) gallons per pick-up and ten (10) gallons per year. Single family only.