

City of Mercer Island
Solid Waste Collection RFP Addendum #2
August 29, 2018

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

Notices:

1. Attachment A contains a list of follow-up questions received in response to Addendum #1, along with responses.

Attachments:

(A): Table of Questions and Answers

RFP ADDENDUM #2 - ATTACHMENT A - CITY OF MERCER ISLAND SOLID WASTE COLLECTION

RESPONSE TO ADDENDUM #1 FOLLOW-UP QUESTIONS

AUGUST 29, 2018

	Section	Hauler	Question/Comment	Response	Action								
1.		Cedar Grove	What is the total revenue of the current contract?	<p>According to Republic’s 2017 annual report:</p> <table border="0"> <tr> <td>Residential</td> <td align="right">\$2,746,287</td> </tr> <tr> <td>Commercial</td> <td align="right">\$845,749</td> </tr> <tr> <td>Industrial- Drop box</td> <td align="right">\$324,547</td> </tr> <tr> <td>Total All Sectors</td> <td align="right">\$3,916,583</td> </tr> </table>	Residential	\$2,746,287	Commercial	\$845,749	Industrial- Drop box	\$324,547	Total All Sectors	\$3,916,583	None.
Residential	\$2,746,287												
Commercial	\$845,749												
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2.		Cedar Grove	Can you provide the revenue by level of service?	<p>We have not calculated monthly or annual revenues by service level and do not have that information. If current revenues by service level are important for your proposal, they may be easily calculated by using the Form 2 service counts and multiplying them by the current rates to determine approximate monthly revenues.</p>	None.								
3.		Cedar Grove	Is there 1 LAV for garbage? Then they split 1 LAV for recycling and organics, so a total of 2 LAV’s?	<p>The LAV service list has been provided to each proponent. Proponents can review the route list to better understand the count and geographic distribution of LAV customers, but current operations of the LAV for garbage collection is unknown. Note that there may be customers on the LAV route that could be collected by a larger truck, but are included on the LAV route to develop overall efficient routing.</p> <p>Proponents are reminded to develop their own analysis of LAV route equipment needs based on their own productivity estimates and the potential interrelation of LAV and standard routes.</p>	None.								
4.		Cedar Grove	Since it is apparent that multi family recycling is a high contamination risk, it would be best to not embed the cost of the recycling into the garbage as we do not want to risk the load of clean recyclables. When a customer knows a service is free, they are more inclined to fill that container first, especially when considering multiple people using shared containers. By artificially claiming a free service, that will reduce creativity and incentivize contaminates in the recycling container. If recycling is not embedded, the contractor will be motivated to work with the multi family unit to ensure the most effective recycling program possible, both on rate and quality of product.	<p>Statement regarding contamination risk is noted. Tenants are unlikely to change their behavior based on itemization on a bill to the property owner/manager. This contract emphasizes education, monitoring, contamination reduction/fees, and removal of service to address contamination issues.</p> <p>This option may be discussed further with the successful proponent during contract finalization. At that point, the successful proponent is welcome to present the results of their analysis that indicate that itemization on multifamily invoices changes tenant behavior and the City may consider changes to billing formats.</p>	None at this time.								

5.	RFP Attachment D, #3, and Form 2	Republic	Does the commodity value projected for October 2019 have any impact to rates we charge to customers? If so, how?	<p>Yes. During contract finalization, the City and Contractor will determine how to best handle future commodity value. The number provided by the proponent on the Form 2 will be used as the baseline recycling revenue assumption at the start of the contract, as adjusted by whatever index or reference point (e.g. WUTC reported revenue) is selected during contract finalization. The proposed Form 2 customer rates may be adjusted to include the baseline revenue assumption, with only increased or decreases shown on customer bills, or some other arrangement.</p> <p>For the purpose of preparing your proposal, note that your proposed baseline value is being competitively evaluated as part of the rate score calculation. The higher the baseline commodity rate, the larger the amount that will be subtracted from your calculated rate revenues. The lower the baseline commodity rate, the lower the amount that will be subtracted from your calculated rate revenues. A negative value will be added to your calculated rate revenues and will increase the amount of your rate proposal.</p>	None
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