



TO: Interested Parties

FROM: Christopher W. Skaggs, Executive Director
Northeast Maryland Waste Disposal Authority

DATE: February 20, 2020

RE: Addendum No. 3 to the Request for Proposals for the Processing & Recycling of Recovered Materials for Carroll County, Maryland and Frederick County, Maryland, issued January 22, 2020

Below are responses to the RFP questions received from interested vendors. Exceptions accepted to date are set forth herein. Additional changes to the draft service agreement will be made based upon information gathered from Proposers.

A revised Cost Proposal Form is attached.

QUESTIONS AND RESPONSES

1. Are bid results from previous RFP available? What is the current rate being charged?

Response:

The current Carroll County contract between the Authority and WM Recycle America is to provide Recovered Material Operations, Transportation, Processing and Recycling. WM proposed (June 2, 2015) an operations fee for single stream material of \$91/ton, a single stream transportation fee of \$20.00/ton, and a WM operations fee for baled cardboard of \$25/ton (collectively, the Service Fees). An inflation index adjusts the Service Fees on an annual basis. There is also a monthly fuel adjustment that adjusts the single stream Transportation Fee up or down based on a threshold fuel price of \$4.00 per gallon. Carroll County receives a blended commodity value market price for single stream material and a market price for cardboard baled at the County's Transfer Station and is adjusted by the applicable Service Fees. There is a \$0 floor for baled cardboard. As of January 2020, Carroll County pays WM \$82.97/ton for the operation of TS, and the transportation and processing of single stream material. The County pays \$0/ton for cardboard received separately from single stream material at the County Transfer Station.

The current Frederick County contract (dated June 26, 2019) is a processing/recycling contract. County receives a revenue share of 70% of the blended commodity market value minus a Processing Fee of \$87.50. As of January 2020, the County pays WM \$71.55/ton (tip fee).

2. Can you please clarify the dollar amount of the performance bond (i.e. 100 percent of annual contract value, fixed rate, etc.)?

Response: *The Performance Bond or Letter of Credit shall be equal to the value of one year of services. This value will be determined based on the product of the final cost proposal of Company and the previous full 12 months of tonnage data for the applicable Member Jurisdictions, as of the date of contract award. For example, if the proposed tip fee (fixed or market) is \$45/ton as of the*

date of contract award and the previous 12 months of tonnage data is 45,000 tons then the performance bond shall be in the amount of \$2,025,000.

3. Would the Authority reconsider adjustment to the transportation and disposal rate for plant residue to enable vendor to provide pricing for each of the 5 possible years of the agreement?

Response: *If Proposer is proposing a market-based proposal, there will be no adjustment to the residue rate within the blended rate calculation. With regards to a standard operating protocol for any heavily contaminated loads (based on visual volumetric basis) delivered to the Processing Facility (or Processing Facilities), see response to Question 9 of Addendum No. 2. Any proposed transfer and disposal rate for rejected tonnage (based on visual volumetric basis) shall be flat for the term of contract (including renewal terms). The Authority does not anticipate there will be a significant rejection of tons due to current residue rate and screening practices at the Member Jurisdictions' respective Transfer Stations.*

4. Would the Authority agree to adjust the delivery hours to the processing facility to match the scale hours of the facility?

Response: *The Proposer shall state its operating scale hours in its proposal including hours for receiving deliveries. The Authority will update the Service Agreement based upon the Processing Facility's proposed Receiving Hours. The Authority encourages Proposers to provide an option to deliver Acceptable Material outside the applicable Processing Facility normal operating scales hours, if needed. In the event of an emergency condition affecting the Authority's transportation contractor(s) access to the Processing Facility or the ability for the Company to process the Recovered Material in an effective and efficient manner, Parties agree to cooperate to ensure timely Service, including modifying receiving hours as needed.*

5. Will the Authority please explain why the revenue share calculation would still require the inclusion of any item that both parties agree to remove from the list of acceptable items?

Response: *The Acceptable Material items list under this RFP is consistent with most Maryland jurisdiction recycling programs. The Cost proposal form provides an option for removing certain items presented in the recovered material list from the Member Jurisdiction(s) "curbside recycling program." If a Member Jurisdiction agrees to remove item(s) from its recycling program, it effectively reduces the volume of the applicable item(s), through active education, within the recovered material list that the Company has to process over time. The applicable item will still be an acceptable item at the Processing Facility and not count against the Member Jurisdiction's residue rate, under a market-based cost proposal. For example, if Glass and Mixed Paper were removed from the curbside recycling program, the items will still have the value per the applicable index outlined in Service Agreement, if proposing under the market-based cost proposal.*

6. Would the Authority agree to adjusting the index for HDPE to the average of the high side price for HDPE Natural and HDPE Colored?

Response: *HDPE Natural and HDPE Colored are currently counted separately under a market-based proposal. The Authority agrees to have all HDPE counted together, assuming the value for HDPE will be the average of the regional high price for Natural HDPE and the regional high price for Colored HDPE.*

7. Are small propane canisters, helium balloon tanks, refrigerant containers, batteries, tires, and pallets considered unacceptable materials?

Response: *Propane canisters, helium balloon tanks, and refrigerant containers will be considered Unacceptable Waste as defined under Service Agreement. Alkaline batteries and wooden pallets would be considered waste or Residue; not Unacceptable Waste as defined under the Service Agreement. Plastic pallet is defined as a rigid plastic and an acceptable item under the Member Jurisdictions' recycling program.*

8. Will the Authority consider adding a provision which provides for the process by which the processor can downgrade inbound loads for unacceptable or non-conforming materials?
Response: See response to Question 9 of Addendum No. 2.
9. Will the Authority provide a list of vendors that have submitted questions to this solicitation?
Response: The Authority will provide a list of vendors that have submitted a proposal upon the Authority's Board approving award of contract.
10. Will the Authority be willing to remove aseptic/gable top milk and juice cartons from their acceptable material list under Schedule 1 to Service Agreement?
Response: See response to Question 5 of Addendum No. 2.
11. Will the Authority be willing to remove plastic containers with resin codes 3 through 7?
Response: See response to Question 5 of Addendum No. 2.
12. Will the Authority be willing to change its terms as defined under Scope of Service 3.3 Contract Term "The Authority will have the sole option to renew the Agreement for up to three 12-month periods to "The Authority and [Company] mutually agree upon the renew of the Agreement for up to three 12-month periods"?
Response: No. See response to Question 6 of Addendum No. 2.
13. Will the Authority consider items not listed under Schedule 1 Acceptable Material list, be placed under the Unacceptable Waste description as defined in definitions of the Service Agreement?
Response: See response to Question 7 above and definition of "Unacceptable Waste" under the Service Agreement.
14. Will the Authority allow the fixed-based cost proposal to be optional for submittal?
Response: See response to Question 2 of Addendum No. 2.
15. What are deemed to be approved pass through costs? (Section 3a(ii) Monthly Payments)
Response: Approved Pass Through Costs means costs approved in writing, in advance of incurring the costs, by the applicable Member Jurisdiction, the Authority, "and the Company."
16. Does only the Authority have ability to terminate this contract with documented cause or both parties have that ability?
Response: Section 6 (b) of the Service Agreement will be revised to provide that both parties have the right to terminate for default. However, as set forth in Section 20. of the Service Agreement, pending resolution of any dispute, the Company is obligated to continue performance of the Service Agreement.
17. Will the Authority allow for a cost associated with an additional sort test?
Response: Sort Tests apply to market-based proposals. If a market-based proposal is proposed per Service Agreement, the sort tests will be performed at the Company's cost and per Schedule 3 of Service Agreement.
18. Does the cost and technical proposal need to be submitted separately?
Response: No. However, the Proposer's cost proposal must be submitted on Form C-1 in Appendix C to the RFP (See attached revised Cost Proposal Form).

19. Will the Authority allow the Company to make a best and final offer if the Company is within competitive range as listed under 6.3 Procurement Method?
Response: *The Authority will follow the Procurement Method provision as stated under 6.3 of the RFP.*
20. Appendix D, Waiver of Damages. This blanket waiver seems to also waive any claims a contractor might have under the agreement (payment for example). Can you please remove "any agreement entered into for services described in the RFP" from this waiver?
Response: *No. Appendix D, Waiver of Damages will not be amended. However, to clarify, the waiver of damages is not a waiver of payment for services for which the Company would be entitled under a resulting agreement from this RFP.*
21. Termination of Contract. Sample Agreement, Section 6, Termination: Can Contractor terminate if Authority (or more specifically, member jurisdiction) is in breach (following notice and an opportunity to cure)? Also, will Contractor have the opportunity to cure any violation before termination?
Response: *See Response to Question 16 above. Each Party will have 30 days within which to cure a breach of contract, after receiving written notice of default from the other Party.*
22. Indemnification. Sample Agreement, Page 9, Section 11: Indemnity should be limited to the extent caused by fault of the Contractor. Can you please add "to the extent" in front of "resulting from" and add "negligent or willful" in front of "act of omission?"
Response: *There will be no changes to Section 11.*
23. Waiver. Sample Agreement, page 12, section 19: Would the Authority make this section mutual?
Response: *Yes. Section 19 will be revised to make the waiver provision mutual.*
24. Changes in Market Conditions. Can we please add "if market conditions develop that limit or inhibit Contractor from selling some or all of the Acceptable Material, Contractor may at its option and upon notice to the Authority (i) redefine Acceptable and Unacceptable Materials, (ii) suspend or discontinue any or all Services, or (iii) dispose of the Acceptable Material (as currently defined) in a landfill and update the pricing to the Authority accordingly. Any such actions, if taken, may be reversed or further changed as market conditions dictate?
Response: *See response to Question 5 above. All items under the Acceptable Material List (Schedule 1 of Service Agreement) shall remain acceptable items at the Processing Facility (or Facilities) for the term of the Service Agreement (including any renewal periods). Per the definition of Recovered Materials, any changes to the Acceptable Material List must be agreed upon by both parties.*
25. Can you please provide the recycle rebate the current contractor provided for the month of December 2019 and January 2020 for Carroll County and Frederick County?
Response: *See Response to Question 1 above.*
26. Please provide the breakdown by commodity type and tonnage.
Response: *See Form C2 of RFP for commodity share percentages of single stream material. Note the source separated cardboard was not included in the November 2019 sort for Carroll County. The January 2020 tonnages for Frederick County and Carroll County were 2,349.81 and 1,508.28, respectively. 99.85 tons of the 1,508.28 Carroll County tons was source separated cardboard. The Carroll County sort only included single stream material delivered to the Transfer Station. Currently the source separated cardboard is mixed with the single stream material.*

27. How many trailer loads of recyclables are generated/day for both counties for the past year?

Response:

Frederick County: (Average number of trailer loads/day for last year)

Monday	7.6
Tuesday	7.69
Wednesday	8.56
Thursday	8.68
Friday	7.4
Saturday	2.05

Carroll County: (average number of outbound trailer loads/day in 2019)

Monday	3.9
Tuesday	4.8
Wednesday	5.5
Thursday	5.6
Friday	4.7
Saturday	3.9

Per the RFP, the Authority makes no representation or guarantee as to the quantity of recyclables delivered under the Service Agreement.

28. Can you provide the weights of the trailer loads of the recyclables for both counties for the past year?

Response:

Frederick County: (Average weight of a trailer load in the last year) 12.47 tons

Carroll County: Average net tons per load was 10.9 tons. Average tons transferred per operating day was 52.7 tons. (Note that source separated cardboard was baled and loaded separately, but is currently now mixed with the single stream and loose loaded into trailers)

29. Can you please provide a breakdown of the recyclables (i.e. 75% residential and 25% commercial) for Frederick County and Carroll County?

Response:

Frederick County: 71.39% residential and 28.61% commercial for last year

Carroll County: For 2019 87% residential and 17% commercial as identified at the inbound scale.

30. Does title to Unacceptable Waste remain with the Authority?

Response: Yes

31. Can the Company propose material delivery specifications?

Response: See response to Question 9 of Addendum No. 2. Company shall not reject Acceptable Materials that are wet due to weather conditions.

32. Can the Authority extend the notice to terminate Service Agreement for convenience from 30 days' to 60 days'?

Response: Yes. The Authority will extend the notice to 60 days'

33. Does the Company have to provide a MRF Outbound tonnage report?

Response: Yes

34. Can the Company propose excess contamination fees for not meeting recovered material specifications?

Response: *The only fee the Company may propose for rejected loads is the proposed Transfer and Disposal Rate for rejected tonnage (See Revised Cost Proposal Form).*

35. Under the market-based proposal will the Authority update the Cardboard and Mixed Paper indices used for computing the MPI to the average of the high and low Northeast region (New York) domestic indices published under Fastmarket RISI PPI Pulp and Paper Week?

Response: *Yes*

36. Under the market-based proposal will the Authority update the indices for aluminum cans, steel cans, PET, Natural HDPE, Colored HDPE, Plastics (3-7), and Glass 3 Mix to the Northeast Regional Average as published in RecyclingMarkets.net, Secondary Materials Pricing?

Response: *Yes. See response to Question 6 as it relates to HDPE.*

37. Can the Agreement be modified if there is a material change in market conditions, including but not limited to lack of commercially reasonable market availability for processed Recovered Material, changes in market specifications affecting the salability of processed Recovered Material, or changes affecting the recyclability or marketability of Recovered Material?

Response: *See Response to Question 24 above.*

Attachment

FCSSR118714JMU.DOCX

(REVISED) FORM C-1

COST PROPOSAL¹

Proposers are required to submit a market-based cost proposal OR a fixed-based cost proposal for accepting all single stream recyclables presented in Schedule 1 to Service Agreement. If a proposer proposes a market-based and a fixed-base proposal, the selection of proposal (market or fixed) will be at the Authority's discretion for each Member Jurisdiction and will be applied for the term of the Service Agreement (including any renewal periods).

Proposers may submit a cost proposal that includes recovered material delivered from one or both Member Jurisdictions. The Proposer shall state the applicable Member Jurisdiction(s) under the applicable options below. If a Proposer proposes for recovered material delivered from both Member Jurisdictions, the Authority will have the option, at its sole discretion, to award the contract for one or both Member Jurisdictions.

I. Market-based Cost Proposal

a) Company accepts all single stream material, presented in Schedule 1 to Service Agreement, delivered from _____ (Insert Carroll County, Frederick County, or Both Member Jurisdictions)

i. Member Jurisdiction(s) Processing Fee¹

_____ \$/ton

ii. Processing Facility Residue Transportation and Disposal Rate²

_____ \$/ton

b) PROPOSAL OPTIONAL - Company accepts source separated cardboard delivered from _____ (Insert Carroll County, Frederick County, or Both Member Jurisdictions)

i. Member Jurisdiction(s) Cardboard Processing Fee³

_____ \$/ton

II. Fixed-based Cost Proposal

a) Company accepts all single stream material presented in Schedule 1 to Service Agreement delivered from _____ (Insert Carroll County, Frederick County, or Both Member Jurisdictions)

i. Member Jurisdiction(s) Tip Fee⁴

_____ \$/ton

b) PROPOSAL OPTIONAL - Company accepts source separated cardboard delivered from _____ (Insert Carroll County, Frederick County, or Both Member Jurisdictions)

i. Member Jurisdiction(s) Cardboard Tip Fee⁵

_____ \$/ton

c) PROPOSAL OPTIONAL - Company accepts source separated glass delivered from _____ (Insert Carroll County, Frederick County, or Both Member Jurisdictions)

i. Member Jurisdiction(s) Glass Tip Fee⁵

_____ \$/ton

III. Reduced Service Fee for removing certain items presented in the recovered material list presented in Schedule 1 to Service Agreement from the Member Jurisdiction(s) curbside recycling program [OPTIONAL]⁶

a) PROPOSAL OPTIONAL – Reduced Market-Based Processing Fee

i. Member Jurisdiction(s) Reduced Processing Fee after removing mixed glass from the Member Jurisdiction(s) curbside recycling program

_____ \$/ton

ii. Member Jurisdiction(s) Reduced Processing Fee after removing [vendor: insert commodity here] _____ from the Member Jurisdiction(s) curbside recycling program

_____ \$/ton

b) PROPOSAL OPTIONAL – Reduced Fixed-Based Tip Fee

- i. Member Jurisdiction(s) Reduced Tip Fee after removing mixed glass from the Member Jurisdiction(s) curbside recycling program

_____ \$/ton

- ii. Member Jurisdictions' Reduced Tip Fee after removing [vendor: insert commodity here]_____ from the Member Jurisdiction(s) curbside recycling program

_____ \$/ton

IV. Proposed Transfer and Disposal Rate for rejected tonnage under any proposed standard operating protocol for heavily contaminated loads (based on visual volumetric basis) delivered to the Processing Facility per response to Question 9 to Addendum No. 2. [OPTIONAL]

Transfer and Disposal Rate for rejected tonnage _____ \$/ton⁷

¹ See Service Agreement, Appendix E, for explanation as to how market-based contract payments will be calculated. The Service Fee for single stream material shall be 75% (Member Jurisdictions revenue share) of the Member Jurisdictions' blended commodity value based on the Member Jurisdictions' commodity compositions (Form E-2 below) and the applicable commodity market indices (defined under Section 2 of Service Agreement) minus the proposed Processing Fee (Item I (a) above). The proposed Processing Fee shall be the same for Carroll County, Maryland and Frederick County, Maryland. The Processing Fee may be adjusted per Section 2 c) of Service Agreement on an annual basis.

² The proposed Processing Facility Residue Transportation and Disposal Rate (under market-based cost proposal only) is the residue rate to be applied to the blended commodity value calculation for the term of Service Agreement (including renewal periods). There will be no annual inflation adjustment to the residue rate.

³ Proposer may propose a separate processing fee for loose cardboard delivered separately from single stream material. The Service Fee for source separated cardboard shall be 75% of the median Northeast region index for OCC (11) minus the proposed Member Jurisdiction Cardboard Processing Fee. The Processing Fee may be adjusted per Section 2 of Service Agreement on an annual basis.

⁴ The Service Fee (or Tip Fee) under the fixed base cost proposal is an annual flat fee rate per ton of single stream recovered material delivered to the processing facility. The Tip Fee may be adjusted on an annual basis per Section 2 of Service Agreement.

⁵ Proposer may propose a separate Tip Fee for loose cardboard and/or glass delivered separately from single stream material. The Tip Fee(s) may be adjusted per Section 2 of Service Agreement on an annual basis. Note that the Proposer may propose a zero or negative tip fee (\$/ton). A negative tip fee would be revenue (credit) to the Member Jurisdiction(s).

⁶ Any item (e.g. glass) that is proposed to be removed from the Member Jurisdiction(s) recycling program will still be an acceptable item at the Company's processing facility and the item will not be considered residue under the market-based cost proposal. The applicable item(s) will have the market value (index) defined under the Service Agreement.

⁷If a Proposer is proposing a market-based proposal, the transfer and disposal rate for rejected tonnage shall be no more than the residue rate proposed (I a) ii above) in the blended commodity calculation for the applicable jurisdiction. There will be no annual inflation adjustment to the transfer and disposal rate for rejected tonnage.