

City Response to Questions Received from Collection Services RFP Eligible Proposers

October 15, 2012

#	Citation	Page #	Line #	Proposer Question	City Response
1	RFP Sec. 1.3	1-3	115	To allow sufficient time to prepare responsive proposals after the City has answered all the questions received by the October 10 deadline, we request that the Proposals due date be adjusted to include a minimum of 10 weeks after all questions have been answered by the City.	Request noted. The City is mindful of the schedule and will consider adjustments when warranted.
2	RFP Sec. 4.4 Form 2B			Is the RR Form 2B applicable to MFD as well as Commercial collection (as currently labeled, it is only for Commercial collection)?	No. Form 2B is for Commercial Non-Exclusive Recycling Collection. Rates for MFD are included in Form 2A.
3				What are the collection hours for commercial service?	Collection hours for commercial services are not specified. However, MM&O Contract section 6.02.2 provides guidance on minimizing adverse impacts of scheduled collection.
4	RFP Sec. 3.2.2	3-12	601	Section 3.2.2, Define "extension" and how the unit price will prevail in case of mistake in extension or addition	An "extension" value represents the unit value multiplied by the number of units. In such cases where the calculated extension amount has been calculated incorrectly, the unit value prevails, and overrides the arithmetic error.
5	RFP Sec. 3.3.3 and Sec. 3.3.4.2	3-28 and 3-29	1182-1186 and 1221-1222	How do the "non-negotiable" exceptions work? Section 3.3.3, Lines 1182-1186, recommends submittal of "non-negotiable" processes during the pre-proposal process, Section 3.3.4.2, Lines 1221-1222 note submittal of "non-negotiable" positions in opposition to the requirements of the RFP as grounds for just cause to disqualify proposal.	Proposers must reveal all exceptions to the RFP, non-negotiable or otherwise, for these exceptions to be considered by the City in proposal evaluation and contract negotiation. The City may elect but is not required to reject proposals containing non-negotiable exceptions. For additional information, please refer to the answer to question #14 in Addendum #4 to the Collection Services RFP.

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6	RFP Sec. 4.1.9.1.2 And RR Contract Article 8	RFP 4-5 RR Contr act 28	RFP 1522- 1525 RR Contr act 1208- 1239	Section 4.1.9.1.2 and RRCSC Article 8. What is intended by requiring diversion from a diverted stream? Is this meant as a reduction in processed residue that is landfilled each year by implementing new processing technologies?	The City intends for the RR Contractor to minimize the collection of non-targeted materials, through public education and innovation, maximize the recovery of Recyclable Materials during Processing, and minimize Recycling Residue.
7	MM&O Contract 6.06.12	20	846- 858	Section 6.06.12 , Ownership of Carts, MMOSC, Pg., 20, What compensation is afforded to Contractor should the City elect to take ownership of carts upon termination of the Contract?	None, since these carts will have already been paid for through the Maximum Service Rates. However, the City may consider an alternative proposal to this provision.
8				What is the number of commercial establishments with a service address?	There are approximately 4,900 commercial garbage accounts. A spreadsheet with commercial account data was provided in Attachment 5 of Addendum 4.
9				How is diversion currently reported? What comprises Oakland's current diversion rate of 66%?	There is no provision in the current franchise agreement to measure the diversion of materials collected under the franchise agreement. The Calculated Disposal Rate (pounds/person/day) in Oakland's AB 939 Annual Report to CalRecycle for 2011 was 4.1; the Target was 5.8. This equates to an unofficial 65% diversion rate, and is based on <u>all</u> Oakland-origin landfill disposal tonnage, including landfill disposal tonnage that was not collected or disposed as part of the franchise agreement. The Diversion Requirements set forth in the MM&O Contract Article 8 apply exclusively to the tonnage collected under the MM&O Contract.

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10				Is the City willing to consider a renaming of the "maximum collection services rate" to the "franchise service rate"?	No.
11	MM&O Contract Sec 7.1			MMOCSC Section 7.1, Is there a limit to the educational material that City is allowed to submit with billing invoice?	The City's education materials should weigh less than the incremental weight that would increase postage for the Contractor's customer invoice, when possible. Please state any such limitations in your proposal.
12	MM&O Contract Sec. 4.03	14	588-596	Section 4.03 requires the Contractor as of 2015, at its own expense for up to six months, to cooperate fully with the City in transitioning to a new Contractor at the expiration of the term of the Contract. Does this include continued collections services in the event the new contractor is not able to begin collection at the start of the new contract?	The MM&O and RR Contractors will not be required to continue Collection services beyond the June 30, 2025 termination date, or subsequent termination dates should the Contracts be extended as provided in Contract Article 3. However, cooperation with transition to the next contractor, per Article 46 of the RR and MM&O Contracts, is required.
13	MM&O Contract Sec. 6.06.12	20	846-858	Section 6.06.12 allows the City to take ownership of carts that have been put into service during the Contract term. What is the mechanism that will be utilized to calculate the value of the carts and their purchase value by the City?	The City may exercise its rights to take ownership; the Contract does not contemplate that the City will purchase the containers. See answer to question 8.
14				If City takes possession of carts for a period of time, how will the Contractor be reimbursed if carts are damaged, missing or unable to be recovered?	There is no contract provision for reimbursement. Contract Section 6.06.12 states that "there shall be no monies owing to CONTRACTOR from CITY for the use of the equipment."
15	RR Contract Sec. 1.05	3	89	Does the Oakland fire code allow for plastic lids on bins?	Yes.

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16	MM&O Contract Sec. 9.03.2 and Sec. 9.03.5	39, 40	1712-1720, 1737-1745	Is it correct that Contractor is required to collect unlimited amounts of Organic Materials from SFD's providing it is properly set out? Can City or Contractor limit the amount to 64 gallons if it can show that the material is coming from outside the customer's premise? This seems to conflict with Section 9.03.5 which provides for additional compensation to the Contractor for collection of more than one organic materials cart from a SFD. If overages must be collected without compensation, why would a customer order an additional container? What mechanism will be utilized for code enforcement regarding organic volume that is deemed to be excessive, such as compared to lot size?	Contractor shall be required to collect Organic Materials per the provisions of 9.03.2, which is the same service provided to Oakland SFD under the current franchise agreement. Contractor shall also be required to provide a rate for a second Organic Materials Cart, for those Customers who choose, for their convenience or other reasons, to subscribe to such service, per Section 9.03.5, which is the same service provided to Oakland SFD under the current franchise agreement. There is no conflict between these separate but complementary services.
17	MM&O Contract Sec. 12.02	49	2157-2164	Section 12.02 states that the City may increase the number of street litter containers by no more than 10 per year. Is this increase cumulative? Also, are City services limited by any referenced exhibit, and if said services are materially increased, will Contractor's compensation be increased?	Yes, the street litter container increase is cumulative, i.e., 10 per year allowance, with unused balance carrying forward to following year. Attachment 3 of Addendum 3 to the Collection Services RFP provided a complete list of City facilities and current service levels. There is no limit in the MM&O contract to increases in these services.
18				Maximum Service Rates can be adjusted downward based on the RRI, but the Franchise Fee cannot. What is the rationale behind this? How did the City arrive at a Franchise Fee requirement of \$25,034,000? What is the factual basis supporting this number? a. How much of the franchise fee will be allocated to the Public Works Department? b. Within the Public Works Department, what is the budgeted amount that will be utilized or allocated for enforcement of franchise agreement and Oakland City Ordinance?	Please see response on line three of Addendum #4 regarding adjustment of Maximum Service Rates and Franchise Fees. Regarding (a) and (b), allocation of Franchise Fees and use of revenues by the Public Works Agency are discussed and decided by City Council in the bi-annual budget process and mid-term budget adjustments.

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19	MM&O Contract Sec. 22.06	70	2876-2885	Section 22.06 requires a \$1.5 million letter of credit to cover any liquidated damages assessed by the City. The Contract also requires a corporate guaranty and \$7 million performance bond. What is the City's justification for also requiring a \$1.5m letter of credit, and has the City considered the rate impact of such additional costs? Is the \$1.5m letter of credit a perpetual amount?	The City intends to preserve the health, safety, and well-being of the public by providing for reliable Collection services, and such remedies as letters of credit, performance bonds, and corporate guaranties serve that intent. The \$1.5 million letter of credit is a perpetual amount.
20	MM&O Contract Sec. 23.02	71	2923-2933	Section 23.02 allows the Contract Manager, in their sole discretion, to modify the program review plan and return to Contractor for implementation. If the modifications result in an increase in service, how is Contractor to be compensated?	MM&O Contract Section 23.02 addresses a program review, and Contractor's plan for such review must meet City approval. This section does not address changes to the scope of services, which is addressed in Article 30.
21	MM&O Contract Sec. 29.02	81	3365-3386	Section 29.02 addresses what the City refers to as a "habitual violator." This provision seems to provide a duplicate and cumulative remedy to the City based on what could be a purely subjective standard. With this language, a Contractor could be deemed a "habitual violator" based on immaterial violations, and regardless of whether it has corrected the violation. Is it the City's intent to preserve the ability to terminate the Contract even if violations of its terms are non-material and have been corrected?	Yes, it is the City's intent to preserve its ability to terminate the Contract.

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22	MM&O Contract Sec. 30.05	84	3521-3526	Section 30.05 allows the City to permit other contractors or companies to perform additional collection services not otherwise contemplated in the Agreement in the event City and Contractor cannot agree on terms and conditions, including compensation adjustments, within 120 days from the date the City first requests a proposal from Contractor. What is to prevent the City from simply not agreeing to a rate so as to allow a third party to perform the services? Would the City consider a neutral authority in setting such rates?	The City retains its rights to optimize value for Oakland businesses and residents in securing needed services. MM&O Contract Section 30.05 provides the Contractor the opportunity to provide the City a competitive cost proposal for services that are not a part of the Contract.
23	RR Contract Sec. 6.12	20	835-847	Section 6.12 states that the Contractor shall not be required to collect Recyclable Materials that are not source separated and suggests that Contractor, if practical, should separate the Mixed Materials that contaminate the Recyclables before collection. Is the City requiring, or expecting, that the Contractor visually inspect each load before collection?	No.
24	MM&O Contract Exhibit 8 Table B	110	4088	How should a proposer report diversion of material from roll-off collection, special events, city facilities and city hauled material? While City hauled material is not "collected" under this contract we believe there is divertible material we could recover and would want to report those tons towards diversion.	Diversion from material collected via roll-off service should be included in the appropriate line of Table B (i.e., the appropriate SFD, MFD, BULKY or COMMERCIAL line). Diversion from material collected from special events and City Facilities may be included in the appropriate "COMMERCIAL" line. Diversion from City-hauled material may be included on Line 10 (CITY-HAULED – Materials Diverted) of MM&O Contract Exhibit 8 Table B, which is amended as an attachment to this Addendum.