

City Response to Questions Received from Collection Services RFP Eligible Proposers

October 26, 2012

| # | Citation | Page # | Line # | Proposer Question | City Response |
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| 1 | MM&O Contract Form 2 | 3-38 | | Under "Commercial Non-Exclusive Recyclable Materials Collection (Form 2H)." it states "Proposers shall provide proposed Maximum Collection Service Rates for Commercial Non-Exclusive Recyclable Materials Collection." Should the maximum price be inclusive of all standard additional charges to clients – e.g. fuel and environmental surcharges on recycling accounts? | Yes. MM&O Contract Section 7.01.1 provides that "The Maximum Collection Service Rates, as set forth in Exhibit 1 and as may be adjusted under the terms of this Contract, shall be the full, entire and complete compensation due to CONTRACTOR for furnishing all labor, materials, equipment, supplies and other things necessary to perform all the services required by this Contract in the manner and at the times prescribed. " The Maximum Collection Service Rate for Commercial Non-exclusive Recyclable Materials collection will be listed in Contract Exhibit 1H. |
| 2 | | | | For Commercial Non-Exclusive Recyclable Materials Collection, are contracts with clients permissible? If so, for how long of duration? | Yes, client contracts for Commercial Non-exclusive Recyclable Materials Collection are permissible. The City will make a determination on the maximum length for such client contracts. Proposed term of such a client contract should be included in proposals. |
| 3 | | | | With regard to the non exclusive commercial recycling permits – do you know when those permits will be issued, and what some of the specific provisions under those permits will be relative to contamination in the recycling? What ramifications there would there be for violating those provisions of those permits? | The details of the new system regulating open market commercial recycling service providers will be developed in 2013-2014, and will become effective no later than July 1, 2015. It is the City's intention that the new system will include provisions to address violations of the requirements under which permitted commercial recycling service providers operate. |

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| 4 | | | What is the number of commercial recycle customers under subscription service agreements? | Approximately 700 businesses currently subscribe, on a month-to-month basis, to franchised Small Business Recycling service, which is limited to weekly, curbside cart service. No other commercial recycling services are provided under the current franchise or recycling contract. City keeps no data on other commercial recycling activities. |
| 5 | | | If the city approves the rates for contractor for non-exclusive commercial services, will it also control the rates for third parties who collect commercial recycles? Will third parties who also collect commercial recyclables also be required to pay a franchise fee? | City will approve <u>Maximum Service Rates</u> for Commercial Non-Exclusive Recycling Collection as part of either the MM&O or Residential Recycling contracts. The selected Contractor may charge rates lower than the maximum to be competitive with the open market service providers. The City does not intend to regulate the rates of open market service providers. However, participants in that newly regulated system will be required to pay permit or franchise fees to the City, while the Contractor selected for Commercial Non-Exclusive Recycling Collection will not be required to pay these fees. |
| 6 | | | <p>4 a. If the City approves the rates for Contractor for non-exclusive commercial services, will it also control rates for third-parties who collect commercial recyclables?</p> <p>b. Will third parties who also collect commercial recyclables also be required to pay a franchise fee?</p> | <p>a. No.</p> <p>b. It is the City's intention to establish a permit or franchise system that would include fees to be paid to the City by commercial recycling collectors. The Commercial Non-Exclusive Recycling franchisee, will be exempt from such fees.</p> |

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| 7 | | | <p>Commercial Non-Exclusive Single Stream Recyclable Materials Collection and Processing: WM is unclear on how commercial recyclables will be collected under the MM&O and RR contracts contemplated by this RFP. Please explain the following, and any other information which would be helpful in understanding the new commercial recyclables system:</p> <p>a. Does the City intend to select just one entity from this RFP process to be the “non-exclusive” provider of commercial single stream recyclable materials collections/processing? Since the selected company would have non-exclusive rights to provide commercial recycling services, what are the benefits to the selected company?</p> <p>b. What other entities will be allowed to provide the commercial recyclables services? How will they be selected/approved by the City? How and upon what criteria will they be monitored by the City? Will they be obligated to provide services at the same rates as the selected non-exclusive provider? Will they be obligated to pay the City a franchise fee? If so, how much?</p> | <p>Please see the Guidance on Commercial Non-Exclusive Recycling Franchise document, attached to this Addendum and added to the Collection Services RFP as Attachment 7, which provides clarification on the Commercial Non-Exclusive Recycling Collection.</p> <p>a. Yes, the City will select either the MM&O Contractor or the RR Contractor to be the provider of Commercial Non-Exclusive Recycling services. The selected Contractor shall be required to provide recycling services to any business that chooses to subscribe to recycling service, at rates that may not exceed the Maximum Rates for Commercial Recycling established in the Contract. Award of the Commercial Non-Exclusive Recycling franchise will not increase or decrease the amount of franchise fees paid to City by Contractor. The intent of the Commercial Non-Exclusive Recycling franchise is to ensure that every Oakland business has access to recycling services.</p> <p>b. Oakland City Council Resolution 83689 C.S.M. adopted the Zero Waste System Design which includes: "A permit system to regulate commercial recycling services to continue operation of the long-established independent recyclers, and allow the City to establish and enforce waste diversion and other performance standards." The City intends to amend its Municipal Code to include requirements for recycling hauling businesses to be permitted commercial recycling</p> |
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| | | | | <p>c. The definitions of “Recyclable Materials” in the MM&O and RR contracts do not address levels of contamination. Will the City impose requirements on commercial recyclables generators with respect to material composition (e.g., less than 10% contamination)? What are the specific Oakland City codes and ordinances that apply to this matter? What is Contractor's remedy for customers that places greater than 10% contamination in containers? Does Contractor have right of self help to remedy higher levels of contamination?</p> | <p>haulers, establish permit or franchise fees, and establish operational and reporting requirements. The amount of the permit or franchise fees has not yet been established. The Contractor awarded the Commercial Non-Exclusive Recycling franchise will be exempt from any fees related to the Commercial Recycling permit system. All other haulers providing commercial recycling hauling services, including the MM&O or RR Contractor that is NOT selected to provide Commercial Non-Exclusive Recycling services (should it opt to provide commercial recycling services as a non-franchised, independent service provider) will be subject to these fees.</p> <p>c. Oakland Municipal Code 8.28.030.B currently provides "Limits on Residual Content" of 10% per load of mixed paper, and 5% per load of commingled recyclables other than mixed paper. The City intends to amend these limits to eliminate the 5% limit on other-than-mixed-paper loads, and establish a 10% limit for all loads. The City intends that the MM&O and RR Contractors use Customer outreach and operational innovation to manage contamination in all of the Source Separated recycling Collection services including SFD and MFD Recyclable Materials, SFD and MFD Organics, Commercial Organics, and Commercial Non-Exclusive Recycling services and Proposers should describe in their proposals how they will address contamination issues. City requests that Proposers provide a recommendation for a remedy for higher levels of contamination, for consideration during negotiations.</p> |
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