



ADDENDUM NO. 1
Issued September 2, 2008

TO

**“REQUEST FOR BIDS
FOR
ONE MOBILE SHREDDER FOR THE MID-CONNECTICUT
WASTE PROCESSING FACILITY”
(RFB Number FY09-OP-001)
(RFB Issued August 18, 2008)**

Note: Bidders are required to acknowledge this and all Addenda in Section 5(a) of the Bid Form.

This Addendum consists of the Connecticut Resources Recovery Authority's (CRRA) addition of a requirement for the successful bidder to provide performance security for the project.

The following new Section 8, "Security for Faithful Performance," and a new Exhibit E, "Performance Bond Form and Performance Letter Of Credit Form," are added to the Agreement. All other section and exhibit numbers in the Agreement and elsewhere in the RFB Package Documents are hereby modified as necessary to reflect the new section and the new exhibit in the Agreement.

8. SECURITY FOR FAITHFUL PERFORMANCE

8.1 Required Security

Contractor shall procure and maintain in full force and effect, at its own cost and expense, throughout the term of this Agreement and any extension thereof, a performance bond or letter of credit (the "Performance Bond" or the "Performance Letter Of Credit") in the full amount of the Contract Price and such Performance Bond or Performance Letter Of Credit shall be in and drawn on the forms set forth in Exhibit E attached hereto and made a part hereof.

8.2 Submission Of Security

Within ten (10) days after CRRA issues the Notice of Award, Contractor shall furnish CRRA with the Performance Bond or the Performance Letter Of Credit.

8.3 Specific Requirements – Performance Bond

If the surety on the Performance Bond furnished by Contractor is declared a bankrupt or becomes insolvent or its right to do business is terminated in the State of Connecticut or it ceases to meet the above requirements or the surety elects not to renew the Performance Bond due to no fault of Contractor, Contractor shall immediately substitute another bond and surety, subject to the requirements set forth in this Article 8.

8.4 Specific Requirements – Performance Letter Of Credit

The Performance Letter Of Credit required hereunder shall be automatically renewed by Contractor on an annual basis, unless not later than ninety (90) days prior to the then current expiration date of the Performance Letter Of Credit, Contractor notifies CRRA by registered mail that the issuer of the Performance Letter Of Credit elects not to renew such Performance Letter Of Credit. If the issuer of the Performance Letter Of Credit furnished by Contractor is declared a bankrupt or becomes insolvent or its right to do business is terminated in the State of Connecticut or it ceases to meet the above requirements or the issuer elects not to renew the Performance Letter Of Credit due to no fault of Contractor, Contractor shall immediately substitute another letter of credit (or bond) and surety, subject to the requirements set forth in this Article 8.

8.5 Failure To Maintain The Security

Failure to maintain or renew the Performance Bond and/or the Performance Letter Of Credit the aforesaid terms shall constitute a default by Contractor of this Agreement.

8.6 Exercise Of Rights And Remedies

In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Performance Bond and the Performance Letter Of Credit.

8.7 Issuing Companies

The Performance Bond shall be issued and executed by a surety company or companies acceptable to CRRA. The Performance Letter Of Credit shall be issued and executed by a Connecticut Bank or by a national banking association acceptable to CRRA.

EXHIBIT E:

PERFORMANCE BOND FORM AND PERFORMANCE LETTER OF CREDIT FORM

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable. The below addresses are to be used for giving required notice.

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

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OWNER (Name and Address):

Connecticut Resources Recovery Authority 100 Constitution Plaza, 6 th Floor Hartford, CT 06103-1722
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AGREEMENT

DATE:	
AGREEMENT NUMBER:	
AMOUNT:	
PROJECT DESCRIPTION <small>(Including Name and Location):</small>	One Mobile Shredder for the Mid-Connecticut Waste Processing Facility Mid-Connecticut Waste Processing Facility 300 Maxim Road, Gate 70 Hartford, Connecticut 06114

BOND

BOND NUMBER:	
DATE: <small>(Not earlier than Agreement Date)</small>	
AMOUNT:	DOLLARS (\$ _____)

IN WITNESS WHEREOF, Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on Pages 2 and 3 hereof, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

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(SEAL)

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(SEAL)

Contractor's Name and Corporate Seal

Surety's Name and Corporate Seal

SIGNATURE:		SIGNATURE:	
NAME AND TITLE:		NAME AND TITLE:	

TERMS AND CONDITIONS TO PERFORMANCE BOND

1. The Contractor and the Surety jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the foregoing Agreement, the terms of which are incorporated herein by reference. Any singular reference to the Contractor, the Surety, the Owner or any other party herein shall be considered plural where applicable.
2. If the Contractor performs the Agreement, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.
3. If there is no Owner Default (as hereinafter defined), the Surety's obligation under this Bond shall arise after:
 - 3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below, that the Owner is considering declaring a Contractor Default (as hereinafter defined) and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen (15) days after the receipt of such notice to discuss methods of performing the Agreement. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Owner's right, if any, to subsequently declare a Contractor Default; and
 - 3.2 The Owner has declared a Contractor Default (as hereinafter defined) and formally terminated the Contractor's right to complete the Agreement. Such Contractor Default shall not be declared earlier than twenty (20) days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1.
 - 3.3 The Owner has agreed to pay the Balance of the Agreement Price to the Surety in accordance with the terms of the Agreement or to a contractor selected to perform the Agreement in accordance with the terms of the agreement with the Owner.
4. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 4.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Agreement; or
 - 4.2 Undertake to perform and complete the Agreement itself, through its agents or through independent contractors; or
 - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Agreement, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with a performance bond executed by a qualified surety equivalent to the bond issued on the Agreement, and pay to the Owner the amount of damages described in Paragraph 6; or
 - 4.4 Waive its right to perform and complete, arrange for completion or obtain a new contractor and with reasonable promptness under the circumstances:
 - 4.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or
 - 4.4.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.
5. If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen (15) days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4 and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.
6. After the Owner has terminated the Contractor's right to complete the Agreement, and if the Surety elects to act under Subparagraph 4.1, 4.2 or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Agreement, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Agreement. To the limit of the amount of this Bond, the Surety is obligated without duplication for:
 - 6.1 The responsibilities of the Contractor for correction of defective work and completion of the Agreement;
 - 6.2 Additional legal and delay costs resulting from the Contractor's Default and resulting from the actions or failure to act of the Surety under Paragraph 4; and
 - 6.3 Liquidated damages, or if no liquidated damages are specified in the Agreement, actual damages caused by delayed performance or non-performance of the Contractor.
7. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Agreement. No right of action shall accrue on this Bond to any person or entity other than the Owner or its successors and assigns.
8. The Surety hereby waives notice of any change, including changes of time, to the Agreement or to related subcontracts, purchase orders and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two (2) years after Contractor Default or within two (2) years after the Contractor ceased working or within two (2) years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions

of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page of this Bond.
11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Agreement was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions confirming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.

12.1 Balance of the Agreement Price: The total amount payable by the Owner to the Contractor under the Agreement after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Agreement.

12.2 Agreement: The agreement between the Owner and the Contractor identified on the signature page, including all Agreement Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with any of the terms of the Agreement.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Agreement or to perform and complete or comply with the other terms hereof.

LETTER OF CREDIT

To Be Issued By a Connecticut Bank Or By a National Banking Association

Irrevocable Standby Letter Of Credit No.	[Letter Of Credit #]		
Issuance Date:	[Date]	Expiration Date:	[Date]
Beneficiary:	Connecticut Resources Recovery Authority 100 Constitution Plaza, 6th Floor Hartford, CT 06103		

Gentlemen:

We hereby establish our Irrevocable Standby Letter Of Credit No. [Letter Of Credit #] in favor of the "Beneficiary," Connecticut Resources Recovery Authority ("CRRA"), at the request and for the account of [Name of Contractor], for the sum or sums up to the aggregate amount of [amount of Letter Of Credit] available for payment against your draft(s) at sight on us.

Drafts must be drawn and presented to us at this office not later than our close of business on [Date] or any duly extended expiration date, and each draft must bear the following clause: "Drawn Under Letter Of Credit No. [Letter Of Credit #]."

Drafts must be accompanied by a certified statement from the Beneficiary that [name of Contractor] has failed to satisfy or perform one or more of its obligations or breached one or more of its covenants or representations under a certain Mobile Shredder Purchase Agreement between [name of Contractor] and CRRA, dated as of [Date].

Partial drawings hereunder are permitted.

We hereby agree with you that drafts drawn under and in compliance with the above terms of this Letter Of Credit shall be duly and promptly honored on due presentation and delivery to us on or before the above-referenced expiration date or any duly extended expiration date.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [name of the issuing Connecticut Bank or National Banking Association] under this Letter of Credit is the individual obligation of [name of the issuing Connecticut Bank or National Banking Association] and is in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter Of Credit that it is deemed to be automatically extended without amendment for one (1) year from the expiration date stated above, or any future expiration date,

unless not later than ninety (90) days prior to the expiration date stated above or the then current expiration date we notify you by registered mail that we elect not to renew this Letter Of Credit for any such additional period.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter Of Credit shall be duly honored by us at your first demand, notwithstanding any contestation or dispute between you and **[name of Contractor]**, if presented to us in accordance with the provisions hereof.

This Letter of Credit is subject to and governed by the laws of the State of Connecticut, the decisions of the courts of that state, and the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 and in the event of any conflict, the laws of the State of Connecticut and the decisions of the courts of that state will control. If this Letter Of Credit expires during an interruption of business of this bank as described in Article 17 of said Publication 500, **[name of issuing Connecticut Bank or National Banking Association]** hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of business from such interruption.

Very truly yours,

Authorized Signature for
[name of issuing Connecticut Bank or National Banking Association]