



**ADDENDUM NO. 3
Issued May 21, 2013**

TO

**REQUEST FOR PROPOSALS
("RFP")**

FOR

**OPERATION AND MAINTENANCE SERVICES AND
COMMODITY MARKETING FOR THE CONNECTICUT
SOLID WASTE SYSTEM RECYCLING FACILITY**

**(RFP Number FY13-OP-003)
(RFP Issued May 3, 2013)**

Note: Proposers are required to acknowledge this and all Addenda in Section 4 of the Proposal Form.

1. ANSWERS TO SUBMITTED QUESTIONS

This Addendum consists of the Connecticut Resources Recovery Authority's responses to written questions that were received by CRRA by 3PM, Tuesday, May 14, 2013.

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| 1. | Question | Would CRRA consider moving the RFP due date 10-14 days to all for more time to prepare responses? |
| | Answer | See addendum 2 |
| 2. | Question | Can you please forward a copy of the current contract, including current rates for the above referenced RFP? |
| | Answer | A copy of the agreement has been placed in the FTP Document Room discussed in Addendum 2. |
| 3. | Question | (Sec 3.1.1) Please confirm that CRRA will be responsible for operating and maintaining the scale and will provide a facility operator for scale house services for bid options 1-3. |
| | Answer | Yes. |
| 4. | Question | Who is responsible for the maintenance of the building exterior (including roof), structure, and paved areas surrounding the RF? |
| | Answer | Maintenance responsibilities are contemplated in Section 1.13 of the Scope of Work (Section 7A of the RFP Package Documents). CRRA will continue to be responsible for capital repairs to the roof and sprinklers. However any damage caused by the contractor will be the responsibility of said contractor. |
| 5. | Question | Please provide independent inspection reports or other information as to the age and condition of the capital equipment at the RF for which the Contractor will be expected to maintain at its expense. |
| | Answer | A copy of an inspection report completed by Dvirka and Bartilucci dated December 2012 is being made available in the FTP Document Room discussed in Addendum 2. |
| 6. | Question | Please clarify ownership of any equipment added to the facility per Exhibit A section 1.12. Does this equipment remain the property of the Contractor? What remedies would be available to the Contractor relative to these investments in the event of termination for convenience pursuant to Section 7, item 4.2 |
| | Answer | During contract negotiation, CRRA will work with selected Proposer(s) to finalize the equipment list as well as specify ownership and retention of equipment upon the conclusion of the Agreement. |
| 7. | Question | Referring to Proposal Form 3 Tables 1.2 and 2.2: Please clarify the PPI index price to be used for #11 OCC – should this be ONP #8 as shown, or was #11 OCC intended? |
| | Answer | See Addendum 2. |
| 8. | Question | Referring to Proposal Form 3 Tables 1.2 and 2.2. Thresholds are set off New York High Side. We are requesting the option to set the threshold off of the Export Index instead. |

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| | Answer | CRRA intends to use the New York high-side index. If you are proposing to use an alternate index (e.g. Export Index or New England High Side) please submit a Business Exception Form and indicate that proposed alternative therein. |
| 9. | Question | Referring to Proposal Form 3 Tables 1.3 and 2.3: a. How will sales revenue associated with commodities other than those listed be handled? b. Are tons of outbound commodity sales that are sold below the requested zero floor price included in the denominator when calculating average commodities sale price per ton? c. Please clarify the following statement within the RFP: i. “In Table 2.3 below, enter the fiber threshold base price per ton Proposer proposes as part of this container commodity revenue share for CSWS Recyclables”. This statement is asking for a fiber threshold but refers to container threshold. Please clarify. Further, it is unclear if the proposer is required to submit a threshold for each commodity type or if CRRA is looking for a threshold based off the blended value of all container bales. |
| | Answer | a. See proposal price form as revised in Addendum 2. b. No c. See Proposal Price form as revised in Addendum 2. |
| 10. | Question | Referring to Section 7 Item 2.15(b) Contractor Sourced Tons: Additional clarity is sought as to the intent of this requirement. Please explain the criteria to be used by the CRRA in granting permission for Contractor Sourced Tons to be processed at the RF. |
| | Answer | This will be subject to contract negotiation. |
| 11. | Question | Under Section 12.1 under Waste control plan, reference residue weights on incoming material must be less than 10%, and the facility currently operates at a rate of 6.9%, so why are the expectations of the contractor to absorb the costs associated with the disposal of residue when the rate exceeds 5%? |
| | Answer | Prior experience has shown that residue rates can vary considerably based on how diligent Contractor’s is at sorting all Acceptable Recyclables out of the residue. Residue rates were under 5% when appropriate manpower and management oversight was provided. Contractor is required to process all acceptable recyclables and have unacceptable recyclables removed to the maximum extent possible to ensure best pricing when commodities are sold on the market. |
| 12. | Question | How will non-participating towns be identified at the CRRA scale operated transfer stations if haulers have multiple pickup in their trucks? |
| | Answer | See section 4.11(c) 1 of the RFP Package Documents |
| 13. | Question | Please confirm that proposer can market mixed glass with no revenue share or costs to CRRA. |

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| | Answer | This RFP contemplates that the Contractor can market mixed glass with no revenue share or costs to CRRA. However, this incoming material will still be subject to a base price per ton paid by the Contractor to CRRA. |
| 14. | Question | Price option 4: Will the proposer be marketing all tons from the facility, including 3 rd party tons sourced by the operator? Please explain. |
| | Answer | As currently contemplated, Yes. |
| 15. | Question | Price Option 4: Will the proposer take title of material or will the material remain in the custody of CRRA? |
| | Answer | It will depend on the nature of the proposal submitted. |
| 16. | Question | Price Option 3: If the Operator sources in 3 rd party tons, will they have the ability to sell their own material? |
| | Answer | Under Option 3 (as specified in Section 3.1 of the RFP Package documents) the successful O&M operator is not contemplated as having a role in selling material processed at the RF. |
| 17. | Question | Please clarify the term of the contract. One section states the contract runs to Dec 31 2017 and another section states contract expires in June 2017 |
| | Answer | As specified in Article 4.1, the Initial Term of the Agreement (Section 7 of the RFP Package Documents) is contemplated to expire June 30, 2017. The third paragraph of the Notice to Firms (Section 1 of the RFP Package Documents) is hereby changed to: "CRRA is seeking proposals from qualified vendors to provide Operation and Maintenance Services, and/or Commodity Recycling Services for the RF through June 30, 2017." |
| 18. | Question | Will CRRA have a minimum requirement of the contractors experience relating to options #1- #5 ? |
| | Answer | CRRA does not have a specific number of years contemplated as a requirement, but experience will be a consideration in the evaluation of RFPs. |
| 19. | Question | Please provide a copy of the contract that CRRA has with NAES to operate the burn plant. |
| | Answer | A copy of this agreement has been placed in the FTP Document Room discussed in Addendum 2. |
| 20. | Question | Will the \$2 million Performance Bond or Letter of Credit be reduced during the term of the Agreement? |
| | Answer | This RFP does not contemplate the Performance Bond being reduced during the term of the Agreement. If proposing an alternate, please use the business exception form included as Section 5.11 of the RFP Package Documents. |
| 21. | Question | If a Proposer commits to bringing in, or CRRA requires a commitment to bring in, a minimum tonnage of Contractor-sourced recyclables, what will the executed Agreement provide for, if such commitment is not adhered to? |
| | Answer | Subject to negotiation. When CRRA enters into contract negotiations with one or more proposers CRRA is expecting to discuss proposer's proposal (if any) to bring Contractor-sourced recyclables into the RF, and any terms and penalties thereof. |

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| 22. | Question | In the Form of Agreement for the Operation and Management Services, the definition of “Acceptable Recyclables” includes “any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Acceptable Recyclables.” If after the Agreement is signed CRRA determines in its sole discretion to add additional Acceptable Recyclables, how will that affect the compensation scheme agreed to in the Agreement? |
| | Answer | It is contemplated that such materials will be subject to negotiation between the Operator and CRRA prior to being added to the list of Acceptable Recyclables. |
| 23. | Question | Section 8.3(b) of the Form of Agreement states that actual damages on an Event of Default of Contractor are not calculable and, thus, Contractor must pay liquidated damages of \$500,000 upon any Event of Default. However, such section also calls for Contractor to pay actual damages resulting from Event of Default. |
| | Answer | As per this Addendum 3, the language of 8.3(b) is hereby changed as follows: “To the extent such damages can be calculated, Contractor shall pay CRRA actual damages, including those set forth in Section 8.4 , resulting from the Event of Default by Contractor and subsequent termination of this Agreement by CRRA. Contractor agrees that all of the actual damages caused by an Event of Default by the Contractor and subsequent termination of this Agreement by CRRA are not capable of calculation. Accordingly, except for the calculable damages payable pursuant to the first sentence of this section, the Contractor shall pay to CRRA upon such termination a one-time lump sum payment as liquidated damages (but not as a penalty) of Five Hundred Thousand and 00/100 dollars (\$500,000), as available under Applicable Laws.” |
| 24. | Question | Section 9.22 of the Form of Agreement requires Contractor and its Affiliates and agents to deliver to CRRA all Solid Waste that such persons are in the business of collecting and disposing. How will this requirement work with any existing agreements of Contractor and its Affiliates and agents with third parties? |
| | Answer | It is not CRRA’s intention to interfere with current valid contracts with third parties. |
| 25. | Question | Does Section 9.26 of the Form of Agreement extend the audit rights to any state agencies other than CRRA and its representatives? |
| | Answer | Under Section 9.26 of the Form of the Agreement, audit rights are specifically granted to CRRA. Any other state agency may seek an audit to the extent permitted by the Connecticut General Statutes. |
| 26. | Question | What equipment is contemplated to be included in the definition of “RF Recyclables System Equipment” in the Form of Agreement? |
| | Answer | This includes all processing equipment currently in the Facility except for certain pieces of rolling stock which are the property of the current operator. |
| 27. | Question | What is the total revenue from commodity sales last 4 years by item if available. If not the total. |
| | Answer | A document titled “Outgoing Tons and Market Prices” has been placed in the FTP Document Room discussed in Addendum 2. |

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| 28. | Question | What is the list of current buyers for the individual commodities ie all occ to one buyer or spread out? |
| | Answer | A list of current buyers has been placed in the FTP Document Room discussed in Addendum 2. |
| 29. | Question | Have any loads of material been rejected within the last 2 years. If so for what cause? |
| | Answer | CRRA is not aware of any outgoing loads of material that have rejected within the last two years. |
| 30. | Question | What are the current grades of material being shipped. OCC 11 and 12 or just 11? Eg. ONP 6, 8 or mixed? |
| | Answer | It has been represented to CRRA by the current operator that the outgoing paper is currently being marketed as #8 news, and the outgoing cardboard is being marketed as #11 OCC. However any prospective proposer was invited to look at the outgoing material and encouraged to make their own marketing conclusions based on their grade specifications and those of their end markets. |
| 31. | Question | What are the current contract marketing terms? |
| | Answer | A copy of the current RF Agreement has been placed in the FTP Document Room discussed in Addendum 2. |
| 32. | Question | Can we see the current total contract? |
| | Answer | A copy of the current RF Agreement has been placed in the FTP Document Room discussed in Addendum 2. |
| 33. | Question | <p>A. Transition</p> <p>1) Are there any open (vacant) plant positions or employees who are on leave of absence at this time?</p> <p>2) Are all plant employees with the Connecticut Solid Waste System Recycling Facility (CSWSRF) available for employment with new operator?</p> <p>3) “Information for Proposers - Attachment 5” provides the “Regional Recycling Organization Chart”; however it does not include the total number of positions/plant employees. Please provide a copy of the current O&M Organization (by position) showing the total number of employees, including salary / wage and benefit information.</p> |
| | Answer | <p>1. None that CRRA is aware of.</p> <p>2. If there is a new operator, CRRA presumes that some of the current plant employees would not be retained by the current operator and would be available for employment with a new operator.</p> <p>3. A copy of the current organization chart has been included in the FTP Document Room discussed in Addendum 2. Table 3.1 of engineering audit includes staffing levels (it does not include salaries).</p> |
| 34. | Question | <p>Programs and Procedures</p> <p>1) Will contract changes result in any operational programs, plans or procedures needing replacement?</p> |
| | Answer | For proposers submitting proposals under Options 1, 2, or 3, several items are detailed in Article 2 of the Form of the Agreement (section 7 of the RFP Pack- |

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| | | age Documents). Other updates needed will be O&M and safety manual. Emergency contacts. Others subject to negotiation. |
| 35. | Question | Please provide a summary of the safety performance for CSWSRF for the last three (3) years. |
| | Answer | A review of the safety performance of the facility is included in the Independent Engineering Audit of the facility performed in December 2012 by Dvirka and Bartilucci, a copy of which is included in the FTP Document Room discussed in Addendum 2. |
| 36. | Question | IS Configuration / Office Equipment 1) Will all existing plant networks and configurations, inclusive of firewalls, software systems and licenses, remain upon takeover by new operator? Will any systems or licenses require upgrade? 2) Are there any systems (proprietary, tied to their main-hub, or otherwise) from the current operator that will need to be replaced if operator were to be replaced? 3) Will all equipment including but not limited to workstations (laptops and desktops), servers, network equipment, printers, copiers, fax machines, scanners, phones remain upon O&M services by a new operator? Will any equipment require upgrade due to age? 4) Please provide an inventory of the current rolling stock, including age of equipment? Who owns the equipment? |
| | Answer | Any proposer who is planning to provide O&M services for the RF should plan in their proposal to include the cost of replacing current IT & IS systems and office equipment that are the property of the current operator. CRRA currently provides and maintains all IS & IT systems in the scale house, Trash Museum and other CRRA offices and plans to continue doing so. |
| 37. | Question | Administration/Accounting 1) Who currently handles plant Accounts Payable functions for the facility? 2) Are there any other specific duties performed by the current operator's Home Office personnel? |
| | Answer | Accounts Payable for the facility is currently handled by the Operator. It is CRRA's understanding that a significant portion of all commodity marketing and invoicing is performed by the Operator's Home Office personnel. |
| 38. | Question | Please clarify who will operate the scale at the Recycling Facility for options 1-4. |
| | Answer | CRRA staff. |
| 39. | Question | Has anybody else scheduled a tour beyond who was on the sign in sheet? |
| | Answer | Not as of the time this Addendum 3 was posted. |
| 40. | Question | How many sorters and shifts are needed at your facility to process just CRRA's material? |
| | Answer | A discussion of the current staffing levels at the facility is included in the Independent Engineering Audit of the facility performed in December 2012 by Dvirka and Bartilucci, a copy of which is included in the FTP Document Room |

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| | | discussed in Addendum 2. Proposers are encouraged to review that information and their own experience at other facilities when preparing their proposal. |
| 41. | Question | Is CRRA responsible for maintenance and repairs to the building, including roof, electrical service, sprinkler, overhead doors? |
| | Answer | See answer to question 4. |
| 42. | Question | Is CRRA responsible for any or all utilities? |
| | Answer | CRRA is responsible for the utilities at the Trash Museum and CRRA offices located at 211 Murphy Road adjacent to the RF. The Contractor will be responsible for all other Utilities at the RF as specified in the Scope of Work (Section 7A of the RFP Package Documents). |
| 43. | Question | Is CRRA responsible for capital equipment replacement, e.g., in the event of baler needs to be replaced or a piece of mobile equipment? |
| | Answer | It is contemplated that capital equipment and rolling stock replacement would be the responsibility of the O&M Contractor. |
| 44. | Question | Is CRRA responsible for facility upgrades that may be required regulations or standards, such additional dust collection? |
| | Answer | Dust collection is a responsibility of the O&M Contractor. If a proposer wishes to propose language regarding other regulations or standards, please do so via the Business Exception Form (Section 5.11 of the RFP Package Documents). |
| 45. | Question | Would CRRA be responsible for activation of the rail spur that serves the facility? |
| | Answer | The rail spur that serves the facility is already active. |
| 46. | Question | Are the municipalities required by contract to come to the Recycling Facility and transfer station or can they choose to go to others? |
| | Answer | Information about CRRA's municipal service agreements can be found at: http://www.crra.org/pages/Mid-Conn_MSA_comparison_table.html |
| 47. | Question | Please clarify what requirements there are for residue disposal? |
| | Answer | The contractor shall be required to dispose of all residue from the RF at CRRA's Waste Processing and Resource Recovery Facility less than a mile away located at 300 Maxim Road, Hartford. |
| 48. | Question | What is the tip fee at the Mid Connecticut Project Waste Processing Facility? |
| | Answer | http://www.crra.org/documents/tipping_fees/CSWS%20Price%20Listing%20for%20FY%202014.pdf |
| 49. | Question | Are there existing unions involved in facility operation, or does CRRA have a policy regarding Union labor or Prevailing Wages? |
| | Answer | There are no existing unions involved in facility operation. Connecticut does have a statute requiring prevailing wages be provided, but that statute does not apply to O&M contracts. |

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| 50. | Question | Can you list all commodities that are going out of facility by %? We saw 3-7 and bulky plastic as baled material in the facility but did not see it on the list provided in the RFP. |
| | Answer | On Section 4.6 of the RFP Package Documents, the line that shows on the commodity list as “HDPE mixed” is the category under which the 3-7 and other misc. plastics marketed from the RF are included. |

END OF ADDENDUM 3