
South Bayside Waste Management Authority

Request for Proposals for Collection Services

DRAFT

August 2, 2007



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SECTION 1 - INTRODUCTION

By issuing this Request for Proposals (RFP) for collection services, the South Bayside Waste Management Authority (SBWMA) is competitively pricing one of the largest solid waste and recycling collection contracts in the United States. The collection service area represented by the SBWMA includes 10 cities and some unincorporated areas within San Mateo County, California. The SBWMA is seeking proposals for the collection of solid waste, recyclable materials, and organic materials from over 90,000 homes and 10,000 businesses and multi-family complexes.

The SBWMA is a joint powers authority that is charged with managing this RFP process. The goal of the contractor selection process is to attain cost effective, quality service for the SBWMA Member Agencies. In doing so, the SBWMA is soliciting proposals from service providers who can deliver efficient service while meeting the recycling diversion targets set by SBWMA and its Member Agencies. Participants in this RFP process should make note of and comply with the SBWMA's code of conduct (Attachment 4) and the proposer's code of conduct (Attachment 12).

The following subsections present: an introduction to the SBWMA; Member Agency roles and commitment; the goals and objectives of the SBWMA; an overview of this RFP; contract arrangements, future contract term; a description of the RFP's organization; the RFP schedule; and readily available background information.

Note that many terms used in this RFP are defined in the Collection Agreement (Attachment 2).

1.1 The SBWMA and Its Needs

The SBWMA is a twelve member joint powers authority formed for the purpose of addressing solid waste and recycling issues for communities in San Mateo County, California. SBWMA Member Agencies include: the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; the towns of Atherton and Hillsborough; the County of San Mateo; and the West Bay Sanitary District.

The SBWMA was formed in 1982 to manage solid waste, diversion, and recycling services on a regional basis, and it purchased the Shoreway Recycling and Disposal Center (Shoreway facility) from Browning Ferris Industries (BFI) in 1999. SBWMA Member Agencies are obligated to deliver their solid waste, recyclable materials, and organic materials to the Shoreway facility to pay facility bonds, as per the bylaws of the joint powers agreement (JPA). (The JPA is included as Attachment 1.)

The most recent SBWMA JPA was entered into on December 9, 1999 and amended by the Member Agencies in 2006. The term of the JPA currently expires on December 31, 2019; however, it can be extended by mutual agreement of the Member Agencies and must be extended if repayment of the revenue bonds is not completed upon the expiration date. The SBWMA cannot be dissolved without the consent of all Member Agencies and the liquidation of all liabilities.

Currently, Allied Waste Services of San Mateo County (Allied) provides collection services throughout the SBWMA area under individual franchise agreements with each Member Agency. Allied also operates the Shoreway facility through an agreement with the SBWMA. The existing Member Agency collection agreements and the SBWMA's operations agreement for the Shoreway facility expire December 31, 2010.

1.2 Member Agency Roles and Commitment to the Process

1.2.1 Member Agency Roles and Commitment to the Process

The SBWMA JPA does not bind Member Agencies to follow the recommendations of the SBWMA Board regarding selection of collection contractors. The purpose of the SBWMA's RFP process is to encourage participation by its Member Agencies in order to benefit from economies of scale. To document Member Agency support for the process, the Board requested that Member Agencies commit to the contractor selection process by adopting a resolution. The proposed resolution documented that the Member Agency:

- Agrees to participate in the SBWMA's RFP process;
- Agrees to the future programs, services, and contract terms;
- Agrees to the method of soliciting and evaluating proposals and selecting one or more contractor(s); and
- Agrees that they will not independently solicit or entertain collection and processing proposals (excluding the City of Belmont).

From December 2006 to March 2007, the Member Agencies adopted resolutions to participate in the SBWMA RFP process, with some exceptions as noted in this RFP.

1.2.2 Member Agency Communications and Milestone Events

Regular communication by SBWMA staff and consultants with Member Agency staff and elected officials will continue to be a critical component of the RFP process. The goal of the milestone events is to ensure that periodic communications with elected officials occurs at important decision points. Seven milestone events provide elected officials opportunities to: express their specific interests and needs; and, approve

programs, services, contract terms, proposal solicitation processes, contractor selection recommendations, and final contract terms.

Table 1-1 summarizes the purpose and timing of the seven Member Agency milestone events, which are intended to involve elected officials.

**Table 1-1
Member Agency Milestone Events**

	Purpose	Timing	Information or Decision Point
1.	Review general approach to the RFP process	Mar. – May 2006	Informational
2.	Approve services and process; commitment from Member Agencies to participate in the RFP process	Dec. 2006 - Mar. 2007	Decision point
3.	Approve RFP and draft franchise agreement(s)	July – Sept. 2007	Decision point
4.	Attend proposer presentations	April - May 2008	Informational
5.	Receive proposal summaries	April – June 2008	Informational
6.	Approve selection of contractor(s)	Oct. – Dec. 2008	Decision point
7.	Approve final collection agreements (code of conduct guidelines expire)	May – June 2009	Decision point

1.3 SBWMA Goals and Objectives

The SBWMA's goals and objectives for the RFP process and future collection services are as follows:

1.3.1 Integrity, Competition in Selection Process, and Industry-Standard Contract Terms

- Conduct the RFP process with integrity and transparency
- Maintain the association of Member Agencies
- Select contractors that meet Member Agency and SBWMA needs
- Enter into contracts with fair terms and conditions
- Set high performance standards and use incentives/disincentives to achieve standards related to:
 - Collection quality

- Customer service
- Diversion from landfill disposal
- Deliver high quality cost-effective services to customers
- Stimulate competition among proposing companies

1.3.2 Cost-Effective Programs

- Cost
 - Provide cost-effective operations
 - Minimize fiscal impact on ratepayers
- Service
 - Emphasize innovative, responsive management
 - Ensure consistent, reliable quality service
- Conserve and protect resources/assets
 - Minimize impacts on air, water, and natural resources
 - Encourage highest and best use of recycled materials
 - Handle as much material locally as possible
 - Meet or exceed AB 939's 50% diversion mandate
 - Protect the SBWMA's investment in the Shoreway facility
- Community benefits
 - Continue programs and services that work well
 - Demonstrate proactive waste reduction/recycling philosophy
 - Include involvement of local recyclers/reuse
 - Support local market development where possible
 - Educate the public
 - Educate and involve the community
- Integrate collection services with SBWMA facilities
- Flexibility of collection methods

1.4 RFP Overview

The SBWMA initiated this RFP process in July 2005 to plan future programs and services and select future contractors. The 5.5-year contractor selection process will result in new contracts for collection services and operation of the Shoreway facility. The process involves a 4-year period for planning, soliciting and evaluating proposals, and selecting and negotiating with the selected contractors, and a 1.5-year implementation period leading to commencement of services on or before January 1, 2011.

During the planning phase, the SBWMA formed the Programs and Facilities Committee (PAF) and Process and Contracts Committee (PAC) (Committees) with representatives from the Member Agencies. In 2006, the Committees were asked to review numerous program, service, procurement process and contracting issues, and formulate recommendations for consideration by the SBWMA Board and Member Agencies. The Board reviewed the Committees' recommendations and made its recommendations in

October 2006. The Member Agencies considered the Board-approved programs, process, and contract terms from December 2006 through March 2007. This RFP reflects that input and the input received from potential proposers as solicited via correspondence dated March, 23, 2007.

The SBWMA is soliciting proposals for collection services only through this RFP. For purposes of this procurement process, the SBWMA will be divided into two service Districts. The service Districts were established based on population and proximity. The North District will comprise the following Member Agencies: Belmont (may choose to opt-out of the RFP process), Burlingame, Foster City, Hillsborough (may choose to opt-out of the RFP process), San Mateo, and sections of unincorporated San Mateo County. The South District will comprise the following Member Agencies: Atherton, East Palo Alto, Menlo Park, Redwood City, San Carlos, West Bay Sanitary District and sections of unincorporated San Mateo County. Companies may propose on three separate collection scenarios. **Scenario 1 includes collection services in the North District. Scenario 2 includes collection services in the South District. Scenario 3 includes collection services in both the North and South Districts combined; however, Scenario 3 can only be proposed if the proposer also includes separate proposals for both Scenario 1 AND Scenario 2.** Proposers interested in only providing service to both Districts, must clearly specify their intention while complying with the Scenario 3 requirements. All three collection scenarios require the selected contractor(s) to haul collected materials to the Shoreway facility. The collection contractor will not be responsible for processing or disposal.

Based on review of proposals, separate contractors may be selected to serve the North and South Districts. The successful contractor(s) will be required to execute separate franchise agreements with each Member Agency. These franchise agreements will be based on a standard Collection Agreement (Attachment 2); and may be modified by each Member Agency to reflect unique needs (e.g., the optional programs selected; billing needs as some Member Agencies provide billing services; minimum single-family solid waste service levels). Collection services under the new agreements will commence January 1, 2011, or sooner if an alternative, early start date is negotiated.

The SBWMA is interested in receiving proposals from companies that have demonstrated experience in safely providing solid waste, recyclable materials, and organic material collection services comparable to those described in this RFP and the Collection Agreement (Attachment 2). The SBWMA seeks collection contractors that place a high priority on diversion and have demonstrated significant results and innovation through their diversion program development, implementation, public education, and on-going operations.

A separate RFP for Shoreway facility operations has been issued by the SBWMA concurrently with this RFP for Collection Services.

1.5 Organization of RFP

This RFP is organized into six sections as follows:

Section 1 provides a brief introduction to the RFP.

Section 2 provides background information including a description of the SBWMA service area and the processing and disposal arrangements.

Section 3 presents the scope of requested collection services.

Section 4 provides the RFP policies, conditions and process.

Section 5 describes the RFP submittal requirements.

Section 6 outlines the proposal evaluation process and criteria by which the proposals will be evaluated.

The attachments include the JPA Agreement (1), draft Franchise Agreement for Collection Services (2), List of Member Agency Facilities and Public Receptacles (3), SBWMA Board Code of Conduct (4), Current Demographic and Service Summary (5), Historical Operating Costs and Statistics (6), Current Rates (7), Collection Route Data (8), Labor Agreements (9), Cost Proposal Forms (10), Anti-Collusion Affidavit (11), Proposer Code of Conduct (12), Hillsborough Scope of Services and RFP Requirements (13), Atherton Scope of Services and RFP Requirements (14), Contractor's Compensation and Rate-Setting Process (15), and Exceptions to the RFP and Collection Agreement Form (16).

1.6 RFP Schedule

The key activities and completion dates for the RFP process are provided in Table 1-2. The RFP process is described in detail in Section 4. All questions regarding the RFP must be submitted in accordance with the Submission of Written Questions specified in Section 4.4.

**Table 1-2
RFP Schedule**

ACTIVITY*	COMPLETION DATE
SBWMA releases RFP for Collection Services	November __, 2007
R.S.V.P deadline for pre-proposal meeting	November __, 2007
Deadline to submit written questions and comments	December __, 2007
Mandatory pre-proposal meeting	December __, 2007
SBWMA will issue: response to written questions, summary of responses provided at the pre-proposal meeting, and RFP addendum if necessary.	January __, 2008
Proposals due	February __, 2008, 3:00 p.m.
SBWMA requests clarification of proposal information	March __, 2008
Proposer presentations to SBWMA and Member Agencies	April - May 2008
SBWMA Board issues short list of recommended collection contractor(s)	August, 2008
Member Agencies select collection contractor(s) (Contractor has 90 days to secure its corporation yard (if different than Shoreway) after approval by the last Member Agency.)	December 31, 2008
SBWMA and Member Agencies complete negotiations with contractor(s)	March 31, 2009
Member Agencies approve negotiated Collection Agreements	June 30, 2009
Contractor(s) commence providing services	January 1, 2011**

* Note that the SBWMA may modify this schedule as needed.

** Collection services may be initiated earlier if an alternative start date is agreed upon.

SECTION 2 - BACKGROUND

The RFP and its attachments contain data about the demographics of the SBWMA Member Agencies and historical information related to collection operations including the number of customers, tonnage collected, routes, workforce, and collection cost information.

2.1 Background Information

The information presented in this section and related Attachments are for information purposes only. Each proposer should take whatever steps it believes are necessary to determine the actual service requirements of the Member Agencies and understand service conditions in the SBWMA service area when preparing a proposal. Proposers should pay particular attention to hard to service areas.

Attachment 5 provides supplemental information on the SBWMA service area including:

- Demographics;
- A description of current collection services;
- Overview of current billing processes; and,
- Member Agency diversion rates.

Attachments 6, 7 and 8 provide detailed information on historical operating costs and statistics (including number of customers, tonnage collected, number of routes, staffing levels), current rates for collection services, and collection route data, respectively.

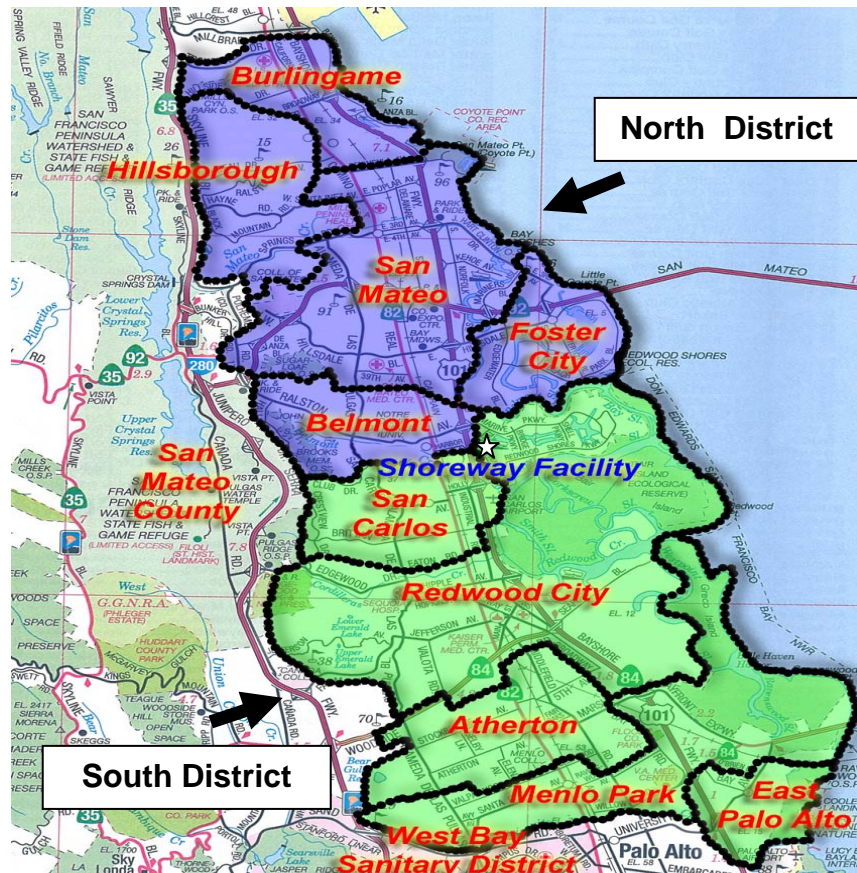
2.2 SBWMA Service Area

The current SBWMA service area generally encompasses central and southern San Mateo County from Burlingame in the north to East Palo Alto in the south. For the procurement of future collection services as per this RFP, the SBWMA will be divided into two service Districts. The North District (Scenario 1) will encompass the following jurisdictions: Belmont, Burlingame, Foster City, Hillsborough, San Mateo, and parts of unincorporated San Mateo County. The South District (Scenario 2) will encompass the jurisdictions of: Atherton, East Palo Alto, Menlo Park, Redwood City, San Carlos, West Bay Sanitary District and parts of unincorporated San Mateo County. The two service Districts are shown in Figure 2-1.

The SBWMA's Member Agencies are obligated to deliver to the Shoreway facility solid waste, recyclable materials, and organic materials collected under the collection agreements. The SBWMA currently contracts with Allied for Shoreway facility operations, which includes operations of the material transfer services and recyclables

processing. The SBWMA holds separate contracts with companies for disposal of solid waste and processing of organic materials and construction and demolition debris. (Refer to section 2.3 for more information on contract arrangements.)

Figure 2-1 Two SBWMA Service Districts



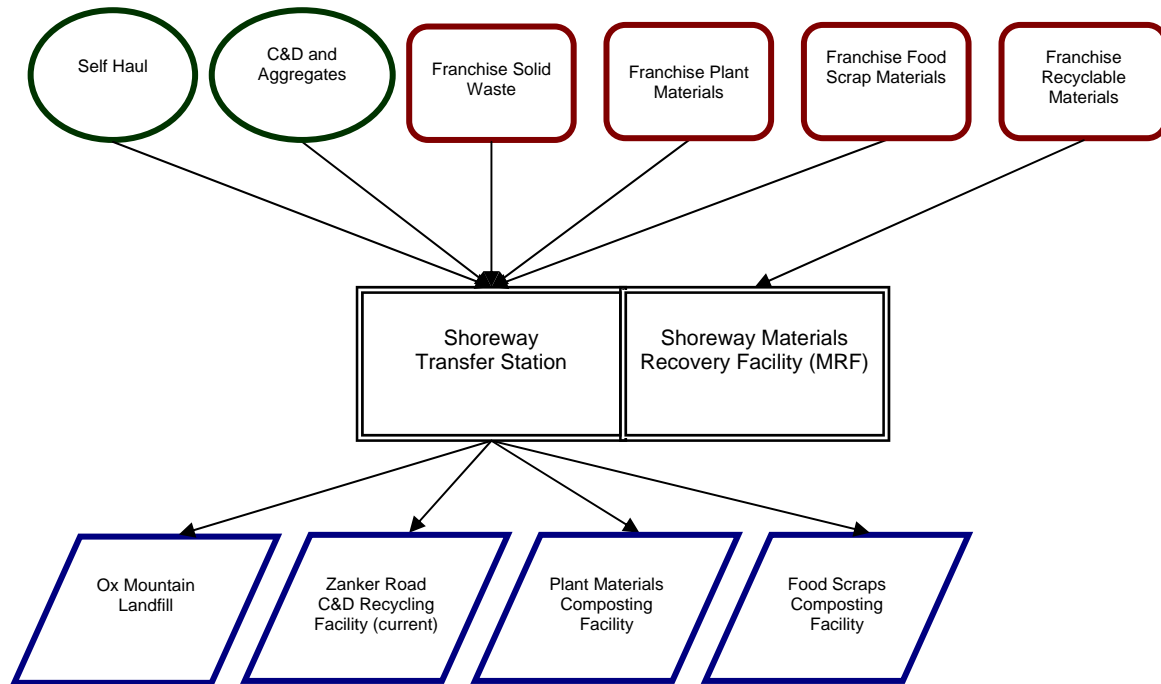
2.3 Contract Arrangements for Collection, Processing, and Disposal

Figure 2.2 illustrates the relationship of the collection, operations, and processing services. Below is a description of the future contracting arrangements.

- Collection. One or two collection contractor(s) will be selected and each Member Agency participating in the Collection RFP process will enter into a separate Collection Agreement with the selected contractor(s). The collection contractor(s) will deliver all materials collected to the Shoreway facility (with exceptions noted in this RFP).

- Shoreway Facility Operations. The SBWMA will contract for Shoreway facility operations. Operations include transfer of solid waste, organics, and construction and demolition debris; management of public recycling area; and processing of recyclable materials.
- Off-Site Composting Services. Composting services will be contracted for by the SBWMA. The Shoreway facility operator will deliver materials to the selected composting site. Organic materials (i.e., Plant materials and food scraps) composting services are provided by Allied Waste Services at the Newby Island composting facility in San Jose, California through December 31, 2010.
- Off-Site Recyclable Materials Processing Services. Single-stream recyclables collection will require replacement of the Shoreway facility's current recyclables processing system. The SBWMA will contract with an off-site contractor for single-stream recyclables processing on an interim basis (while the Shoreway facility is upgraded), and, for back-up capacity (in the event the Shoreway facility's system experiences operational upsets). The Shoreway facility operator will deliver recyclable materials to the temporary processing site.
- Off-Site Construction and Demolition Debris (C&D) Processing Services. The SBWMA entered into an agreement for C&D processing in 2006 with Zanker Road Resource Management. The initial term of this agreement expires on December 31, 2010. The Shoreway facility operator will deliver materials to the C&D processing site.
- Disposal Services. In 2005, the SBWMA entered into an agreement with Browning-Ferris Industries of California, Inc. (BFI) for Solid Waste Disposal Services (Disposal Agreement) at the Ox Mountain Landfill in San Mateo County. The Disposal Agreement requires that all solid waste and process residue from the Shoreway facility be transferred by the facility operator to the Ox Mountain Landfill. The Disposal Agreement expires on December 31, 2019.

Figure 2-2 Relationship of Collection, Processing, and Disposal Services



2.4 Future Collection Agreement Term

The term of the new Collection Agreements will commence on January 1, 2011, or sooner if an alternative start date is negotiated, and will continue for ten (10) years, ending December 31, 2020. The agreement may be extended upon mutual consent of both Contractor and Member Agency, if an extension can be agreed upon during the seventh year (i.e., 2017) of the initial ten year term of the agreement. A model Collection Agreement is presented in Attachment 2. The Collection Agreement will serve as the basis for each individual Member Agency's franchise agreement. Requested services are summarized in Section 3 of this RFP.

2.5 Readily Available Background Information

Below is a list of readily available sources that provide background information on the SBWMA and this contractor selection process.

Table 2-1
Readily Available Background Information

Resource	Relevant Content	Location
SBWMA website	<ul style="list-style-type: none"> General information Board reports Includes PAF and PAC reports	www.rethinkwaste.org Special section on "RFP Process"
November 30, 2006 report entitled "Contractor Selection Process, Summary of Board Recommendations for Future Programs, Process, and Contract Terms"	<ul style="list-style-type: none"> Board recommendations that serve as the basis for this RFP and Collection Agreement and background information on the analysis and considerations for the recommendations Summary of results from three statistically-valid surveys of single-family residents, multi-family property managers, and commercial customers. 	www.rethinkwaste.org
November 14, 2005 report entitled "SBWMA Facility and Collection Contractor Selection Process Decision-Maker Briefing Document"	Background information on the SBWMA and contractor selection process	www.rethinkwaste.org
April 26, 2007 Facility Master	The facility master plan (prepared by J.R.	www.rethinkwaste.org

Resource	Relevant Content	Location
Plan	Miller) presents a strategy and conceptual design for integrating the new single-stream processing operation; expanding the transfer station; improving traffic circulation and achieving other operational efficiencies.	(to be posted in August 2007)
Allied website	Current service information	www.alliedwastesanmateocounty.com
San Mateo County Recycle Works website	Information on recycling and special waste programs in San Mateo County	www.recycleworks.org

SECTION 3 - SCOPE OF REQUESTED COLLECTION SERVICES

This section provides a description of the collection services solicited through this RFP. The services are separated by service sector (i.e., single-family, multi-family, commercial, and Member Agency facilities). In addition, all of the services are identified as either a “core” service or “optional” service, and proposals **must include all core and optional services**. **The core services include all of the base services that will be provided by contractor. The optional services are considered optional at the Member Agencies discretion and may be provided by the contractor to one or more Member Agencies either at the commencement of the new agreement or during the term of the Collection Agreement.** Atherton, Belmont, Burlingame, Foster City, Hillsborough, Redwood City, San Mateo and San Mateo County have unique needs that are presented in Section 3.12.

This section also contains a description of: customer rate arrangements; public education; commercial recycling promotion program; multi-family promotion program; customer service; billing requirements; Member Agency service differences; implementation plan; potential collection impacts; other proposed services; alternative technical proposals; facilities for equipment, maintenance and administration; performance lapses and safety preventative measures; and, reporting requirements. A summary of the requested collection services (and the relevant RFP section number) is presented in Table 3-1.

**Table 3-1
Summary of Requested Collection Services**

3.1 Single Family Dwelling (SFD) Collection Service

3.1.1 Core Services for SFD

- 3.1.1.1 Weekly Solid Waste Collection
- 3.1.1.2 Weekly Single Stream Recycling Collection
- 3.1.1.3 Weekly Organics Recycling Collection
- 3.1.1.4 Annual Holiday Tree Recycling Collection
- 3.1.1.5 Weekly Household Batteries and Cell Phones Recycling Collection
- 3.1.1.6 Weekly Used Motor Oil and Used Oil Filters Recycling Collection
- 3.1.1.7 Twice Annual On-Call Collection Service

3.1.2 Optional Services for SFD

- 3.1.2.1 Drop-Off Community Collection Event

3.2 Multi-family Dwelling (MFD) Collection service

3.2.1 Core Services for MFD

- 3.2.1.1 Weekly Solid Waste Collection

- 3.2.1.2 Weekly Single Stream Recycling Collection
 - 3.2.1.3 Weekly Organics Recycling Collection
 - 3.2.1.4 Twice Annual On-Call Collection Service
 - 3.2.1.5 Annual Holiday Tree Recycling Collection
 - 3.2.1.6 Weekly Household Batteries and Cell Phones Recycling Collection
- 3.2.2 Optional Services for MFD
- 3.2.2.1 On-Call Bulky Item Collection
 - 3.2.2.1 Universal Roll-Out of Recycling Collection
- 3.3 Commercial Collection Service**
- 3.3.1 Core Services for Commercial
- 3.3.1.1 Solid Waste Collection
 - 3.3.1.2 Single Stream and Source Separated Recycling Collection
 - 3.3.1.3 Organics Recycling Collection
- 3.3.2 Optional Services for Commercial
- 3.3.2.1 On-Call Bulky Item Collection
 - 3.3.2.2 Universal Roll-Out of Recycling Collection
- 3.4 Member Agency Facilities**
- 3.4.1 Core Services for Member Agency Facilities
- 3.4.1.1 Solid Waste Collection
 - 3.4.1.2 Single Stream and Source Separated Recycling Collection
 - 3.4.1.3 Organics Recycling Collection
 - 3.4.1.4 Public Street Litter, Parks and Parking Lot Solid Waste and Recycling Collection
 - 3.4.1.5 Annual On-Call Collection Service
 - 3.4.1.6 Venues and Events Solid Waste, Recycling and Organics Collection
 - 3.4.1.7 Shared Recycling Bins Downtown
- 3.4.2 Optional Services for Member Agency Facilities
- 3.4.2.1 On-Call Bulky Item Collection

The draft future Collection Agreement is included as Attachment 2. **It presents all of the contract terms and conditions including a complete description of the collection services requested.** It also describes contractor's compensation and rate-setting methods, dispute resolution, indemnification, insurance, performance assurances, termination rights, defaults and remedy provisions, and the approach that will be used to manage the contractors' performance. An overview of the contractor's compensation and rate setting process is provided in Attachment 15. If there are differences between the summary of collection services provided in this RFP and the Collection Agreement, the terms and conditions in the Collection Agreement shall prevail.

3.1 Single Family Dwelling Collection Service

Single Family Dwellings (SFD) include residential premises with four (4) or fewer living units, including each unit of a single family residence, duplex, triplex, fourplex, or townhouse condominium for which there are separate collection services provided to each dwelling unit.

3.1.1 Core Services for SFD

3.1.1.1 Weekly Solid Waste Collection Service

Contractor will provide new wheeled carts for weekly collection of solid waste. The default service level will be 60-gallon carts (or similar size; e.g., 65-gallon). (A default cart size is prescribed to ensure comparable proposals. Member Agencies reserve the right to select a default cart size for its jurisdiction.) Customers will have the opportunity to modify the default subscription cart size to 20-, 30- or 90-gallon carts (or similar size) when the new services are rolled-out and at any time during the term of the agreement. The rates charged to residents for the different size carts shall be variable. Solid waste collection service is mandatory for all occupants of SFD. Member Agencies reserve the right to offer customers fewer cart sizes and/or establish a minimum weekly service volume (e.g., one 30-gallon cart once per week). Refer to Section 3.12.7 for unique Member Agency requirements for SFD cart sizes.

3.1.1.2 Weekly Single Stream Recycling Collection

Contractor will provide new wheeled carts for weekly collection of single stream recycling. The default service level will be 60-gallon carts (or similar size). (A default cart size is prescribed to ensure comparable proposals. Member Agencies reserve the right to select a default cart size for its jurisdiction.) Customers will have the opportunity to modify the default subscription cart size to 30- or 90-gallon carts (or similar size) when the new services are rolled-out at no additional cost to the resident. (However, contractor shall be compensated for this service with the cost included in the rates for solid waste collection.) Residents will be required to place the carts curbside for collection although backyard collection service will be offered at a premium rate; and, special handling service for persons unable to place carts curbside will be provided at no extra charge.

3.1.1.3 Weekly Organics Recycling Collection

Contractor will provide new wheeled carts for weekly collection of organics (i.e., plant materials commingled with food scraps). The default service level will be 90 gallons (or similar size). (A default cart size is prescribed to ensure comparable proposals. Member Agencies reserve the right to select a default cart size for its jurisdiction.) Customers will have the opportunity to modify the default subscription cart size to 30- or 60-gallon carts (or similar size) when the new services are rolled-out at no additional cost to the resident. (However, contractor shall be compensated for this service with the cost included in the rates for solid waste collection.) Contractor will be required to provide more than one cart if requested by resident. Residents will be required to place the

carts curbside for collection although backyard collection service will be offered at a premium rate, and, special handling service for persons with disabilities will be provided at no extra charge to the customer. (However, the cost to provide this service shall be included in proposers base cost proposal.) Distribution of kitchen pails to each SFD occupant will be required by the contractor, with the condition that pails are subject to approval by the Agency. It is anticipated that kitchen pails will be distributed with the wheeled carts at program roll-out.

3.1.1.4 Annual Holiday Tree Recycling Collection

Contractor will provide annual collection of holiday trees for fifteen (15) consecutive business days commencing December 26. Residents will be required to place the trees curbside for collection. Contractor will be required to collect trees placed adjacent to an organics cart for fifteen (15) business days commencing December 26. After fifteen (15) business days commencing December 26, contractor will be required to collect trees placed inside an organics cart. In addition, backyard collection service will be offered at a premium rate, and, special handling service for persons with disabilities will be provided at no extra charge. (However, the cost to provide this service shall be included in proposers base cost proposal.) Additional resident participation and set-out requirements are detailed in Section 5.04.D of the Collection Agreement (Attachment 2). Proposer must describe its plans to provide this service including resident participation requirements.

3.1.1.5 Weekly Household Batteries and Cell Phones Recycling Collection

Contractor will provide weekly collection of household batteries and cell phones to all SFD customers. A list of the types of batteries targeted for collection is included in definition of household batteries and cell phones provided in the Collection Agreement (Attachment 2). A possible collection scenario would require residents to place the batteries in a clear plastic bag and then place the plastic bag on top of their recycling cart for collection. In addition, residents will be required to place cell phones into the plastic bag with batteries. Proposer must describe its plans to provide this service including resident participation requirements.

3.1.1.6 Weekly Used Motor Oil and Oil Filter Recycling Collection

Contractor will provide weekly collection of used motor oil and used motor oil filters. Residents will be required to place the motor oil and motor oil filters curbside for collection. Contractor will be required to deliver up to five (5) used motor oil containers (i.e., one-gallon jug with screw top) and five (5) filter bags to SFD residents within five (5) business days of request. Contractor will collect used motor oil and filters set out in containers and plastic bags, respectively, provided by contractor. Proposer must describe how it will provide this service and if it will collect used motor oil from containers provided by residents (i.e., containers not provided by contractor).

3.1.1.7 Twice Annual On-Call Collection Service

Contractor will provide SFD on-call curbside collection service two (2) times each calendar year at no additional charge to customers. (The cost of this service will be

included in the base cost of services.) Contractor will allow the service to be scheduled by customer from January 2 through December 1 each year and will provide this service within ten (10) business days after receiving request from customer. The resident participation parameters and constraints (e.g., set-out limits) are in part detailed in Section 5.05 of the Collection Agreement (Attachment 2). Contractor will be required to separate and recycle all commodities that can be feasibly recovered. Proposer must describe how it plans to collect and process the materials collected.

General Core Services Description

Proposers shall describe how they plan to provide weekly, curbside collection of motor oil, oil filters, household batteries, and cell phones from SFD. The plan should include a description of the customer set out method, the driver's collection method, and processing requirements and arrangements. It should also include an estimate of the participation level in terms of the number of single family and multi-family setouts per month and the average quantity of oil, filters, batteries, and cell phones per set out. Lastly, the proposer should describe why it proposes its particular collection strategy and where it has been successfully implemented.

3.1.2 Optional Services for SFD

3.1.2.1 Drop-Off Community Collection Event

Contractor will provide one or more drop-off community collection events that target the residential sector to Member Agencies that contract for this service. Proposer is required to describe its methodology to provide an annual drop-off community collection event (e.g., material types, customer participation requirements, control mechanisms for spills and contamination, and any limitations on allowable amounts) and the cost to operate this event. These events would supplement the on-call collection program and provide additional opportunities for residents to divert or dispose of materials.

3.2 Multi-Family Dwelling (MFD) Collection Services

MFD customers include residential premises with five (5) or more living units, which have centralized solid waste and recyclable materials collection service for all units in the building and are billed as one address.

3.2.1 Core Services for MFD

3.2.1.1 Weekly Solid Waste Collection

Contractor will provide wheeled carts and bins for weekly (i.e., minimum service level) collection of solid waste. Contractor will ensure customers have subscribed to the appropriate service level. When discussing service changes with customers, Contractor must provide a rate schedule to customers denoting all service levels and all possible

frequencies of collection. Contractor will be required to service carts and bins stored at the service location designated by customer and customer must facilitate efficient collection of containers by contractor. Solid waste collection service is mandatory for all service locations.

3.2.1.2 Weekly Single Stream Recycling Collection

Contractor will provide wheeled carts and bins for weekly (i.e., minimum service level) collection of single stream recycling. Customers will have the opportunity to subscribe to the appropriate service level. Contractor must inform customers about the service levels and all possible frequencies of collection that are available. Contractor will be required to service carts and bins stored in customer's solid waste enclosure or other locations as requested by customer.

3.2.1.3 Weekly Organics Recycling Collection

Contractor will provide wheeled carts and bins for weekly (i.e., minimum service level) collection of organics including plant materials and food scraps. Customers will have the opportunity to subscribe to the appropriate service level. Contractor must provide a rate schedule to customers denoting all service levels and all possible frequencies of collection that are available. Customers shall pay a separate fee for organics collection based on their service level in accordance with rates established by the Member Agencies. Contractor will be required to service carts and bins stored at the service location designated by customer and customer must facilitate efficient collection of containers by contractor.

3.2.1.4 Twice Annual On-Call Collection Service

Contractor will provide MFD complexes on-call collection service two (2) times each calendar year at no additional charge. (However, the cost to provide this service shall be included in proposers base cost proposal.) Contractor will allow the service to be scheduled by customer from January 2 through December 1 each year and will provide this service within ten (10) business days after receiving request from customer. The customer participation parameters and constraints (e.g., set-out limits) are in part detailed in Section 5.05 of the Collection Agreement (Attachment 2). Contractor will be required to separate and recycle all commodities that can be feasibly recovered. Proposers must describe how it plans to collect and process the materials collected.

3.2.1.5 Annual Holiday Tree Recycling Collection

Contractor will provide annual collection of holiday trees for fifteen (15) consecutive business days commencing December 26. Contractor shall deliver a bin or drop box (if available) for holiday tree Collection to MFD complexes upon request of the owner or property manager. The location for delivery of the bin or drop box shall be agreed upon by the owner or property manager, and contractor shall remove the drop box or bin, or collect the trees loose, on the date requested by the owner or property manager, which shall be no later than fifteen (15) consecutive business days after December 26. If drop boxes or bins are not available, contractor shall collect the holiday trees loose from one or more designated consolidation locations (e.g., adjacent to a solid waste enclosure) at

each complex as determined by the owner or property manager. Contractor shall notify all MFD customers annually of this program and explain the limitations of the program, the dates of service, and any materials collection preparation or participation requirements, including the option to order a bin or drop box, or collect the trees loose from designated collection locations. To encourage participation in this program, Contractor shall not charge customers an additional fee for this service. (However, the cost to provide this service shall be included in proposers base cost proposal.) Additional resident participation and set-out requirements are detailed in Section 5.04.D of the Collection Agreement (Attachment 2). Proposer must describe how it plans to provide this service.

3.2.1.6 Weekly Household Batteries and Cell Phones Recycling Collection

Contractor will provide weekly collection of household batteries and cell phones. A list of the types of batteries and cell phones targeted for collection is included in the definitions of the Collection Agreement. Proposer shall describe how it plans to provide this service.

3.2.2 Optional Services for MFD

3.2.2.1 On-Call Bulky Item Collection

Contractor will provide on-call collection of bulky items from MFD customers using a method suitable for the MFD complex and agreed upon by the Customer or property manager. Proposer must describe how it plans to provide this service. This service will be provided as a subscription based fee-for-service program. Contractor will be required to separate and recycle all commodities that can be feasibly recovered. Proposers must describe how it plans to collect and process the materials collected.

3.2.2.2 Universal Roll-Out of Recycling Collection

Contractor will provide single stream recycling service to all MFD customers in the SBWMA service District that meet the eligibility criteria. Contractor will deliver carts or bins to all MFD service locations based on existing subscription levels or a default level of service (i.e., one (1) 96-gallon cart per every two (2) cubic yards or less of weekly solid waste collection service per customer). Proposers must provide a description of this service and include the following: explanation of its cart and bin distribution strategy and implementation schedule; methodology to implement this service; a description of all assumptions that will be used to calculate the cost of providing this service; and, an explanation of proposers experience and qualifications in implementing and providing this type of service. Customers will have an opportunity to opt out of the recycling program by responding to an initial notification about the program.

The primary intent of providing Universal Roll-Out of Recycling Collection Service is to ensure that all occupants of MFD accounts are provided a convenient opportunity to recycle.

3.3 Commercial Collection Service

3.3.1 Core Services for Commercial

3.3.1.1 Solid Waste Collection

Contractor will provide wheeled carts, bins and drop boxes for collection of solid waste. Customers will have the opportunity to subscribe to the appropriate service level. When discussing service changes with customers, Contractor must provide a rate schedule to customers denoting all service levels and all possible frequencies of collection. Solid waste collection service is mandatory for all service locations. Contractor will be required to service carts, bins and drop boxes stored in customer's solid waste enclosure or other locations as requested by customer.

3.3.1.2 Single Stream and Source Separated Recycling Collection

Contractor will provide wheeled carts, bins and drop boxes for collection of single stream or source-separated recycling. Customers will have the opportunity to subscribe to the appropriate service level and type of service to meet their needs. Contractor must inform customers about the service levels and all possible frequencies of collection that are available. Contractor will be required to service carts, bins and drop boxes stored in customer's solid waste enclosure or other locations as requested by customer. Additional service considerations are included in Section 3.5.1.

3.3.1.3 Organics Recycling Collection

Contractor will provide wheeled carts, bins and drop boxes for collection of organics. Customers will have the opportunity to subscribe to the appropriate service level. Contractor must provide a rate schedule to customers denoting all service levels and all possible frequencies of collection that are available. Customers shall pay a separate fee for organics collection based on their service level in accordance with rate established by the Member Agencies. Customers will designate the collection container location.

3.3.2 Optional Services for Commercial

3.3.2.1 On-Call Bulky Item Collection

Contractor will provide on-call collection of bulky items from commercial customers using a method suitable for commercial premises and agreed upon by the Customer. Proposer must describe how it plans to provide this service. This service will be provided as a subscription based fee-for-service program. Contractor will be required to separate and recycle all commodities that can be feasibly recovered. Proposers must describe how it plans to collect and process the materials collected.

3.3.2.2 Universal Roll-Out of Recycling Service

Contractor will provide single stream recycling service to all commercial accounts that meet the eligibility criteria. Contractor will deliver carts or bins to all commercial service locations based on existing subscription levels or a default level of service (i.e., one (1) 96-gallon cart per every two (2) cubic yards or less of weekly solid waste collection service per customer). Proposers must provide a description of this service and include the following: explanation of its cart and bin distribution strategy and implementation schedule; methodology to implement this service; a description of all assumptions that will be used to calculate the cost of providing this service, and an explanation of proposers experience and qualifications in implementing and providing this type of service. Customers will have an opportunity to opt out of the recycling program by responding to an initial notification about the program. The opt-out notice may request customers to disclose if another company provides recycling service.

The primary intent of universally rolling-out recycling collection service is to ensure that all commercial accounts, especially the underserved small to medium size accounts, are provided a convenient opportunity to recycle. The roll-out of this service to commercial accounts is not intended to disrupt or replace any existing private sector recycling activities.

3.4 Member Agency Facilities

Member Agency Facilities may be provided all collection services at “no cost,” at the discretion of the Member Agencies. If Member Agencies choose to have these services provided at no additional cost to the agency, the cost of these services will be included in the overall rate structure to provide services to the other three sectors (i.e., SFD, MFD and Commercial). However, detailed cost information on Member Agency Facilities must be included in proposals. (A list of Member Agency Facilities and public receptacles is included in Attachment 3.)

3.4.1 Core Services for Member Agency Facilities

3.4.1.1 Solid Waste Collection

Contractor will provide wheeled carts, bins and drop boxes for collection of solid waste. Member Agencies will have the opportunity to subscribe to the appropriate service level. Solid waste collection service is mandatory for all service locations. Contractor will be required to service carts, bins and drop boxes stored in Member Agency solid waste enclosures or other locations as requested by customer.

3.4.1.2 Single Stream and Source Separated Recycling Collection

Contractor will provide wheeled carts, bins and drop boxes for collection of single stream or source-separated recycling. Member Agencies will have the opportunity to

subscribe to the appropriate service level and type of service to meet their needs. Contractor must provide a rate schedule to Member Agencies denoting all service levels and all possible frequencies of collection. Contractor will be required to service carts, bins or drop boxes stored in Agency's solid waste enclosure or other locations as requested by Agency.

3.4.1.3 Organics Recycling Collection

Contractor will provide wheeled carts, bins or drop boxes for weekly (i.e., minimum service level) collection of Organics. Member Agencies will have the opportunity to subscribe to the appropriate service level.

3.4.1.4 Public Street, Parks and Parking Lot Solid Waste and Recycling Collection

Contractor will provide collection of solid waste and recyclables placed in all public street litter and public recycling receptacles. (A list of public receptacles is included in Attachment 3 – List of Member Agency Facilities and Public Receptacles; however, receptacles located inside parks will not be serviced by Contractor.) The frequency of collection will be at least one (1) and up to seven (7) days per week. The recyclables targeted for collection in public receptacles include commingled containers (i.e., glass, metal, and plastic food and beverage containers). Proposer is required to describe its methodology to provide this service and provide a rate schedule denoting all possible frequencies of collection. All public litter and recycling receptacles will be provided and maintained by the Member Agencies. The Member Agencies will annually be allowed to increase the number of receptacles in service by an additional 5% of the total number of receptacles in service as of January 1 of each year at no additional cost. (However, the cost for this service shall be included in the base cost proposal.) The allocation of additional receptacles placed in service at no cost will accrue from year to year for the term of the Collection Agreement. Contractor shall provide notice to the Agency of any broken receptacles within twenty-four (24) hours of observing the defect.

3.4.1.5 Annual On-Call Collection Service

Contractor will provide on-call collection service annually to each Member Agency facility. This service will be provided on an on-call basis to Member Agency facilities within ten (10) business days of Member Agency scheduling the service from January 2 through December 1 each year. The participation parameters and constraints (e.g., set-out limits) are in part detailed in Section 5.05 of the Collection Agreement. Contractor will be required to separate and recycle all commodities that can be feasibly recovered. Proposers must describe how it plans to collect and process the materials collected.

3.4.1.6 Venues and Events Solid Waste, Recycling and Organics Collection

Contractor will provide wheeled carts, bins, and/or drop boxes to collect solid waste, recyclables and organic materials and assist the venue and event organizers with developing recycling plans and reporting data as described in Article 5.9 of the Collection Agreement (Attachment 2). Contractor will allow customers the flexibility to commingle or separate recyclable materials to meet their needs for the goal of diverting as much material as possible. Customers will be provided solid waste, recycling and

organics recycling collection capacity at the appropriate service levels for each venue or event. This may include providing numerous carts to distribute throughout the event for use by patrons. Customers will denote the collection location(s) and required collection frequency. Proposer must describe how it plans to provide this service.

3.4.1.7 Shared Recycling Bins Downtown

Contractor shall provide shared recycling bins for downtown locations as needed based on requests from Member Agencies. Proposers shall describe how they plan to work with Member Agencies to site shared drop-off recycling bins; what type of recyclables they believe are best suited for collection in a shared drop-off arrangement; and, how they propose to manage contamination, litter, and illegal dumping. Proposers shall identify where this approach has been successfully implemented.

3.4.2 Optional Services for Member Agency Facilities

3.4.2.1 On-Call Bulky Collection

Contractor will provide on-call collection of bulky items from Member Agency Facilities using a method suitable for the facilities agreed upon by the Member Agency. Proposer must describe how it plans to provide this service. This service may be provided as a subscription based fee-for-service program at the Member Agency's discretion.

3.5 Other Collection Service Considerations

Section 3.5 presents service considerations required by contractor that were not specified in Sections 3.1 through 3.4.

3.5.1 Additional Collection Service Requirements

Contractor shall:

- Transport all collected materials to the Shoreway facility. (This requirement may be waived with respect to providing wet/dry collection services. However, if for example, the wet material collected through a wet/dry collection service required processing at a facility other than Shoreway, the SBWMA would still have to be compensated for the volume of material delivered to the other facility.)
- Make available wheeled carts to collect solid waste, recyclables and organic materials for SFD, MFD, commercial and Member Agency Facility service locations in the following sizes: 20, 30, 60 and 90 gallons (or similar sizes).
- Make available bins to collect solid waste, recyclables and organic materials for MFD, commercial and Member Agency Facility service locations in the following sizes: 1.5, 2, 3, 4, 6, and 8 cubic yards.

- Make available drop-boxes to collect solid waste, recyclables and organic materials for SFD, MFD, commercial and Member Agency Facility service locations in the following sizes: 10, 20, 30, 40, and 50 cubic yards.
- Provide MFD, commercial and Member Agency service accounts the option of subscribing to a collection frequency that will be at least once (1) per week and up to seven (7) times per week, although in most cases five (5) times per week will be preferable.
- Service MFD, commercial and Member Agency Facility solid waste, recycling and organics carts, bins (that are 3 cubic yards or less in capacity), and drop boxes stored in enclosures or on private or public property within 50 feet of the public right of way, if egress to the carts and bins is paved and the slope is less than 7%. (The Member Agency will determine the slope if a dispute arises.) Bins that are 4 cubic yards or larger must be stored within 15 feet of the curbside (i.e., public right of way) or brought to the curbside by customer to be serviced by contractor.
- Describe how it will encourage reuse and recycling to divert 50% of the tonnage collected through the on-call collection services to SFD, MFD, Commercial and Member Agency Facility customers; and, the bulky goods collection service to MFD, commercial, and Member Agency Facility customers. Proposer shall also provide a list of the materials that will be targeted for reuse and recycling and a list of any prohibited items if different than that listed in Section 5.05 of the Collection Agreement (Attachment 2). Proposer shall identify the type and number of vehicles that will be used to conduct this service and the number of crew assigned to each vehicle. In addition, proposer shall indicate if more than one vehicle will service each account (e.g., to collect solid waste separately from recyclables, organics, or bulky materials).
- Assist the SBWMA and Member Agencies in a collaborative effort to provide public education to residents and businesses. A detailed description of the public education responsibilities of contractor is provided in section 3.8 of this RFP and in Section 7.03 and Attachment C of the Collection Agreement (Attachment 2).
- Provide customer service and billing service as necessary to fulfill its obligations.
- Furnish all labor, supervision, collection vehicles, collection containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations.
- Pay all expenses related to the provision of services including, but not limited to, taxes, regulatory fees, pass-through costs, utilities, etc.

- Provide all services in a thorough, safe and professional manner.
- Comply with applicable laws, regulations and ordinances.

3.5.2 Exclusivity of Collection Services

Contractor will have exclusive rights to collection of residential, multi-family and commercial solid waste, single family recyclables, and single family organic materials from within its service District. The contractor may compete with other hauling companies on a non-exclusive basis for collection of:

- Commercial and multi-family recyclables, commercial organics, and commercial and multi-family reusable materials;
- Non-putrescible materials hauled in drop boxes;
- Specialty materials from residents (e.g., specialty reuse materials); and,
- Single family bulky type of materials on an on-call basis (competing with companies such as “Got Junk”).

Contractor’s exclusive rights will not include items such as: (a) material hauled by owner, occupant, or its contractor whose removal of materials are incidental and removed at no additional cost; (b) donated materials; (c) materials delivered to independent recycling companies at no charge; (d) animal, grease waste, and used cooking oil; (e) sewage treatment by-product; hazardous wastes; and infectious waste; and (f) materials generated by public school districts, San Mateo County, State of California, and federal facilities.

For recyclable materials generated by commercial businesses and MFD complexes, the Member Agencies will continue to allow open market competition for recyclable materials. **The contractor is required to offer recyclable materials collection services to MFD and commercial customers.**

For organic materials generated by commercial businesses and MFD complexes, the Member Agencies will retain the current open market competition for organics collection. **The contractor will offer organics collection services to commercial customers at rates less than solid waste rates.** Member Agencies will determine the rates, and discount (from solid waste service) for organics recycling service.

The Member Agencies will continue to allow open market competition for drop-box collection of non-putrescible materials provided that such materials are collected and processed in accordance with each Member Agency’s policies and ordinances (e.g., C&D ordinances) which may require diversion of some or all materials.

3.6 Customer Rate Arrangements

This section provides a description of rate arrangements that will apply to all four service sectors.

3.6.1 SFD Rate Arrangements

Member Agencies will maintain a SFD rate structure that includes an integrated fee for collection that covers solid waste, recycling, and organics. The current volume-based rate structure will be continued. Therefore, the contractor will be required to provide the residents with the container sizes they subscribe to; to service such containers; and to properly bill for the level of service requested

3.6.2 MFD and Commercial Rate Arrangements

Member Agencies will maintain a rate structure that includes an integrated fee for collection that covers solid waste and recycling. A volume-based rate structure will be used. MFD and Commercial customers are currently provided the opportunity to subscribe to unlimited levels of recyclable collection services at no additional charge. As a result, the contractor will provide the number and sizes of recycling containers requested by the customer and service the containers as frequently as requested. In addition, Member Agencies will continue to allow open market competition for recyclable materials.

Member Agencies will establish separate, volume-based rates for organics collection services. Customers will be encouraged to voluntarily participate in organics collection and will be required to pay a fee for organics collection services based on subscription levels. Member Agencies will set organic collection rates at a level to provide incentives to customers to subscribe (e.g., 50% of the solid waste collection rate). This practice is the same as current. The Member Agencies accomplish this by including some organics collection and processing costs in the solid waste rates.

The contractor does not have any risk related to the rate setting arrangements. The Member Agencies will set rates to generate sufficient revenues to cover the contractor's annual compensation, and will take responsibility if revenues are short to make contractor whole for its annual compensation. If rates generate more revenues than needed to reimburse the contractor for its annual compensation, any revenue surplus is remitted by contractor to the Member Agency and may be used to offset future rate increases.

3.6.3 Member Agency Facilities

Member Agency facilities may be provided all collection services at "no cost." The cost of collection services provided to Member Agencies will be included in the contractor's annual compensation and may be paid for through the rates charged to SFD, MFD and commercial customers, at Member Agency's discretion.

3.6.4 Member Agency Facilities Exception

The exception to section 3.6.3 is that San Mateo County shall require that contractor bill the County for their services provided and the County will pay directly for this service.

3.7 Public Education

All public education activities will be a collaborative effort between the SBWMA, Member Agencies, and contractor. Contractor shall be responsible for ensuring that its customers consistently receive a high level of customer service and responsiveness. Contractor shall prepare an annual public education plan and meet with the SBWMA to review the plan. The SBWMA and contractor shall meet quarterly to discuss all promotion materials and implementation of the promotion strategy. The SBWMA will retain funds in its budget to pay for the public education activities and it will be responsible for the public education activities specified below. Contractor is responsible for the additional public education activities specified below, and proposer must disclose all costs associated with the activities in its cost proposal.

3.7.1 SBWMA and Member Agencies Responsibilities

SBWMA and its Member Agencies shall take primary responsibility for implementation of the public education and promotion campaign that will announce changes in collection services. SBWMA and its Member Agencies will fund all aspects of the new services kick-off public education campaign. Development of the public education and promotion strategy and implementation schedule will be a collaborative process with contractor, SBWMA, and Member Agencies.

Throughout the term of the Agreement, the SBWMA and Member Agencies responsibilities with regard to public education activities shall include, but not be limited to, the following:

1. Provision of public education to residential, commercial, and institutional generators with a broad focus on waste prevention, reuse, recycling, environmental purchasing preferences, hazardous waste, electronic waste, and universal waste management.
2. Preparation and distribution of a quarterly newsletter for all single-family and multi-family residents.
3. Preparation and distribution of MFD toolkits for property managers.
4. Purchase and distribution of Recycling Tote-Bags to MFD customers.

5. Preparation and distribution of an electronic newsletter for businesses and multifamily property managers.
6. Preparation and provision of promotion materials to schools.
7. Development and maintenance of SBWMA website.
8. Preparation of information for inclusion in used oil kits.
9. Purchase and printing of decals for used oil jugs.
10. Purchase and printing of household battery and cell phone recycling bags.

3.7.2 Contractor Responsibilities

Contractor will be required to provide the following services:

1. Distribute public education and promotion materials (developed by SBWMA) during roll-out of the new collection services program. This will entail distributing program literature with delivery of new carts, kitchen pails and bins to all customers at inception of the new program.
2. Actively collaborate with Agency and SBWMA on the public education strategy and development of materials to support roll-out of new collection services.
3. Distribute public education and promotion materials to new customers during the term of the Collection Agreement.
4. Provide public education door hangers, posters and other promotional materials to MFD accounts at program roll-out and during the term of the Collection Agreement.
5. Deliver Recycling Tote-Bags to MFD customers.
6. Deliver set-out correction notices during the term of the Collection Agreement.
7. Assemble and deliver used oil recycling kits upon request from customers.
8. Deliver household battery and cell phone recycling bags upon request from customers.
9. Staff a booth at local public events and distribute promotional and educational materials.

10. Annually insert with its bills, up to twelve (12), solid waste bill inserts produced by SBWMA or Member Agencies. A total of nine (9) bill inserts are specified below.

Proposers must provide samples of public education and promotion materials, which were used in other programs; particularly those related to single stream recyclable materials collection and food scraps collection programs. Proposer must plan on developing the following public education materials and include a budget (i.e., including all aspects of production and distribution costs) and detailed description of each:

1. Annual clean-up services collection notice (one SFD solid waste bill insert).
2. Annual holiday tree recycling notice (separate for SFD and MFD - two solid waste bill inserts).
3. Annual reduce holiday packaging notice (one SFD and MFD solid waste bill insert).
4. Twice annual compost giveaway notice (two SFD and MFD solid waste bill inserts).
5. Twice annual commercial recycling notice (two commercial solid waste bill inserts).
6. Annual commercial recycling awards notice (one commercial solid waste bill insert).
7. Set-out correction notice for each service sector.

Proposer must provide its strategy, schedule and proposed budget for all of the initial program roll-out activities and for annual on-going public education and promotion materials and activities.

3.7.3 Staffing

Contractor will be required to have on staff a full-time management level employee that will serve as the Public Education Manager. Proposer must include the following in its proposal:

1. The job description and resume (if available) of the Public Education Manager. (This must include the individual's resume, years of experience, and three (3) professional references.) This party will serve as a liaison to the SBWMA for the planning, coordination, and review of all public education and promotion materials and efforts.
2. The staff responsible for developing public education strategies and preparing public education materials. If an outside consultant is to be used, proposer must identify the consultant and include a brief description of the consultant's qualifications and years of experience.
3. The total number employees proposed for public education activities, their job functions, and number of hours per week that will be devoted to public education and promotion.

4. A description of contractor's experience preparing multi-lingual (e.g., English, Spanish, Hindu, Mandarin, Cantonese, and Tagalog) public education materials.

3.7.4 Meeting Requirements

The Public Education Manager is required to meet quarterly, and more frequently if necessary, with SBWMA and Member Agency staff to review public promotion activities. In addition, the Public Education Manager will be required to represent contractor at all monthly SBWMA Board of Director meetings.

3.8 Commercial Recycling Promotion Program

Proposer must provide a Commercial Recycling Promotion Plan describing its methodology to implement recycling collection services to the Commercial, MFD and Member Agency facilities (since both MFD and Member Agency facilities are typically handled as Commercial accounts) sectors. The specific collection services for these sectors are described in sections 3.2.1.2, 3.3.1.2, and 3.4.1.2.

3.8.1 Staffing

Contractor shall maintain a commercial recycling promotion program staff that will be primarily responsible for supporting Commercial and Member Agency facilities recycling related collection services. The commercial recycling promotion staff shall consist of two (2) full time "sales" representatives and one (1) supervisor per service District, if contractor services either the North or South service Districts. The commercial promotion staff shall consist of five full time "sales" representatives and one (1) supervisor, if one contractor is selected to service both the North and South Districts.

Proposer must provide the base hourly rate (or salary) for the commercial promotion staff and supervisor. Proposer must describe its:

- Training and professional development strategy for the commercial promotion and supervisory staff;
- Strategy and overall approach to attract and retain a high quality and effective commercial promotion and supervisory staff;
- Sample compensation incentive plan that will be used and the rationale for this plan;
- Goals and objectives for the commercial promotion team and how these goals and objectives are tied to the compensation incentive plan; (Proposer must explain how the stated goals and objectives will be accomplished if no compensation incentive plan is proposed.) and,
- Sales strategy for maintaining and/or expanding the existing commercial recycling account base and diversion levels.

Proposer must provide a cost proposal for the stated staffing level, but can also propose an alternative staffing arrangement. Proposer must provide its rationale for any alternative proposed staffing level(s) and provide the details specified above (for the stated staffing level) for the proposed alternative staffing arrangement.

Details on the existing Allied Waste Services commercial recycling promotion program, including budget and account details can be found in Attachment 5.

3.8.2 Site Assessments

Contractor will be required to perform an on-site assessment of solid waste generation and recycling potential of the largest one-hundred (100) commercial accounts as measured by total solid waste generation. Proposer must describe its methodology to ensure that these customers are provided a site assessment annually.

3.8.3 Enclosure Specifications

Proposer must describe its methodology to develop solid waste and recycling enclosure specifications with Member Agencies.

3.8.4 Building Plan Review

Contractor will provide Member Agencies assistance with reviewing building plans. The scope of the review is to determine compliance with the Member Agency's space allocation ordinance and/or to determine the feasibility of the proposed enclosure or chute for solid waste and recycling service. Proposer is required to describe its methodology to provide building plan review and technical assistance. Proposer must describe its methodology to review plans for land use or property development, with regard to solid waste and recycling service requirements.

3.8.5 Reporting Requirements

Proposer must submit two (2) examples of reports pertaining to the Commercial Recycling Promotion Program as outlined in Article 9 of the Collection Agreement (Attachment 2).

3.9 MFD Promotion Program

3.9.1 Staffing

Proposer must describe the level of staffing it will commit to providing promotion services to MFD. Proposer must describe if dedicated staff are allocated to this program or if it will be addressed by the commercial recycling promotion program staff.

3.9.2 Site Assessments

Proposer must describe how it will implement providing on-site technical assistance to MFD owners and managers. Proposer must describe how it will schedule and provide site assessments to all MFD complexes annually either at the inception of providing new services or as a courtesy follow up.

3.9.3 Distribution of Public Education Materials

Proposer must describe how it will distribute public education materials to MFD owners, managers and occupants. In addition, proposer must describe how it will distribute Recycling Tote-Bags to MFD complexes.

3.9.4 Reporting Requirements

Proposer must submit two (2) examples of reports pertaining to the MFD Promotion Program as outlined in Article 9 of the Collection Agreement (Attachment 2)–.

3.10 Customer Service

Contractor is responsible for ensuring that all staff and customer service representatives maintain a professional and courteous demeanor. Contractor shall be responsible for all employee interactions with customers, SBWMA and Member Agency staff. Contractor is required to ensure that its customers are consistently treated courteously and are presented with timely, responsive and thorough solutions to problems and requests for information. SBWMA and contractor shall meet monthly to discuss compliance with the customer service standards denoted in Section 7.02 of the Collection Agreement. To ensure that customers in the SBWMA service area obtain competent, professional and courteous customer service, Proposer shall submit a Customer Service Operations Plan. The Customer Service Operations Plan shall include, at a minimum, the following sections:

1. Recycling Hotline/Call Center
2. Website
3. Customer Information System

4. Staffing
5. Commercial Customer Service

Proposer must provide a detailed description of each section of the Customer Service Operations Plan. Specific requirements pertaining to customer service performance standards are included in section 7.02 of the Collection Agreement, and Attachment I (Performance Incentives/Disincentives) and Attachment J (Liquidated Damages) of the Collection Agreement.

3.10.1 Customer Service Call Center

Contractor is required to operate a customer service call center that will serve as the primary telephone point of contact and information for all services. The customer service call center hotline is required to be staffed live during regular business hours (i.e., Monday through Friday 8:00 a.m. to 5:00 p.m.). Proposer must explain the ratio of dedicated full-time customer service representatives (CSR) to one District account that it will use. In addition, the customer service call center will offer bi-lingual customer service by employing customer service representatives with English and Spanish language capabilities. Additional customer service call center standards are included in Section 7.02 of the Collection Agreement (Attachment 2). Proposer must provide three (3) examples and describe its experience with operating a customer service call center.

1. Describe where the customer service call center will be located; if the call center is new or existing; and if the calls for other non-SBWMA operations will be handled by the same call center.
2. Identify the name, type of equipment, and software used to maintain customer service information.
3. Indicate if the system is a new system that the company has not used elsewhere; if the system is currently used on a company-wide basis; or if the system is used by the company for select jurisdictions. Identify for which jurisdictions the system is used by the company.

3.10.2 Call Center Staffing

Proposer shall identify the number of customer service employees, their job functions, and number of hours per week that will be devoted to customer service. Proposer must provide its rationale for the proposed staffing level. Proposer must provide the base hourly rate for a CSR and describe the basic work schedule of CSR's (e.g., part-time scheduled, staggered start and end times, and break times). Proposer must provide the number of CSR supervisory staff and a description of their responsibilities. Proposer must describe its training strategy for CSR and CSR supervisory staff. In addition, proposer must describe its strategy and overall approach to attracting and retaining a high quality CSR staff.

3.10.3 Website

Contractor is required to maintain an up-to-date website that will serve as the primary web-based point of contact and information for all services. Contractor will be required to update the website monthly, and more frequently if necessary. In addition, the website will be required to offer the following services: on-line payment capability; ability to schedule services such as, but not limited to, on-call clean-up service, on-call bulky items collection, extra solid waste pick-ups, service changes, cancellations, etc.; and, the ability to document and resolve complaints.

Proposer must describe how the website will allow customers to submit inquiries or complaints, request for new service or change in service, request for on-call clean-up services, and bill payment. Indicate if third party providers will be used to assist with these transactions (such as bill payment web providers). In addition, proposer must explain if it plans to manage the website with in-house staff or if a subcontractor will be used. If a subcontractor is used, proposer must provide: the name of firm and key project staff that proposer has worked with; examples of websites developed by subcontractor, a list of projects the subcontractor has provided service to proposer; and the length of time the subcontractor has worked for the proposer. In addition, proposer must include details regarding the scope of work and budget for website management.

3.10.4 Customer Information System Requirements

Contractor is required to use a customer information system with software applications capable of documenting all correspondence between contractor and customers, and any other applicable service or customer contact information. This customer information system may be web-based. Proposer must describe the software system it proposes to use that will meet the requirements set forth in Attachment 2, Collection Agreement – Article 7.02 (E).

The system shall be capable of:

- a. Providing real-time access to customer contact history for the service term or any extended term of this Agreement by SBWMA, the Member Agency, and contractor;
- b. Providing the SBWMA and Agency the capacity to submit real-time work orders to contractor specifying the nature of requests for service, inquiries or complaint(s);
- c. Documenting non-collection events including problem description and resolution;
- d. Tracking all decline to collect events necessary to fulfill the requirements in Section 8.02 (F) of the Collection Agreement; and
- e. Fulfilling reporting requirements of Article 9 of the Collection Agreement.

Proposer must also provide a description of the capabilities of the software system to create summary reports.

3.10.5 Reporting

Describe how SBWMA and Member Agencies will have direct access to the following:

1. Customer service logs and reports
2. Customer service records (particularly for Member Agencies that do billing)
3. Direct interface with electronic customer service records (through a web-based or “read-only” terminal type system)

Proposer shall provide a description of contractor’s customer service goals and how customer service goals are measured with regard to the Call Center’s responsiveness, accuracy of responses, and quality of collection service. Identify specific performance goals or targets that are tracked. Proposer shall also provide reports for three (3) jurisdictions that document the actual performance level against the targets including at a minimum, average hold times.

Proposer shall provide a description of the contents of quarterly and annual reports related to customer service. Include examples of three (3) reports for each time frame that were submitted to other jurisdictions.

3.10.6 Complaint Resolution

3.10.6.1 Communication

Explain how communications will occur between company’s operations with a minimum feedback loop between customer service, billing, collection operations, and recycling staff. Describe how the customer service information system interfaces with routing and billing systems.

3.10.6.2 Resolution Process

Explain the process for resolving complaints, specified time periods for resolving complaints, responsibility for resolving complaints, and final resolution. This description shall explain procedures to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups (i.e., both individual accounts and multiple accounts on whole blocks or along a section of a street); spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared set-outs; noise complaints; traffic and sidewalk obstructions during collection; and, safety around collection vehicles during operations.

3.11 Billing Requirements

3.11.1 Billing Service Exceptions

Contractor will provide billing services to all customers for all service levels with the following exceptions:

1. Redwood City bills its customers using their utility billing system and provides remittance to the current contractor monthly in arrears.
2. Menlo Park bills its SFD customers; however, contractor will be responsible for billing all other accounts and provides remittance to the current contractor monthly in arrears.
3. East Palo Alto and Fair Oaks (San Mateo County) bill all customers a base fee through the property tax system and the contractor is responsible for collecting the difference in actual cost of service and the base fee charged. Remittance is provided to the current contractor quarterly in arrears.

3.11.2 Required Submittal of Billing Examples

Proposer's shall submit the following:

1. Sample customer billings and a listing of jurisdictions where proposer currently provides billing services, including a contact name and phone number.
2. Description of its procedures for dealing with customer service, with regard to customer billing demands, during roll-out of services (i.e., the first six to eight months of operations) and throughout the term of the Collection Agreement.
3. Description of how billing will be coordinated with the Member Agencies that will handle some or all of the billing activities (i.e., East Palo Alto, Menlo Park, Redwood City, and San Mateo County).

3.11.3 Billing Service Requirements

The billing service requirements are summarized below.

1. Annual Billing Audits. The contractor will be required to conduct annual billing audits of one-third of all customers, with each Member Agency maintaining the right to engage a third-party for an independent audit of the results of the billing audit. A complete audit of all accounts shall be completed by the end of every third year.
2. Access to Billing Records. Individual Member Agencies and SBWMA staff or selected representatives shall be allowed access by contractor to billing records in electronic format at any time, upon one (1) business day notice. The contractor

will be allowed access to Member Agency billing systems upon one (1) business day notice.

3. Service Stops. Customers will be allowed to stop and start service (e.g., when on vacation or extended absence) up to two times per year, and the minimum duration of the suspended service (and billing period) must be two (2) service days for commercial customers and one (1) service day for SFD customers.
4. Billing Frequency. For Member Agencies relying on contractor's billing services, each commercial and MFD customer shall be billed monthly in arrears and SFD customers shall be billed quarterly in advance, allowing for one-third of SFD customers to be billed each month.
5. Automated Billing Options. For Member Agencies relying on contractor's billing services, contractor shall be required to provide an option for automated billing through electronic funds transfer, automated clearinghouse, or website-based credit card payment, and accept as payment personal checks, money orders, cashiers checks, and credit cards. In addition, contractor must process payment over the telephone using customer's credit cards.
6. Local Payment Office. Contractor is required to maintain a local office at the Shoreway facility, or in its service District, for acceptance of in-person payment.
7. Bad Debt Policies. Member Agencies will be required to determine if it is willing to place liens on property, assess late-payment fees, and/or allow the contractor to stop providing service as options for recovering aged accounts receivable. In the event Contractor is allowed to stop providing service, it must provide notice to the Member Agency prior to noticing customer.
8. Paperless Bill Option. For the Member Agencies relying on contractor's billing services, the collection contractor will be required to provide the option for each customer to subscribe to paperless bill notification through the website-based payment system.

3.12 Member Agency Service Differences

3.12.1 General/Background

From December 2006 through February 2007, Member Agencies reviewed the SBWMA Board's recommended core and optional programs. All of the Member Agencies endorsed the core programs to be implemented within their jurisdiction and identified several different program preferences. Member Agencies are not required to commit to participation in the optional or unique agency specific services.

3.12.2 Atherton

Atherton has prepared a unique scope of services for its community. Because the majority of Atherton's requirements are consistent with requirements for the other Member Agencies and because Atherton is committed to participating in the contractor selection process, proposers are not required to present separate costs for Atherton services. Attachment 14 presents Atherton's scope of services and instructions for special proposal submittal requirements to be included in each company's proposal.

3.12.3 Belmont

Proposers will be required to provide a cost proposal for the North District which includes Belmont. However, Belmont has reserved the right to request proposals from contractors while the SBWMA RFP process is under way.

3.12.4 Hillsborough

Hillsborough requests that proposers separately present proposals to provide services to its customers and has prepared a unique scope of services for its community. Hillsborough is specifically interested in maximizing diversion and achieving the highest level of customer service. Attachment 13 presents Hillsborough's scope of services and instructions for special proposal submittal requirements to be included in each company's proposal. Proposers are required to complete a cost form denoting the incremental cost deduction to the total for both the North District and both Districts (if Hillsborough chooses not to participate).

3.12.5 Redwood City

Redwood City is interested in the option of having a city-wide annual clean-up event. This would be a week-long event city wide whereby SFD residents would have the opportunity to place excess materials (i.e., bulky items and e-waste) curbside for collection. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route basis over a period of days.

3.12.6 San Mateo

San Mateo is interested in the option of having a city-wide annual clean-up event. This would be a week-long event city wide whereby SFD residents would have the opportunity to place excess materials (i.e., bulky items and e-waste) curbside for collection. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route basis over a period of days.

3.12.7 Burlingame

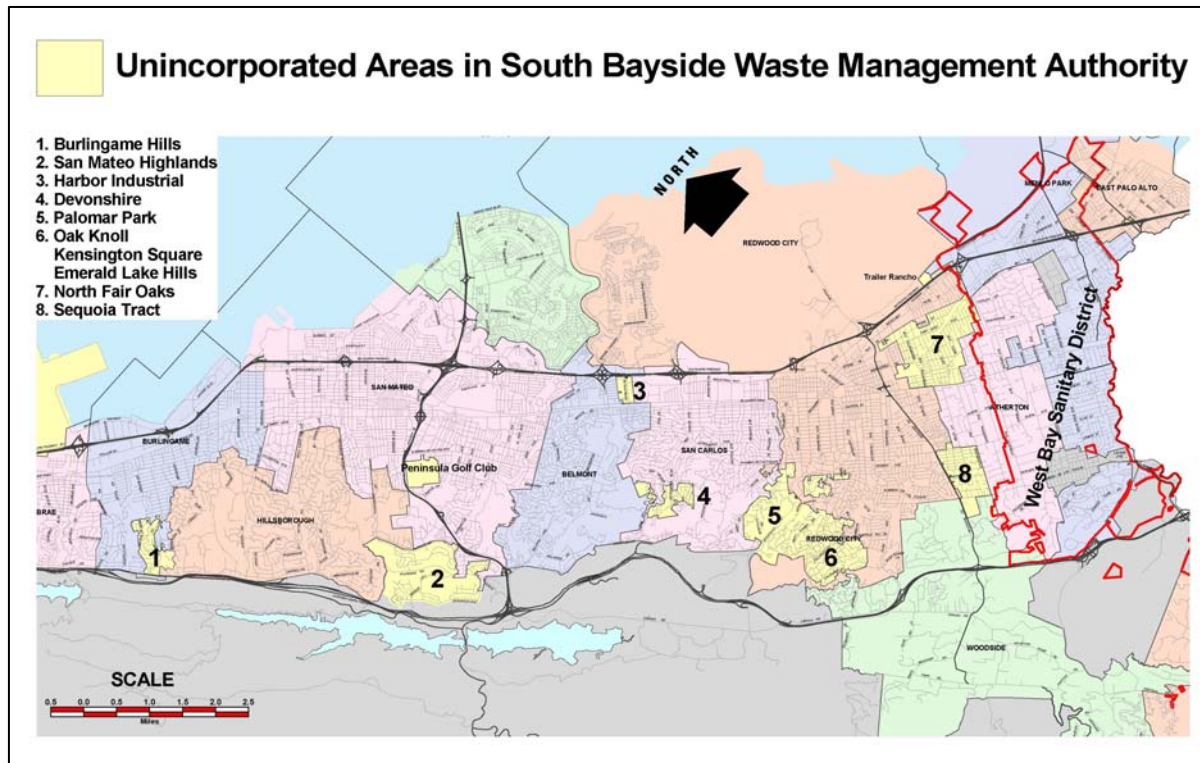
Burlingame is interested in the option of having a city-wide annual clean-up event. This would be a week-long event city wide whereby SFD residents would have the opportunity to place excess materials (i.e., bulky items and e-waste) curbside for collection. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route basis over a period of days.

3.12.8 Foster City

Foster City is interested in the option of having a wet/dry collection service provided to its Multi-Family Dwelling sector. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route basis over a period of days.

3.12.8 San Mateo County

San Mateo County has agreed to include all the unincorporated County areas within both the North and South Districts. Some areas have specific names while others do not. The area known as North Fair Oaks that is included in the South District will likely enter into a separate Collection Agreement. Thus, San Mateo County is reserving the right to include several other additional unincorporated County areas including, but not limited to two (2) in the North District (i.e., Burlingame Hills and San Mateo Highlands); and five (5) in the South District (i.e., Harbor Industrial, Devonshire, Palomar Park, Oak Knoll/Kensington Square/Emerald Lake Hills, and Sequoia Tract). The County will decide to execute one or more collection agreements for the additional county areas based on the proposals submitted in response to this RFP.



3.12.9 Unique Member Agency Residential Cart Requirements

Three Member Agencies have SFD residential solid waste cart requirements that are different than those presented in Section 3.1.1.1. The unique needs are describe below:

- East Palo Alto requires that a 90-gallon cart (or similar size) is the minimum level of solid waste service that will be provided.
- San Mateo County specifies that a 60-gallon cart (or similar size) is the minimum level of solid waste service that will be provided for the North Fair Oaks area.
- Foster City requires that residents are offered the opportunity to subscribe to a 10-gallon container as their primary service level, in addition to the standard 20, 30, 60, and 90-gallon (or similar sizes) solid waste carts that are offered. The 10-gallon cart is not anticipated to be a wheeled cart or collected using the automated apparatus on the collection vehicles.

3.13 Contractor Implementation Plan

Proposer shall provide a detailed implementation plan describing the contractor's approach to facilitating a smooth transition for all the collection services. The plan must clearly describe the company's ability to implement the services in accordance with the schedule presented in Table 1-2 of this RFP. This description should include, but not be limited to:

1. A timeline showing the duration and completion date of major milestone events such as vehicle purchase and testing; container purchase, assembly and distribution; personnel hiring and training; customer service and billing database development and implementation; administration; public education; corporation yard acquisition and development (if necessary); etc.
2. Assumptions regarding the participation of SBWMA staff, Member Agency staff, the current collection contractor, and the current and future facility operator.
3. Identification of common problems that can occur in service initiation and strategies for preventing or managing such problems.
4. Discussion on how customers will select container size(s) and service frequency.
5. Recommendation on how to transition the yard and maintenance facilities at the Shoreway facility from the existing collection contractor to the new collection contractor if applicable.
6. Contingency plans for all aspects of implementation.
7. Description of an early phased program roll-out schedule starting July 1, 2010 and whether such an early roll-out is feasible and likely to result in a smoother (i.e., fewer missed pickups, customer complaints, etc.) program start. This description should detail what arrangements (e.g., lease or purchase of assets) would be required between the contractor and existing service provider and examples of other new contract roll-outs.

3.14 Potential Collection Impacts

Each proposer shall provide the information required in this Section 3.14.

3.14.1 Vehicle Impacts

Describe how the vehicles will comply with the proposed rule adopted by the State of California Air Resources Control Board on September 25, 2003 requiring the implementation of diesel particulate matter control measure for collection vehicle diesel engines, include a description of the specific control measures to be used and schedule for compliance.

3.14.2 Facility Environmental Compliance

If a proposer plans to develop a new corporation yard or maintenance facility, or significantly modify an existing facility, proposer must describe its ability to respond to

issues identified during the environmental review, compliance, and the permitting process associated with the development of the new facility(ies).

3.14.3 Hauling Impacts

If a proposer plans to use a corporation yard or maintenance facility other than the Shoreway facility, the proposer shall estimate the total annual miles traveled by the collection vehicles between the yard or facility and the Shoreway facility for delivery of collected materials. The estimate shall be accompanied by the assumptions used to calculate the annual total miles driven (e.g., number of solid waste, recyclable materials, and organic materials loads per day; the hauling distance between the proposer's yard or facility and the Shoreway facility, etc.).

3.15 Other Proposed Services

Please summarize any special services, if any, beyond those required by this RFP and Collection Agreement (Attachment 2) that the company proposes to provide to the SBWMA and its Member Agencies. Examples of programs include, but are not limited to: collecting waste abandoned in the Member Agencies (i.e., illegal dumping); and, facilitating city-wide garage sale events. Proposer should provide a separate and distinct cost for these additional services. In addition, proposer must clearly indicate the operational and financial impact that the inclusion of these services would have on the other services.

3.16 Alternative Proposals

Proposer may provide one or more alternative proposals. The SBWMA and Member Agencies are not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the SBWMA and Member Agencies if the SBWMA and Member Agencies conclude that the alternative proposals warrant evaluation and analysis.

3.16.1 Alternative Fuel Vehicles

The California Air Resources Board (CARB) has, over the last decade, begun a practice of regulating the emissions from vehicle fleets that regularly operate in service of the public (e.g., city fleets, transit fleets, solid waste fleets, etc.). Some of these regulations have required the use of alternative fuel rather than standard diesel fuel. Based on this trend of regulation, it is likely that there will be further regulations restricting vehicle emissions from these fleets. It is not currently known what regulations will be adopted, which technologies will be favored, or what fuel alternatives will be readily available and cost-effective upon commencement of this contract. Furthermore, the technological advances in this area are arriving at a fast pace due to heightened awareness of this issue. More research on this issue will be conducted to develop a recommendation for

requiring some alternative fuel use in the future contracts. Proposer may present proposal to use alternative fuel at its option.

3.16.2 Wet/Dry Collection

During the RFP planning process, Member Agencies expressed interest in exploring wet/dry collection particularly for multi-family and commercial customers. Proposer may present an alternative proposal for wet/dry collection services (in addition to the core and optional services proposal required by this RFP). If a proposer chooses to submit a wet/dry collection service proposal, proposer shall provide a thorough description of its plans for the program, including, but not limited to the following:

- The type and number of customers that would be targeted (indicating if this approach would be appropriate for some or all of the Member Agencies)
- Routing strategies
- Processing facility and guaranteed processing capacity
- Materials marketing strategy and markets (particularly for the wet stream)
- Public education and promotion strategy
- The benefits of the wet/dry collection
- Targeted and guaranteed diversion rate(s)
- Communities where this program has been successfully implemented by proposer or others

The Town of Hillsborough is especially interested in proposals for wet/dry collection.

3.16.3 Other Environmental Enhancements

Proposer is encouraged to provide other environmental enhancements so as to achieve SBWMA goals and objectives related to:

- Minimizing environmental impacts (e.g., air, water, depletion of natural resources) associated with collection services
- Encouraging the highest and best use of recycled content materials
- Where practical, supporting local and regional end markets for recyclables

Examples of environmental enhancements include, but are not limited to:

- Utilizing air quality emissions trading credits to offset or mitigate greenhouse gas emissions impacts in the SBWMA service District(s)
- Incorporating green building best practices and standards into facilities used by proposer
- Use of re-refined oil in collection vehicles

- Implementing a buy-recycle policy for purchase of recycled content products per state and federal specifications
- Achieving certification to national or international standards (e.g., ISO certification for environmental or quality management)

The above examples are intended as guidance for what might be considered environmental enhancements. Proposer is encouraged to explore these and other environmental enhancements when preparing its proposal.

3.16.4 Other

Proposer may propose an alternative approach to providing collection services which are not consistent with the core services. Proposer must clearly describe the alternative proposal and any differences with regard to information provided for the core and optional collection services. Proposer shall also describe whether they or others have successfully implemented the alternative approach and why it is suitable for the SBWMA.

While co-collection may be a viable alternative in other jurisdictions, the SBWMA identified concerns about its ability to be effectively implemented in the SBWMA service area. Co-collection's brief history shows that it has worked well in some cases and not in others. More importantly, its implementation within the SBWMA service area would roughly double the number of scale transactions and vehicles entering and exiting the Shoreway facility each day for the co-collected materials. Traffic issues are already a major concern at the facility and the increased use of the scales required with a co-collection system (to obtain weights for each commodity versus a single weight for a typical vehicle) and associated traffic could impact the Shoreway facility. If a proposer chooses to submit an alternate proposal for co-collection they are required to include an analysis of on-site Shoreway facility traffic that clearly supports their approach. If their approach includes a second outbound scale, truck transponders, or other features that will not already be present in 2010, they are also required to clearly identify and include all costs of purchase, installation, and operation of those features in their proposal.

Alternative proposals that involve direct haul of materials to Ox Mountain landfill or processing sites other than the Shoreway facility may not be considered by the SBWMA or Member Agencies. Member Agencies are obligated to deliver all collected materials to the Shoreway facility as per the SBWMA JPA (exceptions to this requirement are noted in this RFP).

3.17 Facilities for Equipment, Maintenance and Administration

The SBWMA owns the Shoreway facility, which includes the area and facilities used by the current collection contractor for vehicle parking and maintenance, container storage and maintenance, employee parking, administration, billing, and customer service

(collectively, "corporation yard"). Because two collection contractors may service the SBWMA and a third company may operate the Shoreway facility transfer station and MRF, the SBWMA has concluded that it is only practical for either the North District collection company or the South District collection company to use the Shoreway facility for its corporation yard. Based on proposals received and alternative sites identified, the SBWMA will determine which service District can use the Shoreway facility corporation yard. **If one contractor is selected for the entire SBWMA service area (i.e., scenario 3, providing service to both the North and South Districts), the selected contractor shall use the Shoreway facility corporation yard.** If the contractor plans to use the Shoreway facility yard for staging its collection operations, the contractor shall not be permitted to conduct non-franchise related activities from the site such as, but not limited to, drop box service for non-putrescible waste or recyclable materials.

SBWMA plans to allocate the costs related to the off-site corporation yard and the Shoreway facility corporation yard to all Member Agencies so that one service District is not burdened with the cost of a new corporation yard and additional hauling costs, while the other benefits from the use of the Shoreway facility.

Proposer must propose an alternative site that accommodates parking and maintenance of its collection vehicles; storing and repair of collection containers; employee facilities, administrative offices, billing offices, and customer service offices (corporation yard). Proposer shall identify its plans for a corporation yard and indicate an existing corporation yard owned by the proposer; or develop a new corporation yard. Proposer shall be required to secure its corporation yard within ninety (90) calendar days after the last Member Agency approves its selection.

If proposer plans to use an existing corporation yard, proposers shall identify, at a minimum, the following information: name, address, and size of the site; site owner; other operations housed/serviced from the site; facility expansions or improvement plans and capital costs to accommodate the SBWMA operations; necessary permit modifications or changes; and distance from the Shoreway facility.

If proposer plans to develop a new corporation yard, proposers shall describe its plans to secure the corporation yard and must disclose all assumptions and cost implications of leasing or acquiring the site. Upon approval of selection of the successful proposer by the last Member Agency, the proposer shall have ninety (90) days to provide the following additional information: address, and size of the one or more potential site(s); lease or option arrangements the proposer has secured; existing site activities; site improvement plans and capital costs to accommodate the SBWMA operations; necessary permit modifications or changes; and distance from the Shoreway facility.

3.18 Performance Lapses and Safety Preventative Measures

Proposer must describe how it will address lapses in performance and safety prior to triggering liquidated damages provisions of the Collection Agreement (Attachment 2). Proposer must describe its plans to execute preventative measures and corrective actions for specific liquidated damages performance issues including: spills of vehicle fluids (e.g., hydraulic spills) and ensuring carts remain in an upright position (after emptied on route). The description must include how proposer will track, determine the cause and minimize occurrences.

3.19 Reporting Requirements

Proposer must provide a description of its experience preparing and compiling reports for public agencies. Proposals must include three (3) examples of monthly, quarterly and annual reports submitted to public agencies. A description of the reports that Contractor will be required to prepare and submit are listed below and a detailed description is provided in Article 9 of the Collection Agreement (Attachment 2).

Monthly Reports

- Tonnage information for Solid Waste, Recyclable Materials and Organics
- Diversion level for all four service sectors
- Complaint and inquiry data
- Call center data
- Monthly gross revenues and fees
- List of on-site customer assessments and visual audits

Quarterly Reports

- Summary of the monthly reports
- Tonnage information for Solid Waste, Recyclable Materials and Organics
- Diversion level for all four service sectors
- Education activities
- Complaint and inquiry data
- Call center data
- Monthly gross revenues and fees
- Determination and estimate of liquidated damages if applicable
- Account summary
- On-site customer assessments and visual audits for all four service sectors
- Summary assessment highlighting significant accomplishments
- Hazardous waste records
- Operational data
- Commercial recycling and promotion program status report

Annual Reports

- Summary of the quarterly reports
- Operational information
- Customer account information
- Customer service operations
- Financial information
- Related party entities
- Review of billings
- Final determination and payment of liquidated damages
- Public education plan

Event Specific Reporting

- Accumulated solid waste; unauthorized dumping
- Hazardous Waste
- Reporting adverse information

Upon Request Reporting

- Large venues and events
- Holiday tree collection services

SECTION 4 - RFP POLICIES, CONDITIONS, AND PROCESS

4.1 Rights Reserved by the SBWMA and Member Agencies

The SBWMA and its Member Agencies reserve the right, in their sole discretion, to pursue any or all of the following actions in regard to this RFP process:

- Issue addenda and amend the RFP and Collection Agreement;
- Request additional information and/or clarification from proposer;
- Extend the deadline for submitting proposals;
- Withdraw this RFP;
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications;
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate or misleading information; proposals submitted after the deadline; or, proposals with other process or content errors or deficiencies;
- Amend the Municipal Codes of Member Agencies;
- Award a proposal based on a combination of its qualitative and quantitative attributes;
- Request revised cost proposals in the event that one or more Member Agencies choose to obtain a collection contractor independently, rather than through this RFP process;
- Take other actions the SBWMA deems is in the best interest of the SBWMA, its Member Agencies, and residents and businesses in the SBWMA service area; and,
- Negotiate changes in the services proposed and/or described in the RFP or to incorporate programs proposed by others.

4.2 General RFP Agreements

This RFP shall not be construed by any party as an agreement of any kind between the SBWMA, its Member Agencies, contractor(s), and other parties.

This RFP does not obligate the SBWMA or its Member Agencies to accept any proposal, negotiate with any proposer, award a Collection Agreement, or proceed with the development of any project or service described in response to this RFP. The

SBWMA or its Member Agencies have no obligation to compensate any proposer for its expense of preparing its proposal and participating in this procurement process.

The SBWMA and its Member Agencies shall have the right (but not the obligation) to perform a review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such a review. Such cooperation by proposer shall apply to the verification of the proposer's capability and experience in the provision of services and any other component of work that may be required under this procurement.

The SBWMA, its Member Agencies, and their consultants, will be conducting reference checks on proposers that will involve contacting municipalities currently or previously served by proposer, as well as contacting regulatory agencies involved in oversight of proposers' facilities. In addition, the SBWMA, its Member Agencies, or their consultants, may research proposers' past performance by reviewing litigation history, regulatory actions, highway driving records, criminal investigations and recycling history. The proposer's submission of a proposal shall constitute an agreement to cooperate with the SBWMA's and the Member Agencies' review.

4.3 Code of Conduct

4.3.1 SBWMA Board Code of Conduct Policy

With the goal of conducting the RFP process with transparency and integrity, the SBWMA Board approved (on November 30, 2006 and revised April 26, 2007) a code of conduct policy, which commences on September 1, 2007. The code of conduct policy (Attachment 3) provides guidance to Board members and SBWMA staff regarding disclosure of ex parte communications with RFP "participants" and potential censure by the Board if anyone covered under the policy accepts gifts and compensation from participants). The code of conduct policy defines "participants" as employees or agents of participants in this RFP process (excluding the City of Belmont).

4.3.2 Proposer Code of Conduct

Proposer is required to sign the Proposer Code of Conduct (Attachment 12), which is similar in nature to the code of conduct adopted by the SBWMA Board. The code of conduct for proposers: (i) prohibits ex parte communications with SBWMA Board members; (ii) prohibits giving any gift or monetary compensation to an SBWMA Board or SBWMA staff member or consultants; (iii) prohibits collusive activities with other potential proposers; and (iv) prohibits proposer from proposing or offering similar services within the SBWMA service areas to Member Agencies (excluding the City of Belmont), elected officials, or appointed officers and representatives.

If a proposer does not sign the code of conduct or violates the code of conduct, the SBWMA has the right to disqualify the proposer from this RFP process. The code of conduct shall be signed and submitted to the SBWMA with the company's proposal in accordance with instructions provided in Section 5.8.

4.3.3 Labor Policy

On October 26, 2006, the SBWMA Board adopted a labor policy to guide proposers in preparation of their cost proposals. Specific contracting language in the labor policy is found in Section 8.06 of the Collection Agreement. The terms of the labor policy are summarized below.

1. Competitive Wages and Benefits. Contractor shall provide employees with initial wages and benefits equaling no less than the wages and benefits included in the collective bargaining agreements in place in 2010 or at roll-out of the new collection services program. Copies of the current collective bargaining agreements are provided in Attachment 9.
2. Employee Retention Policy. Contractor will retain workers who have been employed by the current contractor for at least 120 calendar days prior to the expiration of the contracts. These retained workers will fill open positions, provided that the future contractor(s) shall not be required to create additional positions that the contractor(s) does not need. Contractor is prohibited from discharging any retained workers for at least 90 calendar days after the contract startup except for cause. Additionally, the contractor(s) shall maintain a list of the predecessor contractor's employees who were not offered employment after two months from the start of the new Collection Agreement(s). If any positions become available during the three months following the initial three-month contract period (i.e., from April 1, 2011 through June 30, 2011), Contractor shall offer employment to qualified persons on the list by seniority within the collective bargaining unit (if it exists). Contractor shall be required to include this language in the collective bargaining agreements, if any such agreement exists or is negotiated.
3. Contractor Demonstration of Compliance. Contractor shall anticipate the aforementioned labor requirements in their cost proposals.

4.4 Proposal Submittal Process

Proposer shall follow the proposal submittal process as outlined below.

4.4.1 Step One – Register for Future Correspondence and Announcements

Proposer must request that it be placed on the list of interested parties in order to receive future correspondence or announcements related to this RFP. The deadline for submitting a request to be included in this RFP process is _____. Proposer must post, fax or email said request to:

SBWMA
610 Elm Street, Suite 202
San Carlos, CA 94070
ATTN: Mr. Kevin McCarthy, Executive Director
Fax: 650-802-3501
Email: kmccarthy@rethinkwaste.org

4.4.2 Step Two – Submission of Written Questions

SBWMA directs proposer to submit all questions and requests for information in writing directly to SBWMA at the address listed in Section 4.4.1. The deadline for submitting written questions and requests for information will be _____, or two weeks prior to the pre-proposal meeting.

4.4.3 Step Three – Mandatory Pre-Proposal Meeting

The mandatory pre-proposal meeting will be held in Room ___, at the San Carlos Library, 610 Elm Street, San Carlos, CA 94070, on _____ at 10:00 a.m. Proposer must R.S.V.P. in writing to SBWMA by _____, if interested in participating in this RFP process. Attendance at this meeting is mandatory for all contractors intending to submit a proposal. SBWMA will NOT accept proposals from companies that do not attend the pre-proposal meeting. Proposers are encouraged to prepare and pose questions at the pre-proposal meeting. Preliminary oral responses to questions will be provided at the discretion of SBWMA staff at the pre-proposal meeting. Written responses to questions will be provided to all eligible proposers (those companies that registered pursuant to Step One and attended the pre-proposal meeting) by _____. In the event of any inconsistencies between oral responses provided at the pre-proposal meeting and written responses subsequently issued, the written responses must be used for the purpose of preparing proposals.

4.4.4 Step Four – Proposal Submittal

Proposer shall submit ten (10) double-sided copies in three-ring binders of the complete proposal and one (1) single sided, signed original. In addition, a computer disk containing an electronic copy of the proposal and all completed proposal forms (i.e., those provided in Attachment 10 of the RFP), in Microsoft Excel formatted for a PC, shall be submitted in a sealed package. Proposals must be printed on 8½" x 11" paper with 30% or greater post-consumer recycled-content paper. All pages shall be

consecutively numbered; although, each section may start with a new page number if preceded with the section number (e.g., Page 2-1 for the first page of Section 2).

The package shall be clearly labeled:

PROPOSAL FOR SBWMA COLLECTION SERVICES

FROM:

Name of Proposer:

Address:

Contact Person:

Telephone Number:

Fax Number:

E-mail:

The proposal may be mailed or hand delivered to:

Executive Director
SBWMA
610 Elm Street, Suite 202
San Carlos, CA 94070
(650) 802-3500
(650) 802-3501 fax

All proposals must be received by 3:00 p.m. on _____, 2008. Proposals received late will not be considered. Postmarks will not be accepted as proof of receipt.

4.4.5 Step Five – Clarification of Proposal Information

Proposer may be asked to clarify information through written communications, and interviews or during site visits of each proposer's offices, customer service center, corporation yard and maintenance facilities, and disposal, transfer, and processing facilities. The clarification process may be performed by SBWMA staff, Member Agency staff, and/or their consultants.

4.4.6 Step Six – Selection of Short List of Proposers

One or more proposers will be placed on a short list to commence negotiations. Upon notification of being placed on the short list to negotiate a contract, the proposer will have seven (7) calendar days to provide a surety made payable to the SBWMA in the amount of \$100,000 and in the form of a cashier's check. The purpose of the surety is to guarantee that the contractor will execute in good faith a Collection Agreement with each Member Agency in the service District. If the selected contractor does not execute

Collection Agreements within thirty (30) calendar days after receiving notice of its selection, the SBWMA reserves the right to keep the surety to offset potential costs associated with identification of an alternate service provider(s) and schedule delays. Checks will be returned to all proposers within ten (10) calendar days after all Member Agencies have executed Collection Agreements.

4.4.7 Step Six – Presentation to SBWMA and Member Agencies

One or more proposers may be invited to present their proposals to the SBWMA Board and Member Agencies. Invitations to present will be based on evaluation of the proposals. The presentations are tentatively scheduled for April - May 2008.

4.4.8 Schedule

The schedule of events presented in this Section 4.4 is summarized in Table 1-2 in Section 1.

SECTION 5 - SUBMITTAL REQUIREMENTS

Section 5 includes the required proposal outline and a description of the specific information proposers must include. Proposer must provide the information specified in this section as part of its proposal. Failure to provide all the required information may be grounds for rejection of a proposal.

Proposer does not need to reiterate the service requirements of the Collection Agreement in their proposal. However, proposer is requested to focus on describing how it plans to provide the services with regard to routing strategies, collection methods, and equipment selection. Furthermore, if a proposer has presented information for one type of service that is the same for another type of service, proposer can refer to its previous description rather than reiterating the discussion in its proposal. For example, if SFD solid waste and recyclables collection vehicles are the same, the vehicle description can be provided once for the solid waste service and then referenced for the recyclable materials collection service.

5.1 Proposal Outline

Proposer shall present their proposals in accordance with the outline provided in Table 5.1. The RFP sections that contain specific information that must be provided by proposers for each section of its proposal is included in Table 5-1. Additional information or data relevant to the proposal is optional and must be included by proposer as proposal attachments.

**Table 5-1
Proposal Outline**

	<u>Reference RFP Section</u>
i. Title Page	N.A.
ii. Cover Letter	5.2
iii. Table of Contents	N.A.
ES Executive Summary	5.3
1. Company Description	5.4
A. Business Structure	
B. Collection Experience	
C. Service Initiation Experience	
D. Existing Customer Service Systems	
E. Key Personnel	

	F. Labor Agreements and Wages	
	G. Past Performance Record	
	H. Financial Information	
2.	Proposal for Requested Collection Services (coincide with section 3)	3.0 and 5.5
	A. SFD Core Services	3.1.1 and 5.5
	B. SFD Optional Services	3.1.2 and 5.5
	C. MFD Core Services	3.2.1 and 5.5
	D. MFD Optional Services	3.2.2 and 5.5
	E. Commercial Core Services	3.3.1 and 5.5
	F. Commercial Optional Services	3.3.2 and 5.5
	G. Member Agency Core Services	3.4.1 and 5.5
	H. Member Agency Optional Services	3.4.2 and 5.5
	I. Public Education	3.7
	J. Commercial Recycling Promotion Plan	3.8
	K. MFD Promotion	3.9
	L. Customer Service Operations Plan	3.10
	M. Billing Examples	3.11
	N. Implementation Plan	3.13
	O. Potential Collection Impacts	3.14
	P. Other Proposed Services	3.15
	Q. Alternative Technical Proposals	3.16
	R. Facilities for Equipment, Maintenance, and Administration	3.17
	S. Performance Lapses and Safety Preventative Measures	3.18
	T. Reporting	3.19
4.	Collection Requirements for Unique Member Agency Services	5.6
5.	Exceptions to the RFP and Collection Agreement	5.7
6.	Cost Proposal	5.8
	A. Base Cost Proposal for Core Services	5.8.1
	B. Cost Proposal for Additional Member Agency Services	5.8.2
	C. Cost Proposal for Optional Collection Services	5.8.3
	D. Alternative Cost Proposals	5.8.4
7.	Other Proposal Forms	5.9
	A. Secretary's Certificate	5.9.1
	B. Anti-Collusion Affidavit	5.9.2
	C. Code of Conduct	5.9.3

5.2 Cover Letter

The cover letter shall clearly identify the legal entity or entities submitting the proposal and state whether each is a sole proprietorship, partnership, corporation, LLC, or joint venture. In addition, the cover letter shall identify which service District(s) the proposer is proposing to service. The cover letter shall be signed by the designated representative authorized to bind proposer.

5.3 Executive Summary

Proposer shall provide an executive summary to introduce their proposal; present their strategy, costs, experience and qualifications; and highlight the unique aspects of their approach to providing service to the Member Agencies.

5.4 Company Description

5.4.1 Business Structure

Proposer shall include the following in its proposal:

1. Confirm that proposer is authorized to do business in California.
2. Identify the legal entity(ies) that would execute the Collection Agreement. State whether each entity is a sole proprietorship, partnership, corporation, LLC, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.
3. State the number of years the entities have been organized and doing business under this legal structure. Proposal must include all the names of company's (and executing entities' if different than company's) owners/stockholders with greater than a 10% holding of the company's total assets.
4. Identify other businesses with ownership by principals and/or management.
5. Proposer shall describe all services to be performed by subcontractors, and identify each subcontractor by name. Proposer shall describe any current or past working relationship with the subcontractor(s) in the past five (5) years.

5.4.2 Collection Experience

Proposer must describe its experience serving jurisdictions in California (preferably serving jurisdictions of similar or larger size and similar demographics to the SBWMA). One SBWMA service District has approximately 45,000 SFD and 5,000 Commercial/MFD accounts, including service to Member Agency facilities. The entire SBWMA service area has approximately 90,000 SFD and 10,000 Commercial/MFD accounts, including Member Agency facilities. Proposer's description for each comparable jurisdiction shall include:

1. The name of the jurisdiction where the services were provided, commencement date of services and term of the agreement;
2. The service provided (e.g., solid waste collection, recyclable materials, organic materials collection, and other unique collection programs such as those for street sweeping, e-waste, u-waste, or household hazardous waste);
3. The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement; and,
4. The number of residential (i.e., specify SFD and MFD), Commercial (i.e., specify cart, bin, roll-off and other) and Member Agency (or other) customers served; tons collected, diverted, and disposed annually; and type and number of vehicles dispatched per day for each of the services provided.

5.4.3 Service Initiation Experience

The SBWMA is interested in learning about each proposer's experience with the following types of service initiations: (1) implementation of new franchise agreements in which the proposer replaced the existing contractor; (2) transition from backyard to curbside collection; (3) transition from a two- or three-sort recyclables collection program to single-stream recyclables collection; and (4) implementation of automated curbside collection. Include a minimum of three reference projects for which the proposer has initiated a new collection contract and/or new collection services. For each reference program, the description shall include:

1. The name of the jurisdiction where the services were provided and commencement date and term of the agreement;
2. The service initiation performed (i.e., initiation of a new franchise agreement, transition from backyard to curbside service, implementation of single stream recyclables collection, implementation of automated collection, universal roll-out/distribution of recycling service to all multi-family and Commercial accounts, and length of time to complete);

3. The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement;
4. The number of residential and commercial customers served; tons collected, diverted and disposed annually; and the type and number of vehicles dispatched per day for solid waste, recyclable materials, and organic material collection services;
5. Description of how the company handled the specific requirements for the procurement of vehicles and personnel; training of personnel; billing and fee collection services; determination of routes and operating procedures; delivery of containers; public education; and the preparation of procedures to ensure a smooth transition from one company to another and one type of service to another, use of recycled content carts; and,
6. Identification of problems that occurred during the initiation of the new contract and solutions implemented to solve the problem(s).

5.4.4 Existing Management and Customer Service Systems

Proposer shall describe the management systems and customer service systems their company uses to manage inquiries and complaints received from residential and commercial customers. If the proposer uses different systems for different communities, then the proposer shall provide a separate description of no more than three systems. The description of the management systems and customer service systems shall include, at a minimum:

1. Identify the name, type of equipment, and software used to maintain routing and customer service information.
2. Management procedures for managing inquiries and complaints and procedures used to minimize complaints (e.g., missed pick-ups, noise, spills, etc.).
3. Description of system capability and/or procedures to ensure timely accessibility of information by jurisdictions served.
4. Describe if individual call centers are established for each service area or if customer calls are handled by a centralized call center, and shall identify the location of call centers in the Bay Area.
5. Indicate if the system is used company-wide or for select jurisdictions (listing which jurisdictions).
6. Describe how the customer service information interfaces with route data and billing data.
7. Describe procedures used to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing

containers; improperly prepared set-outs; noise complaints; traffic and sidewalk obstruction during collection; and, safety around collection vehicles during operations.

8. Describe how the company measures customer service with regard to the call center's responsiveness and accuracy of responses, as well as the quality of collection service. Identify specific performance metrics or targets your company tracks. Provide actual reports for at least three jurisdictions that document the actual performance level against your targets including, at a minimum, average hold times of the customer service call center and missed pick-ups.
9. Identify if the company has a website that its customers use to obtain customer rates and service information, and to submit inquiries or complaints. Provide website address, if applicable.

5.4.5 Key Personnel

Provide an organization chart for key personnel and job descriptions indicating the qualifications and experience of key personnel the proposer would assign to: (1) the transition team; and, (2) the ongoing management of the services provided under the Collection Agreement. Specify the amount of time each individual will be dedicated to provide the services specified in the Collection Agreement. Provide names, and phone numbers of municipal references that have worked with the key proposed management team members. At a minimum, key personnel shall include the general manager, controller, operations manager, customer service manager, maintenance manager, and public education specialist or other personnel with similar titles.

Note: "Affiliate" is defined in Attachment A(Definitions), of the model Collection Agreement (Attachment 2).

5.4.6 Past Performance Record

1. Criminal Proceedings. Describe any criminal proceedings in which the proposer, any affiliate of the proposer, and/or any director or officer of the proposer or affiliate (with respect to their actions in such capacity), and any individual identified as Key Personnel in the Proposal) has been named as a defendant that are either currently pending or were concluded within the past five (5) years. For each proceeding, provide the name of the case, the court in which filed, the docket number, and the disposition.
2. Civil Litigation. Describe any lawsuit in which the proposer or any affiliate of the proposer has been named as a defendant or cross-defendant that are either currently pending or were concluded within the past five (5)

years. For each lawsuit, provide the name of the case, the court in which it was filed, the docket number, and the disposition. Lawsuits which involved only claims for personal injury or property damage arising from vehicle accidents which resulted in defense verdicts or in judgments against defendant, or settlements, of less than \$10,000, do not need to be disclosed.

3. Administrative Proceedings. Describe any administrative proceedings in which the proposer or any affiliate of the proposer was involved initiated by federal, state or local regulatory agencies (including, by way of example, the United States Environmental Protection Agency, the California Integrated Waste Management Board, the California Department of Toxic Substances Control, the California Highway Patrol, the California Department of Motor Vehicles, the California Department of Industrial Relations, the State Water Resources Control Board or any regional water quality control board) that are either currently pending or were concluded within the past five (5) years. For each, provide the name of the agency, the office or District in which the proceeding occurred, the nature of the proceeding, the disposition, and the amount of any fines or penalties assessed.
4. Payment of Liquidated Damages. List each jurisdiction in California (e.g., city, county, special district, or JPA) which has assessed liquidated damages against the proposer or any affiliate of the proposer within the past five (5) years in an amount greater than \$50,000. For each jurisdiction, list the amount of liquidated damages paid and the event which gave rise to contractual liability for liquidated damages.
5. Worker Safety. For the proposer, and any affiliate of the proposer, provide information showing its worker safety record for the past five (5) years. The information shall include employee safety metrics commonly used in the industry including but not limited to the number of hours lost for individual injuries per employee and workers' compensation insurance ratios.
6. Customer Service. For the proposer, and any affiliate of the proposer, provide information showing deficiencies in compliance with contractually stipulated customer service requirements for the past five (5) years. The information shall include a description of the areas of customer service that were not complied with, the duration and scope of the non-compliance, and how the Contractor addressed and/or resolved the problems.

5.4.7 Financial Information

1. Financial Statements. Submit audited financial statements for the most-recently completed fiscal year for the legal entities that would execute the Collection Agreement described in Attachment 2. If proposer is a new entity, the proposal must include statements from the majority owners existing business entities. All such statements are to be prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall be audited in accordance with Generally Accepted Auditing Standards and shall include a statement by the chief financial officer of the entity described in Attachment 2 that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.
2. Financing Plan. Describe the plan for financing all capital requirements (i.e., those listed in Attachment 10, Cost Proposal Forms) in a "Sources and Uses of Funds" format, which describes the sources of required capital (e.g., banks, leasing companies, cash reserves, etc.) and uses (e.g., property, trucks, equipment, containers, reserves, etc.).

5.5 General Collection Related Submittal Requirements

Proposer shall describe how it plans to perform the collection services requested in Section 3 of this RFP and described in the Collection Agreement. Information must separately address all four service sectors: SFD, MFD, Commercial, and Member Agency facilities. Proposer must explain any differences in the method of delivering the services, equipment used, and containers to be provided. The description shall also note differences in terms of routing strategies, collection methods, vehicles, collection crew size, etc. In addition, proposer must describe in detail why its technical approach to the services were chosen and its benefits to SBWMA's Member Agencies.

Proposer shall include, at a minimum, the following:

1. Routing strategy and productivity assumptions for SFD, MFD, Commercial and Member Agency; discussion of special routing (if any) for collecting in narrow streets, courts, and alleys; special routing (if any) for serving Atherton and Hillsborough; and route productivity assumptions (in terms of SFD accounts per route per day and MFD/Commercial lifts per route per day) and where these productivity assumptions have been accomplished in other cities serviced by the proposer;
2. Collection methodology (e.g., automated, semi-automated, one- or two-person crews, etc.), including discussion of special methods (if any) for collecting in narrow streets, courts, and alleys and special method (if any) for serving Atherton and Hillsborough;

3. Number of and description of the collection vehicles to be utilized (e.g. vehicle description, manufacturer and model number, cost, capacity, age, lease or ownership arrangements, etc.). **New vehicles are required for residential and MFD/commercial/Member Agency collection services.** (This requirement is primarily to ensure that comparable cost proposals are submitted. Member Agencies reserve the right to allow the contractor to provide used collection vehicles.) **New or used vehicles may be used for on-call clean-up services, drop box service, and support vehicles.**
4. Manufacturer's specifications of containers to be utilized. **New Carts shall be provided for SFD and new or used containers (i.e., carts, bins and drop boxes) may be provided for MFD/commercial/Member Agency customers. It is anticipated that the current franchised hauler will negotiate with the selected proposer(s) to transfer ownership of all MFD commercial containers if the current hauler is not selected. However, proposers must base proposals on the assumption that new carts, bins and drop boxes will be purchased.** (This requirement is primarily to ensure that comparable cost proposals are submitted. Member Agencies reserve the right to allow the contractor to provide used MFD commercial containers/bins.) Container requirements are described in Section 8.05 of the Collection Agreement and Cart specifications are provided in Exhibit D of the Collection Agreement. Proposer shall supply complete technical data and manufacturing specifications on the specific cart, bins and drop boxes being used. Proposer must also provide a detailed user's list of other jurisdictions using the same make and model of cart. SBWMA or their designee may use this information as a reference list regarding the quality of products and service records of the manufacturer.
5. For SFD, proposer must present assumptions regarding the percentage of customers that will place materials curbside (for each Member Agency); the percentage of SFD eligible for Special Handling service (not curbside); and the projected percentage that will opt to pay for backyard service. Describe your basis for deriving these assumptions. (Special Handling collection service is backyard service provided to residents that are physically unable to transport carts curbside. This service is provided at no additional charge to residents that meet the eligibility criteria and provide verification from their doctor. Backyard service is considered a premium service and residents will be charged accordingly.)

Proposers may not propose use of split-body collection vehicles as part of its base cost proposal, but may, at their option, submit alternative proposals for these types of vehicles. Refer to Section 3.16 for a discussion of alternative proposals.

5.6 Collection Requirements for Unique Member Agency Services

Each proposer shall address impacts related to unique Member Agency needs as follows.

1. County Service Area. As described in Section 3.12, the County is interested in including additional unincorporated areas in the scope of its Collection Agreement. Currently the County's service area is limited to the North Fair Oaks District and will include the areas denoted in section 3.12.6. Proposer shall describe what, if any, impact inclusion of the County areas has on the North and South Districts in terms of collection methods, collection vehicles, staffing, etc. . The County will determine if the additional areas will be included in their Collection Agreement based on analysis of the cost proposals. If this approach raises any concerns for the proposer, identify the concerns and how they can be managed.
2. Atherton. As described in Section 3.12, Atherton requested that its scope of services be as presented in Attachment 14. Proposer shall describe what, if any, impact the alternative proposal for curbside collection in Atherton has on the South District in terms of collection methods, collection vehicles, staffing, etc. If this approach raises any concerns for the proposer, identify the concerns and how they can be managed.
3. Belmont. Belmont passed a resolution committing to participate in the SBWMA's contractor selection process for a collection contract. However, Belmont has reserved the right to request proposals from contractors while the SBWMA RFP process is under way.
4. Hillsborough. As described in Section 3.12, Hillsborough requests that proposers separately present proposals to provide services to its customers and has prepared a unique scope of services for its community.. In response to this request, proposers will be required to complete a cost form denoting the incremental cost deduction to the total for both the North District and both Districts (if Hillsborough chooses not to participate). Proposer shall describe what, if any, impact inclusion of Hillsborough customers has on the North District in terms of collection methods, collection vehicles, staffing, etc. Hillsborough will determine if they want to enter into a Collection Agreement based on analysis of the cost proposals. If this approach raises any concerns for the proposer, identify the concerns and how they can be managed.
5. Redwood City. Redwood City is interested in an annual community-wide curbside clean-up event in which single-family residents place their excess garbage and bulky items curbside on the same day for collection. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route

basis over a period of days. Redwood City will determine if they want to include this program in the scope of their Collection Agreement based on the proposed program and costs.

6. Burlingame. Burlingame is interested in an annual community-wide curbside collection event in which single-family residents place their excess garbage and bulky items curbside on the same day for collection. Proposer shall describe how they would provide this service, if the collection would occur on the same day city-wide or on a route-by-route basis over a period of days. Burlingame will determine if they want to include this program in the scope of their Collection Agreement based on the proposed program and costs.

5.7 Exceptions to RFP and Collection Agreement

A model Collection Agreement is included as Attachment 2. The SBWMA and its Member Agencies expect that the successful proposer(s) will execute Collection Agreements with individual Member Agencies in substantially the same form as the model Collection Agreement (as it may be changed via Addendum), although it may be modified as necessary to include specific details applicable to each Member Agency.

Proposers are required to review carefully the model Collection Agreement before submitting their proposals and are encouraged to have it reviewed by their legal counsel. Proposers are also encouraged to submit written questions, or raise questions at the Pre-Proposal Conference, about any provision in the model Collection Agreement which they do not fully understand, which would appear to be inconsistent with other provisions or otherwise incorrect, or which may deter them from submitting a Proposal or significantly increase the cost of their Proposal.

If a proposer is not willing to execute Collection Agreements with Member Agencies because of specific provisions in the model Collection Agreement, it must identify each provision to which it takes exception in its Proposal, as Section 5 – Exceptions to the RFP and Collection Agreement. Each exception or alternative must be presented separately by stating the specific exception or alternative, the suggested changes to the program or services related to the exception or alternative, the suggested changes in the Collection Agreement language related to the exception or alternative, the manner in which the proposed change would benefit the Member Agencies, the customers or both, and the specific dollar change in each of the affected costs items, as proposed by the Proposer in response to this RFP, that would take place if the exception or alternative was accepted by the Member Agency. Proposers should note that if exceptions are taken, all required information as set forth above must be submitted. Exceptions taken or alternatives provided, without providing the required information will not be considered. Proposers should also note that the submittal of an exception or alternative does not obligate SBWMA or any Member Agency to revise the terms of the

Collection Agreement as published in this RFP, including such revisions as may be issued by SBWMA during the RFP process.

The number, nature and materiality of exceptions to the model Collection Agreement will be taken into account in evaluating proposals.

5.8 Cost Proposal

Proposer shall follow the instructions provided below for preparation of the cost proposal. All elements described are required submittals with the exception of the alternative cost proposals.

The proposal assumptions, operating statistics, and cost proposal information submitted by proposer will be evaluated to determine the reasonableness of the contractor's compensation requirement and will serve as a baseline for establishing Rate Year One contractor's compensation and future adjustments to contractor's compensation. The cost proposal shall be firm and valid for a period of two years from the submittal date of the proposal.

Within 30 days of request by the SBWMA and/or Member Agency(ies), the selected contractor(s) shall revise the cost proposal forms presenting contractor's adjusted cost proposal to reflect: (i) changes to costs if one or more member agency(ies) choose not to participate; (ii) optional programs which will be included in the scope; (iii) any modifications to the scope of services to integrate programs for management of HHW, u-waste, sharps, or street sweeping; and, (iv) any unique Member Agency contract terms. These "adjusted proposed costs" will be included in the executed Collection Agreement. This adjustment to the cost proposal shall be conducted in accordance with the process described in Attachment 15. The SBWMA and Member Agencies may request additional detailed cost and operating assumptions to fully understand the adjusted cost proposal and verify its reasonableness.

Proposer is not requested to develop collection rates for each Member Agency. The SBWMA will allocate proposed costs using the contractor's proposed operating statistics to determine each Member Agency's share of the contractor's compensation, estimate regulatory fees, and estimate rate impacts based on the allocated share of the contractor's compensation.

5.8.1 Base Cost Proposal for Core Programs

Proposer shall be required to submit a complete set of Forms 1 through 22A (in Attachment 10) reflecting the Base Cost Proposal for the core programs. Forms 1 through 4 solicit collection equipment information, facility information, personnel assumptions, and equipment capital cost estimates. Forms 5 through 9 solicit the annual costs proposed for the collection services. Forms 10 through 22A require

proposers to specify key operating assumptions separately for each Member Agency by service type. When proposers complete the Base Cost Proposal for the core programs (Forms 1 through 22A), proposals shall be made based on the following assumptions:

1. All Member Agencies and County areas in the service District will participate;
2. All core collection services described in Section 3 of this RFP shall be included in the scope;
3. The provision of the core services shall be governed by the terms and conditions of the Collection Agreement;
4. Annual costs shall be presented in 2008 dollars (and will be adjusted as described in Attachment 15);
5. New services shall commence January 1, 2011;
6. Annual costs shall reflect the costs for a corporation yard assuming the SBWMA Shoreway Facility site is not available for use with the exception that the Shoreway Facility site may be assumed for the cost proposal for collection in both Districts combined;
7. The costs associated with provision of unique service requirements for Atherton (Attachment 14) and Hillsborough (Attachment 13) shall be reflected in the Base Cost Proposal;
8. Cost proposal Form 24 shall be used to present the incremental costs for Hillsborough if Hillsborough does not participate in the Service District;
9. Labor rates and employee benefits shall be as specified on Form 2 for route drivers and mechanics for the purpose of preparing the cost proposal;
10. For the purposes of preparing the cost proposal, assume the Shoreway Facility fees shall be as follows:
 - a. Solid waste transfer and disposal: \$_____/ton
 - b. Plant materials transfer and processing: \$_____/ton
 - c. Organic materials transfer and processing: \$_____/ton
 - d. Construction and demolition debris transfer and processing: \$_____/ton
 - e. Recyclables processing: \$_____/ton
11. For the purposes of preparing the cost proposal, the number of accounts, container lifts, and drop box pulls to be serviced by contractor shall be as specified on Cost Proposal Forms 10 through 22A.
12. For the purposes of preparing the cost proposal, the tonnage collected by the contractor shall be that specified on Cost Proposal Forms 10 through 22A.

On Form 9, proposers shall propose annualized costs associated with implementation of the new collection services. The proposer shall estimate one-time implementation costs, annualize the costs over 10 years, and present the annualized costs on Form 9. The annualized implementation costs shown in Column D of Form 9 shall assume full implementation of new services on January 1, 2011. These implementation costs shall be allocated to Forms 6, 7, and 8. As an alternative, proposers are also required to present annualized implementation costs assuming phased implementation of services over a six-month period from July 1, 2010 through December 31, 2010. The costs

related to the phased implementation shall not be reflected on the Cost Proposal Forms but must be provided separately.

5.8.2 Cost Proposal for Optional Collection Services

Member Agencies will determine which, if any, optional services they will include in the scope of their Collection Agreement. Because each Member Agency will enter into a separate agreement with the selected contractor, the level of participation in the optional programs may vary from one agreement to another. For this reason, the costs proposed by companies for optional collection services, are solicited on a unit price basis so that the costs can be considered by each member agency. If an optional program is selected, the annual compensation will be increased based on the unit pricing unless an alternative compensation method (i.e., fee for service, unit price, etc.) is negotiated between the parties. Unit costs for optional services shall be presented on Form 23 in Attachment 9.

Redwood City is interested in considering implementation of an annual city-wide clean-up service. For this reason, proposers are required to estimate the cost to provide an annual city-wide clean-up service on Form 23. This cost proposal shall present the incremental cost of adding the service to the Base Cost Proposal (as reflected on Forms 1 through 23).

SBWMA will present optional services to the Member Agencies. Member Agencies will select optional services at their discretion based on cost proposals received. Proposer may be requested to revise their cost proposals to reflect core programs and the optional services selected by the member agencies.

5.8.3 Cost Proposal Information for Hillsborough

Proposers are required to submit the Base Cost Proposal (Forms 1 through 22A) reflecting the cost to service Hillsborough in accordance with their unique service requirement as described in Section 3.11 and Attachment 13. However, Hillsborough is interested in knowing the incremental cost of adding Hillsborough to the Base Cost Proposal for the North District or the Base Cost Proposal for the entire SBWMA area (both Districts). As a result, proposers are also required to complete Form 24 (in Attachment 10) which identifies the incremental costs to service Hillsborough.

5.8.4 Alternative Cost Proposals

Proposer may present, at their option, alternative cost proposals. These alternative proposals are proposals that are different than the base cost proposals. The alternative cost proposals shall be based on the technical description provided by the proposer pursuant to Section 3.16. For the purposes of preparing the alternative proposals,

proposer shall assume that all member agencies and the County pockets are included in the service Districts.

1. **Alternative Fuel Vehicles.** If a proposer chooses to present an alternative proposal for collection with alternative fuel vehicles, proposer is required to complete an additional set of Forms 1 through 9 documenting their cost proposal to provide collection services with alternative fuel vehicles. If the use of alternative fuel vehicles impacts operating statistics, the proposer shall also complete Forms 10 through 22A. Forms shall clearly indicate “Alternative Fuel Cost Proposal” on each page of the cost proposal.
2. **Wet/Dry Collection Services.** If a proposer chooses to present an alternative proposal for wet/dry collection from multi-family and/or commercial customers, proposer is required to complete an additional set of Forms 1 through 22A documenting their wet/dry cost proposal. Forms shall clearly indicate “Wet/Dry Alternative Cost Proposal” on each page of the cost proposal.
3. **Other.** If a proposer chooses to present an alternative proposal for a collection strategy other than that discussed in the RFP or Collection Agreement, proposer is required to complete an additional, complete set of Forms 1 through 22A documenting their alternative cost proposal. Forms shall clearly indicate “Alternative Proposal for _____” on each page of the cost proposal.

5.9 Other Proposal Forms

5.9.1 Anti-Collusion Affidavit

Each proposer shall complete and submit the Anti-Collusion Affidavit, Attachment 11. The anti-collusion affidavit shall be signed by the designated representative authorized to bind the proposing company.

5.9.2 Code of Conduct

Each proposer shall sign and submit the Proposer Code of Conduct, Attachment 12. The code of conduct shall be signed by the designated representative authorized to bind the proposing company.



5.10 Additional Information

Additional information or data relevant to the proposal is optional and may be included by a proposer as an attachment to the proposal.

SECTION 6 - PROPOSAL EVALUATION PROCESS

This section describes the proposed process for evaluating proposals and selecting the collection contractor(s). Section 6.1 describes the parties that will be involved in the evaluation process including those that will make contract award recommendations for final approval by the Member Agencies. Section 6.2 presents the evaluation criteria. Note that the SBWMA and Member Agencies reserve the right to modify this process in any way and at any time during the RFP and contractor selection process.

6.1 Proposal Evaluation Process

6.1.1 Evaluation and Selection Process

An Evaluation Team and Selection Committee will be assembled by the SBWMA and Member Agencies. The Evaluation Team, which may include industry consultants, other industry experts, and Member Agency and SBWMA staff, will conduct a detailed evaluation of the proposals, rank proposals, and provide comparative descriptions of the proposals. The SBWMA Executive Director, with assistance from Evaluation Team as needed, will present the evaluation results to the Selection Committee.

The Selection Committee will likely include: SBWMA staff, SBWMA Board Members, and high-level Member Agency staff. The Selection Committee will review the proposals and the evaluation summary information presented by the Evaluation Team, request additional data and analysis as necessary, and develop its recommendation for consideration by the SBWMA Board for the award of the contract(s) for collection services for the North and South Districts.

The SBWMA Board will review the Selection Committee's recommendation and approve that recommendation or form an alternative recommendation. The SBWMA Board recommendation and a final evaluation report will then be presented to the Member Agencies for approval. Ultimately, each Member Agency will select the collection Contractor to serve its community.

Member Agencies will have the right to act in the best interest of their residents and businesses, including the right to select a proposal that, in its opinion, best meets the community's needs even if the proposal is not recommended by the Selection Committee and/or the SBWMA Board.

6.1.2 Evaluation Team

As described above, the Evaluation Team will facilitate the evaluation process by providing technical support and an evaluation of proposals to the Selection Committee. The Evaluation Team is anticipated to be comprised of industry consultants, other

industry experts, and Member Agency and SBWMA staff. The Evaluation Team will conduct the following tasks:

- Review all proposals received for compliance
- Prepare a comparative summary of proposals
- Rate proposals using a quantitative method based on the criteria presented in Section 6.2 (or other criteria as directed by the Selection Committee)
- Analyze financial capabilities of companies
- Conduct reference checks
- Evaluate reasonableness and competitiveness of cost proposals
- Request clarification information from the proposer
- Attend and participate in the proposer interviews and site visits
- Rank proposals using the established evaluation criteria
- Provide further assistance to the SBWMA Executive Director and Selection Committee as requested

6.1.3 Selection Committee

The Selection Committee is anticipated to include: SBWMA staff, SBWMA Board Members, and high-level Member Agency staff. The role of the Selection Committee is anticipated to involve:

- Reviewing all proposals.
- Reviewing, adjusting (if appropriate), and approving the proposal rankings presented by the Evaluation Team.
- Requesting clarification information of the proposer.
- Attending and participating in the proposer interviews and site visits.
- Recommending award of the collection contracts for the North and South Districts.
- Presenting their recommendation and evaluation report to the SBWMA Board for consideration.

During the process, proposer will be required to attend interviews, allow site visits, and give presentations to the SBWMA and/or Member Agencies.

6.2 Evaluation Criteria

Proposals will be numerically scored and ranked using the criteria and weighting described in this section. The scores assigned will reflect the extent to which criteria is fulfilled relative to other proposals. Furthermore, scores will reflect the benefits to the entire SBWMA service area or service District as a whole, rather than individual benefits to each Member Agency.

The evaluation criteria and maximum score that can be achieved for each criteria is presented in Table 6-1.

**Table 6-1
Evaluation Criteria and Maximum Evaluation Score**

Criteria	Maximum Evaluation Score
Responsiveness to RFP	Pass/fail
Company qualifications and experience	150
Proposal for collection services (includes both core and optional services)	150
Cost proposal (includes both core and optional services)	200
Alternative technical proposals	Score, if any, to be determined (SBWMA and Member Agencies are not obligated to evaluate alternative proposals)
Other matters of concern to the SBWMA Board and Member Agencies' Council/Boards	To be determined if additional criteria are added
Number and Materiality of Exceptions	50
Environmental Enhancements	50
Total Maximum Score	600

Member Agencies reserve the right to act in the best interest of their residents and businesses, including the right to reject a proposal that is given the highest quantitative scoring in the evaluation process if the proposal is not in the best interest of their residents and businesses.

The potential factors that may be considered by the Evaluation Team when developing the score for each criteria are presented below.

6.2.1 Responsiveness (Pass/Fail)

Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required by Sections 3 and 5; full completion of all cost proposal forms required in Section 5.6; compliance with process guidelines presented in Section 4; and adherence to the code of conduct signed by the proposer.

6.2.2 Company's Qualifications and Experience (150 points)

1. Collection Experience. Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
2. Service Initiation Experience. Demonstrated experience of company's ability to implement new collection services and new franchise agreements and obligations that are similar to the SBWMA's services in comparable sized communities.
3. Management and Customer Service Systems. Demonstrated capabilities of the company's existing management and customer service systems abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness and to report data required by the Collection Agreement. In the event the company proposes use of a new or modified system, the extent to which such system has the potential to meet the SBWMA and Member Agency needs and contract requirements will be evaluated.
4. Key Personnel Qualifications. Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of the SBWMA collection operations.
5. Past Performance Record. Review of company's history with litigation and regulatory action (e.g., nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages); regulatory compliance related to equipment and facilities including compliance with land use permits, storm water discharge permits, state highway requirements, etc.).
6. Financial Stability. Financial strength and ability of company to acquire equipment and provide financial assurance of performance based on review of its audited financial statements and its proposed financing plan and the relationship of the SBWMA contract to the company's total annual revenues.
7. Jurisdiction Satisfaction. Satisfaction of company's references with the services received in the past 10 years (including, but not limited to, implementation, customer service, call center, billing, payment of fees, reporting, and the handling of contractual issues).

6.2.3 Proposal for Collection Services (150 points)

1. Collection Approach – Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonable of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.

2. Diversion Ability – The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal.
3. Public Education and Promotion Program – Compatibility of the proposed education program, staffing level, and program ideas with the needs of the SBWMA and Member Agencies and the requirements of the Collection Agreement; and, the quality of public education samples relative to other proposers.
4. Customer Service – Compatibility of customer service approach, staffing levels, and training programs and capabilities of the call center and customer service software system with the needs of the SBWMA and Member Agencies and the requirements of the Collection Agreement.
5. Billing System – Compatibility of billing approach, procedures for handling customers, and coordination plans with Member Agencies who perform some or all of the billing activities.
6. Facilities for Equipment, Maintenance, and Administration. Compatibility of plan for providing the facilities needed for equipment storage and parking, maintenance, and administration. Level of assurance provided, if any, with regard to site acquisition and timely development of necessary facilities.
7. Implementation Plan - Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, new corporation or maintenance yard development, and contingency plans).
8. Potential Collection Impacts. Compatibility of plans for vehicle compliance with State of California Air Resources Board rules; ability to respond to issues identified during the environmental review, compliance, and permitting process associated with the development of new facilities (if any are to be developed), and hauling impacts (in terms of total annual miles traveled compared to others) related to distance between vehicle maintenance and parking facilities and Shoreway facility.
9. Additional Member Agency Services. Reasonableness and reliability of proposed collection methods, technology, equipment, and containers; reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics) for:
 - a. County service area
 - b. Atherton
 - c. Hillsborough
 - d. Redwood City
 - e. Burlingame

f. Foster City

10. Other Proposed Services. Compatibility of other services proposed by company as per Section 3.15 of this RFP.

6.2.4 Cost Proposal (200 points)

1. Reasonableness of Cost Proposals. Logical relationship between proposed costs and operational assumptions for the base cost proposal and the cost proposal for additional Member Agency services.
2. Competitiveness of Cost Proposals. Cost competitiveness relative to other proposals.
3. Value to Member Agencies. The level of value provided given the relative cost for that service.

6.2.5 Alternative Technical Proposals (Maximum Score, if any, to be determined)

SBWMA and Member Agencies are not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the SBWMA and Member Agencies if the SBWMA and Member Agencies conclude, in their sole discretion, that the alternative proposals warrant evaluation and analysis. Such evaluation will consider the reasonableness and reliability of proposed collection methods, technology, equipment, and containers; and the reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics).

At the SBWMA's and/or Member Agencies' option, the reasonableness and competitiveness of one or more alternative proposal(s) may be evaluated.

6.2.6 Number and Materiality of Exceptions (50 points)

The number, nature and materiality of exceptions to the model Collection Agreement (Attachment 2) will be taken into account in evaluating proposals.

6.2.7 Environmental Enhancements (50 points)

Proposals that include Environmental Enhancements including, but not limited to those specified in Section 3.16.3 of this RFP, may be eligible to receive additional evaluation points. Proposed Environmental Enhancements that address the following will be eligible to receive points:

-
1. Mitigating Environmental Impacts. Reducing or minimizing the negative environmental impacts associated with providing collection services (e.g., air and water impacts, depletion of natural resources).
 2. Recycled Materials. Ensuring the highest and best use of recycled materials and the highest feasible quantity of recycled content is achieved.

ATTACHMENT 15 – CONTRACTOR COMPENSATION AND RATE-SETTING PROCESS

The SBWMA has conducted, on the member agencies' behalf, review of the contractor's application for its annual adjustment to its compensation and determined the following year compensation; allocated contractor's compensation to member agencies; and proposed rate adjustments. This attachment describes the process for setting contractor's compensation and customer rates assuming the member agencies continue to delegate some rights to the SBWMA. In summary, the process is as follows:

- Solicit proposed costs for franchised collection services in 2008 dollars;
- Adjust proposed costs during contract negotiations in 2009 to adjust for any member agencies that opt out and for optional programs included in the scope;
- Adjust proposed costs during 2010 to determine 2011 compensation to reflect several changes related to inflation, number of accounts, bin lifts, drop box pulls, wage and benefits, etc.
- For 2012 compensation and later rate periods (contract years), adjust 2011 calculated costs (which are based on proposed not actuals) annually primarily using indices; and,
- After each rate period, conduct a reconciliation of revenues and disposal and processing costs.

This compensation process eliminates detailed reviews so that contractor's compensation will never be "trued up" to contractor's actual costs (with the exception of an annual cost reconciliation related to actual tonnage collected and actual disposal and processing costs).

ATT 15.1 Overview of the Compensation Methodology

The SBWMA will assist member agencies in the determination of contractor's compensation, but the member agencies have final approval over the collection contractors' compensation and member agency rates. SBWMA's role will be to review the contractor's annual applications for adjustment to its compensation; determine the contractor's compensation for each rate period; allocate contractor's compensation to member agencies; and propose rate adjustments. Member agencies will review and approve: the SBWMA's determination of the annual collection contractors' compensation; the SBWMA's allocation of such compensation to the member agency; and, the proposed rate adjustments.

The process of determining the contractor's compensation has been dramatically simplified compared to the current method (which involves detailed annual review of all costs, reconciliation of actual costs to projected costs to make contractor whole for all

allowable costs, and an annual revenue reconciliation process). The new process eliminates all detailed reviews and does not involve reconciliation of actual costs or projection of future costs based on actual costs. It relies on proposed costs throughout the term of the franchise agreement subject to adjustments described herein. The new process will substantially reduce the annual level of effort required by the contractor, SBWMA staff, and consultant(s) (if needed) to determine contractor's compensation.

Costs initially proposed by the selected contractor(s) will be adjusted twice prior to the commencement of the agreement. The process for adjusting proposed costs will be as formulaic as possible with the goal of holding the contractor accountable to its proposed costs and operating assumptions.

First, the proposed costs will be adjusted during the contract negotiations process in 2009 to reflect: (i) changes to costs if one or more member agency chooses not to participate; (ii) optional programs which will be included in the scope; (iii) any scope expansion to integrate programs for management of HHW, u-waste, or sharps; and (iv) any unique member agency contract terms. These "adjusted proposed costs" will be included in the executed Collection Agreements.

Second, the "adjusted proposed costs" shall be adjusted in 2010 to set contractor's compensation for 2011 using the prescribed method presented in Exhibit K of the Collection Agreement. This adjustment is needed to reflect changes (from 2008 to 2011) for several factors:

- Inflation as proposed costs will be presented in 2008 dollars;
- Estimated tonnage collected and related disposal and processing costs;
- Service level conditions (i.e., number of accounts, lifts, pulls);
- Wage and benefits per the new collective bargaining agreements; and,
- Equipment capital expense if impacted by more than inflation.

Annually thereafter, the contractor's compensation shall be adjusted using various indices with the following exceptions: (1) wages for route labor and mechanics will be adjusted based on wage rates in the Allied-negotiated collective bargaining agreements until those agreements expire (thereafter wages shall be adjusted using a cost index) (2) costs will be adjusted in 2012 when determining 2013 compensation to reflect the then current data for accounts, bin lifts, and drop box pulls; and (3) disposal and processing costs will be adjusted annually to reflect estimated tonnage and projected Shoreway facility gate fees.

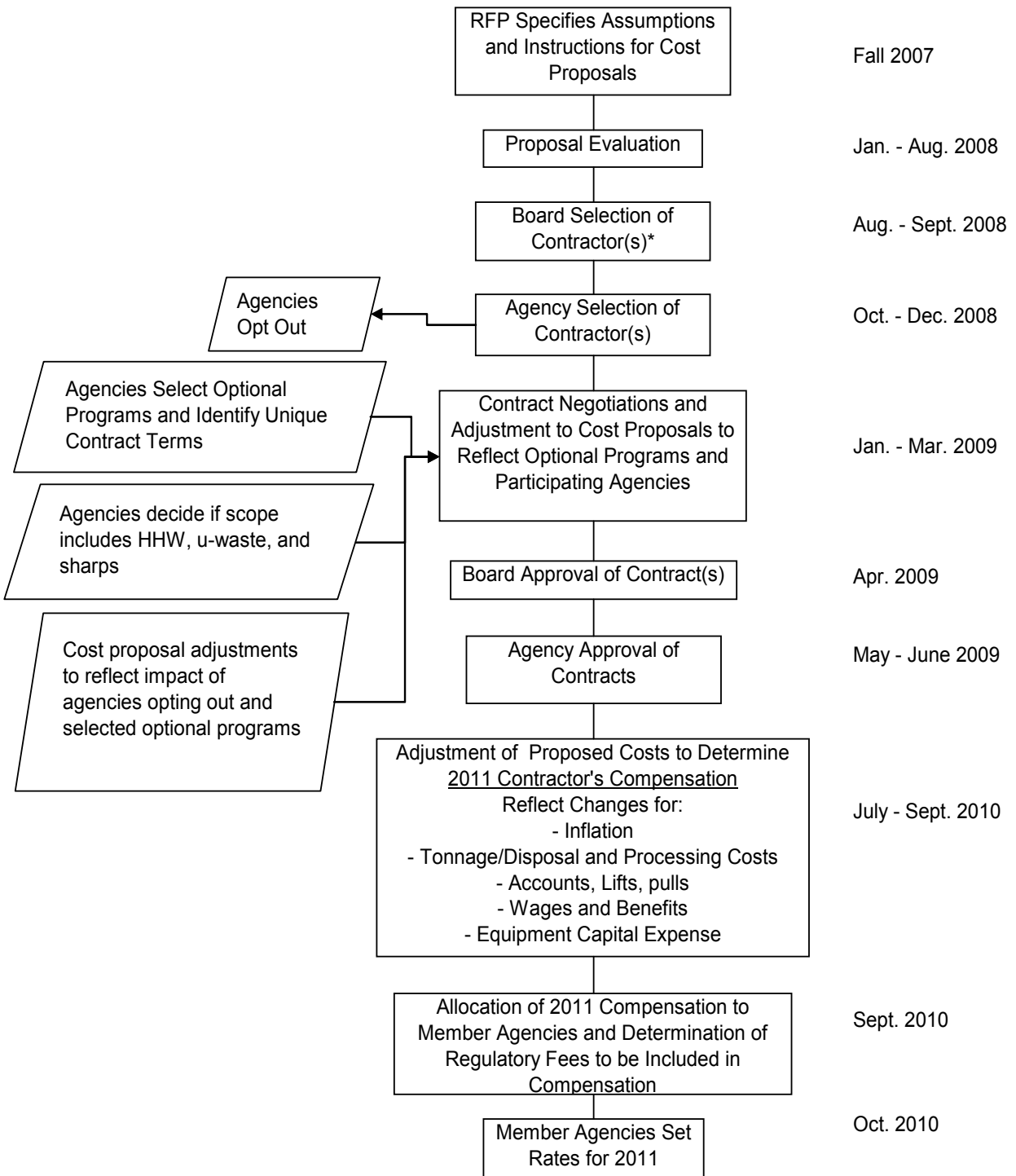
Following completion of each rate year, a reconciliation process shall be performed to "true-up" revenues and disposal and processing expenses only (with the exception that the reconciliation shall not occur for the final year of the agreement). Contractor will be compensated for any shortfalls in revenue collected in the following rate period; and, any surpluses will be used to offset future rates. If contractor's actual costs for other

expenses are more or less than the calculated annual contractor's compensation, adjustments will not be made.

Figure ATT15-1 on the following page presents a flow chart of the process for determining contractor's compensation and rates for the first rate period (2011).

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Figure ATT 15-1 Determination of Contractor's Compensation for 2011



* One contractor may be selected for the entire SBWMA service area or two contractors may be selected for North and South Districts.

ATT 15.2 Contractor Accountability to Proposal Assumptions

The structure of this compensation mechanism holds the contractor accountable to several key aspects of its proposal: proposed technology, route productivity, single-family container location (curbside and backyard placement) assumptions; and single-family participation rates.

- Proposed Technology – No adjustments will be granted during the term of the agreement if the technology proposed by the contractor does not achieve the contractor's intended results or route productivity. If a change in law or regulations require consideration of new or alternative technology or the parties mutually agree to consider a change in technology, cost impacts related to technology will be reviewed.
- Route Productivity – The assumptions proposers make regarding route productivity are critical to all aspects of their cost proposal as these productivity assumptions directly impact costs related to labor, route hours, vehicles, fuel use, vehicle maintenance costs, etc. For this reason, no adjustments to the compensation are planned for differences in actual and proposed route productivity levels. The contractor will be held to the proposed route productivity levels as these assumptions will serve as the basis for adjusting changes in service levels (i.e., number of accounts, lifts, pulls), and the number of routes or changes in costs associated with routes. It should be noted that if the contractor's actual route productivity is more efficient than proposed, the contractor will benefit from any savings associated with higher productivity.
- Container Placement (Curbside or Backyard) Rates – Proposers are required to estimate the number of single-family customers that will place (setout) containers curbside for collection or choose to pay additional fees for backyard collection. No adjustments to the compensation will be made for differences in actual and proposed setout levels.
- Weekly Participation Levels – Proposers are required to estimate the number of single-family customers that will participate in the weekly recyclable materials and organic materials programs by placing their containers for collection. No adjustments to the compensation will be made for differences in actual and proposed participation levels because the contractor has sufficient experience to estimate customer participation.

The contractor will not be held accountable for proposed costs that will be impacted by changes in tonnage collected (i.e., disposal and processing costs), wage and benefit rates, and the number of accounts, lifts, and pulls. (However, contractor will be held accountable for proposed collection costs.) The SBWMA and member agencies are prepared to make adjustments to contractor's compensation for these variables. To obtain proposals from companies that can be fairly compared to one another and to obtain cost proposals which are "prepared" in advance to be adjusted in accordance

with the compensation method described in this Attachment, the RFP requests that the cost proposals be presented in 2008 dollars and be based on SBWMA-specified conditions related to:

- Tonnage collected
- Wage and benefit assumptions by personnel classification
- Accounts, lifts, pulls

The assumptions for these conditions are included in the cost proposals forms presented in Attachment 9.

ATT 15.3 Adjustments to Contractor's Compensation

Throughout the term of the agreement, costs shall be adjusted using the proposed costs as a basis. The adjustments shall be conducted separately for each line of business (e.g., single-family solid waste, single-family recycling, commercial solid waste, commercial recycling, etc.) and separately for each category of indirect costs (e.g., general and administration, container maintenance, vehicle maintenance, and contract implementation) and then totaled for calculation of the annual contractor's compensation.

Contractor's compensation has been separated into three components – annual cost of operations, profit, and pass-through costs. The process for adjusting these costs is summarized in the table at the end of this Attachment. Table ATT-15-1 at the end of this Attachment describes the adjustment method for three different stages: (1) first adjustment to proposed costs during negotiations in 2009; (2) second adjustment to the proposed costs in 2010 to set 2011 compensation; and (3) annual adjustments to determine contractor's compensation for 2012 and each year thereafter.

Note that when an index is applied to the prior year's calculated costs, the costs are based on proposed costs not actual costs.

With regard to changes in service levels (i.e., accounts, lifts, pulls), adjustments to the contractor's proposed costs in 2010 will reflect actual changes in service levels from 2008 to 2010 and projected changes for 2011. In 2012, contractor's compensation for the third rate year (i.e., 2013) will be determined; and, at such time, changes in service levels from 2011 assumptions to actual 2012 will be reflected in changes in costs. No adjustments to costs to reflect changes in service levels shall be made after the change made in 2012 (when setting compensation for 2013).

ATT 15.4 Annual Reconciliation of Revenues and Disposal and Processing Expenses

Annually, the contractors' billed revenues will be reconciled to the approved (e.g., calculated) annual contractor's compensation. The difference will be added to or subtracted from the approved annual contractors' compensation for the forthcoming rate period(s).

The contractor's actual annual disposal and processing expenses for materials collected and delivered to the Shoreway facility will be compared to the estimated disposal and processing expenses included in the approved annual contractor's compensation. The difference will be added to or subtracted from the approved annual contractors' compensation for the forthcoming rate period. For example, if the reconciliation process conducted during 2014 concluded that the actual disposal cost for the most-recently completed rate period (i.e., 2013) was \$200,000 more than the estimated disposal cost included in the contractor's compensation for that rate period, \$200,000 would be added to the approved contractor's compensation for the then-coming rate period (i.e., 2015).

The reconciliation process will not occur for the last year of the agreement.

ATT 15.5 Rate Setting

Member agencies will review collection rates charged to customers and adjust rates (as appropriate) with member agency Council or Board approval. To facilitate the rate setting process, the SBWMA shall annually review and adjust (as appropriate) the contractor's proposed allocation of the contractor's compensation to each member agency, and recommend each member agency's portion of the collection contractor's compensation for member agency approval. Annually, the SBWMA will review and adjust (as appropriate) gate rates for the Shoreway facility.

For collection rates charged to customers, the SBWMA shall annually review, adjust (as appropriate), and recommend the annual contractor's compensation for SBWMA services in the north and south districts.

SBWMA shall annually review, adjust (as appropriate), and recommend the allocation of the collection contractor's compensation to each member agency for member agency approval. Member agencies shall approve collection rates annually (or as frequently as they determine necessary) based on a revenue requirement that includes: (1) their allocated portion of the annual collection contractor's compensation; and, (2) an account adjustment to reflect revenue and disposal and processing cost shortfalls or surpluses for prior year(s).

A cost allocation process will be used to attribute the service-district-wide collection contractor's costs to the individual member agencies. The allocation process will rely on:

1. Sampling of customer data and operating statistics to provide a representative allocation;
2. Use of operating statistics to refine the allocation of costs;
3. Monitoring and allocating collection costs using monthly operating statistics;
4. The collection contractors' use of a database to improve the speed and timeliness of the allocation process;
5. Cost and operating data needed to calculate the allocation; and,
6. Calculation of each member agency's allocated portion of the annual collection contractors' compensation using the database.

ATT 15.6 Incentives for Contractor's Performance

Contractor performance will be monitored against established and quantifiable standards in the areas of diversion, collection performance, and customer service. Incentives have been designed to reward the contractor for extraordinary levels of performance with regard to diversion, number of missed pick-ups, and average hold time for customer service calls. Liquidated damages have been established with performance standards set at readily quantifiable thresholds to determine the enforcement of those liquidated damages. Sections 11.11 and 14.04 and Exhibits I and J of the Collection Agreement describes the performance standards, incentives, and liquidated damages.

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
ANNUAL COST OF OPERATIONS			
Wages and benefits for route personnel and mechanics (represented through collective bargaining agreements)	<p>Two adjustments may be necessary:</p> <ul style="list-style-type: none"> • If one or more member agencies opt out, reduce wages and benefits by the percentage change in the total annual route hours required for the service area. • If optional programs are added or the scope is expanded, wage and benefit costs to be increased to reflect the additional proposed wage and benefit costs for the optional or new program (unless contractor will be compensated for the optional or new program on a per-unit, per-fee or per-event basis). 	<p>Two adjustments will be necessary:</p> <ul style="list-style-type: none"> • Revise proposed wages to reflect forecasted 2011 wage and benefits based on the then-current Allied-negotiated labor contracts (which will be negotiated in 2008 and 2009). Proposed wages and benefits will be based on hourly rates and benefits specified in the RFP and adjustments to proposed costs will be made to reflect the percentage change in the wage and benefits used for the proposal and those that will be in effect in 2011. Proposers will be required to specify the number of full-time equivalents in each labor category in their proposal to provide a basis for the 2010 adjustment. • Revise to reflect changes in accounts, lifts, and pulls by increasing or decreasing wages and benefits by the percentage change in the accounts, lifts, and pulls. 	<ul style="list-style-type: none"> • Annually adjust direct labor costs based on the then-current Allied-negotiated labor contracts until these labor agreements expire. • After expiration of the Allied-negotiated labor agreements, annually adjust labor and benefit costs for average one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. ecs12102i). • In 2012 when determining compensation for 2013, adjust wages and benefits to reflect then-current account data (using average number of accounts for most recently completed four quarters); cost adjustments to be made as described for 2010.

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
Wages and benefits for all other personnel (which are not represented through collective bargaining agreements)	<ul style="list-style-type: none"> • If one or more member agencies opt out, reduce wages and benefits for customer service agents by the percentage change in the total annual route hours required for the service area. Wage and benefits for other personnel will not be adjusted. • If optional programs are added or the scope is expanded, wages and benefits shall be adjusted to reflect the proposed wage and benefits for the optional/new program (unless contractor will be compensated for the optional program on a per-unit, per-fee, or per-event basis). 	Inflation adjustment of 2008 proposed costs to estimate 2011 cost. Adjust using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. ecs12102i).	Inflation adjustment to reflect average one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. ecs12102i).
Payroll taxes	Adjustment equals the percentage change to regular wages	Same method as prior year	Same method as prior year

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
Workers compensation	Adjustment equals the percentage change to regular wages	<ul style="list-style-type: none"> • Inflation adjustment of 2008 proposed costs to estimate 2011 cost. Adjust using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). • Revise to reflect changes in accounts, lifts, and pulls by increasing or decreasing workers compensation by the percentage change in the accounts, lifts, and pulls. 	<ul style="list-style-type: none"> • Inflation adjustment to reflect average one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). • In 2012 when determining compensation for 2013, adjust workers compensation to reflect then-current account data (using average number of accounts for most recently completed four quarters); cost adjustments to be made as described for 2010.
Fuel for route vehicles	<ul style="list-style-type: none"> • If one or more member agencies opt out, reduce fuel costs by the percentage change in the total annual route hours required for the service area. • If optional programs are added or the scope is expanded, fuel costs to be increased to reflect the additional proposed wage and benefit costs for the optional or new program (unless contractor will be compensated for the optional or new program on a per-unit, per-fee or per-event basis). 	<ul style="list-style-type: none"> • Inflation adjustment of 2008 proposed costs to estimate 2011 cost. Adjust using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303). • Revise to reflect changes in accounts, lifts, and pulls by increasing or decreasing fuel costs by the percentage change in the accounts, lifts, and pulls. 	<ul style="list-style-type: none"> • Inflation adjustment to reflect average one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, flues and related products and power, series no. wpu057303). • In 2012 when determining compensation for 2013, adjust fuel costs to reflect then-current account data (using average number of accounts for most recently completed four quarters); cost adjustments to be made as described for 2010.

Table ATT 15-1 Determination of Contractor’s Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor’s Compensation Conducted in July of Each Year Commencing in 2011
Other direct costs	Same method as that described for fuel except the change shall be based on the percentage change in the accounts, lifts, and pulls.	<ul style="list-style-type: none"> • Inflation adjustment of 2008 proposed costs to estimate 2011 costs. Adjust using 75% of the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa). • Revise to reflect changes in accounts, lifts, and pulls by increasing or decreasing other direct costs by the percentage change in the accounts, lifts, and pulls. 	<ul style="list-style-type: none"> • Inflation adjustment to reflect 75% of average one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa). • In 2012 when determining compensation for 2013, adjust fuel costs to reflect then-current account data (using average number of accounts for most recently completed four quarters); cost adjustments to be made as described for 2010.

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
<p>Depreciation for collection vehicles and containers</p>	<ul style="list-style-type: none"> • If one or more member agencies opt out, reduce depreciation by calculating the reduction in the number of vehicles and containers and the correlating depreciation expense based on proposed equipment costs and operating statistics. • If optional programs are added or the scope is expanded, depreciation to be increased to reflect the additional proposed depreciation for the optional or new program (unless contractor will be compensated for the optional or new program on a per-unit, per-fee or per-event basis). 	<ul style="list-style-type: none"> • Inflation adjustment of 2008 proposed costs to estimate 2011 cost. Adjust using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu3362113362111). • If equipment capital costs increase more than the inflation adjustment, then contractor may request additional adjustment to depreciation in 2010 if the equipment costs have increased more than that reflected by the indices; in such case; contractor must demonstrate that proposed costs and adjusted costs reflected market rates for equipment. • Revise to reflect changes in accounts, lifts, and pulls by increasing or decreasing depreciation by the percentage change in the accounts, lifts, and pulls. 	<ul style="list-style-type: none"> • No adjustments shall be made to depreciation over the term with the exception that in 2012 when determining compensation for 2013, adjust depreciation to reflect then-current account data (using average number of accounts for most recently completed four quarters); adjustments to be made as described for 2010. • Following the adjustment reflected in 2013 compensation, no other adjustments to depreciation shall be made.

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
Allocated Depreciation Costs (related to facilities, vehicle and container maintenance equipment, shop equipment, office equipment)	No adjustment	Inflation adjustment of 2008 proposed costs to estimate 2011 cost. Adjust using the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa).	No adjustments shall be made to depreciation over the term.
Interest expense (both direct and allocated interest)	Same method as that described for depreciation	Same method as that described for depreciation.	Same method as that described for depreciation.
Total Annual Cost of Operations	Recalculated by summing the adjusted costs	Same method as prior year	Same method as prior year
PROFIT	Recalculated profit using the proposed operating ratio and the adjusted total annual cost of operations	Same method as prior year	Same method as prior year
PASS-THROUGH COSTS			

Table ATT 15-1 Determination of Contractor's Compensation

Cost	First Adjustment to Proposed Costs in 2009 during Contract Negotiations	Second Adjustment to Proposed Costs in 2010 to Set 2011 Compensation	Annual Adjustment to Contractor's Compensation Conducted in July of Each Year Commencing in 2011
Shoreway facility disposal and processing costs	Adjustments will be needed if one or more member agencies opt out and to reflect impact of any optional programs or expanded scope. Estimated tonnages to be adjusted by subtracting the tonnage allocated for each member agency that opts out and adding estimated tonnage for optional or new programs. Adjusted disposal and processing costs can then be calculated using the revised tonnage figures and the per-ton tipping fees for the Shoreway facility.	Adjust disposal and processing costs to reflect any changes to tonnage estimates based on projected 2011 tonnage that reflects the most-recently available tonnage data and expected impacts of the collection program. Calculate costs using projected 2011 Shoreway facility tipping fees. (Note that an annual reconciliation process conducted after each rate period will make contractor whole for disposal and processing costs.)	Same method as prior year (Note that an annual reconciliation process conducted after each rate period will make contractor whole for disposal and processing costs.)
Regulatory fees	To be determined in 2010 after costs are allocated to member agencies.	To be calculated separately for each member agency based on member agency specific fees (e.g., franchise fees, vehicle impact fees, etc.).	Annual calculation to be conducted separately for each member agency based on member agency specific fees (e.g., franchise fees, vehicle impact fees, etc.).
Allocated lease costs, if any (e.g., lease costs for vehicle parking facilities, offices, maintenance yard)	No adjustments; lease costs shall be fixed over the term.	No adjustments; lease costs shall be fixed over the term.	No adjustments; lease costs shall be fixed over the term.
Total Pass-Through Costs	Recalculated as the sum of the adjusted proposed costs	Same method as prior year	Same method as prior year
TOTAL CONTRACTOR'S COMPENSATION	Recalculated by summing total annual operating costs, profit, and pass-through costs	Same method as prior year	Same method as prior year

Table ATT 15-1 Determination of Contractor's Compensation

Attachment 16

EXCEPTIONS TO RFP AND COLLECTION AGREEMENT FORM

Proposers are required to prepare the Cost Proposal Forms (Attachment 10) based on the program specifications set forth in the RFP documents without considering any exceptions or alternatives that may be set forth on this form.

In the event the Proposer takes exception to the RFP specifications or provisions included in the Collection Agreement (Attachment 2) or wishes to propose an alternative, they may set forth those exceptions or alternatives in the following manner:

- The exception or alternative is to be included in Section 5 (Exceptions to the RFP and Collection Agreement) of the proposal.
- Each exception or alternative must be presented separately by stating the specific exception or alternative, the suggested changes to the program related to the exception or alternative, the suggested changes in the Collection Agreement language related to the exception or alternative, the manner in which the proposed change would benefit the Member Agencies, the customers or both, and the specific dollar change in each of the various service rates, as proposed by the Proposer in this RFP, that would take place if the exception or alternative was accepted by the Authority.
- The exceptions and/or alternatives must be followed with the following language without exception.
- **“Except as set forth above, Proposer is in complete agreement with the proposed terms, conditions and business arrangements described in the RFP including the attached Collection Agreement. The Proposer assumes the risk of all conditions foreseen or unforeseen and agrees to provide the services set forth in the Collection Agreement under whatever circumstances may develop other than as herein provided.”**

- The form must be signed by an individual authorized to commit the Proposers firm to the Agreement in the manner set forth below.

Signature _____

Type Name ____

Title ____

Date ____

Please note that if exceptions are taken, all required information as set forth above must be submitted. Exceptions taken or alternatives provided, without providing the required information will not be considered.