

**REQUEST FOR PROPOSALS
FOR THE
OPERATION OF THE SHOREWAY
RECYCLING AND DISPOSAL CENTER (SRDC)**

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SECTION I

GENERAL INFORMATION

1.1 INTRODUCTION

The South Bayside Waste Management Authority (SBWMA) is seeking proposals from qualified firms to operate the Shoreway Recycling and Disposal Center (SRDC). The Operating Agreement will be between the SBWMA and the selected Proposer for a ten (10) year period. The term of the new Agreement will commence on January 1, 2011, or sooner if an alternative start date is negotiated, and will end December 31, 2020. The SBWMA may extend the Term of this Agreement for one (1) or more periods of one (1) year, up to a maximum of three (3) years, on the same terms and conditions. Responsibility for the materials recovery facility (MRF) equipment installation and startup will begin in 2010, with full-scale SRDC operation under the Agreement commencing on January 1, 2011.

The South Bayside Waste Management Authority (SBWMA)

Formed in 1982, the SBWMA is a joint powers authority (see Attachment 1 – JPA Agreement) of twelve member agencies (the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos and San Mateo along with the County of San Mateo and the West Bay Sanitary District) in San Mateo County and is a leader in innovative recycling and waste reduction programs. The primary goal of the SBWMA is to provide cost-effective waste reduction, recycling, and solid waste programs to member agencies through franchised services and other recyclers to meet and exceed a minimum 50% diversion mandated by California State Law, AB 939. Currently, Allied Waste, Inc. (Allied) provides collection, disposal and recycling services for the 91,000 residences and nearly 10,000 businesses in the SBWMA service area.

Shoreway Recycling and Disposal Center

The SBWMA owns the SRDC in San Carlos which consists of a permitted 3,000 tons per day solid waste transfer station, MRF, Buyback center, other associated waste management facilities and an area for collection vehicles and operations. The SBWMA oversees the Operations Agreement, currently held by Allied, to provide garbage and recycling materials handling through December 31, 2010.

The SRDC is located in the city of San Carlos, at 225 and 333 Shoreway Road, on the east side of Highway 101, north of Holly Street/Redwood Shores Parkway. The SRDC handles approximately 500,000 tons/year of solid waste and recyclable materials (434,000 tons to the transfer station and 65,000 tons of materials at the MRF). The purpose of the SRDC complex is to:

- 1) provide a convenient location for the delivery/processing of waste and recyclable materials generated throughout the SBWMA service area and,
- 2) to recover recyclable materials and divert them from disposal.

Residential and commercial solid waste and recyclable materials that are collected by the franchise hauler are taken to the SRDC for processing, staging and shipment. To service smaller self haul recycling customers and increase diversion opportunities, the SRDC includes a Buyback center, Household Hazardous Waste (HHW) Drop-off, and an Electronic waste (E-Waste) Drop-off center. Combined, the facilities are collectively referred to in this RFP as SRDC.

The SBWMA is currently conducting a Master Plan re-design of the SRDC facilities. Under the current designs, the transfer station tip area will be enlarged, the MRF building will be rebuilt, single stream processing equipment will be installed in the MRF, and the SRDC scales and traffic flow will be reconfigured. These improvements are intended to reduce traffic congestion and enhance material recovery and waste diversion capabilities. These improvements are planned to be in place before the start of the new operations contract and should be considered when responding to this solicitation.

In addition to providing facility operations, this solicitation requires proposers to provide single stream equipment selection, design/ layout and installation of all components that are needed to perform the proposed services. Single stream equipment will need to be installed in the MRF building in the 6 months prior to the start of the new Operations Agreement. The SBWMA's goal in having the Proposer involved in the equipment selection and design is to provide an opportunity for the Proposer to make contributions to the MRF's operational and diversion efficiencies. All MRF and transfer station rolling stock and non-permanent equipment will be supplied by the Proposer.

Proposals are being solicited from qualified proposers or from a group of qualified proposers that form a team arrangement for the purposes of this solicitation. In the event a teaming arrangement is proposed, the proposers should recognize that the team must be represented by a single prime Proposer that will be responsible for entering into an agreement for facility operations and materials transportation with the SBWMA and who will serve as the primary contact point and responsible party for the SBWMA and its customers. Proposals shall be submitted in accordance with the guidelines presented in this RFP.

1.2 SBWMA'S GOALS AND OBJECTIVES

The SBWMA is seeking to secure the best services for the most competitive price. The SBWMA's goals and objectives are as follows:

- 1) Reduce the volume of waste being disposed through increased recycling and reuse activities at the SRDC.
- 2) Provide professional and timely service to all SBWMA Member Agencies including their franchised hauler(s), businesses and residents.
- 3) Implement the most innovative and effective recycling, handling and transfer operations.

The SBWMA's jurisdictions need to comply with requirements of the California Integrated Waste Management Act of 1989 and associated regulations (AB 939), which set a municipal diversion requirement of 50 percent. The new SRDC operator will be an integral component in the SBWMA's goal to meet and exceed the State's diversion goals above the 50 percent requirement.

The SBWMA currently recovers recyclable materials through load segregation and floor sorting at the transfer station, processing operations at the MRF and materials recovery activities at the Buyback / Drop-off center. Additional new floor space will be added to the transfer station building to allow for the increased segregation and floor sorting of C&D debris and other materials from self-haul and commercial loads. The SBWMA will be constructing a new MRF building for installing single stream processing capabilities to recycle the materials that will be collected from residential and commercial customers beginning in January 2011.

1.3 SCOPE OF REQUESTED SERVICES

The SBWMA is requesting proposals from qualified firms for the selection and installation of single stream processing equipment and for the ongoing management, operations and maintenance of the waste and recycling operations at the SRDC. The SBWMA seeks an operator that can:

- Cost effectively operate the transfer station and MRF.
- Operate the SRDC facilities to maximize material diversion.
- Select and install state-of-the-art single stream recycling equipment and technology.
- Be responsive to the needs of the SBWMA and Member Agencies.
- Maintain full compliance with local, state and federal regulations.

The Proposer will operate the SRDC transfer station, MRF, Buyback / Drop-off center, manage the SRDC scales, collect tip fees from customers and provide administration and accounting services. In operating the transfer station, the Contractor is required to maximize diversion of waste materials through load segregation and floor sorting of materials. The Contractor will provide transportation service for waste and recyclable materials to the disposal and processing facilities designated by the SBWMA. Proposals that maximize diversion from self haul and commercial loads through the installation of sorting equipment in the transfer station are encouraged.

The SBWMA expects the Contractor to maximize diversion of residential and commercial single stream recyclables through the proper selection and operation of the MRF equipment. The SBWMA will be purchasing the new recycling equipment to be installed in the MRF. This installation will need to occur prior to the January 1, 2011 start of facilities operation. The Contractor will market all recyclable materials and share the sales revenues above the Revenue Guarantee with the SBWMA.

Specifically, this RFP requests that the Proposer respond to this RFP to provide the following scope of services:

- Operate and maintain the transfer station.
- Operate and maintain the MRF.
- Operate and maintain the Buyback and Drop-off center.
- Operate and maintain the scale house.
- Handle all inbound loads and collect payment.
- Receive materials from franchised haulers and self-haul vehicles.

- Separate out recoverable materials for reuse or recycling.
- Market recovered materials and transport them as needed.
- Load-out solid waste and residual into transfer vehicles.
- Transfer solid waste and recyclable materials to designated disposal and processing facilities.
- Operate and maintain the SRDC to meet or exceed the SBWMA's requirements as stipulated in the Draft Operations Agreement (Attachment 2) as well as local, state and federal regulations.
- Provide required and necessary rolling stock to operate the SRDC and transfer materials as stipulated in the Draft Operations Agreement.
- Provide MRF processing equipment design, installation, start-up services and operations to meet the diversion requirements of the Operations Agreement.
- Maintain a staffed administrative office.
- Provide open communications to the public and SBWMA staff and consultants.
- Provide excellent customer service.
- Provide thorough and accurate reporting of all activities as stipulated in the Operations Agreement.
- Operate the facilities safely and maintain an excellent safety record.
- Maintain all facility permits.
- Conduct invoicing / collections services for customers utilizing the SRDC.

1.4 PROPOSAL CONSIDERATIONS

1.4.1 SBWMA's Rights

In issuing this RFP the SBWMA retains, but is not limited, to the following rights:

- Issuing addenda to the RFP, including extending or otherwise revising the timeline for submittals.
- Withdrawing the RFP, reissuing, or modifying the RFP.
- Requesting clarification and/or additional information from the Proposer at any point in the procurement process.
- Executing an agreement with a Proposer on the basis of the original proposals and/or any other information submitted by the Proposers during the procurement process.
- Rejecting any or all proposals, waiving irregularities in any proposals, accepting or rejecting all or any part of any proposals, waiving any requirements of the RFP, as may be deemed to be in the best interest of the SBWMA.
- Accepting and negotiating with a Proposer any combination of services; the services and combination to be chosen by the SBWMA in its sole discretion.
- Negotiating with one or more than one Proposer.

- Accepting a proposal that does not offer the lowest cost but offers the best overall value, which the SBWMA determines is in the best interest of the citizens of the SBWMA, based on the Proposer's qualifications, technical proposal, financial strength, willingness to accept contractual terms as well as its cost proposal.
- Discontinuing its negotiations after commencing negotiations with a selected Proposer, if progress is unsatisfactory in the judgment of the SBWMA, and commencing discussions with another qualified Proposer.

1.4.2 Consequence of Submission of Proposal

The submission of a proposal shall not be deemed an agreement between the Proposer and the SBWMA. Specifically, the following provisions apply:

- The SBWMA shall not be obligated to respond to any proposal submitted nor be bound in any manner by the submission of a proposal.
- Acceptance of a proposal by the SBWMA obligates the Proposer to enter into good faith Agreement negotiations based on the proposal submitted.

1.4.3 Proposal Costs

The cost of investigating, preparing and submitting a proposal is the sole responsibility of the Proposer and shall not be chargeable in any manner to the SBWMA. The SBWMA will not reimburse any Proposer for any costs associated with the preparation and submission of proposals or expenses incurred in making an oral presentation, participating in an interview, or negotiating an Agreement with the SBWMA.

1.5 ORGANIZATION OF THE RFP

General information regarding the RFP purpose, process, and schedule are provided in this section. Section 2 contains background information that will assist proposers in understanding the current and proposed operations at the SRDC including information about SBWMA member agencies, a facility description, waste types, waste quantities and vehicle counts. Section 3 defines the scope of services covered by this RFP. Section 4 details the payment and compensation structure for the services provided. Section 5 discusses the RFP proposal requirements. Section 6 describes the evaluation process and criteria. Section 7 provides instructions for submitting responses to the RFP. Attachments 3 and 4 contain additional information required for proposal preparation including the operations cost proposal forms, and MRF related forms.

1.6 MEMBER AGENCY COMMUNICATIONS 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. Milestone events detailed in Table 1-1 provide elected officials opportunities to: express their specific interests and needs, contractor selection recommendations, and final contract terms.

Table 1-1. Member Agency Milestone Events

	Purpose	Timing	Information or Decision Point
1.	Attend proposer presentations	April - May 2008	Informational
2.	Receive proposal summaries	April – June 2008	Informational
3.	Approve selection of Contractor	Oct. – Dec. 2008	Decision point
4.	Approve final Operations Agreement (code of conduct guidelines expire)	May – June 2009	Decision point

1.7 PROPOSAL SCHEDULE

The SBWMA intends to adhere to the schedule provided in Table 1-2 during the selection process. This schedule may change at the SBWMA's discretion. In order to commence service on January 1, 2011, the SBWMA's procurement schedule is designed to have an Agreement finalized by June 2009, allowing the selected Proposer sufficient time for the SBWMA to purchase the selected MRF processing equipment and for the Contractor to install MRF processing equipment and conduct transition activities necessary to implement the Agreement.

Table 1- 2. RFP Schedule

Activity	Date
SBWMA releases RFP	November 1, 2007
SBWMA releases Addendum 1, Draft Operations Agreement	November 30, 2007
R.S.V.P deadline for pre-proposal meeting	December 7, 2007
Deadline to submit written questions and comments	December 7, 2007
Mandatory pre-proposal meeting	December 14, 2007 at 1:30 p.m.
SBWMA will issue: response to written questions, summary of responses provided at the pre-proposal meeting, and RFP addendum if necessary.	January 11, 2008
Proposals due	March 4, 2008, 3:00 p.m.
SBWMA requests clarification of proposal information	April 2008
Proposer presentations to SBWMA and Member Agencies	April - May 2008
SBWMA Board selects Operations Contractor	August 28, 2008
Member Agencies approves selected Operations Contractor*	Oct. - Dec. 31, 2008
SBWMA conducts and completes negotiations with Contractor	Jan - March 31, 2009
Member Agencies approve negotiated Operations Agreement*	April - June 2009
MRF equipment ordered	September 2009
MRF Equipment installation starts	April 2010
MRF equipment installation and Acceptance Test completed	November 2010
Contractor commences providing services	January 1, 2011

* JPA Agreement requires approval of new Operations Agreement and operator by two-thirds Member Agencies' governing boards.

SECTION 2

BACKGROUND INFORMATION

This section provides background information regarding the RFP process, current transfer and recycling services, solid waste and recyclables quantities and characteristics, and related SBWMA programs. Please note that data provided are for informational purposes only. Proposers should not rely solely on this section for developing proposals and service costs. Proposers are responsible for an independent assessment of the SBWMA's needs.

2.1 SBWMA MEMBER AGENCIES

The SBWMA includes twelve member agencies (as noted in Section 1.1). Under the framework of the Joint Powers Agreement, each member agency contracts for collection of residential and commercial waste and recycling. The member agencies are obligated, under the JPA agreement, to deliver materials to the SRDC.

Table 2-1. Population of Member Agencies Served by SBWMA

Member Agency	Actual 2000	Actual 2007
Atherton	7,194	7,423
Belmont	25,123	25,897
Burlingame	28,158	28,667
East Palo Alto	29,506	32,630
Foster City	28,803	30,269
Hillsborough	10,825	11,122
Menlo Park	30,785	31,146
Redwood City	75,402	77,025
San Carlos	27,718	28,639
San Mateo	92,482	95,510
West Bay	N.A.	N.A.
Unincorporated San Mateo Co.	N.A.	30,300
Total	355,996	398,628

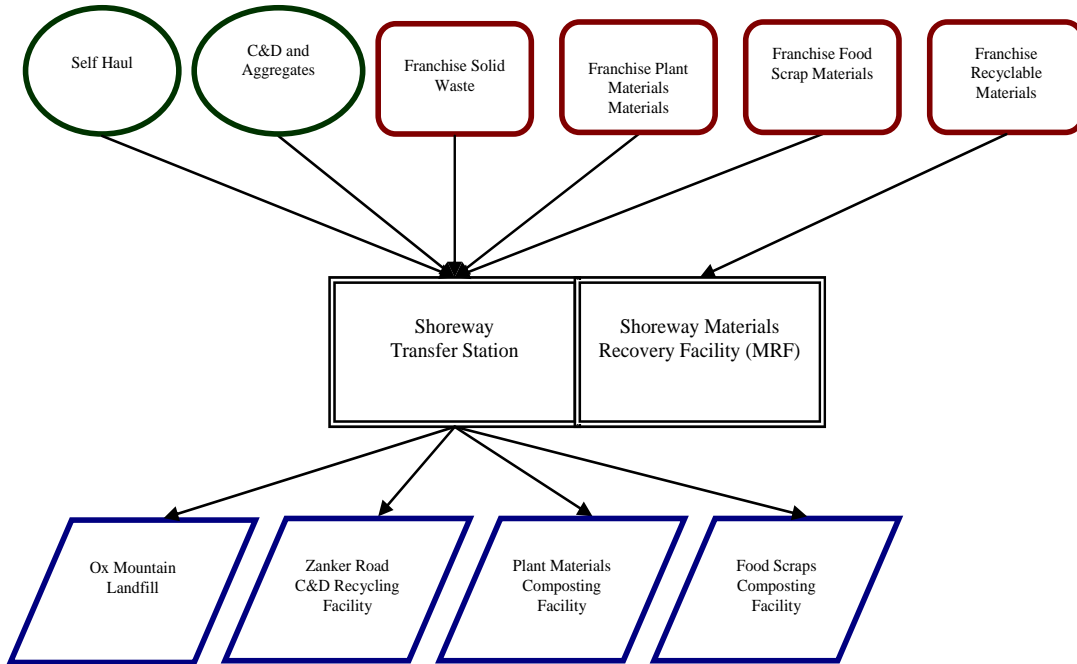
Source: CA State Department of finance (N.A. = not available)

2.2 SRDC FACILITY DESCRIPTION AND SERVICES

The transfer station building, vehicle maintenance buildings and the administrative offices at the SRDC were originally built by Browning-Ferris Industries (BFI) in 1984. The adjacent MRF building was a pre-existing warehouse that was converted to a materials recovery facility. In 2000, bonds were issued by the SBWMA and the SBWMA purchased the SRDC complex from BFI. At the time of purchase, the SBWMA and BFI entered into an agreement (see Attachment 12) for the operation of the transfer station and the MRF facility. Included in the Operations Agreement is the transportation of refuse from the SRDC to the Ox Mountain

Landfill in Half Moon Bay located approximately 13 miles away. There are separate agreements with Allied Waste for disposal at the Ox Mountain Landfill (see Attachment 11) and for the processing of plant materials and food scraps at the Newby Island Recyclery in Milpitas/San Jose (see Attachment 12). Another agreement is in place for the off-site processing of construction and demolition materials at the Zanker Road Resource Recover Facility in San Jose (see Attachment 10). See figure 2-1 for a materials flow into and out of the SRDC complex.

Figure 2-1 Material and Processor Diagram.



The SRDC complex is approximately 16 acres and is owned entirely by the SBWMA. There are two large structures used for the transferring and recycling of waste materials, located at 225 and 333 Shoreway Road, respectively, north of Holly Street/Redwood Shores Parkway in San Carlos, California. There are several support structures that includes two vehicle maintenance shops, a fuel island, an administrative building and other small permanent and portable structures used for the Drop-off of recyclable materials. There is truck parking at the north end of the property that is used by Allied for the parking of collection route trucks and bin storage. Employee parking is located at the rear of the transfer station (see Figure 2-2, SRDC Facility Overview).



Figure 2-2. SRDC Facility Overview

2.2.1 Scale House

The scale house is where inbound loads are visually inspected, weighed, and fees are collected for each incoming load. Customers are directed to the appropriate area of the SRDC (transfer station, Buyback or MRF building) after processing at the scale. The area includes two inbound lanes, one 12-foot by 70-foot scale and one non-scale lane where self haul vehicles are measured and inspected. Currently the self haul customers are charged by the cubic yard and do not require weigh-in. Redesign of the scale house area is currently underway to alleviate current traffic congestion onsite. Scale area improvements are scheduled to be completed prior to the January 1, 2011 operations start date. It is anticipated that the upgraded scale facilities will include three inbound lanes with two commercial scale lanes.

The scale house is open to the public between 6:00 AM – 6:00 PM Monday through Friday and 8:00 AM to 5:00 PM Saturday and Sunday. There are two-eight hour employee work shifts at the scale house - first shift working from 2:00 AM to 10:30 AM and the second shift working from approximately 10:30 AM to 7:00 PM.

2.2.2 Transfer Station

The SRDC transfer station is a 63,000 square foot clear-span structure with +40 foot ceilings, used for the tipping and transfer of materials delivered by the franchise waste hauler and self haul customers. The SRDC complex has a Solid Waste

Facilities Permit capacity of 3,000 tons per day (the MRF, transfer station and other activities are all included under this permit capacity).

After spotters receive and direct trucks to the proper unloading area, the load is tipped and inspected - - collection trucks containing solid waste and plant material tip materials on the north side of the building and self haul trucks containing inert materials and C&D enter through a separate doorway and tip on the south side of the building. The transfer station is set up as a top-load operation where transfer trucks pull through two tunnels under the facility for loading. Waste materials on the tipping floor are pushed at floor-level into “pits”. The transfer station tunnels and the “load-out pits” are located about midpoint in the building floor and are designed with in-ground scales to allow for axle weighing of transfer trucks. When the in-tunnel truck scale indicates that the trailer has been filled to capacity it pulls through the tunnel and delivers its contents to the landfill or designated diversion facility.

The transfer station currently operates from 2:00 AM to 6:00 PM and utilizes sorters and loader operators to handle the materials entering the facility (See Attachment 5, list of equipment and personnel used by Allied Waste). The transfer station facility is open to receive material from the franchise hauler between the hours of 5:00 AM – 5:00 PM Monday through Friday. Material load-out from the transfer station and transfer truck hauling typically occurs between the hours of 3:00 AM and Noon Monday through Saturday. The Solid Waste Facilities Permit allows operation between the hours of 2:00 AM -6:00 PM Monday through Saturday and 6:00 AM - 6:00 PM on Sundays. The permit requires that all solid waste be loaded out within 48 hours of receipt and that plant material, wood waste and inert materials be loaded out within seven days of receipt (see copy of Solid Waste Facility Permit in Attachment 6).

2.2.3 Transportation and Current Contracts for Disposal and Off-Site Processing

Transportation of solid waste to the landfill and organics and C&D materials to off site processors is included as a component of the SRDC Operations Agreement. Currently waste is transported to Allied’s Ox Mountain landfill in Half Moon Bay between the hours of 3:00 AM – 12:00 noon. Proposers are advised to contact Caltrans and local cities for specific road and vehicle conditions regarding truck use on highway 92 going to Ox Mountain Landfill (e.g., there are restrictions on left turns for trucks exiting the landfill in the morning hours (for example, no left turn from the landfill between 7:00 AM- 8:00 AM) and there may also be special trailer-length requirements. The current service provider uses possum–belly trailers to transport waste to the landfill. Allied Waste operates a tipper that dumps the trailers at the landfill working-face. Plant Material (yard waste) is hauled in walking-floor trailers to Allied Waste in San Jose for composting at the Newby Island facility. End-dump trailers are used to haul food scraps to the Newby Island facility so that no free liquids fall from the trailers during transport. The current Contractor uses the same 50-cubic yard end-dump trailer to deliver C&D materials for processing at Zanker Road Resource Recovery facility in San Jose. For a complete list of existing Allied drivers and vehicles used refer to Attachment 5.

Table 2-2. Current Transportation by Material Type

Materials Hauled	Average Loads /day
Plant Material	12
Solid Waste Disposal	51
C&D Processing	4
Food Scraps Composting	3
TOTAL LOADS / DAY	70

The average number of loads hauled per day from the transfer station to off site locations is listed in Table 2-2. A current list of disposal and processing facilities that the SBWMA has contractual arrangements with is provided in Table 2-3.

Table 2-3. Current Processing and Disposal Arrangements

Service	Location	Company	Expiration
Plant Material Composting	Newby Island Composting Facility in San Jose	Allied Waste	December 31, 2010
Solid Waste Disposal	Ox Mountain Landfill in Unincorporated San Mateo County	Allied Waste	December 31, 2019
C&D Processing	Zanker Road Resource Recovery in San Jose	Zanker Road Resource Mgt	December 31, 2010
Food Scraps Composting	Newby Island Composting Facility in San Jose	Allied Waste	December 31, 2010

Source: SBWMA

2.2.4 Materials Recovery Facility (MRF)

The existing MRF operations are located in a 48,000 square foot converted warehouse structure, adjacent to the transfer station, along Shoreway Road. The facility is designed to process dual stream recyclable materials (where containers are processed separately from fiber). Current volumes shipped from the facility are approximately 5,000 tons per month.

The facility processes a mix of approximately 60% residential and 40% commercial dual-stream material. Recycling collection route trucks enter the facility at the Shoreway Road side of the building and exit the back side of the building after dumping recyclables. There are two separate processing lines, one for the fiber sorting and one for container sorting (both installed by CP Manufacturing). Loose inbound materials are moved to the sorting lines using front-end loaders. After processing, bales of fiber and containers are loaded into shipping containers through the 5 loading docks at the north edge of the building. Currently the MRF is operating at a residual level of less than 4.5% which is transported to the transfer station and loaded into transfer trucks for disposal.

Material receiving hours are between 3:00 AM to 5:00 PM and include residential route trucks and commercial collection vehicles. Currently the MRF operates one-eight hour shift starting at 6:00 AM and ending at 3:30 PM. Allied employs sorters, spotters and equipment operators at the facility and uses a combination of wheel loaders and fork lifts at the MRF (a complete listing of staff and equipment can be found in Attachment 5). The general public is directed to the buyback center for recyclable materials drop-off and is not allowed into the MRF facility. The Solid Waste Facility Permit allows for the MRF to operate between the hours of 5:00 AM - 5:00 PM Monday through Saturday and the MRF shares the 3,000 tons per day site permit capacity with the SRDC transfer station.

In preparation for the conversion to single stream recycling, the MRF building and equipment are being redesigned and will be completely upgraded by the start of the new operations contract in January 2011. The SBWMA is considering revising facility permits to include expanded operating hours.

2.2.5 Buyback and Drop-Off Facilities

The Buyback center provides the public with a location to Drop-off recyclable materials, such as aluminum cans, glass, cardboard, newspaper and scrap metal. The SRDC drop-off area accepts and handles household Hazardous Waste (HHW), Electronic Wastes (E-Wastes) and Universal Wastes (U-Wastes). Used oil, antifreeze and paint is also collected. Major improvements to the Buyback and drop-off locations are planned which will improve the traffic flow, make the facility more convenient to the public and to protect materials from weathering. The SBWMA will complete the construction improvements to this area before the beginning of the new Operations Agreement.

The Buyback/drop-off center currently operates on the same hours as the public hours for the transfer station. The facility is staffed by one spotter and one equipment operator.

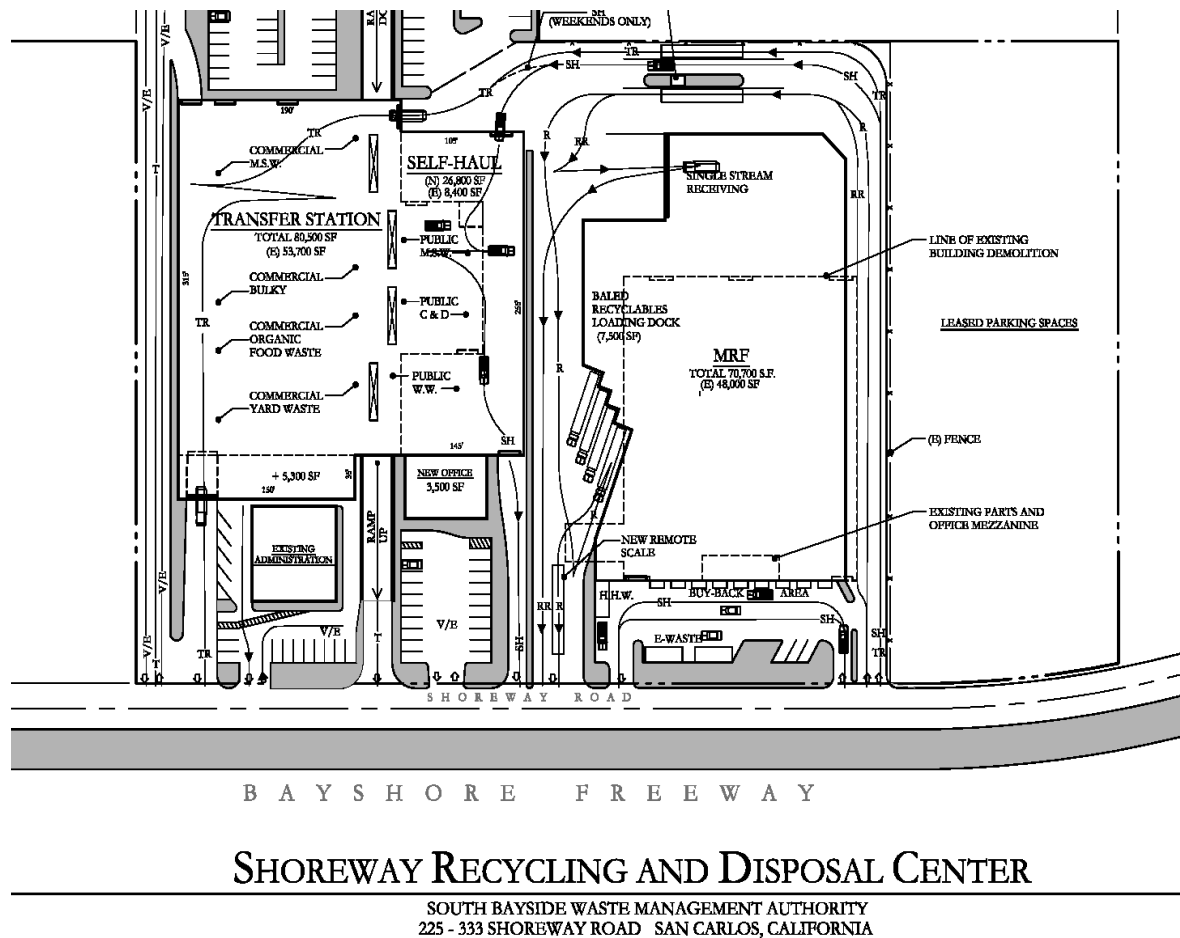
2.2.6 Administrative Area

The site currently has several administrative areas including: an approximate 1,000 square foot office area and shop area within the MRF building, a 1,200 square foot office and employee area within the transfer station, and a separate two-story building that houses the office staff for the administration of the operations and collection companies. All administrative areas are equipped with sanitary facilities.

2.3 MASTER PLAN AND CONSTRUCTION OF NEW FACILITIES

The Master Planning process for the construction of the new facilities at the SRDC is underway at the time of this RFP release (see Figure 2-3, and Attachment 7 for the complete Master Plan). All of the facility improvements are scheduled to be completed prior to the start of operations under the new Agreement. As a part of this proposal process, the SBWMA requires that proposers fully understand the planned facility changes and offer suggestions regarding potential improvements.

Figure 2-3. SRDC Master Plan



2.3.1 Entrance, Scale and Traffic Flow Improvements

The SBWMA will finalize the Master Plan and initiate facility modifications and improvements to the entrance way, scales and facility traffic flow to reduce traffic impacts on Shoreway Road and to improve overall traffic efficiency at the SRDC (See Figure 2-3, and the Master Plan Report Attachment 7). The design goals for the traffic improvements are as follows.

- Reduce traffic queuing and congestion on Shoreway Road.
- Create additional inbound traffic queuing area ahead of the scales.
- Increase the processing speed at the scale house.
- Separate franchise vehicles from the self haul vehicles.
- Create efficient and safe onsite vehicle traffic flow.
- Maximize the use of space at the facility.
- Isolate Buyback / drop-off center areas and employee parking areas from onsite facility traffic.

The Master Plan proposes to move the facility scales and entry to the border of the property along the southeastern edge of the MRF. All inbound traffic will enter at the same southern entrance and will proceed around the back corner of the property to the scales. There will be three inbound traffic lanes - - two inbound scales and one non-scale lane for self haul traffic. This new configuration is designed to eliminate the back up of traffic onto Shoreway Road by increasing the queuing area before the scales and speed the vehicle processing at the scales.

2.3.2 Transfer Station Self-haul Tipping Area Improvements

The Master Plan includes the expansion of the south side of the transfer station to increase the area available for self haul customer unloading and material sorting. Currently the transfer station has a separate entry and sorting area for self haul C&D unloading. This 8,400 square foot area is on the other side of the transfer station tunnel from solid waste tip floor area. Because of the limited size of this area, traffic congestion is often a problem and materials storage and sorting is hampered. The SBWMA plans to increase the size of the current self haul tip area to a total of 26,800 square feet. The rest of the transfer station layout and operations will remain unchanged. The transfer station improvements are expected to begin in 2008 and to be completed in early 2010. These improvements will be performed and funded by the SBWMA.

2.3.3 MRF Facility Improvements

Under the Operations Agreement, the Proposer is to install all stationary MRF equipment necessary for the processing of single stream recyclable materials. The SBWMA will review and approve the Proposer's design and installation of the MRF material handling equipment and will reimburse the selected proposer for the cost of installation. Rolling stock will be purchased and supplied by the Contractor.

A major component of the Proposer selection process will include the proposed equipment technology, system design/layout, equipment budget and the installation and start-up plan for all operations in the MRF building. The SBWMA will select a sorting equipment system that is able to accomplish the following goals:

- Cost effective material processing.

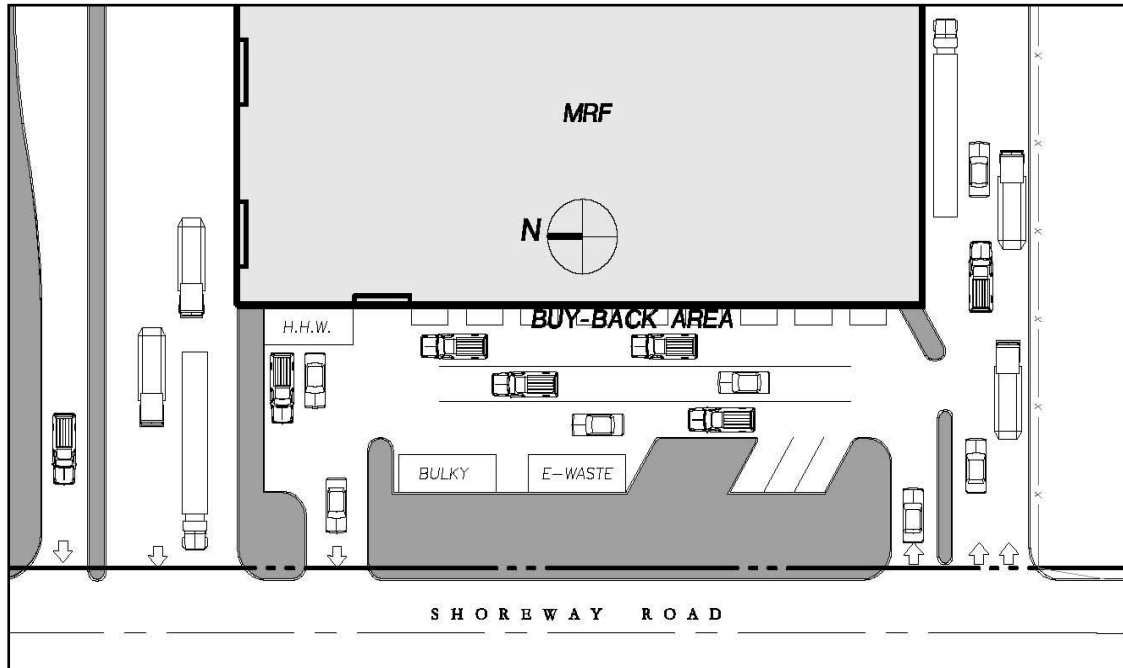
- Produce high-quality and high-value marketable commodities.
- Minimize residual created.
- Processing equipment and equipment design that provide reliable materials handling and separation with minimal scheduled and unscheduled down time.

The SBWMA will work with the selected Proposer in the final equipment design/layout, MRF equipment selection and installation process. After the final equipment design is selected and the MRF facility equipment ordered from the equipment manufacturers, the Proposer will perform the equipment installation, start-up and Acceptance Tests prior to commencement of operations. The SBWMA will conduct an equipment Acceptance Test (see MRF Equipment Acceptance Test, Attachment 4 - D) to verify that the equipment installed meets the claims made by the equipment vendor and the Proposer's. Note that the Proposer is to provide and maintain all rolling stock necessary for the operation of the MRF. The SBWMA will not finance rolling stock and non-stationary equipment.

2.3.4 Buyback / Drop-off area

The SBWMA will move the current location of the Buyback center from the middle of the operations to the front (street-side) of the MRF building (see Figure 2-4). This will improve the traffic flow and the convenience of the facility by providing more space, easier access from Shoreway Road and safer customer use by keeping the center's customers out of the traffic flow of commercial vehicles.

Figure 2-4. SRDC Proposed Buyback/Drop-off Center



2.4 WASTE TYPES AND TONNAGES

Materials received at the SRDC consist of residential and commercial solid waste, plant materials, commercial food scraps, inert materials, construction and demolition materials and recyclable materials. Prohibited materials include: burning materials, infectious wastes, radioactive wastes and industrial hazardous wastes. High liquid content waste is not accepted at the SRDC. These restrictions are strictly enforced and any vehicle hauling prohibited wastes will be denied access. Except for occasional white goods (large appliances or bulky items) and tires, no loads of wastes requiring special handling are accepted. The removal of freon from white goods is performed by a licensed contractor. There are storage tanks onsite for used motor oil and used antifreeze and containers for the storage of latex paint, batteries, U-waste, and E-wastes collected from the public are located near the transfer station building.

2.4.1 Materials Delivered to the Transfer Station

The transfer station accepts approximately 430,000 tons of solid waste and recyclable materials per year. Source separated loads of materials are directed by scale house personnel and tipping floor spotters to dump in designated areas within the transfer station. K rails are used on the transfer station floor to keep different categories of material separate until load out.

Table 2-5 provides a summary of the tonnage that was delivered to the transfer station in 2006 (a more detailed breakdown of the material types and diversion achievements is

presented in Attachment 9). There is expected to be a 30% increase in plant material tonnage entering the transfer station as a result of switching from bi-weekly to weekly collection of this material in January 2011. However, the SBWMA does not guarantee any particular tonnage of waste or recyclables to be delivered to the SRDC.

Table 2-4. Transfer Station Materials Composition

TRANSFER STATION TONS IN YEAR 2006	
<u>Material Type</u>	<u>TOTAL TONS</u>
Solid Waste	318,170
Plant Materials	70,295
Commercial Food Scraps and Plant Materials	18,636
C&D Diversion (Aggregates, Metals)	19,563
Other Diversion (Bunker Program: inerts)	7,587
TOTAL TONS	434,251

2.4.2 Transfer Station Diversion

The SRDC receives self-hauled material from contractors, the public, debris box companies, city vehicles and others. Self-hauled materials account for approximately 24% of the SBWMA's total waste stream. To meet the Diversion Program Guarantees, the Contractor is required to divert recoverable materials from the self haul loads entering the SRDC. The materials that are targeted for recovery include plant material, wood, roofing, dry wall, concrete, carpet, asphalt, and scrap metal. Other more traditional recyclable materials like paper, containers and electronic wastes are to be directed to the Buyback/Drop-off center and included under the Buyback and Drop-off program tonnage.

C&D material is the largest subset of the total self haul volume entering the transfer station. In 2006, 50% or 27,150 tons of self hauled tonnage delivered to the SRDC was recovered. Of this self haul tonnage, diverted C&D material comprised 19,624 tons with the balance composed of plant materials.

The current Contractor performs some floor sorting to remove contamination and white goods from the inbound self haul loads. However, there is little floor space in the current transfer station building to conduct extensive floor separation. Most C&D material sorting is performed off site at the designated third party processor, Zanker Road Resource Recovery. Materials targeted by Zanker Road include: wood, roofing, dry wall, concrete, asphalt, and scrap metal.

2.4.3 Materials Delivered to the MRF and Buy Back

Currently, residential and commercial recyclables are collected separately. Residential (single family household) recyclables are collected in a dual-stream container-based collection system where fiber is collected separately from containers. Commercial recyclables are co-collected with multi-family recyclables in a dual stream collection system. Large quantities of glass containers and bales of cardboard are collected on a separate route using specialized collection equipment. During the conversion to single stream recycling, it is SBWMA's goal to maintain a high quality feed stock for the MRF. The SBWMA Member Agencies intend to support the conversion to single stream with a public education program that are aimed at keeping contamination levels to a minimum.

As shown in Table 2-6, the SBWMA expects the amount of recyclable material to increase significantly. It is anticipated that there will be a 25% increase in recyclable materials tonnage from the conversion to single stream recycling and an additional 5% increase in tonnage resulting from the change to weekly collection from the existing bi-weekly collection programs. This projection is based on experiences in other communities but is not guaranteed by the SBWMA.

Table 2-5. MRF Tons Current and Projected by Commodity Type

	<u>TOTAL 2006</u>		<u>PROJECTED 2011*</u>
Aluminum	230		299
Newspaper	34,124		44,361
Cardboard	16,487		21,433
Glass	8,632		11,221
Tin	867		1,127
P.E.T	797		1,036
Ridged Containers(HDEP)	110		143
Mixed Plastics 3-7	908		1,180
Mixed Paper	2,708		3,520
TOTALS	64,863		84,322
	<u>TOTAL 2006</u>		<u>PROJECTED 2011</u>

*SBWMA does not guarantee any volumes or composition of materials

While it is anticipated that the residue level will increase with the conversion to single stream recycling, the Member Agencies are planning to limit the list of Acceptable Materials to those which may be placed in the recycling bin, which have a demonstrated market, and which current sorting equipment is effective at recovering (See list of Acceptable Materials, Table 2-7).

Table 2-6. Single Stream Acceptable Materials List

“Targeted Recyclable Materials” shall include: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, office paper, paperboard, paper egg cartons, telephone books, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, blue, clear, and green glass containers); aluminum (including food and beverage containers and foil; small pieces of scrap metal weighing less than 10 pounds and fitting into the Recyclable Materials Collection Container (excluding chain, cable, wire, banding, hand tools, and automotive parts); steel, tin or bi-metal containers; plastic containers (i.e., all plastic containers stamped with the Society for the Plastics Industry (SPI) code #1 through #7; and, plastics that are not stamped but clearly can be identified as PET, HDPE, and PP). For Single-Family and Multi-Family Premises, Acceptable Recyclable Materials shall also include Used Motor Oil, Used Motor Oil Filters, Household Batteries, and Cell Phones.

In an attempt to encourage the Proposer to maximize recovery of recyclables from the single stream materials, the SBWMA has created an incentive plan (see Residual Guarantee, in the Operations Agreement) that rewards the Contractor for high levels of recovery. Conversely, there are financial disincentives if the Contractor falls below a specific recovery threshold (see Section 4, Payment and Compensation).

The Buy Back operation is considered part of the MRF operation and the Proposer will need to accept all the materials on the Acceptable Materials list at the Buy Back center. Table 2-8 shows the tonnage that was delivered to the Buyback center in 2006 (a composition of Buyback materials by materials type is presented in Attachment 9).

Table 2-7. Tonnage Delivered to the Buyback in 2006

Month	Tons
January	151
February	133
March	131
April	133
May	158
June	175
July	167
August	195
September	170
October	173
November	143
December	<u>144</u>
TOTAL	1,874

2.5 VEHICLE COUNTS

The SRDC receives approximately 830 vehicles per day (mix of self haul and franchise vehicles) delivering solid waste and recyclable materials. The transfer station receives the majority of the traffic and material volume. The transfer station, MRF and associated recycling activities are regulated under one solid waste facilities permit covering the whole SRDC complex. The SRDC permit, (SWIS# 41-AA-0016) issued by the California Integrated Waste Management Board, allows for a total vehicle count of 1,237 units to enter the site per day. The SBWMA expects that the permit capacity is sufficient to accommodate potential increases in vehicles during the term of the Operations Agreement.

Table 2-9 below shows the typical vehicle count traveling over the SRDC scales during the day (Attachment 9 includes additional vehicle detail). The SBWMA is expecting an increase in vehicle traffic as a result of switching from bi-weekly to weekly collection of recyclable materials and plant materials. There will likely be additional vehicle trips generated from the increased amount of plant materials and recyclable materials delivered to the SRDC, but these will be offset somewhat by a decline in solid waste deliveries.

Table 2-8. Typical Daily Vehicle Count at Scales

Vehicle Type	Total
Buyback Center	83
Self Haul Disposal	255
Self Haul Organic/ C&D	155
Transfer Trucks	70
Commercial Solid Waste	41
Residential Solid Waste	59
Commercial Organics	6
Residential Organics	28
Commercial Recycle	39
Residential Recycle	38
Roll off Trucks	46
Container/Commodity Trucks	<u>12</u>
Total	832

SECTION 3

SCOPE OF REQUESTED SERVICES

This section describes the scope of services that the selected Proposer will be required to perform as part of the Operations Agreement with the SBWMA. The Agreement should be carefully reviewed by all proposers as it provides the detailed terms, conditions, and scope of services that will define the contractual arrangements between the SBWMA and the Proposer selected through this RFP process. In the case of a conflict between the Agreement and this RFP, the language in the Agreement takes precedence. For all services required under the Agreement, the Contractor must provide all labor, supervision, equipment, and materials in conformance to all permits and regulatory requirements. The Operations Agreement will be provided to Proposers by addendum and is expected to be issued by December 1, 2007.

3.1 MRF EQUIPMENT DESIGN AND INSTALLATION

In addition to the MRF operations, the SBWMA requires that the selected Proposer design and install a single stream system that will sort the single stream materials in the volumes and composition that will be collected from the SBWMA service area. The details of the equipment selection and installation requirements can be found in Attachment 4 (Equipment Selection and Installation Specifications and Cost Forms) along with the Product Quality Standards and the System Acceptance Test which must be met by the Contractor. The volume and composition of the current stream is expected to change as a part of the conversion to single stream collection. The SBWMA has projected potential tonnages and material stream composition for the collected single stream recyclables (Table 2-6). Proposer's should consider this information and draw on waste characterization data from other communities, other information sources, and its own experiences to estimate the composition of the SBWMA's recycle stream after conversion to single stream. The SBWMA does not guarantee any specific tonnage or composition for materials entering the facilities.

After equipment installation, the Contractor will need to perform system start-up and operate the equipment to meet the System Acceptance Tests specified in this RFP before the commencement of regular operations of the MRF. The SBWMA will purchase the equipment. The installation, start-up and Acceptance Test costs will be initially paid for by the Contractor and will be reimbursed by the SBWMA through increased monthly payments over the first year of operation.

The SBWMA will rebuild the MRF building and increase its size to accommodate additional material and processing equipment (see conceptual drawings of the MRF building and equipment layout in Attachment 8). It will be the responsibility of the SBWMA to provide the building space and necessary utilities required for the installation of the Proposer's equipment 6 months prior to the commencement of operations.

The SBWMA will arrange for and pay for the interim transportation and processing of recyclable materials during the six-month transition phase when the Contractor is installing the MRF equipment. However, any costs and or losses in revenue arising out of a delay in equipment start-up and processing that is the result of the Contractor not meeting the installation schedule or System Acceptance Test criteria, shall be borne by the Contractor

(including interim processing and transportation costs that are a result of delays). The Contractor will also be responsible for any cost overruns related to the installation of the processing equipment.

3.2 SRDC FACILITY OPERATIONS

3.2.1 General Services to be Provided

The selected Contractor shall be responsible for providing services that meet the following broad goals:

- a) Excellent operations and management of the SRDC and associated facilities.
- b) Provision of all NEW rolling stock equipment to complete the work required to handle materials at the transfer station and MRF and to transport materials to the landfill and off site processors (Proposer's are to provide NEW rolling stock, and tractor trailers).
- c) Accurate measurement, recording and cash management at the scale house.
- d) Efficient transportation of the waste and recyclable materials to the designated landfill, off site materials processors, and commodity consumers.
- e) Maximize cost effective recovery of recyclable materials delivered to transfer station, MRF and Buyback center.
- f) Collect information and provide required reports to the SBWMA on the facility operations and diversion tracking.

As part of the general operations of the SRDC, the Contractor shall operate the facilities according to the following:

- a) The Contractor shall accept all permitted materials delivered to the SRDC facility during the hours of 3:00 a.m. to 6:00 p.m. Monday through Sunday for designated haulers and between the hours of 6:00 a.m. to 5:00 p.m. Monday through Sunday for the general public. These hours may be extended by SBWMA during the term of the Agreement. Days of operation shall be Monday through Sunday except for holidays (New Year's Day, Thanksgiving Day, and Christmas Day). During business hours the scale house will be continuously attended and the facility opened to receive incoming materials.
- b) The Contractor will inspect all inbound materials at the time of dumping to ensure that the load does not contain any hazardous materials or other materials that are not accepted at the SRDC. Once the vehicle has dumped its load and the truck has left the facility, the ownership and responsibility for the proper management of the materials resides with the Contractor. The Contractor remains responsible for the materials until the disposal site or markets / processors take ownership of the materials. The SBWMA assumes no ownership or responsibility for the proper management of materials at the SRDC.

- c) The Contractor is required to provide sufficient numbers of qualified and trained staff necessary for operating the facility, transporting of wastes, recovering and marketing recyclables, and other obligations necessary to operate the SRDC.
- d) The Contractor is required to purchase, lease, or otherwise procure, all rolling stock, materials, and supplies necessary for operating the facility, transporting solid wastes, recovering and marketing recyclables, and performing all other obligations. All equipment proposed for use at the SRDC shall be NEW off-road and on-road rolling stock (i.e., loaders, forklifts and tractor trailers).
- e) Contractor will ensure that onsite traffic is controlled and directed so that vehicles move around the site in a safe and efficient manner.
- f) Contractor will be required to maintain operating efficiency within the transfer station, MRF and Buyback/Drop-off centers to ensure customers and other vehicles are able to dump materials quickly and in accordance with the Vehicle Turnaround Guarantee (specified in the Agreement).
- g) Contractor will be responsible for facility maintenance (as defined in the Agreement) at the Contractor's expense. Major facility repairs and improvements and capital projects will be the responsibility of the SBWMA. Rolling stock will need to be repaired, maintained or replaced by the Contractor.
- h) The Contractor will operate the facility to minimize the offsite impacts (e.g., blowing litter, odor, traffic, noise) of the facility operations. Correction of offsite impacts will be the responsibility of the Contractor (including picking up litter on Shoreway Road).
- i) Contractor will use the structures and operate the facilities in such a way that minimizes facility and equipment wear. The Contractor will keep the facilities clean through regular washing and sweeping.
- j) Contractor will implement a safety program that covers all aspects of anticipated site operations and transportation. The safety program must include specific safety protocols for all SRDC workers, drivers of commercial vehicles, facility customers and site visitors. Contractor will maintain documentation of the safety program, implement a training program, and maintain an on-going schedule for safety review meetings with mandatory attendance by all regular employees, as well as periodic trainings for new-hires or temporary workers.
- k) The Contractor will coordinate with the SBWMA and work cooperatively to provide community services such as tours, education about recycling and facility operations. The Contractor will staff and maintain the Buyback center and other public areas to provide excellent service to the public.
- l) The Contractor will need to work closely and coordinate with the Collection Contractor(s) to ensure that onsite traffic flows smoothly and efficiently, that the inbound materials are delivered to the proper location on the SRDC property, and that the materials delivered to the facility are of acceptable quality.

3.2.2 Shared Use of the SRDC Property

The SRDC facilities are dedicated for the purposes of providing solid waste and recyclables handling, transfer, and processing services. After the award of the Collection Agreement(s) and the Operations Agreement, the SRDC may be shared between the Collection Contractor and the Operations Contractor. The Collection Contractor will occupy the northern portion of the SRDC property and will provide waste and recycling collection services to the SBWMA Member Agencies out of the existing truck maintenance shop, the bin repair/paint shop building, portable trailers and front administrative building areas. The parking and asphalt area on the northern portion of the property will be used by the Collection Contractor for the parking of collection vehicles. The Operations Contractor will generally occupy the southern portion of the SRDC which includes the transfer station and MRF buildings, the scales, the buyback area and associated parking and asphalt areas. The potential areas of shared utilization and responsibility include: entry access roads, utilities, fueling area, some of the vehicle maintenance area, and the parking area behind the transfer station building. Each Contractor on the site will pay for costs associated with its usage and in cases where there is a single meter (e.g., water and sewer), the costs will be allocated to the Contractors by the SBWMA.

3.3 SCALE HOUSE OPERATION

- a) The Contractor will provide all necessary hardware and software programs for the complete and accurate recording of information collected at the scale. The software used by the Contractor will need to meet the approval of the SBWMA and must be accessible through an internet connection from offsite locations by authorized SBWMA staff. All scale house paper and computer based records will need to be maintained according to the records Retention Policy in the Operations Agreement.
- b) Scale house personnel will be trained in customer service and be knowledgeable in the capabilities of the facility so that they can answer customer questions and provide excellent customer service.
- c) The scale staff will direct vehicles to the appropriate unloading area(s). Scale attendants will need to provide tare weights and outbound weights for all outbound loads. Inbound customers for the Buyback/Drop-off center will go directly to this area and will not enter through the scales.
- d) Scale house attendants will determine the city of origin, type and acceptability of each load delivered. The scales attendants will measure volume (cubic yardage) of self haul customers and weight of all franchise loads and issue as appropriate paperwork and receipts.
- e) All inbound loads need to be inspected at the scales before entering and tipping in the SRDC facilities.
- f) Cameras will record all scale transactions, customer vehicle traffic and vehicle unloading. All camera views and recordings will need to be accessible through an internet connection from offsite locations by authorized SBWMA staff. Camera recordings will be maintained by the Contractor. There is currently a camera system in

place at the scale house and changes and upgrades to the system will be the responsibility of the SBWMA.

- g) Proposer will provide all maintenance, calibration, testing and operation of the scales, provide a licensed weigh master for operating the scales, and ensure all scale transactions are recorded through a direct link to a centralized computer recording and billing system for tracking all transactions.
- h) The Contractor is responsible for all cash management at the scale house and shall be liable for any deficiencies in charges and cash collected from tip fees of inbound customers and outbound shipments.
- i) Self haul customers are billed by the cubic yard. The Contractor will need to maintain an average self haul cubic yards to tons ratio of greater than 2.76 cubic yards per ton as stipulated in the Operations Agreement.

3.4 TRANSFER STATION OPERATIONS

- a) Contractor will provide sufficient staff and equipment to perform movement and diversion of materials that complies with all facility permits, diversion goals and requirements stated in the Operations Agreement.
- b) The transfer station tipping area spotter will ensure that the traffic flows smoothly into the receiving area and that the tipping floor is clear to receive each load before the vehicle is allowed to enter. The spotter will visually inspect the materials as they are unloaded to identify hazardous or unacceptable wastes, and (if any is discovered) require the hauler to take back the material and advise the hauler of appropriate disposal options. No scavenging will be allowed by spotters, drivers or passengers.
- c) Loading and transporting solid waste and recoverable materials from the transfer station to designated disposal and processing locations is included under the scope of services to be provided by the transfer station operations.
- d) For load-out operations, the Contractor will provide rolling stock (e.g., loaders) to push the waste from the receiving area on the tipping floor into a consolidated pile. When a sufficient volume of waste is consolidated, the equipment operator will push the material into a transfer trailer waiting in the below-grade load-out area.
- e) Contractor will coordinate with the landfill, C&D processor, food scraps processor, and plant materials processor so as to provide materials that are prepared and delivered in a condition and form that meet the processors / disposers specifications and receiving requirements.

3.4.1 Transfer Station Sorting of Inert Materials

- a) Contractor will implement an aggressive materials segregation operation which will include procedures for identifying and directing loads containing recoverable materials to the appropriate area in the transfer station building.
- b) Contractor will provide safe and efficient unloading for vehicles, adequate space to store materials in appropriate containers or bunkers/pile areas, establish

reliable market outlets for recovered materials, and deliver or arrange for delivery of materials to markets.

- c) The Contractor will floor sort (to the extent that is practical, safe and makes economic sense) recoverable materials from recyclable rich loads that entering the facility. Potential recoverable materials for floor sort activities include but are not limited to: cardboard, wood, ferrous and non-ferrous metals and white goods.
- d) The Contractor and the SBWMA will work together to analyze the expense and revenues associated with the sorting of materials to determine the economic effectiveness of the sorting activities. The SBWMA may choose to provide the Contractor a supplemental payment to encourage the recovery of materials that may not be economically feasible based on the material value and avoided disposal cost.
- e) The floor sort of incoming C&D materials will be necessary to remove items prohibited by the designated off site processor. These items currently include mattresses, furniture, wire, tarps and carpet (see Processing Attachment 10, agreement with Zanker Road Resource Recovery).

3.4.2 Self haul Bunker Program

- a) Contractor will need to maintain or expand the Bunker Program that exists in the current SRDC operations to service Self haul customers.
- b) Contractor will need to maintain a separate area of the transfer station tipping floor (or other area designated by the SBWMA) that will allow self haul customers to self-unload clean inert materials including dirt, concrete, asphalt, and other materials that may be designated by the SBWMA.
- c) Contractor will need to inform self haul customers about the program and provide load inspection and supervision to ensure that the material unloaded are clean and contain only materials that are acceptable under the program.
- d) The off site processing expense for the materials diverted through the Bunker Program will be treated as a pass-through expense. Materials diverted through the Bunker Program will count toward the Diversion Guarantee.

3.4.3 Diversion Guarantee

- a) Contractor will implement a transfer station Diversion Plan that fulfills the requirements of the Diversion Guarantee. Note that Proposers will submit a transfer station Diversion Plan as a part of this proposal which will demonstrate the methods and resources that the proposer intends to use to achieve the Diversion Guarantee.
- b) The SBWMA is currently evaluating options within the space at the transfer station for a C&D sorting line and Proposers are encouraged to investigate the potential for installing and operating a sorting line to achieve and exceed the Diversion Guarantee. Proposals for onsite sorting and processing of C&D

materials may be negotiated as a part of the Operations Contractor selection negotiation or separately, after the signing of the Operations Agreement.

- c) There is a Diversion Guarantee incentive / disincentive payment structure (see details of payments in Compensation Section 4.1.5) to encourage the Contractor to diverted meet and exceed the initial 30,000 tons/year Diversion Guarantee Baseline.

3.5 TRANSPORTATION AND SHIPMENT OF MATERIALS

- a) The SBWMA has existing contracts with the Ox Mountain Sanitary Landfill in Half Moon Bay; Zanker Road in San Jose for C&D materials processing and Newby Island Compost facility in Milpitas for the processing of organics materials including plant material and food scraps. The selected Contractor will be required to haul to sites that have been designated by the SBWMA. The Contractor should be prepared at the expiration of these contract terms to haul materials to other designated sites should the SBWMA require. The Contractor's compensation will be adjusted for any haul cost differential should the SBWMA redirect materials to another designated site. For the preparation of the response to this RFP, Proposer should review the disposal and processor agreements to review any contractual conditions related to the transportation of materials to these sites.
- b) Selection of transfer equipment will depend on the receiving capabilities of the designated disposal site and materials processors. Currently the landfill is dumping transfer trucks using tippers. For the preparation of the response to this RFP, Contractor should ensure that the transport trailers are compatible with the tippers and operations at the Ox Mountain Landfill. In consideration of the contractual conditions of material transportation to the landfill a copy of the Disposal Agreement can be found in Attachment 11.
- c) Materials collected through the Bunker Program include concrete, asphalt, and dirt that currently is shipped to Ox mountain for use as ADC and road base. There are other market outlets for these inert materials that the SBWMA may utilize in the future (e.g., concrete crushing operations, asphalt recycling plants and construction sites that use clean dirt as fill). The Contractor should be prepared to transport these materials to an alternative destination. The SBWMA will compensate the Contractor by adjusting the per ton mile fee (proposed by the Proposer to go to Ox Mountain) for the transportation to the new location.
- d) Proposer's should check with the Designated Processors to ensure that transportation equipment is compatible with equipment, site operations and contractual requirements. The Newby Island composting Agreement is part of the Allied Waste Amended Operations Agreement (Attachment 12). The Zanker Road Resource Recovery processing agreement can be found in Attachment 10.
- e) The Contractor is to provide all equipment, staffing and coordination necessary to transport materials from the transfer station, MRF, and other SRDC operational areas to off site destinations. The Contractor needs to understand the flow of materials onsite

and the storage capabilities (and regulatory limitations) and provide sufficient transportation capabilities to meet peak materials flows.

- f) Contractor must provide all transportation of waste to the designated disposal site(s), and must provide sufficient back-up capability (drivers and equipment) in its transfer fleet to minimize disruption during normal business hours due to scheduled vehicle/trailer preventive maintenance and/or unscheduled equipment breakdown.
- g) All loads must be checked to confirm they do not exceed the legal load limit, and any trailer opening must be covered with a tarp or screen. All loads will need to be checked to ensure that all materials are enclosed within the trailer and that the potential of material falling onto the roadways is minimized.
- h) Contractor is responsible for costs to haul other materials to other locations that are not designated in the Agreement. Examples of transportation costs that are to be paid by the Contractor include the movement of all recyclable commodities from the MRF, materials recovered from the transfer station sorting activities, and transportation of MRF residual to the landfill.
- i) No shop equipment will be supplied by the SBWMA and the maintenance area that will be constructed for the maintenance of MRF and transfer station equipment may not be large enough or suitable for maintaining semi trucks or trailers. The Proposer may need to make arrangements for off-site maintenance of semi trucks and trailers.

3.6 SCOPE OF MRF OPERATIONS

- a) The Contractor will accept recyclable materials delivered within the operational hours of the facility. The MRF tipping area will be kept open and clear of piles to the extent necessary so that material tipping is not hampered.
- b) The Contractor will be responsible for providing on site rolling stock for the efficient movement and load out of materials (all rolling stock proposed for use at the MRF and transfer station shall be **new equipment**).
- c) The Contractor will receive materials from residential collection, multi-family, and commercial collection accounts that are serviced by the collection Contractor(s). It will be the responsibility of the Contractor to inspect all inbound materials at the time of delivery. The Contractor will be responsible for accepting and processing all Acceptable Materials for single stream recycling.
- d) The Contractor will be responsible for documenting contamination in inbound materials delivered by the collection Contractor. If there are cases where the collection contractor delivers MRF loads in excess of 10% contamination, but less than 20%, the SBWMA will request support documentation from the Contractor about the inbound material quality to assist in education and training efforts with customers and collection drivers about the need to keep recyclable materials clean.
- e) The Contractor will have the ability to reject loads delivered to the MRF that are deemed, upon visual inspection or load sampling by the SBWMA to exceed 20% contamination. Rejected loads will be either sent to the transfer station for disposal or, at the discretion of the SBWMA, the load will be processed at the MRF. If the load is processed at the

MRF, the Contractor will be paid a Supplemental Processing Fee by the SBWMA of \$25 per ton, and the excess residual (above 10%) from the load will not be counted in the facility residual calculation.

- f) Residual from the MRF sorting operations will be weighed and recorded prior to disposal.
- g) The maximum amount of residual that is allowed under the Agreement is 10%. The Contractor shall operate the facility to meet the Residual Guarantee maximum allowable residual of 10%. The Contractor shall receive an incentive payment in the form of an increased revenue share of commodity sales for each ton that the MRF residual is below the Residual Guarantee (see Operations Agreement, Compensation Section). The Contractor shall pay a \$70.00 per ton charge on tons that exceed the Residual Guarantee.
- h) All residual will be delivered to the Ox Mountain Landfill by the Contractor and costs of handling, transporting and disposing of MRF Residual will be the responsibility of the Contractor (the cost of disposal at Ox Mountain Landfill is \$32.41 in year 2007 and escalates according to the CPI in the Disposal Agreement, Attachment 11). Since the Contractor will pay for (and will not be separately reimbursed by the SBWMA) the cost of MRF residual disposal and transportation, Proposers should factor a CPI into the cost of residual transportation and disposal to reflect the year-over-year increase over the term of the Agreement.
- i) The Contractor will not bring in materials from areas outside the SBWMA jurisdictions without prior written approval of the SBWMA.
- j) MRF sorting equipment will be maintained by the Contractor, at the Contractor's expense, according to the equipment manufacturers' recommendations and as required by the equipment manufactures' warranty. Any loss of warranty coverage as a result of the Contractor's operation or maintenance will be the financial responsibility of the Contractor. The Contractor may use non-OEM parts (e.g., replacement of screen disks or stars) in equipment maintenance and repair only with prior consent of the SBWMA.
- k) The Contractor will sort materials to meet the Product Quality Standards (Draft Product Quality Standards are presented in Attachment 4) and as an attachment to the Operations Agreement.
- l) No shop equipment or parts inventory will be supplied by the SBWMA. The Contractor will need to provide equipment inventory for stationary equipment as well as rolling stock in order to keep the SRDC equipment running.

3.6.1 Marketing of Recyclable Materials

- a) Contractor is responsible for securing markets for recovered materials, for maintaining accurate accounting of material quantities, types, pricing, and payments received on all recovered materials.
- b) Contractor shall obtain and maintain a California Redemption Certificate and recover all monies available to processors from the State of California Department of Conservation (DOC) for California Redemption Value (CRV)

materials processed at the SRDC facilities. These monies are to be considered part of the commodity revenues and part of the Revenue Sharing Program between the SBWMA and the Contractor.

- c) The Contractor will market materials to obtain the highest gross revenue from commodity sales. The Operations Agreement contains Liquidated Damages that must be paid by the Contractor should the average sales price for commodities fall below the average commodity sales price for similar facilities within the Bay Area.
- d) Contractor will coordinate all commodity material shipments from the MRF to markets (under the existing Labor agreement, the Contractor is not required to do the hauling of processed commodities from the MRF and may use contracted transporters).
- e) The SBWMA will receive all commodity sales revenue up to the Revenue Guarantee. Gross revenues from commodity sales above the Revenue Guarantee will be shared: 25% to the Contractor and 75% to the SBWMA as described in the Compensation section of the RFP.
- f) A complete record of all commodity sales transactions shall be kept by the Contractor and shall be submitted for review according to the reporting requirements of the Operations Agreement and/or upon request of the SBWMA.
- g) Contractor has the responsibility to market all recyclable materials and maintains ownership and liability for those materials until there has been a transfer of ownership to a buyer or other third party. All rejected loads and related claims shall be the responsibility of the Contractor.
- h) As part of the proposal submission Proposer is to provide a Materials Marketing Plan. This plan will be updated quarterly as market conditions and forecasts change. The plan shall contain: 1) a materials specifications section that lists the materials specifications for the markets/vendors used by the Proposer, 2) a materials marketing contingency section that discusses how the Proposer will manage a change in market conditions, 3) how the Contractor will manage a change in marketing services that maybe used by the Contractor, 4) a list all of the Proposer's commodity buyers, 5) a list of commodity transportation companies that will be used by the Proposer.

3.7 PUBLIC BUYBACK / DROP-OFF CENTER OPERATIONS

- a) Contractor must maintain the Buyback/Drop-off center so that it is clean, organized and convenient for public access and use. The hours of operation for this center shall be consistent with the hours and schedule in effect for the transfer station.
- b) Contractor shall provide sufficient dedicated space and convenient storage container arrangements at the Buyback for use by the public.
- c) Payments for public Buyback transactions shall be made by the Contractor from the recycling area, not from the scale house. The Contractor is responsible for providing State certified scales, payment records, inventory logs, and related items necessary for

Buyback operations, and shall maintain separate documentation and cash accounting for the Buyback operation. Contractor is responsible for making customer payments for materials delivered to the Buyback Center.

- d) The Contractor shall pay a per pound rate for materials delivered to the Buyback center equal to or greater than that paid by other Bay Area Buyback centers. Liquidated Damages may be assessed by the SBWMA should the Contractor's payment at the Buyback center fall below the average paid at other facilities.
- e) Buyback materials shall consist of, at a minimum, all beverage containers and all fiber types included in the single stream program. The center must maintain certification by the State as a redemption center and meet all reporting requirements in effect for such redemption centers.
- f) Contractor should accept additional materials at the Buyback/Drop-off center to the extent available markets exist and to the extent that the market prices for additional materials create an incentive for the collection of additional materials from the Public.
- g) Drop-off materials shall consist of U-wastes, E-wastes, household batteries, cell phones, paints, automotive oil and antifreeze.

3.8 ADMINISTRATIVE SERVICES AND REPORTING

- a) The Contractor shall maintain an adequately staffed administrative office on site and provide site management and supervisory staff as necessary to oversee day-to-day operations and communicate to the public and SBWMA during business hours.
- b) Contractor is responsible for the monthly invoicing of franchise haulers so that the franchise hauler payments are made directly to the SBWMA or to an agent of the SBWMA.
- c) The Contractor is responsible for cash transaction and collecting money from self haul customers and wiring the scale house monies to the SBWMA.
- d) Currently there are no customers on "account" at the SRDC and all self haul business is done on a cash-only basis. Should customer accounts be set up in the future (with SBWMA approval), collection of accounts payable and bad debt will be the responsibility of the Contractor.
- e) Contractor will maintain accurate and complete records for all facility operations. These records shall be made available to the SBWMA for purposes of monitoring the contract services provided.
- f) Contractor will provide monthly and annual reports to include at a minimum such items as: regulatory compliance and communications with regulatory agencies, staffing levels, tonnage reports, complaint log entries, and diversion and disposal data by jurisdiction.
- g) The Contractor is responsible for maintaining all records related to the reporting requirements, regulatory requirements, financial data, scale transactions, and all other items mentioned in the RFP and Agreement. Before the end of the term of the Agreement, the contractor will transfer the ownership of this information to the SBWMA.

- h) The Contractor is responsible for training its staff to interface with the general public, with regulators and with the SBWMA, and to provide excellent customer service in all aspects of its operations.
- i) Contractor will provide printed materials, minor site signage, after-hours telephone information service, and other services necessary to keep the public fully aware of the SRDC business hours, acceptable materials, tipping fees, recycling options, and other items related to use of the SRDC.
- j) The Contractor is responsible for complying with and maintaining all permits related to the SRDC site, the operation as a solid waste facility, and the use of all equipment onsite.
- k) The Contractor will be responsive to the requests for information from the SBWMA and allow the SBWMA complete access to the information related to the operations and management of the SRDC.
- l) The Contractor will notify the SBWMA of all changes in permit status, involvement by other regulatory agencies, accidents, and operational changes that can materially affect the SRDC facility operations and the movement of materials into/out of the facility.
- m) Contractor will assist the SBWMA in offering public tours of the facility to community organizations.

3.9 OTHER OPERATIONAL CONSIDERATIONS

3.9.1 Labor Policy

On October 26, 2006, the SBWMA Board adopted a labor policy to guide proposers in preparation of their cost proposals. The terms of the labor policy are summarized below.

- a) 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. Copies of the current collective bargaining agreements are provided in Attachment 13.
- b) 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 shall not be required to create additional positions that the contractor does not need. Contractor is prohibited from discharging any retained workers for at least 90 calendar days after the contract start-up except for cause. Additionally, the contractor shall maintain a list of the predecessor contractor's employees who were not offered employment after two months from the start of the new Agreement. 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

- c) Contractor Demonstration of Compliance. Contractor shall anticipate the aforementioned labor requirements in their cost proposals.

3.9.2 Emergency Preparedness

- a) The SRDC serves many cities and must be prepared to function in the event of a natural disaster. Towards this goal, the Contractor will coordinate with local County and City departments and attend meetings related to emergency preparedness efforts.
- b) After the RFP selection process and before the signing of the Operations Agreement, the Contractor will prepare (and maintain up-to-date through the term of the Agreement) a Contingency Plan for all aspects of operations including: equipment repair, permanent and temporary worker replacement, earthquake preparedness, and disruptions in shipping of recyclable commodities. The Contingency Plan should list equipment repair vendors that will be used by the Contractor and include potential off site materials processors that can be used in an emergency. The operational Contingency Plan will be an Attachment to the Operations Agreement.

SECTION 4

PAYMENT AND COMPENSATION

4.1 CONTRACTOR'S COMPENSATION

4.1.1 Compensation for MRF Equipment Installation and Startup

The Proposer (and equipment manufacturer(s)) will propose a single stream sorting system and cost for the system as a part the proposal process (see Attachment 4). The SBWMA will procure the selected processing system directly from the equipment vendor at the price presented in the Contractor's proposal (adjusted for inflation and changes in the cost of steel).

The SBWMA will pay for any building modifications necessary to complete the installation of the sorting equipment. The SBWMA will reimburse the Contractor for the installation costs after the completion of the Acceptance Test. Start-up costs will be paid to the Contractor over the first year of MRF operation and will be paid monthly on a supplemental basis over the first 12 months of operations.

4.1.2 Components of Contractor's Facility Operations Compensation

The Contractor shall provide costs for services (see cost forms in Attachment 3) in the following three areas:

1. Transfer Station receipt and handling fee per **incoming** ton (of Solid Waste, Plant Material, Organic Material, Construction and Demolition Materials, Bunker Program Materials). Self haul materials are not weighed at the scale but will be converted to a tonnage total using the conversion rate at 2.76 cubic yards per ton of Self haul material volume.
2. Transport fee per ton mile for **outbound** tons of Solid Waste, Plant Material, Organic Material, Construction and Demolition Materials, and Bunker Program Materials by destination.
3. MRF Recyclable Materials processing fee per **incoming** ton of Recyclable Materials (including inbound tons to the Buyback / Drop-off center).

The Contractor's annual Compensation shall be the product of multiplying each of these fees by the tons of material handled at the Transfer Station and the MRF and transported off site.

4.1.3 Supplemental MRF Processing Fee

For contaminated loads delivered to the MRF, as described Section 3.6.d and e, the Contractor will be paid a Supplemental MRF Processing Fee by the SBWMA of \$25 per ton for loads entering the MRF in excess of the 20% contamination limit.

4.1.4 Pass-Through Component

The Pass-through Component is that portion of the Contractor’s compensation comprised of Pass-through costs. The Pass-through Component is subject to adjustment only as necessary to reflect changes in Pass-through costs or rate changes made by the designated disposal or processor or the third party processors, or as the result of a change in law. The Contractor is to pass these costs through to the SBWMA without profit or mark-up on a monthly basis except as noted below for Interest Cost. Pass-through costs are presented in Table 4-1 (note that MRF residual disposal cost is not included as a Pass-through cost).

Table 4-1. Pass-Through Costs

Cost	Description	Method of Payment
Disposal Costs	Cost for disposal at the designated disposal site.	Contractor will pay disposal costs to the designated disposal site and will be reimbursed monthly by the SBWMA. (does not include MRF Residual disposal)
Off-site Processing costs	Cost for off-site processing of the following materials: <ul style="list-style-type: none"> - Construction and Demolition (C&D) - Plant Materials - Food Scraps - Universal Wastes - Electronics Wastes - Bunker Program Materials - Other Drop-off materials that may be added by the SBWMA 	Contractor will pay processing costs to the designated processor and will be reimbursed monthly by the SBWMA.
Regulatory and Permit Fees	Regulatory Fees that are a part of the regular operations of the facilities (not including penalties from non-compliance).	Contractor will pay regulatory costs and will be reimbursed monthly by the SBWMA.
Interest Cost	Direct interest on capital invested by the Contractor in equipment used at the SRDC to perform services under Scope of Agreement.	Contractor will pay interest expense cost and will be reimbursed through fees paid to operate the SDRC.

4.1.5 Determining the Performance Adjustment to Contractor’s Fees

Contractor’s compensation will be adjusted to reflect performance incentives or disincentives related to diversion at the transfer station and at the MRF. The performance incentives and disincentives are payable annually and are based in the tonnage that is diverted from the separate operations. For the purposes of the Transfer Station Diversion Program and the MRF Residual Guarantee Program, diverted tonnage is tonnage that is diverted from a landfill and is not used at a landfill.

- a) Transfer Station Diversion Program. The performance adjustment at the transfer station is based on the Contractor’s diversion of recoverable materials from self haul customers that would otherwise be disposed of or used as ADC at a landfill. For all tons that the Contractor is below the Diversion Guarantee, the Contractor will pay the SBWMA \$70.00 per ton. For all tons that are diverted in excess of the Diversion Guarantee, the SBWMA will pay the Contractor a \$70.00 per ton incentive.
 - 1. Calculation of Diversion Guarantee Baseline. The initial Diversion Guarantee will be set at 30,000 tons for the first year. If the Contractor exceeds the initial Diversion Guarantee, then a new Diversion Guarantee Baseline will be set for the next rate year. The new Diversion Guarantee Baseline will be the average of the initial Diversion Guarantee amount (30,000 tons) and the Contractor’s actual diverted amount. If the new Diversion Guarantee Baseline is exceeded in subsequent years, the Diversion Guarantee Baseline will be revised and calculated by averaging the previous Diversion Guarantee Baseline and the Contractor’s actual diverted amount (see Table 4-2 for example). The Diversion Guarantee Baseline can be adjusted upward only and will not be adjusted down.

Table 4 - 2. Diversion Guarantee baseline Calculation

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Initial Diversion Guarantee</u>	<u>30,000</u>	=	=	=	=
<u>Actual Annual Diversion</u>	<u>32,000</u>	<u>35,000</u>	<u>33,000</u>	<u>30,000</u>	
<u>Revised Diversion Guarantee Baseline</u>		<u>31,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>
<u>Tons Diverted above Diversion Guarantee</u>	<u>2,000</u>	<u>4,000</u>	<u>0</u>	<u>(3,000)</u>	
<u>Diversion Payment</u>	<u>\$140,000</u>	<u>\$280,000</u>	<u>\$0</u>	<u>(\$210,000)</u>	

- b) MRF Residual Guarantee Program. The performance adjustment at the MRF is based on the Contractor’s ability to minimize the generation of residue sent to a

landfill. For all tons of residue that are generated in excess of the Residual Guarantee, the Contractor will pay the SBWMA \$70.00 per ton. For each ton of residue that is under the Residual Guarantee, the SBWMA will pay the Contractor a Residual Reduction Incentive Payment

1. Calculation of MRF Residual Reduction Incentive Payment. For any calendar year that the residual generation rate is less than 10%, the Contractor’s percentage split of the gross commodity sales revenue (above the Revenue Guarantee) for that year will increase from 25% to a higher percentage based on Table 4-3, MRF Residual Reduction Incentive Payment (Department of Conservation CRV and recycling supplemental payments are to be included in the gross commodity sales revenues and are to be part of the incentive payment split).

Table 4 - 3. MRF Residual Reduction Incentive Payment

MRF Residual Generation / year*	Increase in Commodity Share
10% or greater	No increase
9.1% – 9.9%	1.0% increase
8.1% – 9%	2.0% increase
7.1% – 8%	3.0% increase
6.1% – 7%	4.0% increase
5.1% – 6%	5.0% increase
0% – 5%	6.0% increase

* Based on a 12 month average

4.1.6 Contractor’s Fee Adjustment Processes

The Contractor’s Proposed Fees shall be adjusted as follows:

- a) The Contractor’s Fees for Rate Year 1 of the Agreement shall be adjusted to bring the values from those proposed in 2008 to 2011.
- b) Throughout the term of the Agreement, the Contractor will annually file with the SBWMA a detailed Fee Application to determine fees for the upcoming Rate Year adjusted for inflation.
- c) Additionally, at any time due to specific conditions, the SBWMA or Contractor may request a “special” compensation review outside of the annual adjustments.

4.2 CONTRACTOR'S COMPENSATION FOR RATE YEAR ONE

Contractor's Fees for Rate Year One (January 1, 2011 through December 31, 2011), will be **based on Contractor's proposed costs. The Contractor's Fees for Rate Year One will be expressed in 2008 values and shall be adjusted to 2011 values** to reflect changes in the Bureau of Labor Statistics indices for labor; fuel/power; and, other operating and maintenance. The Contractor's Fees (for the three types of service; transfer station operations, MRF operations, and transportation) will be adjusted to 2011 dollars by adjusting the Contractor's proposed costs by the labor, power, and other operating and maintenance indices to reflect the changes that have occurred during the time between the Contractor's proposal and the start of operations by the Contractor.

- A. Labor costs shall be adjusted to reflect the then-current Allied negotiated labor contacts (which will be negotiated in 2008 and 2009), the increased costs of non-represented employees (based on annual changes in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Costs Index), workers compensation rates (assuming not more than a 1.0 modification factor) applied to the data contained in the Contractor's cost forms, to bring these costs to their 2011 value.
- B. Fuel / Power costs shall be adjusted by multiplying that component of the Contractor's Fees by one plus the percentage change for the twelve months ending June 30, 2009 in the:
 1. Power costs for the MRF and Transfer Station rate adjustment as power costs (rate per KwHr) change from year to year, and
 2. 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) from the same index for the 12 months ending June 30, 2008 to bring these costs to a 2009 value and repeating this procedure twice more to bring these costs to a 2011 value.
- C. Other Operating and Maintenance Costs Other Operating and Maintenance Costs shall be adjusted to reflect 75% of the annual change of CPI. CPI will be calculated by multiplying that component of the Contractor's Fees by one plus the percentage change for the twelve months ending June 30, 2009 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) from the same index for the 12 months ending June 30, 2008 to bring these costs to a 2009 value and repeating this procedure twice more to bring these costs to a 2011 value.

4.3 ANNUAL ADJUSTMENT OF CONTRACTOR'S FEES

For future Rate Years (including any extensions), Contractor's Fees will be determined by adjusting Rate Year 1 fees by the change in certain indices. Contractor's Fees for each Rate Year will be calculated using the following procedures:

4.3.1 Contractor's Receipt and Handling Fee

The Contractor's Receipt and Handling Fee will be disaggregated into the following components and each component shall be adjusted as described:

- a) Labor Costs - Labor Costs shall be adjusted: (1) to reflect negotiated changes in the collective bargaining agreements (CBA), the increased costs of non-represented employees (based on annual changes in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Costs Index), workers compensation rates (assuming not more than a 1.0 modification factor) applied to the data contained in the Contractor's cost forms, to bring these costs to their 2011 value; and, (2) If the CBA is terminated, upon the end of the CBA(s), the then-current Labor Cost component shall be multiplied by one plus the percentage change for the twelve months ending the previous June 30 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) from the same index for the 12 months ending one year earlier.
- b) Fuel/Power Costs - For the transportation component, Fuel Costs shall be adjusted by multiplying the then current unit price by one plus the percentage change for the twelve months ending the previous June 30 in 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 wpu57303) from the same index for the 12 months ending one year earlier. Fuel cost portion for the MRF and Transfer Station rate component, will be adjusted as described above, Power cost shall be adjusted by multiplying the then-current unit price of electricity supplied to the SRDC facilities by the utility company by one plus the percentage change for the twelve months ending the previous June 30 from the same index for the 12 months ending one year earlier.
- c) Other Operating and Maintenance Costs - Other Operating and Maintenance Costs shall be adjusted to reflect 75% of the annual change of CPI. CPI will be calculated by multiplying the then-current value by one plus the percentage change for the twelve months ending the previous June 30 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) from the same index for the 12 months ending one year earlier.

The adjusted Labor, Fuel/Power, and Other Operating and Maintenance Components shall be summed and become the Contractor's per-ton Receipt and Handling Fee for the coming Rate Year.

4.3.2 Contractor's Transport Fee

The Contractor's Transport Fee per ton mile will be disaggregated into the same components as the Contractor's Receipt and Handling Fee and each component shall be adjusted in the same manner as described above using the fuel index (Contractor's Receipt and Handling Fee).

4.3.3 Contractor’s MRF Processing Fee

The Contractor’s Processing Fee will be disaggregated into the same components as the Contractor’s Receipt and handling Fee and each component shall be adjusted in the same manner as described above (Contractor’s Receipt and Handling Fee).

4.3.4 Recyclable Materials Revenue

Annually, commencing with Rate Year One, the Contractor shall pay to the SBWMA not less than the Revenue Guarantee (proposed by the Contractor as part of the Cost Proposal Section 5.5.3, and Attachment 3) from the sale of Recyclable Materials (see Table 4-4, Recyclable Materials Revenues). If the Contractor’s actual revenues from the sale of Recyclable Materials are less than the Revenue Guarantee, the Contractor shall be required to pay not less than the Revenue Guarantee to the SBWMA (except in the case that there is a change in the payments from the State Department of Conservation for the recovery, processing or recycling of California Redemption Materials, then the Revenue Guarantee and the Revenue Share shall be adjusted to reflect this increase or decrease).

If the Contractor’s actual revenues from the sale of recyclable materials are more than the Revenue Guarantee, then the Contractor shall share such additional amount with the SBWMA as required by the Revenue Share, with the SBWMA receiving 75% and the Contractor receiving 25% of the amount above the Revenue Guarantee. In no case shall the Revenue Guarantee proposed by the Proposer be less than \$6.75 million per year. The Revenue Share gross revenues from commodity material sales shall include all Department of Conservation California Redemption Value (CRV) monies or other current or future public funds issued for the purposes of increasing recycling.

Table 4-4. Recyclable Materials Revenue

<p>Contractor receives 25% of commodity revenue above Revenue Guarantee</p>	<p>SBWMA receives 75% of commodity revenue above Revenue Guarantee</p>
<p style="text-align: center;">Commodity Revenue Guarantee</p> <p>Proposed fixed amount paid to the SBWMA by Contractor. Minimum commitment by Proposers is \$6.75 million or \$80.35 per average-blended ton at projected 2011 tonnage (this equals approximately 50% of the current commodity blended value of \$160 per ton).</p>	

4.4 SPECIAL COMPENSATION REVIEW

The Contractor may apply to the SBWMA for consideration of a special review of Contractor’s Compensation (the amount the Contractor receives from the Contractor’s Fees multiplied by the appropriate tonnage), or the SBWMA may initiate such a review, should one or more of the following occur or if there is a “special occurrence” having a material

effect (2% or more annually) on the Contractor's Compensation for the then current Rate Year:

1. A SBWMA-directed, change in scope.
2. Provision of emergency services.
3. Catastrophic events which are beyond the control of the Contractor.
4. Change in Law.

4.5 FACILITY MAINTENANCE COSTS

Repairs to structures, roofs, utility infrastructure, exterior paving, paving inside the transfer station and the transfer station tunnels will be covered by the SBWMA except in cases where the repair is minor or damage to the buildings is the direct result of damage by the Contractor or negligence by the Contractor. A detailed discussion of what maintenance expenses are the responsibility of the Contractor or the SBWMA can be found in Attachment A of the Operations Agreement - Facility Operations Standards.

- a) The Contractor is responsible for the cost of repair, maintenance and replacement of all rolling stock purchased by the Contractor.
- b) The Contractor will repair and maintain the SBWMA owned stationary equipment and is responsible for minor repair costs (under \$10,000 dollars). Major repairs to the stationary equipment (over \$10,000 dollars) will be paid by the SBWMA.
- c) The Contractor will maintain stationary equipment in good operating condition and in compliance with the manufacturer's warranties.
- d) SBWMA may request that the Contractor manage or perform repairs on behalf of the SBWMA and be reimbursed by the SBWMA through the rate structure. The arrangement for this type of work will be determined on a case-by-case basis and performed upon mutual agreement of both parties.

SECTION 5

PROPOSAL REQUIREMENTS

Proposers must provide all information requested in this section and addendum items, if any, as part of their proposal. Attachments 3 and 4 contain the Proposal Forms that are required to be completed. Failure to provide all required information may be grounds for rejection of a proposal. The proposal requirements have been separated into Qualifications, Financial, Technical, Agreement Acceptance, Cost Proposal, and Other Proposal Form components.

5.1 QUALIFICATIONS COMPONENT

Describe your company and staff qualifications as they relate to successfully operating a solid waste transfer station, a MRF facility, and transportation services. In addition, the Proposer's qualifications information must demonstrate how the company's local management and corporate structure are linked, and how the company or joint venture fosters innovation and high quality performance. If companies are submitting as a team, describe any prior successful working arrangements involving similar types of services for similarly sized communities.

Describe these qualifications by providing the following information.

1. **Company Information.** State the name and address of the company that will be signing the Agreement. Provide the name, address, phone number, fax number, e-mail address, and title of person to be contacted regarding the proposal. Provide the names of any other company(ies) that will share significant responsibilities as team members in performing under the Agreement.
2. **Company Qualifications.** Fully describe services provided currently or in the past that are directly relevant to services described in this RFP, including descriptions of relevant contracts, the degree of the company's involvement (related to solid waste transfer and materials recovery operations) and the date the service was provided. Provide names and telephone numbers for all municipal clients over the last five years as references for your experience providing relevant transfer station and materials recovery services.
3. **Key Personnel.** Provide names and resumes of principal officers, partners, or other officials of each company to perform significant, substantive responsibilities required under the RFP. Clearly identify the names of individual(s) who will implement the Agreement and include resumes for each individual (include names, addresses, and telephone numbers of key individuals). Describe relevant technical experience of key personnel, their background in solid waste transfer, materials recovery and materials marketing services, and customer service. Specify training and background check requirements (criminal record, DMV, etc.) that will be used for screening and hiring staff performing services requested in this RFP.
4. **MRF Installation and Startup Personnel and History.** Identify the number of people working on the installation and startup and provide a resume for the installation Project Coordinator who will be the primary contact and representative for the Company or entire team of the MRF Equipment Installation. Describe other installations that the

company and the proposed personnel have conducted and explain how these prior installations and startups are similar to project at the SRDC.

5. **Litigation History.** Has any company, partner or subsidiary in this venture, sub-Contractor, or any corporate officer been involved within the past five years in litigation: arising out of performance of a solid waste contracts or recycling contracts, or violation of environmental laws, regulations or permits; arising out of or connected with violation of state or federal antitrust laws; or arising from or connected with allegation of corrupt practices? Has any company, partner or subsidiary in this venture, sub-Contractor, or any corporate officer, been the subject of any enforcement action, order, decree, or notice of violation of any environmental laws, regulations or permits? If an answer is "yes," please explain fully. Provide details of any past or pending litigation against the Contractor or its parent company or joint venture company(ies) by a governmental entity contracting with the Contractor or its parent for services relating to waste management, or against such a governmental entity by the Contractor or its parent company or joint venture company(ies). Failure to disclose litigation history may result in disqualification of your proposal.
6. **Environmental Compliance.** List any environmental compliance-permit violations incurred by the company, partner or subsidiary in this venture, or sub-contractor in the past 3 years for similar types of facilities operated within California.

5.2 FINANCIAL COMPONENT

Provide the following information in sufficient detail to allow the SBWMA to determine the company's financial capabilities.

1. **Financial Background.** Provide satisfactory evidence that the contractually responsible party has been in existence for at least three years and has financial resources sufficient to undertake the proposed project.
2. **Financial Stability.** Provide audited financial statements, including income and balance sheets for the contractually responsible party and any parent company and joint venture company(ies), for the most recent three complete fiscal years and an audited statement through the most recently completed quarter of the current fiscal year. Provide a statement from the chief financial officer indicating that there has been no material change in the financial circumstances of the proposing entity (or its parent or owners if they are providing financial assurance of performance) since the date of the last audited statements. Note: the Agreement will require annual audited financial statements from the Contractor.
3. **Financing Method.** Provide a financing plan that identifies all capital requirements and describes the sources and uses of funds, the financing structure, and all assumptions used in the formulation of the program strategy. Proposer must demonstrate access to the necessary funds either from equity or specific written commitments from third parties.

5.3 TECHNICAL COMPONENT

Technical information should focus on the method of performing the services required under the Agreement and as described under Section 3, Scope of Services. Proposals applying commercially demonstrated and environmentally-sound waste receiving, materials recovery,

and transportation techniques are encouraged. Proposals relying on unproven technologies with little or no operational experience may be deemed unqualified by the SBWMA. Proposers should describe in detail the proposed method for providing the following services requested in the RFP.

5.3.1 Methods and Procedures for Scale House Operations

Provide a detailed description of the how the Proposer will implement the scope of services detailed in Section 3.3.

5.3.2 Transfer Station Operation and Materials Segregation

The level of materials recovery (measured as tons diverted from landfill disposal) is a high priority of the SBWMA and Proposers are encouraged to provide detailed and aggressive procedures, equipment and methods for significantly increasing the current recovery efforts, and initiating new approaches as appropriate. At a minimum, proposers are requested to provide detailed information in the proposal that addresses the following items:

- a) Detail the staffing levels and equipment requirements that will employed by the Proposer to implement the scope of services detailed in Section 3.4. Identify the location, function and work hours for the personnel.
- b) Provide information about the Proposer's scale software systems and describe how the system's capabilities meet the reporting and billing needs of the SBWMA.
- c) Describe the load receiving and inspection procedure proposed for use at the transfer station and how recoverable loads will be identified for segregation and processing.
- d) Specify the proposed target materials; how the target materials will be segregated, sorted, and stored before shipment; the proposed markets for the separated materials; and the vendors used to transport materials to market.
- e) Submit a Self Haul Diversion Plan which discuss the methods and resources that the Proposer intends to use to achieve the Diversion Guarantee. Explain what unique ideas, equipment, materials handling procedures, or markets that the Proposer employs at other transfer stations to separate recoverable materials from inert loads and waste loads.
- f) Confirm that the Master Plan design of the transfer facility is consistent with your proposed materials handling methods. Recommend improvements and alternative layouts (if appropriate) to the building features and how it would improve the transfer station operation.
- g) Describe proposed procedures for loading transfer trailers. Specify how loading procedures will encourage maximizing payloads while avoiding having loads exceed legal weight limits.

- h) Describe the load tarping program to ensure that there is no littering from outbound transportation of materials.
- i) Identify constraints or limitations at the landfill or designated processing destinations that restrict the efficient transfer and unloading of materials and suggest alternatives that can be implemented to improve trucking efficiency.

5.3.3 Transportation to Designated Disposal and Processing Facilities

The transfer station receives large volumes of waste materials that require regular and consistent hauling out to disposal or off-site processing facilities. In response to this section, the Proposer will need to provide the following information.

- a) State whether the transportation will be done directly by the Proposer or whether it will be subcontracted in situations where non-union drivers may be allowed. In both instances describe current and prior transfer operations that are managed by the proposer or its subcontractor. Include information about the contract and the entity serviced. The descriptions should include detailed information relating to the materials transported, tonnages transported, distance traveled, frequency, number of vehicles and vehicle types.
- b) Discuss how the proposer's prior experience in operating trucks and/or transferring waste qualifies the proposer to perform the U-waste transport for the SBWMA.
- c) Provide a detailed description of the staffing arrangements and proposed equipment to be used for the transfer of waste, C&D and organic materials from the SRDC.
- d) Confirm that the trucks and trailers that are proposed for transporting waste materials fit in the loading tunnel at the SRDC and that these trucks will work at the Ox Mountain Landfill truck tipper. Confirm that transfer vehicles are compliant with any vehicle restrictions that may pertain to the Highway 92 transportation route.
- e) Describe the equipment that will be used to haul the recoverable materials to the designated off site processors (materials include: C&D, plant materials, food scraps). Describe how the vehicles will unload at the destination.
- f) Describe how the equipment will be maintained and what, if any, equipment maintenance service the proposer will perform and what maintenance services will be subcontracted. For services that are to be subcontracted, list the companies and what maintenance services the company will perform.
- g) Describe back-up capacity (detail the number of units that will be maintained throughout the term of the Agreement) in the event of transfer vehicle breakdowns or during unanticipated downtime of equipment at the transfer station loading operation.
- h) Describe the procedures that are currently used by the Proposer to ensure safe operation of the vehicles by drivers. Include a description of the driver training

and safety programs, proposed methods and equipment for securing loads, and compliance with all federal, state and local regulations for waste transport, vehicle inspection and maintenance, and handling spillage.

5.3.4 MRF Equipment and Installation.

Proposers should select equipment vendors that have a proven record of manufacturing state-of-the-art single stream sorting equipment that is proven to maximize the recovery of materials while keeping operational and maintenance costs low. Such vendors shall have demonstrated experience designing and manufacturing single stream systems of 30 tons per hour or more. The proposer will include the equipment selection, technical information about the equipment and cost information in responding to the MRF Equipment and Installation in Attachment 4.

5.3.5 MRF Operations

The SBWMA will be making a large capital investment in the MRF building improvements and the sorting equipment that will be needed to process the single stream recyclables collected from SBWMA member agencies. It is important that proposers demonstrate their technical capabilities in the area of MRF operations and experience with single stream sorting equipment. Proposer needs to describe the experience and history of the company in operating single stream and other MRF's. Discuss the MRF processing facility based on the layout presented in the Master Plan section of the RFP (Attachment 7) and suggest alternative equipment and facility layouts, if appropriate, that will improve operational efficiency and safety. Additional information required from the proposers includes a description of the following:

- a) Safe and efficient unloading procedures.
- b) How materials will be received, grading and managing on the tipping floor of the MRF. Describe how residential materials will be handled differently from commercial recyclables.
- c) Describe the specific proposed staffing and equipment to be employed for the MRF operations. Identify the location, function and work hours for the personnel.
- d) Maximizing material separation and recovery results. Proposers must specify at a minimum, how the target materials will be separated, what materials will be baled and which will be marketed loose, and methods and vendors used to transport materials to market.
- e) What unique ideas, equipment, materials handling procedures or markets does the Proposer employ at other MRF operations to reduce the amount of residual that may be applicable to the SRDC MRF to help reduce residual levels.
- f) Show examples of reports and metrics that are used by the Proposer at other locations to track the material flow, material recovery, efficiency of operations and personnel costs (e.g., metric may include process tons per hour, process tons per labor hour, percentage downtime, etc.)

5.3.6 MRF Materials Marketing.

Proposer shall provide a Materials Marketing Plan as part of the proposal submission. The Plan will include the following:

- a) List of commodity buyers used by the Proposer.
- b) Buyer's commodity specifications for the material that will be recovered at the MRF and marketed by the Proposer.
- c) A Materials Marketing Contingency Plan that discusses how the Proposer will manage a change in the market conditions or marketing services used by the Proposer.
- d) Description of the experience, history, volumes marketed by your materials marketing staff/agent.
- e) Description of any special arrangements (pre-existing contractual arrangements) that your company may have with commodity buyers that will assist the SBWMA obtain better, more reliable pricing for commodities.
- f) List the volumes and sale price, for commodity types that will be produced by the SRDC MRF, that have been sold by the proposer (from the western United States) in the last 3 months.

5.3.7 Operation of the Public Buy Back / Drop-off Center.

Provide a list of materials to be purchased by the Proposer, method of payment, experience in meeting AB 2020 requirements for Buyback of California Redemption Value containers, tracking and reporting of cash transactions that are relevant to the operation of the buyback center. Also, describe any other experiences the Proposer has with the operation and management of electronic waste and universal waste Drop-off centers or the management of these materials at other solid waste facilities owned/operated by the Proposer.

5.4 AGREEMENT ACCEPTANCE COMPONENT

The procurement schedule Table 1-1 designates the schedule to select a Contractor and to finalize the Agreement with the selected Contractor. In an effort to accomplish this objective, the Agreement is provided in Attachment 2 to inform Contractors of the SBWMA's intentions regarding the roles, responsibilities, and obligations of the Contractor and the SBWMA. Proposers are required to review the Agreement prior to submittal of proposals to the SBWMA. This review process allows Proposers to clearly focus the proposal and costs for services with full consideration of the Contractor's role, responsibilities, and risks.

The SBWMA is interested in selecting a Contractor that is prepared to sign the Agreement in its current form. Proposers may, if necessary, propose exceptions to the Agreement. Any exceptions must be accompanied by recommended alternative language, such that if the alternative language is acceptable to the SBWMA, the Proposer is prepared to sign the amended Agreement without further discussions or negotiations. However, the number, and more importantly, the substantive nature of the exceptions will be compared to those taken

by the other Proposers during proposal evaluation. If comments include significant exceptions to the SBWMA's Agreement terms, the SBWMA may reject the proposal regardless of its other merits and proposed rates. Except at the sole discretion of the SBWMA, all negotiations with the Proposers will be limited to the Proposer's comments and recommended alternative Agreement language contained in their proposal.

5.5 COST PROPOSAL

Receiving cost effective services is a top priority for the SBWMA member agencies. The Proposer is required to submit its rate and cost proposals using forms provided in Attachment 4 for this purpose. The rate and cost proposals must be based on the technical component(s) of your proposal. All components of the Forms must be completed, and failure to do so may disqualify the proposal. The selected Proposer's Cost Forms will be used to develop attachments to the Agreement. The Cost Proposal has the following components: Transfer Station Operations Cost Proposal, MRF Operations Cost Proposal, Transport Cost Proposal and the MRF Equipment cost, and equipment Installation and Start-up Cost Proposal. The Cost Proposal components are described below. The 2006 financial statements for Allied's operations of the SRDC are provided in Attachment 14 and will provide Proposers information about the cost of Allied's operations under the cost plus structure of the existing Operations Agreement. Note that Proposer's are to provide NEW rolling stock for all materials handling and transportation needs at the SRDC.

5.5.1 Transfer Station Operations Cost Proposal

Transfer Station Operations Cost Proposal is the Proposer's cost to operate the transfer station, the scales, Bunker program and other associated operations. The proposer is requested to provide a cost per ton to operate each of the SRDC facilities. The transfer station Operations Cost Proposal is subject to Annual Indexing that is called out in the Compensation section of the Operations Agreement.

5.5.2 Transport Cost Proposal

Transport Cost Proposal (cost proposal forms in Attachment 4) is the Proposer's costs (per ton mile) related to transport of solid waste materials and recoverable materials from the transfer station to the Designated Disposal and Processing Facilities. The transportation cost is subject to Annual Indexing that is called out in the compensation section of the Operations Agreement.

5.5.3 MRF Operations Cost Proposal

MRF Operations Cost Proposal is the Proposer's cost to operate the MRF, the Buyback/Drop-off center, market commodities, and other associated activities. Using the cost proposal forms in Attachment 4 the Proposer is requested to provide a cost per ton to operate the MRF facilities. The Buyback / drop-off center includes E-waste and U-waste operations cost and the center's costs should be included under the MRF operations cost proposal (note that the Contractor is not responsible for the costs that are associated the offsite treatment/recycling of E-wastes and U-wastes as these are Pass-through costs (revenues) to the SBWMA and should not be included in the Proposer's cost proposal). Recyclable materials that originate from the Buyback center tonnage shall be included in the recyclable materials Revenue Guarantee and Revenue Share calculation.

As part of the MRF Operations Cost Proposal component, Proposers are required to provide a Revenue Guarantee (fixed dollar amount that shall be paid to the SBWMA from the sales of recyclable materials). Commodity revenues (which includes redemption value) above the Revenue Guarantee, for annual recyclable commodity sales, will be shared between the Contractor and the SBWMA 25:75% respectively.

MRF Operations Cost Proposal is subject to Annual Indexing that is called out in the Compensation Section of the Operations Agreement.

5.5.4 MRF Equipment Installation and Start-up Cost Proposal

The Proposer and an equipment manufacturer/vender(s) (selected by the Contractor) are required to submit a firm lump-sum cost for the stationary processing equipment and baler(s) proposed for installation at the MRF. This equipment cost is for a complete single stream processing system and baler(s) and should include all costs for equipment, controls, guarding and walkways. The equipment cost will be paid by the SBWMA directly to the equipment supplier.

An equipment purchase agreement will be negotiated between the equipment provider and the SBWMA. Since the SBWMA will not purchase the equipment until 2009, the MRF lump-sum cost proposal will be indexed to adjust the bid price (in 2008 dollars) to adjusted 2009 dollars. The cost adjustment will be based 50% on the US Department of Labor CPI labor index and 50% on the US Department of Labor CPI-Steel index. As a part of the equipment cost proposal and in response to this RFP, the equipment vendor shall provide "suggested equipment cost indexing language" that will be considered by the SBWMA for inclusion in the equipment purchase agreement. Any business relationship between the equipment supplier and the proposer shall be explained in the proposal.

Installation and start-up expenses are one-time costs associated with the installation, construction management and startup of the single stream recycling system. These costs will be incurred before the January 1, 2011 commencement of service and are directly reimbursable by the SBWMA to the Contractor. Installation costs shall include all the cost relating to the installation of the equipment as supplied by the equipment supplier and includes such items as permitting, receiving, installing, hooking up power, below-grade concrete work, fire suppression and installation related fire department requirements.

5.5.5 Cost Proposal Considerations

In preparing Forms in Attachment 3 and 4, Proposers should keep in mind the following considerations:

- a) All proposed per ton rates are to be proposed in 2008 dollars and will be adjusted to 2011 dollars. The selected Contractor's proposed rates will be adjusted to 2011 values to reflect the changes in labor, fuel/power, and operating and maintenance costs detailed in the Compensation Section of the Operations Agreement, after the signing of the new Operations Agreement.
- b) Costs must include all service requirements including, but not limited to: administrative cost; customer billing, collection, and remittance; AB 939 and other SBWMA identified reporting requirements: vehicle and equipment

acquisition and maintenance, minor facility cleaning and maintenance and other services provided to meet requirements of the Agreement.

- c) The proposed rates are to include the Contractor's cost for providing all NEW equipment needed to perform the materials handling and transportation (onsite rolling stock and transfer vehicles and trailers) required under the Scope of the services.
- d) The proposed rates will be applicable to serving any number of customers using the SBWMA's SRDC facility, varying volumes of solid waste (up to the permitted daily throughput capacity of the facility), recyclables, reusable items, C&D materials and solid waste with variable amounts of recoverable materials over the term of the Agreement.

5.6 LIMITS ON DISCLOSURE OF PROPOSALS

The SBWMA has determined that the public interest will be best served if proposals submitted in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals (and materials submitted during subsequent meetings and discussions with SBWMA staff) will not be made available to other proposers or the public generally any earlier than the date on which the SBWMA issues to Member Agencies the name of the Proposer it has selected for final contract negotiation. At that point, the SBWMA may release the portions of the proposal(s) that have not been identified as entitled to confidential treatment as containing trade secrets. Alternatively, public release may be deferred until individual Member Agencies governing boards have considered the SBWMA's recommendation of the selected company. All materials received from that company (other than those entitled to protection under Government Code Section 6254(k)) will, in any event, be made available for public review no less than twenty (20) days prior to the date on which the governing board of a Member Agency considers a staff recommendation to approve the award of the final contract to a specific company.

The following procedures will be followed in order to implement this policy:

- a) Materials which a proposer considers to contain trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as "CONFIDENTIAL".
- b) If, prior to the date on which SBWMA issues a list of recommended proposers to its Member Agencies, SBWMA receives a request to review and/or copy materials submitted by any proposer, it will decline to release those materials pursuant to Government Code Section 6255.
- c) If the person submitting the request files a legal action against SBWMA seeking its release, SBWMA will notify the affected proposer(s) and will not oppose a motion by such proposer(s) to intervene in the action. The proposer(s) must either intervene or agree to pay SBWMA's legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, SBWMA will have no obligation to defend the action and may release the information sought without any liability whatsoever.

- d) No proposer will, directly or through an intermediary, employ the Public Records Act in an attempt to obtain access to materials submitted to SBWMA by other proposers.
- e) No proposer will seek damages against SBWMA or any Member Agency or recovery of its attorneys' fees from SBWMA or any Member Agency as a result of any dispute related to the release or withholding of information submitted in response to this RFP.
- f) Materials that have been marked as "CONFIDENTIAL" will be returned to all unsuccessful proposers once agreements have been signed by SBWMA after approval by two-thirds of its Member Agencies.

5.7 PROPOSAL FORMS AND TECHNICAL INFORMATION

Proposal Forms are included in Attachment 3 and 4. It is a requirement of the RFP that each form be completely filled-in by each Proposer.

Cost proposal forms in Attachment 3 cover the cost to provide the ongoing SRDC operations and services. Cost proposal and other forms in Attachment 4 are where proposers cover the one-time costs and information regarding the details of the MRF equipment, equipment installation and start-up.

5.8 PROPOSER CODE OF CONDUCT

Proposer is required to sign the Proposer Code of Conduct (Attachment 16). 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.

5.9 OTHER PROPOSAL REQUIREMENTS

It is the responsibility of each Proposer to do the following before submitting the proposal:

- a) Examine this RFP and the Operations Agreement, including all Attachments, enclosures, and forms, thoroughly.
- b) Attend the pre-proposal conference and tour with representatives of the SBWMA.
- c) Become familiar with local conditions that may affect operation's costs, transportation conditions, dumping conditions at the designated locations, materials quality, types of inbound vehicles or other aspects of the services to be furnished under this Agreement.
- d) Consider all federal, state and local laws, statutes, ordinances, regulations and other applicable laws that may affect costs.
- e) Clarify, with the SBWMA, any conflicts, errors, or discrepancies in this RFP.

- f) Agree not to collaborate or discuss with other Proposer's the content of the proposal or rates proposed.
- g) Make or obtain any additional examinations, investigations, and studies, and obtain any additional information and data that may affect costs, services or other aspects of the SRDC Operations Agreement.

SECTION 6

PROPOSAL EVALUATION AND CONTRACTOR SELECTION

This section describes the process for evaluating proposals and selecting the SRDC Contractor. This Section 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 and presents the evaluation criteria. Note that the SBWMA reserves the right to modify this process in any way and at any time during the RFP and contractor selection process.

6.1 EVALUATION PROCEDURES

The proposals will be evaluated based on their content, completeness, and clarity. The specific evaluation criteria will focus on evaluating the information requested in the Forms and other requested documentation in the RFP. Proposals will be evaluated based on the extent to which they meet evaluation criteria.

An evaluation team representing the SBWMA will evaluate proposals. The SBWMA's evaluation team will be an Ad Hoc Committee appointed by the SBWMA Board which may include: the SBWMA Staff, representatives from member agencies, and SBWMA solid waste management consultants. Each evaluator will review all proposals received using a set of established evaluation criteria. The criteria will be applied to identify the relative strengths and weaknesses of individual proposals.

The ratings from the evaluators will be compiled to determine a preliminary ranking of the proposals based solely on the evaluation criteria. After initial evaluation of proposals and preliminary ranking, the evaluation team will prepare a short list of Proposers to be interviewed.

Invitations may be issued to Proposers on the short list to make oral presentations to and/or interviews with the evaluation team. Oral presentations and interviews will be conducted with the proposers and site visits to Proposer's representative facilities, may also be required as part of the selection process.

Based on the contents of submitted proposals, the results of interviews and oral presentations (and site visits, if included), along with any other information requested by the SBWMA, the evaluation team will prepare a final ranking of the short listed Proposers and present its ranking to the SBWMA Board. After the SBWMA Board approval and the approval of two-thirds of the member agencies, SBWMA staff will enter into negotiations with the selected Proposer to provide the services outlined in this RFP. The final Operations Agreement will require approval of two-thirds of the Member Agencies. In the event the negotiations with the selected Proposer are unsuccessful, the SBWMA may designate another Proposer from the list of short listed Proposers and enter into negotiations with that company.

It is the SBWMA's intent to finalize negotiations with the selected Proposer in a very timely manner once the authorization to enter into negotiations is obtained.

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

Table 6-1. Evaluation Criteria and Maximum Evaluation Score

Evaluation Criteria	Maximum Evaluation Score
Responsive to RFP	Pass/fail
Company qualifications and experience	100
Cost proposal (includes information supplied in Proposal Cost Forms in Attachments 3 and 4)	100
SRDC Operations Proposal (Plan covering all aspects requested under Scope of Services, Section 3 and Proposal Requirements, Section 5)	100
MRF installation and startup proposal (MRF equipment design, installation and startup plan)	75
Materials Marketing Plan	75
Environmental enhancements and other considerations	25
Number and materiality of exceptions	25
Total Maximum Score	500

The potential factors that may be considered by the Evaluation Team when developing the score for each criterion 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 including full completion of all cost proposal forms required and compliance with proposal submission process.

6.2.2 Company's Qualifications and Experience (100 points)

- a) Company Experience - Demonstrated experience of the company in operating transfer stations, transporting waste and other materials, MRFs and related

operations. If the proposer is a joint venture, demonstrated experience of parties working together.

- b) Start-up and Transition Experience - Demonstrated experience of the company to implement the requested services and smoothly manage transitions similar to the SBWMA's services in comparable sized communities.
- c) Management - Demonstrated capabilities of the company's existing management and its responsiveness to the ongoing needs and requests of customers including: reporting, providing new services, tracking and monitoring operational activities, regulatory compliance, safety record, general quality of operations, billing and collection, scale house performance and management, and administrative services.
- d) 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 SRDC operations.
- e) 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.).
- f) 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.
- g) Jurisdiction Satisfaction - Satisfaction of company's references with the services received in the past 5 years.

6.2.3 Cost Proposal (100 points)

- a) Reasonableness of Cost Proposals - Logical relationship between proposed costs and operational assumptions for the cost proposals.
- b) Competitiveness of Cost Proposals - Cost competitiveness relative to other proposals.

6.2.4 Proposal for SRDC Operations (100 points)

- a) Approach – Reasonableness and reliability of the proposed services (e.g., technology, equipment, and staffing levels.); reasonableness of productivity and operating assumptions (operating statistics).
- b) Diversion Ability – The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal.
- c) Diversion Plans – Proposed methods to increase diversion of materials that are entering the transfer station including plans for materials segregation, onsite processing plans, and transfer station diversion commitments that the company may guarantee to the SBWMA.
- d) General Operations – Proposed methods of tracking and reporting operational activities and productivity, staffing levels, and training programs.

- e) Scale System– Scale software system proposed, capabilities and reliability of the system, connectivity and report capabilities of the system. Billing approach, procedures for handling customers, and coordination with Member Agencies in billing and diversion reporting.
- f) Implementation Plan - Reasonableness of implementation and transition schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, and contingency plans).
- g) Other Operational Considerations - Includes other operational considerations such as: planning details of facilities space usage for equipment storage and parking, maintenance and administration. Contingency capabilities and planning including a list of sub-contractors or support services that can assist in case unforeseen issues or problems with labor, equipment or the need to transport outbound material volumes.

6.2.5 MRF Equipment Selection, Installation, and Startup Plan (75 points)

- a) Single Stream Design – The thoughtfulness of the single stream sorting equipment layout, equipment selection and use of technology in the proposed sorting system for the MRF.
- b) Functionality and Capabilities - The functionality and capabilities of the sorting system including the tons per hour throughput, effectiveness at sorting materials, labor conservation, and employee working conditions.
- c) Separation Efficiency– Proven effectiveness of the sorting system to deliver clean and fully separated commodity types and the ability of the system to capture recyclables and reduce residual.
- d) Level of Detail – The proposer’s equipment plan, cost detail and compliance with the specifications described in the RFP (Equipment Selection and Installation, Attachment 4).
- e) Installation Plan - Reasonableness of installation plan and startup schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, and contingency plans).
- f) Company’s Past Experience - Demonstrated ability to manage the installation and startup of the equipment that is designed for use in the MRF (including references, qualifications and past experiences of subcontractors that are identified in the proposal to assist in the equipment installation).

6.2.6 Materials Marketing Plan (75 points)

- a) Commodity Marketing Experience - Demonstrated ability to reliably market MRF commodities and obtain best gross revenues from commodity sales including: descriptions of current and past materials marketing experiences, purchase contracts with buyers that demonstrate the company’s future price/volume commitments.

- b) Other Materials Marketing – Company’s experience and demonstrated ability to market materials that will be diverted from landfill through; self haul diversion efforts, u-waste, e-waste, and other Drop-off activities.

6.2.7 Environmental Enhancements and Other Considerations (25 points)

Proposals that include Environmental Enhancements will receive evaluation points. Potential areas include, but are not limited to:

- a) Green-house Gas (GHG) Emissions– Reduction in GHG through the use of alternative fuels in trucks and equipment, purchase of green-power in buildings, the use of carbon offsets to counter atmospheric emissions, etc.
- b) Community Education – Education and outreach that may include tours of the facilities and/or addition of educational components to the SRDC site (e.g., recycling educational enhancements, compost demonstration, educational garden, etc.).

6.2.8 Number and Materiality of Exceptions (25 points)

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

SECTION 7

PROPOSAL SUBMITTAL INSTRUCTIONS

7.1 PROPOSAL SUBMITTAL

Proposer shall follow the proposal submittal process outlined below.

7.1.1 Step One – R.S.V.P to Attend Pre-proposal Meeting

Proposer must submit notification to SBWMA of its intention to attend the mandatory pre-proposal meeting that will be held on December 14, 2007 at 1:30am. 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

7.1.2 Step Two – Submittal 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 December 7, 2007, at 3:00 p.m.. SBWMA will NOT accept questions or requests for information after 3:00 p.m. on December 7, 2007.

7.1.3 Step Three – Mandatory Pre-Proposal Meeting

The mandatory pre-proposal meeting will be held in the City of San Carlos Council Chambers, City Hall, 600 Elm Street, San Carlos, CA 94070, on December 14, 2007 at 1:30 pm. Proposer must R.S.V.P. in writing to SBWMA by December 7, 2007 at 3:00 p.m., if interested in participating in this RFP process. Attendance at this meeting is mandatory for all Proposers 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 in advance of 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 by January 11, 2008. 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.

7.1.4 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, no later than 3:00 p.m. on March 4, 2008. In addition, a computer disk containing an electronic copy of the proposal and all completed proposal forms (i.e., those provided in Attachment 3 and 4 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 OPERATIONS 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 March 4, 2008. Proposals received late will not be considered. Postmarks will not be accepted as proof of receipt.

7.1.5 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, and disposal, transfer, and processing facilities. The clarification process may be performed by SBWMA staff, Member Agency staff, and/or their consultants.

7.1.6 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.

7.1.7 Step Seven – Selection of Recommended Proposers

After the SBWMA and Member Agencies select and approve an Operations Contractor, contract negotiations will commence. Upon notification of being selected 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 Operations Agreement. If the selected contractor does not execute the Agreement 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 an Agreement is executed.

7.1.8 Schedule

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

7.2 PROPOSAL CONTENT

All proposals must be submitted according the following format and include the following:

A cover letter providing:

- a) Name, address, and telephone and fax number of Proposer and key contact person.
- b) Description of type of organization (e.g., corporation, partnership) submitting proposal.
- c) If teaming arrangement with two or more parties is proposed, describe past working relationships on similar projects.
- d) Name of entity that would sign the Agreement.
- e) A statement that you have reviewed the requirements of the project as described in this RFP, its enclosures, and all addenda, by listing all addenda and dates received.
- f) The cover letter and Proposal Validity Form must be signed by an officer or agent of the Proposer who is authorized to bind the Proposer. In signing the rate and cost proposal, the Proposer:

- agrees that the terms of both the technical proposal and the cost proposal as submitted by Proposer are firm for a period of one-year from proposal due date, and
- assures that a performance bond or other instrument as specified in the Operations Agreement will be issued by the Proposer (the SBWMA may require a commitment letter from the Proposer's bonding company after the initial selection process).

Executive summary (not to exceed five pages) that highlights the major elements of your qualifications and proposal and clearly states the services your proposal addresses.

Responses to all information requested in Section 5. Organize your responses into components, and address each component following the format outlined below in Table 7-1 so that all requested information can be readily found. Include the following components: qualifications, financial, technical, agreement acceptance, and rates and costs. Complete all Forms included in Attachments 3 and 4 of this RFP.

Table 7-1. Proposal Outline

Title Page
Cover Letter
Table of Contents
Executive Summary
Company Description and Qualifications
1. Company Information
2. Company Qualifications
3. Key Personnel
4. Startup, Transition and MRF Installation Personnel and Experience
5. Litigation History
6. Environmental Compliance
Financial Information
1. Financial Background
2. Financial Stability
3. Financial Method
Technical Component
1. Methods and Procedures for Scale House Operations
2. Transfer Station Operation and Self Haul Diversion Plan
3. Transportation of Materials
4. MRF Operation
5. Operation of the Public Buyback / Drop-off Center
6. MRF Equipment and Installation
7. MRF Materials Marketing Plan
8. Proposed Environmental Enhancements
Agreement Acceptance Component
Cost Proposal and Technical Information Forms
1. Transfer Station Operations
2. MRF Operations
3. Transportation or Materials
4. Equipment, Installation, and Startup Cost

Anti-Collusion Affidavit – proposer shall submit the Anti-Collusion Affidavit, Attachment 15. The anti-collusion affidavit shall be signed by the designated representative authorized to bind the proposing company.

Code of Conduct - proposer shall sign and submit the Proposer Code of Conduct, Attachment 16. The code of conduct shall be signed by the designated representative authorized to bind the proposing company.

Additional information or data relevant to your qualifications is optional and may be included as an appendix to the proposal.

All pages of the proposal must be numbered for reference.

7.3 ACCURACY IN REPORTING REQUESTED INFORMATION

Information submitted as part of the proposal will be subject to verification. Inaccurate information or misleading information may result in the SBWMA removing a proposal from further consideration.