

Food Scrap Bag Sortation Services RFP – Addendum One



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

Issue Date: December 16, 2022

Addition(s)/Change(s)/Clarification(s):

- Change in Solicitation Response Due Date
- Change in Terms and Conditions
- Other

Please Note the Following Additions(s)/Change(s)/Clarification(s):

The deadline for proposal submissions has changed to February 10, 2023.
An updated Table 01 is provided below.

Event	Estimated Date
Request for Proposals Released	November 7, 2022
Optional Pre-Proposal Conference	November 17, 2022 at 1 pm
Pre-Proposal Conference Location	R&E Administrative Offices, 100 Red Rock Road, Newport, MN 55055. If attendance online is preferred, email jredmond@recyclingandenergy.org for login information. In-person attendees will be able to participate in an optional facility tour after the pre-solicitation conference. Tours will be made available to those unable to attend in-person upon request, time permitting.
Deadline for Proposer Questions	December 02, 2022, 2:00 PM Central Time
R&E Addendum Published	December 16, 2022
Deadline for Proposal Submissions	January <u>February</u> 10, 2023, 2:00 PM Central Time
Anticipated Contract Effective Date	First quarter of 2023

Questions and Answers:

- 1) Would you be able to extend the deadline to Friday, February 10th, 2023 to allow time to obtain quotes from equipment and building contractors as well as develop the operational plan requested by R&E? We do not believe we will be able to obtain this information by January 10th, 2023 given the holiday season as well as general labor shortages and delays in providing quotes from the vendors.

Answer: Deadline for proposal submissions is extended to February 10, 2023.

- 2) Section 1.3, Item 2, Page 5: Will R&E require the remaining trash, once the FSBs are removed, to be kept separate from other MSW at the facility? Is R&E requiring “exact tons” to be transferred or “like tons” for the MSW that either does not contain FSBs initially, or that is left after removing the FSBs? In general, the transfer station infrastructure in Minnesota is not setup to transfer “exact tons” as it requires a significant amount of additional infrastructure (separate tipping floor areas, loading areas, equipment, trailers, etc.) as well as coordinating logistics, payloads, etc. in real time for loading the dedicated R&E trailers for “exact tons” in addition to other facility operations that are concurrently ongoing. The requirement to transfer exact tons will increase the cost per ton to R&E to cover the additional equipment/building space and potentially limit the bidder pool due to lack of infrastructure to manage materials in this way. We have the following suggestions on this for consideration by R&E:
- a. Require that the FSB containing loads are managed separately until the FSBs are removed after which the non-FSB waste can be “like tons” for transfer to R&E
 - b. To ensure that the FSBs are being removed properly, perform facility audits of the processing operations at the discretion of R&E.

Answer: R&E will require that FSBs are not included in “like tons” delivered to landfill disposal. Waste containing FSBs will need to be segregated until FSBs have been separated.

- 3) Section 1.4, Page 5: This section states that the “initial term of the contract” begins in Q1 2023. The selected provider will need a contract in Q1 2023 to move forward with procurement, however starting the 10-year processing term at this point will shorten the contract given that it could take 12-24 months to install equipment, buildings, etc. We suggest that R&E start the 10-year “processing term” at the time the processing of FSBs is started so that the provider can spread the capital costs over the full 10-year period. If not, the capital costs would need to be spread over an 8-9 year period which would increase the cost per ton to R&E by 10-20% proportionally.

Answer: Proposers can anticipate a term of ten years beginning from the date sortation is proposed to come online.

- 4) Section 1.5, Page 5: Can R&E please provide further explanation on what it means to be “rate setting?”

Answer: R&E will pay for the processing of FSBs based on the proposed rates submitted on the rate sheet included as Attachment 5 in the solicitation.

- 5) Section 2.9, Page 10: The selected provider will need to install equipment, buildings, etc. in order to enable processing of the FSBs. What does R&E intend to do with the FSBs during this interim period between execution of the contract with the provider and the start of the FSB processing? Will the selected provider have any responsibilities for the FSB loads arriving at their facility during the interim period?

Answer: R&E will set its program rollout schedule based on available sortation capacity and will be limiting access to the program based on what can be sorted effectively until additional sorting capacity is built out.

- 6) Section 3.6, Page 13: The third paragraph of this section states that R&E can award part of the contract to the proposer and/or split the RFP up to make a partial award to multiple proposers. Given that R&E has requested a “cost per ton” rate on the Price Sheet, the proposer will be basing the costs on the provided tonnages and contract terms stated in the RFP so a partial award of the contract will change the proposed pricing or potentially the proposer’s willingness to provide services. We believe it should be clearly stated in the RFP that if R&E elects to award a partial contract, or otherwise changes the key elements of the RFP included in the proposer’s proposal, the proposer has the right to revoke the proposal. Can R&E do this?

Answer: Final terms can be negotiated during the contract process and after the proposal(s) is selected. Proposers should include any potential award dynamics that could negatively impact the viability of submitted proposals and/or provide alternative pricing to anticipate alternative scenarios.

- 7) Section 5.7, Page 18: This section allows R&E to terminate the contract “without cause” upon giving a 30-day written notice. Given that the contractor is expected to invest significant capital into the project on behalf of R&E with the expectation of a 10-year processing term we believe this clause is not appropriate for this type of contract and should be deleted. If this clause is in the RFP, we will not be able to provide a proposal.

Answer: R&E recognizes the significant capital investments required for this type of project and is willing to negotiate mutually acceptable termination language in a final agreement. Proposers should list the exceptions they wish to be considered in their submitted proposals.

- 8) Can R&E please provide the number of FSBs that are expected to be in one ton of FSB waste so we can determine the expected number of picks for one ton of waste?

Answer: R&E anticipates that at program maturity (the stage of the program at which participation stabilizes), potentially about 40% of the 327,000 households in Ramsey and Washington counties may be participating in the food scraps pickup program. Each participating household will be provided 60 bags per year, with the intention that they will generally use one bag per week. At 40% participation, R&E anticipates there will be approximately 27 to 35 bags per ton. Please note that the 40% figure is a projection and estimate, and actual participation stabilization may actually be higher or lower.

- 9) What is the expected timeline to participation maturity (40% participation of all households)?

Answer: R&E’s current projection for participation growth and stabilization is that participation will start leveling off once all participants have had access to the program for at least two years. Therefore, program maturity is partially dependent on when adequate sortation capacity becomes operational. Assuming FSB sortation partners are operational starting in 2026, program maturity is anticipated at some point in 2028.

- 10) What is the expected timeline/ramp up plan until the program is open to all residents and either 65,000 tons or 100,000 tons are eligible to process at the northern or central facility, respectively?
- a. The challenge is that any partner will be expending significant capital and paying for “idle” equipment until all tons are running through the equipment.
 - b. Or, do we assume that by the time a facility is up and running (in presumably early 2025), the program will be fully ramped by then across both counties with all households eligible?

Answer: Proposers should anticipate a scenario similar to B. At this time, it is planned for the program to open up to all additional residents quickly as sortation capacity becomes operational to accommodate sorting those residents’ MSW. For additional detail on the term of the agreements, see response to Question 3.

- 11) What will happen with the tons containing FSBs until the new partner facilities are up and running? If the counties start in mid-2023, will all FSB tons have to be transferred to Newport for sorting in the interim?

Answer: See answer to Question 5.

- 12) Section 4.1, 2nd paragraph – Need clarification. For example, what if there are 2 multi-family units that have a few FSBs in a commercial truckload. Is this truckload considered FSB material which will need to be sorted?

Answer: Yes, all trucks carrying loads that may contain FSBs will need to have their material sorted.

- 13) Section 4.2, 2nd paragraph – need clarification. It states that “Commercial waste and waste from outside the counties shall be segregated and not sorted...”. Again, for clarification, should we assume that for any commercial loads containing FSBs from multi-family units they DO need to be sorted?

Answer: When the program is rolled out to residents in Ramsey and Washington counties, all loads potentially carrying FSBs from those residents will need to be sorted, including from residents on commercial routes (e.g., multi-unit buildings). The intent is for R&E to not pay for the sortation of loads known not to contain FSBs. Any loads that may contain FSBs

will need to be sorted.

- 14) Section 4.2, 3rd paragraph. Question on use of live-floor trailers. The volume of FSBs will be very low until program maturity. A trailer loaded for efficiencies will take 20 tons, which is over 5000 bags at 8 lbs. each, and that will take a long time to fill. Can sorting partners load roll-off boxes for transfer until it makes more sense to load trailers so they can be turned quicker to avoid potential odor issues?

Answer: The use of roll-off boxes is acceptable until the volume of bags warrants the use of live-floor trailers.

- 15) Table 4.2 – how many tons of MSW and bags are anticipated to be delivered to Newport? We have the North and Central estimates, can you add a line for Newport?

Answer: Given the current split of direct haul material versus transferred material, and the split of commercial versus residential materials, as well as the anticipated participation, R&E anticipates receiving approximately 110,000-150,000 tons of MSW that may contain food scrap bags. The system was designed to manage additional MSW tonnage as necessary depending on participation rates and operating schedule. See answer to Question 8 for the anticipated number of bags per ton.

- 16) Section 5.25 Ownership of Work Product – What is the intent of this clause? What is the definition of “material” in the first sentence? Are you stating that the facility and sorting equipment we may purchase are the property of R&E? What about our internal ROI and other analysis that are confidential to our business? If we read the clause correctly those could be interpreted as “material originated out of the performance of this agreement” and therefore assigned to R&E. Please clarify.

Answer: The intent of this clause is to apply to any intellectual property that may materialize as a result of this contract that was requested by R&E and is covered under the scope of work of the contract. The capital investments made by respondents at their own cost will be the property of respondents. As with Question 7, proposers may request exceptions to the standard terms and conditions as part of their response.

- 17) What happens if there are permitting or construction delays? An early 2025 start was discussed but what happens if that becomes impossible due to external forces, like MPCA slowness?

Answer: Contractors will be expected to put forward reasonable timelines for bringing sortation capacity online based on knowledge of processes that need to be carried out for processing facilities. Any delays beyond foreseeable circumstances will need to be worked out between the Contractor and R&E.

18) Are you willing to add a minimum tonnage guarantee, or put-or-pay clause, in the agreement? We are concerned for two reasons:

- a. The R&E Board can cancel the program for factors out of our control.
- b. There is an unknown ramp-up timeframe where there could be not nearly enough volume sorted to generate a return on a significant investment.

Answer: R&E is intending to award a rate paying agreement for FSB sortation. Proposer responses should include that information. Other payment arrangements can be discussed in contract negotiations.

19) What are your plans if there turns out to be no interested Northern or Central sorting partners, or both?

Answer: In the event that no acceptable proposals are submitted in response to this RFP, R&E will need to find alternative sortation arrangements.

All Addenda are to be acknowledged on the Cover Page to be included with your submission. FAILURE TO DO SO MAY RESULT IN REJECTION OF THE SOLICITATION RESPONSE. Unless otherwise specified above, the Solicitation Response due date and time and all other Terms and Conditions remain the same.