



ADDENDUM NO. 9 REQUEST FOR PROPOSALS 2020-125

Kitsap County Public Works Department, Solid Waste Division

TO: All Respondents

FROM: Vicki Martin, Buyer

CLOSING DATE: Thursday, November 19, 2020 at 3:00 p.m. (UNCHANGED)

REF NO.: RFP 2020-125 – Solid Waste Transfer Station Operation and Maintenance, and Waste Transport and Disposal Services

DATE: October 20, 2020

In response to questions received, the following information is provided to assist in responding to the above referenced proposal:

QUESTIONS AND RESPONSES

- 1. Question: Appendix E, page 2. Consumer Price Index (CPI) definition. Please clarify the CPI proposed. The draft Contract defines the CPI as the CPI for “the Seattle-Tacoma Urban Area for Bremerton-Silverdale.” We are not aware of an index target to Bremerton Silverdale. We assume that the correct CPI is the CPI for "All items in Seattle-Tacoma-Bellevue, WA, all urban consumers, not seasonally adjusted." Series Id: CUURS49DSA0,CUUSS49DSA0.**

Answer: Consumer Price Index (CPI) means the Consumer Price Index computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Tacoma-Bellevue Urban Area (CPI-U) for all items not seasonally adjusted, or a successor index produced by the United States Government.

- 2. Question: Appendix E, page 17. Section 6.1. If this agreement is not a “put-or-pay” agreement, how will the County ensure that all solid waste collected within Kitsap County will be delivered to OVTS during the term of the Agreement? Please explain the County’s flow control regime and how it will be enforced to ensure that waste is directed to OVTS.**

Answer: Given the current pricing structure for OVTS established by the County, the prospect of export/leakage out of County has not been an issue. Our Solid and Hazardous Waste Management Plan (SHWMP) identifies OVTS as the primary disposal site for Kitsap County. This SHWMP carries weight in the regulated collection arena. If we were to find ourselves in a situation where it would be advantageous for a hauler to transport waste outside the County, it would be necessary to implement a flow control ordinance to protect the system. Although

there is nothing in place at the moment, the likelihood of implementing flow control is high in a situation where it is critical to keep the system stable. After awarding the contract, the County will conduct a rate study and the issue of flow control will be considered then.

- 3. Question: Appendix E, page 31. Section 14.2. Will the County allow the Contractor to make insurance policies available to the County for review but eliminate the obligation to deliver the policies to the County? For competitive and confidentiality reasons, we would rather not provide copies of insurance policies to the County where they would be subject to a Public Records Act request. Disclosure of these policies to competitors and others could place our organization at a significant competitive disadvantage.**

Answer: The County does not need to retain a copy of the insurance policies. The premium or cost of insurance does not need to be provided to the County; therefore, the policy can be provided without the declarations page or the declarations page can be redacted to remove financial information. This is not a frequent request for the County and is based on assessing coverage. There may be times SIR's limits need to be reported as that may impact claims payments.

- 4. Question: Appendix E, page 31. Section 14.3 Bonds. Would the County change the bonding requirement from a "performance bond for the full contract amount" to "performance bond for the annual contract value?" Requiring a performance bond for the full contract amount is an exorbitant requirement that will put an undue and unnecessary financial burden on the proposers and the County. The most common type of performance guarantee requested and issued for this type of work is for the annual contract value of agreements.**

Answer: Per RCW 56.38.090(7), the contract shall include a project performance bond or bonds or other security by the vendor that in the judgment of the legislative authority of the county is sufficient to secure adequate performance by the vendor. As such, a performance bond and payment bond is required for 2-years of the annual contract value of the agreement.

- 5. Question: Appendix E, page 31. Section 14.3 Bonds. How should the Contractor determine the amount of the bond? How is the County going to calculate the amount needed for the performance bond? Is it based on one year, ten years or ten years with the two five-year options? Given the term of the contract and the value of the contract, the amount to be bonded could easily be in the hundreds of millions of dollars. Such a high bond may not be available, and the cost will be prohibitive. It is imperative the County provide clear direction to all proposers as to how they must calculate the amount to be bonded.**

Answer: The performance and payment bond is required for 2-years of the annual contract value of the agreement.

- 6. Question: Appendix E, page 31. Section 14.3 Bonds. What must be included and what is not included? See previous comments. It is imperative the County provide clear direction to all proposers as to how they must calculate the amount to be bonded.**

Answer: The performance and payment bond is required for 2-years of the annual contract value of the agreement.

7. **Question: Appendix E, page 31. Section 14.3 Bonds. Must the bond cover the value of the contract for the full 20 years? Reducing the amount of the bond will provide considerable cost savings to the County and the Contractor.**

Answer: The performance and payment bond are required for 2-years of the annual contract value of the agreement.

8. **Question: Appendix E, page 31. Section 14.3 Bonds. Does the amount of the performance bond include the amount of the capital improvement funding? Although the "value of the contract" arguably could include the capital improvement funding, there is no logical reason why a performance bond would be necessary to bond this amount because the money will have been deposited with the County.**

Answer: The amount of the capital improvement funding does not need to be included in the performance and payment bond, which is to be provided as stated above.

9. **Question: Appendix E, page 31. Section 14.3 Bonds. Will the County allow the Contractor to reduce the amount of the bond annually to reflect the remaining value of the contract after performance? Annual reductions in the bond amount would be reasonable and save significant costs.**

Answer: If the bond is based on 2-years of the annual contract value as stated above, then reducing the amount annually is not appropriate.

10. **Question: Appendix E, page 36. Section 16.6 Judicial Review. If the Independent Panel Arbitration in Section 16.5 is binding for "Major Disputes", how it is possible to submit Major Disputes for judicial review?**

Answer: The decision of the Independent Panel is not binding for Major Disputes. The last sentence of Section 16.5 states, "*In all matters other than Major Disputes*, the decision of the Independent Panel in the matter shall be final and binding on the parties, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof." (emphasis supplied).

11. **Question: During our site visit we noticed commingled recycling being delivered and trans loaded into trailers on the north end of the transfer station. I do not see that in the RFP scope of work. If a new contractor is selected will they be expected to continue that service?**

Answer: This operation will terminate no later than the start date of operations under the new contract.

12. **Question: The current published gate rate at OVTS for garbage/solid waste is \$85 per ton. How much does the County retains from the \$85 per ton for its services/programs and how much of that is remitted to the current contractor?**

Answer: The current contract rates include a variable monthly rate, a transportation rate and waste disposal rate. Rear Load MSW (which is 98% of the County's MSW) is \$48.13 per ton. Open Top MSW is \$50.19 per ton. These rates are for MSW only. Current OVTS (gate) rates are shown in County Resolution No. 062-2018 Establishing the Fees Charged at Olympic View Transfer Station (Attached).

13. Question: If the contractor elects to move MSW tons via truck and trailer would they have the ability to access the transfer station at night to perform some hauls?

Answer: The County would consider allowing night access at OVTS to perform some outgoing hauls. The time meant by “night” would need to be defined and authorized by the County in advance. At this time, incoming loads are not anticipated to be allowed beyond pre-set operating hours.

14. Question: In the RFP there is no mention or requirement of the compactor that was installed in 2015 to be replaced, it does say that a second compactor will be installed in 2023. In the draft agreement under Appendix A it states that the existing compactor will be replaced in 2023 and then 8 years thereafter. For purposes of our response it is necessary to fully understand the County’s expectations for the replacement of this equipment and this could have tremendous pricing implications. Compactors, with good maintenance, can easily last between 15 to 20 years so replacing this equipment every 8 years at \$2 million dollars will have a significant impact to Kitsap County ratepayers. Please clarify the expected replacement timeline for the compactors so we can ensure that we capture the necessary costs for our response.

Answer: Appendix A of Appendix E, Draft Agreement, to the Request for Proposals sets forth the replacement requirement for solid waste compactors. Replacement of solid waste compactors is part of the Contractor’s responsibility for Facility Inspection, Maintenance, Repair and Renewal. Replacement of the existing solid waste compactor is specified to be accomplished in 2023 and every eight (8) years thereafter. The floor of that compactor is to be replaced every four (4) years (2027, 2035). Refer to page A-6 in Appendix A of Appendix E. The RFP indicates the County’s anticipation that a second compactor will be added to OVTS and operational by the fourth quarter of 2023. In accordance with Appendix E, Draft Agreement, the second compactor would be subject to replacement every eight (8) years (2031, 2039) thereafter, and the floor of that compactor is to be replaced every four (4) years following installation. Regarding a different replacement schedule for the compactor equipment, Appendix A of Appendix E, Draft Agreement includes the following statement: “The County and the Contractor may collaboratively decide to alter the replacement schedule for the compactors based on the condition of the compactor equipment, and an equitable adjustment will be made in the fees paid to the Contractor, up or down, commensurate with the altered frequency of the replacement process.” Proposal pricing should be based on the stipulated compactor replacement requirements.

15. Question: The pricing of Recycling Services is ambiguous and unclear as to whether the Contractor will be compensated for performing Recycling services. We are requesting the County to confirm how the Contractor will be compensated for Recycling services. Will those costs (both on-site and third-party Recycling Sites) be included in the overall rate or will the Contractor bill those separately to the County? In particular, we are requesting the County to clarify Pricing Form Notes 1 and 2.

Answer: No separate payment by the County will be made to the Contractor for the Contractor’s costs for managing recyclable materials, on or off site, which arrive at OVTS through the self-haul recycling area. The County has provided historical information on the nature and quantity of recyclable materials received at OVTS. See page 11 and 12 of the RFP, which states what the Contractor is responsible for final disposal and what the County is responsible for final disposal.

Note 1: This note states that for appliances and tires, "No fee shall be paid by County or Customers. Contractor shall be solely responsible for costs." Please confirm that the County intends that customers will have free recycling of tires and appliances and the Contractor will receive no separate payment for these services. Does the County intend to change the way it currently manages these materials? Currently a fee is paid to the Contractor for white goods and tires. What is the City resolution referenced and what City?

Answer: Note [1] should read: [1] Fee shall be set by County Resolution. The fee collected at the gate will be a pass through to the Contractor for white goods and tires.

Note 2: This note states that for electronics and other recyclables, "No fee shall be paid by County or Customers. Contractor shall be solely responsible for costs." Please confirm that the County intends that customers will have free recycling of these materials and the Contractor will receive no separate payment for these services. Is the intent of this note to mean "for e-scrap, no fee will be paid to the Contractor for recycling and funding will be provided from the State (WMMFA)?"

Answer: Note 2 is correct. There is not an e-scrap fee collected at the gate and the intent is for the Contractor to coordinate with WMMFA as a collection site.

County Resolution 062-2018 Establishing the Fees Charged at Olympic View Transfer Station (Attached).

END OF ADDENDUM NO. 9

RESOLUTION NO. 062-2018

**A RESOLUTION ESTABLISHING THE FEES CHARGED
AT THE OLYMPIC VIEW TRANSFER STATION**

WHEREAS, the Olympic View Transfer Station is operated by a private vendor pursuant to the Service Agreement KC-479-00 between Waste Management of Washington, Inc. ("the Operator") and Kitsap County; and

WHEREAS, the Service Agreement provides that Kitsap County shall determine the disposal fees for the Olympic View Transfer Station, and these disposal fees shall fund the service fee payment to the Operator, as well as programs conducted by the Kitsap County Public Works' Solid Waste Division and the Kitsap County Public Health District as described in the Kitsap County Solid and Hazardous Waste Management Plan; and

WHEREAS, the Service Agreement provides for an annual adjustment to the service fee payment to the Operator, based on a percentage of the Seattle Urban Area CPI; and

WHEREAS, Kitsap County has completed a rate study for the Olympic View Transfer Station and has learned that the current fees charged for disposal are not keeping pace with the true costs of providing garbage and recycling services; and

WHEREAS, the rate study has projected expenditures through 2021 and has determined the revenues needed to support these expenditures; and

WHEREAS, the Board of County Commissioners has determined that a staggered rate increase is warranted to cover expenditures through 2021;

NOW THEREFORE BE IT RESOLVED, that the amended fees, effective July 1, 2018 through July 1, 2021, are established as follows:

(a) Fee table

DISPOSAL FEES				
WASTE TYPE¹	7/1/18	7/1/19	7/1/20	7/1/21
Municipal Solid Waste (MSW) – per ton	\$75.00	\$80.00	\$85.00	\$90.00
Minimum Fee	\$21.24	\$21.24	\$21.24	\$21.24
Minimum Fee, including 3.6% Solid Waste Collection Tax	\$22.00	\$22.00	\$22.00	\$22.00
Contaminated Soils – per ton	\$43.11	\$44.40	\$46.17	\$48.48
Bulky Wastes – per ton	\$107.42	\$110.64	\$115.06	\$120.82
Asbestos – per ton	\$163.02	\$167.91	\$174.62	\$183.35
Coal Ash – per ton	\$51.40	\$52.94	\$55.06	\$57.81
Creosote Treated Lumber – per ton	\$51.40	\$52.94	\$55.06	\$57.81
Dredge Spoils – per ton	\$43.11	\$44.40	\$46.17	\$48.48
Biosolids (delivered loose) – per ton	\$69.66	\$71.75	\$74.62	\$78.35
Biosolids (delivered in intermodal containers) – per ton	\$61.90	\$63.76	\$66.31	\$69.63

¹ Washington State Solid Waste Collection Tax, currently 3.6%, shall be added to all refuse disposal transactions; should this tax rate change, the minimum fee shall be adjusted such that the minimum fee, with tax included, remains at \$22.00.

WASTE TYPE ²	7/1/18	7/1/19	7/1/20	7/1/21
Yard Waste – per ton	\$69.05	\$71.13	\$73.97	\$77.67
Processed Wood Waste – per ton	\$42.75	\$44.03	\$45.79	\$48.08
Appliances – per appliance	\$20.00	\$20.00	\$20.00	\$20.00
Passenger Vehicle Tires – per tire	\$7.00	\$7.00	\$9.00	\$9.00
Commercial Truck Tires – per tire	\$9.00	\$9.00	\$11.00	\$11.00

² Washington State Solid Waste Collection Tax is not applied to these items, which are recycled.

- (b) Computers, laptops, tablets, monitors, and televisions are accepted at no cost from residents and qualifying businesses and institutions through the Washington State E-Cycle program. The E-Cycle program is available only to residents, nonprofits, small businesses, schools and local governments as defined in Chapter 70.95N RCW.
- (c) Kitsap County Public Works will transfer \$4.30 per ton of municipal solid waste to the Kitsap Public Health District, beginning July 1, 2018, to fund their solid and hazardous waste programs as described in the Kitsap County Solid and Hazardous Waste Management Plan.
- (d) Kitsap County Public Works will deposit \$1.60 per ton of municipal solid waste to the Clean Kitsap fund (Fund 430), beginning July 1, 2018, to fund litter and illegal dumping prevention and response.
- (e) Kitsap County Public Works will deposit \$0.25 per ton of municipal solid waste to the Kitsap County Department of Community Development, beginning July 1, 2018, to fund Kitsap Nuisance Abatement Team (KNAT) activities.
- (f) Additional fees and charges applicable to the Olympic View Transfer Station are established as follows:
- (1) A fee of \$10.00 may be charged on any unsecured load as defined Chapter 9.18 Kitsap County Code.
 - (2) A fee of 1.5% per month may be charged on the unpaid balance of any account over 30 days past due.
 - (3) A \$20.00 processing fee may be charged on all non-sufficient funds (NSF) checks.

Dated this 26th day of March, 2018



ATTEST:

Dana Daniels

Dana Daniels, Clerk of the Board

**BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON**

Robert Gelder

ROBERT GELDER, Chair

E. E. Wolfe

EDWARD E. WOLFE, Commissioner

Charlotte Garrido

CHARLOTTE GARRIDO, Commissioner