



767-2017 ADDENDUM 2

PROCESSING AND MARKETING OF RECYCLABLE MATERIALS

URGENT

PLEASE FORWARD THIS DOCUMENT TO WHOEVER IS IN POSSESSION OF THE REQUEST FOR PROPOSAL

ISSUED: December 15, 2017
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THIS ADDENDUM SHALL BE INCORPORATED INTO THE REQUEST FOR PROPOSAL AND SHALL FORM A PART OF THE CONTRACT DOCUMENTS

Template Version: Ar20160708

Please note the following and attached changes, corrections, additions, deletions, information and/or instructions in connection with the Request for Proposal, and be governed accordingly. Failure to acknowledge receipt of this Addendum in Paragraph 9 of Form A: Proposal may render your Proposal non-responsive.

PART B – BIDDING PROCEDURES

- Revise: B2.1 to read: The Submission Deadline is 12:00 p.m., Winnipeg time, **January 25, 2018**.
- Revise: B3.2 to read: If the Proponent finds errors, discrepancies or omissions in the Request for Proposal, or is unsure of the meaning or intent of any provision therein, the Proponent shall promptly notify the Contract Administrator of the error, discrepancy or omission at least **ten (10) Business Days** prior to the Submission Deadline.
- Revise: B7.3 to read: Requests for approval of a substitute will not be considered unless received in writing by the Contract Administrator at least **fifteen (15) Business Days** prior to the Submission Deadline.
- Revise: B7.6 to read: The Contract Administrator will provide a response in writing, at least **eight (8) Business Days** prior to the Submission Deadline, to the Proponent who requested approval of the substitute.

PART D – SUPPLEMENTAL CONDITIONS

- Revise: D14.1 to read: The Contractor shall provide and maintain performance security until **one (1) month from the Total Performance of the Contract in the form of:**
 - (a) Performance bonds of a company registered to conduct the business of a surety in Manitoba, in the forms attached to these Supplemental Conditions (Form H1: Performance Bonds); the first ("Initial Performance Security") for three years in the amount of fifty percent (50%) of the **Total Bid Price, and subsequent performance bonds ("Renewal Performance Security")**. Each such renewal performance security shall be no less than one (1) year in duration and in the amount of fifty percent (50%) of the annual value of the Contract. In addition to the performance bond, the Contractor shall provide an irrevocable Standby Letter of Credit issued by a bank or other financial institution registered to conduct business in Manitoba, in the form attached to these Supplemental Conditions (Form H2: Irrevocable Standby Letter of Credit), in the amount of

fifteen percent (15%) of the annual value of the Contract. Failure by the Contractor to maintain performance security shall constitute a default under this Contract entitling the City to all rights and remedies available to it at law, including the right to draw the full proceeds of the Standby Letter of Credit without notice and any such monies may be used as provided in this Contract in the event of default; or

- (b) an irrevocable Standby Letter of Credit issued by a bank or other financial institution registered to conduct business in Manitoba, in the form attached to these Supplemental Conditions (Form H2: Irrevocable Standby Letter of Credit), in the amount of fifty percent (50%) of the **Total Bid Price of the Contract**; or
- (c) a certified cheque or draft payable to "The City of Winnipeg", drawn on a bank or other financial institution registered to conduct business in Manitoba, in the amount of fifty percent (50%) of the **Total Bid Price of the Contract**.

Revise: D14.2 to read: **If the bid security provided in this Bid Submission was not a certified cheque or draft pursuant to D14.1(c), the Contractor shall provide the City Solicitor with the required Performance Security within thirty (30) Calendar Days of notification of the award of the Contract by way of letter of intent and prior to the commencement of any Work on the Site but in no event later than the date specified in C4 for the return of the executed Contract.**

Add: D14.3: Further to D14.1(a), the renewal of the performance security shall be provided to the City no later than sixty (60) Calendar Days prior to the expiry of the current performance security.

Add: D30: **SUBCONTRACTING**

Add: D30.1: The Contractor shall not, without the prior approval in writing of the Contract Administrator, make a subcontract for the execution of any portion of the Work, except for Subcontractors included in the Contractor's Bid. Any such approval or denial of approval, as the case may be, by the Contract Administrator shall not relieve the Contractor of any liability or obligation under this Contract.

Add: D30.2: The Contractor, with respect to Subcontractors and with respect to Work to be performed under subcontract, shall:

- (a) enter into contracts or written agreements with its Subcontractors to require them to comply with, and to perform their work in complete conformance with and subject to, the terms and conditions of the Contract; and
- (b) be as fully responsible to the City for acts, omissions or defaults of any Subcontractors and of persons directly or indirectly employed or engaged by them as if they were the acts, omissions or defaults of the Contractor.

Replace: Form H1 and Form H2 with Form H1 and Form H2 Revision 1

PART E – SPECIFICATIONS

Revise E8.3 to read: The Contractor shall Process the Recyclables delivered to the MRF into the individual categories of Commodities (**categories 1-12**) and Divertibles (**categories 1-2**) listed in Appendix A.

Add E8.3.1: Further to E8.3, the City acknowledges that the categories in Appendix A are subject to End Market availability and during the course of the Contract, may be altered, combined and/or deleted. For the purposes of evaluating Proponent's Submissions, the Contractor shall submit Proposals that identify all costs associated with the Work necessary to Process the Recyclables as per E8.3.

Revise E21.2 to read: The Contractor will reimburse the City, 100% of revenue generated from the sale of the Commodities, net of shipping costs in accordance with D27. **In the event that the revenue generated is a negative value, the City will compensate the Contractor said amount.**

APPENDICES

Replace: Appendix A (Revision 1) with Appendix A (Revision 2)

Replace: Appendix C (Revision 1) with Appendix C (Revision 2)

QUESTIONS & ANSWERS

City of Winnipeg 767-2017 Request for Proposal Questions and Answers;

- Q1: Section D27.4 indicates that the Contract Administrator's determination is final. Does this remove the ability to appeal a decision as outlined in section C 20 of the RFP? Further to this point, will the City allow a dispute to go to arbitration if necessary or will approval be withheld by default?
- A1: Refer to the Request for Proposal and specifically Addendum 1, D27.4.**
- Q2: Section D28 provides for price adjustments and uses a CPI adjustment as outlined in the section. Will the adjustment of CPI be based on an 11 month change window in CPI or a 12 month change within in CPI?
- A2: The CPI adjustment will be based on a contract year which is equivalent to 12 months. Refer to the Request for Proposal and specifically D28.1.**
- Q3: Section D 28 outlines a 5% CPI cap indicated in subsection 1.1. If the CPI indicated in any year is more than 5% how will the City handle this? For example:
- if CPI was 0 for 1 year and then 10% the next year is the increase limited to only 5%?
 - If CPI is more than 5% negative is this capped at 5%?
 - If electricity and/or diesel cost increase more than the indicated CPI how will the city deal with this?
- A3: Refer to the Request for Proposal and specifically Addendum 1, D28.1.1.**
- Q4: Is a change in CPI over 5% not covered by the City because it is classified as an uncontrollable circumstance section D22?
- A4: Refer to the Request for Proposal and specifically Addendum 1, D28.1.1. There are no further changes to the Request for Proposal.**
- Q5: In section E8.1 the City has repeated this section twice on Page 9 of 13 and also has an E8.1 on page 7 of 13. Please clarify?
- A5: Refer to the Request for Proposal and specifically Addendum 1, E8.14 and E8.15.**
- Q6: The volumes indicated are 68,250 MT/year (65000+3250). However the tonnage indicated in Appendix F (the last full year) 2016 was only 55010 MT this number was down from 2015 at 55,695, a 1% reduction in volume. The Volume in the pricing page is 24% higher than the 2016 actual tonnage. Please explain the difference in tonnage between actual and that on the Pricing page.
- A6: Refer to the Request for Proposal and specifically Addendum 1, E3.1.1.**
- Q7: Can the City provide a year by year growth forecast over the contract period?
- A7: The City makes no guarantee, however Proponents may refer to the 2016 Growth Study as background information; <http://www.winnipeg.ca/finance/2016GrowthStudy.stm>**
- Q8: Can the City provide a minimum guaranteed tonnage?
- A8: No, the City cannot provide a minimum guaranteed tonnage**
- Q9: What is the Extra work to be provided? Is this just the cost of labour for one man hour?
- A9: Refer to the Request for Proposal and specifically E3 and Addendum 1, E15.2.1.**

Q10: Section B16.1 subsection (d) "Qualification of the Proponent" states a minimum requirement of 30,000 tonnes per year, per facility, in tandem with the RFP's overall requirement of experience processing 65,000 tonnes per year. Can the City please clarify; does this mean that the Proponent has to provide a minimum of two facilities experience? Further to this, does it mean that the 30,000 tonnes experience applies to the processing of single stream recyclable? Would 30,000 tonnes of dual stream / multi stream be qualified as "proven experience"?

A10: Refer to the Request for Proposal and specifically Addendum 1, B16.1 (d).

Q11: Would the City allow the Marketing of recyclables function to be subcontracted to a broker / third party as Subcontractors?

A11: Refer to the Request for Proposal and specifically B11, B16.2, B16.3 and Addendum 2, D30.

Q12: Would the Proponent (or Subcontractors) have to demonstrate that they have experience of marketing a minimum of a total of 65,000 tonnes of single stream recyclables per year for the last 5 years?

A12: Yes, refer to the Request for Proposal and specifically B11, B16.2 and B16.3.

Q13: Section B11.2 subsection (h) requires Proponents to provide two current reference projects. Would a dual stream or multi stream facility be qualified? Would these two reference projects have to be a minimum of 30,000 tonnes per year per facility?

A13: Refer to the Request for Proposal and specifically B11.2 and Addendum 1, B16.1(d).

Q14: In reference to section B8.6 can the City please provide examples and clarification as to what would constitute a "creative submission".

A14: There is no standard format, in accordance with B8.6. This is not a requirement and the City is not prepared to provide examples. The clause encourages Proponents to use their creativity to prepare and submit a proposal that best illustrates the strength of their team. Proponents should determine the format and content of their submission considering the requirements of the Request for Proposal.

Q15: As outlined in section B22.1 subsections (a) and (b) of the RFP, what will be the exact criteria used by the City to dictate a "pass" or "fail" of these sections?

A15: Refer to the Request for Proposal and specifically B8, B16.3, D1 and Part E Specifications.

Q16: Are there any specific details that the City requires regarding the construction of the new MRF?

A16: Refer to the Request for Proposal and specifically E5 and E7. Design elements other than those indicated are at the Contractor's preference.

Q17: Is it necessary to have a unionized workforce?

A17: The Request for Proposal has no clauses referencing the requirement of a unionized workforce.

Q18: How long is the contract award after the submission date?

A18: It is anticipated that the award of the Request for Proposal will be approved by Council within 120 days of the Request for Proposal's submission date.

Q19: Are there any other qualifications/certifications (provincially or federally) that the successful Proponent must meet to perform the Work?

A19: Refer to the Request for Proposal and D10.1. The Proponent is responsible for all qualifications/certifications stated in the RFP and any other qualifications/certifications (provincial or federal) not stated in the RFP.

Q20: We would like to understand why FORM B: PRICES, ITEM NO. 1 is based on 65,000 tonnes of recyclables when Appendix F shows that, for the last few years, total recyclables have been around only 55,000 tonnes.

A20: Refer to the Request for Proposal and specifically Addendum 1, E3.1.1.

Q21: Can you explain what you are looking for with regards to original costs and final costs in B11.2(c)?

A21: Proponents should provide the costs associated with the work in the contract when it was originally awarded and the costs associated with the work when the contract expired.

Q22: What certificates are you referring to that may be requested for equipment?

A22: Refer to the Request for Proposal and specifically Addendum 1, E7.3.

Q23: What does the City plan to do with questionable items, e.g. conjoined items?

A23: Refer to the Request for Proposal and specifically Addendum 1, D4.1 (eee) and D4.1 (fff).

Q24: Will there be a formal dispute process if the Contractor feels a certain item was incorrectly classified?

A24: Refer to the Request for Proposal and C20 in the General Conditions for the Supply of Services (Revision 2007 04 12).

Q25: The Contractor is responsible for all risk on receivables for material sales but the City retains 100% of the revenues. The potential conflict arises when the City, who may be primarily driven by price, is at odds with a Contractor's marketing strategy, which will include variable factors along with concerns about security of payment. Could the City please address this concern?

A25: Refer to the Request for Proposal and C20 in the General Conditions for the Supply of Services (Revision 2007 04 12).

Q26: Section B10.1.1 states RST is not to be included and references C11.1.3 which does not appear to be in the document nor on the City's General Terms and Conditions online. As all the machinery and equipment is Tangible Property under Manitoba's RST legislation and is subject to the tax, is this reference incorrect or does the City believe the equipment is tax exempt?

A26: Refer to the Request for Proposal and C11.1.3 in the General Conditions for the Supply of Services (Revision 2007 04 12). The taxes applicable to any equipment utilized by the Contractor to perform the Work, are the responsibility of the Contractor. As per clause B10.1.1, prices on Form B: Prices shall not include GST or MRST. The taxes only apply to the services being purchased under the contract.

Q27: Supplemental Conditions Clause D14.1 (a) does not specify that the bond is to be in the amount of 50% of the annual contract price. In order to assess the risk, the surety provider must be advised of what term the bond is to cover, which cannot be for the length of the contract. Performance bonds in this industry are typically renewable annually and the bond amount is based on the annual contract value. Please confirm.

A27: Refer to the Request for Proposal and specifically Addendum 2, D14.1.

Q28: Will the City accept the Surety Association of Canada's standard renewable multi-year performance bond, which is a standard legal document used commonly in this industry?

A28: Refer to the Request for Proposal and specifically Addendum 2, D14.1, D14.2 and D14.3.

Q29: The definition of "Contract Price" as defined in General Conditions does not specify what length of time the Contract Price applies to (e.g. one year, 5 years, one month, one unit of work, etc.). This term is used throughout the RFP and as such, can the City please provide clarification?

A29: The term is referring to the dollar amount for the Work which may change during the contract period.

Q30: The requirement of quality in the market for recyclables is changing due to China's "National Sword". Quality requirements could become much tighter than indicated in Appendix A of the City's RFP. If end markets require a stricter quality in the future than the minimum thresholds indicated in Appendix A, would this be considered an "increase in the work" as per section E10.1 of the City's RFP, and will it result in an increase in pricing?

A30: Refer to the Request for Proposal and specifically Addendum 1, E10.1.

Q31: As per Appendix A, Divertibles, Scrap metal, the City has included aerosol cans and propane tanks as examples. Would the City provide clearer direction on these hazardous items?

A31: Refer to the Request for Proposal and specifically Addendum 1, Appendix A (Revision 2), and Appendix G (Revision 1).

Q32: As per Appendix A, Divertibles, Large Rigid Plastics: The City is indicating that large Bulky Rigid Plastics, some with metal fittings, like lawn furniture and pails will be included in the material delivered to the MRF and will not be considered contamination. Can the City provide a size limit and a weight limit for these materials?

A32: No, the City is unable to provide a size and weight limit for these materials.

Q33: As per Appendix A, Polycoat / TetraPak: it appears the product description and the ISRI specification conflict with each other. Please clarify.

A33: Refer to the Request for Proposal and specifically Addendum 1, Appendix A (Revision 2).

Q34: As per Appendix A, Mixed Ridged plastic. In the description of this material the City indicates that the material will come from the City's recycling program "or other public or private recycling programs". What are the details of these other programs? What Volume and what composition of materials will these other programs provide? Why are these other programs and materials not addressed anywhere else in the RFP documents? Does this material only represent extra mixed plastic, with no paper or glass? And therefore there should be separate pricing? Please clarify.

A34: Refer to the Request for Proposal and specifically C7 in the General Conditions for the Supply of Services (Revision 2007 04 12) and Addendum 1, E3.5 and Appendix A (Revision 2).

Q35: As per Appendix A, Mixed Rigid plastics, the description overlaps that of Bulky Rigid Plastics which are Divertible. Would the City clarify/specify the difference in size between Mixed Rigid Plastic and Bulky Rigid Plastics? Can the City also define how small the items that must be captured are?

A35: Refer to the Request for Proposal and specifically Addendum 1, Appendix A (Revision 2), Note #1.

Q36: As per Appendix E, Annual Performance adjustment, there is no allowance for starting and finishing inventory outlined in the Appendix how will the starting inventory and ending inventory be managed?

A36: Refer to the Request for Proposal and specifically Addendum 1, Appendix D (Revision 1).

Q37: As per Appendix A, Aluminum Foil and trays is included in Divertible scrap metal, and also in Contamination as Aluminum Foil and plates. Please clarify?

A37: Refer to the Request for Proposal and specifically Addendum 1, Appendix A (Revision 2).

Q38: Has the City addressed composite material packages and over compacted material?

A38: Refer to the Request for Proposal and specifically Addendum 1, D4.1(eee), D4.1(fff) and Addendum 2, Appendix C (Revision 2).

Q39: There is a category of Commodities referred to in the City's RFP as "Combined or nested Commodities" in Appendix A "Composition of Recyclables." There is no market / no buyer for Combined or nested Commodities. Would the City please reclassify these materials as Contamination?

A39: Refer to the Request for Proposal and specifically Addendum 1, D4.1(eee) and Addendum 2, Appendix C (Revision 2).

Q40: In the future, if there are no markets to Market the Commodity, who is responsible to move the material?

A40: Refer to the Request for Proposal and specifically E20.1 and Addendum 2, E21.2.

Q41: If the City increases the tipping fee at Brady or designates a different facility with a higher tipping fee. Will the City cover the increased tipping cost to the contractor?

A41: Refer to the Request for Proposal and specifically Addendum 1, E11.2.

Q42: If the City requires tipping at a facility other than Brady Landfill will the City cover the increase cost of shipping to that facility or define or limit the distance to other facilities?

A42: Refer to the Request for Proposal and specifically Addendum 1, E11.2.

Q43: Section E6.3 requires the MRF to be open for receiving for regular collection hours but also that special arrangements will be made for the depot material? Please clarify what these special arrangements entail?

A43: Special arrangements are distinct provisions proposed by the Contractor and agreed to by the Contract Administrator that allows for the performance of the contract, specific to the receipt of Recyclables that assists the Contractor in mitigating operational expenses. Refer to the Request for Proposal and specifically E6.1, E6.2, and E6.3.

Q44: This allows the Contract administrator to extend hours of receiving. How much notice will the Contract Administrator provide the Contractor so that arrangements can be made with staff. How late could the Contract Administrator potentially require to MRF to stay open until?

A44: Refer to the Request for Proposal and specifically Addendum 1, E6.3.

Q45: For design and construction of the plant, are we to use the quality standards in Appendix A as the requirement of the work?

- A45: The design and construction of the facility are the responsibility of the Contractor and must be sufficient to meet the requirements of the Contract. Refer to the Request for Proposal and Addendum 1, E8.3 and Addendum 2, E8.3.1.**
- Q46: E5.13 this section mandates the site be enclosed by highest possible fence allowed for under the Appropriate by law(s). Please indicate which bylaw the City is referring to?
- A46: The Contractor is responsible to determine the applicable by-laws. Refer to the Request for Proposal and E5.2.**
- Q47: In relation to section E 9.3 please provide the percentage of inbound material that is bagged in the defined bags and therefore part of the work? Would exceeding the amount indicated by the City result in a change in scope of work?
- A47: Refer to the Request for Proposal and specifically E9.1, E9.2 and Addendum 1, Appendix G (Revision1).**
- Q48: Section D19.9 requires puncture proof gloves that are puncture resistant rated. Would the City define the level of cut and puncture resistance in the gloves that is required. Many manufacturers do not guarantee puncture proof.
- A48: Refer to the Request for Proposal and specifically Addendum 1, D19.9(a).**
- Q49: The current collection contract specified that compaction ratio cannot be more than 200 kg/m³. For received material, please provide a compaction rate guarantee in the processing contract.
- A49: The City is unable to provide a guarantee.**
- Q50: What are the locations residue can be delivered into so that transportation costs can be understood? Based on City landfill and gate rates being charged for residual and glass, can you provide insight into future posted gate rate fees at acceptable landfills in Winnipeg for costing purposes over the 10 year term?
- A50: Refer to the Request for Proposal and specifically Addendum 1, E11.2. The administration fee of \$10 per metric tonne of Glass delivered to the Brady Road Resource Management Facility is a set fee for the entire contract.**
- Q51: In section E8.8 the City is placing financial responsibility for clean-up of oil and other spills from the collection trucks on the MRF contractor, therefore placing no liability/responsibility on the collection contractors. The MRF does not control quality or the condition of the collection trucks. How can the frequency and cost of Cleaning up spills from the collection trucks?
- Would the City consider making the Collection Contractor financially responsible for spills from their trucks? Therefore providing a method by which the MRF contractor can be compensated for the clean-up?
- A51: Refer to the Request for Proposal and specifically E8.8 and E8.9. The Request for Proposals does not remove the financial responsibility from the offending party for the clean-up of oil and other spills from Collection Vehicles. It is the Contractor's responsibility to seek financial compensation from the offending party.**
- Q52: Is the Contractor required to recover PET Bottles separately from Thermoform PET or can they be mixed? Is the Contractor required to recover Clear HDPE separately from Coloured HDPE or can they be mixed?
- A52: Refer to the Request for Proposal and specifically Addendum 1, E8.3 and Addendum 2, E8.3.1.**
- Q53: Can you please confirm when the cart based collection system was put in place? Did the City see an increase in contamination upon implementation? Does the City expect contamination to increase?
- A53: Curbside recycling collection using 240 litre automated carts was initiated in 2012. Program contamination prior to the implementation of cart collection was below 9%. The City will not provide information on expected contamination rates in the future.**
- Q54: Would the City consider including a clause concerning changing inbound composition? With a contract term of ten (10) years, plus potential extensions, as it is highly likely that packaging will change, potentially having an impact on processing of recyclable materials.
- A54: Refer to the Request for Proposal and specifically Addendum 1, E10.1.**
- Q55: Do City operated drop-off sites have any preventative measures to ensure the lowest possible contamination rates, e.g. grates on top of bins?

A55: The collection containers at the Community Drop-Off Depots are equipped with locking lids and small portals which restrict the size of material residents can deposit into the containers.

Q56: The City of Winnipeg has the sole authority to accept material from other recycling programs. Is it possible for this to be a collaborative process which is agreed to by both parties?

A56: There will be no change to the Request for Proposal.

Q57: Clause E8.7 – The maximum delivery time of thirty (30) minutes is acceptable, provided that Collection Vehicles do not surge the facility. Would a surge of trucks be considered something that is outside of the Contractors control as determined by the Contract Administrator?

A57: The arrival of numerous Collection Vehicles within a short time frame causing the Contractor not to meet the requirements of E8.7 would be considered circumstances beyond the control of the Contractor and would not be subject to Liquidated Damages as per D16.6.

Q58: According to this clause E9.2.2 there is allowance for contamination exceeding twenty (20) percent, how high does the City envision the contamination rate to go?

A58: The City is unable to provide this information.

Q59: Clause E5.6 specifies that the Contractor should design the system to accommodate four potential additional materials during anytime of the contract term. How will the City compensate the Contractor for these additional added items?

A59: Refer to the Request for Proposal and specifically Addendum 1, E10.1.

Q60: Clause E22.3 states that the Contractor will compensate the City of Winnipeg an administrative fee of \$25 per tonne of single stream material from sources other than the City of Winnipeg programs. Is this fee applicable to all additional tonnes or just additional residential tonnes? How does this clause relate to Clause E3.5?

A60: Refer to the Request for Proposal and specifically Addendum 1, E3.5. E3.5 and E22.3 are unique provisions.

Q61: Specifications Clause E22.3 requires the Contractor pay a \$25/tonne administrative fee (i.e. host fee) to the City. We request that the City remove this high host fee so as to not disadvantage smaller neighbouring communities.

A61: There will be no change to the Request for Proposal.

Q62: Is material temporary stored in roll-off containers along the perimeter of the facility be acceptable? For example ferrous metals / tin cans placed into a roll-off container outdoor be acceptable?

A62: Refer to the Request for Proposal and specifically E5.11 and D16.9. There will be no change to the Request for Proposal.

Q63: What happens if commodity plus transportation values fall below \$0? Will the City pay in order to move the commodities?

A63: Refer to the Request for Proposal and specifically Addendum 2, E21.2.