



## **CCCSWA COLLECTION RFP**

### **ADDENDUM #2**

**DECEMBER 20, 2024**

#### **UPDATED COST FORMS**

Please use the updated cost forms provided with this Addendum #2 on December 20, 2024 to prepare your cost proposal. The forms are posted to the Collection RFP webpage and linked below.

- [Base Proposal Cost Forms](#)
- [Alternative Bid Cost Forms](#)

#### **FORM OF PERFORMANCE BOND**

The CCCSWA is providing the general form of the performance bond that it expects the Collection contractor to provide within 7 days after award of the Franchise Agreement for Collection Services.

- [Form of Performance Bond \(Word\)](#)

#### **AB 1669 INFORMATION / HIRING DISPLACED EMPLOYEES**

Please see the linked information from Republic regarding its employees for purposes of AB 1669. To clarify the Authority's response to Addendum #1 Question #11, the requirements of Article 8.11.G do not apply to executive, administrative, or professional employees exempt from the payment of overtime compensation within the meaning of subdivision (a) of Labor Code Section 515 or any person who is not an "employee" as defined under Section 2(3) of the National Labor Relations Act (29 U.S.C. Sec. 152(3)). To correct information presented by the Authority at the pre-bid meeting, AB 1669 applies to all qualifying employees, regardless if they are represented by a union.

In the file, "bid" refers to a collection driver who is permanently assigned to a route, as opposed to a pool driver or relief driver. "CShop" = container shop and "TShop" = truck shop. "CSR" = Customer Service Representative.

- [AB 1669 Response – Potential Displaced Employees \(PDF\)](#)

## **TICE CREEK / CASTILE HILL ROAD BRIDGE**

The bridge has been reinforced and can now take additional weight. See the link below for details:

- [Castle Hill Road Bridge, Walnut Creek \(PDF\) REVISED 12/4/2024, Restrictions Removed](#)

## **UPDATED INFORMATION**

The following information has been updated on the CCCSWA Collection RFP webpage since Addendum #1 was posted on 11/21/24.

- [Background Information \(Excel\) – REVISED 12/16/2024](#)
- [2024 Route Monitoring Report \(PDF\) – REVISED 12/16/2024](#)
- [Route Monitoring Protocol \(PDF\) – REVISED 12/16/2024](#)

## **ANSWERS TO PROPOSER QUESTIONS**

The Authority's responses are provided in blue.

- 1) ***Section 5.4.5 of the RFP asks for a copy of proposers' CBA. However, our company's CBAs are proprietary and confidential. During the Post-Collection RFP, the Authority allowed proposers to provide summary information on their CBAs, with the understanding that, if awarded the agreement, they would need to provide a copy of the CBA. Would the Authority be willing to follow a similar process in the Collection RFP?***

The Authority fundamentally disagrees with the characterization of CBAs as proprietary and confidential. They are essential records to demonstrate the basis for rate adjustments and to ensure the contractor's compliance with the terms of the Collection Agreement. The Authority has routinely obtained these records from current and prior contractors going back to the inception of the Authority. The Authority does not and will not agree to the confidentiality of these records as they are essential to providing transparency to the public about the appropriateness of rates and the accuracy of their adjustments from year to year. In particular, because the draft collection agreement provides for cost-based contractor compensation adjustments every four years, and for CBA labor increases as a pass-through in all years, the Authority needs copies of the CBAs in order to verify the amount of the CBA labor increases.

Section 5.4.5 of the RFP states: "If services will be provided under an extension or renewal of an existing labor agreement, proposer must provide a copy of the full agreement including all amendments, extensions, and/or renewals. If new labor agreement(s) will be negotiated prior to the commencement of the new Franchise Agreement, proposer must provide a memorandum of understanding between the labor organization and company outlining the terms and conditions of the agreement, wage rates, employee benefits, and work rules. Pursuant to the requirements of Section 3.3 of the RFP, identify if, and how, the proposed plans, wages,

benefits, and/or work rules differ from the labor agreements in place for employees currently serving the Authority and employed by Republic.”

You may provide a summary of your CBA or MOU with your proposal. The summary must, at a minimum, match the wage and benefits information provided in your cost proposal, state the term (years) of the CBA/MOU, and provide information on negotiated increases in wages and benefits during the term of the CBA/MOU. If your company is selected to take part in negotiations with the Authority, you will be required to provide the Authority with a complete copy of your CBA or MOU at that time. The CBA or MOU will be attached as an exhibit to the final Franchise Agreement.

- 2) ***"In addition, the Authority is not soliciting proposals for the collection of bulky items or reuse and cleanup day services through this Request for Proposals (RFP)." Does this mean that all bulky (large-item) collection programs will not be serviced by the Collections Contractor as part of this RFP?***

Yes.

***If so, will customers need to call the Collection Contractor's customer service or a different entity for scheduling bulky collection requests?***

The collection of bulky items, reusable items, clean-up day materials, electronics, holiday trees, and illegally dumped materials will be handled under a separate service agreement (the “Reuse Services” agreement) than the other collection services requested in this RFP. The Reuse Services agreement is still under development. Collection of bulky items will be performed by the Reuse contractor and may occur on scheduled neighborhood reuse and clean-up days and/or on-call. It is possible that customers will contact the Reuse contractor directly to schedule on-call Reuse requests. A website and/or phone app not managed by the collection contractor may be the primary method of scheduling on-call Reuse services. The collection contractor may be required to route Reuse service calls (via a “phone tree” or another method) to the Reuse contractor. The collection contractor may be required to take Reuse service requests and forward them to the Reuse contractor as work orders.

The Authority does not anticipate any of these arrangements adding additional costs to the collection proposer and, to the extent there are any increases in costs, such increases should be minimal and readily absorbed by the proposer’s customer call center and within call center performance metrics. To the extent that a proposer believes any such cost to exceed the proposer’s base service parameters, proposers are directed to 1) describe such assumptions around any increased workload in the technical proposal, and 2) include the costs as an optional alternative in the Alt proposal cost forms in a single column.

***If a separate contractor will be conducting bulky item collection services, what level of coordination and route synchronization will be expected between the collections Contractor and the bulky item contractor?***

No route synchronization or coordination between the collection contractor and the Reuse contractor is expected. Collection of bulky items and other materials by the Reuse contractor

does not have to take place on the same day as regular curbside collection performed by the collection contractor. The Reuse Contractor will be performing both the Reuse Days and the Cleanup days, unlike the current arrangement in which there are separate contractors for those two services.

- 3) *If the Collection Contractor is not providing bulky item service, but rather provided by a separate contractor, who will be responsible for the billing of such service(s) as part of the total customer rate?***

Most Reuse Services (including bulky items, reuse and cleanup days, holiday trees, electronics, and illegally dumped materials) will be provided to subscribers at no additional charge. The cost of the “at no additional charge” Reuse Services will be built into subscriber rates, just as the current Reuse program is now: The Authority will include the annual cost of the Reuse program in the subscriber rates, the collection contractor will collect the rate revenue, and remit the revenue needed to fund the reuse program to the Authority as part of the Authority Reimbursement, and the Authority will pay the Reuse Services contractor. The collection contractor may be asked to bill subscribers “ala carte” for Reuse Services that are in excess of the “at no additional charge” Reuse Services, and remit payment to the Authority or the Reuse Services contractor for those additional Reuse Services, but requests for those additional services are expected to be very uncommon.

The Authority does not anticipate any of these arrangements adding additional costs to the collection proposer and, to the extent there are any increases in costs, such increases should be minimal and readily absorbed by the proposer’s customer call center and billing department. To the extent that a proposer believes any such cost to exceed the proposer’s base service parameters, proposers are directed to 1) describe such assumptions around any increased workload in the technical proposal, and 2) include the costs as an optional alternative in the Alt proposal cost forms in a single column.

- 4) *How are all post-collections related costs going to be factored into the customer-facing bills? Is it the responsibility of the Collection Contractor to remit post-collection revenues from customers to the post-collection contractors or to the Authority? Please further explain the billing and remittance process for post-collection services.***

The Authority will include the annual cost of the post-collection services in the subscriber rates, the Collection contractor will collect the rate revenue, and remit the revenue needed to fund the post-collection services to the Authority as part of the Authority Reimbursement, and the Authority will pay the post-collection contractors. This is the same way that Reuse Services will be billed and funded, as explained in #3 above. This is the same method currently used to compensate Mt. Diablo Resource Recovery for recyclables processing and Reuse Day services.

- 5) *In the Base Cost Proposal Forms, Form 6 the "gross profit ratio" cell is left blank. Does the Authority expect the bidder to propose the gross profit ratio as part of their bid submission, or should proposers be using a specific percentage?***

Proposers must propose their requested operating ratio. Please use the blank, yellow-shaded cell D76 of Form 6A of the Base Proposal Cost Forms to propose your operating ratio. The proposed operating ratio will be calculated on the total cost of operations, exclusive of pass-through costs. The proposed operating ratios are an important point of competition, will be a consideration when the proposals are being compared and evaluated, and will be shared with the Vendor Selection Ad Hoc Committee and the Authority's Board of Directors as part of the selection process.

- 6) ***Draft Collection Franchise Agreement, Article 10.5: Adjustment of Maximum Rates for Changes in Scope. It is our understanding that the existing franchise agreement allows for an 87% operating ratio. Will the Authority please explain why this has been changed to a 90% operating ratio in the new draft agreement?***

See the answer to #5 above. The 90% operating ratio in the Article 10.5 of the draft agreement is a placeholder. If the proposer is proposing an operating ratio different from 90%, as reflected in the proposer's cost forms, please indicate this with tracked changes in the draft agreement. This edit will not be considered an exception.

- 7) ***CCCSWA-RFP\_Cost-Forms\_Issued-with-RFP\_10.25.24***

***Capital tab, Column J – Average price. The formula considers Year 1 depreciation and divides by the total number of vehicles to get the average price, however the average price of the vehicle should be calculated as Year 1 depreciation divided by total number of vehicles times the term of the agreement.***

It appears this question arises from an old set of cost forms. Please utilize the current Base Proposal Cost Forms provided with this Addendum #2. The updated forms specify that Column I of Form 4 is not intended to capture Rate Year 1 costs and is instead intended to capture total costs. Similarly, Column J on the updated Form 4 calculates the average price of the vehicles, not Year 1 of depreciation. The formula is correct.

***Labor tab – Cell Linking. Row D14 is linked to cell K12 on the Op\_Statistics tab, however, should be linked to L11 (Front Load Service Commercial Food Scraps (6B))***

It appears this question arises from an old set of cost forms. Please utilize the current Base Proposal Cost Forms provided with this Addendum #2. The updated forms correct the link from Form 2 cell L11 to Form 3 cell D14.

- 8) ***Will the Authority please confirm the information provided at the pre-bid conference that a bidder will be disqualified if their submitted cost forms do not maintain financial formulas?***

There was no statement made at the pre-proposal meeting about any proposals being disqualified as a result of clearing formulas from cells in the cost forms that are not yellow (where yellow cells are the only places proposers are asked to provide data). The request was

made that all formulas that are in the template document remain intact and unchanged, unless otherwise directed by the Authority, and that proposers were free to clear any formulas that are in yellow cells (proposer data) prior to submittal.

Cost forms that do not contain the original formulas will not be evaluated as the Authority cannot rely on the integrity of the data. If forms do not contain the original formulas, the proposer may be asked to re-submit their cost forms with the formulas intact in a manner that is otherwise identical to the proposer's original submission. If that is not done timely to accommodate the evaluation process or if the proposer refuses to do so, they may be disqualified based on our inability to evaluate their cost proposal.

- 9) ***Draft Collection Franchise Agreement, Exhibit E1, Article 2.A.1.a: "No adjustment shall be made to the number of personnel or hours presented in Exhibit G, except where demonstrated to the satisfaction of the Executive Director based on growth in service demand at comparable productivity to Contractor's Proposal." How often may the Collection Contractor make such request to the Authority? If these changes are material, would this be considered a change of scope or alternative mechanism eligible for the extraordinary rate adjustment methodology included in the draft agreement? What is the objective basis in which the Executive Director will be satisfied in the demonstration of growth by the Contractor to support adjustments to the number of personnel or hours?***

Requests for growth in service demand are permitted during the cost-based rate adjustment years, which occur every four years, and are specifically permitted through the mechanics described in Article 10 and Exhibit E2. The Executive Director will assess customer demand (changes in subscription levels) and the productivity of routes (lifts per hour, pulls per day, etc.) compared to the contractor's initial proposal. Growth will be included in rate adjustments when the contractor can demonstrate to the Executive Director's satisfaction that: 1) there has been sufficient growth to justify a new route rather than additional overtime, assuming Contractor's proposed productivity; and, 2) that the Contractor's routes are still as productive as their initial proposal.

- 10) ***What does the Authority estimate to be the additional travel time and route hours of delivering materials to the MDRR transfer station comparative to the transfer station facility utilized in the current agreement?***

The selected collection contractor must deliver all of the Authority's materials to MDRR's transfer station and MRF at 1300 Loveridge Rd in Pittsburg, except for source separated commercial food scraps which the selected collection contractor must deliver to Republic's transfer station at 951 Waterbird Way in Martinez. Proposers should conduct their own due diligence to determine all travel time and route hours necessary to perform the scope of services, given the location of the Authority's service area, the Authority's Designated Transfer Facility (1300 Loveridge Rd.), the Authority's Designated Recyclable Materials Processing Facility (1300 Loveridge Rd.), the Authority's Designated Commercial Food Scraps Pre-processing Facility (951 Waterbird Way) and the location of the proposer's maintenance yard(s).



**11) *Is the proposal evaluation criteria included in the RFP listed by priority or rather listed in no particular order of priority?***

The evaluation criteria in RFP Section 6.2 are listed in no particular order of priority.

The Authority obtained input on customer priorities using two surveys which are available on the Collection RFP webpage:

- [RecycleSmart Website Survey](#)
- [Commercial and Multifamily \(PDF\)](#)

**12) *Will the Authority please confirm the information provided at the pre-bid conference that there is no evaluation point reduction for a bidder to take exceptions to terms + conditions of the draft franchise agreement?***

Section 5.9 of the collection RFP explains the Authority's expectation that the draft collection agreement will be executed by the selected collection contractor in substantially the same form as presented. Any exceptions to the draft collection agreement will be given significant consideration in the evaluation process, and the Authority will assess both the number of, and the nature of all exceptions. This explanation in the RFP supersedes anything a proposer may have understood to the contrary at the pre-proposal meeting.

There was no information provided at the pre-proposal meeting regarding evaluation points or evaluation point reductions related to taking exception to the terms and conditions of the draft agreement. The Authority will evaluate proposals in accordance with the criteria outlined in the RFP. Exceptions to the terms and conditions of the draft agreement will help inform whether a proposer is short-listed or otherwise invited to negotiate with the Authority as the materiality of exceptions will signal whether negotiations are likely to be fruitful.

Additionally, the Authority wishes to reiterate that proposers' cost proposals must assume no exceptions are being taken to the draft agreement. Proposers are required to quantify the value of any exceptions taken by attributing a Year 1 dollar value if the Authority were to agree to the proposed exception. Please provide the dollar value in the Word document with the exception. Also, as was mentioned at the pre-proposal meeting, proposers are encouraged to clearly indicate whether a comment or redline is 1) an exception, 2) a question, or 3) a request for clarification. Without these categories, the Authority will assume the comment or redline is an exception unless otherwise denoted. The Authority will only negotiate exceptions and will take questions and clarifications under advisement.

**13) *Section 5.5.8 of the RFP notes that the collection contractor will be responsible for paying for additional processing and disposal costs for loads of recycling that exceed 25% contamination, and for loads of organics exceeding 10% contamination. Can the Authority clarify:***

**a. *What is the current contamination levels of the Authority's material?***

Based on reported residue from the MRF and compost facility, the approximate residue rates after processing/composting are currently 25% for recyclables and 5% for commingled organics. Please note our draft collection agreement differentiates between inbound contamination and outbound residue.

Our most recent route audits 2024 Route Monitoring Report (PDF) – REVISED 12/16/2024 (see Table 8) observed average contamination of 11.5% in recycling carts and 3.5% in commingled organics carts.

**b. *How often does a given load of recycling or compost exceed the respective 25% or 10% thresholds?***

The Authority does not have this information. However, there have been no reports to the Authority of rejected loads in at least three years.

**c. *What methodology will MDRR's spotters use to identify the contamination levels? I.e., will it be visual, by weight or volume, and will images be taken?***

The final methodology will be mutually agreed upon by the Authority, MDRR, and the selected collection contractor prior to the commencement date. The Authority anticipates that the percentage will be determined by visual estimation, and that images will be taken. Please refer to CCCSWA & Mt. Diablo Paper Stock, Inc. for Recyclable Materials Processing Services and CCCSWA & Contra Costa Waste Service, Inc. for Solid Waste Transfer & Commingled Organics Transfer and Transport Services. The articles addressing this issue include, but are not limited to, Articles 5.1.B, 5.2, and 8.5. Note the difference between Unpermitted / Excluded Waste and other forms of contamination.

**d. *What are the anticipated “additional processing and disposal” costs for each respective material type?***

For recyclable materials, please refer to CCCSWA & Mt. Diablo Paper Stock, Inc. for Recyclable Materials Processing Services. The articles addressing this issue include, but are not limited to, Articles 5.2.D and 7.3.A.2. Note that the initial Disposal Tipping fee is \$48.03 per ton. This is in 2024 dollars and will be increased by CPI to the commencement date of March 1, 2027.

For commingled organics, please refer to CCCSWA & Contra Costa Waste Service, Inc. for Solid Waste Transfer & Commingled Organics Transfer and Transport Services. The article addressing this issue includes, but is not limited to, 5.1.B.

**14) *Section 5.5.10 of the RFP asks for details on proposers' customer service office. Will the Authority give preference to a call center located in the Bay Area, rather than a remote call center in another state?***



A call center located within 30 miles of the Authority's service area is required. Section 5.5.10 of the RFP states: "The Authority requires that proposers locate CSRs in or near (within 30 miles) of the Authority service area. Contractor's Base Proposal should assume a local call center. You may submit a lower-cost Alternative Bid for a more remote call center."

**15) *We understand the Authority does not want contractors to dispute any misses reported by customers. However, we also understand that any miss reported by a customer should be automatically credited. How does the Authority intend to balance this?***

Please refer to the Draft Franchise Agreement (Word). The articles addressing this issue include, but are not limited to, the following:

Article 7.11.B of the draft agreement states: "Contractor deviations from the "Customer is always right" approach may be granted on a Customer-by-Customer basis, based on demonstrated individual Customer abuse of policy wherein the Contractor is able to provide evidence to the Executive Director of a history of such policy misuse by that Customer."

Article 7.3.K.3 states: "If the Contractor can document to the Authority's satisfaction that a Subscriber is repeatedly reporting false Missed Containers, the Authority may, at the Contractor's request, allow the Contractor to cease providing credits for Missed Containers to that Subscriber for up to twelve (12) months."

Per Article 7.11.B.2, the collection contractor shall return and collect admitted late set-outs at no additional cost to the customer, at least 3 times per customer per year. In the case of an admitted late set out, the contractor would not owe the customer a credit. It would be acceptable for the contractor to ask a customer reporting a missed pick-up if it was set out late, and inform the customer that that the contractor will return and collect it regardless. If the customer admits that they set out late, then the contractor would return and collect the materials, but would not owe the customer a credit.

**16) *Can the authority provide a list of Hard-to-Serve residential accounts by service area and container size?***

***Can the Authority provide a list of residential accounts by service area and container size?***

The Background Information (Excel) already provides a single-family cart count by Member Agency and container size, and the number of single-family lifts per day by route.

In response to this question, Authority has asked Republic for a list of single-family accounts by service area and container size. The Authority asked Republic to provide this list by January 3, 2025. Provided that the Authority receives the requested list from Republic by January 3, the Authority will provide this list to potential proposers, via our RFP webpage with email notification, no later than January 8, 2025.

The list of single-family accounts will indicate which customers are currently receiving on-property (sideyard or backyard) service and which of those customers are receiving on-property service at no additional charge due to disability.

The list of customers with “on-property service” is different from the list of customers paying “hard-to-serve” rates, which is also different from the list of customers served by the smaller Burro trucks on “hard-to-serve routes.” All three categories will be indicated in the requested single-family account list.

The requested list of single-family accounts will indicate which customers are paying the hard-to-serve rates. Only approximately 30% of the customers on the Burro (small truck / hard-to-serve) routes are paying the hard-to-serve rates. In Moraga, Walnut Creek and County (Tassajara) there is no difference between the hard-to-serve rates and regular rates.(See [RY7 Rate Sheets Attachment A - Excel 12.31.2020 \(002\).xls](#) ) The Authority does not intend to increase the number of customers paying hard-to-serve rates in the foreseeable future and will not accept requests from proposers to increase the number of customers paying hard-to-serve rates.

Proposers are asked to propose costs, not rates. The proposers’ cost forms will be used to calculate the proposers’ revenue requirement for Rate Year 1. Once the collection agreement has been awarded, the Authority will then utilize the most current subscription levels to calculate rates intended to generate the selected contractor’s revenue requirement for Rate Year 1, plus the other components of the rates that are not compensation to the selected collection contractor (such as compensation to the Reuse contractor, compensation to the post-collection contractors, member agency fees, Authority administration costs, etc.).

While the number of customers paying hard-to-serve rates is not useful in determining costs, the number of customers currently on hard-to-serve Burro routes may be useful. The current number of lifts on Burro routes is provided in [Background Information \(Excel\)](#). The requested list of single-family accounts will also indicate which specific service locations are located on the Burro routes. Proposers should perform their own due diligence regarding which customers are actually hard-to-serve and therefore require Burro trucks or other uncommon collection methods and should include in their cost proposals the resources necessary to provide service to those customers. The Authority cannot guarantee the accuracy of data provided by Republic.

**17) Background\_information-version file, Commercial MFD Account Data:**

- [Background Information \(Excel\)](#)

*The tab lists service frequency as 0 for some of the accounts, what does that mean?*

The Authority has asked Republic this question and will respond no later than January 8, 2025.

**18) *Article 5.7.B of the draft Agreement states: “Public Space Containers. Member Agencies shall be responsible for maintaining public Solid Waste, Recyclable Materials, and Commingled Organics containers listed in Exhibit B-4 that the Contractor services at no***

*cost to the Member Agencies.” On page 11 of the Service Tables it states: “Public Litter Containers. Containers provided by member agency. Service and maintenance provided by contractor. Services provided at no charge to member agency.” What service and maintenance of public space / public litter containers is the collection contractor expected to provide?*

Public space containers are located on sidewalks, at bus stops, and in other public spaces to prevent litter and collect solid waste, recyclable materials, and commingled organics. The inventory of public space containers for each member agency that the collection contractor is required to service is provided here: [Background Information \(Excel\)](#) –REVISED 12/16/2024.

The collection contractor will empty each public space container once per week unless otherwise specified in the Background Information. There is a required Alternative Bid to provide additional weekend collection of those public space containers identified in the Background Information as being located in “downtown” areas. The collection contractor will perform as-needed maintenance and repair of the containers including, but not limited to the following: Replacement of liners, lids, and inserts, replacement of broken or lost locks, graffiti removal, and painting. The collection contractor will only perform maintenance and repair of those specified public area containers that it provides collection service to.

Note that the collection contractor is not required to perform any collection or maintenance related to public space containers located in the City of Walnut Creek.

**19) Request for Proposal, Page 11, 3.7. Notable Local Conditions:**

*“Rossmoor has a variety of collection service arrangements including single-family cart service, multi-family cart service, multi-family and commercial bin service, and drop box service.”*

*As mentioned in the RFP, Rossmoor has single-family cart service, multi-family cart service, multi-family and commercial bin service, and drop box service, but the excel file “Background- Information-Version” lists Rossmoor account addresses in the Commercial MFD Account Data tab under the account type multi-family. Can you please confirm if all Rossmoor accounts are Multi-family?*

There are 100+ homes in Rossmoor that receive single-family style individual cart service. The Authority has asked Republic if those homes were included in their Commercial MFD list or will be included in the requested single-family account list. We will provide this information no later than January 8, 2025.

**20) Section 3.7 of the RFP states that “Rossmoor contains numerous short dead-end streets (“entries”) which often require that a collection vehicle back in or out.” Addendum #1 describes the Rossmoor “Entries” as “entrances to multi-family dwellings, often with long, narrow driving lanes and resident parking on the first floor of the buildings.” How many “entries” are there in Rossmoor?**

Lisa Lankford, Rossmoor's Landscape Coordinator and point of contact for all of Rossmoor's solid waste/recycling/organics services, estimates that there are 263 entries. Proposers should perform their own due diligence. To gain access to Rossmoor, please contact Lisa at [llankford@rossmoor.com](mailto:llankford@rossmoor.com). Note that entries are shorter than a typical street and longer than a typical driveway.