

**CCCSWA COLLECTION RFP
ADDENDUM #5
JANUARY 22, 2025**

DIRECTION TO COMPLETE THE COST FORMS IN 2025 DOLLARS

This Addendum is being issued to:

- 1) Reiterate the Authority’s direction for proposers to complete the Cost Forms (Base and Alt) in 2025 dollars and not to inflate costs to bring them to any future year’s dollars.
- 2) Point proposers to the Section 10.3 of the draft collection agreement that already provides a mechanic to adjust proposer’s costs prior to the service commencement date. While the mechanic is a single adjustment, it covers a 24-month period, as shown in Table 2 below.
- 3) Table 2 was provided in Addendum #1, where proposers were directed to “...add Table 2, below, to the Collection Agreement, Article 10.2.C, on page 66, beneath Table 1.”

To illustrate, below is a truncated Table 1 from Section 10.2 the draft collection agreement. Proposer’s 2025 costs will be adjusted for Rate Year 1 using the Multi-Index Rate Adjustment methodology. The period reviewed to determine the Annual Percentage Change is shown in Table 2 and covers a 24-month period.

Table 1: Application Schedule and Methodology					
Rate Year	Methodology	Period Reviewed	Application Submittal	Complete Review	Effective Date
Year 1 (2027)	Multi-Index	See Table 2	Sept. 1, 2026	Oct. 1, 2026	Mar. 1, 2027

Table 2: Annual Percentage Change Timeframe by Rate Year	
Rate Year	Index Timeframe
Year 1	$\frac{[(\text{Average Index Value of Oct. 2025} - \text{Sept. 2026}) - (\text{Average Index Value of Oct. 2023} - \text{Sept. 2024})]}{(\text{Average Index Value of Oct. 2023} - \text{Sept. 2024})}$
Year 2 – Year 15	$\frac{[(\text{Average Index Value of Jan. 202X}^{+1} - \text{Dec. 202X}^{+1}) - (\text{Average Index Value of Jan. 202X} - \text{Dec. 202X})]}{(\text{Average Index Value of Jan. 202X} - \text{Dec. 202X})}$

While this adjustment to bring 2025 dollars forward is prescribed, please note that no adjustments will be made for any increases or decreases in costs from those anticipated by Contractor, as further described in Section 10.2.B of the draft collection agreement.