



sanitation

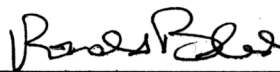
RONALD W. BLENDERMANN
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- NOTICE TO PROSPECTIVE PROPOSERS -
ISSUED September 24, 2003

ADDENDUM TWO
TO REQUEST FOR PROPOSALS TO ACCEPT, PROCESS AND MARKET NYC
RECYCLABLES (PIN 82703BR00071)

This ADDENDUM, which consists of this one page notice to prospective vendors, is being issued by the New York City Department of Sanitation (DSNY) for the purpose of amending the above-named Request for Proposals (RFP) and is hereby made a part of said RFP to the same extent as if originally included therein.

Please be advised that the date after which no questions will be responded to related to the RFP is Monday, November 3, 2003.

By: 
Ronald Blendermann
Assistant Commissioner and
Agency Chief Contracting Officer

Please acknowledge receipt of this addendum by completing this page and including a signed copy of it with your Proposal. By signing below, a Proposer affirms that he/she has read this addendum in its entirety.

(Print name of Proposer)

(Signature of individual authorized to execute binding legal documents on behalf of the Proposer)

(Print date of execution)

(If a corporation affix a corporate seal)

(NOTE: This form may be used in lieu of the "Acknowledgment of Addenda" form included with the original RFP.)





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ROBERT LANGE

Director

Bureau of Waste Prevention,
Reuse and Recycling
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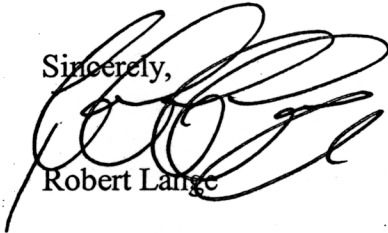
September 24, 2003

RE: REQUEST FOR PROPOSALS TO ACCEPT, PROCESS AND MARKET NYC
RECYCLABLES (PIN 82703BR00071)

Dear Prospective Proposer:

Attached is a non-verbatim summary of questions and answers at the Pre-Proposal Conference of September 10, 2004, as well as a summary of questions and answers made subsequently, for your information.

Sincerely,



Robert Lange

www.nyc.gov/sanitation

KEEP NYC CLEAN



REDUCE, REUSE, RECYCLE



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**REQUEST FOR PROPOSALS TO ACCEPT, PROCESS AND MARKET NYC
RECYCLABLES (PIN 82703BR00071)**

**Non-Verbatim Summary of Questions and Answers
at Pre-Proposal Conference, September 10, 2004**

Question # 1: Can a Proposer propose the Department of Sanitation's Marine Transfer Station facilities as their in-city Acceptance Facilities?

Answer # 1: No. Each Proposer must have control of at least two in-city land based locations where Department deliveries of Recyclables can be accepted. Department facilities cannot be substituted for proposer Facilities. Additional Facilities outside of NYC can be Proposed as well, so long as the two in-city Acceptance Facility requirement is first met.

Question # 2: If a Proposer proposes to accept recyclables via barge, at what point will the transfer of ownership of the Recyclables take place?

Answer # 2: This information is included in Appendix I of the RFP. The transfer of ownership in all instances will take place when Department vehicles enter the scale.

Question # 3: If a Proposer proposes to accept Recyclables via barge, how will arrangements for towing be made from the MTS to the Proposer's facility?

Answer # 3: The RFP doesn't address this issue directly. The expectation is that if a Proposal is selected that Proposes the option of acceptance by barge, DSNY and the Proposer will address this issue during contract negotiations. The Department's current arrangement with Visy for mixed paper accepted at our 59th Street Marine Transfer Station, requires Visy to pay the Department a per ton delivered user fee for the use of the Marine Transfer Station, which includes the annual cost for barging mixed paper to Visy's Staten Island mill. The Department expects that a similar arrangement will be negotiated with any successful Proposer that proposes barge acceptance of recyclables, should the Department chose to incorporate recyclables into its MTS system.

Question #4: Are you expecting a one or a three shift operation?

Answer #4: The RFP requests a 24/6 operation, but also states that we will work with the selected Proposer during contract negotiations to establish reasonable operating hours that maximize our operational flexibility and lower our cost by not asking a Proposer to be open unless we need them. In addition, due to operational necessity, the Department may sometimes require an Acceptance Facility to be open on a Sunday or Holiday. The RFP contains a section explaining that if we ask you to open on a Sunday or City Holiday, and we don't deliver the number of tons we promised, we will pay the selected proposer an extra amount – the exact amount to be settled upon during contract negotiations -- to compensate for this inconvenience.

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(Note: Potential Proposers should see Section III.B.2.f of the RFP and Section 3.2.2 of Appendix I - Proposed Detailed Specifications)

Question #5: The RFP outlines scenarios for MP, MGP and Paper processing. Obviously, the technologies for dealing with each of these are very different. What scenario should be planned for.

Answer #5: Both the scenario for MP and MGP acceptance must be addressed. The addition of paper is an additional Alternative Proposal, and therefore as such is optional. Glass is scheduled by local law to be reintroduced to the program in April of 2004. If glass is restored in accordance with the schedule in the current local law then the eventual contract resulting from this process will likely address MGP only. However, as recent past experience has demonstrated clearly, a local law can be changed or modified with very little advanced notice. Therefore, prudent planning dictates that all Proposers should be prepared to accept deliveries of and process both MP and MGP. In fact, the RFP requires that you address both of these delivery and acceptance scenarios. Depending upon the actual restoration date for glass, a phase-in process of accepting MP and subsequently MGP may have to be agreed upon by both parties and set forth in the contract.

Answers to follow-up questions received subsequent to the Pre-proposal Conference held September 10, 2004

Question #1: The impression that I took away from the Pre-proposal conference is that the Department's intention is to secure barge acceptance of recyclables only.

Answer #1: This impression is incorrect. Again, each Proposer must have control of at least two land based Acceptance Facilities located in NYC, in order to Propose. The reason for this is that the Department must have the option and continued flexibility to deliver via truck to Facilities other than its own MTSs. The Department wants the option of delivering Recyclables via barge, and will give greater weight to proposals that include Facilities that Propose to reduce truck traffic through barge or rail transport of Recyclables, but will only exercise this option if operationally practicable.

Question #2: To meet the qualifications for making a Proposal do the Acceptance Facilities and/or Processing Facility(ies) have to be ready to operate, or is it enough to have a specific plan for how they will be developed and used to provide the required services?

Answer #2: The Acceptance Facilities have different requirements than the Processing Facility(ies). At the time the Proposal is made, the Proposer must have Control over at least two Acceptance Facilities located within NYC. Identification of a site and a specific plan for development of that site without Control is not sufficient. Control is defined within the

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Definitions section of the RFP. The Department will further consider Proposals that include an ownership "option", but will evaluate such Proposals based upon the strength of the option agreement submitted and the potential viability of the proposed arrangement. A copy of all such signed agreements (fully executed) must be submitted along with the Proposal, for the Proposal to be considered at all. Furthermore, all such option agreements must include agreement provisions which bind all parties should the Proposer's Proposal be selected. In other words, a trigger provision must be included if an ownership "option" is submitted that automatically binds all parties to the option agreement upon notification by the Department of the selection of their Proposal for negotiations. Please note that this requirement also applies to all joint-venture and subcontractor agreements submitted in response to this RFP.

The goal of the RFP is to establish quickly an efficient and cost effective infrastructure for accepting and processing the MP and MGP DSNY collects. To the extent that portions of NYC's existing private Acceptance and Processing infrastructure can be utilized for this purpose, that goal will be met more quickly. Therefore, the RFP indicates that greater weight will be attributed to Proposals that include Facilities that are already under the Proposer's ownership and are ready to operate, even if these Facilities may require major upgrades of technology and equipment to meet the needs of the Department.

At the time the Proposal is made, the RFP allows Proposers to propose a Processing Facility or Facilities that are not under the Proposers direct ownership, but secured instead through a joint-venture or Major Subcontractor. A copy of all such fully executed documents must be submitted along with the Proposal, for the Proposal to be considered at all. The Processing Facility or Facilities can be located in either NYC or outside of the City. However, as stated in the RFP, one of the goals of the Department is to establish a stable infrastructure for Processing MP and MGP. It is our expectation that this can be accomplished more successfully if processing is performed within NYC. Processing Facilities located within NYC whose operation will create concomitant economic benefits to the local economy will be eligible for various State and local economic development incentives and will be given extra weight during the evaluation process.

Question #3: What form of control over the sites is required (e.g., ownership, contractual relationship, option)?

Answer #3: See the answer to Question #2 above.

Question #4: What permits/approvals for the intended use and development must be in hand?

Answer #4: As long as the Control requirements above have been met, the Department will consider Proposals that have not yet received any required permits or approval to operate.

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However, given the challenges of permitting and acquiring all necessary approvals for operating any type of solid waste related facility in NYC, the Department will evaluate all Proposals with those challenges in mind. Proposed Facilities that are currently or have previously operated with all necessary permits and approvals will be given greater weight than Proposals that propose to initiate the permitting and approval process solely in answer to this RFP.

Question #5: To what extent (if at all) must contracts or options be in place for construction, equipment, financing, etc.?

Answer #5: At the time a Proposal is submitted, it is not required that any of the above items be in place. However, to the extent that a Proposal submitted in response to the Department's RFP includes any or all of these items completed, or even partially completed, it will be given greater weight as having a more likely chance of future success, should the Proposal be selected.