



sanitation

ROBERT LANGE

Director

Bureau of Waste Prevention,
Reuse and Recycling
44 Beaver Street, 6th Floor
New York, New York 10004
Telephone (212) 837-8156

September 10, 2003

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

Dear Prospective Proposer:

Attached is ADDENDUM ONE to the above-referenced Request for Proposals (RFP). Because there are numerous minor amendments to the main body of the RFP, we are reproducing this document in its entirety, with changes noted, for ease of reference. We have also excerpted amended paragraphs of Appendices I and V, indicating changes separately.

Please note that a Proposer must acknowledge receipt of this addendum by completing page 2 of 2 of the attached Notice to Prospective Proposers, and must include a signed copy of it in all Proposals submitted.

Sincerely,


Robert Lange

www.nyc.gov/sanitation


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- NOTICE TO PROSPECTIVE PROPOSERS -

ISSUED September 10, 2003


- ADDENDUM ONE -

TO ACCEPT, PROCESS AND MARKET NYC RECYCLABLES (PIN 82703BR00071)

This ADDENDUM, which consists of this two (2) page notice to prospective Contractors, and four (4) attachments, 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:

- 1) ATTACHMENT ONE makes a series to textual revisions to the main body of the RFP. Changes are indicated by striking out the deleted text; and highlighting new text;
- 2) ATTACHMENT TWO makes textual revisions to pages 1 and 4 of Appendix I. Changes are indicated by striking out the deleted text; and highlighting new text;
- 3) ATTACHMENT THREE makes a textual revision to page 1 of Appendix V. Changes are indicated by striking out the deleted text; and highlighting new text.
- 4) ATTACHMENT FOUR certifies the Agency's determination that the award of the Contract for this RFP meets conditions of Local Law 35 of the City of New York.

By: 
Ronald Blendermann
Assistant Commissioner and
Agency Chief Contracting Officer

(over)

- ADDENDUM ONE -

TO ACCEPT, PROCESS AND MARKET NYC RECYCLABLES (PIN 82703BR00071)
continued

A Proposer must acknowledge receipt of this addendum by completing this page and including a signed copy of it in all Proposals submitted. By signing below, a proposer states 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)

This form may be used in lieu of the "Acknowledgement of Addenda" form included with the original RFP.

ADDENDUM ONE

ATTACHMENT ONE

September 10, 2003

Summary: ATTACHMENT ONE makes a series to textual revisions to the main body of the RFP; changes are indicated by ~~striking out~~ the deleted or changed text, and highlighting new text. All other portions of the RFP remain unchanged.

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**The City of New York
Department of Sanitation
Bureau of Waste Prevention, Reuse and Recycling**

**Request for Proposals
to Accept, Process and Market
Recyclables**

Procurement Identification Number: 82703BR00071

Authorized Agency Contact: Proposers are advised that the Agency's authorized contact person for ALL matters concerning this RFP is:

**Robert Lange, Director
Bureau of Waste Prevention, Reuse and Recycling
44 Beaver Street, 6th Floor, New York, NY 10004
(212) 837-8156/ rwlange.nycrecycles@verizon.net**

IT IS ILLEGAL TO ENGAGE IN PRACTICES THAT UNDERMINE OR THWART THE FAIR AWARD OF THE CONTRACT RELATED TO THIS RFP. EVERY EFFORT HAS BEEN MADE TO ENSURE THAT THE AWARD OF THIS CONTRACT IS BASED ON JUST AND FAIR PRACTICES. CRIMINAL VIOLATIONS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

THE NEW YORK CITY COMPTROLLER IS CHARGED WITH THE AUDIT OF CONTRACTS IN NEW YORK CITY. ANY PROPOSER WHO BELIEVES THAT THERE HAS BEEN UNFAIRNESS, FAVORITISM, OR IMPROPRIETY IN THE PROPOSAL PROCESS SHOULD INFORM THE COMPTROLLER, OFFICE OF CONTRACT ADMINISTRATION, ONE CENTRE STREET, ROOM 835, NEW YORK, NY 10007, (212) 669-3000. IF YOUR PROPOSAL IS SELECTED FOR AWARD, YOU WILL BE EXPECTED TO SIGN AN AFFIDAVIT STATING THAT YOU ARE UNAWARE OF ANY IMPROPRIETIES THAT CREATED AN UNFAIR ADVANTAGE DURING THE DEVELOPMENT, EVALUATION, AND SELECTION PHASES OF THIS RFP PROCESS.

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DEFINITIONS

Acceptance: The act of receiving Recyclables deliveries from Authorized Vehicles.

Acceptance Facility: An appropriately authorized, licensed, permitted or registered facility to which Recyclables are delivered by Authorized Vehicles.

Acceptance Facility Site: The block and lot numbers corresponding to the property on which the Acceptance Facility is located.

Agreement: The contractual agreement between the City and the Contractor.

Alternate Proposer: A Proposer, if any, designated by the City to participate in Contract negotiations in the event the City and the Selected Proposer do not execute a Contract.

Alternative Processing Technologies: Machinery and/or processes for sorting, separating, cleaning, baling, categorizing, weighing, and/or any other activities related to preparing delivered Recyclables for Marketing that have not been utilized under prior contracts; as well as machinery and/or Processing for minimizing back-end Residue, facility emissions or odors, or improving other aspects of facility operation that have not been utilized under prior contracts.

Assignment: The assignment, transfer, conveyance or other disposition of the Contract, or of the Contractor's rights, obligations or duties under, or right, title and interest in, the Contract, in whole or in part. A sale or any other disposition of a majority interest in the Contractor or of any other interest that results in a change in the effective Control of the Contractor, shall also be deemed to constitute an Assignment.

Authorized Deliverer: Any Entity or person designated and authorized by the City to deliver Recyclables to the Contractor. Each Authorized Deliverer will have a DSNY Identification Number.

Authorized Vehicle: Any vehicle that the Contractor and the City determine to be acceptable for the delivery of Recyclables to a Facility by the City or its Authorized Deliverers.

Back-End Residue: Any material, other than Processed Recyclables, that remains after the Recyclables have undergone Processing.

Base Price: Price initially calculated as the difference between the Composite Index Price and the Processing Cost, used as basis for calculating Purchase Amount while the Contract is Revenue-based. See Appendix II

Beverage Cartons: Laminated paper beverage receptacles, including gable-top milk and juice cartons and aseptic containers.

Billing Period: Each calendar month during the Term of the Contract, except that the first and final Billing Periods may be less than a full calendar month, as follows:

- A. the first Billing Period shall begin at 12:01 AM on the first day of the first Contract Year and shall end at close-of-business on the last day of the calendar month in which that date occurs, and
- B. the last Billing Period shall end on the Termination Date of the Contract.

BWPRR: Bureau of Waste Prevention, Reuse and Recycling of the City of New York Department of Sanitation.

Ceiling Price: US dollar amount per US Ton, as specified in the Contract, above which the Base Price may not go.

City: The City of New York.

City Holidays: New Year's Day, Lincoln's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Election Day, Veterans Day, Thanksgiving Day and Christmas Day. City Holidays may be changed upon written notice from the City. If one of the above national holidays falls on a Saturday, the City Holiday shall be the preceding Friday, and if it falls on a Sunday, the City Holiday shall be the subsequent Monday. If Election Day and Veterans Day occur during the same calendar week, one of those two City Holidays shall be designated a Workday by DSNY.

Collective Bargaining Contract: An agreement between the City and one of its unions that is entered into under the City's Collective Bargaining Agreement Review and Approval Procedures as amended.

Commencement Date: The date the Contractor is scheduled by DSNY to start work on the Contract, as stated in DSNY's written order to commence work.

Composite Index: Index estimating relative composition of metal, plastic, Residue and (if applicable) glass in Recyclables loads delivered by DSNY to contractor.

Composite Index Price: Rolling average of prices for metal, plastic and (if applicable) glass commodities, as published in a publication of record, weighted by the Composite Index.

Commissioner: The Commissioner of the City of New York Department of Sanitation.

Confidential Information: Proprietary information now or hereafter owned, licensed to, or Controlled by a Proposer, including information which is plainly marked "confidential" by the

Proposer, but not including information, data, material, or documentation of any type or description in the public domain or such information, data, material, or documentation as may be placed in the public domain during the RFP process.

Consumer Price Index: The index published by the Bureau of Labor Statistics of the United States Department of Labor, for all Urban Consumers, for All Items in the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area, not seasonally adjusted, for the federally-selected Base Period of 1982-84=100, or any successor index thereto. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other similar index as the City designates and the Contractor approves, which approval shall not be unreasonably withheld, shall be substituted for the Consumer Price Index. If the Consumer Price Index is not immediately available, payments requiring such index for calculation shall be paid based on a reasonable estimate of the index, and any deficiency shall be paid along with, or overpayment credited against, the next payment due immediately after the index is available.

Contamination: The presence of materials not designated for recycling in and among collected Recyclables. These materials may include: non-designated plastics; food Residues; and refuse items.

Contract: An agreement resulting from the RFP process between a selected Proposer and the City to Accept, Process and Market Recyclables.

Contract Year: The 12 month period commencing at 12:01 AM on the Delivery Date and ending on 12:01 AM on the day before the first anniversary thereof and each 12 month period thereafter during the Term of Contract, commencing on each anniversary of such date.

Contractor: The Proposer selected as a result of the RFP process who has executed a Contract registered in accordance with the laws and regulations of the City.

Control: For the purposes of the RFP, the Contractor's ownership of, or affiliation with the owner of (including joint-venture with), a facility such that the Contractor is able to fulfill all terms of the Contract to accept, process and market Recyclables.

Cost-Neutral Basis: A Contractual arrangement between the City and the Contractor that entails no monetary exchange between the Contractor and the City but does entail exchange of goods or services.

Credit Balance: Running balance of DSNY Credits accruing in cases of adjustment of the Base Price down, as specified in the Contract.

Delivery Date: Date selected at the sole discretion of DSNY after DSNY receives from the Contractor all of the documentation required by Section 2.1.2 of the "Proposed Detailed Specifications" (Appendix I).

Delivery Information: All information about a delivery of Recyclables by the City that the Contractor is required to include on a Delivery Receipt.

Delivery Receipt: DSNY's Recyclables delivery receipt, Form DS 1637 (or a successor document, the document on which is recorded all information about the delivery of a load of Recyclables, as such form may be amended from time to time, a copy of which is attached as Attachment 8.

Department: The Department of Sanitation of the City of New York.

DSNY: The Department of Sanitation of the City of New York.

Emergency Notice: A notice given by the Contractor to DSNY that:

- (1) the Acceptance Facility will be closed for a period of time and cannot accept Recyclables in accordance with the Contract; or
- (2) the Acceptance Facility has a Weigh Scale Malfunction, and will be open, but will be able only to provide manual records of each Collection Vehicle's delivery of Recyclables.

Entity: Any organization, including but not limited to, a partnership, a joint venture, a corporation, an estate, a trust, an unincorporated association, any Federal, State or municipal government (or bureau, department or agency thereof) and any fiduciary acting on behalf of any such an organization.

Evaluation Committee: The committee composed of Department representatives for the purpose of evaluating Proposals and Proposers.

Expense Basis: A Contractual arrangement between the City and the Contractor that entails or has the potential to entail payment to the Contractor by the City.

Fiscal Year (FY): The City's Fiscal Year, which begins July 1st and ends the following June 30th of the following calendar year.

Front-End Residue: Any material, other than Processed Recyclables, removed from Recyclables prior to Processing.

Guaranteed Daily Delivery Amount: The minimum number of US Tons of Recyclables to be delivered under the Contract per Working Day to the Acceptance Facility by the DSNY.

Guaranteed Monthly Delivery Amount: The minimum number of US Tons of Recyclables to be delivered under the Contract per month to the Acceptance Facility by the DSNY.

Hazardous Substances: Any material or substance regulated from time to time as a toxic or hazardous waste or substance under any applicable federal, state or local law, regulation, rule or ordinance, because of its potential risk to human health or the environment, including any material or substance containing any of the hazardous characteristics or constituents set forth in 40 C.F.R. Sec. 261.20 et seq., as replaced or amended, listed as a hazardous waste pursuant to 40 C.F.R. Sect. 261.30 et seq., as replaced or amended, defined as a hazardous substance in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., as replaced or amended, or defined as a toxic or hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. Sect. 6901 et seq. as replaced or amended, or defined as a hazardous waste or hazardous substance under the statutes and regulations of the State of New York, New York Environmental Conservation Law, Article 27, as replaced or amended, or petroleum as defined within the New York Navigation Law, Article 12.

Inflation Adjustment: An adjustment to the Ceiling Price, the Floor Price, the Processing Cost, or liquidated damage amounts (LDs), to take into account the effects of inflation.

LD: Liquidated Damage

Late Payment Charges: Charges that the Contractor will pay DSNY for late payment of any DSNY invoices.

Law(s): All laws, rules, regulations, orders, ordinances, statutes, codes, executive orders, resolutions, permits, and requirements of all governmental authorities and agencies having jurisdiction over the parties, the facility site(s), the facility(ies), the Contract, or the activities contemplated by the Contract.

Letter of Credit: An irrevocable letter of credit in the form annexed to these Specifications as Attachment 5, issued by a bank satisfactory to the City.

Liquidated Damages: Amounts payable by the Contractor to the City for specified operational failures under the Contract as acknowledgment by the parties that actual damages for each violation are difficult or impossible to ascertain.

Major Subcontractor: A Subcontractor that Controls a Processing Facility.

Marketing: The act of selling Processed Recyclables to buyers intending to put them to beneficial use.

Marine Transfer Station: Waste and Recyclables transfer station sited on the water, accessible by barge and truck.

Materials Recovery Facility: Facility at which Recyclables are processed to clean, sort, bale or otherwise prepare them for market.

Maximum Daily Delivery Amount: The maximum number of US Tons of Recyclables that the Contractor is required to accept under the Contract at the Acceptance Facility on a Workday.

Maximum Weekly Delivery Amount: The maximum number of US Tons of Recyclables that the Contractor is required to accept under the Contract at the Acceptance Facility in each calendar week.

MGP: Commingled household metal, plastic jugs and bottles, glass bottles and jars, and Beverage Cartons collected under DSNY's curbside and containerized Recycling Program.

Mixed Metal: Ferrous, aluminum, and other nonferrous metal household/institutional items collected under DSNY's curbside and containerized Recycling Program.

Monthly Payment: The amount payable for each Billing Period according to provisions of the Contract, between either party.

Monthly Report: A written report describing in detail the delivery and Acceptance activities that occurred during that Billing Period.

MP: Commingled household/institutional metal, plastic jugs and bottles, and Beverage Cartons collected under DSNY's curbside and containerized Recycling Program.

MRF: Materials recovery facility.

MSW: Municipal solid waste.

MTS: Marine transfer station.

Municipal Solid Waste: (1) Refuse and (2) Recyclables generated by residents and public/non-profit (institutional) entities. In this RFP, MSW does not include commercial waste, which is managed privately in New York City.

Notice of Award: Notice sent by DSNY selecting the Contractor's Proposal for the Contract.

Official Delivery Records: The Delivery Records transmitted to DSNY by the Weigh Scale Computer, or, when transmission is not possible, the Delivery Receipts.

Order to Commence Work: A document DSNY sends to a Contractor directing it to commence work under a contract.

Paper: Commingled household/institutional newspaper, white paper, old corrugated cardboard, magazines/glossy paper, smooth cardboard, paperback books, and mixed paper collected under DSNY's curbside and containerized Recycling Program.

Payment Structure: Price estimates, formulas, procedures, calculation methods, assumptions, justifications, and other necessary information pertinent to monetary exchanges or accruals of credit or debit balances between the Contractor and DSNY for the Acceptance, Processing, and Marketing of Recyclables.

Price Proposal: That section of the Proposal submitted in response to this RFP that proposes a per US Ton Processing Cost as well as other price and cost-related information requested on the Price Proposal Form (Attachment 1)

Processed Recyclables: Recyclables from which all the Residue has been removed and which has otherwise undergone Processing so that it is ready for Marketing to an end-user, broker, or other party available to purchase it for Recycling or other market use. Processed Recyclables include:

- A. any Processed material for which a market exists; and
- B. any material expressly designated as such by the City in connection with implementation of its Solid Waste Management Plan.

Processing: An operation or series of operations that enhances, sorts, cleans or otherwise prepares Recyclables for Marketing.

Processing Cost: The cost listed in the Price Proposal to Process the Recyclables, expressed on a dollars per US Ton basis, and reflecting operations, overhead, and profit.

Processing Facility: The facility(ies) identified by the Proposer as the place(s) where Processing of delivered Recyclables will take place.

Procurement Rules: The City Procurement Policy Board Rules for the procurement of goods and services, adopted August 1, 1990, as such rules may be amended from time to time.

Proposal: The document submitted in response to the RFP as an offer to provide the goods and perform the services described in the RFP.

Proposal Bond: A security for the Proposer's good faith negotiation of an agreement with the Department, pursuant to its Proposal, from a surety duly licensed to do business in the State of New York, with an office in New York City, to be returned within a period specified by the Department after award of the Contract.

Proposal Deadline: The date and time set by the City as the deadline for submission of Proposals by Proposers in response to the RFP.

Proposer: A person or Entity submitting a Proposal in response to this RFP, also encompassing proposed Subcontractors.

Purchase Amount: The monthly amount payable by the Contractor to DSNY while the Contract operates on a Revenue Basis, calculated as the Base Price (adjusted, if necessary) multiplied by the number of US Tons of delivered Recyclables for that Billing Period.

Recyclables MP or MGP, or any combination of metal, glass, plastic and Beverage Cartons designated under the curbside and containerized Recycling Program, whether sorted or unsorted, loose, bundled, bagged or baled, and any Residue contained therein, which is collected by the City to be delivered to the Contractor.

Recyclables Characterization Study: Study undertaken to characterize the material composition of Recyclables deliveries using generally accepted industry methods.

Recycle: To perform a series of activities by which materials that would become or otherwise remain solid waste are diverted from the waste stream for collection, separation and Processing, and are used as raw materials or mill feedstocks in lieu of, or in addition to, virgin materials in the manufacture of goods sold or distributed in commerce, or the reuse of such materials as substitute for goods made from virgin materials.

Recycling Program: The DSNY-managed program for the curbside and containerized collection of designated materials, including (currently) metal and paper; as well as (formerly and in the future) plastic and glass, from NYC's residents and public institutions.

Refuse: All putrescible and nonputrescible materials or substances that are discarded or rejected as being spent, useless, worthless, or in excess to the owners at the time of such discard or rejection, unless expressly exempted as such in Local Law 19.

Residue: Collectively, Front-End Residue and Back-End Residue.

Revenue Basis: A Contractual arrangement between the City and the Contractor that entails payment to the City by the Contractor, and precludes payment to the Contractor by the City.

RFP: Request for Proposals

Scenario One: In this RFP, a scenario in which DSNY contracts for Acceptance, Processing and Marketing of MP.

Scenario Two: In this RFP, a scenario in which DSNY contracts for Acceptance, Processing and Marketing of MGP.

Scenario Three: In this RFP, a scenario in which DSNY contracts for Acceptance, Processing and Marketing of MGP and Paper in separate streams, but under the same contract.

Solid Waste Management Plan: The City's solid waste management plan, as approved by the State, and as such a plan may be amended from time to time.

State: The State of New York.

Subcontractor: One who contracts with the selected (prime) Contractor, to provide any services that are within the scope of the Contract.

Technical Proposal: That section of the Proposal submitted in response to this RFP that proposes an approach to the delivery of services described herein, without reference to cost.

Term: The period beginning on the Commencement Date and ending on the Termination Date.

Termination Date: The last day of the Contract, whether it occurs by expiration or otherwise.

Total Other Charges: Charges other than the Purchase Price accruing in a Billing Period in accordance with the provisions of Section 5.4 of "Proposed Detailed Specifications" (Appendix I).

Tpd: US Tons per day.

Uncontrollable Circumstance: Any act, event or condition, whether affecting the Contractor or the City, to the extent that it has a materially adverse effect on the ability of either party to perform any obligation under the Contract (except for payment obligations), if such act, event or condition is beyond the reasonable control and is also not the result of the fault or willful or negligent or intentional act or omission of the party relying thereon as justification for not performing an obligation or complying with any condition required by such party under the Contract.

- (A) Uncontrollable Circumstances include, without limitation: acts of God; acts of war or terrorism; strikes; work stoppages or other labor disputes or disturbances; Weather Emergencies or other conditions affecting collection or delivery of Recyclables; the availability of Recyclables for collection; the scavenging of Recyclables; a change in the Solid Waste Management Plan; and lack of funding for the City's recycling program.
- (B) Uncontrollable Circumstances do not include a change in any Laws (other than the Solid Waste Management Plan), an inability of the Contractor to obtain or maintain financing, or any other financial condition of the Contractor.

US Ton: The US measurement equal to 2,000 pounds avoirdupois.

VENDEX Questionnaires: Questionnaires required by the City of all prime Contractors, Major Subcontractors, and most other Subcontractors, information from which is entered into the City's automated Vendor Information Exchange System.

Weather Emergency: A weather condition that affects deliveries of Recyclables. The most common Weather Emergency is the arrival or impending arrival of snow, but hurricanes or other weather conditions may also become Weather Emergencies. A Weather Emergency shall last until DSNY notifies the Contractor that the Weather Emergency is over.

Weigh Scale Computer: A computer that takes its weight readings directly from a Weigh Scale.

Weigh Scale Malfunction: An instance in which a Weigh Scale or a Weigh Scale Computer does not operate in accordance with its specifications and certification, fails to provide an Authorized Vehicle with a complete and legible Delivery Receipt, or otherwise fails to operate to the requirements of this Contract.

Weigh Scale: A scale located at the Acceptance Facility that has been approved, in writing, by DSNY for use under the Contract.

Workday: Any calendar day other than Sunday and City Holidays, unless the City notifies the Contractor by telephone or in writing, at least 12 hours in advance, that the City has designated a particular City Holiday or Sunday as a Workday.

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**NOTE: ALL CAPITALIZED WORDS IN THE RFP
TEXT THAT WOULD NOT NORMALLY BE
CAPITALIZED ARE DEFINED IN THE
“DEFINITIONS” SECTION OF THIS RFP.**

I. TIMETABLE AND BASIC INFORMATION

I. A. Release Date for this Request for Proposals:

August 27, 2003

All questions and requests for additional information relating to the RFP or the project should be directed to Robert Lange, the DSNY's Authorized Contact Person and Director of the Bureau of Waste Prevention, Reuse and Recycling, at:

Bureau of Waste Prevention, Reuse and Recycling
City of New York Department of Sanitation
44 Beaver Street, 6th Floor, New York, NY 10004
tel. 212-837-8156
fax 212-837-8026
email rwlange.nycrecycles@verizon.net.

Any questions which in the opinion of DSNY warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. DSNY will not consider information that is not contained in this RFP or subsequent amendments, and/or other written correspondence in the evaluation of Proposals.

I. B. Pre-Proposal Conference

Beginning at 10:30 AM on **September 10, 2003**, a pPre-Proposal conference for this RFP will be conducted in the City of New York Department of Sanitation conference room, at 44 Beaver Street, 12th floor, New York, NY 10004.

Attendance at the pPre-Proposal conference is highly recommended. Proposers should notify Director Lange of the names and affiliations of those who will attend the pre-Proposal conference at least 72 hours before the pre-Proposal conference is scheduled to begin.

I. C. Proposal Due Date, Time, and Location

Date: November 12, 2003

Time: **by** 10:30 AM

Address Proposals to:

Mr. Ronald Blendermann
Agency Chief Contracting Officer
City of New York Department of Sanitation
51 Chambers Street, Room 801
New York, NY 10013

Submit ten (10) copies of the Proposal to DSNY. The Proposal is to be submitted with an original letter of transmittal that will be an integral part of the Proposal (see RFP Section IV for instructions).

Proposals will only be accepted if received in the Department's offices (not postmarked) – by mail or hand delivery – by 10:30 AM Eastern Daylight Savings Time on the designated date. Clearly mark the outer sealed envelope of the Proposal package with the words, "Proposal to Accept, Process and Market NYC Metal, Glass, and Plastic Recyclables RFP Response," and the PIN Number 82703BR00071.

Proposals received at this location after the Proposal Due Date and Time are late and shall not be accepted by DSNY, except as provided under New York City's Procurement Policy Board Rules. DSNY will consider requests made to Mr. Lange the Agency Chief Contracting Officer to extend the Proposal Due Date and Time prescribed above. However, unless DSNY issues a written addendum to this RFP which extends the Proposal Due Date and Time for all Proposers, the Proposal Due Date and Time prescribed above shall remain in effect.

The Proposal shall be considered valid for a period of at least 210 calendar days from DSNY's receipt in order to accommodate post-selection Contract review and approval, and Contract registration.

I. D. Anticipated Contract Term and Start Date

It is anticipated that the Term of the Contract awarded from this RFP will be for twenty (20) years. The Contract may include up to one or more options to renew for incremental periods of up to ten (10) years each. The Department reserves the right, prior to Contract award, to determine the length of the initial Contract term and each option to renew, if any.

With the contract negotiations and site development necessary, the Department does not anticipate that work will begin for several years. However, the Department is prepared to begin work under the Contract as early as April 1, 2004, should the selected Proposer(s) be ready at that time, Contract negotiations be completed, and Contract documents be prepared in time to meet this deadline.

I. E. Obtaining Additional Copies of the RFP

Additional copies of the RFP are available from the Contracts Unit, NYC Department of Sanitation, 51 Chambers Street, Room 806, New York, NY 10007; telephone (212) 788-8085.

I. F. Important Information for Proposers

- I.F. 1. All prospective Proposers should carefully read RFP Section VI, "General Information for Proposers." This section discusses the rights and responsibilities of the City and Proposers with respect to the RFP and the Proposal process.

- I.F. 2. Within 45 days of award, but prior to the commencement of work, the Contractor(s) must evidence insurance coverage in the amount of \$15 million commercial general liability and excess liability combined, \$3 million in auto, \$1 million for Employers' Liability, and the statutory amount for Workers' Compensation Coverage, as detailed in Appendix VII, "Insurance and Security Requirements."

I.F. 3. Questions

All questions relating to the RFP or the project should be directed to Robert Lange at the Bureau of Waste Prevention, Reuse and Recycling, City of New York Department of Sanitation, 44 Beaver Street, 6th Floor, New York, NY 10004, 212-837-8156, or at rwlange.nycrecycles@verizon.net. Any questions which in the opinion of the Department warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP until the Proposal Due Date. Verbal information which is not contained in this RFP or subsequent amendments, and/or other written correspondence, will not be considered by the Department in evaluating the Proposals.

I.F. 4. Disclaimers

- I.F.4. a. This RFP does not commit the City to award a contract.
- I.F.4. b. All materials submitted in response to this RFP become the property of the City.
- I.F.4. c. The City reserves the right to conduct discussions with one or more Proposers. No Proposer shall have any rights against the City as a result of such discussions.
- I.F.4. d. The City reserves the right to waive irregularities in connection with any submission or any other aspect of this procurement.
- I.F.4. e. All responses submitted are made at the sole cost of the Proposer.

II. SUMMARY OF THE REQUEST FOR PROPOSALS

NOTE: THIS SUMMARY PROVIDES BACKGROUND FOR AND OVERVIEW OF THE SERVICES FOR WHICH THIS RFP IS BEING ISSUED. IT IS NOT INTENDED TO REPLACE A FULL REVIEW OF THE RFP IN ITS ENTIRETY.

II. A. Purpose of RFP

The City of New York Department of Sanitation is seeking one or more appropriately qualified vendors to provide all facilities, equipment, labor, and services necessary to accept, process and market some or all of the Recyclables collected under New York City's Recycling Program. It is imperative that vendors be technologically and operationally capable of handling the City's Recyclables as in the condition in which they are now presently collected. Proposals based on scenarios in which DSNY, through education, enforcement, or other means, alleviates contamination or glass breakage will not be considered. Greater consideration will be given to Proposers that demonstrate at least one year of successful experience in Processing residentially-collected metals; commingled metal, glass and plastics; or other residential Recyclables.

Proposals are to address two distinct scenarios as part of one overall response.

- The first is for the Acceptance, Processing, and Marketing of some or all of the expected 400 US Tons per day (US Tpd) of commingled residential mixed metal, plastic jugs/bottles, and Beverage Cartons (collectively, "MP") expected to be collected under the Recycling Program upon reinstatement of plastics and Beverage Cartons collection. Firms that can only accept small tonnages of Recyclables, that have insufficient technology to keep substantial tonnages moving through their facilities, and/or that lack the ability to market materials and hence experience stockpiles that interfere with their own operations should not submit Proposals. Because of the dependability of markets for these materials, DSNY expects Proposals on a Revenue Basis, i.e., that specify a minimum purchase price that the Contractor will pay DSNY per US Ton, with provisions for additional revenue sharing with DSNY if market prices rise above a certain level. This price will serve to partially reimburse DSNY for the cost of transporting each Ton of Recyclables from the end of a collection route to the Acceptance Facility.
- The second scenario, which must be addressed in the same Proposal, is for the Acceptance, Processing, and Marketing of some or all of the anticipated 1000 US Tpd of commingled residential mixed metal, plastic jugs/bottles, and paper Beverage Cartons, and in addition, commingled glass jars and bottles (collectively, "MGP"). Because of the overall weakness of glass markets, DSNY will consider Proposals on an Expense Basis that specify a negative purchase price per US Ton, i.e., a per US Ton price that DSNY will pay the Contractor to cover Processing costs, with provisions for offsets if market prices rise above a certain level. Proposals for MGP on a Revenue Basis will, of course, be accepted as well for Scenario Two.

In addition, DSNY will consider alternative and additional Proposals on a Revenue, Cost-Neutral, or Expense Basis to accept, process and market MGP in conjunction with a portion of NYC's Paper. This portion would be the tonnage of recovered Paper over and above the tonnage committed to Visy Paper – at the moment this balance totals approximately 850 US Tpd of paper. The selected Contractor(s) would have to accept, process and market both MGP and Paper. Therefore, Proposers may not make Proposals for Paper alone. The schedule to commence work for this scenario is approximately five years from the award of a Contract from this RFP.

It should be noted that under this scenario, collection and delivery of MGP and Paper would take place separately (i.e., this would not be a single-stream recycling program.) Proposers would have to demonstrate Control of facilities operationally capable and fully authorized, licensed, permitted and/or registered to accept the projected Paper and MGP tonnages generated under the NYC Recycling Program. It should also be noted that DSNY's willingness to consider Proposals for MGP and Paper in no way indicates specific plans or intentions regarding Paper Recycling.

DSNY is also interested in Proposals that contain additional provisions for the Acceptance, Processing, and Marketing of other materials from the NYC residential/institutional waste stream, such as #3 -7 plastics, textiles, bulk wood, and auto tires – assuming viable markets exist and can be demonstrated as part of the Proposal to exist. However, provisions for these materials are strictly secondary to the main goal of the RFP – namely Acceptance, Processing and Marketing of Recyclables. It should be noted that the inclusion of additional materials in this RFP in no way indicates DSNY's plans, willingness, ability, or intention to collect additional materials, over the next twenty years.

As a result of this solicitation, DSNY expects to execute one or more full service Contracts of at least twenty (20) years duration. Each Contract will address Acceptance, Processing and Marketing of MP, and potentially MGP thereafter, as distinct parts of one overall document. The Department anticipates initially awarding one or more Contract(s) for MP. The Contract(s) will include, as part of the Contract terms, an allowance for the MP provisions to be superseded if and when the Department elects to begin collecting and delivering MGP. In that case, the Contract terms provide for the enactment of MGP provisions, to continue for the remainder of the twenty years.

Proposers should be aware that the final Contract(s) awarded from this RFP will include a provision allowing for renegotiation of some or all of the Contract terms, should the underlying economics of recycling metal, glass, plastic, Beverage Cartons or other materials change substantially. Such renegotiation will be exercised at the City's sole discretion.

DSNY recognizes that any Entity interested in Acceptance, Processing and Marketing MP/MGP streams will need sufficient quantities of Recyclables to justify investment. Consequently, DSNY encourages Proposals from Proposers with Control of one or more facilities to secure the entire amount of MP, and potentially the entire amount of MGP, that DSNY collects and delivers, as projected in Appendix III, "Anticipated Tonnages." Under such an arrangement, DSNY will benefit through a lower per US Ton cost, and the Contractor will benefit by having a greater volume of material over which to spread its operating costs. Because

this arrangement is optimal for both parties, DSNY will give greater weight consideration to Proposals to accept, process and market the entire stream of MP and/or MGP Recyclables. In addition, DSNY will give greater consideration to Proposals that:

- (1) Propose facilities that are
 - (a) already under the Proposer's Control and require minimum development to be ready;
 - (b) will reduce outgoing traffic through barge or rail transport of Recyclables;
 - (c) can receive materials by barge from DSNY;
 - (d) are strategically located and/or numerous so as to reduce DSNY transportation burden and costs;
- (2) propose beneficial revenue sharing arrangements;
- (3) realistically propose to maximize recycling and beneficial reuse;
- (4) propose new technology, especially in the area of automating previously manual processes;
- (5) propose new, but practicable, Marketing ideas for Processed Recyclables;
- (6) demonstrate viability for economic development in New York City, as coordinated by the EDC;
- (7) suggest delivery procedures that maximize efficiency for DSNY drivers, especially in the area of queuing time;
- (8) and/or locate at least two Acceptance facilities in different boroughs of New York City, as opposed to all facilities in one borough.

II.A. 2. Background

The Department handles collection, transport, and disposal of MSW from New York City residents and many public/non-profit institutions. Refuse is presently exported via truck or rail for disposal. Residential metal and paper are collected in separate streams for recycling on a Revenue Contract basis. Metal Recyclables from self-help sites and institutional disposal are collected as a separate stream, and are currently managed under Revenue Contracts as well.

Between 1990 and 1995, materials collected under the Recycling Program included newspaper, magazines, and cardboard; metal cans; glass jars and bottles; and plastic jugs and bottles. During the period 1995 - 1997, the Program underwent expansion, with the addition of

mixed paper to the Paper category, and household metal and Beverage Cartons to the MGP category. This collection scheme applied through FY 2002.

Under the expanded Program, residents and some public institutions were required to source-separate recyclable waste into Paper and MGP streams and set them out separately in color-coded bins or bags. Material was collected at curbside using rear-loading, compacting vehicles (packer trucks) with a single-hopper capacity of 25 cubic yards, or a dual-hopper capacity of 10-15 cubic yards. Containerized recycling was collected using integrated front-end-loader vehicles (EZ-Pack trucks). Curbside materials comprised 90% of deliveries, and containerized the remaining 10%. From time to time, other appropriate vehicles were used for collection by the City.

In FY 2002, institutions and residents generated approximately 3.2 million US Tons of MSW, approximately 21% of which (around 665,000 US Tons) was diverted from disposal to recycling under the Recycling Program. In that year, DSNY collected approximately 300,000 US Tons of commingled metal, glass, plastic, and Beverage Carton Recyclables under the Recycling Program. This was an average of roughly 1,000 US Tons per day.¹ Paper recycling accounted for around 365,000 additional tons. Other sources of Department-managed waste, including construction and demolition debris, inter-agency fill, and lot cleaning, accounted for around 1.87 million US Tons of waste during that year. Roughly a third of this latter amount was recycled as scrap or fill material.

One consequence of the general economic decline that followed 9/11 was the passage of Local Law 11 of 2002, which temporarily suspended DSNY's glass, plastics, and Beverage Carton recycling for Fiscal Year 2003. Between July 2002 and June 2003, DSNY collected Paper in one stream and household metal (cans, foil, appliances and other metal consumer items) in a second. Metal tonnage averaged roughly 260 US Tons per day during that period, including household bulk. Per Local Law 11, the Department resumed collection of plastic bottles and jugs, as well as Beverage Cartons in July 2003, with collection of glass bottles and jars to follow starting April 1, 2004.

After a period of adjustment, plastics are expected to add roughly 140 US Tpd to existing collections, and glass another 600-700 US Tpd. The impact of adding Beverage Cartons will be negligible.

II.A. 3. Present Situation

The immense size of New York City's population and waste stream, the presence of valuable materials such as aluminum, ferrous metals, and HDPE/PET plastics in its recycling stream, as well as the fact that its recycling program is enforced by law, creates very favorable conditions for businesses seeking to buy and process commingled MP, and to a lesser extent, MGP Recyclables, collected under the DSNY's curbside and containerized Recycling Program.

¹. Averages are calculated on a 302 working day per year basis

While the exact proportion of metal to glass to plastic in New York’s residential/institutional MSW has not been definitively assessed since 1989, there have been several independent waste characterization studies that have provided estimates since then (see Appendix IV, “Composition Estimates for Recyclables”)

From these studies and other DSNY data (presented in Appendix III), Proposers can expect MP to average 400 US Tpd, and MGP to average 1,000 US Tpd, upon resumption of plastics collections, and then glass, under the Recycling Program. Based on DSNY’s experience and prior studies, DSNY estimates the composition of the reinstated MP and MGP streams as follows:

	<u>MP</u>	<u>MGP</u>
steel cans	54.26%	17.28%
aluminum cans	2.10%	0.67%
amber glass		2.00%
green glass		5.00%
clear glass		10.00%
mixed cullet		40.93%
mixed HDPE	16.80%	5%
natural HDPE	4.14%	1.32%
mixed PET	7.69%	2.45%
residue	15.00%	15.00%
Total	100.00%	100.00%

In addition, DSNY’s five years of experience under its previous MGP Processing contracts enables the following general statements to be made about New York City’s MGP stream as of FY 2002:

- ▶ it contained tonnages of HDPE and PET containers, ferrous, non-ferrous, and aluminum were generated on a remarkably steady basis;
- ▶ front-end residue was around 15%, composed predominantly of organics and nondesignated plastics;
- ▶ due to DSNY’s use of compactor trucks, the majority of collected glass in MGP deliveries arrived at facilities broken and soiled with organics.

Appendices IV and V present further detail about these characteristics.

It should be noted that under prior contracts, Processing facilities were: (1) often housed in space with very limited square footage; (2) generally equipped with sorting technology that included trommels, magnetic/eddy current separators, and balers; (3) generally equipped with sorting technology that was between five to nine years old as of 2002; (4) heavily reliant on manual sorting; (5) without optical sorting technology; and (6) without glass-benefication technology or established relationships with glass-benefication facilities. They thus lacked technological options to handle problems of broken glass and contamination that characterized MGP loads.

With full reinstatement of plastics and glass collections, Contractors can expect a diversion rate comparable to pre-suspension levels. Since the suspension of glass, plastic, and Beverage Carton collection in July 2002, recovery of these materials has fallen to zero, and the diversion rate is now roughly half its previous rate of 19-21%. At the same time, the high visibility of the issue of restoring recycling in the media, combined with the fact that DSNY has

proven methods for public education and enforcement of commingled MGP recycling, suggests that a return to pre-suspension tonnages, given some months of adjustment, is very likely.

Proposers should formulate Proposals based on the anticipated tonnages and characterization of MGP as presented in Appendices III and IV. In particular, Proposers must be prepared for a Front-End Residue rate of around 15% due to the unusual demographic and housing characteristics of New York City. The connection between these characteristics, Recycling Program performance, and public education is discussed in Appendix V, “Statements on Contamination.”

II.A. 4. Agency Goals

DSNY seeks Proposals that detail the siting, specifications, and operations of facilities to receive and process Recyclables as described above. The Department expects concrete plans to process Recyclables using the most appropriate technology, and reflecting the highest possible level of efficiency. The Department also requires feasible, proven plans to market materials for beneficial use – either as inputs to secondary Processing or end-use manufacturing, or as finished product.

Proposers are encouraged to be creative about partnering with secondary processors, manufacturers, and others; and identifying new markets for Processing materials. At the same time, Proposers must be cognizant of the constraints of New York City and its waste stream, which limit the scope of plans to accept, process, and market NYC Recyclables. These constraints include (1) the need for sufficient scale of capacity to keep tonnages moving through the system; (2) the necessity of securing primary Processing capacity and capability before developing plans for secondary Processing of materials or manufacturing ventures; (3) the importance of making the most of the technological advances in Processing that have taken place over the past decade; and (4) the need for proposed facilities to already have been sited, or have a reliable siting plan.

In this context, Proposers are also encouraged to consider transport technologies that are minimally burdensome environmentally – namely rail and barges. Furthermore, DSNY expects Contractors to operate their facilities in a manner that will minimize impact on the surrounding community, making the most of odor control technology and building design, and buffering the facility from the surrounding community through attractive fencing, berms, and plantings.

Proposers should demonstrate a sophisticated understanding of recycling markets and the secondary materials economy. They should be aware of, and plan for, extreme market volatility as well as market exchange on local, regional, national, and global scales simultaneously. They should also be versed and interested in promoting local economic development of recycling-related businesses (in secondary Processing, value-added manufacturing, end-use manufacturing, or other activities), given the priority of maintaining reliable Acceptance, Processing and Marketing of materials overall.

DSNY requires a Revenue Basis payment structure for Acceptance, Processing and Marketing of MP. It also expects that Proposers make a creative and good-faith effort to minimize expenses or develop a revenue arrangement for Acceptance, Processing and Marketing of MGP.

On an operational level, DSNY seeks Proposals that maximize delivery efficiency for DSNY trucks, and, utilizing a sophisticated understanding of process flows, suggest protocols for minimizing truck queuing.

Locating at least two Acceptance Facilities in separate boroughs of the City will also contribute to improved operations and environmental impacts.

To summarize, DSNY's goals for the Contracts awarded from this RFP are to:

- (1) forge reliable, long-term relationships with entities capable of accepting all or a significant portion of DSNY Recyclables as they are collected, and with complete reliability;
- (2) see that market value of materials from Recyclables is maximized using all the resources available in the recycling industry – including Processing technology and Marketing expertise;
- (3) minimize the amount of zero-value commodities and/or Residue resulting from Recyclables Processing, using similar resources;
- (4) ~~think creatively and realistically about partnering~~ partner or ~~subcontracting relationships~~ subcontract for secondary Processing, remanufacturing, or other features of recycling economic development;
- (5) to the extent feasible, link the contractual relationship to local economic development in terms of business growth and jobs in the NYC area, provided that goals above are met;
- (6) to the extent feasible, minimize the environmental impacts associated with transport of Recyclables and community siting of Acceptance and Processing facilities;
- (7) establish MP Recyclables Acceptance, Processing and Marketing on a Revenue Basis, subject to the laws and procedures governing Revenue Contracts; and establish any

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subsequent MGP Acceptance, Processing, and Marketing either on an Expense Basis that minimizes costs to the City; or on a Revenue Basis;

- (8) achieve maximum operational efficiency during the Recyclables delivery process, especially with respect to minimizing queuing time.
- (9) encourage the geographic dispersion of Acceptance Facilities throughout the City.

H.A. 4. Extra Weight for Proposals that Respond to Goals 1 - 9 Above

In light of these goals, DSNY will give extra weight to the following:

- H.A.4. a. ~~proposed facilities that are already under the Proposer's Control and require minimum development to be ready;~~
- H.A.4. b. ~~facilities that propose to reduce outgoing traffic through barge or rail transport of Recyclables;~~
- H.A.4. c. ~~facilities that can receive materials by barge from DSNY;~~
- H.A.4. d. ~~strategically located and/or numerous facilities that reduce DSNY transportation burden and cost;~~
- H.A.4. e. ~~beneficial revenue sharing arrangements;~~
- H.A.4. f. ~~Proposals that realistically propose to maximize recycling and beneficial reuse;~~
- H.A.4. g. ~~new technology, especially in the area of automating previously manual processes;~~
- H.A.4. h. ~~new, but practicable, Marketing ideas for Processed Recyclables;~~
- H.A.4. i. ~~viability of Proposal for economic development in New York City, as coordinated by the EDC;~~
- H.A.4. j. ~~Proposals that suggest delivery procedures that maximize efficiency for DSNY drivers, especially in the area of queuing time.~~

~~H.A.4. k. Proposals that locate Acceptance facilities in different boroughs of New York City, as opposed to two or more in one borough.~~

II. B. Service Options

This RFP seeks Proposals that cover two distinct scenarios:

1. Scenario One/Required: Acceptance, Processing and Marketing of MP on a Revenue Basis
2. Scenario Two/Required: Acceptance, Processing and Marketing of MGP on an Expense or Revenue Basis
3. Scenario Three/Optional: Acceptance, Processing and Marketing of MGP in conjunction with Paper

Proposers may address additional scenarios in which other materials are collected separately or commingled with MGP, including but not limited to: #3-#7 plastics, textiles, bulk wood, and auto tires.

Proposers may address each option sequentially, as separate sub-Proposals, or in any other consistent and comprehensible manner.

II. C. Service Areas

This RFP seeks services for Recyclables collected throughout the five boroughs of New York City, which are divided into 59 sanitation districts. Acceptance Facilities must be located within New York City limits.

However, Proposers should not structure their RFP responses by anticipated district, borough, or other geographic area to be served as origin of delivered Recyclables. DSNY will determine origin depending on location of proposed Acceptance capacity and DSNY's calculation of its own transportation costs and logistics. DSNY calculates transportation costs from its routes to proposed Acceptance Facilities on a per-Ton basis. Such transportation costs will be a factor in determining awards.

II. D. Anticipated Contract Term

It is anticipated that the term of the Contract(s) awarded from this RFP will be for twenty (20) years. The Contract(s) may additionally include up to one or more ten-year options to renew. The Department reserves the right, prior to Contract award, to determine the length of the initial Contract term and each option to renew, if any.

Based on the Contract negotiations and site development necessary, the Department does not anticipate that work will begin for several years. However, the Department is prepared to begin work under the Contract as early as April 1, 2004, should the selected Contractor(s) be ready at that time. In addition, it is anticipated that the schedule to commence work for any financial arrangement involving Processing of MGP and Paper (Scenario Three) would begin approximately five years from the award of a Contract. Therefore, the Contract resulting from this RFP may be structured both operationally and financially to allow the staged phase in of one or more of the Scenarios outlined in the RFP.

II. E. Anticipated Payment Structure

The payment structure of the Contract(s) awarded from this RFP will initially be on a Revenue Basis for Acceptance, Processing, and Marketing of MP. If and when the Department moves from MP collection under its Recycling Program to MGP collection, and if the Department and the Contractor(s) have agreed to MGP Processing on an Expense Basis, the Contract provisions agreed upon for MP will no longer apply. Any and all accumulated Credit Balances for either party will be deemed null and void (see Appendix II for an explanation of Credit Balances.) The Contract Term will thenceforth be subject to the Standard Cancellation for Lack of Funds provision included in all City Expense-Based Contracts. DSNY understands that any Company contracting with the City will be subject to more risk if and when the Contract goes Expense, and will be prepared to address this fact during Contract negotiations in the form of a compensation provision, to be mutually agreed upon by both parties. Further details can be found in Section 2.2 of Appendix I, attached.

Proposers will be asked to formulate separate Price Proposals for each scenario of the Contract, covering MP and MGP, respectively. Price Proposals for MP should be structured such that the Contractor will pay DSNY a fee for delivered materials to offset the costs DSNY incurs to transport and deliver Recyclables to the Acceptance Facility. Price Proposals for MGP may be structured on an Expense or Revenue Basis.

DSNY believes that, given the right payment structures, Revenue and Expense arrangements can be achieved that maximally benefit DSNY and at the same time ensure the Contractor profit in the long term. Full details and recommendations for such structures are detailed in Appendix II. Proposers are required to formulate their Proposals in accordance with these recommendations, but may propose alternate Payment Structures in addition to those required by DSNY, provided a positive per US Ton purchase price is maintained for MP.

II. F. Minimum Qualification Requirements

NOTE: THE PROPOSER WHO OFFICIALLY SUBMITS THE PROPOSAL WILL BE REFERRED TO AS “THE PROPOSER”. SUBCONTRACTING ENTITIES WILL BE CALLED “SUBCONTRACTORS.”

The following are Minimum Qualification Requirements of this RFP. Proposals that fail to meet all of these requirements will be rejected.

II.F. 1. The Proposer must submit a \$50,000 Proposal Bond with the Proposal as Proposal security in accordance with the instructions in Attachment 9, to be returned upon the award of the Contract;

II.F. 2. Acceptance Facility Requirements

At the time the Proposal is made, the Proposer must have Control of **at least** two or more Acceptance Facility(ies), each with a minimum combined Acceptance capacity of 3,000 US Tpd or 18,000 US Tons per week, and a storage capacity of at least 3,000 US Tpd or 18,000 US Tons per week, at each proposed Acceptance facility.

Greater consideration will be given to Acceptance Facilities that have two (2) Weigh Scales capable of registering truck weight – one for full trucks arriving at a Facility (a “weigh-in scale”); the other for empty trucks leaving a facility after tipping (a “weigh-out scale.”) These scales would optimally be positioned on each Facility’s property to as to minimize contact between incoming and outgoing vehicles. Data from both scales would be used to record delivery load weight based on truck tare weight. Both would have to be electronically linked to computer system capable of producing one receipt at the weigh-out scale. In the event that a two-scale system is not possible, Proposers should come forth with alternatives to weighing technology and operations that respond to the concerns outlined above, and minimize the queuing time for DSNY delivery vehicles. Further information about DSNY’s Weigh Scale Requirements is in Section 4 of Appendix I, “Proposed Detailed Specifications.”

II.F. 3. Processing Facility Requirements

At the time the Proposal is made, the Proposer must have Control of, or a relationship with a Major Subcontractor with Control of, one or more Processing Facility(ies) of sufficient combined capacity to handle all material accepted at the Acceptance Facilities in a timely fashion, i.e., in such a way that backups, bottlenecks, or operational failures at the Processing Facility(ies) do not hinder the Acceptance Facility’s ability to reliably accept DSNY tonnages daily and weekly. Further details on this topic are in Section 3 of Appendix I, “Proposed Detailed Specifications.”

Tipping areas should be of a size that allows more than one vehicle to tip at a time, and which allow multiple vehicles to unload and weigh-out without interference.

II.F. 4. Affirmation of Payment Provisions

Proposers must affirm in the cover Letter of Transmittal accompanying their Proposal that the portion of their Technical and Cost Proposals for the Acceptance, Processing, and Marketing of MP will be Revenue Based, entailing a payment to DSNY for each US Ton accepted as reimbursement for costs of transport and delivery of Recyclables to the Acceptance Facility. Proposals that do not affirm this will not be considered. See RFP Section IV.A.1.k for instructions on this affirmation requirement.

III. SCOPE OF SERVICES

III. A. General Assumptions Regarding Contractor Approach

The Department assumes that the Contractor would address the following general elements in formulating its approach to Acceptance, Processing and Marketing of Recyclables:

III.A. 1. Basic Constraints on New York City Recycling

The development of Acceptance, Processing, and Marketing infrastructure in New York City since the enactment of Local Law 19 in 1989 has been constrained and guided by several interrelated factors. The Contractor would understand and work within these constraints, as follows.

III.A.1. a. Need for Substantial Capacity

With a total Recyclables stream averaging 1,300 US Tpd for paper, and nearly 1,000 US Tpd of MGP, capacity is arguably *the* crucial factor in NYC recycling. Because of the transportation costs and operational logistics associated with delivering Recyclables to Acceptance facilities, the Contractor would have sufficient capacity to handle a significant part or all of this tonnage.

Capacity is a product of the interaction of facility space with Processing and Marketing capability. Together, these factors determine how much can be delivered, and how quickly it can move through the facility and out again. Capacity is also determined by the legal and regulatory ability to accept Recyclables. In other words, the Contractor would have Control of authorized, licensed, registered and/or permitted sites.

III.A.1. b. Reliability

DSNY is under a mandate not only to recycle, but to collect waste daily. Failure to do this would result in public health threats, traffic disruption, and ultimately paralysis for the City. This imperative applies no less to recycling than it does to refuse. As a consequence, the Contractor would have sufficient capacity to reliably handle large tonnages. Except in cases of Weather Emergencies or Uncontrollable Circumstances, the Contractor's Facilities would accept deliveries on any day, and in a timely manner.

Moreover, since reliability depends on the uninterrupted movement of materials through Acceptance and Processing steps, it is imperative that the Contractor have access to shipping containers for transporting outgoing material, and can demonstrate this access in the Proposal, as well as demonstrate proven and dependable disposal options for Residue.

III.A.1. c. Primary Processing First

A third constraint has to do with the stages Recyclables move through on their way to re-entering beneficial use. These stages are as follows:

generation – transport – Acceptance – 1^o Processing – 2^o Processing – remanufacture

Primary Processing of commingled materials entails sorting Recyclables from nonrecyclables, as well as sorting different Recyclables from each other. It also includes baling of sorted materials, and Residue disposal. The Contractor would have primary Processing capability in that it would have Control over a primary Processing facility for the accepted material, or have a reliable primary processor as Major Subcontractor.

III.A.1. d. Proven Technologies

The Contractor would utilize a Processing technology that is well beyond the design stage, and has been proven to process materials under field conditions similar to New York City. Moreover, the Contractor's planned technology would produce an output that conforms to the its operational and financial expectations.

III.A.1. e. Volatile Markets

Because of the unalterable nature of secondary commodities markets, the Contractor would expect large fluctuations in the prices of recycled materials, particularly metals and plastics. Its business plans would include methods for managing assets, liabilities, and cash flows in an unpredictable environment.

III.A.1. f. Quality and Composition of NYC Recyclables

For reasons detailed in Appendix V, it is reasonable to expect contamination of the MP and MGP stream with organics, nondesignated plastics, and some refuse. In addition, in the case of MGP, there is likely to be significant glass breakage. The Contractor's Proposed facilities would have capacity to accept agreed-upon quantities of Recyclables in whatever condition delivered by DSNY. It is imperative that facilities be technologically and/or operationally capable of handling the City's Recyclables as they are now. For this reason, Proposals based on scenarios in which DSNY, through education, enforcement or other means, alleviates contamination or glass breakage will not be considered.

III.A. 2. Capitalize on Markets

To ensure the continued viability of recycling in NYC, the Contractor's Marketing plans would maximize prices for processed Recyclables. Where possible, the Contractor would aim to market to the highest value end-uses available. Conversely, the Contractor would seek to minimize zero-value transfers of material for beneficial use, especially in landfill applications.

The Contractor would have a sophisticated understanding of recycling markets and the secondary materials economy. It is crucial that this understanding go beyond the local level to make the most of the rapidly globalizing world economy, and the proliferation of business relationships that e-commerce has facilitated.

The Contractor would balance profit maximization against protection from risk. In addition to the ability to generate revenues needed to make NYC Recycling feasible, DSNY is looking for long-term stability in its Contracts.

III.A. 3. Make the Most of Innovative Collaborations

The Contractor would be creative about partnering with secondary processors and/or remanufacturers, and in identifying new markets – provided it remain cognizant of the constraints on recycling in NYC today. As part of this goal, the Contractor would consider the viability of recycling additional materials, including but not limited to, #3-7 plastics, textiles, bulk wood, and tires. This suggestion, however, in no way commits DSNY to any programmatic changes in what is collected.

III.A. 4. Foster Realistic Local Economic Development

To the extent feasible, the Contractor would link contractual relationship with the City to activities fostering local economic development. This would mean making use of the various city, state and nonprofit economic development resources available when it is in the Contractor's interest to do so. Such resources – which include tax abatements, grants, loans, and technical/regulatory assistance – are designed to encourage businesses to locate within New York City boundaries and to bring profits and jobs to the City proper.

DSNY will work with selected Contractors and the City's Economic Development Corporation to maximize the chances of developing plans beneficial to both the City and the Contractor.

III.A. 5. Minimize Environmental Impacts

Local and long-haul truck traffic is the most serious environmental impact – in terms of air and noise pollution – that is associated with recycling. To the extent feasible and practicable, the Contractor would develop alternatives to truck transfer, including barge, rail, and alternative-fuel vehicles, provided these alternatives are tested and proven under NYC conditions, and their use fits with a workable overall plan.

In particular, the Contractor would receive Recyclables directly from DSNY via barge, as is currently done with Visy Paper. Barge and MTS specifications are referenced in Appendix VIII.

III.A. 6. Maximize Financial Benefits to the City

In theory, the City prefers to contract on a Revenue Basis rather than on an Expense Basis for Acceptance, Processing and Marketing of its Recyclables. The reason for this preference goes beyond the partial reimbursement to the City for transport of Recyclables from collection routes, and delivery to Acceptance Facilities that the City receives under Revenue Basis arrangements. Expense Contracting does not foster continued innovation in technology and efficiency, nor does it drive efficient Marketing, to the extent that Revenue Contracting does. This is especially true when Expense Contracts are of a limited duration, as they were under the previous five-year contracts for MGP Processing. Furthermore, Expense Contracts are subject to rules and procedures, including the right of the City to cancel for budgetary reasons, that Revenue Contracts are not.

In practice, however, DSNY acknowledges that the weak markets for glass make MGP Acceptance, Processing and Marketing extremely difficult to contract for on a Revenue Basis under NYC's Recycling Program. This reality stems from several characteristics specific to NYC. First, the City's population and density preclude scenarios for glass dropoff or collection in a non-compacting separate truck compartment – as practiced in smaller cities in the US and abroad. Second, markets for glass on the Eastern seaboard are substantially weaker than those on the West Coast due to the latter's (1) strong recycled-content laws for glass production in California; and (2) winery markets for mixed and green glass. Third, unlike California's container deposit legislation, New York State's Bottle Bill Law contains no provisions for State redemption of glass deposit containers. The State of California pays public and private MRFs for unsorted glass deposit containers on a per US Ton basis. For these reasons, the revenue potential of commingled MGP Acceptance, Processing and Marketing in other localities, particularly those in California and nearby states, is not comparable to that in New York City.

Given these realities, the Contractor would formulate its approach to MP Acceptance, Processing and Marketing on a Revenue Basis, and its approach to MGP Processing on a Revenue or Expense Basis. The Contractor would also consider alternatives for Acceptance, Processing and Marketing of MGP (for instance, in conjunction with Paper) that might enable contracting on a Revenue Basis.

III.A. 7. Maximize Delivery Efficiency

DSNY will give its highest rating to the Proposal that credibly promises the quickest turnaround time when a DSNY vehicle delivers Recyclables to the Acceptance Facility. Ideally a vehicle would be able to scale in, tip, and scale out in five minutes or less. The Department's Export contracts have specified a 25 trucks per hour (2.4 minutes per truck) turnaround time. However, the Department understands that recycling is not refuse, and therefore this may be an

unrealistic number per hour for Processing recyclables. Overall, the Contractor would take into account the particular manner in which DSNY collects and delivers Recyclables.

The DSNY workday is generally divided into three shifts. Collections take place throughout a particular shift and deliveries are made either at the end of that shift, by the collection crew, or at the start of the next shift, by a relay driver. This means that large numbers of vehicles can arrive at an Acceptance Facility in the space of a couple of hours, resulting in long queues, and then nothing else will arrive for eight hours or more. Although DSNY would prefer to spread its deliveries throughout the workday, current work rules preclude that as a possibility for the foreseeable future.

The Contractor would accommodate the manner in which DSNY delivers Recyclables (i.e., not in a steady stream but in periodic large loads). In an ideal Proposal:

- III.A.7. a. a DSNY vehicle would arrive at the Acceptance Facility and be able to enter immediately without having to wait on queue;
- III.A.7. b. all movement into, through, and out of the Acceptance Facility would be in a forward direction on one-way roads;
- III.A.7. c. the only time a vehicle would back up would be to tip, but DSNY would prefer a plan which enabled a vehicle to tip *without* having to back up;
- III.A.7. d. the tipping floor would be able to accommodate at least three vehicles at the same time;
- III.A.7. e. the scale house would be configured so that the driver of a vehicle on the weigh scale would be able to exchange paper work with the scale master without exiting the vehicle;
- III.A.7. f. either a tare-weight system or separate inbound and outbound scales would be used so that inbound and outbound vehicles do not contend for the same scale platform.

III. B. Specific Assumptions Regarding Contractor Approach

The Department expects that the Contractor would address the following specific elements in formulating its approach to Acceptance, Processing and Marketing of Recyclables pertaining to: (1) facility design, siting, and specifications; (2) limits and requirements of delivery and Acceptance of Recyclables; (3) technology employed by the Contractor for primary Processing; (4) procedures for Marketing materials that have gone through primary Processing;

(5) the disposal of post-Processing Residue; (6) annual Recyclables characterization, (7) Partnering and Subcontracting, (8) Contingency Plans and (9) Reporting Requirements.

Further details on these specifics are in Appendix I, “Proposed Detailed Specifications.” DSNY’s requirements for Payment Structures are detailed in Appendix II. Discussion of Performance-Based Payment Structures is discussed in RFP Section III.E. below.

III.B. 1. Facilities

The Contractor must have at least two Acceptance Facilities at which it receives Recyclables deliveries from DSNY daily; and at least one Processing Facility, at which it prepares Recyclables for Marketing. DSNY will be delivering commingled Recyclables collected at curbside to Acceptance Facilities. Consequently, Processing Facilities must be able to process loads in the state delivered to Acceptance facilities. Thus, Processing Facilities must have primary Processing capability.

Acceptance Facilities must be Controlled by the Contractor, and may not be Subcontracted. Primary Processing Facilities must be Controlled by the Contractor, either directly or through a reliable Major Subcontractor with the capacity to handle daily, weekly and monthly tonnages such that the Acceptance Facilities are guaranteed to be able to reliably operate. The Contractor must demonstrate that Primary Processing Facilities will not experience backlogs, bottlenecks, or operational failures that impede the Acceptance Facilities’ ability to accept the minimum tonnages specified in Section II.F.2 of this RFP.

The basic requirements for Acceptance Facilities are (1) minimum capacity, as specified in RFP Section II.F.2, and (2) the presence of at least one certified weigh scale. Furthermore, at least two of the Contractor’s Acceptance Facilities must be located within New York City limits. The basic requirements for each Processing Facility are (1) primary Processing capability and (2) tonnage and throughput capacity to guarantee reliable and uninterrupted operation of Acceptance Facilities, as above. In addition, the Contractor must secure all authorizations, licenses, permits and registrations required by Law or otherwise necessary for the lawful operation of each Acceptance Facility and Processing Facility.

The Contractor may additionally enter into agreements with a Subcontractor that is a secondary Processing or remanufacturing facility; or other buyer/user of Recyclables having undergone primary Processing – provided the Contractor Controls or contracts with a Major Subcontractor for the Processing Facilities for primary Processing as described above.

III.B. 2. Delivery and Acceptance

NOTE: APPENDIX I OUTLINES PROPOSED DETAILED SPECIFICATIONS FOR DELIVERY AND ACCEPTANCE OF RECYCLABLES. THE REST OF THIS SECTION ADDRESSES AND HIGHLIGHTS THE SUBSTANCE OF THESE PROVISIONS FOR THE PURPOSE OF DESCRIBING SPECIFICS OF CONTRACTOR APPROACH.

Delivery of Recyclables to the Acceptance Facilities will be regulated around a set of daily, weekly and monthly amounts. The Contractor will be guaranteed a minimum tonnage for each Facility on a daily and monthly basis. The Contractor will guarantee, in turn, to accept up to a maximum tonnage on a daily and weekly basis at each Facility. These arrangements limit risk to both parties.

The City's obligation to deliver specified amounts shall be subject to availability of MP and MGP in New York City and to any unavoidable delay due to Uncontrollable Circumstance (as defined in the Contract.)

III.B.2. a. Guaranteed Monthly Delivery Amount

The Contractor should anticipate the monthly tonnages of MP and MGP, respectively, that it will require DSNY to guarantee to deliver to each Acceptance Facility.

III.B.2. b. Guaranteed Daily Delivery Amount

This is the amount that at a minimum, will be delivered on any day on which DSNY delivers Recyclables to the Contractor. This amount must be equal to 1/24th the Guaranteed Monthly Delivery Amount.

III.B.2. c. Maximum Daily Delivery Amount

This is the maximum amount of Recyclables that an Acceptance Facility will accept on a given day. This amount must equal 3,000 US Tons.

III.B.2. d. Maximum Weekly Delivery Amount

This is the maximum amount of Recyclables that an Acceptance Facility will accept in a given week. This amount must equal 18,000 US Tons.

The Contract will contain provisions that allow for the rejection of DSNY deliveries that are in excess of the Maximum Daily or Weekly Delivery Amount. However, the Contractor will have the option of choosing to accept deliveries exceeding these amounts, provided the excess deliveries are within the permitted capacity of the Acceptance Facility.

The Contractor will not be permitted to reject deliveries to any Acceptance Facility that are within the bounds of the Maximum Daily or Weekly Delivery Amount, except in cases specified in the Contract (see Appendix I, Section 3).

III.B.2. e. Condition of Deliveries

It is important to note that DSNY will make no representation or warranty regarding condition or quality of Recyclables or their composition, except that DSNY will not pre-sort or cull Recyclables, or remove any materials at curbside or other collection point.

The Contractor may, however, reject the delivery if it is apparent that it does not contain Recyclables (i.e., it is from a refuse, or other non-DSNY allocated recycling collection route.) This may be determined through visual inspection, subject to confirmation with a DSNY representative according to a set procedure spelled out in the Contract.

Further details on this topic are in Section 3 of Appendix I, “Proposed Detailed Specifications.”

III.B.2. f. Hours of Operation

The Contractor should be prepared to keep the Acceptance Facility open for delivery of Recyclables twenty-four hours per day on each and every Workday, although DSNY work schedules may allow for keeping the facility open for a shorter period each Workday. DSNY will work with the Contractor to optimize facility scheduling for both parties, but retains the option of requiring 24/6 operations when necessary.

DSNY may also ask the Contractor to remain open on Sundays and/or City Holidays under: (1) non-emergency circumstances or (2) following Weather Emergency or other emergencies, on a limited basis. Further details on this topic are in Section 3 of Appendix I, “Proposed Detailed Specifications.”

III.B.2. g. Delivery and Acceptance Procedures

The Contract will also contain detailed provisions relating to weighing trucks in and out (scale and computer requirements, weigh procedures); generation of delivery receipts; hours of Acceptance Facility operation; and procedures that guarantee prompt unloading of DSNY vehicles.

Further details on this topic are in Sections 3, 4 and 5 of Appendix I, “Proposed Detailed Specifications.”

III.B. 3. Processing

Processing of DSNY-delivered Recyclables (which is by definition primary Processing) will take place at one or more Processing Facility(ies), which may be coterminous with, adjacent

to, or separate from the Acceptance Facilities. Processing will involve the separation of metal, plastic, glass and/or other Recyclables from Residue.

DSNY does not specify Processing technology to be used by the Contractor at such facilities. However, Proposers are strongly encouraged to consider proposing technologies that are (1) newer than; (2) more efficient than; (3) more cost-effective than; and/or (4) different from the somewhat “traditional” technologies that have been in use to process NYC MGP since 1995 and earlier by previous Contractors with DSNY. Technologies with attributes (1-4) above will be referred to collectively as Alternative Processing Technologies. At the same time, Proposers should not hesitate to propose traditional technologies that remain efficient and cost-effective in the industry today.

Traditional technologies have included magnetic separators for ferrous metals, eddy current separators for aluminum, trommel screens of various sizes for positive and negative sorts of cullet and Residue, and manual positive and negative sorting of plastics. Under DSNY’s prior MGP Processing contracts, such technologies have often operated in cramped quarters, under conditions that do not minimize dust. It should be noted that this occurred because the short terms of previous MGP contracts did not provide an incentive to invest in upgrading or replacing such technologies.

Alternative Technologies include, but are by no means limited to, optical systems for glass and plastics separation, blowers, floatation sorting technologies, and newer-generation trommels and screens (shaker screens, Star® screens). They also encompass upgraded facility space, such as larger tipping areas; increased capacity to store processed materials; and mechanisms to ensure cleanliness. Finally, Alternative Technologies encompass improved software and operational procedures, such as weigh-in/weigh out routines, and on-site queuing of vehicles waiting to tip.

DSNY encourages Contractors to research, test, develop, investigate, or otherwise consider Alternative Processing Technologies that make the most of innovation in the industry. This encouragement also includes technologies geared to work with “nontraditional” markets (i.e., mixed resin plastics for plastic lumber), provided the Contractor has a proven, reliable plan to process and market such material.

III.B. 4. Marketing

The Contractor will be required to market all processed metal, plastic, Beverage Cartons, and/or glass making up the Recyclables that DSNY delivers. If no reasonable market exists for one or more of the Recyclables, the Contractor may store them appropriately until a market is available, consistent with all applicable Laws. When markets are lacking, the Contractor may also opt to put Recyclables to beneficial use for zero or negative prices. However, such practices must be minimized and justified with a good faith effort at positive price Marketing and the Processing necessary to garner positive prices.

The Contractor will be explicitly prohibited from sending Recyclables to be incinerated, disposed of in a landfill, or otherwise dumped. As part of the Contract's reporting requirements (discussed in Appendix I), the Contractor will be expected to obtain representations from each Entity to which it markets Recyclables that such materials shall not be incinerated, disposed of in a landfill, or otherwise dumped.

III.B. 5. Residue Disposal

Back-End Residue is material left over after primary Processing that cannot be marketed or otherwise put to beneficial use. In the case of commingled metal, glass, plastic, and Beverage Cartons Processing, it typically includes organics, non-designated plastic resins, heavily contaminated items, and other materials such as ceramics, leather, rubber, wood, and small amounts of paper.

The Contractor shall make all reasonable and good faith efforts to minimize Residue by applying the best available Processing technology to the Recyclables delivered by DSNY. What Back-End Residue remains must be handled and disposed of in accordance with all applicable Laws.

At the same time, DSNY understands the limited marketability of a portion of the MGP mix, and encourages Proposers to Propose new and alternative beneficial reuses for this material.

III.B. 6. Delivery Loads Characterization

It is in the interest of both DSNY and the Contractor to have good knowledge of the composition of Recyclables being delivered. Proposals should include plans for annual characterization of Recyclables loads by independent consultants or other impartial observers, conducted in such a way as to yield reliable, unbiased, statistically-significant results about the material composition of deliveries. Appendix IV contains recommendations for such studies.

III.B. 7. Partnering/Subcontracting

DSNY will not consider Proposals in which a Subcontractor Controls one or more Acceptance Facility(ies). However, Contractors may work with Major Subcontractors in regard to Processing Facilities, provided the Major Subcontractor show sufficient tonnage and throughput capacity that backlogs, bottlenecks, or operational failures can be guaranteed not to impede the Acceptance Facilities' ability to accept agreed-upon tonnages daily, weekly, and monthly.

Contractors may also enter into collaborative arrangements with firms involved in secondary Processing and Marketing of Recyclables, as well as those engaged in reuse, remanufacturing, value added manufacturing, and brokering. The role, relationship, and financial/legal background of each collaborating firm (Subcontractor) must be submitted in accordance with the Proposal instructions in RFP Section IV.

If DSNY wishes to award a Contract to a Proposer but does not approve of a proposed Subcontractor, the Proposer may be given a reasonable opportunity to find a different Subcontractor that DSNY will approve. If the Proposer does not obtain a substitute Subcontractor that DSNY finds acceptable, DSNY may reject the Proposal.

III.B. 8. Contingency Plans

Proposals must include full contingency plans for the Acceptance, Processing and Marketing of Recyclables, according to the Guaranteed Daily Delivery amount and requirements to market all non-Residue materials that are processed, and dispose of Residue in accordance with all Laws. Such contingency plans will apply in the event of any and all crises, emergencies, and unexpected circumstances that prevent any aspect of the Acceptance, Processing, and Marketing of Recyclables agreed to under the Contract, with the exception of Uncontrollable Circumstances as defined in Contract provisions.

III.B. 9. Reporting

Proposals should address the Contractor's approach to Reporting. The Contractor(s) will be required to submit a Monthly Report to DSNY for each Billing Period, on or before the 10th calendar day of the succeeding month. The Monthly Report will contain the following information:

- III.B.9. a. A statement identifying the period covered by the Monthly Report, including the dates, number of days, and number of Workdays in the period;
- III.B.9. b. Listed in sequential order by Delivery Receipt serial number, the date and time of the arrival and departure of each delivery in that Billing Period, specifying the quantity (by weight in US Tons) of MP or MGP for each delivery, the identification numbers of Authorized Vehicles delivering the material, and the identifying code of the garage from which the Authorized Vehicle originated;
- III.B.9. c. To the extent practicable, the quantities (in US Tons) of Processed Recyclables marketed, itemized as to the type of product, in that month; the end-uses to which the Processed Recyclables are to be put, and the names and addresses of the purchasers or transferees of the Processed Recyclables;
- III.B.9. d. To the extent practicable, the amount, if any, of Processed Recyclables that are remanufactured into an intermediate or finished product by the Contractor;

- III.B.9. e. To the extent practicable, the amount, if any, of Front-End Residue and Back-End Residue, each by composition, weight, and, if applicable, disposal location.

In addition, the Contractor will furnish DSNY with a copy of each Delivery Receipt for all deliveries covered by the Monthly Report. DSNY will use reasonable efforts to keep the proprietary content of the Monthly Reports confidential, subject to applicable Law, including, without limitation, freedom of information law. Along with the Monthly Report, the Contractor shall also deliver an electronic copy of the data collected by the Weigh Scale Computer.

III.B.9. f. Organizational Structure

The Proposer must submit a layout of the organizational structure for each Entity (including Contractor and all Subcontractors) who will perform work under the Contract, including a staffing table with names, titles, and contact information for supervisory personnel assigned to Acceptance or Processing Facilities, as well as any applicable home, satellite, or back offices.

III. C. Agency Assumptions Regarding Payments

The Price Proposals responding to this RFP should include an explanation of the Payment Structures by which the Contractor will enter into an agreement with DSNY for Acceptance, Processing and Marketing of MP on a Revenue Basis, and MGP on an Expense or Revenue Basis. Proposers may also opt to specify payment structures for the Acceptance, Processing and Marketing of MGP plus Paper, in separate streams, on a Revenue Basis; and may include supplementary Price Proposals for additional materials if they choose.

By "Payment Structures" DSNY means price estimates, formulas, procedures, calculation methods, assumptions, justifications, and other necessary information pertinent to monetary exchanges or accruals of credit or debit balances between the Contractor and DSNY for the Acceptance, Processing, and Marketing of Recyclables. Central to this will be a per US Ton Processing cost that the Contractor will propose, a method for sharing revenue from the sale of Processed Recyclables so as to offset DSNY's costs of transporting and delivering collected Recyclables, and a method for assessing damages if one or the other parties fails to abide by Contract agreements. Essential as well in the case of MP will be a floor price (minimum payment) to be paid to DSNY for every ton delivered by DSNY and accepted by the Contractor.

Proposers are free to propose structures of their own choice and design provided they adhere to DSNY's basic guidelines. These guidelines have been developed to explain payment mechanisms that have proven successful in prior DSNY Recycling Revenue and Expense Contracts. These guidelines are outlined in detail in Appendix II. Very generally, they include mechanisms to:

- cover costs to the Contractor for Processing and other associated expenses;
- ensure profit to the Contractor over the long term;

- enable DSNY to partially recoup some of the costs it incurs for transportation and delivery of collected Recyclables when markets are strong (through expense offsets or payments);
- account for the material composition of Recyclables deliveries;
- account and compensate for operational failures by DSNY or Contractor.

Proposers are required to formulate their Price Proposals in accordance with the guidelines in Appendix II. They may additionally propose alternate Payment Structures, provided they have already prepared a Price Proposal in accordance with Appendix II guidelines.

III. D. Transportation Factors

Proposers should be aware that in addition to Composite Price formulas and Processing Costs, the selection committee will be evaluating transportation costs from collection routes to Acceptance Facilities as part of its overall assessment of the most favorable Price Proposals.

III. E. Performance-Based Payment Structures

Performance-based payment structures help assure that the selected Proposer(s) will perform the work under the Contract(s) awarded from this RFP in a manner that is cost-effective for the Department, and most likely to achieve the Department's goals and objectives.

They generally involve structures that tie full or partial payment to pre-established quality criteria. Proposers are encouraged to include performance-based payment structures in their Proposals that will supplement and work with the basic payment structures outlined above.

One area in which performance-based payment structures might be particularly relevant is:

III.E. 1. Residue Minimization

Proposers are encouraged to devise innovative arrangements for Residue minimization, including the use of innovative Processing technologies, and/or the identification of new, unusual, and/or hitherto unexplored markets/beneficial end-uses for what would otherwise be termed Residue.

IV. FORMAT AND CONTENT OF THE PROPOSAL

Instructions: This Section describes the format and content requirements for submitting a Proposal in response to this RFP. Proposals should be prepared as two separate documents. The first is a Technical Proposal; the second is a Price Proposal. Proposers should submit both the Technical Proposal and the Price Proposal to the Department by the Proposal Due Date.

Proposers should provide all information required in the format below. The Proposal should be typed or printed on both sides of 8 ½" x 11" recycled content paper. Pages should be paginated. The Proposal will be evaluated on the basis of its content, not length.

IV. A. Proposal Format

IV.A. 1. Proposal Cover Letter

The Technical Proposal should be accompanied by a letter of transmittal, to be addressed to Agency Chief Contracting Officer Ronald Blendermann, containing a brief summary of the key points of the Proposal. The letter must also include:

- (a) The name and address of the Proposer;
- (b) The name, title, address, and telephone number of an individual who is authorized to bind the Proposer to the Contract;
- (c) The name, title, address, and telephone number of an individual whom the Department may contact regarding questions and clarifications;
- (d) The name of the proposed Contractor representative;
- (e) The names and addresses of any Subcontractors;
- (f) Statement that all information submitted in support of the Proposal is accurate;
- (g) If applicable, acknowledgment of receipt of any addenda to the RFP, naming and stating the number of addenda received, using Attachment 3, "Acknowledgment of Addenda";
- (h) An identification of the responding firm's principal-in-charge, project manager, or other key personnel involved with the Proposal development;
- (i) A statement that the Proposal will remain in effect for 210 days after receipt by the Department;
- (j) The signature of the individual who is authorized to bind the prime Contractor contractually;

- (k) **A positive affirmation that for the MP Acceptance, Processing and Marketing scenario, the Cost Proposal is Revenue-Based, with payment proposed to the City for every US Ton delivered at the Acceptance facility, so as to offset DSNY's costs for transport and delivery.**

This affirmation should be included in the Proposal cover letter to accompany the Technical Proposal, and should not make reference to specific costs. DSNY will not consider Proposals without this affirmation.

IV.A. 2. Technical Proposal

IV.A.2. a. Experience

NOTE: This requirement applies to the Proposer as well as any and all Subcontractors.

(1) General Experience

The Technical Proposal shall include a brief summary of the Proposer's recent general experience in secondary materials Acceptance, Processing, and Marketing, as well as disposal of Back-End Residue, as evidence of the firm's strength and depth.

(2) Personnel Qualifications

The Technical Proposal shall include resumes of the key personnel, including site supervisors who would be involved in this Contract, their responsibilities, and their level of commitment to the project. Each resume should be concise, featuring relevant experience and skills. If resumes are submitted for personnel not currently employed by the Proposer, a statement must be provided from that person indicating willingness to accept employment if the Contract is awarded.

(3) References

Proposers should attach a listing of at least two relevant references, including the name of the reference Entity, a brief statement describing the relationship between the Proposer and the reference Entity, and the name, title, and telephone number of a contact person at the reference Entity.

IV.A.2. b. Organizational Capability/Financial Statement

The Proposal should demonstrate the Proposer's organizational (i.e., programmatic, technical, and managerial) capability to provide the work described in this RFP. In addition, Proposers should attach a chart showing where, or an explanation of how, the proposed services will fit into the Proposer's organization. Proposers should also attach a copy of their latest audit

report or certified financial statement, or an explanation of why no report or statement is available.

IV.A.2. c. Proposed Approach

This section of the Proposal should be prepared to reflect the combined effort that the Proposer(s) (including Subcontractor(s)) plans to bring to bear on the task of Acceptance, Processing, and Marketing of Recyclables.

This Section should make reference to the topics, requirements, guidelines, goals, and expectations set forth in RFP Sections I - III above. The following basic structure should be used.

(1) Introduction

Overview of the Proposal and how it will address the goals of DSNY set out in this RFP.

(2) Identification of Participants

Identification of relationship(s) among Proposer(s) and Subcontractor(s) (if any), including the role of each in the Contract.

(3) Identification of Acceptance Facilities

This includes their location, proximity to major thoroughfares; physical description; square footage; daily/weekly/monthly/annual capacities; present use(s); permits secured; information pertaining to ownership of such facilities; barge, rail or other access to and from such facilities; features to minimize impacts on surrounding communities; and other relevant information.

(4) Identification of Processing Facility(ies)

For primary Processing Facilities, this should include their location; physical description; square footage; daily/weekly/monthly/annual capacity; present use(s); permits secured; information pertaining to ownership of such facilities; barge, rail or other access to and from such facilities; features to minimize impacts on surrounding communities; and other relevant information – with the exception of technological and operational information, which should be included in response to (7) below. Proposers should also identify facilities dedicated to secondary Processing, reuse, or remanufacturing, if any, and describe how they will fit into the overall plan for Processing. They should also submit facility plans and traffic flow diagrams.

(5) Guaranteed Monthly Delivery Amount

Proposers should state the monthly tonnages of MP and MGP, respectively, that they will require DSNY to guarantee to deliver, as discussed in RFP Section III.B.2, for each Acceptance Facility.

(6) Guaranteed Daily Delivery Amount

Proposers should state the daily tonnages of MP and MGP, respectively, that they will require DSNY to guarantee to deliver, as discussed in RFP Section III.B.2, for each Acceptance Facility.

(7) Processing Operations and Technology

The Proposer should discuss in detail the methods, machines, procedures, techniques, devices, and any other operational or technological aspects of how Processing of NYC Recyclables will be brought about. Proposers are strongly cautioned against formulating Proposals using experimental technology, or technology specific to pre-sorted or exceptionally clean streams of Recyclables, such as commercial or New York State Returnable Container Act (“Bottle Bill”) material.

(8) Residue Minimization and Disposition

The Proposer should address Residue as a problem and discuss, in detail (1) how it will be minimized through Processing, and (2) how it will be disposed of.

(9) Marketing Approach

Proposals should include an overview of secondary materials markets and relevant issues for NYC’s Recyclables. It should discuss the Proposer’s knowledge, resources, and capabilities regarding Marketing, and its plans to maximize the market value of recycled commodities managed under the Contract.

(10) Training and Safety

Proposers should attach general outlines for training personnel and ensuring worker safety in all aspects of Acceptance, Processing, Marketing, Residue disposal and, if applicable, manufacturing.

(11) Annual Recyclables Characterization

Proposers should discuss their approach to annual characterization of Recyclables loads by independent consultants or other impartial observers, conducted in such a way as to yield reliable, unbiased, statistically significant results about the material composition of deliveries.

Proposers should consult Appendix IV, “Composition Estimates for Recyclables” for a discussion of methods and issues pertaining to this task.

(12) Reporting

Proposers should outline their approach to monthly reporting, including format, method, degree of computerization, and quality-assurance procedures.

(13) Contingency Plans

Proposers should explain how they will deal with crises that interfere with operations at Acceptance Facilities not caused by Weather Emergencies, acts of God, or DSNY actions.

(14) Alternative Proposal (if applicable)

If the Proposer is proposing to Accept, Process, and Market MGP in conjunction with NYC's Paper on a revenue or expense basis, describe the approach and demonstrate Control of facilities operationally capable and fully authorized, licensed, permitted and/or registered to Accept the projected Paper and MP tonnages generated under the NYC Recycling Program.

IV.A.2. d. Acceptance Facility Tonnage Summary

Proposers should also summarize tonnage data, including proposed facility capacity and annual/monthly/weekly/daily amounts, using the Acceptance Facility Tonnage Summary worksheet in Attachment 2.

IV.A. 3. Price Proposal

DSNY will only consider payment provisions that conform to the guidelines and requirements set out in Appendix II, "Pricing and Payment Guidelines."

If a Proposer's firm is placed on a short list of applicants, its Price Proposal will be opened and reviewed. The Price Proposal should be based on guidelines set forth in Appendix II, and shall include:

for Acceptance, Processing and Marketing of Materials on a Revenue Basis:

- (1) Processing Cost per US Ton, expressed as a negative number,
- (2) Floor and Ceiling prices, both positive, for each US Ton,
- (3) Market Price Averaging Basis, including
 - (a) rolling average period over which to calculate prices
 - (b) proposed publication of record for commodity pricing
 - (c) week in each month from which to take commodity prices from publication (1st, 2nd, 3rd, 4th)
- (4) Composite Index specifying breakdown of Recyclable material categories and Residue.

for Acceptance, Processing and Marketing of Materials on an Expense Basis:

- (1) Processing Cost per US Ton, expressed as a negative number, not to go below -\$50 per ton, and
- (2) Proposal for offsets of Processing Cost.

The Price Proposals should follow the format of the Price Proposal Forms (Attachment I). In addition, the Proposer should include details of any performance-based payment structures proposed, per RFP Section III.E and instructions below. Proposers may submit alternative Proposals for payment structures as well, provided the other requirements for Price Proposals have been met.

IV.A.3. b. Performance-Based Payment Structures

Performance-based payment structures tie payment, in whole or in part, to specific outcome measures, financial incentives and/or disincentives, and/or liquidated damages. Proposers are encouraged to list and describe performance-based payment structures that will optimize success-based payments for both the Department and Contractors.

The Department's assumptions regarding performance-based payment structures (discussed in RFP Section III.E.) represent what the Department believes to be most likely to achieve its goals and objectives. However, Proposers are encouraged to propose other measures, incentives, and disincentives which they believe will most likely achieve the Department's goals and objectives in a cost-effective manner. Proposers may also propose more than one approach. While the Proposer's proposed performance-based payment components may not be scored by the Department's Evaluation Committee, they will be considered by the Department in awarding the Contract and structuring its payments.

IV.A.3. c. Acknowledgment of Addenda

Proposers must acknowledge the receipt of any addenda to this RFP which may have been issued by the Department prior to the Proposal deadline, using the "Acknowledgment of Addenda" form provided, Attachment 3.

IV.A.3. d. Performance Security

As security for the Contractor's performance of its agreement with the Department, the Department reserves the right to require that the Contractor shall furnish an irrevocable Letter of Credit in an amount equal to \$150,000 issued by a solvent bank or trust duly licensed to do business in the State of New York, with an office in New York City, which shall be payable to The City of New York Department of Sanitation, and renewable annually for the duration of the time the Contract is Revenue Based.

At such time as the Contract becomes Expense Based, this Letter of Credit requirement amount will be reduced within thirty (30) days to \$50,000.

RFP to Accept, Process and Market NYC Recyclables

The Department will have the right to draw down on the Letter of Credit for any failure of the Contractor to meet the terms and conditions of its Agreement with the Department.

Proposers should use the Sample Letter of Credit (Attachment 7) as a model.

IV.A. 4. Proposal Packages

IV.A.4. a. Technical Proposal Package Contents (“Checklist”)

The Technical Proposal Package should contain the following materials. (Note: Proposers should utilize this section as a "checklist" to assure completeness prior to submitting their Proposal to the Department).

(1) A sealed envelope labeled "Technical Proposal," containing one original set and ten (10) duplicate sets of the documents listed below in the following order:

- ___ Letter of transmittal
- ___ Statement of Qualifications and Interest
- ___ Understanding of the Project
- ___ Proposed Approach
- ___ Experience with Projects of Similar Purpose and Scope
- ___ General Experience
- ___ Personnel Qualifications – including resumes and/or description of qualifications for key staff positions
- ___ References for Proposer and (if applicable) each Proposed Subcontractor
- ___ Organizational Chart
- ___ Audit Report or Certified Financial Statement or a statement as to why no report or statement is available
- ___ Respondent’s Additional Comments and Proposals
- ___ Acceptance Facility Tonnage Summary (Attachment 2)
- ___ Completed Acknowledgment of Addenda (Attachment 3)
- ___ Completed and notarized Proposer’s Affirmation of Non-Debt (Attachment 4)

(2) Proposal Bond

Proposers should submit a Proposal Bond substantially in the form as supplied by the Department (see Attachment 9) from a surety duly licensed to do business in the State of New York, with an office in New York City, in an amount equal to fifty thousand dollars (\$50,000) The Proposal Bond or other form of security for each unsuccessful Proposer will be returned within thirty (30) days of the Department’s award of the Contract. The Proposal Bond of the selected Proposer will not be returned until a Letter of Credit in a form acceptable to the Department, is received.

The Proposal Bond should be submitted in a separate sealed envelope *inside* the envelope containing the Technical Proposal. Make sure a complete return address appears on both the inner Proposal Bond envelope and the Technical Proposal Envelope.

Outer Envelope Instructions:

Both the Technical Proposal and the Proposal Bond shall be submitted in an 8½" x 11" format, with larger or longer foldouts utilized as necessary. The cover of each shall clearly state the project title and the respondent's name and return address. The Technical Proposal should be enclosed in a sealed outer envelope. This outer envelope should have a label showing:

The Proposer's name and address, the Title and PIN # of this RFP, and the name and telephone number of the Proposer's Contact Person.

The name, title, and address of the Agency Chief Contracting Officer:

Assistant Commissioner Ronald Blendermann
Agency Chief Contracting Officer
City of New York Department of Sanitation
51 Chambers Street, Room 801
New York, NY 10013

IV.A.4. b. Price Proposal Content

Price Proposals should be submitted in a sealed envelope containing one original set and ten (10) duplicate sets of the Price Proposal (see "Price Proposal Form," Attachment 1).

The Price Proposal shall be submitted in an 8½" x 11" format, with foldouts from this basic size utilized as necessary. The cover shall clearly state the project title and the respondent's name and return address. The Price Proposal should be enclosed in a sealed outer envelope. This outer envelope should have labels showing:

The Proposer's name and address, the Title and PIN # of this RFP, and the name and telephone number of the Proposer's Contact Person, and the words "Price Proposal"

The name, title, and address of the Agency Chief Contracting Officer:

Assistant Commissioner Ronald Blendermann
Agency Chief Contracting Officer
City of New York Department of Sanitation
51 Chambers Street, Room 801
New York, NY 10013

V. EVALUATING THE PROPOSAL

V. A. Evaluation Procedures

Proposals will be evaluated according to the following process:

V. B. Initial Determination of Responsiveness

All Proposals accepted by the Department will be reviewed to determine whether they are responsive or non-responsive to the requisites of this RFP. Any Proposal that is determined by the Department to be non-responsive will be rejected.

V.B. 1. Preliminary Evaluation

The Department's Evaluation Committee will evaluate and rate all remaining Proposals based on the Evaluation Criteria outlined below. Based on the resulting technical scores, a short list of technically viable Proposals will be established. Proposals not included on the short list of technically viable Proposals will not be considered further.

V.B. 2. Oral Interviews

Proposers whose Proposals are included on the short list will be required to make an oral presentation in support of their written demonstration of experience and expertise in the Acceptance, Processing, and Marketing of Recyclables. Proposers will be expected to discuss their overall strategy for this undertaking as a whole, and respond to the goals set out in this RFP. The oral presentation should be based on the Proposer's "Technical Proposal", but need not completely conform to this document. Proposers may expand, add, or change original ideas at their discretion. However, Proposers must subsequently confirm all oral clarifications to their Proposal in writing. An oral presentation is **mandatory** to be further considered for a Contract.

Proposers will be requested to inform DSNY in advance of the number of persons expected to attend (see Attachment 5 "Oral Presentation Response Form"). Attendees must include the principal individuals who would be involved in this Contract.

V.B. 3. Post-Oral Evaluation

After the oral presentations are completed, the Evaluation Committee members will be given the option to amend their initial technical scores up or down based on the information provided at the presentations. If warranted, a revised short-list technically viable Proposals will be established. Proposals not included in the revised short list of technically viable Proposals will not be considered further.

NOTE:

Although discussions may be conducted with Proposers submitting acceptable Proposals, the Department reserves the right to award contracts on the basis of initial Proposals received, without discussions; therefore, the Proposer's initial Proposal should contain its best programmatic, technical, and price terms.

There is no set minimum or maximum number of Proposers who may make the first and second short lists. There is also no pre-determined point value necessary in order to make the short lists. The number of Proposers who make the short lists will depend on the quantity and quality of Proposals received. Each short list will end where there is a clear break in points.

V. C. Criteria for Evaluation

The following are criteria that the Evaluation Committee will use, weighted as indicated, to score the Technical Proposal. Selection will be based on a one hundred (100) point system (see Attachment 6, "Sample Rating Sheet").

V.C. 1. Preliminary and Follow-Up Evaluations

- V.C.1. a. Demonstrated Quantity and Quality of Successful Relevant Experience: 50 points
- V.C.1. b. Demonstrated Organizational Capacity: 10 points
- V.C.1. c. Quality of Proposed Approach: 40 points

V. D. Basis for Contract Award

A Contract will be awarded to the responsible Proposer(s) whose Proposal(s) is/are determined to be the most advantageous to DSNY, taking into consideration the price and such other factors or criteria which are set forth in this RFP. Contract award shall be subject to the timely completion of Contract negotiations between the Department and the selected Contractor.

VI. GENERAL INFORMATION FOR PROPOSERS

A. Complaints. The New York City Comptroller is charged with the audit of contracts in New York City. Any Proposer who believes that there has been unfairness, favoritism or impropriety in the Proposal process should inform the Comptroller, Office of Contract Administration, 1 Centre Street, Room 835, New York, NY 10007; the telephone number is (212) 669-3000. In addition, the New York City Department of Investigation should be informed of such complaints at its Investigations Division, 80 Maiden Lane, New York, NY 10038; the telephone number is (212) 825-5959.

B. Applicable Laws. This Request for Proposals and the resulting Contract award(s), if any, unless otherwise stated, are subject to all applicable provisions of New York State Law, the New York City Administrative Code, New York City Charter, and New York City Procurement Policy Board (PPB) Rules. A copy of the PPB Rules may be obtained by contacting the PPB at (212) 788-7820.

C. General Contract Provisions. Contracts shall be subject to New York City's General Contract Provisions, in substantially the format that they appear in "Appendix A – General Provisions Governing Contracts for Consultants, Professional and Technical Services" or, if the Agency utilizes other than the formal Appendix A, in substantially the form that they appear in the Agency's general contract provisions. A copy of the applicable document is available through the Authorized Agency Contact Person.

D. Contract Award. Contract award is subject to each of the following applicable conditions and any others that may apply: New York City Fair Share Criteria; New York City MacBride Principles Law; submission by the Proposer of the requisite New York City Department of Business Services/Division of Labor Services Employment Report and certification by that office; submission by the Proposer of the requisite VENDEX Questionnaires/Affidavits of No Change and review of the information contained therein by the New York City Department of Investigation; all other required oversight approvals; applicable provisions of federal, state, and local laws and executive orders requiring affirmative action and equal employment opportunity; and Section 6-108.1 of the New York City Administrative Code relating to the Local Based Enterprises program and its implementation rules.

E. Proposer Appeal Rights. Pursuant to New York City's Procurement Policy Board Rules, Proposers have the right to appeal Agency non-responsiveness determinations and Agency non-responsibility determinations and to protest an Agency's determination regarding the solicitation or award of a Contract.

F. Multi-Year Contracts. Multi-year contracts are subject to modification or cancellation if adequate funds are not appropriated to the Agency to support continuation of performance in any City fiscal year succeeding the first fiscal year and/or if the Contractor's performance is not satisfactory. The Agency will notify the Contractor as soon as is practicable that the funds are, or are not, available for the continuation of the multi-year Contract for each succeeding City fiscal year. In the event of cancellation, the Contractor will be reimbursed for those costs, if any, which are so provided for in the Contract.

G. Prompt Payment Policy. Pursuant to the New York City's Procurement Policy Board Rules, it is the policy of the City to process Contract payments efficiently and expeditiously.

H. Prices Irrevocable. Prices proposed by the Proposer shall be irrevocable until Contract award, unless the Proposal is withdrawn. Proposals may only be withdrawn by submitting a written request to the Agency prior to Contract award but after the expiration of 210 days after the opening of Proposals. This shall not limit the discretion of the Agency to request Proposers to revise proposed prices through the submission of best and final offers and/or the conduct of negotiations.

RFP to Accept, Process and Market NYC Recyclables

I. Confidential, Proprietary Information or Trade Secrets. Proposers should give specific attention to the identification of those portions of their Proposals that they deem to be confidential, proprietary information or trade secrets and provide any justification of why such materials, upon request, should not be disclosed by the City. Such information must be easily separable from the non-confidential sections of the Proposal. All information not so identified may be disclosed by the City.

J. RFP Postponement/Cancellation. The Agency reserves the right to postpone or cancel this RFP, in whole or in part, and to reject all Proposals.

K. Proposer Costs. Proposers will not be reimbursed for any costs incurred to prepare Proposals.

L. Charter Section 312(a) Certification.

The Agency has determined that the contract(s) to be awarded through this Request for Proposals will not directly result in the displacement of any New York City employee.

(Agency Chief Contracting Officer)

Date

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ADDENDUM ONE

ATTACHMENT TWO

September 10, 2003

The following excerpts amended text in Appendix I - Proposed Detailed Specifications of the REQUEST FOR PROPOSALS TO ACCEPT, PROCESS AND MARKET NYC RECYCLABLES (PIN 82703BR00071). Changes are indicated by striking out the deleted or changed text, and highlighting new text.

Paragraph One, page Appendix I-1 should read:

The following document presents details DSNY's proposed Detailed Specifications concerning the Acceptance, Processing, and Marketing of Recyclables. DSNY considers these specifications non-negotiable in substance, but acknowledges that they may be modified in final form subject to negotiation among the parties. After negotiations, DSNY may modify the Detailed Specifications, and incorporate a modified version of the Detailed Specifications into the resulting Contract(s).

Section 2.2.3 on Page 4 of Appendix I is deleted; and Sections 2.2.1 and 2.2.2 on this page should read:

2.2.1 Upon default of one party to the Contract may be terminated by, the non-defaulting party in accordance with may terminate the Contract according to the provisions of in Section 6.3.

2.2.2 At such time as the Contract is Operating on a Revenue Basis, DSNY reserves the right to terminate the Contract upon 60 months' written notice to the Contractor if a major change occurs in the New York City's Solid Waste Management Plan (SWMP) regarding the handling of MSW and Recyclables in New York City, and such change is fully approved and adopted by the City Council, Mayor, and NYSDEC.

2.2.3 At such time as the Contract is operating on an Expense Basis, DSNY reserves the right to terminate the Contract upon 60 months' written notice to. Because DSNY understands that the Contractor when there is a lack of City funding to continue operations, precipitated by a severe fiscal crisis, and as agreed to and adopted by the Mayor and City Council. may incur damages if DSNY terminates the Contract under this provision, DSNY is willing to agree to a provision providing for compensation linked to such a 60-month termination. The form of the compensation (if any) will be negotiated by the parties, acting reasonably and in good faith.

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ADDENDUM ONE

ATTACHMENT THREE

September 10, 2003

The following excerpts amended text of Appendix V - Statements on Contamination in the REQUEST FOR PROPOSALS TO ACCEPT, PROCESS AND MARKET NYC RECYCLABLES (PIN 82703BR00071). Changes are indicated by ~~striking out~~ the deleted or changed text, and **highlighting new text**.

Paragraph Four, page Appendix V-1 should read:

Contamination and Residue Rates in NYC Recyclables:

In New York City, estimates of the contamination and residue rate of residential MGP vary. During ~~his~~ **the** annual budget report in 2002, ~~the Mayor~~ **it was** explained that in some cases 40% of MGP was winding up in landfills.¹ This amount reflected both residue from contamination, as well as significant amounts of mixed cullet that were used as alternative daily cover at landfill sites.

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ADDENDUM ONE
ATTACHMENT FOUR
September 10, 2003

The following certifies the Agency's determination that the award of the Contract for this RFP meets conditions of Local Law 35 of the City of New York.

CERTIFICATION

LOCAL LAW 35

AGENCY: Department of Sanitation BUREAU: Waste Prevention, Reuse, and Recycling

PIN # 82703BR00071

DESCRIPTION OF SERVICE Acceptance, Processing and Marketing of NYC Recyclables

CONDITIONS OF LOCAL LAW 35 MUST MEET ALL OF THE FOLLOWING CRITERIA:

- Solicitation for new or renewal contract issued on or after October 17, 1994;
- Contract is for provision of technical, consultant, or personal services (including human/client services) valued at more than \$100,000.00

The Agency has determined that the award of this contract

_____ will X will not

directly result in the "displacement" of any city employee.

"Displacement" is defined by Local Law 35 to mean "any employment action that results in a reduction in the number of funded positions, including but not limited to, those resulting from the layoff; demotion; bumping; involuntary transfer to a new class, title or location; time based reductions in customary hours of work, wages, or benefits of any City employee."

 8/26/03

By:

Bureau Contracting Officer
(Signature/Date)

 8-26-03

Agency Head
(Signature/Date)