



CITY OF HOUSTON
Administration and Regulatory Affairs Department
Strategic Purchasing Division

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September 28, 2011

SUBJECT: Letter of Clarification 1

REFERENCE: RFP No.: S30-T24076 for Residential Drop-Off and Curbside Single Stream Commingled Recyclable Materials for the Solid Waste Management Department

TO: All Prospective Proposers:

This Letter of Clarification is issued for the following reasons:

• **To clarify the above referenced solicitation as follows:**

1. Page 1, SOLICITATION DUE DATE; IS REVISED TO READ AS FOLLOWS:

SOLICITATION DUE DATE/TIME

OCTOBER 14, 2011 AT 2:00 P.M., CST

2. Replace pages 12, 15, 21, 29, 38 and 39 and replace with pages 12, 15, 21, 29, 38 and 39 marked revised September 28, 2011. Add page 15A

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the proposers to ensure that they have obtained any such previous Letter(s) associated with this solicitation. By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation.

If you have any questions or if further clarification is needed regarding this ITB, please contact Richard Morris at 832-393-8736.

Sincerely,

Richard Morris

Senior Procurement Specialist
City of Houston, Strategic Purchasing Division

Attachment: Pages 12, 15, 21, 29, 38 and 39 marked revised September 28, 2011.
Page 15A

End of Letter of Clarification 1

REVISED SEPTEMBER 28, 2011 - SPECIAL TERMS AND CONDITIONS SOLICITATION NO.: S30-T24076

6.0 HIRE HOUSTON FIRST:

6.1 Pursuant to City Ord. 2011-766, the following Hire Houston First compliance points (“HHF Points”) will be added to the total evaluation points awarded for Proposals submitted:

6.1.1 5% of the total evaluation points available for a “city business,” and

6.1.2 3% of the total evaluation points available for a “local business.”

7.0 PROJECT ADMINISTRATION:

7.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc., may be addressed to the project manager at the Pre-Proposal conference.

8.0 PROCUREMENT TIMELINE/SCHEDULE:

8.1 Listed below are the important and estimated completion dates and times for this Request for Proposal (RFP).

8.2 <u>EVENT</u>	<u>DATE</u>
Date of RFP Issued	September 9, 2011
Pre-Proposal Conference	September 22, 2011
Questions from Proposers Due to City	September 27, 2011
Proposals Due from Offeror(s)	October 14, 2011
Notification of Intent to Award (<i>Estimated</i>)	October 28, 2011
Council Agenda Date (<i>Estimated</i>)	December 14, 2011
Contract Start Date (<i>Estimated</i>)	January 1, 2012

REVISED SEPTEMBER 28, 2011 - SPECIFICATIONS / SCOPE OF WORK
SOLICITATION NO.: S30-T24076

3.0 SCOPE OF WORK DEFINITIONS

- 3.1 "Alternate Deposit Site" means a location other than the Contractor owned MRF where Recyclable Materials may be delivered by the City for future transport at the Contractor's expense to the Contractor owned MRF.
- 3.2 "Aseptic Carton" means a package made for a food or beverage product that is made mainly from Paper in the form of paperboard, as well as thin layers of polyethylene and/or aluminum. Shelf-stable cartons contain an average 74% paper, 22% polyethylene and 4% aluminum. Refrigerated cartons contain an average 80% paper and 20% polyethylene.
- 3.3 "City" means the City of Houston.
- 3.4 "Colored High Density Polyethylene (CHDPE)" means opaque plastic containers labeled with the #2 code.
- 3.5 "Commingled" means mixed acceptable Recyclable Materials.
- 3.6 "Commodity Selling Price (CSP)" means the price per ton for which the sorted and processed Recyclable Material is sold by the Contractor. The CSP shall be equal to the high side price for the southwest region based on the Official Board Market (OBM) for that given commodity. **SEE PAGE 15A SECTION 3.6.1 FOR ADDITIONAL MARKET INDICATORS**
- 3.7 "Glass" means all brown, green or clear jars, bottles, and containers used generally by consumers and are made of materials including, but not limited to, silicon dioxide, boric oxide, aluminum oxide, or phosphorus pentoxide that are generally transparent or translucent, and may be either in their whole, as-manufactured state or broken.
- 3.8 "High-grade Paper" means white or cream-colored paper recovered from offices, homes, schools, and other sources. It shall include used copy paper, stationery, and books, and is equivalent to specifications established by the Institute of Scrap Recycling Industries, Inc. (ISRI) for "sorted office paper" and "sorted white ledger."
- 3.9 "Low Density Polyethylene (LDPE)" means squeezable plastic bottles, with the #4 code.
- 3.10 "Material Recovery Facility (MRF)" means an establishment where Recyclable Materials are sorted and processed or prepared for bulk shipment to a manufacturer for use as a raw material.
- 3.11 "Metal" means consumer containers made from aluminum, tin, steel, or any combination of them generally used for packaging food and/or beverage items. It shall include containers under pressure, such as aerosol cans, so long as the substance contained within the can is of a non-hazardous nature.
- 3.12 "Mixed Paper" means recovered Paper that is not sorted into specific categories including but not limited to junk mail, magazines, paperboard boxes, Kraft paper bags, and telephone books.

- SPECIFICATIONS / SCOPE OF WORK

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3.6.1 Additional Market Indicators

OCC - Official Board Market (OBM) SW Region High Value

ONP - Official Board Market (OBM) SW Region High Value

Steel Cans – Secondary Materials Online, Houston, South Central, High Value EOM

Mixed Paper - Official Board Market (OBM) SW Region High Value

Aluminum - Secondary Materials Online, Houston, South Central, High Value EOM

HDPE Nat - Secondary Materials Online, Houston, South Central, High Value EOM

HDPE Color - Secondary Materials Online, Houston, South Central, High Value EOM

PETE - Secondary Materials Online, Houston, South Central, High Value EOM

Mixed Plastic - Secondary Materials Online, Houston, South Central, High Value EOM

Glass - Secondary Materials Online, Houston, South Central, High Value EOM

Aseptic – A market index to be agreed upon in the future if a market develops

REVISED SEPTEMBER 28, 2011 - SPECIFICATIONS / SCOPE OF WORK
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The Contractor agrees to allow Site Inspectors access to those portions of the MRF and/or Alternate Deposit Site where operations are carried out, to observe and record all equipment entering and exiting the structure, and to take any other actions necessary to accommodate the City's Site Inspectors. City Inspectors will sign in at the MRF prior to making inspections. The Contractor shall inform the Site Inspector, in advance, of material changes in the operation plan in effect at the MRF which relates to processing of Recyclable Materials, so that the Site Inspector can coordinate with City managers that utilize the MRF.

13.0 TRUCK UNLOADING

13.1 The Contractor shall operate the MRF and/or Alternate Deposit Site in accordance with all applicable permits, standards, rules and regulations imposed by governmental agencies having jurisdiction. The Contractor shall use all reasonable efforts to control odors generated by the Recyclable Materials processing operation. The Contractor shall provide a written statement to the Director or designee if there is an excessive or unreasonable delay from the time of entrance (check point) to the MRF and/or Alternate Deposit Site to the time of discharge. The Contractor shall maintain a stabilized all weather tipping pad (with access thereto via all weather roads) which can accommodate up to two trucks to unload at one time. The Contractor shall make space available on such pad for use of City vehicles.

14.0 EDUCATION

14.1 It is the intent of the City to partner with the Contractor to increase awareness about recycling in order to increase the amount of materials collected and delivered to the Contractor MRF. The Contractor shall support the education efforts with a minimal financial contribution of not less than \$50,000 per year. A Contractor may sponsor more than the required minimal education support.

14.2 **If more than one vendor is awarded single stream processing, the \$50,000 annual educational contribution will be apportioned based on the percentage (%) of single stream homes enrolled in the program and processed by the respective vendors.**

15.0 GUIDED TOURS OF THE MRF

15.1 To complement the City's recycling public education efforts, the Contractor, at the request of the City, shall provide up to four Contractor -guided tours of the primary MRF per month. Prior to scheduling facility tours, the City shall work with the Contractor to establish parameters for the tours to include, but not limited to, the size of the group, time of the day for scheduling tours, and tour logistics for safely moving visitors through the facility without disrupting normal facility operations.

16.0 MATERIAL PROCESSING

16.1 The Contractor shall be responsible for the **local (Harris County)** processing of the Recyclable Materials. The Contractor shall ensure that the processed Recyclable Materials shall be marketed and distributed effectively. No Recyclable Materials should be disposed of in a landfill.

17.0 SCALE

17.1 The Contractor shall, at its expense, make scales available at the MRF and any Alternate Deposit Sites to weigh the Recyclable Materials. The Contractor shall maintain

REVISED SEPTEMBER 28, 2011 EVALUATION AND SELECTION PROCESS
SOLICITATION NO.: S30-T24076

1.0 EVALUATION SUMMARY:

1.1 An evaluation committee will develop a short list of Offeror(s) based upon the initial review of each Proposal received. The short listed Offeror(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the short listed Offeror(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Offeror(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

2.0 SELECTION PROCESS:

2.1 The award of this contract(s) will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Offeror(s) to create, modify and implement the required application modules. The Offeror(s) shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Offeror(s) fails to satisfy the City or the Offeror(s) is deemed unqualified to provide the services contemplated. Each Proposal will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

1. Completeness of Proposal response: Proposal follows the prescribed format and contains all information requested in RFP **(maximum 10 points)**.
2. Experience and History in Single Stream Processing: In order to receive full points, a responding firm must have at least five client references of similar size, scope or focus. All previous experiences must demonstrate the firm's ability to process and market delivered Recyclable Material, resulting in a maximum CSP per ton **(maximum 10 points)**.
3. Financial qualifications: **(maximum 10 points)**.
4. Operations, proposed equipment and ability to market the material: Consideration will be given to the Proposer's ability to handle current and future tons of Recyclable Material collected by the City. In particular the following, current maximum capacity of the Proposer's MRF; any potential for future expansion; proposed contingency plans for delays of processing or any temporary shut-down scenarios. In order to receive full points, a Proposer must have established end markets for all Recyclable Materials. **(maximum 20 points)**
5. Total evaluated cost to the City: must maximize NPP for the City and ensure a zero floor of NPP. **(maximum 35 points)**
6. Education component: **(maximum 10 points)**
7. **Hire Houston First - City and/or Local Business Preference (maximum 5 points)**

REVISED SPETEMBER 28, 2011 - EXHIBIT III – SAMPLE PRICE SHEET / FEE SCHEDULE

SOLICITATION NO.: S30-T24076

PRICING STRUCTURE

Table 2: City of Houston Revenue Sharing Formula – REFER TO SCOPE OF SERVICES SECTION 3.6 (CSP) COMMODITY SELLING PRICE PER TON DEFINITION

Revenue Sharing Formula						
Single Stream Material						
Formula:	NPP	=	(CSP	-	PF)	x RS
*Example	\$28.00	=	\$100.00	-	\$65.00	x 80%
	Total Revenue to the City	=	Tons Collected	X	NPP	
	\$280,000.00		10000		\$28.00	
Example:			Note:			
Tons Collected: ONP annual tonnage is 10,000 tons			The formula takes into account a zero \$(0) floor/ton price			
Commodity Selling Price (CSP) per ton is \$100/ton			Which means no matter how low the per/ton index commodity price drops the COH will never pay any funds to cover the Contractors processing fee.			
Processing Fee (PF) per ton \$65.00						
Revenue Share (RS) in 80%						
NPP = Net Purchase Price is the Per Ton price the Contractor Pays the COH						
CSP = Commodity Selling Price per ton						
PF = Processing Fee the Contractor charges the COH						
RS = Is the COH Revenue Share percentage						

Table 3: City of Houston Pricing Structure – NNP GREATER THAN OR EQUAL TO ZERO SHOULD APPLY TO OVERALL TOTAL AND NOT INDIVIDUAL COMMODITY ITEMS.

City of Houston Single-Stream	Estimated % of Materials	Estimated Tons Delivered	Commodity Selling Price (CSP)	Processing Fee (PF)	Revenue Share (RS)	Net Purchase Price (NPP) (Must be ≥ \$0) TOTALS ONLY
OCC	17.52%	4204.80				
ONP ¹	TBD					
Aseptic ²	0.09%	21.6				
Steel Cans	1.85%	444.0				
Mix Paper	39.28%	9427.2				
Aluminum	1.37%	328.8				

REVISED SPETEMBER 28, 2011 - EXHIBIT III – SAMPLE PRICE SHEET / FEE SCHEDULE
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HDPE NAT	1.75%	420.0				
HDPE COL	1.23%	295.2				
PETE	4.88%	1171.2				
Mixed Plastic	1.55%	372.0				
Glass	12.93%	3103.0				
Trash	17.55%	4212.0				
Totals	100%	24,000				

¹Current audits do not separate ONP from Mixed Paper. If a Proposer has the capability to effectively separate these two commodities, please indicate so in the Proposal.

²The City of Houston does not currently include Aseptic Cartons in curbside collection of Recyclable Materials but would like to do so in the future.