

## Staff Summary Report

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**Council Meeting Date:** 12-13-2007

**Agenda Item Number:** \_\_\_\_\_

**SUBJECT:** Request to award five-year contracts with, one five-year renewal option, to Waste Management for the disposal of residential/commercial refuse, Waste Management for the disposal of dewatered sludge and Hudson Baylor for the processing of curbside recyclables.

**DOCUMENT NAME:** 20071213fsta02 **PURCHASES (1004-01)**

**SUPPORTING DOCS:** Yes

**COMMENTS:** (RFP #08-030) Total cost for these contracts shall not exceed \$22,000,000 (Group III will provide a minimum revenue of \$2,000,000 to the City) during the initial contract period.

**PREPARED BY:** Tony Allen, Procurement Officer, 480-350-8548

**REVIEWED BY:** Michael Greene, CPM, Central Services Administrator, 480-350-8516

**LEGAL REVIEW AS  
TO CONTRACT FORM  
ONLY:** N/A

**FISCAL NOTE:** Sufficient funds have been appropriated in 3713/3714/3715/3718-6673.

**RECOMMENDATION:** Award the contracts.

**ADDITIONAL INFO:** Request for Proposal 08-030 was issued to establish contracts to provide for the disposal of municipal wastes and recycling. Six responses were received for the four categories in the proposal – each category of the proposal was scored individually. An evaluation committee comprised of Solid Waste, Community Relations and Procurement Staff reviewed the proposals. It is the recommendation of the committee to award the contracts to the high scorer in each category as follows:

Group I – Disposal of Residential and Commercial Refuse to **Waste Management**.

Group II – Disposal of Dewatered Water Treatment Plant Sludge to **Waste Management**.

Group III – Processing of Curbside Recyclables to **Hudson Baylor**.

Group IV – Processing of Green Waste, no bids received.

# REQUEST FOR PROPOSAL

CITY OF TEMPE

REQUEST FOR PROPOSAL: 08-030

RFP ISSUE DATE: 09/06/07  
Commodity Code(s): 968-71; 926-77;  
910-27

**PROCUREMENT DESCRIPTION: Disposal of Municipal Wastes and Processing of Recyclables**

**PROPOSAL DUE DATE/TIME: Thursday, October 11, 2007, 3:00 P.M. MST**

DATE/TIME:

Late proposals will not be considered

## PROPOSAL RESPONSE MUST BE DELIVERED TO CITY PROCUREMENT OFFICE

Mailing Address: PO Box 5002, Tempe, AZ 85280  
Street Address: 20 E. Sixth Street (2<sup>nd</sup> Floor), Tempe, AZ 85281

**PRE-PROPOSAL CONFERENCE: Monday, September 24, 2007, 10:00 A.M., Local Time**  
**Location: Financial Services Conference Room, 20 E. 6<sup>th</sup> Street, 2<sup>nd</sup> Floor, Tempe AZ 85281**

## DEADLINE FOR INQUIRIES: Monday, October 1, 2007, 5:00 P.M., MST

Sealed proposals must be received and in the actual possession of the City Procurement Office on or before the exact Proposal Due Date/Time indicated above. Proposal responses will be opened and each offeror's name will be publicly read. Prices are not read and kept confidential until award. Late proposals will not be considered.

Proposals must be submitted by a sealed envelope/package with the Request For Proposal number, offeror's name and address clearly indicated on the envelope/package.

Proposals must be completed in ink or typewritten and a completed proposal response returned to the City Procurement Office by the Proposal Due Date/Time indicated above. The "Vendor's Proposal Offer" (form 201-B RFP) must be completed and signed in ink. Proposals by electronic transmission, telegraph, mailgram or facsimile will not be considered.

Proposal offeror's are asked to immediately and carefully read the entire Request For Proposal and not later than 10 days before the Proposal Due Date/Time, address any questions or clarifications to the Procurement Officer identified below:

Tony Allen E-mail: [anthony\\_allen@tempe.gov](mailto:anthony_allen@tempe.gov) Phone No: (480)350-8548

**Procurement Officer**

Proposal evaluation and award selection recommendations are publicly posted to the City Procurement Office web page ([www.tempe.gov/purchasing](http://www.tempe.gov/purchasing)) and at the Procurement Office reception counter.

Submit one- (1) original signed and completed proposal response for evaluation purposes. For this specific RFP, 6 additional proposal response copies are also to be submitted for evaluation purposes. A late, unsigned and/or materially incomplete proposal response will be considered non-responsive and rejected.

JH

Jerry Hart  
Financial Services Manager  
Form 201-A (RFP)  
(11/RFP 3-2002)

## Vendor's Proposal Offer

It is REQUIRED that Proposal Offeror COMPLETE, SIGN and SUBMIT the original of this form to the City Procurement Office with the proposal response offer. An unsigned "Vendor's Proposal Offer", late proposal response and/or a materially incomplete response will be considered non-responsive and rejected.

Proposal offeror is to type or legibly write in ink all information required below.

Proposal Offeror's Company Name	Waste Management of Arizona		
Company Mailing Address	2425 South 40th Street		
Company Street Address	2425 South 40th Street		
Proposal Offeror Contact	Mark Snedecor	Title	Sales Manager
Contact's Phone No.	602-721-5180	E-mail Address	MSnedecor@wm.com
<u>Proposal Offeror's Company Tax Information:</u>			
Arizona Transaction Privilege (Sales) Tax No.	07-128641-X	or	
Arizona Use Tax No.			
Federal I.D. No.	86-0198265		
City & State Where Sales Tax is Paid	Sales Tax Exempt		

### THIS PROPOSAL IS OFFERED BY

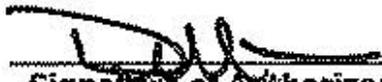
Authorized Proposal Offeror (Type or Print in ink) Dan Varmeer

Proposal Offeror's Title (Type of Print in ink) Market Area General Manager

Date 10/02/07

### REQUIRED SIGNATURE OF AUTHORIZED PROPOSAL OFFEROR (Must Sign in Ink)

By signing this Proposal Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other offeror or potential offeror. Failure to sign and return this form with proposal offer will result in a non-responsive proposal.

  
\_\_\_\_\_  
Signature of Authorized Proposal Offeror

10/02/07  
\_\_\_\_\_  
Date

## Scope

The City of Tempe is requesting proposals to establish a contract for the disposal of municipal solid waste and sludge materials as well as the processing of recyclable materials. All transportation will be arranged by the City. Offerors may propose to offer any of the requested services separately or in any combination. The City of Tempe reserves the right to dispose of municipal solid waste, sludge and deliver recyclables by separate contracts. Resulting Contract(s) shall be for a five (5) year initial term with a five (5) year renewal option and shall be effective as of January 1, 2008. Proposals will be awarded on a per group basis unless the Contractor offers a combined total Proposal for all groups at a substantial total savings in the pricing structure.

The City of Tempe observes the following holidays and will not collect municipal solid waste, recyclables or sludge on the following holidays each year: New Year's Day, Thanksgiving Day and Christmas Day. Facilities are not responsible to accept materials on these three days.

The Contractor shall provide collection crew personnel with a load ticket showing the net tonnage of material delivered on each trip to the processing facility by the collection crew.

This RFP is divided into groups related to the services for which the City of Tempe is seeking proposals:

Group I	Disposal Services for Residential and Commercial Refuse
Group II	Disposal of Dewatered Water Treatment Plant Sludge
Group III	Processing of Curbside Recyclables
Group IV	Processing of Green Waste

Specifications for each group include a general description of the scope of services along with tonnage data and the requirements specific to each service.

### Pre-Proposal Conference

A pre-Proposal conference will be conducted at 10:00 A.M., Monday, September 24, 2007, in the Financial Services Conference Room, 20 E. 6<sup>th</sup> street, Tempe, Arizona 85281. Attendance at the conference is not mandatory, but is encouraged.

### Price

Pricing accuracy and completeness are critical. All items being proposed must be identified and priced.

In the case of a system Proposal, all items which are required to make the system function in accord with stated Request for Proposal requirements, must be identified and priced.

If provided pricing pages do not cover all such items, the Proposer is to include an itemized listing of all required products and services needed to make their proposed systems (equipments hardware and/or software) fully functional and in conformity with stated Request for Proposal needs. Pricing will be adjusted annually based on changes in the Consumer Price Index – All Urban Consumers: West Region All Items (CUUR0400SA). The annual adjustment will be made on March 15 each year and applied to the beginning of the calendar year. The formula used will be (Previous Year's Index – Current Year's Index)/Current Index. The resulting percentage will be applied to the current pricing.

### Unloading Site

The unloading site at the processing facility must allow unloading of a minimum of two collection vehicles at the same time. The minimum clearances for unloading are as follows: 26 feet in height with 12 foot wide x 14 foot height doors for entry and exit of vehicles.

### **Turn Around Time**

Each Contractor(s) selected by the City for a contract pursuant to this RFP shall assure a truck turn around time not to exceed 15 minutes after the initial weigh-in, barring any unique, infrequent circumstances beyond the Contractor's control.

### **Violations**

The Contractor shall disclose any notice of violations, fines, or penalties paid in the last two (2) years assessed or otherwise adjudicated by any governmental enforcement agency in Arizona, Texas, or New Mexico.

### **Safety & Environmental Compliance**

The Contractor shall comply with all the federal, state, and local requirements of transportation, storage, processing and disposal, including obtaining all necessary permits, licenses and approval. The Contractor shall notify the City of any change in the status of the license or registration. In addition, the Contractor must report to the City any violation received during the term of the Contract within one week of the violation.

### **Reporting Requirements**

The Contractor will submit to the City monthly reports and annual reports as requested utilizing Microsoft Excel. At a minimum, the Contractor shall include in each report the following information:

- Date, truck number, ticket number and net weight of all incoming loads (all contracts)
- Daily and monthly totals of disposed tonnage by type or Recyclable Materials processed, by recyclable type
- Daily and monthly totals of tons of residuals (by weight) disposed (recyclables processing only)
- Purchasers of Recyclable Materials (recyclables processing only)
- Revenue from the sale of recyclables by commodity by month (recyclables processing only)

Monthly reports of the previous month's activities will be due to the City on the 15th day of each month. Annual reports will be due by January 31st following the completed calendar year.

### **Audits**

Contractor shall give access to the City of Tempe to conduct periodic audits of all accounting, manifests, and related documents related to curbside Recyclable Material processing and/or the disposal of any waste.

### **Financial Review**

All Offerors must provide the following:

- A description of the Offeror's ability to obtain performance bond as required
- The Offeror's Net Book Equity
- The Offeror's Income Statement for the three (3) most recent fiscal years
- The Offeror's ratio of current assets divided by current liabilities
- The Offeror's long-term debt to capitalization ratio
- A statement that no material adverse changes have occurred in the Offeror's financial position since the end of its most recent business year that would significantly adversely affect the data provided above

### **Payment:**

The Contractor's invoices shall be rendered and paid monthly. Invoices shall be itemized by load and shall be submitted to the City in writing and electronically in Microsoft Excel format. Each invoice shall include:

- Description of charges listed on invoice in chronological order by date and time when services were rendered
- Vehicle number and type
- Tons delivered by date and time
- Contract number
- Total charges

### **Invoices**

All invoices shall include:

- Listing Of All Delivery/Pickup Receipt Numbers Being Invoiced
- Total Cost per Item
- Applicable Tax
- Payment Terms

Invoices that do not follow the above minimum invoicing requirements will not be paid. Payment must be applied to only invoices referenced on check/payment stub. The City reserves the right to bill contracted Contractor for researching invoices that have been paid, but not properly applied by Contractor account receivables office.

Statement mailing address:                      City of Tempe  
Accounting  
P.O. Box 5002  
Tempe, Arizona 85280

### **Exceptions**

For the purposes of this Contract, the Contractor shall not be deemed to be liable for penalties where its inability to perform recycling processing service is the result of conditions beyond the control of the Contractor, including but not limited to civil disorder, acts of God, and inclement weather severe enough that recycling collection trucks cannot safely take collections.

### **Operations**

All Offerors should provide a plan for meeting each of the following operational requirements:

- The establishment of a local office three months prior to the beginning of service.
- The ability to process all materials collected in the City by the date upon which service is to begin. This should include:
  - Facility throughput capacity
  - Facility storage capacity
  - Location of the intended facility
  - Diagram of the intended facility
  - Unloading site and scale house description, including interior height, ingress and egress pathways and dimensions of vehicle access points
  - Staffing plan for the intended facility
  - A description of the work experience of all key personnel who would be involved in the delivery of service to the City, including employer, position, duties, dates of employment, skills, education and training for the past five (5) years

- o A description of the intended team organizational structure
- o Quality control methods, complaint management and resolution procedures
- o A listing of the facilities to be used to provide the service intended

### Scales

The Contractor must have available at all facilities that handle any recyclables, refuse or green waste received in a contract pursuant to this RFP, a certified scale to weigh such materials if received from the City of Tempe. The Contractor must have normal maintenance and calibration of the scales to be performed in accordance with the manufacturer's recommendation and submit annual certificate of accuracy to the City of Tempe and a copy is to be posted near the scales. The City of Tempe shall have the right during normal working hours to enter the scales location to inspect and test the accuracy of the scales. In the event the scales are not operable at any time, a vehicle or container will be charged, based upon the average tonnage pre-established load capacity of past weight loads. All vehicles should have tare weights so that refuse vehicles do not need to be weighed twice. The City of Tempe will provide vehicle numbers and tare weight.

### Compliance with Applicable Laws

The Contractor must comply with all present and future federal, state, and local statutes and ordinances regulating the construction and operation of sanitary landfills and transfer stations for the disposal of waste material, and with all other rules and regulations and amendments thereto imposed by all federal and state regulatory agencies having jurisdiction over the operation of the disposal facility and/or transfer station if utilized.

### Definitions

"Acceptable Refuse" means any and all refuse that is solid waste, as is defined in "A.A.C. Title 18, Chapter 8, Section R18-8-502 Definitions", except special waste, as defined within these specifications.

"Hazardous Waste" means any waste, even though it may be part of a delivered load of waste by the City of Tempe which -

- A. is required to be accompanied by a written manifest or shipping document describing the waste as "hazardous waste", pursuant to any state or federal law, including but not limited to, the Resource Conservation and Recovery Act, 42 USC, 7901, et seq. as amended and the regulations promulgated thereunder; or
- B. contains polychlorinated biphenyls or any other substance as storage, treatment or disposal of which is subject to regulation under the Toxic Substances Control Act, 15 USC 2601, et seq. as amended and the regulations promulgated thereunder; or
- C. contains a "reportable quantity" of one or more "hazardous substances," as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601, et seq. as amended and the regulations promulgated thereunder or as defined under Arizona Law A.A.C. Title 18, Chapter 8, and regulations promulgated thereunder; or
- D. contains a radioactive material the storage or disposal of which is subject to state or federal regulation.

"Special Waste" means any waste, (even though it may be part of a delivered load of waste), which is:

- A. containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in (c) - (h) of this definition, below;
- B. waste transported in a bulk tanker;

- C. liquid waste: For purpose of this paragraph, liquid waste means any waste material that is determined to be or contain "free liquid" by the paint filter test (EPA Method 9095). Sewage sludge from a publicly owned treatment works shall be considered liquid if it contains less than 20% solids by weight;
- D. sludge waste;
- E. waste from an industrial process;
- F. waste from a pollution control process;
- G. residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in (a) - (f) or (h) of this definition;
- H. soil, water, residue, debris or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in (a) - (g) of this definition;
- I. residential wastes only if a change in law, statute, regulation, rule, code, ordinance, permit, or permit condition occurs after the Effective Date of this Agreement, requires special or additional management that differs from the requirements applicable on the Effective Date of this Agreement; or

"Recyclable Material" includes green waste as part of this definition.

"Suspicious Waste" is waste which Arizona reasonably suspects may be "Unacceptable Waste."

"Transfer Station" means a transfer station, if utilized, permitted, constructed, and operated by a Contractor to receive waste material under any Contract resulting from this Request for Proposal.

"Landfill Site" means a landfill has been permitted to operate under Federal, State and Local statutes and ordinances regulating the construction and operation of a sanitary landfill site.

"Unacceptable Waste" means any and all waste that is either:

- A. Waste which is prohibited from disposal at a sanitary landfill by state, federal or local law, regulation, rule, code, ordinance, permit or permit condition;
- B. Hazardous waste, as defined above; or
- C. Special Waste without an approved Special Waste Agreement as described in the section titled "Special Waste". "Unacceptable Waste" shall not include residential waste unless residential waste is prohibited by a change in law which becomes effective after the Effective Date of this Agreement.

#### **Unacceptable Waste**

The City of Tempe will have the opportunity to inspect and identify loads determined or suspected by the Contractor to be unacceptable waste. Upon identification of such loads, the City of Tempe will use its best efforts to be responsible for removal of the waste. The City of Tempe shall be allowed forty-eight (48) hours for the City's special hazardous waste Contractor to retrieve unacceptable waste from the Contractor's receiving location (either transfer station or landfill if no transfer station is offered) and to dispose of said waste.

If the suspected unacceptable waste is not removed from the Contractor's possession by the City of Tempe or its hazardous material Contractor within forty-eight (48) hours after initial identification and location and reporting by the landfill/transfer station personnel, the Contractor may then take necessary steps to properly dispose of said items. The City of Tempe will pay reasonable expenses and charges for handling, loading, preparing, transporting, storing, and capping for unacceptable waste disposed by the Contractor.

The awarded Contractor must notify the proper City of Tempe personnel of unacceptable material within a reasonable amount of time, not to exceed twenty-four (24) hours. Once the waste has been materially (mingled or buried with other material by the Contractor) changed the Contractor bears the whole responsibility.

The Contractor will be vested with title to all material accepted at time of delivery from the City of Tempe. Any revenue or other value received by the Contractor as a result of reclamation, recycling, or resource recovery shall accrue solely to the account of the Contractor.

**Inspection**

The City of Tempe shall have the right to thoroughly inspect and investigate any facilities utilized in the performance of any contract pursuant to this RFP, business reputation, and other general qualifications of any Proposers or awarded Contractor(s). The City further reserves the right to reject any proposals, irrespective of the quoted price, if it is determined that the Proposer is lacking in any of the essentials necessary to assure acceptable standards of performance. The City of Tempe further reserves the right to conduct such inspections during normal business hours including, but not limited to the facilities and records which are related to the resulting Contract(s). Inspection of facilities by the City of Tempe Public Works Department and the Procurement Office are necessary before award of Contract(s).

# Specifications

## Group I: Disposal Services for Residential and Commercial Refuse

The City of Tempe is seeking Proposal offers from qualified contractors for disposal services of residential and commercial refuse (garbage/trash). This will encompass disposal services for the economical and environmentally sound disposition of solid waste generated within the jurisdiction of the City of Tempe during a determined Contract period. Based upon Proposal offers, the City will consider a five (5) year initial Contract period with an optional five (5) year renewal. The resulting Contract is subject to extension for subsequent periods as provided for within the "Special Terms and Conditions" section of this Request for Proposal (RFP).

### Scope of Service

The service to be provided by any Contract resulting from this "Request for Proposal" must provide acceptance of the above defined "Acceptable Refuse" at a set price as per the specifications. All permits, compliance's, regulations, and etc., must be maintained throughout the course of any resulting Contract(s).

### Fees

The Contractor shall agree, in addition to any other remedies available to the City, that the City may withhold payment from the Contractor in the amounts specified below as liquidated damages for failure of the Contractor to fulfill its obligations.

The following acts or omissions shall be considered a breach of the Contract:

- Failure to report on changes to Disposal Operations: \$250 each incident
- Failure to provide a complete monthly report: \$250 each incident
- Failure to be able to accept municipal solid waste on any day after the date upon which service begins on which municipal solid waste is to be collected: \$3,000 each day

The Contractor shall be liable for liquidated damages amount(s) upon determination of the City of Tempe that performance has not occurred consistent with the provisions of the Contract. The City shall notify the Contractor in writing or electronically of each act or omission in this Contract reported to or discovered by the City. It shall be the duty of the Contractor to take whatever steps or action may be necessary to remedy the cause of the complaint.

The City may deduct the full amount of any damages from any payment due to the Contractor. The remedy available to the City under this paragraph shall be in addition to all other remedies which the City may have under law or at equity.

### Hours

The Contractor must accept "Acceptable Refuse" from the City of Tempe for disposal Monday through Sunday (Commercial) of each week from approximately 6:00 a.m. to 6:00 p.m., MST and must include coverage for all holidays except Christmas, New Years and Thanksgiving Days.

### Special Waste.

The City of Tempe does not collect special wastes (medical) for disposal through landfill or transfer procedures. The City of Tempe will execute a special waste agreement document showing compliance of not intentionally hauling special waste materials for disposal.

### **Resident Landfill/Transfer Station Usage**

City of Tempe residents must have access Monday through Saturday to utilize the landfill and/or transfer station services to unload household trash that is landfill acceptable. The City of Tempe will pay monthly for this service on a pro rated basis based upon a maximum rate of 2,000 lb. per resident per occurrence, per month. The awarded Contractor shall require proof of residency by requesting to see driver's license of vehicle operator and current City of Tempe utility bill utilizing this service. The rate charged by the Contractor shall be the same as the rate paid by the City of Tempe residential refuse disposal. The City will not pay for non-Tempe residents or those not properly identified. Contractor shall maintain a data log listing each vehicle that has brought municipal solid waste into the facility, the date of entry, gross weight, net weight and verification that the vehicle contains waste generated in the City of Tempe. This information shall be submitted to the City in Excel format with the monthly invoice.

### **Compensation**

The base rate to be charged by the Contractor and paid by the City of Tempe as a result of any Contract arising from this "Request for Proposal" shall be all inclusive. The base rate (gate rate) charged shall be for receiving and disposal of landfill waste material delivered to the transfer station (if utilized) and/or the landfill shall be on a per ton basis.

This per ton basis monetary sum shall include all taxes, labor, fuels, materials ADEQ assessment, and all other incurred costs associated with the operations of the awarded Contractor. No added costs incurred by the Contractor such as permits, changes in government regulation causing expenditures or tax escalation shall be passed on as additional costs to the City of Tempe during the annual fixed price term of the Contract. Only during times of renewals can price increases be requested by the Contractor.

The City of Tempe will pay for the additional reasonable charges for disposal of special wastes and hazardous wastes, if found within the proper forty-eight (48) hour time period and not claimed and disposed of by the City of Tempe. Only after notification of the forty-eight (48) hour time period has elapsed will the City be obligated to pay reasonable charges incurred for disposal by the Contractor.

### **Pricing**

State an inclusive cost per ton for acceptance and disposal of City of Tempe commercial/residential waste. Price must hold for the entire, initial period of Contract as proposed by Proposer excepting that the price will be subject to annual adjustments based on changes in the Consumer Price Index – All Urban Consumers – West Region.

**Questionnaire  
Group I:  
Disposal Services for Residential and Commercial Refuse**

Proposer must submit (with their Proposal response) answers to each question, plus additional supporting documentation to further explain their Proposal. A thorough answer is necessary to fully evaluate each Proposal response. This information will be used during the evaluation process.

1. Describe your landfill and/or transfer station program and how it works. Include original start up date.

See Questionnaire Section

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2. State the projected fill date that the proposed landfill will be considered no longer useable.

NA - Transfer Station

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3. What is the daily capacity? NA Tons.

4. What is the percentage of fill rate annually? NA

5. State address and location of the proposed landfill.

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6. Do you propose to utilize a transfer station?

Yes  No

If so state address and location:

2425 South 40th Street Phoenix, AZ 85034

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7. Does your landfill and/or transfer station meet local state and federal regulations?

Yes  No

8. Provide list showing the history of environmental violations received, if any, over the last five years.

9. Submit three (3) municipal or large commercial accounts currently using your facilities in the same manner as described in the Proposal.

Company	Contact	Phone
Town of Gilbert	Lou Andersen	480-620-4311
City of Goodyear	Brian Barnes	623-882-7501
City of Prescott	Chad McDowell	928-777-1667

10. Submit copies of all local, state, and federal licenses and/or permits applicable to maintaining your landfill and/or transfer station.
11. Submit a sample invoice and brief details of how questions regarding billings will be resolved.

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12. Describe your proposed Tempe resident dumping policy.

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## **Group II: Disposal of Dewatered Water Treatment Plant Sludge**

The City of Tempe is seeking Proposal offers from qualified contractors for the proper disposal of dewatered water treatment plant sludge. The final disposal site shall comply with all applicable federal, state and local rules and regulations governing treatment, final disposal and safe handling of the sludge. The sludge must be disposed of in a landfill designated as a Subtitle D Landfill.

### **Scope of Service**

The Contractor will be responsible for providing all materials, equipment and appurtenances necessary to properly dispose of the sludge at the landfill site or transfer station.

### **Fees**

The Contractor shall agree, in addition to any other remedies available to the City, that the City may withhold payment from the Contractor in the amounts specified below as liquidated damages for failure of the Contractor to fulfill its obligations.

The following acts or omissions shall be considered a breach of the Contract:

- Failure to report on changes to Disposal Operations: \$250 each incident
- Failure to provide a complete monthly report: \$250 each incident
- Failure to be able to accept municipal solid waste on any day after the date upon which service begins on which municipal solid waste is to be collected: \$3,000 each day

The Contractor shall be liable for liquidated damages amount(s) upon determination of the City of Tempe that performance has not occurred consistent with the provisions of the Contract. The City shall notify the Contractor in writing or electronically of each act or omission in this Contract reported to or discovered by the City. It shall be the duty of the Contractor to take whatever steps or action may be necessary to remedy the cause of the complaint.

The City may deduct the full amount of any damages from any payment due to the Contractor. The remedy available to the City under this paragraph shall be in addition to all other remedies which the City may have under law or at equity.

### **Hours**

The Contractor must accept Sludge from the City of Tempe for disposal Monday through Saturday of each week from approximately 6:00 a.m. to 6:00 p.m., MST and must include coverage for all holidays except Christmas, New Years and Thanksgiving Days.

### **Service Specifications**

The JGMWTP produced an estimated 2,453 tons of dewatered sludge in 2006. These numbers are dependent on several factors including cleaning of the ponds, unanticipated downtime, expansions and extra cleanups. The data shown here is not guaranteed by the City, but is provided to assist the Contractor with planning and do not reflect annual projections for the Contract period. The sludge concentration is expected to be minimum 35% solids. Sludge from the JGMWTP is currently hauled in 40-yard containers to the transfer station.

Sludge production is a function of raw water quality and water production. Minimum sludge production tends to occur in December and January, while maximum sludge production is expected in the June and July. The Contractor must have the ability to adapt to these wide fluctuations in sludge production. Summer holidays such as Independence Day (July 4th) represent the worst case scenario when sludge production is high and disposal days are minimized.

The City of Tempe shall be indemnified in all legal and civil proceedings resulting from disposal practices and from any future legal action arising from changes in the law.

Payment shall be on a per-ton basis as measured on scales certified, regulated and inspected by the State of Arizona. The per-ton price shall include all tip fees, licenses, permits, environmental fees and all other costs related to the safe and legal disposal of the sludge. The Contractor will pay the \$0.25 per ton ADEQ assessment directly to the state and it shall not be included in the Proposal price.

Typically containers must be emptied on the first working day of the week. They will be emptied as early in the day as disposal operations will permit. The schedule for emptying containers and roll-offs shall be adjustable to accommodate normal plant operations. It is anticipated that the average demand will be about one load per day except for the first working day of the week when the weekend accumulation of sludge must be disposed of. The Contractor will be required to accommodate the needs of the City of Tempe for landfill or transfer stations acceptance hours. The first load shall be approximately 6:00 A.M. MST.

The South Tempe Water Treatment Plant (STWTP) produced an estimated 4,416 tons of dewatered sludge in 2006. These numbers are dependent on several factors including cleaning of the ponds, unanticipated downtime, expansions and extra cleanups. The data shown here is not guaranteed by the City, but is provided to assist the Contractor with planning and do not reflect annual projections for the Contract period. The sludge concentration is expected to be minimum 35% solids. Sludge from the STWTP is currently direct-hauled to the landfill.

### **Compensation**

The base rate to be charged by the Contractor and paid by the City of Tempe as a result of any Contract arising from this "Request for Proposal" shall be all inclusive. The base rate (gate rate) charged shall be for receiving and disposal of sludge delivered to the transfer station (if utilized) and/or the landfill shall be on a per ton basis.

This per ton basis monetary sum shall include all taxes, labor, fuels, materials, and all other incurred costs associated with the operations of the awarded Contractor. No added costs incurred by the Contractor such as permits, changes in government regulation causing expenditures or tax escalation shall be passed on as additional costs to the City of Tempe during the annual fixed price term of the Contract. Only during times of renewals can price increases be requested by the Contractor.

The City of Tempe will pay for the additional reasonable charges for disposal of special wastes and hazardous wastes, if found within the proper forty-eight (48) hour time period and not claimed and disposed of by the City of Tempe. Only after notification of the forty-eight (48) hour time period has elapsed will the City be obligated to pay reasonable charges incurred for disposal by the Contractor.

### **Pricing**

State an inclusive cost per ton for the disposal and other permanent handling procedures for approximately 6,870 tons of City of Tempe sludge. This price must hold for the entire, initial period of Contract as proposed by Proposer below excepting that the price will be subject to adjustment based on changes in the Consumer Price Index - All Urban Consumers - West Region.

**Questionnaire  
Group II:  
Disposal of Dewatered Water Treatment Plant Sludge**

Proposer must submit (with their Proposal response) answers to each question, plus additional supporting documentation to further explain their Proposal. A thorough answer is necessary to fully evaluate each Proposal response. This information will be used during the evaluation process.

1. Describe the landfill and/or transfer station to be used and how it works. Include original start up date.  
\_\_\_\_\_  
See Questionnaire Section  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
2. State the projected fill date that the proposed landfill will be considered no longer useable.  
\_\_\_\_\_
  
3. What is the daily capacity? \_\_\_\_\_ Tons.
  
4. What is the percentage of fill rate annually? \_\_\_\_\_
  
5. State address and location of the proposed landfill.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. Do you propose to utilize a transfer station?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If so state address and location:  
\_\_\_\_\_  
\_\_\_\_\_
  
7. Does your landfill and/or transfer station meet local state and federal regulations?  
Yes \_\_\_\_\_ No \_\_\_\_\_
  
8. Provide list showing the history of environmental violations received, if any, over the last five years.

9. Submit any municipal or large commercial accounts currently using your facilities in the same manner as described in the Proposal.

Company	Contact	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. Submit copies of all local, state, and federal licenses and/or permits applicable to maintaining the landfill and/or transfer station to be utilized in this Proposal.
11. Submit a sample invoice and brief details of how questions regarding billings will be resolved.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Evaluation Disposal of Municipal Wastes and Processing of Recyclables

An evaluation committee composed of Public Works, Finance and Procurement Staff will review the proposals and score them according to the criteria shown below. Those vendors receiving the highest score may be invited to provide the committee with a presentation prior to final score.

Award Criteria	Weight	x	Rating	=	Value
1. Conformity to Proposal specifications, performance requirements, terms and conditions, proposer instructions and any other contractual clauses and/or requirements.	3	x	_____		_____
2. Location to disposal or processing station, to include round trip mileage (Southern and Rural is considered center of town).	3	x	_____	=	_____
3. Proper certification, permits, licenses.	2	x	_____	=	_____
4. Experience, expertise and financial stability of firm.	3	x	_____	=	_____
5. EPA compliance, environmental commitment, violations.	2	x	_____	=	_____
6. Cost per ton, all inclusive.	3	x	_____	=	_____
7. Profit sharing (recyclables only).	2	x	_____	=	_____
			<b>Total</b>	=	_____

This Proposal will be evaluated on a cumulative point system.

<u>Scoring</u>			
Outstanding	.	.	7
Good	.	.	5
Average	.	.	3
Poor	.	.	1
Not Addressed or Unacceptable			0

**PRICE SHEET**

**Disposal of Municipal Wastes and Processing of Recyclables**

<b>Group I</b>		Tons per year	Price per ton	Extended Price	
1.	Disposal service for residential and commercial refuse	110,000	See Pricing Info	\$ _____	
<b>Group II</b>		Tons per year	Price per ton	Extended Price	
1.	Disposal of dewatered treatment plant sludge	6,870	See Pricing Info	\$ _____	
<b>Group III</b> Proposers may opt to respond to Option 1, Option 2, or both. For any option to qualify as a valid response, both parts a and b must be completed.					
<b>Option 1.</b> 5 Year initial contract with extensions per special terms and conditions		Tons per year	Revenue Sharing Percent	Price per ton	Extended Price
a.	What tip fee will the City be charged for the delivery of commingled recyclables to the recycler's facility for year 1 of the initial contract period	13,917		\$ N/A	\$ N/A
b.	State the revenue sharing percentage that the City will receive for commingled recyclables delivered to the recycler's facility for year 1 of the initial contract period	13,917	N/A %		N/A
<b>Option 2.</b> 5 Year initial contract with extensions per special terms and conditions. City also commits to a \$100,000 annual education program to increase recycling and reduce residue.					
a.	What tip fee will the City be charged for the delivery of commingled recyclables to the recycler's facility for year 1 of the initial contract period?	13,917		\$ N/A	\$ N/A
b.	State the revenue sharing percentage that the City will receive for commingled recyclables delivered to the recycler's facility for year 1 of the initial contract period	13,917	N/A %		
<b>Group IV</b>		Tons per year	Price per ton	Extended Price	
1.	Processing of Green waste	5,000		\$ N/A	\$ N/A

**Questionnaire**  
**Group I:**  
**Disposal Services for Residential and Commercial Refuse**

**1. Describe your landfill and/or transfer station program and how it works. Include original start up date.**

Waste Management of Arizona, Inc. (WMA) owns or operates 10 landfills and 11 transfer stations throughout Arizona. WMA is a subsidiary of Waste Management, Inc., a Fortune 200 Company and the largest waste/recycling company in North America. WMA provides hauling, recycling, and disposal for commercial, residential, and industrial customers throughout Arizona and utilizes a network of transfer stations and landfills to provide efficient coverage. Most of the waste collected from Tempe would be processed through the Sky Harbor Transfer Station (40<sup>th</sup> St. and University) and ultimately be disposed of at Butterfield Station Facility Landfill (BSF) in Mobile, AZ. BSF began operations in January of 1990.

**2. State the projected fill date that the proposed landfill will be considered no longer useable.**

Because WMA will use Sky Harbor Transfer Station, there are many options for landfill disposal. Initially, waste will be disposed at Butterfield Station Facility Landfill. BSF is the largest landfill in Arizona. Based on the current rate of materials accepted, the expected life is approximately 100 years. This current life expectancy includes the waste from the City of Tempe.

**3. What is the daily capacity?** There is no regulated daily capacity for Sky Harbor Transfer Station or Butterfield Station Facility Landfill. The operational limit can be increased or decreased by increasing operational hours or pieces of equipment.

**4. What is the percentage of fill rate annually?** The current permitted remaining capacity is approximately 120 million cubic yards with current waste volumes. This equates to less than 1% of total permitted air space filled per year. This includes the current City of Tempe waste volumes.

**5. State address and location of the proposed landfill.**

<u>Sky Harbor Transfer Station</u>	<u>Butterfield Station Facility Landfill</u>
<u>2425 S. 40<sup>th</sup> St.</u>	<u>40404 S. 99<sup>th</sup> Ave.</u>
<u>Phoenix, AZ 85034</u>	<u>Mobile, AZ 85239</u>

**6. Do you propose to utilize a transfer station?**

Yes  No

**7. Does your landfill and/or transfer station meet local state and federal regulations?**

Yes  No

**8. Provide a list showing the history of environmental violations received, if any, over the last five years.**

WMA had the following two NOV's within the last 5 years in Arizona:

DATE	LOCATION	DESCRIPTION
August 10, 2006	Seventh Avenue landfill and Transfer Station 3001 S. 7 <sup>th</sup> Ave. Phoenix, AZ 85041	Dust Control Violation
January 18, 2006	Lone Cactus Landfill 21402 N. 7 <sup>th</sup> St. Phoenix, AZ 85024	Dust Control Violation – Trackout

**9. Submit three (3) municipal or large commercial accounts currently using your facilities in the same manner as described in the Proposal.**

Company	Contact	Phone
City of Prescott	Chad McDowell	(928) 777-1667
Town of Gilbert	Lou Andersen	(480)620-4311
City of Goodyear	Brian Barnes	(623)882-7501

**10. Submit copies of all local, state, and federal licenses and/or permits applicable to maintaining your landfill. See Permits Section**

**11. Submit a sample invoice and brief details of how questions regarding billings will be resolved. See Invoice Information**

**12. Describe your proposed Tempe resident dumping policy.**

Tempe residents will arrive anytime between 7:30am and 3:30pm, Monday through Saturday. They will proceed to the scale that is dedicated to cash customers and residents. They must show an ID and water bill to prove residency. Each resident will be allowed a maximum of 2000 pounds monthly towards the Tempe invoice. After the resident has reached the maximum tonnage, the person must pay the regular applicable tipping fees. Residents will be limited to one trip per month. Hours can be adjusted based on specific needs for the city.

**Questionnaire  
Group II:  
Disposal of Dewatered Water Treatment Plant Sludge**

**1. Describe your landfill and/or transfer station program and how it works. Include original start up date.**

Waste Management of Arizona, Inc. (WMA) owns or operates 10 landfills and 11 transfer stations throughout Arizona. WMA is a subsidiary of Waste Management, Inc., a Fortune 200 Company and the largest waste/recycling company in North America. WMA provides hauling, recycling, and disposal for commercial, residential, and industrial customers throughout Arizona and utilizes a network of transfer stations and landfills to provide efficient coverage. Most of the waste collected from Tempe would be processed through the Sky Harbor Transfer Station (40<sup>th</sup> St. and University) and ultimately be disposed of at Butterfield Station Facility Landfill (BSF) in Mobile, AZ. BSF began operations in January of 1990.

**2. State the projected fill date that the proposed landfill will be considered no longer useable.**

Because WMA will use Sky Harbor Transfer Station, there are many options for landfill disposal. Initially, waste will be disposed at Butterfield Station Facility Landfill. BSF is the largest landfill in Arizona. Based on the current rate of materials accepted, the expected life is approximately 100 years. This current life expectancy includes the waste from the City of Tempe.

**3. What is the daily capacity?** There is no regulated daily capacity for Sky Harbor Transfer Station or Butterfield Station Facility Landfill. The operational limit can be increased or decreased by increasing operational hours or pieces of equipment.

**4. What is the percentage of fill rate annually?** The current permitted remaining capacity is approximately 120 million cubic yards with current waste volumes. This equates to less than 1% of total permitted air space filled per year. This includes the current City of Tempe waste volumes.

**5. State address and location of the proposed landfill.**

<u>Sky Harbor Transfer Station</u>	<u>Butterfield Station Facility Landfill</u>
<u>2425 S. 40<sup>th</sup> St.</u>	<u>40404 S. 99<sup>th</sup> Ave.</u>
<u>Phoenix, AZ 85034</u>	<u>Mobile, AZ 85239</u>

**6. Do you propose to utilize a transfer station?**

Yes  No

**7. Does your landfill and/or transfer station meet local state and federal regulations?**

Yes X No \_\_\_\_\_

**8. Provide a list showing the history of environmental violations received, if any, over the last five years.**

WMA had the following two NOVs within the last 5 years in Arizona:

DATE	LOCATION	DESCRIPTION
August 10, 2006	Seventh Avenue landfill and Transfer Station 3001 S. 7 <sup>th</sup> Ave. Phoenix, AZ 85041	Dust Control Violation
January 18, 2006	Lone Cactus Landfill 21402 N. 7 <sup>th</sup> St. Phoenix, AZ 85024	Dust Control Violation - Trackout

**9. Submit three (3) municipal or large commercial accounts currently using your facilities in the same manner as described in the Proposal.**

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City of Prescott	Chad McDowell	(928) 777-1667
Town of Gilbert	Lou Andersen	(480)620-4311
City of Goodyear	Brian Barnes	(623)882-7501

**10. Submit copies of all local, state, and federal licenses and/or permits applicable to maintaining your landfill. See Permits Section**

**11. Submit a sample invoice and brief details of how questions regarding billings will be resolved. See Invoice Information**

## Price Sheet

### Group I:

#### Disposal Services for Residential and Commercial Refuse

- Price per ton \$26.56 with no changes to terms and conditions.
- Waste Management is willing to offering a *significant* rate reduction per ton if the City is willing to make changes to item 7 on page 11 and item 14 on page 12. If the City agrees to modify contract terms, Waste Management will offer the use of Lone Butte Transfer Station for C&D volumes under same contract.

### Group II:

#### Disposal Services for Residential and Commercial Refuse

- Price per ton \$26.56 with no changes to terms and conditions.
- Waste Management is willing to offering a *significant* rate reduction per ton if the City is willing to make changes to item 7 on page 11 and Item 14 on page 12.

**Best and Final Offer**

**08-030 Disposal of Municipal Wastes and Processing of Recyclables**

**Waste Management of Arizona**

Delete - #7 of Special Terms and Conditions on page 11 of RFP 08-030.

*Contract Termination:* This contract may be terminated without default by either party by providing a written 90 day notice of termination to the other party.

Delete - # 14 of Special Terms and Conditions on pages 12 of RFP 08-030.

*Non-exclusive Contract:* Any contract resulting from this Request For Proposal shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tempe. The City reserves the right to obtain like materials or services from another source to secure significant cost savings or when timely delivery cannot be met by the contractor.

Please provide the following:

\_\_\_\_\_ This change has no effect on the pricing provided on my original proposal

  X   I would like to make the following modification to my original proposal.

Group I		Tons per year	Price per ton	Extended Price
1.	Disposal service for residential and commercial refuse	110,000	\$ 23.90	\$2,629,000.00

Group II		Tons per year	Price per ton	Extended Price
1.	Disposal of dewatered treatment plant sludge	6,870	\$ 23.90	\$ 164,193.00

**Additional Information:**

WMA will offer the city use of Lone Butte Transfer (Kyrene & 202) for C & D & Green Waste loads. And for Use by city residents.

Authorized Proposal Offeror (Type or Print): DAN VERMEER

Proposal Offeror's Title (Type or Print): MAGM

Signature of Authorized Proposal Offeror: [Signature]

Date: 11/1/07





**THE RECYCLING PROFESSIONALS**

**Proposal for Disposal of Municipal Wastes and  
Processing of Recyclables**

**RFP 08-030**

**Proposal Due Date: 5 PM, October 11, 2007**



**Submitted To:** City of Tempe  
City Procurement Office  
20 E. Sixth Street, 2<sup>nd</sup> Floor  
Tempe, AZ 85281  
Attn: Tony Allen

**Submitted By:** Hudson Baylor Corporation  
1919 East University Ave.  
Phoenix, AZ 85034  
[www.hudsonbaylor.com](http://www.hudsonbaylor.com)

**Contact:** Steve Hastings  
Vice President of Sales & Marketing  
Office: 800-706-0160 Cell: 914-475-5946  
Fax: 845-562-8412  
Email: [shastings@hudsonbaylor.com](mailto:shastings@hudsonbaylor.com)

## **Executive Summary**

Hudson Baylor is pleased to present to the City of Tempe this proposal to provide recycling processing services. Our proposal will provide the City with a strong and reliable revenue stream from the program, as well as a partner who understands recycling and is excited to invest with the City to expand the education program and drive diversion of volume away from traditional solid waste disposal.

### **Background**

Hudson Baylor Corporation is a specialist in recycling – we are not involved in any other part of the solid waste industry, nor are we a procurement arm of a recycled product user. We exist solely based on our ability to succeed in the recycling arena, by operating efficiently, making products that meet our buyers' quality specifications, and by always seeking to increase recyclables volumes. We have been involved in post-consumer product recycling for twenty five years, and operate ten recycling facilities. Because of this background, we have a unique experience and outlook to bring to the City's recycling program.

One of the key factors that has led to Hudson Baylor's success and growth is our commitment to providing service to our customers. While every company says this, we live it every day, because as a specialist in our industry, our reputation is our lifeblood. From our management team through our plant leadership, we are all accessible to our customers at all times, to respond to questions, provide information and feedback, and offer our ideas as how to improve the recycling program. We encourage the City to speak with our current customers to gain a third party's perspective with regard to our responsiveness to our customers' needs.

### **Major Arizona Recycler**

Hudson Baylor has been an active part of the recycling community in the Greater Phoenix area for the past ten years. We currently provide recycling processing services to many of the communities surrounding Tempe, including the cities of Phoenix, Scottsdale, Mesa, and Avondale, as well as the Town of Gilbert. We process and market in excess of 145,000 tons per year of residential curbside recyclables from the greater Phoenix area.

As part of our local commitment, we are actively developing new commercial recycling programs in the area as well, to help businesses, schools, health care facilities, and multifamily housing properties reduce their volumes of solid waste disposal, diverting tons to our recycling facilities and saving both landfill space and money.

Our Hudson Baylor West facility was the first fully automated recycling plant in the greater Phoenix area, and we have run it since 1998. It is less than nine miles from the center of Tempe, and is conveniently located approximately half a mile off the I-10 highway, making for easy access for City of Tempe trucks. In our years of operating

with the City of Phoenix, we regularly received feedback that HBW was the preferred drop-off site by the City's drivers because of its site logistics, which makes for rapid turn-around times. This facility stands ready to accept and process the City of Tempe's recyclables immediately.

### **Driving Recycling Education**

Additionally, we have bigger plans for Hudson Baylor West than to simply process recyclables. As outlined in greater detail in this proposal, we will reestablish the education center at the MRF, and we will encourage all of our customers, including the City of Tempe, to bring school and community groups to our MRF to extend their recycling education programs. We will update the education center with live and produced video, as well as hands-on exhibits, to demonstrate how recycling works and what becomes of recyclable materials. We are excited for Tempe to join us as we launch this new education effort.

We applaud the City's direction to re-invest in its recycling education program. We note that many municipalities are facing the same issues as Tempe, and have made similar decisions to re-launch, re-brand, and re-focus on their communications efforts. The investment in these communication programs is significant, but the results are real and demonstrable, because as a rule, most residents want to recycle, if they just understand what needs to be done, and how to participate. As indicated in our proposal, beyond our education center at Hudson Baylor West, if the City of Tempe decides to make the suggested \$100,000 annual investment in the program, we will contribute an additional \$2 per ton to the City to further these efforts. Moreover, we are excited to provide whatever assistance we can to make the program a success.

### **Summary**

We are confident that we are the right recycling partner for the City of Tempe. We share the City's goal to reduce the amount of solid waste sent to landfills, and we want to participate in this diversion effort. We will be active participants in helping drive increased recycling in the City, and we all will benefit, both environmentally and economically, from the success we will build together. We look forward to partnering with you, and please do not hesitate to contact us with any questions regarding this proposal.

# Vendor's Proposal Offer

It is REQUIRED that Proposal Offeror COMPLETE, SIGN and SUBMIT the original of this form to the City Procurement Office with the proposal response offer. An unsigned "Vendor's Proposal Offer", late proposal response and/or a materially incomplete response will be considered non-responsive and rejected.

Proposal offeror is to type or legibly write in ink all information required below.

Proposal Offeror's Company Name Hudson Baylor Corporation  
Company Mailing Address PQ Box 947, Newburgh, NY 12551  
Company Street Address 237 Dupont Avenue, Newburgh, NY  
Proposal Offeror Contact Scott Tenney Title President  
Contact's Phone No. 845-561-0160 E-mail Address hstenney@hudsonbaylor.com  
Proposal Offeror's Company Tax Information:  
Arizona Transaction Privilege (Sales) Tax No. 92001524 or  
Arizona Use Tax No. \_\_\_\_\_  
Federal I.D. No. 14-1648745  
City & State Where Sales Tax is Paid Phoenix, AZ

## THIS PROPOSAL IS OFFERED BY

Authorized Proposal Offeror (Type or Print in ink) Harral S. Tenney

Proposal Offeror's Title (Type of Print in ink) President

Date October 9, 2007

## REQUIRED SIGNATURE OF AUTHORIZED PROPOSAL OFFEROR (Must Sign in Ink)

By signing this Proposal Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other offeror or potential offeror. Failure to sign and return this form with proposal offer will result in a non-responsive proposal.

H.S. Tenney  
Signature of Authorized Proposal Offeror

10/9/07  
Date

Company Name: HUDSON BAYLOR

**PRICE SHEET**

**Disposal of Municipal Wastes and Processing of Recyclables**

Group I		Tons per year	Price per ton	Extended Price
1.	Disposal service for residential and commercial refuse	110,000	N/A	\$

Group II		Tons per year	Price per ton	Extended Price
1.	Disposal of dewatered treatment plant sludge	6,870	N/A	\$

**Group III:** Proposers may opt to respond to Option 1, Option 2, or both. For any option to qualify as a valid response, both parts a and b must be completed.

Option 1.	5 Year initial contract with extensions per special terms and conditions	Tons per year	Revenue Sharing Percent	Price per ton	Extended Price
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a.	What tip fee will the City be charged for the delivery of commingled recyclables to the recycler's facility for year 1 of the initial contract period	13,917		\$ 0	\$
----	---	--------	--	------	----

b.	State the revenue sharing percentage that the City will receive for commingled recyclables delivered to the recycler's facility for year 1 of the initial contract period	13,917	30%	floor at \$25.50/ton	
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*See following page*

Option 2.	5 Year initial contract with extensions per special terms and conditions. City also commits to a \$100,000 annual education program to increase recycling and reduce residue.				
a.	What tip fee will the City be charged for the delivery of commingled recyclables to the recycler's facility for year 1 of the initial contract period?	13,917		\$ -2	\$

b.	State the revenue sharing percentage that the City will receive for commingled recyclables delivered to the recycler's facility for year 1 of the initial contract period	13,917	30%	floor at \$25.50/ton	
----	---	--------	-----	----------------------	--

*See following page*

Group IV		Tons per year	Price per ton	Extended Price
1.	Processing of Green waste	5,000	N/A	\$

## Recycling Processing Services Pricing for the City of Tempe

As indicated on the Price Sheet form, we are offering the City of Tempe a base (or floor) to our revenue sharing percentage.

We will pay the City the greater of:

- \* 30% of recyclables revenue or
- \* \$25.50 per ton

At an estimated 13,917 tons, this suggests a minimum payment to the City of \$354,883.50. We note that as of this proposal date, and using the material composition indicated in the RFP, we would be well over this base rate. The 30% revenue share percentage applied to September 2007 prices would result in a payment of approximately \$37.50 per ton, or \$521,887.50 for a full year's volume.

This revenue share percentage and revenue share floor applies to both Option One and Option Two in on the Price Sheet form.

We note that our Option Two tip fee of -\$2 per ton represents a payment to the City if the City chooses to invest the \$100,000 in its education program. We offer this as a contribution towards the education program, to encourage the City to fund the program and drive recycling rates and diversion of recyclables out of the solid waste stream.

We believe the revenue sharing structure, with a floor per-ton share, is the simplest way to ensure a stable revenue stream for the City, which allows the City to participate when recyclables revenue is high, and still providing revenue stability over the term of the contract.

We considered outlining a list of base prices on a per-material basis for this proposal, but we believe that the blended base price provides the City with a simpler mechanism than tracking multiple market indicators. Our ability to provide a blended base price is due to our ability to secure market-backed floor pricing for a variety of our recovered materials, including all fiber and many of the container materials we will sell. For tracking purposes, the City should be aware that we have historically sold fiber at prices based off of the OBM LA High, and we anticipate that will continue going forward. Plastics and metals tend to be sold on more of a spot market basis, and are less likely to be driven by an indicator. The indicators published in various industry trade magazines for the plastics and metals markets tend to be trailing indications of where the markets have been. This is a different dynamic than in the fiber markets, where the OBM indicators are widely used to determine sales prices on a forward basis.

**Questionnaire  
Group III:  
Processing of Curbside Recyclables**

Proposer must submit (with their Proposal response) answers to each question, plus additional supporting documentation to further explain their Proposal. A thorough answer is necessary to fully evaluate each Proposal response. This information will be used during the evaluation process.

1. List your local business address.

1919 E. University Avenue, Phoenix, AZ 85034

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Contact: Tom Van Tassel Phone: 480-850-1224

2. List location where City of Tempe commingled recyclable materials would be delivered:

1919 E. University Avenue, Phoenix, AZ 85034

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What are the nearest major cross streets to your facility address?

South 16<sup>th</sup> Street and South 24<sup>th</sup> Street

3. State operating hours and days (including holidays) that the sorting facility is open.

Monday-Saturday 6 AM – 6 PM, Sundays on prior arrangement. All holidays except New Year's Day, Thanksgiving Day and Christmas Day.

4. If an item is accepted for recycling, and the market changes to a degree in which the value of this product is no longer profitable, what is the disposition of this product? (Elimination of currently collected items must be mutually agreeable between Contractor and the City.)

In our 24 years of operating in the recycling industry, we have not encountered a situation where we could not move recyclables for more than a brief period of interruption. If there is short-term market problem, we can store recovered materials for a period of time until the market normalizes. We do not anticipate the elimination of recovered materials markets for materials currently processed. In the event of a structural market change that is out of our control, we will discuss the situation and available options with the City of Tempe.

---

Would this situation alter the Contract?

No

---

5. In the event that household hazardous wastes are found in the material delivered to the facility, what is to be done with them?

We have extensive written procedures for how to handle hazardous and non-hazardous rejects that may be delivered to our facility. Please see the discussion of quality control in the attached proposal document.

6. Does the recycler contract for proper disposal of household hazardous wastes and is this included in the Proposal or does this responsibility revert to the City of Tempe?

As we provide similar services for multiple customers, HBC contracts for disposal separately and this is included in our proposal.

7. The Contractor will be responsible for disposing of all residues from the recyclables processing. Please state what is to be done with contaminated recyclables.

If it is possible to identify the delivery vehicle that brought the contaminated recyclables, the portion of the contaminated load will be re-loaded onto that vehicle. Otherwise, they will be set aside for disposal. Please see the discussion of quality control in the attached proposal document.

Please state what is to be done with contaminated loads or any portion thereof:

If it is possible to identify the delivery vehicle that brought the contaminated recyclables, the portion of the contaminated load will be re-loaded onto that vehicle. Otherwise, they will be set aside for disposal. Please see the discussion of quality control in the attached proposal document.

8. How long has your company been in the recycling business?

Since 1983 - 24 years.

9. How long has your company been in the commingled recyclable separation business?

Since 1991 - 16 years

10. Provide a list showing the history of environmental violations received, if any, over the last five years.

We have not had any environmental violations over the last five years.

11. List three current references utilizing a contract with your firm similar to the one described in this RFP.

<u>Company</u>	<u>Contact</u>	<u>Phone</u>
<u>City of Phoenix</u>	<u>Mark Leonard</u>	<u>602-256-9662</u>
<u>City of Scottsdale</u>	<u>Rick Pence</u>	<u>480-312-9605</u>
<u>City of Mesa</u>	<u>Jack Friedline</u>	<u>480-644-2517</u>

12. What type of education fund do you propose?

As outlined in greater detail in our proposal, we will partner with the City of Tempe for providing increased education options. We will create a plant-based education center at the MRF and make this available for City of Tempe school and community groups. We will also provide community event recycling options for the City. Finally, as outlined on our pricing forms, if the City makes an additional investment in the program, we will provide matching dollars towards the City's education efforts.

