REPORT TO MAYOR AND COUNCIL **NO: 13-277**

Council Meeting: November 19, 2013

SUBJECT: Discussion and Possible Action Regarding Approval of SMaRT Station® Operations Request for Proposals

BACKGROUND

The existing contract for operation of the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®), currently held by Bay Counties Waste Services, will expire on December 31, 2014. Staff is requesting that the City Council review and approve the attached Request for Proposals (RFP) for Operation of the Sunnyvale Materials Recovery and Transfer Station so that staff may distribute the RFP to potential proposers. Competitive bid or proposal document drafts, being operational in nature, are not typically brought to Council for approval prior to issuance. On occasion, staff will recommend such approval in advance, especially for highly complex or multi-agency operations.

The staff evaluation of the proposals received in response to the RFP will result in a recommendation to the Council for the award of a multi-year (2015 through 2021) contract to operate the SMaRT Station.

The SMaRT Station serves five main purposes:

1. Receive and recover recyclable materials from garbage collected in the cities of Mountain View, Palo Alto and Sunnyvale
2. Transfer the unrecycled portion of the garbage to the Kirby Canyon Landfill for disposal
3. Receive, process, and ship to composting facilities the yard trimmings collected by the cities
4. Receive, sort and prepare for market recyclables collected from residences and businesses
5. Provide a recycling center where residents can drop off a number of recyclable materials and receive cash for bottles and cans covered by California's "Bottle Bill" system.

Bay Counties Waste Services (BCWS) currently operates the SMaRT Station under a contract that expires December 31, 2014. The selection of the current operator of the SMaRT Station was the outcome of an RFP process conducted in 2006 that resulted in two proposals being received. That RFP offered a seven-year contract that required the contractor to meet a minimum diversion

level and featured sharing of recycling revenues between the cities and the contractor. The current Basic Annual Payment that makes up the majority of the contractor's compensation is $12,001,465, a cost that is shared among the "SMaRT Cities" participating agencies (Mountain View, Palo Alto and Sunnyvale) based on the ratio of each City's garbage deliveries to total deliveries. In addition to that income, the operator retains recycling revenues totaling roughly $1,118,000 annually as an incentive for higher materials recovery diversion levels and about $273,000 per year as its share of fees paid for loads delivered by members of the public.

EXISTING POLICY

General Plan Goal EM-15—Environmentally-Sound Disposal: Dispose of solid waste in an environmentally sound, dependable and cost-effective manner.

CEQA REVIEW

Operation of the SMaRT Station is performed consistent with the Final Environmental Impact Report "Sunnyvale Materials Recovery and Transfer Station (SMaRT)" dated September 14, 1990 and a subsequent addendum dated July 21, 1992 (SCH#89022812). No additional CEQA review is required.

DISCUSSION

The current operations contract with BCWS expires December 31, 2014. Given the complexity of the operational and contractual requirements, an RFP must be issued now in order to ensure that the competitive proposal process is completed and a new contract is in place several months prior to the expiration date.

As in previous years, staff has contracted with an outside firm – Hilton, Farnkopf & Hobson (HFH) – to assist in the preparation of the RFP, evaluation of proposals received, negotiations with selected proposer and final contract award. HFH was selected as the result of a separate RFP process completed in August 2013, with a contract in the amount of $83,978 awarded under the City Manager's award authority. City staff has also worked with the staffs of the other SMaRT Cities to gain their perspectives on the content of the RFP and the new contract, and has incorporated that input into the RFP.

Key provisions of the RFP, shown as Attachment A, are summarized below.

- Seven-year agreement
- Contractor has 3 sources of revenue:
  1. fixed annual payment for handling amounts of Municipal Solid Waste (MSW) and yard trimmings under anticipated tonnage ceiling, with a payment per ton if amounts go above ceiling (CPI adjusted)
  2. diversion-based shares of material sales revenues that depend on how much MSW the contractor diverts from disposal
  3. per cubic yard charge for public haul wastes (CPI adjusted)
- Includes Communications Guidelines for proposers and Council during the procurement process, as detailed in Section 1.2G on page 9 of Attachment A

On April 30, 2013, Council approved an amendment to the current (2008-2014) contract. The amendment altered the contract terms relating to the material sales revenues to address changed conditions from those described in the 2006 RFP that lead to award of that contract. The changed conditions related to the potential for diversion of the "two-inch minus fines" produced by the materials recovery equipment that was installed while the 2006 RFP process was underway. Some of those "fines" can be diverted as compostable material, but the RFP documents assumed that all of the fines could be diverted during the 2008-2014 contract. The City and the current contractor continue to work on ways to improve the quality of the fines and/or find new markets for them at current quality levels.

This 2013 RFP addresses this issue by asking proposers to provide pricing for three operational scenarios that address different assumptions on the level of MSW diversion and the contractor's resulting share of material sales revenues.

1. Assume current levels of "fines" diversion - minimum overall recovery level of 15.0%.
2. Assume a secondary processing step for the fines that allows all fines (net of amounts removed in processing) to be diverted – minimum overall recovery level of 17.5%.
3. Assume that the materials recovery facility is not operational (e.g. during emergencies, installation of processing equipment or other circumstances that do not allow for MSW processing).

The RFP is in draft form at this time, and is subject to minor changes between now and the date it is issued as contract language is finalized and the document is compiled. Due to the very large size of the complete package, a printed copy of the RFP itself has been attached to this RTC, but not the RFP's attachments. Councilmembers have been provided with a flash drive containing an electronic copy of the RFP and its attachments and a website has been established at SMaRTRFP.inSunnyvale.com where both the RFP and

attachments are listed. One hard copy has been made available at the City Clerk's office and a copy will be available at the City Council meeting.

The proposed schedule for this procurement is shown below. The schedule is ambitious, with little room for delay, although specific milestone dates may be adjusted slightly as the process unfolds. Any major delays would require an extension of the current agreement with BCWS for one or more periods of three months, up to a maximum of one year, as provided for in the agreement.

Depending upon the level of interest, the proposal due date may be extended to allow for the highest level of competition possible.

Action	**Date**
RFP Issued to Proposers	November 21, 2013
Proposals Due	January 14, 2014
Proposal Evaluations Begin	January 15-March 11, 2014
City Council Awards Contract	March 11, 2014
New Contract Begins	January 1, 2015

FISCAL IMPACT

There is no fiscal impact for approval to distribute the Request for Proposals for Operation of the Sunnyvale Materials Recovery and Transfer Station. The use of a competitive process to award the next contract will either reduce the cost of SMaRT Station operation or, at a minimum, provide the City and its partners, Mountain View and Palo Alto, with a market-based price for operation of the SMaRT Station in compliance with the service standards in the contract.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

In addition, an early notice to proposers was sent via email to approximately 45 individuals representing potential bidders.

ALTERNATIVES

1. Approve the Request for Proposals for the Operation of the Sunnyvale Materials Recovery and Transfer Station
2. Direct staff to make changes to the RFP
3. Other action as determined by Council

RECOMMENDATION

Staff recommends Alternative 1, that the Council approve the Request for Proposals for the Operation of the Sunnyvale Materials Recovery and Transfer Station.

Reviewed by:

John Stufflebean, Director, Environmental Services Department
Prepared by: Karen Gissibl, Environmental Programs Manager
Debi Sargent, Solid Waste Contract Administrator
Mark Bowers, Solid Waste Programs Division Manager

Reviewed by:

Grace Leung, Director of Finance

Approved by:

Gary M. Luebbers
City Manager

Attachments

A. Request for Proposals for the Operation of the Sunnyvale Materials Recovery and Transfer Station, November 21, 2013

Request for Proposals: Operation of the Sunnyvale Materials Recovery and Transfer Station

Final Draft for Council Review

RFP Release Date: November 21, 2013
Pre-Proposal Meeting: _____
Proposal Due Date: January 21, 2014
Purchasing Contact:
Dreama Howard, (408) 730-7396
dhoward@sunnyvale.ca.gov

HF&H Consultants, LLC

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B. PROPOSAL FORMS

C. AGREEMENT

D. MEMORANDUM OF UNDERSTANDING

E. ZERO WASTE PLANNING AND WASTE COMPOSITION DATA

F. PROCESS WATER MANAGEMENT DATA

G. DESCRIPTION OF SMaRT STATION EQUIPMENT

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I. TRANSFER/PROCESSING REPORT

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M. CITY-PROPOSED PROCESS FOR REMOVAL OF GLASS FROM MRF FINES

N. SMART STATION CAPITAL DEVELOPMENT PLAN

SECTION 1. PROJECT OVERVIEW

1.1 Introduction

A. Overview

The City of Sunnyvale (City), on behalf of the cities of Mountain View, Palo Alto and Sunnyvale (the Participating Agencies) is seeking proposals from qualified and capable firms to operate the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station). The operating agreement (Agreement) will be between the City of Sunnyvale and the selected Contractor for a seven (7) year period. At the City's option the term of the Agreement may be extended for one or more periods of six months or longer, up to a maximum of three years. SMaRT Station operations under the Agreement will commence on January 1, 2015.

The tentative schedule for this procurement process is as follows:

Table 1-1
Procurement Process Schedule

Action	Date
RFP Issued to Proposers	November 21, 2013
Mandatory Pre-proposal Meeting & SMaRT Station Tour	*Pending*
Deadline for written questions from proposers	*Pending*
Written responses to proposers questions issued by City	*Pending*
Proposals Due	January 21, 2014 3:00 p.m.
Proposal Evaluations Begin	*Pending*
Interviews (tentative date)	*Pending*
City Council Awards Contract	*Pending*
New Contract Begins	January 1, 2015

The SMaRT Station is located on nine acres of City-owned property, north of Caribbean Drive and immediately adjacent to the closed Sunnyvale Landfill (see Appendix A, SMaRT Station Design Drawings, Figure A-2). The SMaRT Station is designed to process 1,500 tons of material per day, and is currently accepting about 1,000 tons per day. The facility became operational in October 1993 for use as a transfer station, and went into full operation as a Municipal Solid Waste (MSW) processing facility in July 1994. The SMaRT Station is currently operated by Bay Counties Waste Services (Current Contractor). The

operational objective of the SMaRT Station is to maximize the cost-effective diversion of solid waste generated by the residents and businesses of the Participating Agencies and transfer Residuals and unprocessed MSW to the Kirby Canyon Landfill. Proposals must indicate how the operation of the facility will be conducted to optimize the recovery of materials from MSW, Yard Trimmings, and Source-Separated Recyclable Materials delivered by the Participating Agencies. The types and estimated quantities of materials to be recovered must be thoroughly discussed in the proposal.

In 2012, the City completed modifications to the MSW processing equipment, including the addition of two large trommels. A description of the modified MSW processing equipment is provided with this RFP (Appendix A). As further discussed in Section 3.1D of the RFP, an unintended result of the modifications to the processing equipment is increased glass contamination of the MRF fines. The City is working with the Current Contractor to resolve this problem. However, in the event that this resolution takes place during the term of this Agreement (after January 1, 2015) the selected Contractor shall follow the procedures specified in Section 3.21 of the Agreement. Proposers are required to submit two separate cost proposals: one utilizing the existing MSW processing equipment without addressing the fines ("status quo") and another utilizing the fines glass removal approach that is currently under consideration and is provided with the RFP in Attachment M. Proposers are also requested, at their option to propose an alternative means for addressing MRF fines.

Risk Mitigation

The City recognizes that higher risk results in higher pricing, and that reducing risk benefits all parties. Over the years of facility operation and culminating with this RFP, the City has taken many steps to minimize contractor risk, including but not limited to:

1. Eliminating tonnage risk by providing compensation, in several forms, one of which is a fixed annual payment even if actual tonnages delivered are below a specified threshold.
2. Not requiring a minimum guarantee for recyclables revenue payments to the City.
3. Reimbursing the contractor for replacement parts for City-owned equipment.
4. Reimbursing the contractor for costs associated with disposal of hazardous waste.
5. Eliminating any risks associated with disposal contracting or pricing.
6. Resolution of the MRF fines issue, should it impede facility operations, will be treated as a change in scope and the contractor will be compensated for increased associated net costs.

The only significant contractor risks are those associated with recyclables revenues; the market risk of per-unit sales prices, and the relative revenue share with the City based on achieved diversion.

Enhanced Opportunities

The Participating Agencies are seeking a partnership with the selected Contractor. A cooperative and flexible relationship will help facilitate resolution of the MRF fines issue (see Section 3.1D and Section 6 of the RFP), and will assist the cities as they develop and implement pilot collection programs to enhance diversion (see Section 2.3 of the RFP). The City will also value a strong partnership with the Contractor moving towards and beyond the end of the current memorandum of understanding among the Participating Agencies and the current Kirby Canyon disposal agreements in December 2021. Beginning in the next few years, the City will seek Contractor input regarding the capital development plan for the SMaRT Station facility (see Attachment N) and the implementation of various related

activities. The City is beginning that process now, as provided in Section 6 by soliciting optional proposer input regarding the longer-term future of the Station. As provided in Section 2.3 of the Agreement, the City and Contractor will meet and confer two years prior to the end of the Agreement to identify and discuss mutual interests in a possible extension of the Agreement.

The City is providing the Contractor a potential enhanced opportunity for compensation by encouraging third parties to bring "Other Tons" to the Station, as discussed in Section 6 of the RFP. Proposers may offer to bring Other Tons to the Station in their proposals, the Contractor will have the opportunity to bring Other Tons to the Station during the term as provided in Section 3.4 of the Agreement, and the City may initiate delivery of Other Tons. In each case, the contractor will have the opportunity to earn additional compensation.

B. Required Services

Services to be provided include the receipt, processing and transfer of the following material streams:

- MSW from each of the Participating Agencies, delivered by their Designated (franchised) Haulers and city vehicles.
- Source Separated Recyclable Materials from the City of Sunnyvale's residential curbside, multi-family, and commercial recyclable collection programs.
- Source Separated Recyclable Materials from the City of Mountain View's residential curbside, multi-family, and commercial recycling collection programs.
- Yard Trimmings from each of the Participating Agencies' Yard Trimmings collection programs.
- MSW brought to the SMaRT Station by the public (Publicly Hauled Waste)
- Source-Separated Recyclable Materials and Yard Trimmings brought to the SMaRT Station by the public.
- Transfer of Organic Materials to third-party facilities for processing, if delivered by one or more Participating Agencies.

The selected Contractor will also be responsible for the marketing of all recovered materials. All non-diverted MSW will be transferred by the SMaRT Station Contractor to the Kirby Canyon Landfill located in south San Jose.

As described further in Section 2.3 of the RFP and as provided in Section 3.5F of the Agreement, the Participating Agencies will be conducting pilot collection programs over the next few years that may marginally affect the relative delivery of different material streams. The primary objective of the pilot programs is to develop a means for source-separated collection and processing of Organic Materials. Proposers must anticipate the impact of these pilots, and accommodate them within the proposed pricing. Full, citywide implementation of a new or modified collection program would be considered a modification to the scope of services and would be compensated as described in Section 10.20 of the Agreement.

C. Additional Services at City's Option

In addition to the above required services, receipt, processing and transfer of the following material streams, although not currently anticipated, may also be required:

- Commingled single-stream Source Separated Recyclable Materials from the City of Palo Alto's residential curbside and commercial recycling programs, after June 30, 2017.
- Commercial Source-Separated Recyclable Materials from the City of Palo Alto, after June 30, 2017.

For purposes of responding to this Request for Proposals (RFP), Proposers should assume that the above materials will not be delivered to the SMaRT Station for processing. If any of these materials are delivered to the SMaRT Station in the future, however, the selected Contractor will be required to handle these materials, as directed by the City. Compensation for providing these additional services is described in Section 10.20 of the Agreement.

D. Minimum Recycling Level

With resolution of the MRF fines issue diversion from MSW is expected to be 25% or more. A minimum of ___% diversion from MSW (Minimum Recycling Level) is required, but Proposers are encouraged to calculate the highest cost-effective recovery rate achievable in their informed judgment. Proposers will also submit cost proposals to meet a minimum diversion level of ___ % assuming "status quo" operation without resolution of the MRF fines issue. Only MSW delivered to, and recovered by the SMaRT Station will count toward the Minimum Recycling Levels. The following materials will not count toward the Minimum Recycling Levels:

- Source Separated Recyclable Materials from the Participating Agencies' Designated Haulers (including single-stream curbside recyclables).
- Source-separated wood and Yard Trimmings from the Participating Agencies' Designated Haulers.
- Source Separated Recyclable Materials brought to the buyback/drop-off center.
- Other Source Separated Recyclable Materials (e.g. wood, concrete, clean soil) delivered by the public.

The materials to be recovered and processed at the SMaRT Station will include, but are not limited to, aluminum, cardboard, ferrous metals, mixed paper and/or other paper grades, glass, wood, Yard Trimmings, plastics, e-waste, tires, mattresses and white goods (large appliances), carpet and mattresses.

E. Compensation

The selected Contractor will be compensated through four separate revenue sources:

- A fixed Basic Annual Payment (proposed by selected Contractor) for accepting, processing, and transferring up to 280,000 tons per year of MSW and Yard Trimmings delivered by the Participating Agencies' Designated Haulers (not including Publicly Hauled Waste), and transfer of Organic Materials for processing by third parties. The Basic Annual Payment includes all compensation for the pilot programs described in Section 2.3 of the RFP. The Basic Annual Payment will be paid in 12 equal monthly installments each year.
- Per-ton Tipping Fee for Excess Tonnage (Proposed by selected Contractor) applied to tons of franchised MSW and Yard Trimmings in excess of 280,000 tons per year delivered by the Participating Agencies' Designated Haulers. This Tipping Fee will be utilized when the combined

inbound tonnage of franchised MSW and Yard Trimmings exceeds 280,000 in any given fiscal year.

- A Gate Fee on publicly hauled materials (set by the City). The City establishes Public Use Fees for publicly hauled (non-franchised) materials. The selected Contractor will collect Public Use Fee revenues from public customers at rates set by the City and retain $6.60 per cubic yard, and remit the remainder of the Public Use Fee revenues to the City.
- A percentage of the revenues from the sale of Source Separated Recyclable Materials (sliding scale based on diversion rate achieved by selected Contractor) as specified in Exhibit P of the Agreement.

The Basic Annual Payment, Tipping Fee for Excess Tonnage and Gate Fee will be adjusted for inflation each fiscal year per Sections 5.2, 5.3, and 5.4 of the Agreement.

In addition, the City will reimburse the selected Contractor for the costs of stationary equipment parts and for the cost of proper disposal of intercepted hazardous waste and sharps.

The selected Contractor will receive no tipping fee or other additional compensation for the processing of Source Separated Recyclable Materials from the residential curbside, multi-family and commercial recycling programs other than a share of revenues received from the sale of those materials. The Contractor's percentage of material revenues specified in Exhibit P of the Agreement will be applied to all materials marketed from the SMaRT Station, including Source Separated Recyclable Materials, recyclable materials recovered by MRF operations, buyback/drop-off materials, Yard Trimmings and wood waste.

The four revenue sources identified above are expected to cover ANY AND ALL of the selected Contractor's expenses including receipt, processing, marketing, transportation and transfer of all materials as well as associated administration and other costs and profit. No other form of compensation, with the exception of reimbursement for replacement parts for City-owned equipment and costs related to the proper disposal of intercepted hazardous and universal wastes, will be provided to the selected Contractor. The City pays fees and charges for disposal of all materials delivered to the Kirby Canyon Landfill. The selected Contractor will be required to provide an electronic weighing and load tracking system, with City access to the data.

F. Proposal Forms

Proposers shall complete and submit each of the proposal forms included in Appendix B, as provided in Section 6 of the RFP. These Proposal Forms must contain a sufficient level of detail to allow adequate evaluation on a technical, environmental, and financial basis by the selection team. Proposals are expected to include details on materials handling, materials recovery, sale of Recyclable Materials, hauling techniques, operational performance assurance, and equipment costs and staffing requirements.

G. Operating Agreement

A copy of the operating agreement is included in this RFP as Appendix C, and is referred to throughout this document as "the Agreement." City does not intend to engage in post-award negotiations. City staff will present to the Sunnyvale City Council two or more fully-negotiated and signed Agreements for the Council to select from. The selected Proposer must be prepared to immediately execute the

Agreement once the contract is awarded to it by the Sunnyvale City Council. The RFP summarizes many of the key requirements that are detailed in the Agreement. The RFP does not describe all provisions of the Agreement, but serves as a directory to appropriate sections of the Agreement. Proposers are required to read the Agreement in Appendix C very carefully and to have it reviewed by their own attorneys prior to submitting their proposals. Note that some proposal forms will become part of the Agreement as Exhibits, and are designated as such in Section 6.1 of this RFP. Questions concerning the Agreement must be directed to the project coordinator as specified in Section 1.3.2 below.

H. Organization of Request for Proposals

This document is organized into the following sections:

- Section 1 provides an overview of RFP content and process.
- Section 2 provides general operational and financial information related to the SMaRT Station.
- Section 3 provides design information and a physical description of the SMaRT Station.
- Section 4 defines the minimum operation requirements for the SMaRT Station.
- Section 5 describes the proposed business and financial arrangements.
- Section 6 provides an outline of the information required in the proposal, the format in which it is to be submitted, and the general evaluation criteria that will be used to select the contractor.

1.2 General Requirements

A. Electronic Submittal

Proposers shall submit an electronic version of its proposal and forms. The electronic version shall be submitted in the form of a CD-Rom or other approved detachable media (three copies total). Proposers shall submit confidential material in a separate CD-Rom marked "CONFIDENTIAL".

B. Number of Copies

Proposers shall submit one (1) unbound single-sided original (signed) and ten (10) bound double-sided copies of the proposal package in its entirety, including all proposal forms, appendices, exhibits, and other requirements as specified herein.

Proposers must also include one (1) extra unbound copy of the proposal with any confidential material totally blacked out or removed from the text so that one copy can be made available for public inspection. Proposers shall provide a separate CD-Rom for the electronic versions of any material they wish to keep confidential.

The proposal package shall be typed or printed (1-1/2 or double-spaced) on 8-1/2-by-11-inch recycled paper (minimum 30% post-consumer content). Any oversize documents must be folded to size and secured in the proposal.

C. Signature and Authority

The proposal must be signed by an officer of the corporation, principal, partner, or other duly authorized person or persons with the authority to make the commitments required by this RFP. The signatures are to be provided as indicated on the proposal forms.

If the proposal is submitted by a partnership, the name and address of the partnership and a list of all partners must be included. If made by a corporation, the proposal must indicate the name, the state in which the corporation is incorporated, and the address and federal tax identification number of the corporation. If the proposal is made by a corporation, a certified copy of the appropriate section of the bylaws, or a resolution of the board of directors of the corporation, shall be furnished showing the authority of the officer who has signed the proposal and proposal forms to execute contracts on behalf of the corporation. If the proposal is made by a joint venture, a copy of the joint venture agreement, and the name, address, and organizational status of each of the joint ventures must be provided. Where a joint venture is composed of one or more partnerships, corporations, or other entities, the information specified in this paragraph must be provided for each entity. Each proposal form submitted by a joint venture must be signed by at least one authorized officer from each party in the joint venture agreement.

In proposals containing proprietary information, proprietary paragraphs and/or other data must be clearly marked as noted below in Section 1.2.E.

D. Cost for Preparation of Proposals/Ownership of Proposals

Each proposal submitted in response to this RFP shall be prepared at the sole cost and expense of the Proposer with the understanding that no claims against the City for reimbursement will be accepted. All proposals will become the property of the City and will not be returned to the Proposer.

E. Protection of Confidential Materials

Information submitted to the City by Proposers is subject to possible compulsory disclosure by the City upon request from a member of the public, under the California Public Records Act, Government Code Section 6250, et seq. The City recognizes that some information which is called for in the RFP, or which may be required to be submitted in subsequent stages of the evaluation and contracting process, may be considered trade secrets or otherwise confidential by some Proposers. The City will protect the confidentiality of materials submitted to it to the extent permitted by the Public Records Act, in accordance with the procedures, and subject to the limitations, described in this section.

Material which Proposers wish to be treated in confidence and withheld from public disclosure must be submitted in a separate envelope marked "CONFIDENTIAL." In addition each page of confidential materials must be clearly marked as "CONFIDENTIAL." The City will not voluntarily disclose materials so marked to persons other than the Participating Agencies' officers, attorneys, employees, and consultants involved in evaluating the proposals received.

If the City receives a request from a third party to review and/or copy material so marked, it will inform the Proposer who submitted it and will allow the Proposer to present arguments and facts to the City in support of the position that the material is entitled to an exemption from disclosure under the Public Records Act and should not be released.

If the City determines that the material is not entitled to an exemption and that it must be released, the City will advise the Proposer of that determination prior to releasing the material so that the Proposer may seek a court order enjoining its release.

If the City determines that the material is entitled to an exemption, and the person who requested the information files a legal action seeking its release, the City will advise the Proposer and will not oppose a motion by the Proposer to intervene in the action. The Proposer must either intervene or agree to pay the City's legal expenses in defending the action; otherwise the City will have no obligation to affirmatively defend the action and may release the information sought without any liability whatsoever to the City.

No proposer will seek damages against the City or recovery of its attorneys' fees from the City, as a result of any dispute related to the release of information submitted in response to this RFP, whether the Proposer is seeking release of another Proposer's information or is opposing a third party's request for release of its material.

Material that has been marked as confidential will be returned to all unsuccessful Proposers once a contract has been signed with the selected Proposer.

By submitting a proposal, Proposers agree to all the foregoing provisions.

Proposers may not designate Proposal Forms 2 (Transmittal Letter, Acceptance of Addenda), 12A, 12B, 12C, and 12D (Annual Operating Cost), 13 (Basic Annual Payment and Tipping Fee for Excess Tonnage), 14 (Materials Recovery and Marketing Plan), and 15A and 15B (Organics Marketing Plan and Organics Processing Cost) as confidential. If these forms are designated as confidential by a Proposer, the proposal may be considered non-responsive.

F. Rights Reserved by the City

The City reserves the right, in its sole discretion, to pursue any or all of the following actions in regard to this RFP:

- Issue addenda to the RFP.
- Request additional information and/or clarification from the Proposers.
- Permit the timely correction of errors, and waive minor deviations.
- Reject any or all proposals.
- Issue subsequent RFPs based on refinements of concepts proposed in response to the RFP.
- Withdraw this RFP.
- Extend the time for submittal of Proposals.
- Enter into discussions regarding price and/or terms with one or more Proposers.
- Select the Proposer that, in the judgment of the City Council and any evaluation process notwithstanding, is most likely to succeed in providing the services desired by the City.
- Take whatever other action it deems in its interest.

This RFP does not obligate the City to accept any proposal, negotiate with any Proposer, award a contract, or proceed with the development of any project described in response to this RFP.

G. Communications Guidelines

In order ensure a fair and orderly process, Council has adopted the following communications guidelines to be adhered to during this RFP process.

Proposers shall:

- Submit a statement of interest in the RFP (Form 1A);
- Sign a statement agreeing to the communication guidelines (Form 1B);
- Attend a mandatory pre-proposal meeting and facility tour (per Section 1.3.A);
- Direct all questions and communications regarding the RFP in writing to one designated City representative (per section 1.3.B);
- Be prohibited from distribution of door-to-door materials, and newspaper, radio, television and public space advertisements in regards to this RFP process;
- Be prohibited from meeting individually with the Mayor or any individual Councilmember during the RFP process.

Proposers who do not comply with the communications guidelines will be disqualified and cannot be selected to enter into an Agreement with the City.

The Mayor and Councilmembers shall:

- Notify the City Manager of any potential conflicts of interest;
- Include another Councilmember and a member of City staff (to be designated by the City Manager) in any non-public meetings between proposers and Councilmembers, and should listen to but not make commitments to proposers in such meetings.

1.3 General Information

A. Pre-Proposal Meetings and Facility Tours

One MANDATORY pre-proposal meeting will be held as shown in Table 1-1 at the SMaRT Station, 301 Carl Road in Sunnyvale, and will include a tour of the facility. At that time, questions will be answered. The City is not responsible for dissemination of information to those not present at the pre-proposal meeting.

All substantive questions submitted in writing, or asked at the pre-proposal meetings, will be responded to in writing by the City. Proposers are encouraged to submit written questions prior to each pre-proposal meeting. No written questions will be accepted after the date shown in Table 1-1. Only published minutes from the pre-proposal meeting and other written addenda may be relied upon when seeking clarification of the requirements stated in the RFP.

In addition to, and following the SMaRT Station tour which will occur during the mandatory pre-proposal meeting, the City will provide proposers the opportunity for an extended tour. For an appointment for an additional tour, please contact the designated project coordinator identified in Section 1.3.B below. The City reserves the right to schedule multiple proposers for joint, simultaneous tours.

B. Instructions to Proposers

Project Coordinator/Point of Contact

Proposers shall direct all questions regarding this RFP to the project coordinator. This will ensure that consistent and accurate information is disseminated. Proposers who contact anyone other than the project coordinator during the proposal process risk elimination of their proposals from consideration. The project coordinator is:

Dreama Howard
Senior Buyer
City of Sunnyvale Purchasing Division
Sunnyvale City Hall Annex
650 W. Olive Avenue
P.O. Box 3707
Sunnyvale, California 94088-3707
Telephone: (408) 730-7396
Fax: (408) 730-7110
E-mail: dhoward@sunnyvale.ca.gov

Examination of Proposal Solicitation Documents

The proposal solicitation documents consist of this Request for Proposals, each and every document listed in the Table of Contents of the RFP, and any addenda which may have been issued. Proposer shall thoroughly examine and be familiar with all proposal solicitation documents. Submission of a proposal shall constitute proposer's acknowledgment upon which the City may rely that proposer has thoroughly examined and is familiar with the proposal solicitation documents. Failure or neglect of proposer to receive or examine all or part of the proposal solicitation documents shall in no way relieve the proposer from any obligations with respect to this RFP or any resultant Service Agreement. No claim for additional compensation will be allowed which is based upon a lack of knowledge of any part of the proposal solicitation documents.

Interpretation of Proposal Solicitation Documents and Addenda

Should a proposer discover conflicts or ambiguity in the proposal solicitation documents that require a decision or explanation, proposer may request an interpretation. Such a request shall be made in writing and delivered to the person identified on the cover page of this RFP no less than five (5) business days before the deadline for receipt of proposals. Every interpretation made to proposers will be in the form of an Addendum issued by the City. Addenda, if issued, will be sent as promptly as possible to all parties that have been issued proposal solicitation documents. Only properly issued Addenda shall be binding upon City; any oral and/or other form of interpretation or clarification will have no legal or contractual effect. Proposers must acknowledge the receipt of Addenda by reference number (as provided in Section 6.1).

C. Submission Deadline and Address

Proposals shall be submitted in a sealed envelope clearly marked "Request for Proposals _____" and received no later than the date and time shown in Table 1-1 by the City of Sunnyvale, Purchasing Division. Proposals may be:

1. Hand delivered to 650 W. Olive Avenue; 94086 or
2. Mailed to P.O. Box 3707, 94088-3707.

Proposals received later than the above-mentioned deadline will be returned unopened to the Proposers, and those Proposers will be eliminated from the procurement process. If interviews with Proposers are desired by the City, it is anticipated that they will be held on the date shown in Table 1-1.

SECTION 2. GENERAL INFORMATION

2.1 Background

The SMaRT Station is located on a City-owned site adjacent to the closed Sunnyvale Landfill, the Sunnyvale Water Pollution Control Plant (WPCP), and San Francisco Bay (Please refer to Figures A-1 and A-2 in Appendix A). The City of Sunnyvale owns the site. Other operations in close proximity to the site include the Household Hazardous Waste Event site, leased to and operated by County of Santa Clara, and the concrete recycling facility leased by Stevens Creek Quarry on the closed landfill's East Hill. Nearby land uses also include the Sunnyvale Baylands Park and the Moffett Park industrial park with occupants that include Fortune 500 companies NetApp, Yahoo!, and Juniper Networks.

Non-diverted MSW from the SMaRT Station is transferred to the Kirby Canyon Landfill. The Participating Agencies have contracted with Waste Management of California for long-term-disposal capacity at the Kirby Canyon Landfill. The Kirby Canyon Landfill is located in south San Jose, California, approximately 27 miles from the SMaRT Station at the Coyote Creek Golf Drive exit off Highway 101. The Memorandum of Understanding (MOU) among the Participating Agencies regarding the use, operation and business arrangements between the SMaRT Station and Kirby Canyon Landfill is presented in Appendix D. The Participating Agencies are currently in negotiations with WM regarding certain provisions of the Kirby Canyon disposal agreements. Since the Contractor does not pay for disposal, the City anticipates that an amendment, should one result, will have no material impact on the Contractor's receipt and processing of Participating Agency materials at the SMaRT Station.

2.2 Tonnage / Financial Data

A. MSW and Source-Separated Yard Trimmings Tonnage Data

Table 2-1 provides a summary of MSW and Yard Trimmings tonnage processed and diverted at the SMaRT Station for FY 2008/09 through FY 2012/13.

B. Source Separated Recyclable Materials Processing – Commodity Tonnage

Table 2-2 provides a summary of tonnage data (by material type) of commodities recovered from the City of Sunnyvale's and the City of Mountain View's residential curbside and multi-family recycling programs, and the City of Mountain View's single-stream commercial recycling program for fiscal years 2008/09 through 2012/13. The City of Palo Alto is not expected to bring its source-separated recyclables to the SMaRT Station for processing at this time.

The City of Mountain View offers recycling services at no charge to business customers. Businesses can choose from two different types of recycling containers: wheeled carts or bins. Bins are used for large amounts of recycling such as cardboard or mixed recyclables (paper, glass bottles and jars, metal cans, and plastic containers #1 through #7). Carts are used where space is limited or for small amounts of recycling. Bins come in different sizes to match customer needs. Note that in addition to this service provided by Mountain View's franchised hauler, independent recyclers may collect materials from businesses in Mountain View, Palo Alto, and Sunnyvale subject to those cities' requirements.

The City of Sunnyvale offers cardboard recycling service at no charge to business customers who qualify (must generate a minimum of 200 pounds a week). Customers who wish to recycle paper, glass bottles and jars, metal cans and plastic containers #1-#7 must work with an independent recycler.

C. MSW Processing – Commodity Tonnage

Table 2-3 provides a summary of outbound tonnage data (by material) for commodities recovered from MSW by the SMaRT Station in fiscal years 2008/09 through 2012/13. This tonnage also includes approximately 10 tons per month of source separated Source Separated Recyclable Materials accepted at the SMaRT Station buyback/drop-off center.

Table 2-1
Historical SMaRT Station Data

By Fiscal Year (July-June)

OPERATIONAL INFORMATION	2009 [3]	2010	2011 [4]	2012 [5]	2013
Participating Agencies' Franchised MSW [1]:	187,653	168,787	153,059	167,770	175,751
Publicly Hauled MSW:	8,192	9,265	10,158	13,966	14,213
Total MSW Delivered	195,845	178,052	163,217	181,736	189,964
Total Tons Yard Trimmings Delivered:	26,874	22,638	22,158	25,305	35,084
TOTAL Tons MSW & Yard Trimmings Delivered	222,719	200,690	185,375	207,041	225,048
Total Tons Recyclable Materials Tons Delivered	20,791	20,213	20,103	19,379	19,869
Tons to Landfill	183,273	154,977	138,569	155,371	157,303
MSW Recovery Rate [2][3]	6.42%	12.96%	15.10%	14.51%	17.19%

[1] MSW = Municipal Solid Waste
[2] (Total MSW Delivered to SMaRT - Tons to Kirby)/(Tons Delivered to SMaRT) Basis for determining Contractor's share of recyclables revenue.
[3] 2009-10: Mixed Waste MRF processing under construction until September 2009
[4] 2010-11: MSW from Palo Alto redirected to PA Landfill 15,273 tons
[5] 2011-12: MSW from Palo Alto redirected to PA Landfill 2,218 tons

FINANCIAL INFORMATION	2009	2010	2011	2012	2013
Contractor Revenues					
Contractor's Payment	$ 10,078,740	$ 11,529,050	$ 12,287,461	$ 12,275,477	$ 11,740,626
Share of Recyclables Revenue	$ -	$ -	$ -	$ -	$ 1,118,069
Share of Public User Fee Revenue	$ 150,533	$ 165,271	$ 191,942	$ 259,589	$ 273,403
Total	$ 10,229,273	$ 11,694,321	$ 12,479,403	$ 12,535,066	$ 13,132,098
Reimbursements from City to Operator					
Replacement Parts for City Equipment	$ 169,811	$ 591,192	$ 490,922	$ 417,406	$ 493,608
Hazardous Waste Transportation and Disposal	$ 76,874	$ 73,233	$ 180,084	$ 200,406	$ 139,744
Total	$ 246,685	$ 664,425	$ 671,006	$ 617,812	$ 633,352

Table 2-2
Source Separated Recyclable Materials Processing –Tonnage*

Commodities Marketed	2009	2010	2011	2012	2013
Aluminum Cans	82	79	80	59	63
Aluminum Foil				11	11
Glass - Amber	246	247	252	214	229
Glass - Flint	596	511	513	468	501
Glass - Green	708	656	697	607	650
Glass - Mixed	1,352	1,350	1,318	1,369	1,450
Green Materials	26,873	22,638	22,158	25,305	35,084
HDPE - EPIC Mix	472	485	493	450	480
Mixed Paper	6,054	5,607	5,629	7,645	8,138
OCC	5,754	5,345	5,029	4,546	4,774
Old Newspsper				852	228
ONP #6 & #7	3,363	3,676	3,668		
PET	303	301	308	283	300
Plastic - Mixed		35	-		
Rigid Plastic	37			30	32
Scrap Aluminum	-				
Scrap Metal	57	53	53	54	57
Tin Cans	336	324	330	306	326
Wood Overs				9	9
Source Separated Total	**46,234**	**41,308**	**40,528**	**42,208**	**52,332**

*Residential. Multi-family and Commercial recyclables collected from Sunnyvale and Mountain View

Table 2-3
MSW Processing – Commodity Tonnage*

Commodities Marketed	2009	2010	2011	2012	2013
Aluminum Cans	5	125	115	52	87
Aluminum Foil				44	53
Clothes/Shoes Drop-off		3	6	7	6
Concrete	1,710	694	1,189	1,774	1,787
Dirt	913	1,142	500	271	3,246
Electronics	-	185	178	182	167
Glass - Amber	-	5		27	39
Glass - Flint	-	-	-	46	5
Glass - Green	-	-	34	53	54
Glass - Mixed	88	52	96	158	305
Green Materials	2,286	1,298	3,376	3,798	4,915
HDPE - EPIC Mix	-	143	253	127	185
Mattresses				11	39
Mixed Paper	849	1,608	2,766	2,738	2,768
OCC	183	1,153	1,207	893	1,776
Old Newspsper				-	-
ONP #6 & #7	-	391	297		
Organic Fines		3,796	7,400	5,726	6,599
Oversize logs & tree trunks		7			374
PET	-	613	66	47	141
Plastic - Mixed		137	22		
Process Water	102	57	35	33	43
Rigid Plastic	6			8	101
Scrap Aluminum	12	2	15		
Scrap Metal	1,291	1,593	1,218	955	1,571
Tin Cans	-	644	685	549	703
Tires	34	47	41	36	39
Wood Overs	884	864	509	601	258
MSW Processing Total	**8,360**	**14,560**	**20,008**	**18,134**	**25,259**

*Commnodities recovered from MSW

2. 3 Zero Waste Planning and Implementation

A. Waste Characterization

In 2010, the City of Sunnyvale and the City of Mountain View commissioned a joint waste composition sort analysis for the MSW generated by the two Cities and processed at the SMaRT Station. See Attachment E for the full studies. During the study, representative samples from five sub-streams were selected and characterized according to 88 material categories and six presence versus absence categories. The five sub-streams categories were: Single-Family, Multi-Family, Commercial, construction and demolition, and SMaRT Station residuals (for material delivered by all three Participating Agencies). The four incoming sub-streams from Single-Family, Multi-Family, Commercial, and construction and

demolition consist of MSW that is discarded by residents, businesses and contractors. This waste was sampled and characterized before being processed through the SMaRT Station materials recovery facility. The fifth sub-stream, SMaRT Station residuals, is the material remaining after processing, that is sent to the landfill for disposal.

The study found that approximately 76% of incoming MSW (excluding C&D waste), prior to sorting at the SMaRT Station, fell into the recoverability categories of: recyclable paper, other recyclables, and compostable/potentially compostable.

Of this amount:

- Nearly 42% was categorized as compostable/potentially compostable, including food, compostable paper, leaves and grass, and other compostable organics;
- Recyclable paper comprised about 13.8%, including cardboard, office paper, newspaper, and other miscellaneous paper;
- Approximately 19.9% was categorized as "other recyclables." This is a broad category that includes bulky items like furniture or mattresses, other ferrous metal such as structural steel beams or metal coat hangers, durable plastic items including plastic outdoor furniture or plastic pipes and fittings, and wood pallets and crates.

The remaining 24% of MSW discarded by residents and businesses was categorized as potentially recyclable (e.g., textiles, carpet, food service plastic) or problem materials (e.g., diapers, trash bags, kitty litter).

Approximately 84% of SMaRT Station residuals were categorized as compostable/potentially compostable, recyclable paper, or other recyclables. Of this amount:

- The majority, 57%, is categorized as compostable/potentially compostable;
- Recyclable paper comprised 14%;
- Other recyclables comprised 18%.

The remaining 17% of SMaRT Station residuals were categorized as potentially recyclable or problem materials.

It should be noted that the residual samples collected and characterized for the study did not include the minus 2" fines separated by the MRF trommels. It is estimated that these fines represent approximately 18% of the incoming waste stream.

The City of Palo Alto conducted a waste composition study in 2013. A summary of the results from this study is provided in Appendix E.

B. Potential Changes in Collection Programs

Zero Waste Planning

See Appendix E for key zero waste planning documents.

Mountain View began a zero waste planning process in 2010, and anticipates completing a Zero Waste Plan in 2014. The city's current diversion rate is about 72%. To date, the planning process including several City Council presentations has resulted in identification of the proposed pilot programs and citywide programs identified in the tables below. A number of the programs are included in the City's 2012 collection agreement, and identified for implementation on specific dates, or as optional programs for later implementation at a specific price.

Palo Alto adopted a Zero Waste Strategic Plan in 2005 and a Zero Waste Operational Plan in 2006. The city's current diversion rate is about 80%. Some of the programs provided in the Plan were implemented by its current collection contractor beginning in 2008. Current and potential pending new pilot programs and citywide programs are identified in the tables below.

In December 2008, Sunnyvale City Council approved a Zero Waste Policy (RTC #08-358, Policy 3.2.4), and staff developed a draft Zero Waste Strategic Plan for Council consideration. Council approved the Zero Waste Strategic Plan on April 23, 2013 and adopted diversion goals of 70% for 2015, 75% for 2020 and 90% by 2030. The current diversion rate is 66 percent. The Council-Approved actions designed to achieve this goal are as follows:

- Improve sorting at the SMaRT Station to remove glass contaminants (specifically from fines);
- Implement residential food scrap and commercial/multi-family yard trimmings collection programs; and,
- Pursue additional source separation possibilities, including enhanced outreach and education efforts to increase the efficiency of source separation (with the addition that the City set a goal for home diversion of food scraps).

Potential Program Changes

The Participating Agencies' zero waste plans, planning processes and/or collection agreements identify two types of modifications to collection programs: pilot programs and modified or new citywide programs. One or more pilot programs will likely occur prior to January 1, 2015, and/or may occur during the term of the Agreement. Modified or new collection programs will generally be developed and implemented at the discretion of the individual city, and will generally be subject to city council approval.

As shown in the far right column of each of the four tables, Contractor compensation during pilot programs will be the same as in the absence of such programs. Pilot programs will not result in any adjustment to any of the four forms of compensation presented in Section 5 of the RFP. In addition, as provided in Section 3.5F of the Agreement, the Contactor will be expected to provide reasonable coordination and assistance to each relevant Participating City and its Designated Hauler during any pilot program.

The following tables summarize the best current planning regarding modified or new citywide programs that may be implemented prior to, or during the Agreement term. For each table, the programs are subject to council approval, whether or not the "Estimated Implementation Dates" column shows a specific date and unless otherwise indicated. In each table, for "Contractor Compensation", implementation of these programs are shown as subject to a possible modification in compensation as provided in Section 10.20 of the Agreement to the degree the Contractor experiences demonstrated net

increases in cost due to program implementation. However, note that some programs that may be implemented citywide but that are directed to a small sector, such as restaurant bottle collection, will be treated the same as a pilot program – there will be no adjustment in compensation.

The City will ensure that the selected Contractor receives early notice of pilots and of modified or new citywide programs as provided in Section 3.5F of the Agreement, and will coordinate with the Contractor to ensure there is no interruption in SMaRT Station operation due to the change in delivered material.

Future Recycling Programs - Mountain View and Sunnyvale

If implemented, the programs identified in Table 2-4 will increase the quantity, and potentially the quality, of Source Separated Recyclable Materials, and decrease the quantity of recoverable MSW delivered to the SMaRT Station. The addition of curbside cooking oil, CFL and cell phone collection programs would likely decrease the overall tonnage of MSW, and decrease contamination of recoverable MSW fibers.

Table 2-4
Recyclable Materials - New Potential Mountain View and Sunnyvale Programs

Program Name	Estimated Implementation Date	Estimated Tonnage at Full Scale	Participating Agencies	Contractor Compensation
Mandatory and/or Enhanced Commercial & Multi-Family Recycling Programs	Mtn. View: 07/01/2013 Sunnyvale: 01/01/2014	Mtn. View: 1,360 Sunnyvale: 1,490	Mountain View Sunnyvale	No Change
Restaurant Glass Collection Program	City Option	Unknown	Sunnyvale	No Change
Weekly SFD Recyclables Collection *(as opposed to bi-weekly)*	City Option	430	Mountain View	Potential Change
Expanded List of Recyclable Materials for Single-Family Collection*	City Option	964 (includes recyclables and organics)	Sunnyvale	Potential Change
Curbside Cooking Oil, CFL, Cell Phone Collection	Mountain View: 07/01/2013 Sunnyvale: City Option	TBD	Mountain View Sunnyvale	No Change

*If this program is implemented in Sunnyvale, it will also likely be implemented concurrently in Mountain View.

Future Organics Programs - Mountain View and Sunnyvale

If implemented, the programs identified in Table 2-5 will increase the quantity of Source Separated Organic Materials, and decrease the quantity of recoverable MSW. However, the programs related to Food Scrap collection may also be assumed to decrease contamination of recoverable fibers in the MSW stream.

Table 2-5
Organic Materials - New and Potential Mountain View and Sunnyvale Programs

Program Name	Estimated Implementation Date	Estimated Tonnage at Full Scale	Participating Agencies	Contractor Compensation
Single-Family Food Scraps Collection Pilot	Mtn. View: 07/01/2014 Sunnyvale: 07/01/2014	Mtn. View: TBD Sunnyvale: TBD	Mountain View Sunnyvale	No Change
Commercial Food Scraps Collection Expansion of Existing Pilot Programs *(currently in planning stages)*	Mtn. View: 07/01/2013 Sunnyvale: 07/01/2014	Mtn. View: 5,335 / *3,600* Sunnyvale: 4,773 / *960* (anticipated tons at full scale / *tons under pilot)*	Mountain View Sunnyvale	No Change
Commercial Yard Trimmings Collection	City Option	1,520 tons	Sunnyvale	Potential Change
Multi-Family Yard Trimmings Collection	Mtn. View: 07/01/2013 Sunnyvale: City Option	Mtn. View: 740 Sunnyvale: 1,025 tons	Mountain View Sunnyvale	Potential Change
Seasonal "Fall Leaves" Yard Trimmings Collection Program	07/01/2013	150	Mountain View	No Change
Weekly SFD Yard Trimmings Collection *(as opposed to bi-weekly)*	City Option	340	Mountain View	Potential Change
Expanded List of Organic Materials for Single-Family Collection*	City Option	964 (includes recyclables and organics)	Sunnyvale	Potential Change

*If this program is implemented in Sunnyvale, it will also likely be implemented concurrently in Mountain View.

Future Palo Alto Organics Programs

The City of Palo Alto is currently in the process of conducting a Single-Family Food Scraps Collection pilot program and delivering the resulting materials to a third party facility for processing. Proposers may assume that all Source Separated Food Scraps originating from the City of Palo Alto will be processed at a third party facility through at least June 30, 2017. If implemented, the programs identified in Table 2-6 will decrease the overall quantity of MSW, decrease the quantity of recoverable MSW and decrease contamination of recoverable fibers in the MSW stream.

Table 2-6
Organic Materials – Potential Palo Alto Programs

Program Name	Estimated Implementation Date	Estimated Tonnage at Full Scale	Participating Agencies	Contractor Compensation
Continue Existing Single-Family Food Scraps Collection Pilot *(at the existing pilot-level scale)*	02/01/2014	480 tons	Palo Alto	No Change
Expand Single-Family Food Scraps Collection Pilot Program Citywide	City Option	3,500 tons	Palo Alto	Potential Change
Energy/Compost Facility Development	2019	n/a (included above as 3,500 tons)	Palo Alto	Potential Change

As noted in Table 2-6, in November 2011, Palo Alto voters passed Measure E, which required staff to investigate the possibility of placing an Energy/Compost facility on ten acres of the former Palo Alto Landfill that was originally slated to be part of Byxbee Park. The City of Palo Alto received six proposals in August 2013 for an Energy/Compost Facility or Export Option for Food Scraps and Yard Trimmings from the City of Palo Alto's curbside collection program and biosolids from the Palo Alto Regional Water Quality Control Plant. The proposals generally require Source Separated Food Scraps to either be digested with biosolids or composted separately from Yard Trimmings. The City of Palo Alto is currently in the evaluation phase of the proposal review process and expects to make a recommendation to the City Council in February 2014. The recommendation might include: (i) siting an anaerobic digestion and/or composting facility on the ten acres of the former Palo Alto Landfill (location in Measure E); (ii) an export option; or (iii) a no-project alternative that would continue the City of Palo Alto's current Organic Materials processing program (Yard Trimmings to the SMaRT Station, Commercial Organic Materials to a third party facility). A full Energy/Compost Facility (if selected) would not be expected to be operational until 2018. Decisions regarding the potential project will be made in spring 2014. If an export proposal is selected then it could be implemented as early as late 2014.

Participating Agency Education and Outreach Efforts

The Participating Agencies have also identified the education and outreach efforts shown in Table 2-7, which will affect multiple sectors and material types. Enhanced Public Education and Outreach in Palo Alto could decrease the quantity of Source Separated Organic Materials (as Source Separated Food Scraps originating in Palo Alto are processed at a third party facility), decrease the overall quantity of MSW (as Recyclable Materials originating in Palo Alto are processed at a third party facility), and decrease contamination of recoverable MSW fibers. Enhanced public education and outreach in Mountain View and Sunnyvale will likely increase the quantity of Source Separated Organic Materials and Source Separated Recyclable Materials and decrease the quantity of recoverable MSW.

Table 2-7
Education and Outreach Efforts

Program Name	Estimated Implementation Date	Estimated Tonnage at Full Scale	Participating Agencies	Contractor Compensation
Enhanced Public Education & Outreach *(In Palo Alto, specifically to Commercial and Multi-Family Customers)*	Mountain View: 7/1/2013 Palo Alto: 7/1/2014 Sunnyvale: City Option	Mountain View: TBD Palo Alto: TBD Sunnyvale: 2400 tons	Mountain View Palo Alto Sunnyvale	No Change

2.4 Other Available Data

Appendix L contains additional operational and financial information for the SMaRT Station.

2.5 Final Environmental Impact Report

The Final Environmental Impact Report (FEIR) for the SMaRT Station project was completed and certified by the City of Sunnyvale in 1990, based on a conceptual design of the facility. An addendum to the FEIR was completed to reflect the final design of the facility. The selected Contractor will be required to comply with various mitigation measures adopted by the City Council when the FEIR was certified. The FEIR and Addendum are available for review at the City of Sunnyvale.

SECTION 3. DESIGN AND DESCRIPTION OF THE SMART STATION

3.1 Station Design

A. SMaRT Station Capacity

The SMaRT Station is a 100,000 square foot mixed waste processing/transfer station facility with a design and permitted capacity of 1,500 tons per day (tpd) (5 days per week). The SMaRT Station contains two separate sorting operations:

- MSW processing lines, trommels, and related equipment for recovery of commodities from mixed MSW delivered by the Participating Agencies.
- Source Separated Recyclable Materials processing lines, for processing of source separated recyclables received from curbside, multi-family and commercial programs in Sunnyvale and Mountain View.

The third primary function of the SMaRT Station is transfer of Residuals and unprocessed MSW for disposal at the Kirby Canyon Landfill.

B. Principal SMaRT Station Features

Principal features provided in the SMaRT Station include:

- 50,000 square foot waste tipping floor
- Enclosed hazardous waste storage container
- Maintenance area
- MSW compactor/transfer trailer loading areas
- Trailer staging area
- MSW processing system including trommels, disc screens, electromagnets, eddy-current separators and manual sorting conveyors.
- Source Separated Recyclable Materials unloading and processing area and scale
- Source Separated Recyclable Materials processing system designed for dual-stream recycling program
- Recyclable Materials buyback/drop-off center (including drop-off for certain Universal Wastes)
- Consolidation and storage area for recovered materials
- Loading dock
- Wood and Yard Trimmings processing and storage area
- Office and visitor center
- Entrance facility, including gate house, pay booth and scales
- Parking for employees and visitors

A series of SMaRT Station design drawings are presented in Appendix A, providing:

- Service Area (Figure A-1).
- Street Location (Figure A-2).
- Site General Arrangement (Figure A-3).
- Building General Arrangement (Figure A-4).
- Mass Flow Diagram – Mixed Waste MRF (Figure A-5).
- Source Separated Recyclables Processing Equipment Layout (A-6).
- Architectural Main Building Exterior Elevations (Figure A-7).
- Site Utilities Plan (Figure A-8).
- MSW Processing Equipment Arrangement and Text Description (Figure A-9)

C. Tipping Operations

1. City- Designated Hauler Tipping Operations

Residential, commercial, and industrial haulers are directed by traffic control signs along the access road and an overhead sign, located at the entrance to the two inbound scales. Vehicle weight data (e.g., truck number, tare weight, gross vehicle weight, net load weight) is entered and captured by the SMaRT Station's scale software system. The driver then receives a weight ticket prior to being allowed to proceed onto the tipping floor. Roll-off trucks are weighed after unloading and are currently provided with a weight ticket as they exit.

From the gatehouse, vehicles proceed to the SMaRT Station (either the main MSW processing building, Source Separated Recyclable Materials processing area, or the yard/wood trimmings processing area). Upon arrival at the tipping floor, vehicles are directed by traffic controllers onto several areas of the tipping floor depending on the type of waste carried. Under the instruction from the traffic controllers the collection vehicle drivers unload the contents of the collection vehicles directly onto the tipping floor. After unloading, the collection vehicles follow established routes and exit the processing facility to resume route collection activities. Determination of recovery potential of loads is made at the tipping floor or by pre-arrangement with the haulers. Those few loads that are not appropriate for processing are directed to tip adjacent to the MSW compactor in-feed conveyor.

2. Public Haul Tipping Operations

The public is directed to the SMaRT Station by traffic signs and an overhead directional sign on the access road to the scale house at the entrance to the facility. Public customers are charged at the entrance gate according to weight or volume and type of materials being delivered. Public vehicles are then directed to the public haul tipping area on the tipping floor or, if they contain only source-separated wood or Yard Trimmings, may be directed to the unloading area in the wood/yard trimming processing area. After unloading, the public vehicles follow established routes to exit the SMaRT Station.

Public haul vehicles entering the main processing building are directed by a spotter to the public tipping area where the customers unload the MSW on the floor. Large, easily salvageable commodities

unloaded on the public tipping area are pulled from the load by a team of sorters and placed in appropriate bins for storage prior to mixing with like materials for marketing. The remaining material is pushed by a wheel loader to the appropriate section of the main tipping floor, and either joined with MSW to be processed or with sorted MSW awaiting transfer to the landfill.

D. Current MSW Processing Operations

1. Floor Sorting of Materials from Commercial and Industrial Loads

MSW processing starts on the tipping floor, where the following materials are separated from the remaining waste stream: white goods, bulky commercial wastes, batteries, tires, bulk ferrous metals, wood, carpet, mattresses and Yard Trimmings. Additionally, certain construction and demolition wastes, such as asphalt, concrete, drywall and metals are separated out for recycling. Effective floor sorting aids in the overall efficiency of the materials recovery process.

The selected contractor shall utilize floor sorting to identify and remove banned, hazardous, and universal wastes that may not be delivered to any Class III landfill (in accordance with current and future regulations).

Banned wastes include tires and large appliances. Costs for processing, and/or disposal of these wastes are the responsibility of the contractor, and will not be reimbursed by the City. Revenues from recycling, or costs to recycle these materials will be shared in accordance with Article 5 of the operating agreement.

Hazardous and Universal Wastes discovered while performing load checks or otherwise discovered during processing must also be removed from the waste by the Contractor. These materials will be transported by the Contractor to the proper storage area and Contractor will arrange for proper recycling or disposal. Costs for recycling or disposal of hazardous wastes and universal wastes will be reimbursed by the City. Revenues generated from the recycling of universal wastes (such as payment received under SB 20 for recycling of covered electronic devices) will be shared in accordance with Article 5 of the operating agreement. The City shall designate the selected contractor as an authorized collector if required for the purpose of receiving SB20 payments.

After visual inspection and removal of any targeted floor-sort materials, the remaining material is moved by wheel loaders to one of two walking floor conveyors that feed the MSW processing lines.

2. Line Sorting of Materials

Overview

The Contractor shall recover Recyclable Materials from MSW using elevated sort lines and a combination of mechanical and manual separation methods. In 2012 the City completed and declared operational new MSW processing equipment, which included the addition of two large trommels, disk screens, electromagnets, eddy current separators, a baler and related equipment. A description of the MSW processing equipment is included in this RFP. Proposers shall utilize Form 14 to describe how they will recover and market Recyclable Materials. Form 14 will be used as the basis for Exhibit B-1 of the Agreement.

MRF Fines

The key operational and technical issue facing the City and the selected Contractor (to the extent that it is not resolved prior to the effective date of January 1, 2015) will be full and effective resolution of the MRF "fines" issue, as described below.

At the time the City issued the 2007 Request for Proposals (RFP) for operation of the SMaRT Station, the City was in the process of replacing the MRF equipment. Proposers during the process relied on a conceptual design for the new MRF on which to base their cost proposals. The design included an estimate of system outputs for minus 2-inch material, referred to as "fines." It is desirable to remove fines early in the MRF process to prevent organics, dirt, grit and other materials from contaminating recyclable paper, metals and plastic captured later in the MRF process. A secondary result is that the fines have a high organic content and can be composted into soil amendment when blended with other higher-quality Organic Materials, such as Yard Trimmings. The prior contractor of the MRF marketed the fines material removed by the old MRF equipment as compost feedstock without additional processing. Contaminants contained in the fines were mostly materials that are easily removed with simple machinery at the end of the composting process.

Soon after the new MRF equipment was installed, it was determined that the new MRF changed the fines removed in two significant ways. First, a far larger proportion of the fines were captured by the new MRF, thus improving the cleanliness of the recyclables recovered later in the process. Second, the fines were more heavily contaminated. In addition to the easily removed contaminants, the fines also contained significant amounts of glass (approximately 11% of the fines by weight). This resulted from glass bottles being tumbled and broken in the trommels installed as part of the new processing system (the previous equipment used a shaker screen that broke less glass). The higher glass content has limited the City's ability to market the fines as discussed in Section 4.2H of the RFP.

The City has contracted with an engineering firm (CalRecovery) to develop and test technical solutions that will remove the material at the back end of MRF processing and improve the marketability of the fines, as described in Attachment M. The City intends to use this RFP process, as provided in Section 6 to:

1. Solicit proposed pricing and related diversion estimates assuming the CalRecovery equipment is installed.
2. Request alternative technical approaches to resolving the fines issue.
3. Request options for marketing the fines as is, with the current level of glass contamination.

E. Transfer Operations

Residuals from the materials recovery operations and materials that are moved directly to the transfer load-out operations are compacted into "slugs" and loaded into transfer trailers. The compactor in-feed conveyor and Amfab compactor are capable of loading 72 tons of material per hour into transfer trailers. Once compacted, this material is delivered to Kirby Canyon Landfill. Trucks delivering loads to the landfill operate in accordance with the time-of-day limitations specified in Section 3.3 and Section 4.1 of the Agreement. A top loading conveyor provides backup in the event that the compactor and/or compactor in-feed conveyor are not working and solid waste must be loaded by conveyor into open top

Transfer Vehicles. The transfer trailers must have the ability to be loaded from the rear (by compactor) or from the top (by conveyor), and to unload at the landfill without the aid of a tipper.

F. Source Separated Recyclable Materials Processing Operations

Source-separated curbside, multi-family and commercial recyclables collected in the cities of Sunnyvale and Mountain View are processed in the Source Separated Recyclable Materials processing area of the SMaRT Station. See Appendix E for the most recent characterizations of Source Separated Recyclable Materials delivered from Sunnyvale and Mountain View. The Source Separated Recyclable Materials processing area includes an in-ground scale equipped with a card reader system for tracking of material weights. The Source Separated Recyclable Materials processing system includes two processing lines, one for fiber sorting and another for commingled rigid containers. Dual stream materials are dumped in designated tipping areas adjacent to the processing lines and moved to conveyors with a small wheel loader. Materials are sorted mechanically and manually into bunkers or hoppers and stored until baled. Glass is dropped through chutes into 6-yard containers.

G. Wood and Yard Trimmings Processing

Grass, leaves, garden waste, plant prunings, tree trimmings and untreated timber products (lumber, pallets and similar wood products) are directed to the wood and Yard Trimmings processing area. Incoming Designated Hauler and city vehicles containing clean, source-separated loads of these materials are routed directly to the wood and Yard Trimmings processing area to unload their materials. The same materials removed from industrial, commercial and residential mixed loads on the MSW tipping floor will be moved by the Contractor from the tipping floor to the wood and Yard Trimmings processing building for grinding. Building demolition debris may not be accepted and processed in the wood and Yard Trimmings processing area.

At the wood and Yard Trimmings processing area, the vehicles are directed into the tipping area by a traffic spotter to discharge their materials. Loads will be inspected on the floor for contaminants including materials that may damage the equipment (such as large metal objects, dirt and rock). Contaminants are removed, and directed back onto the MSW tipping floor for disposal at the landfill. Loads that are heavily contaminated may be directed to the MSW tipping floor for further sorting or disposal.

Clean materials are shredded with a hammermill-type shredder. Following shredding, the materials are fed onto a conveyor and passed under a magnetic crossbelt conveyor for removal of small pieces of ferrous metal, such as nails. The smaller materials (fines) are separated from the larger materials (overs) using a vibratory screen.

Yard Trimmings overs, fines and wood overs are separated and bulked outside the west end of the wood processing building. Wood overs (and, at times, Yard Trimmings overs) are sent to market as a fuel product or for other uses. The Yard Trimmings overs and fines will be used as feedstock for compost, mulch, and bulking agent for sludge composting operations or other purpose acceptable to the City.

H. Buyback/Drop-Off Center

A buyback/drop-off center is also part of the SMaRT Station and is located on the south side of the facility. The goal of the center is to allow the general public an opportunity to recycle their own material and receive market prices for those materials of value. The center, including parking, is 12,000 square

feet in size and is designed to handle approximately 40 vehicles per hour. The buyback center is certified to redeem California Redemption Value materials and the drop-off area is set up to accept a variety of materials that are listed in Section 4.2.6 of this RFP.

I. Hazardous Waste Storage Area

The SMaRT Station is neither designed nor permitted to accept hazardous wastes of any kind. However, during the course of normal operation it is anticipated that some hazardous materials will be found during screening of random loads required by the Hazardous Waste Exclusion Program (HWEP), and thereafter in processing operations. Hazardous material found through the HWEP and any other hazardous material discovered at the facility will be stored in a hazardous materials storage container, located in the southeast corner of the facility. The storage container is 600 square feet in size, and double contained.

J. Offices and Visitor Center

The SMaRT Station includes administrative offices and a visitor center. The offices and visitor center are 6,000 square feet in size and are located at the west end of the facility. This building includes a lobby and reception area, office area, restrooms, orientation/training room, shower and locker rooms and a break room.

The City has exclusive use of approximately 675 square feet of office space in the office/visitor center that houses approximately six employees. The selected contractor will provide, at no cost to the City, utilities (with the exception of telephone service), and janitorial and building maintenance services to this portion of the office/visitor center. The selected Contractor is required to provide a means of emergency power at the office/visitor center that allows the Contractor's landline phones to continue operating when utility power is interrupted. The City will provide at its expense, City telephones and other communications equipment, furniture, computers, office supplies and moveable partitions used by City staff.

K. Scale House

The facility entrance includes a scale house and two inbound truck scales where public haul fees are collected and hauler vehicles are weighed and recorded. A third scale is located in the outbound lane to weigh all outbound loads and certain empty vehicles for which tare weights are not used. The scale house will be operated by the selected Contractor. The scale house has two fee windows for MSW collection vehicles. An additional booth is available for use for the general public, but has not been used for that purpose to date. The selected contractor is required to furnish a portable emergency generator to operate the scale system in the event of a power outage.

L. Radiation Monitors

Two sets of radiation monitors are located at the inbound lanes to the scales to detect the presence of radioactive materials in incoming loads. These monitors operate 24/7 and require minimal operator interaction. The monitors are connected to electronics inside the scale house which provide information regarding the system status and additional information in the event of an alarm. Information regarding the radiation detection program at the SMaRT Station is located in Exhibit L of the Agreement.

M. Facility Parking and Vehicle Maintenance

The facility has parking on the west side for visitors and employees. There is additional employee parking on the road heading up to the concrete recycling operation. The selected contractor may park empty Transfer Vehicles in the fenced and paved operational area of the SMaRT Station, which does not include the office parking lot. The facility has a vehicle maintenance area that is 2,000 square feet in size and is located on the north side of the main building. This facility is designed for repairing and maintaining on-site rolling stock (loaders, forklifts, scissor lifts) only and is not designed for maintaining stationary equipment or Transfer Vehicles.

N. Other Facility Amenities

The SMaRT Station is equipped with an overhead sprinkler system and fire suppression equipment. Sanitary facilities are located in the administration building and in the main building near the compactor. The administration building includes locker rooms with showers for employees and a break room. The SMaRT Station is double plumbed. Potable water is used in the washroom basins, drinking fountains and the wash down hoses on the tipping floor, while the toilets and the facility's landscape irrigation system use recycled water.

O. Electrical Requirements

The facility includes a 1500 KV transformer with an installed motor horsepower at 480 volt, three phase 1505 HP. Usage and billing information for the 12 months ended October 31, 2013 is located in Appendix L.

In the event that power from PG&E is not available, the facility also has a 400 volt 1500 KW emergency generator (auto-start) which provides enough power to run the lights and compactor load out equipment. The selected Contractor is required to maintain a smaller generator to provide power to the scale house in the event of a power outage.

The City has been in discussions with solar power companies about installing photovoltaic collectors on the SMaRT Station roof and/or on overhead structures above the parking lot adjacent to the office/visitor center. The selected contractor is required to cooperate with the City and its solar power vendor regarding planning and installing a solar power system and utilizing its electricity at the facility if the City proceeds with such a project.

P. Wastewater and Stormwater Discharge Requirements

Process water generated at the SMaRT Station cannot be discharged to the sanitary sewer due to its physical/chemical characteristics. The selected Contractor will be responsible for the proper management of all process water generated at the SMaRT Station, and all associated costs. Water from the tipping floor, conveyor pits and MRF area is accumulated in a sump near the compactor. From there the wastewater is pumped into a holding tank and then into tanker trucks and hauled off-site for treatment. Historical information related to the profile and quantities of wastewater generated at the facility is provided in Appendix F and also in Table 2-3.

The SMaRT Station's stormwater runoff is regulated by the Industrial General Stormwater Permit pursuant to a Notice of Intent filed by the City. The selected contractor is required to comply with all present and future Best Management Practices (BMPs) documented in the Storm Water Pollution

Prevention Plan (SWPPP) prepared by the City. These BMPs will include an operator-managed pre-storm site preparation plan and storm event action plan.

The City anticipates designing and installing structural BMPs based on the results of sampling and analysis of stormwater samples during the 2013/14 rainy season. The structural BMPs may include expanded roof coverage for areas not presently under roof, installation of improvements that would capture, treat and discharge stormwater to either storm or sanitary sewer and/or direct discharge of stormwater to the nearby WPCP. As provided in Section 6 of the RFP, Proposers must describe their proactive efforts to anticipate and avoid violation of regulatory requirements related to stormwater management.

3.2 Stationary Equipment

The SMaRT Station is equipped with stationary equipment that the City owns. It will be the selected Contractor's responsibility to maintain this equipment as described in Section 3.9 and Exhibit J of the Agreement. The Transfer Equipment and Wood and Yard trimmings equipment was installed new in 1994. The Curbside Processing Equipment was installed new in June 2001. Figures A-6a, A-6b and A-9 in Appendix A detail where stationary equipment is or is proposed to be located. The stationary equipment to be provided by the City is listed in Appendix G of this RFP.

SECTION 4. SMART STATION OPERATION

It is the selected Contractor's responsibility to operate the facility in accordance with the Agreement with the City. The minimum SMaRT Station operating requirements are listed below. References are made to the corresponding sections of the Agreement which provide specific detail for each requirement.

4.1 General Operations

A. Operating Hours

The selected Contractor will operate the facility during the hours specified in Section 3.3 of the Agreement.

B. Facility Personnel

The selected Contractor will staff the facility with qualified personnel to perform the work as specified in Section 3.10 of the Agreement. Proposers must list the number of employees when completing Proposal Forms 8A, 8B, and 8C. The current number of employees, by job classification and wage rate, is included in Appendix L.

C. Facility Personnel

The selected Contractor shall pay wages and benefits to its drivers, sorters, mechanics, and operators as provided in Section 3.10 of the Agreement. The selected Contractor shall offer employment to previous contractor's SMaRT Station employees per Section 3.10.

D. Facility Personnel Training and Safety

The selected Contractor will be responsible for training personnel on how to operate and maintain the facility and its equipment, and on regulatory and health and safety procedures. Each proposal must include a description of the safety training programs, health and safety manual, and other components of the Proposer's health and safety program including emergency procedures for operating the facility. Hazardous material handling procedures must also be included. See Proposal Form 10.

E. Permits and Regulations

Appendix H contains a list of all current permits necessary for operation of the SMaRT Station. If new operating permits and approvals (or amendments to the permits and approvals obtained by the City) become necessary during the term of the Agreement by virtue of the selected Contractor's operations it will be the responsibility of the selected Contractor to obtain them. The City will assist the selected Contractor in obtaining them, provided that the operations that give rise to the need for them are in compliance with the Agreement (See Section 3.6 of the Agreement). Permits are available for review at the City's offices.

F. Transfer/Processing Report

A copy of the Transfer/Processing Report for the SMaRT Station is provided in Appendix I. The Transfer/Processing Report describes and/or restricts the operation under the Solid Waste Facility Permit (SWFP) issued by the California Integrated Waste Management Board.

4.2 Material Processing Operations

A. General

The selected Contractor is required to receive, process, and transfer the Participating Agencies' MSW and Source Separated Recyclable Materials and Yard Trimmings. The selected Contractor will accept and/or process the following materials within the facility:

- MSW
- Bulky Waste (e.g. furniture, tires, mattresses, refrigerators, carpet, etc)
- Universal Wastes (e.g. CRTs, Universal Waste Electronic Devices, Consumer Electronic Devices, fluorescent lamps, batteries)
- Used Motor Oil and oil filters
- Source Separated Recyclable Materials delivered by the Participating Agencies' Designated Haulers
- Source Separated wood and Yard Trimmings
- Source Separated Recyclable Materials brought to the buyback/drop-off center

The selected Contractor will be responsible for transferring Residuals and unprocessed MSW to the Kirby Canyon Landfill and marketing and transporting recovered Source Separated Recyclable Materials to acceptable recyclers, processors or end users in accordance with Section 4.1 of the Agreement. Figure 4-1 presents a diagram of material flow to and from the SMaRT Station.

The selected Contractor will be responsible for removing and arranging for the proper disposal or recycling of CFCs, compressor oils, and mercury switches from appliances recovered at the SMaRT Station at its own expense.

B. MSW Processing

The selected Contractor will employ its best efforts to recover and divert the maximum economically feasible amount of Recyclable Materials from the franchised and publicly hauled MSW accepted at the facility. The selected Contractor will not be required to process every load of MSW delivered to the SMaRT Station. However, the selected Contractor must maintain at least the minimum MSW recycling rate of __% in accordance with Section 3.5B of the Agreement once the MRF fines issue is resolved, and __% if the issue has not been resolved prior to the Commencement Date of the Agreement and until resolution is completed.

The selected Contractor is required to accept and segregate wood and yard trimming materials from the tipping floor including tree trimmings, untreated wood roof shingles, lumber, pallets, similar timber products, and compostable materials. Processing of this material will be done onsite in a designated area.

C. MSW Processing Equipment

See discussion of the MRF fines issue in Sections 3.1.D and 6 of the RFP, regarding technical approaches to resolution of the issue.

D. Delivery of MSW and Source-Separated Materials

The following is a brief description of how each City currently collects MSW and Recyclable Materials and Yard Trimmings currently delivered to the SMaRT Station. The Participating Agencies reserve the right to change their collection methods and/or the mixes of source separated materials delivered to the facility for processing.

Sunnyvale

- Residential solid waste is collected using side loaders, front loaders and rear loaders.
- Commercial solid waste is collected using front loaders, compactors and debris boxes.
- Yard Trimmings are collected using side loaders and front loaders.
- Single-family recyclables are collected using side loaders with 2 compartments. Materials are delivered to the SMaRT Station in the following components: (1) mixed paper, including small cardboard boxes, (2) mixed rigid containers (aluminum, tin, glass and plastic containers #1 through #7), (3) bundled, larger cardboard boxes (4) motor oil and oil filters, and (5) household batteries. Materials are unloaded from the rear of the vehicle except for motor oil, oil filters and household batteries, which are hand unloaded by the truck drivers.
- Multi-family and commercial recyclables are collected by side-loaders with 2-compartments. Materials are delivered to the SMaRT Station in the following components: (1) mixed paper, including small cardboard boxes, (2) mixed rigid containers, (3) motor oil and oil filters, and (4) household batteries. Materials are unloaded from the rear of the vehicle.
- Commercial cardboard is collected using front loaders.

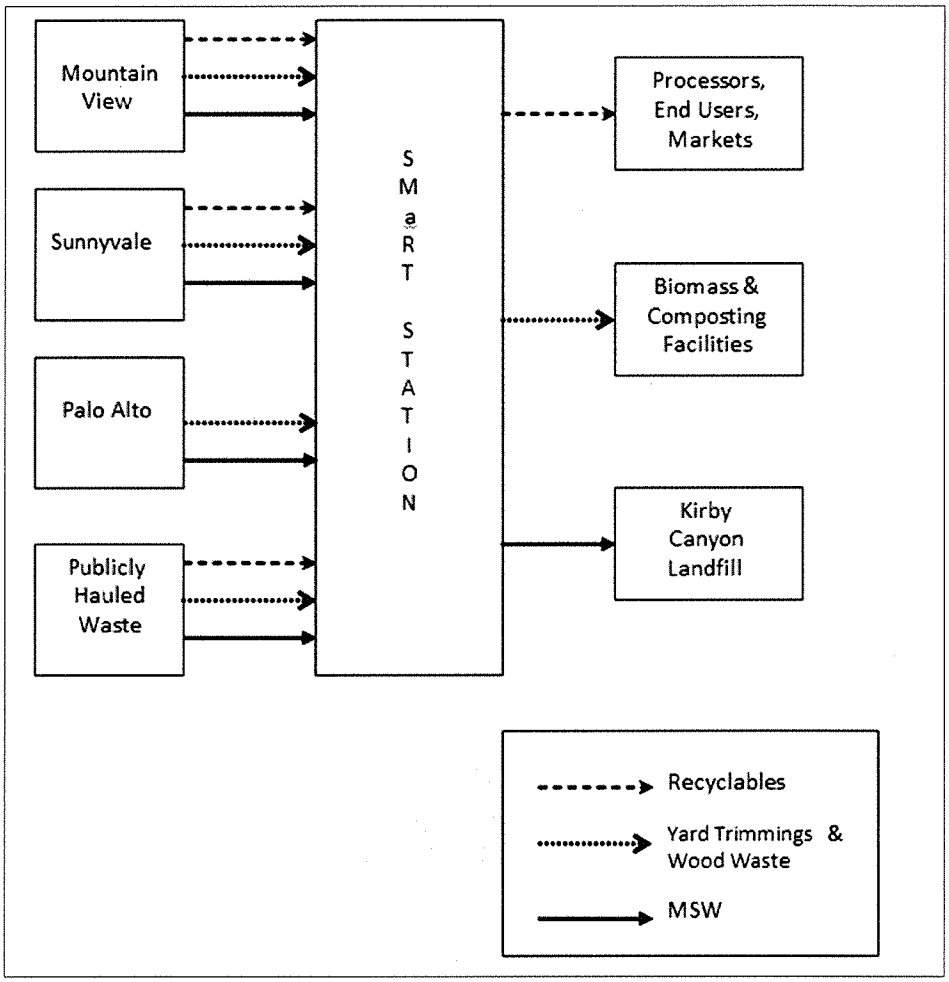
Mountain View

- Residential solid waste is collected in side-loader and rear-loader trucks.
- Commercial solid waste is collected using front loaders, compactors and debris boxes.
- Yard Trimmings are collected using side loaders.
- Single-family and multi-family recyclables are collected using rear-dump vehicles. Materials are delivered in the following components: (1) mixed paper, (2) mixed rigid containers, (3) cardboard, (4) household batteries, (5) motor oil and oil filters, and (6) used cooking oil.
- Mixed commercial recyclables are collected in front-loader vehicles, and are delivered to the SMaRT Station in a single stream of fiber and containers.

Palo Alto

- Residential solid waste is collected using front loaders.
- Commercial solid waste stream is collected using front loaders, compactors and debris boxes.
- Yard Trimmings are collected using front loaders.

Figure 4-1
Material Flow Diagram for SMaRT Station



E. Source Separated Recyclable Materials Processing

The selected Contractor will accept and process Source Separated Recyclable Materials from the cities of Sunnyvale and Mountain View's residential curbside, multi-family and commercial recycling programs and arrange for sale of the materials to acceptable recycling facilities, processors or end users as specified in Sections 3.5C and 3.16 of the Agreement. Source Separated Recyclable Materials currently collected include glass bottles and jars, tin and steel cans, aluminum cans, metal food trays, plastic bottles and containers, corrugated cardboard, mixed paper, ledger paper, newsprint, used motor oil and oil filters, household batteries, and cooking oil. This material does not count towards the Minimum Recycling Level.

The City of Palo Alto does not anticipate bringing single stream curbside Source Separated Recyclable Materials to the SMaRT Station for processing prior to 2017, if at all. Should the City of Palo Alto direct its Source Separated Recyclable Materials to the SMaRT Station, the Contractor would be compensated in the same manner as for Source Separated Recyclable Materials from the other Participating Agencies,

receiving a share of the revenues from the sale of Source Separated Recyclable Materials (sliding scale based on MSW recovery rate achieved by Contractor).

F. Buyback/Drop-off Center

The selected Contractor will operate a buyback/drop-off center that will accept the following materials:

- Newsprint
- Glass bottles, jars and other beverage containers
- Aluminum
- Metals
- Corrugated cardboard and Kraft paper
- High grade office paper
- Mixed paper
- Plastic containers 1—7
- Used clothing and shoes

  Cooking oil*
- Used motor oil*
- Used automobile oil filters*
- Anti-freeze*
- Automotive batteries*
- Household batteries*
- Fluorescent light bulbs and tubes*
- Household items containing mercury (e.g. thermometers and thermostats)*
- Universal Waste Electronic Devices and Consumer Electronic Devices*
- Any new California Redemption Value (CRV) containers designated by the State in the future
- Compost/mulch
- Other materials as approved by the City

From residential generators only

The City and the selected Contractor will discuss the feasibility of providing reuse services and accepting paint at the drop-off area.

The selected Contractor will also provide, in the vicinity of the buyback/drop-off center, a City approved bin for drop off of "sharps" (needles, lancets, etc.) by members of the general public (but not businesses) at no charge. The bin shall be designed with a chute, such that materials can be deposited, but cannot be removed from the chute. The selected Contractor will be responsible for arranging for

disposal of the "sharps" at an appropriate facility approved by the City, and will be reimbursed for the cost of proper disposal by the City.

Material accepted at the buyback/drop-off center does not count towards Minimum Recycling Level. Certain materials accepted at the drop-off area may be limited to residential generators as directed by the City, as noted above.

G. Yard Trimmings and Wood Waste Processing

The selected Contractor will be expected to process the wood and Yard Trimmings collected by all three Participating Agencies. This material does not count towards the Minimum Recycling Level. The selected Contractor will also process wood and Yard Trimmings that are segregated from incoming loads of MSW through the use of the MSW processing lines. This material does count towards the Minimum Recycling Level.

The selected Contractor shall ensure that all source separated Yard Trimmings and wood delivered to the SMaRT Station, and all Yard Trimmings and wood segregated from incoming loads of MSW, are diverted from landfill disposal. Yard Trimmings and wood from the SMaRT Station may not be utilized as alternative daily cover or for any other "beneficial use" at a landfill. With prior written approval from the City of Sunnyvale, Yard Trimmings and wood waste from the SMaRT Station may be utilized as fuel at a traditional biomass facility in which clean, segregated, woody materials are used to generate electricity. Any composting facility utilized by the selected Contractor to process Yard Trimmings, wood, or other organic materials from the SMaRT Station must be approved of in advance, in writing, by the City of Sunnyvale. The City of Sunnyvale reserves the right to direct the selected Contractor to utilize a different composting facility given written notice in a reasonable time period.

The selected Contractor will bear the direct cost of diverting from landfill the Yard Trimmings, wood or other organics from the SMaRT Station. In the event that the selected Contractor must pay a third party to divert some or all of these Organic Materials, the cost of such payments will be treated as "negative recyclables revenue" and shall be shared with the Cities as set forth in Section 5.2.3 of this RFP.

H. Food Waste and Organic MRF Fines Processing

The current Contractor composts MRF fines at the Z-Best Compost Facility in Gilroy. As noted in Section 3.1.D.2 of the RFP, due to the amount of glass contamination in the fines, the compost processor has recently only accepted 500 tons per month of the fines for composting, out of the total fines production of approximately 2,700 tons per month currently. Other composters approached by the City and the current Contractor have not shown interest in the material. Still others were interested in receiving and processing the material but appeared to lack permit authority to do so. If the MRF fines are further processed to remove the contaminant materials, which would include removal of not only glass, but also stones and other materials, the 2,700 tons of materials could be reduced by an estimated 25 to 50% to a monthly average of 1,350 to 2,025 tons that would be acceptable for composting at a third party facility. This would increase diversion of the fines from about 500 tons per month to between about 1,350 and 2,025 tons per month.

In addition, the Participating Agencies may wish to implement source separated food scraps recycling programs as described in Section 2.3 of the RFP during the term of the Agreement, or may require processing of the "wet fraction" from wet/dry collection from the multifamily or commercial sectors.

All Proposers shall utilize Forms 15A and 15B to state how they intend to process and market Yard Trimmings, Residential Yard Trimmings Co-collected with Food Waste, Commercial Food Waste, and Organic MRF fines. Proposers shall also provide the associated costs of processing and marketing these materials, for purposes of estimating the effect of these activities on shared recyclables revenues and disposition costs.

I. Compaction for Transfer of Residuals and Unprocessed MSW

The SMaRT Station is designed to load Residuals and unprocessed MSW into Transfer Vehicles by using a compactor. A top loading conveyor is also available in the event that the compactor is not working and solid waste must be conveyed into open top Transfer Vehicles.

4.3 Transfer Vehicle Logistics

A. Transfer Trailers

The SMaRT Station utilizes a compactor as the primary means of loading Transfer Vehicles, and also has a conveyor set up to load trailers from the top without compaction. Therefore, the selected Contractor must purchase open-top walking-floor transfer trailers that are capable of being loaded from both the rear by the facility's existing compactor, and the load using the facility's existing top load conveyor system. Walking-floor trailers are required because the landfill does not utilize a tipper.

B. Vehicle Weighing

The selected Contractor will maintain and operate scales at the SMaRT Station as specified in Section 3.13 of the Agreement. All outbound loads must be weighed. All outbound MSW loads must be weighed both as they leave the SMaRT Station and as they enter the Kirby Canyon Landfill. The selected Contractor shall provide all hardware and software necessary to record all inbound and outbound loads at the SMaRT Station and to produce reports to the City in the required format. Examples of acceptable monthly Contractor reports are provided in Appendix K.

C. Vehicle Parking, Fueling & Maintenance and Cleaning

The SMaRT Station is <u>not</u> designed to allow for maintenance, fueling, or cleaning of Transfer Vehicles. The selected Contractor will be responsible for securing a location off-site to perform these functions. The selected Contractor may park empty Transfer Vehicles in the fenced and paved operations area of the SMaRT Station when not in use. However, maintenance, changing of fluids and cleaning of vehicles will not be permitted at this location as specified in Section 4.2 of the Agreement. All loaded/preloaded transfer trailers containing MSW must be parked on the tipping floor so that any liquid from the MSW that leaks from the vehicle remains on the tipping floor. Any operational or maintenance activities conducted in uncovered areas of the site will subject the Contractor to Liquidated Damages as provided in Section 9.6 of the Agreement.

4.4 Equipment and Facility Operation and Maintenance

A. Equipment

The City owns all stationary equipment at the SMaRT Station, such as conveyors, balers and mechanical sorting equipment. It will be the selected Contractor's responsibility to properly clean, maintain and

repair this equipment as described in Exhibit J of the Agreement. The selected Contractor will be required to purchase, own and maintain all rolling stock for the SMaRT Station. The selected Contractor must provide the equipment listed on Proposal Form 11 of this RFP which will become Exhibit H-2 of the Agreement. Exhibit H-2 of the Agreement describes the minimum equipment to be furnished by Contractor. The selected Contractor must provide the Transfer Vehicles utilized to deliver MSW to the Kirby Canyon Landfill. The selected Contractor may utilize third-party trucking companies to transport outbound recyclable commodities such as Yard Trimmings, wood chips, paper, metal, plastic, glass, etc. The selected Contractor is also responsible for maintaining existing site security cameras, and installing additional cameras, as necessary, for purposes of assuring adequate site security.

B. Facility Operation and Maintenance

The selected Contractor will be required to perform routine cleaning and preventive maintenance of all equipment, buildings, parking lots, and access roads per Exhibit J of the Agreement. The selected Contractor will also be required to operate the SMaRT Station in accordance with regulatory requirements and standards and procedures as specified in Exhibit J of the Agreement.

4.5 Hazardous Waste Exclusion

The selected Contractor is responsible for inspecting and removing hazardous waste from incoming vehicle loads as provided in Section 3.8 of the Agreement and all applicable law. The selected Contractor is also responsible for proper management and disposal of any accumulated hazardous wastes that are inadvertently accepted at the facility or delivered to Kirby Canyon Landfill, in accordance with Section 3.8 of the Agreement. The selected Contractor will be required to implement a Hazardous Waste Exclusion Program (HWEP) as described in Section 3.8 of the Agreement.

Note that hazardous waste produced by the selected Contractor (e.g., oil and anti-freeze from rolling stock, grease, oily sweepings from spills, rags used in cleaning equipment, etc.) is the responsibility of the selected Contractor. No compensation will be provided to the selected Contractor for the proper management of any such waste that it generates.

4.6 Mitigation Measures

The selected Contractor will be required to implement the applicable mitigation measures for blowing debris, vector control, odor, dust and noise, and fire control, as specified in the FEIR, the Transfer Processing Report (Appendix I of the RFP) and Exhibits F and J of the Agreement.

4.7 Collection of Fees

The selected Contractor will be responsible for collection, accurate record keeping and reporting and delivery to the City, of all fees paid to the SMaRT Station, in accordance with Section 3.14 of the Agreement.

4.8 Sale or Transfer of Source Separated Recyclable Materials

The selected Contractor will be responsible for storing, marketing, and shipping all materials recovered from MSW and source-separated materials received at the SMaRT Station. The City reserves the right to terminate the selected Contractor's usage of any material recipient (i.e. recycler, recycling facility, material broker, or end user) purchasing or receiving any materials from the SMaRT Station in the event

that the material recipient is disposing or otherwise improperly processing the materials. The selected Contractor must ship all materials for sale within 90 days of diversion unless City provides a written exemption for that material. Source Separated Recyclable Materials shall not be landfilled under any circumstances unless so directed by the City. Refer to Section 3.16 and Section 4.1 of the Agreement for specific details on terms for marketing of recovered material.

4.9 Operation Performance Guarantees

The selected Contractor will be required to achieve the Minimum Recycling Level as calculated in Exhibit S of the Agreement.

4.10 Performance Bond

As security for performance under the terms of the Agreement, the selected Contractor will be required to furnish a performance bond in the amount of two million dollars ($2,000,000). Refer to Section 7.3 of the Agreement for specific provisions on the performance bond.

4.11 City Environmental Policies

The City of Sunnyvale has adopted certain environmental policies including an Environmental Procurement Policy and an Integrated Pest Management Policy. The selected contractor will be required to adhere to these policies as specified in Section 10.15 of the Agreement. These policies are described in Exhibits V-1 and V-2 of the Agreement. The SMaRT Station administration building was certified as a Green Business in 2011. The certification requires the facility meet general practices and targeted resource conservation and pollution prevention measures. Recertification is required every five years. The selected contractor will be required to adhere to those standards as specified in Exhibit V-3 of the Agreement.

4.12 Clean Air Fuels and Recycled Motor Oil

Clean air fuels are those fuels which minimize harmful air emissions from equipment. Examples of clean air fuels include, but are not limited to, electricity, propane, liquid natural gas (LNG), compressed natural gas (CNG), and biodiesel. In completing Proposal Forms 11, 12A, 12B, 12C, 13, and 15B, proposers should use of assume Transfer Vehicles and loaders powered by standard diesel fuel, with all forklifts powered by a clean air fuel. Proposal Form 21 should be used to specify the type of clean air fuel to be used in all rolling stock excluding loaders and Transfer Vehicles.

In addition, each Proposer may also at its option utilize Proposal Form 16B to submit an alternative cost proposal for fueling loaders and Transfer Vehicles and other rolling stock utilizing a clean air fuel of the Proposer's choosing. On Proposal Form 16B, Proposer should state the increase or decrease, if any, that utilizing the proposed clean air fuel would cause in its proposed annual compensation and the per ton compensation for additional tons should the City choose to select this alternative. A Proposer may, at its own option, elect to propose two or more different types of clean air fuels for loaders and Transfer Vehicles, itemizing the corresponding impact on proposed compensation for each.

The selected Contractor will also be required to utilize recycled motor oil in all rolling stock. Upon request, the City will provide Proposers with information on how to obtain recycled motor oil.

4.13 Public Events

The selected Contractor will be required to provide staffing for extra dumping weekends during Cleanup Campaigns and in the use of "free dumping" coupons by residents of the Participating Agencies. Extra dumping weekends are currently held at the Station four (4) times per year, and cleanup campaigns by the Sunnyvale's franchised hauler occur in the spring and fall. Other neighborhood cleanup activities by the Sunnyvale's franchised hauler are held at various times during the year. Neighborhood cleanups use roll-off boxes which are dumped at the Station typically on Saturdays. In addition, Contractor shall cooperate with City staff in planning, conducting and staffing other events, including periodic document shredding at the Station, tours, and open house events.

SECTION 5. BUSINESS AND FINANCIAL ARRANGEMENTS

5.1 Term of Agreement

The Agreement described in this RFP contemplates the selected Contractor operating the SMaRT Station for seven years. At the City's option the term of the Agreement may be extended for one or more periods of six months or longer, up to a maximum of three years as described in Section 2.3 of the Agreement.

5.2 Payment Arrangements

Figure 5-1 presents a diagram of the cash flow associated with SMaRT Station operations.

A. City's Payments

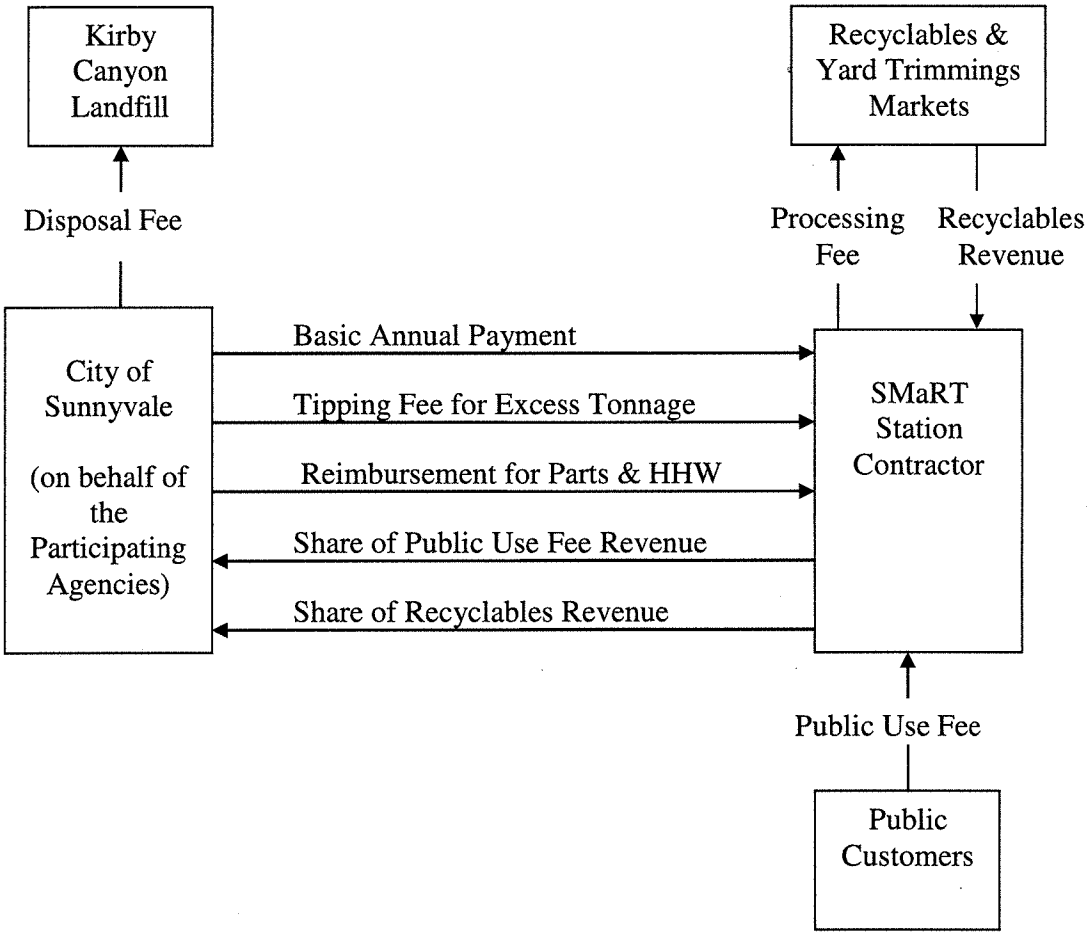
The City's sole payment obligations for all services to be provided under the terms of the RFP and the Agreement shall be limited to the following:

- Payment to the Contractor of a fixed Basic Annual Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears.
- Reimbursement to the Contractor on a per ton basis (Tipping Fee for Excess Tonnage) if the combined tonnage of inbound franchised MSW and Yard Trimmings exceeds 280,000 tons per year. Proposers shall quote a Tipping Fee for Excess Tonnage using Form 13.
- Reimbursement to the Contractor for replacement parts for stationary equipment listed in Exhibit H-1 of the Agreement.
- Reimbursement to the Contractor for disposal costs for hazardous waste and sharps identified by the selected Contractor through the Hazardous Waste Exclusion Program per Section 3.8 of the Agreement and universal wastes and sharps collected from the public at the drop-off area. This does not include hazardous waste generated by the selected Contractor and CFCs, compressor oils and mercury containing switches removed from appliances delivered to the SMaRT Station which are to be handled at the selected Contractor's expense.

The City is solely responsible for compensating the Kirby Canyon Landfill for disposal of all MSW delivered by the Contractor from the SMaRT Station to the Kirby Canyon Landfill. The Kirby Canyon Landfill bills the City directly for disposal. The Contractor will only be responsible for reconciliation of the monthly invoice from the Kirby Canyon Landfill with the Contractor's SMaRT Station records. The Contractor is not responsible for payment of landfill fees.

In the event that the City approves delivery of Other Tons to the SMaRT Station, as provided in Section 6 of the RFP and Section 3.4 of the Agreement, the Contractor will be compensated as provided in Article 5 of the Agreement.

Figure 5-1
Cash Flow Diagram for SMaRT Station



B. Payment to the Selected Contractor

1. Basic Annual Payment

City shall pay the Contractor a Basic Annual Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears. This payment is compensation to the Contractor for accepting, processing, and transferring up to 280,000 tons per year of franchised MSW and Yard Trimmings from the Participating Agencies.

2. Tipping Fee for Excess Tonnage

Should the combined tonnage of franchised MSW and Yard Trimmings accepted at the SMaRT Station exceed 280,000 in any given fiscal year, the selected Contractor will be compensated for the additional tons at the Tipping Fee set forth in Article 5 of the Agreement.

3. Gate Fee/Public Use Fee

The City establishes Public Use Fees for Publicly Hauled (non-franchised) Wastes. The Public Use Fees vary by material type and are all greater than $6.60 per cubic yard. The Gate Fee paid to the contractor for all material types shall be $6.60 per cubic yard multiplied by the number of cubic yards delivered. The selected Contractor will collect Public Use Fee revenue from public customers, retain $6.60 per cubic yard, and remit the remainder of the Public Use Fee Revenue to the City.

4. Liquidated Damages

The City of Sunnyvale may deduct from selected Basic Annual Payment liquidated damages as set forth in the provisions of Section 9.6 of the Agreement.

5. Inflation Adjustment

The Basic Annual Payment, Tipping Fee for Excess Tonnage and Contractor's Share of Public Use Fee per cubic yard will be adjusted for inflation each fiscal year per Section 5.2, 5.3, and 5.4 of the Agreement.

C. Revenues from Sale of Recyclable Materials

The selected Contractor collects all gross revenues from processors and end-users from the sale of Source Separated Recyclable Materials and remits to the City of Sunnyvale a portion of the gross recycling revenue. The percentage of the gross revenues that the Contractor remits to the City shall be as specified in Exhibit P of the Agreement, and includes revenues derived from:

- Materials recovered by the selected Contractor from MSW;
- Source Separated Recyclable Materials delivered by the Participating Agencies' franchised haulers;
- Source Separated wood and Yard Trimmings delivered by the Participating Agencies' franchised haulers; and
- Source Separated Recyclable Materials delivered to the buyback/drop-off center.

The selected Contractor shall pay to the City, on a monthly basis, the City's share of all revenues received during the preceding month. In the event that the selected Contractor incurs a disposition cost to market Source Separated Recyclable Materials recovered at the SMaRT Station for recycling, whereby the selected Contractor must pay the material broker or end user a fee for disposition of a materials shipment, the selected Contractor will pay a percentage of the total disposition cost equal to that specified in Exhibit P for the "Contractor's Revenue Share." The City will pay a percentage equal to the "City's Revenue Share." For example, if one month the selected Contractor received $100,000 in revenue from the sale of paper, metal, and plastic, and paid $25,000 to a composting facility to recycle Yard Trimmings, the total Recyclable Materials revenue for that month would be $75,000. This revenue will be shared between the Contractor and the City based upon the formula specified in Exhibit P of the Agreement. The handling of material disposition costs when no markets exist is specified in Section 3.16.C.5 of the Agreement.

When calculating recyclables revenue, Contractor shall use revenues accrued at the time of the invoice. Uncollectible receivables are the Contractor's responsibility. The Contractor shall have 120 days after

submitting its monthly compensation invoice to the City to make any adjustments to the reported recyclables revenue.

D. Invoicing and Reporting Requirements

The selected Contractor will be required to provide monthly reporting of all MSW and Source Separated Recyclable Materials received at, and transferred from, the facility in a format acceptable to the City. Beginning in February 2015, and on a monthly basis thereafter, the selected Contractor will be responsible for preparing and submitting, in a form prescribed by the City per Section 6.6 of the Agreement, an invoice indicating the amount due and payable by the City for services rendered in the prior month. The City shall pay the amount due the selected Contractor, when submitted on a proper invoice, less liquidated damages, if any, in accordance with payment procedures described in Article 5 of the Agreement. In the event of a dispute over an invoiced amount, the procedures described in Article 5 of the Agreement will be followed.

5.3 Defaults and Remedies

Article 9 of the Agreement identifies the specific Event(s) of Default, as well as the remedies available to the non-defaulting party should any such Event of Default occur.

5.4 Insurance Requirements

The selected Contractor will be required to maintain insurance in effect during the term of the Agreement in accordance with the terms set forth in Section 7.2 of the Agreement.

SECTION 6. PROPOSAL REQUIREMENTS AND EVALUATION

This section addresses:

- Organization of information to be included in the proposal package
- Proposer qualifications
- Proposal evaluation criteria

6.1 Proposal Package Content and Organization

Proposers must provide adequate description and documentation supporting:

- Corporate and Project Team Qualifications,
- Financial Qualifications, and
- Plans for Operation of the SMaRT Station and Marketing of Recovered Materials.

A brief description of the minimum information to be included in the proposal package is presented below. Note that each description corresponds to the Proposal Forms provided in Appendix B. The proposal package must include all the completed Proposal Forms and associated supporting documentation, except those marked "Optional". Optional Proposal Forms are described in Section 6.3 and may be submitted, with supporting documentation at Proposer discretion. While including a letter addressed to Mark Bowers, Proposal Forms 1 and 2 should be delivered to the City's Purchasing Department as specified in Section 1.3.3 of the RFP. The Proposal Transmittal Letter (Proposal Form 2) and the Proposal Security Bond (Proposal Form 9) must be notarized.

With regard to the Proposal Forms in general, and Optional Form 16G in particular, the City appreciates innovative approaches that capture efficiencies and increase cost-effectiveness without being capital intensive.

The following is a complete listing of the Proposal Forms contained in Appendix B. Forms are either in Word or Excel and are in different files accordingly. See Appendix B-1 SMaRT RFP 2013 Forms – Word, and Appendix B-2 SMaRT RFP 2013 Forms – Excel.

1. Proposer Acknowledgement of RFP Policies - Statement of Interest and Acceptance of Communication Guidelines (to be submitted to the City on or before the mandatory pre-proposal meeting)
2. Proposal Transmittal Letter, Acceptance of Addenda
3. General Proposer Information, Background, Experience and References
4. Detailed Project Experience
   - 4A MSW Processing Operations
   - 4B Source Separated Recyclable Materials Processing Operations
   - 4C Yard Trimmings and Wood Waste Processing and Marketing
   - 4D Materials Marketing
   - 4E Long-Haul Transport

5. Structure of Project Team
6. Resumes
7. Financial Statements
8. List of Personnel and Subcontractors (to be included as Exhibit I to the Agreement)
   - 8A Current MSW Processing Equipment, No Change in Fines (Minimum Recovery Level of ___%)
   - 8B Current MSW Processing Equipment with City MRF Fines Approach (Minimum Recovery Level of ___%)
   - 8C MSW Transfer Only
9. Proposal Security Bond
10. Key Procedures
    - 10A Health and Safety Program/Hazardous Materials Procedures
    - 10B Stormwater Management Checklist (to be included as Exhibit __ to the Agreement)
11. List of Equipment (Rolling Stock) to be Furnished by Proposer (to be included as Exhibit H-2 to the Agreement)
12. Annual Operating Cost
    - 12A Current MSW Processing Equipment, No Change in Fines (Minimum Recovery Level of ___%)
    - 12B Current MSW Processing Equipment with City MRF Fines Approach (Minimum Recovery Level of ___%)
    - 12C MSW Transfer Only*
    - 12D Description of Benefits
13. Basic Annual Payment and Tipping Fee for Excess Tonnage
14. Materials Recovery and Marketing Plan (to be used as Exhibits B-1 and B-2 to the Agreement)
15. Organics Marketing Plan (to be used as the basis for Exhibit B-3 to the Agreement)
    - 15A Organics Marketing Plan
    - 15B Organics Processing Costs
16. Optional Proposals – Technical, Staffing, Costs and Per-Ton Fees, as Applicable (for any optional program(s) selected by the City, Forms will become exhibits to the Agreement)
    - 16A Mechanized C&D Materials Processing
    - 16B Clean Fuels Plan (Optional – Other Rolling Stock)
    - 16C Reuse
    - 16D Alternative Method for Removing Glass from MRF Fines
    - 16E Alternative Method for Marketing MRF Fines with Glass

16F Contractor Delivery of Other Tons

16G Contractor Vision for Facility Past 2021

16H Other

17. Anti-Collusion Affidavit
18. Pending Litigation
19. Exceptions to Agreement
20. Identification of Surety
21. Clean Air Fuels Plan (Required – Rolling Stock)
22. Maintenance Plan

* For use during emergencies, installation of processing equipment or other circumstances that do not allow for MSW processing.

6.2 Proposer Qualifications

In order to qualify as a Proposer, the minimum technical experience and financial qualifications described below must be met.

A. Technical Experience

Proposers shall use Proposal Forms 3 and 4 to demonstrate their technical experience. Proposers must have been in existence for no fewer than three (3) years and possess no fewer than two (2) years of actual operating experience in solid waste processing, materials recovery and recycling, and solid waste transfer. Proposers may not be in default on any contract obligations during this period. In the case of joint venture or partnership proposals, at least one member of the team must meet the experience requirement and no members can be in default.

B. Financial Qualifications and Bond Requirements

Proposers must describe the financial condition and strength of the company and/or joint venture. The description will include audited financial statements covering the last three years (Proposal Form 7).

Proposers must comply with the bonding requirements of the RFP as follows:

- Furnish, as proposal security, a proposal bond issued by a licensed surety, in the amount of $100,000 (Proposal Form 9).
- Provide the name of a surety company admitted in California that is prepared to furnish a performance bond consistent with the requirements of Section 7.3 of the Agreement (Proposal Form 19).

C. Corporate and Project Team Experience and Qualifications

Corporate Qualifications

Proposers must provide as evidence of prior experience:

- References who can verify that the Proposer has successfully operated projects involving the handling and processing of MSW for recovery of materials, marketing of recovered materials, and loading and conducting long-haul transfer of Residuals and unprocessed MSW (Proposal Form 3).
- References who can verify that the Proposer has successfully operated projects involving the handling and processing of Source Separated Recyclable Materials and Yard Trimmings, marketing of recovered materials, and loading and conducting transfer of Residuals (Proposal Form 3).

Project Team Experience

Proposers must provide as evidence of project team experience:

- An organization chart for operating the SMaRT Station, detailing the responsibilities of key team members and personnel (Proposal Form 5).
- A list of all principals and owners of the project team, their subcontractors, and all the parties' relationship to the project, including a complete resume of the proposed facility manager and other key members of the operation management team (Proposal Forms 6 and 8).
- A list of other projects involving material recovery, MSW processing, and transfer station operations with which the project team has had experience, indicating facility capacity, technology, operating methods, ownership, and cost information for each listed project, as well as the degree of involvement of the key project participants. References from jurisdictions served by the projects must also be included (Proposal Form 3).

D. Other Required Submittals

Proposers must also submit the following:

- An affidavit of non-collusion (Proposal Form 16),
- A statement listing any pending litigation (Proposal Form 17).

Additionally, if the Proposer wants to take any exceptions to the Agreement they must be clearly explained in Proposal Form 18.

E. Specifications for Operation of SMaRT Station

Proposers are required to submit sufficient documentation that describes and illustrates in detail:

- The operating plan (including procedures for operation of both the existing MSW processing equipment, and the existing equipment with the addition of the City-proposed MRF fines approach described in Appendix M.
- The materials recovery and marketing plan.
- The basis for the proposed Basic Annual Payment and Tipping Fee for Excess Tonnage.
- Certain documentation is to be prepared for direct inclusion as Exhibits to the Agreement. References are made below to the specific Proposal Forms and Exhibits.

Operating Plan

The Facility must be operated in such a manner as to achieve the Minimum Recycling Level of ___%. Proposers must identify the equipment (loaders, transfer vehicles, forklifts, etc.) to be used in handling and transferring all MSW and Source Separated Recyclable Materials (Proposal Form 11). Proposers must identify the facility health and safety procedures, and stormwater management procedures and checklist (Proposal Form 10). Proposers must describe in detail the methods for receipt, handling, loading and unloading, processing and final disposition procedures for all MSW and Source Separated Recyclable Materials received at the SMaRT Station (Proposal Form 14), in accordance with the design of the SMaRT Station as represented in Figures A-3, A-4, A-5, A-6, and A-9 (see Appendix A for these Figures). The description provided by the Proposer on Proposal Form 14 will be included as Exhibit B-1 of the Agreement and must specify at a minimum:

- Material receipt, handling, and transfer procedures
- Graphic of Materials Flow through the station (will become Exhibit B-2)
- Procedures for recovering Recyclable Materials from MSW
- Procedures for recovering C&D materials via floor sort, from MSW and roll-offs
- Procedures for processing Source Separated Recyclable Materials
- Procedures for processing Source Separated Yard Trimmings
- Waste hauling plan to transport MSW to Kirby Canyon Landfill
- On-site traffic management
- Recyclable material management, sales, and storage

The Operating Plan shall include procedures for operating the existing MSW processing equipment as well as the new MSW processing equipment being considered by the City.

Marketing Plan

Proposers must provide a description of the marketing plan for Source Separated Recyclable Materials including specific personnel requirements, time dedicated to marketing efforts, knowledge of local markets, estimated per ton revenue received for each commodity, etc. (Proposal Form 14). The Organics Marketing Plan (Proposal Forms 15A and 15B) must specifically address markets for Yard Trimmings, wood, and other organic materials targeted for diversion. Proposers must identify the organics composting/processing site(s) to be utilized, the end products that that site(s) will produce, and the tip fees, if any, that the site(s) will charge the Proposer. The description provided by the Proposer on Proposal Forms 15A and 15 B will be included as Exhibit B-3 of the Agreement

Operating Costs

Proposers must provide operating cost justification (Proposal Form 12) demonstrating how these costs are incorporated into the Basic Annual Payment and the Tipping Fee for Excess Tonnage (Proposal Form 13).

Clean Air Fuels Plan

Proposers are required to use Proposal Form 21 to specify the type of clean air fuel to be used for forklifts, pickup trucks and all rolling stock other than loaders and Transfer Vehicles. As discussed in Section 6.3B, proposers also have the option to propose use of one or more clean air fuel alternatives for powering other rolling stock including loaders and Transfer Vehicles.

Maintenance Plan

Proposers must utilize Proposal Form 21 to describe their maintenance plan for the facility, equipment and rolling stock. This plan shall include a description of types of repairs and maintenance to be performed on-site and off-site, plans for preventive maintenance and unscheduled repairs and recordkeeping therefore, plans for ensuring that maintenance of rolling stock is not conducted in uncovered areas, and numbers and types of maintenance personnel including job descriptions.

6.3 Optional Proposals

Proposers may at their discretion, submit one or more of the Optional Proposal Forms. The Optional Proposal Forms are discussed in detail below, and each addresses technical issues, staffing, cost, and compensation, as applicable. For any optional program(s) selected by the City, the applicable Proposal Form(s) will become exhibits to the Agreement.

A. Mechanized C&D Materials Processing

The City is seeking proposals, at Proposer option, for a mechanized approach to recovery of C&D materials. Proposals should, at a minimum provide the following as specified in Optional Proposal Form 16A:

- Technical description and full specifications for the proposed equipment
- A list of acceptable and non-acceptable materials for processing
- Specific plans for placement of the equipment, given space availability at the SMaRT Station
- Capital cost for purchase and installation
- Projected timeline for purchase and installation
- Proposed diversion levels and approach to generating and providing access to a continuous data stream for diversion
- Per-ton pricing at one or more levels of levels of diversion with two prices at each level – one for operational costs only and one with both capital and operational costs.

Given space constraints, and given stormwater management concerns, Proposers should assume that recovery will need to occur in a roofed area.

The City may, at its discretion choose to purchase the equipment. Although Proposers may propose a lower level of diversion, the Participating Agencies are also interested in receiving pricing for achieving 70% diversion. Mountain View's and Palo Alto's ordinances require 70% diversion for provision of certification letters.

B. Clean Air Fuels Plan – Optional

Proposers have the option to use Form 16B to propose use of one or more clean air fuel alternatives for powering other rolling stock including loaders and Transfer Vehicles, and for itemizing any cost implications for their use.

C. Reuse

The Participating Agencies are interested in providing for additional reuse options at the SMaRT Station including but not limited to collection of reusable items and C & D for resale on site, through sites such as Freecycle or through a contracted reuse store Partnerships with non-profits is encourage. Please use Optional Proposal Form 16C to propose such an option(s).

D. Alternative Method for Removing Glass from MRF Fines

The City is interested in exploring options for removal of glass from the MRF fines, other than that provided in Attachment M. Proposers are encouraged to offer alternative approaches using Optional Proposal Form 16D. As specified on the Form, please provide sufficient detail for the City to assess the technical, and cost feasibility (capital and operating) of the proposed approach, including requirements for installation.

E. Alternative Method for Marketing MRF Fines with Glass

The City is interested in exploring viable alternatives for marketing MRF fines in their current form with the higher glass content. Proposers are encouraged to offer alternative approaches using Optional Proposal Form 16E. As specified on the Form, please provide sufficient detail for the City to assess both the shorter-term and longer-term feasibility of the proposed market, specifications for the delivered material, pricing, evidence that the receiving facility is or will be permitted to accept the material, any restrictions on the amount delivered, and contact information.

F. Contractor Delivery of Other Tons

As provided in Section 3.4 of the Agreement, the City is interested in encouraging use of the SMaRT Station for "Other Tons" – material from parties other than the Participating Agencies. The SMaRT Station has approximately 500 tons per day of available capacity. Other Tons may include source-separated materials, C&D materials, or MSW. Proposers may offer to bring Other Tons to the Station in their proposals, and should use Optional Proposal Form 16F for this purpose. The selected Contractor will also have the opportunity to bring Other Tons to the Station during the Agreement term. Finally, the City may initiate delivery of Other Tons. In each case, the Contractor may earn additional compensation in the form of additional tonnage payments for tons exceeding the 280,000 ton threshold for the Basic Annual Payment, and additional revenue share, as provided in Section 3.4 and Article 5 of the Agreement. The City or Contractor may initiate a waste characterization of the Other Tons as provided in Section 3.4 of the Agreement, and the Contractor may receive an increase or decrease in compensation accordingly.

In the case of "Other Tons" proposed by the selected Contractor in its proposal or during the term of the Agreement, and as provided in Section 3.4 of the Agreement, the Contractor will reimburse the City for the cost of disposal for Residuals and/or unprocessed MSW at the City's then-current disposal charge at Kirby Canyon. The disposal charge for FY 13-14 is $60.09, including state and local taxes and fees. In the past several years, as total annual disposal tons have decreased, the Participating Agencies have been

subject to "put-or-pay" charges for tons not delivered in Section 4.02 of the disposal agreements. To the extent the incremental Other Tons reduce or eliminate put-or-pay payments, the City will share 50% of the savings (50% of the then-current "put-or-pay" rate (excluding taxes and fees) with the Contractor. Note that the Participating Agencies are currently in negotiations with WM regarding certain provisions of the Kirby Canyon disposal agreements. It is possible that an amendment to the WM agreement, should one result, may eliminate the put-or-pay charges and increase the disposal charge.

G. Contractor Vision for Facility Past 2021

The City has developed a capital development plan for eth SMaRT Station (Attachment N) that anticipates significant capital investment near and/or past the end of the term of the Agreement. As noted in Section 1, the selected Contractor will be a partner with the City during the planning and design phases of this transition period, and will be asked to provide input regarding specific capital investments. The City wishes to give Proposers the opportunity to respond now to the question: "What is your vision for the SMaRT Station after 2021?" Please use Optional Proposal Form 16G to do so.

H. Other Innovations

While the City wishes to encourage Proposer innovation, it appreciates innovative approaches that capture efficiencies and increase cost-effectiveness, and/or increase diversion without being capital intensive. It is the City's preference that to the extent possible, such innovations be incorporated into the Proposer's required Proposal Forms, and reflected in the corresponding proposed Basic Annual Payment and Excess Tonnage amounts. It is the City's intent to limit significant capital investment until near or past the end of the term of the Agreement, as discussed in Section 6.3G of the RFP. However, if you wish to propose an innovation that has not otherwise been incorporated into your proposal, and in particular wish to offer an increased diversion rate please use Optional Proposal Form 16H to do so. With regard to diversion incentives, proposers may use Form 16H to suggest modifications to the recyclables revenue sharing process. Proposers may also use Form 16H to propose alternative or additional incentives to increase diversion. However, any suggested incentives must be simple to administer, with rapid quantification based on readily available data that can be easily verified, and resulting in an indisputable result.

6.4 Proposal Evaluation Process and Criteria

A. Initial Review

Upon receipt, all proposals will be evaluated on a pass/fail basis for compliance with RFP procedures, completeness of each proposal, and demonstration of the minimum experience requirements. The City may in its sole discretion, but is not obligated to provide further evaluation of any proposal that does not pass the initial review.

B. Application of Criteria

The City will further evaluate proposals that pass the initial review. The evaluation will address no-cost and cost criteria, as follows.

Non-Cost Criteria

- Experience: Proposal team qualifications to operate a materials recovery and transfer facility of this size.
- Approach: Thoroughness, comprehensibility, and adequacy of facility operating, maintenance and marketing plans, and overall proposal approach including in addressing each of the defined operating scenarios (e.g., with MRF fines issue unresolved, resolved and transfer only). Proposed innovations will be evaluated as part of this criterion.
- Diversion: Extent to which the proposal meets or exceeds City diversion goals for SMaRT Station.
- Acceptance of Agreement: The number, nature, and materiality of exceptions taken to the Agreement.

Proposers' relevant experience will be evaluated in each of the following categories:

- MSW Processing
- Source Separated Recyclable Materials Processing
- Yard Trimmings and Wood Waste Processing and Marketing
- Materials Marketing
- Long-Haul Transfer

In each case as applicable, relevant experience will be evaluated in terms of the tonnage managed in comparison to the tonnage managed at the SMaRT Station, and responses from references.

Each proposer will receive a letter grade for each non-cost criterion as follows:

"A" – Proposal response is ideal in addressing the RFP and/or meeting City needs.

"B" - Proposal response is sufficient or adequate in addressing the RFP and/or meeting City needs.

"C" - Proposal response is insufficient or inadequate in addressing the RFP and/or meeting City needs.

"F" - Proposal response fails to address the RFP and/or meet City needs.

The City may assign intermediate scorings, such as use of "A-" or "B+". The non-cost criteria will not receive quantitative weights.

Cost Criteria

- Basic Annual Payment Proposed Basic Annual Payment for receiving up to 280,000 tons per year of MSW and yard trimmings, combined, for each of the required scenarios.
- Excess Tonnage Proposed Tipping Fee for Excess Tonnage, for each of the required scenarios.
- Composting Facility Proposed tipping fee for use of proposed composting facility.

The cost criteria will not receive quantitative weights.

The City may conduct cost-related analyses that include, but may not be limited to the total annualized cost of the proposed Basic Annual Payment and Excess Tonnage Tip for each scenario and under varying assumptions, the full per-ton cost of transport and tipping fee for use of proposed compost facilities, and solid waste customer rate impacts.

C. Completing the Evaluation

The City will conduct the following activities if and as necessary during the evaluation process:

- Conduct reference checks.
- Request clarifications from individual proposers.
- Conduct interviews.
- Conduct site visits.
- Conduct any other such investigations as it deems necessary.

D. Council Review

The evaluation team will assist City staff in completing a staff report for Council consideration that provides, at a minimum:

- A description of the evaluation process.
- A concise summary of each proposal.
- The results of the initial review.
- A table with the letter scores for the non-cost criteria for each proposal, with a summary of the key strengths and weaknesses reflected in each score.
- A discussion of any proposed options.
- A table with the proposed Basic Annual Payment and Excess Tonnage Tip for each proposal, with discussion of the resulting annual cost for each proposal under each scenario. The City reserves the right to alter the above evaluation process.