

ADDENDUM NO. 3

REQUEST FOR PROPOSALS TO ESTABLISH A SOLID WASTE MANAGEMENT CONVERSION TECHNOLOGY FACILITY SANTA BARBARA, CALIFORNIA

March 9, 2010

This Addendum No. 3 provides answers to written questions submitted through March 5, 2010.

- 1. Throughout the RFP documents there are repetitive references to the “Service Contract”, although it is not included in the Definitions. Is it the same as defined as “Contract”; i.e. the individual waste supply agreements between the Contractor and each of the Public Participants, or to the specific contract to be signed between the Contractor and the County?**

We have reviewed the RFP and identified references to "Service Contract" in Appendix J, Form of Guaranty Agreement. The use of the term "Service Contract" is incorrect; it is hereby modified to say "Contract" as defined in the RFP.

- 2. In which part of the proceeding are going to be provided for acknowledge of the bidder the terms and conditions of the Joint Powers Agreements, the Contract(s) and the Site Lease?**

Section 5 of the RFP provides key terms and conditions (Contract Principles) of the Contract. The Site Lease will not be completed until after the Proposal Submission Due Date. It will contain standard lease provisions to be negotiated with the Contractor. As defined in the RFP, the JPA is an agreement between the Public Participants, and will provide for an advisory body for the project. The Contractor will not be a party to the JPA. However, when the JPA is completed and approved, the JPA will be a public document. The JPA is not anticipated to be completed and approved before the Proposal Submission Due Date.

- 3. Does the wording of clause 5.9.6. applies also for the Contractor?**

No. Section 5.9.6 only applies to the County and other Public Participants. However, it should be noted that punitive damages, in particular, are generally not recoverable in any event under California law for breach of contract actions or against governmental entities.

4. **To meet Criterium 5 of the Minimum Evaluation Criteria a first-year tipping fee of less than \$100 per ton would be considered. As the Public Participants has established for the RFP new Payments that was not-included within the Minimum Evaluation Criteria established in the February 2008:**
- **Site Lease Payment (\$4.4 million per year)**
 - **Contract Administration Payment (\$50,000 per year after Facility financing and until the Commercial Operation Date, increasing to \$160,000 per Contract Year beginning with the Commercial Operation Date)**

Will the Public Participants adapt Criterium 5 for the RFP, or these payments will be evaluated separately?

Criterion #5 of the RFI was established before site lease payments and other County costs were calculated. The criterion, originally established in 2008, was not meant to include any additional costs placed on this project by the County such as a site lease.

Pricing Proposal Form 3 has been modified to remove the Site Lease Payment, the Contract Administration Payment, and the Grant Fund Payment from the listing of estimated Annual O&M Costs, and Pricing Proposal Form 1 has been modified to account for these payments as part of a Regional Solid Waste System Fee. As described on modified Pricing Proposal Form 1, the Regional Solid Waste System Fee is an estimated fee and includes Landfill Closure Costs, Site Lease, Contract Administration, and Grant Fund Payments. These costs would be incurred by the System regardless of the implementation of a conversion technology facility and are currently included in tipping fees paid by all ratepayers.

Using modified Pricing Proposal Form 1, Proposers shall provide guaranteed fixed prices for Acceptable Waste Tipping Fee, Excess Tonnage Fee, and Shortfall Fee separate from the estimated Regional Solid Waste System Fee. For evaluation purposes, Criterion 5 of Table 7-1 (Minimum Evaluation Criteria - Adapted from RFI), which establishes a threshold of \$100 per ton, will apply only to the guaranteed fixed price for Acceptable Waste Tipping Fee.

5. **Please clarify the requirements for restoration of the Potential Site to a condition reasonably equivalent to its condition before construction (removing roads, foundations, etc.)**

Restoration of the Potential Site to a condition reasonably equivalent to its condition before construction shall mean removing the building, equipment, machinery, fixtures and other facilities constructed or placed on the leased premises such that the leased premises are returned to grade. The Contractor shall not be required to remove foundations, fill, subsurface utilities or other subsurface features. The

Contractor shall not be required to remove roadways or other paved areas. At the sole discretion of the Public Participants, the facility building can remain if it is of use to the Public Participants and is free of all hazardous or toxic substances and materials.

- 6. In case the Public Participants determine not to purchase the Facility at the expiration of Term, the Contractor shall remove the Facility and restore the Potential Site. Shall this cost be included within the capital expenditure and thus in the tipping fee, or it only has to be secured by the Facility Demolition, Removal and Site Restoration Financial Assurance required in section 5.10.6 of the RFP.**

The manner in which the Proposer funds Facility demolition, removal and Site restoration is at the discretion of the Proposer. The Proposer may include the cost for removal of the Facility and restoration of the Site within the capital expenditure and tipping fee, but is not required to do so. As specified in Section 5.10.6 of the RFP, the Contractor shall establish or obtain, and thereafter continuously maintain, financial assurance that is adequate to assure the Public Participants that the Contractor will be, at all times, financially capable of complying with the requirement to demolish and remove the Facility, and restore the Potential Landfill Site to a condition reasonably equivalent to its condition before construction of the project, should the Public Participants exercise their right to require such action.

- 7. Is there any additional information that could be provided regarding Construction and Demolition Waste? Will this waste stream be delivered separately or mixed with municipal solid waste?**

All Construction and Demolition (C&D) waste brought to Tajiguas is mixed with municipal solid waste. The waste characterization report included in the RFP identified all C&D Waste that is currently buried at the Tajiguas Landfill through the sampling of "mixed loads."

It should be noted that the jurisdictions served by the Tajiguas Landfill have an excellent C&D recycling rate (above 66%). Currently there are no pure C&D loads that are intentionally delivered to the Tajiguas Landfill. The County of Santa Barbara has specific policies and economic incentives to discourage the landfilling of C&D material.

- 8. As the County will be responsible of the transport (and disposal) of residuals, can you provide information about any specific requirement for this service (types of containers, trucks, timetables, etc.)**

Should your Proposal require residue transport and disposal, the County will provide such service during normal landfill operating hours (currently Monday through Friday, 7:00 am to 3:30 pm) using staff and landfill equipment available to the County (see Section 2.5 of the RFP). Any special equipment needed beyond the County's existing equipment should be specified in the Proposal, along with any proposed provisions for the services to be provided by the County. The County will negotiate the specific details of this service with the Preferred Proposer.

- 9. Can you provide the initial topographic plan of the site or any information about the waste layer (depth, dates, cross sections, etc.)?**

Attachment 2 to this Addendum No. 3 provides the following four topographic maps of the Tajiguas Landfill in the area of the Proposed Site:

- Survey Date 1969 Pre-Landfill
- Survey Date May 14, 1998
- Survey Date September 28, 2006
- Survey Date September 1, 2009

Attachment 1
Revised Pricing Proposal Forms 1 and 3

PRICING PROPOSAL FORM 1

PRICES FOR SERVICES

The undersigned hereby proposes to furnish the Public Participants with solid waste management services (the "Services") in accordance with the RFP dated October 20, 2009, any Addenda thereto, and the undersigned's Proposal dated _____, 2010, for the prices presented below (expressed in dollars corresponding to the Proposal Submission Due Date).

Fee	Proposed Price (\$/ton)
Acceptable Waste Tipping Fee (Guaranteed Fixed Price)*	\$ _____
Regional Solid Waste System Fee (Estimated) [†]	\$ <u>22.41</u>
TOTAL	\$ _____

Excess Tonnage Fee (Guaranteed Fixed Price)*	\$ _____
--	----------

Shortfall Fee (Guaranteed Fixed Price)*	\$ _____
Regional Solid Waste System Fee (Estimated) [†]	\$ <u>22.41</u>
TOTAL	\$ _____

*Guaranteed fixed price for Acceptable Waste Tipping Fee, Excess Tonnage Fee, and Shortfall Fee shall be based on all costs to be incurred and revenues to be earned and retained by the Contractor in performance of its services.

[†]Regional Solid Waste System Fee is an estimated fee and includes Landfill Closure Costs, Site Lease, Contract Administration, and Grant Fund Payments. These costs would be incurred by the System regardless of the implementation of a CT facility and are currently included in tipping fees paid by all ratepayers. The majority of the cost is for statutorily required landfill closure and post closure maintenance costs. The exact costs will not be known until the type of technology is chosen which will affect the closure date of the landfill. The estimate included on this form is based on a total cost of \$4,580,000 divided by the Projected Annual Delivery Requirement of 204,364 tons.

Fixed Prices Adjustment(s)

Each Guaranteed Fixed Price presented above for Acceptable Waste Tipping Fee, Excess Tonnage Fee and Shortfall Fee shall be subject to annual adjustment by the Adjustment Factor, commencing with the Proposal Submission Due Date, as defined and provided for in the Contract, as well as to other adjustments as may be provided for in the Contract. The Regional Solid Waste System Fee shall also be subject to annual adjustment, with the Site Lease Payment escalated annually by 2% and the Contract Administration Payment and the Grant Fund Payment adjusted by the Adjustment Factor.

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 3

ESTIMATED OPERATING & MAINTENANCE COSTS

Estimated Annual O&M Cost for Facility

(Basis for Cost Savings Sharing in Pricing Proposal Form 1A)

The following presents the Estimated Annual O&M Costs, expressed in dollars corresponding to the Proposal Submission Due Date:

<u>Cost Component</u>	<u>Annual Cost (\$/Year)</u>
Labor	\$ _____
Utilities	\$ _____
Chemicals	\$ _____
Laboratory & Other Contract Services	\$ _____
Residuals Transportation & Disposal	\$ _____
Insurance	\$ _____
Routine Equipment Maintenance & Repair	\$ _____
Capital Repair & Replacement	\$ _____
Other Costs (please describe)	\$ _____
Total Annual O&M Cost	\$ _____

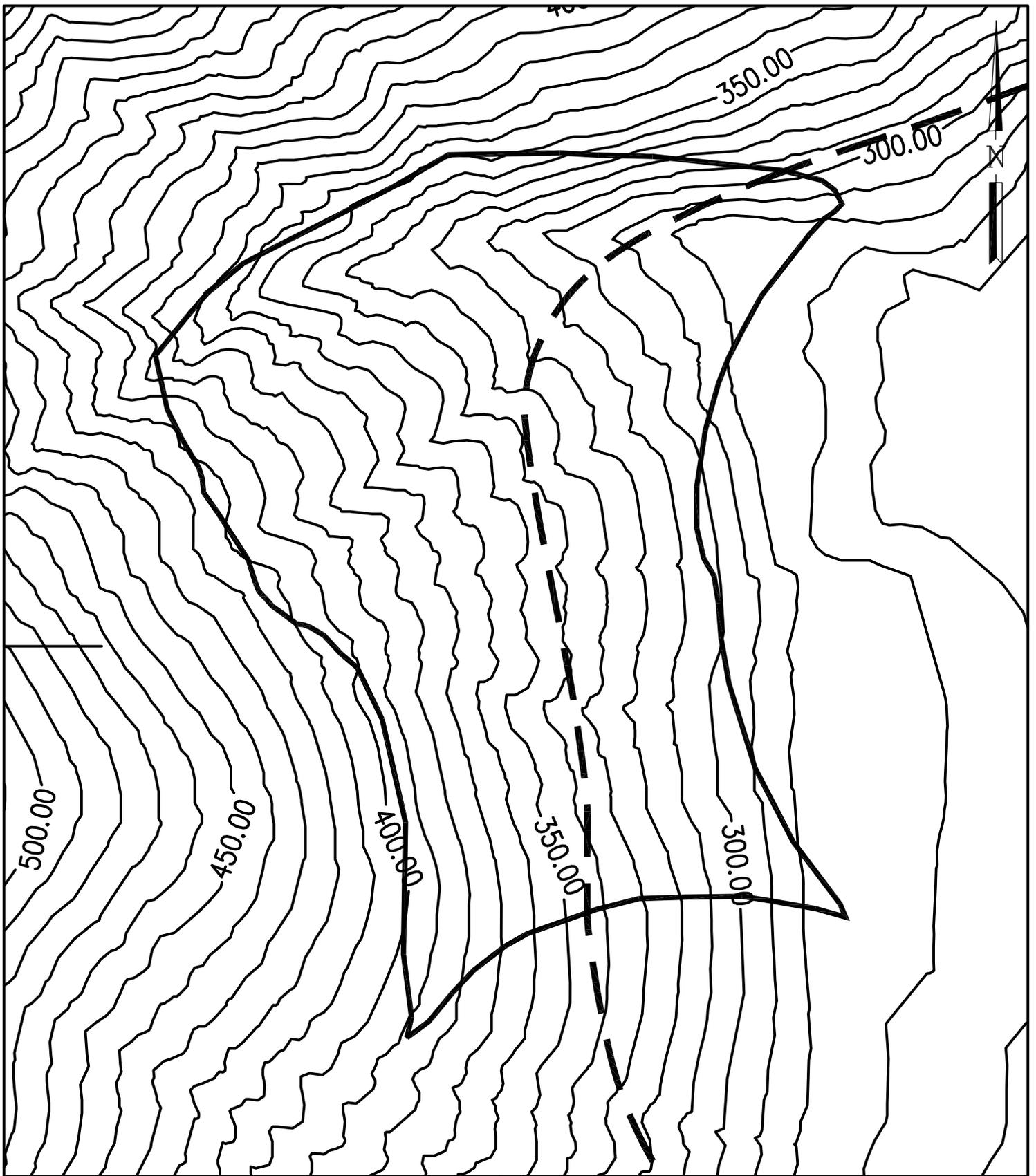
Authorized Signature

Company

Date

Attachment 2
Tajiguas Landfill Topographic Maps

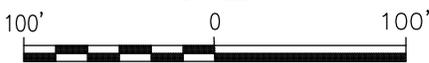
- Survey Date 1969 Pre-Landfill
- Survey Date May 14, 1998
- Survey Date September 28, 2006
- Survey Date September 1, 2009



- LIMIT OF WASTE LINE*
- LIMIT OF 380 DECK ON 2009 TOPO

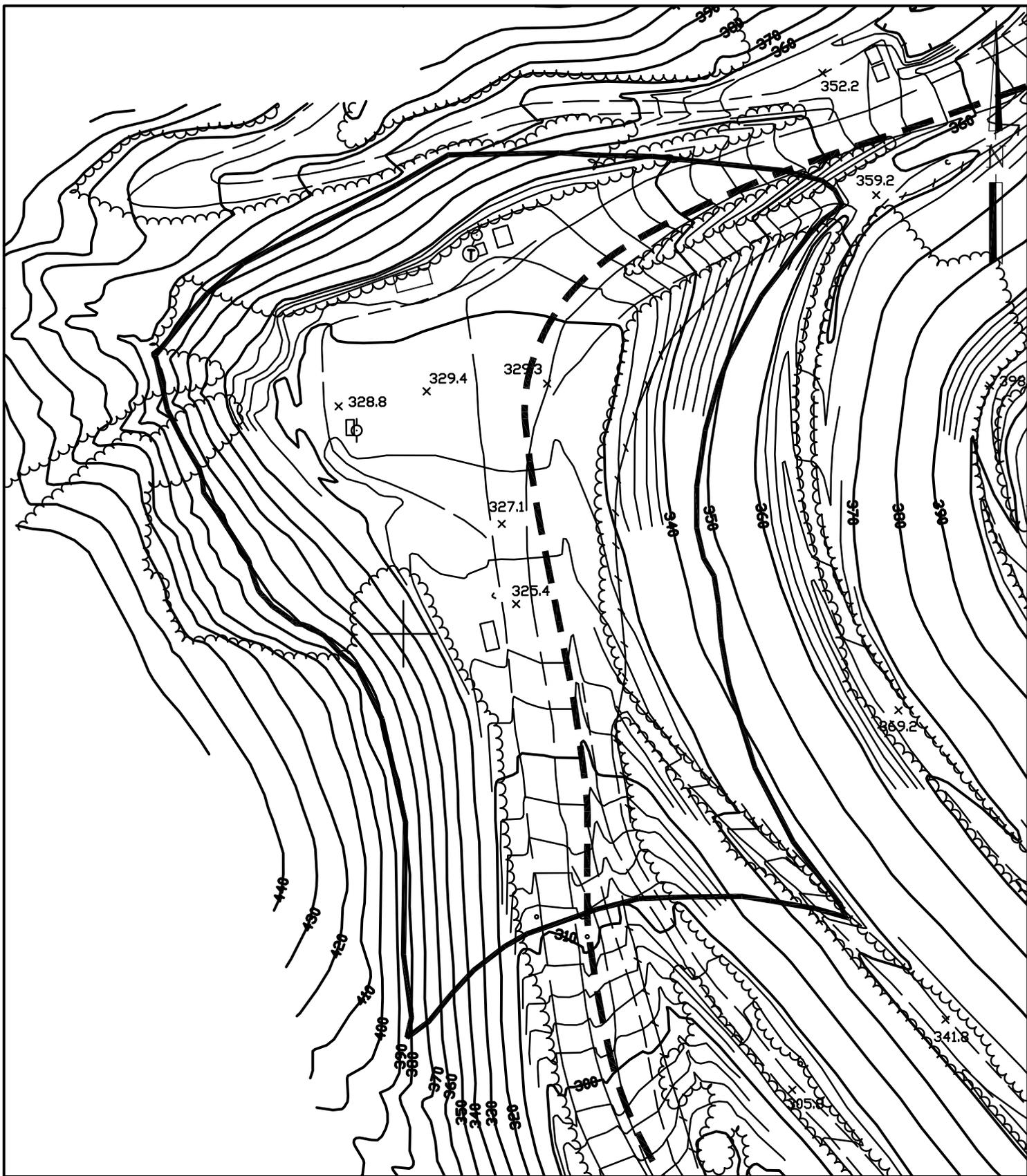
*The limit of waste line or Subtitle D line is what was officially submitted to the regulatory agencies as our best estimate as to the location of the edge of trash.

SCALE



COUNTY OF SANTA BARBARA
 RESOURCE RECOVERY AND
 WASTE MANAGEMENT DIVISION

TAJIGUAS SANITARY LANDFILL
 TOPOGRAPHIC MAP
 SURVEY DATE 1969 PRE-LANDFILL



- LIMIT OF WASTE LINE*
- LIMIT OF 380 DECK ON 2009 TOPO

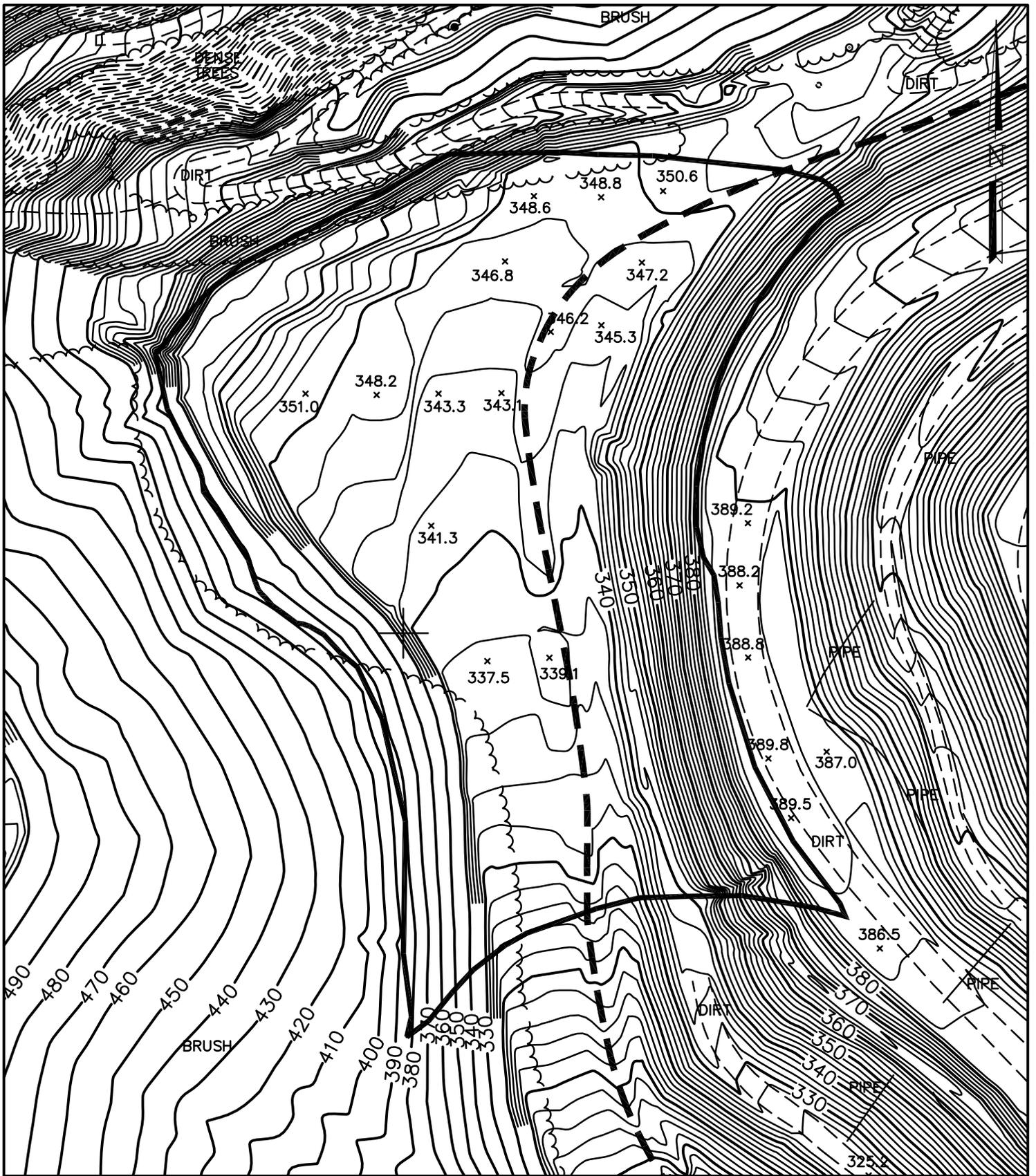
*The limit of waste line or Subtitle D line is what was officially submitted to the regulatory agencies as our best estimate as to the location of the edge of trash.

SCALE



COUNTY OF SANTA BARBARA
 RESOURCE RECOVERY AND
 WASTE MANAGEMENT DIVISION

TAJIGUAS SANITARY LANDFILL
 TOPOGRAPHIC MAP
 SURVEY DATE MAY 14, 1998



--- LIMIT OF WASTE LINE*
 ——— LIMIT OF 380 DECK ON 2009 TOPO

*The limit of waste line or Subtitle D line is what was officially submitted to the regulatory agencies as our best estimate as to the location of the edge of trash.

SCALE



COUNTY OF SANTA BARBARA
 RESOURCE RECOVERY AND
 WASTE MANAGEMENT DIVISION

TAJIGUAS SANITARY LANDFILL
 TOPOGRAPHIC MAP
 SURVEY DATE SEPTEMBER 28, 2006

