



Request for Proposals
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

Operation of Recycling/Reuse Drop-off Centers and a Teacher Resource/Creative Reuse Center

IFBBV No.: SDC0007

Addendum No. 1

Date of Addendum: March 20, 2013

1.0 The proposal due date and time has been extended to **April 26, 2013 @ 2:00 P.M.**

2.0 The following clarifications are provided in response to questions from potential respondents:

1. Is the City requesting separate proposals for each Center? *While there can be only one proposal submitted for the total of what a contractor is proposing, the City requests that concepts and costs be broken down by each center (Central, NW, SW) and by each activity (recycling, reuse, creative reuse) so that proposals can be compared from one bidder to another. Please clearly state where economies of scale comes into play by operating more than one center or activity so that it is clear to the City what is, and is not, being offered should the contractor only be awarded, for example, one Recycling/Reuse Center or just the recycling component of a Center, etc.*

2. Will the Centers be open to anyone, or only Austin residents? *Funding of the Centers will come from the Clean Community Fee which is paid as part of the utility bill by any entity, resident or business, within the Austin city limits. Given this, the City requests that the contractor(s) make a good faith effort to accept material predominantly from Austin residents and businesses. In this case, the City would like to define "predominantly" as 75% of the material (by individual drop off, not by total weight or volume) that is accepted by the Center be those that report a zip code within the Austin city limits. The contractor will track those who drop off by zip code and by business or resident, and ask that the contractor report information to the City by this breakdown. The percentage of actual materials dropped off (percentage of participation by zip code) will be reviewed after one year and can be revised if necessary to insure that the Center is primarily serving the targeted population. If the Center is co-located with a facility that is open to the general public, the City requests that the contractor try to*

operate the Center in good faith so that the City-funded portion of any facility primarily focus on the diversion of City of Austin waste.

3. Must all items listed for Creative Re-Use be delivered to the Creative Re-Use Center? Alternatively, if the Contractor identifies items with a resale value, may those items be resold? In addition, is the Contractor intended to donate all items to artists/teachers, or is there an associated fee for the material? *Items would not have to be delivered directly to the Creative Reuse Center, but could also be collected at a Reuse/Recycling facility and then transported to the Creative Reuse Center. The Creative Reuse Center could also be co-located with the Reuse/Recycling Center. Under any scenario where a partnership has been forged, it would be up to the partners to determine what items are best suited for which program. The City recognizes that there will be some instances, such as books or bottle caps, where an item could fall into recycling, reuse or creative reuse. First, the City would encourage that the materials always be considered first for the highest and best use and be considered for reuse prior to recycling. The City further realizes that there will be some items that could be desired by more than one organization, and it is encouraged that the parties interested in the same materials work through how materials will be divided/distributed prior to submitting a proposal and included for clarification in the proposal. In terms of donation vs. fee for materials to the Creative Reuse Center, generally creative reuse operations are getting most, if not all, of their inventory through donations and then redistributing those materials to artists, educators and/or non-profit organizations for free or through a minimal fee structure such as a per pound or per bag or per item amount, generally considered a handling fee and not a cost related to the value of the material. The goal of the creative reuse center is to provide materials to those groups (artists, educators and non-profits) for little or no cost to fill material needs that they cannot otherwise afford. Therefore, the movement of the material from organization to organization should follow the spirit of this goal – to fill material needs for groups at no or low cost.*

In addition, organizations seeking or accepting donations must follow appropriate rules for distribution and sale of donations under the Internal Revenue Service rules. For guidance on the issue, respondents might review information at www.irs.gov and especially this memorandum that explains business donation deductions under 170(e)(1) and enhanced inventory donation deductions under 170(e)(3): <http://www.irs.gov/pub/irs-tege/eotopice94.pdf>

4. How will the Centers be branded? *The City requests that all of the Centers be co-branded to acknowledge the program is a partnership between the City and other organizations. As such, the verbiage “A City of Austin Program operated by _____” should be included on signage and marketing materials, including the logo of the City of Austin and the logo(s) of the partner organization(s). Public outreach, education, marketing and advertising materials should be coordinated with Austin Resource Recovery’s Strategic Initiatives Division as a part of the approval process outlined in the Request for Proposal. Shortly after contract execution, City staff will schedule pre-performance meeting(s) with the contractor(s) to discuss branding along with numerous other details associated with the contract(s).*

Scope of Work

5. **3.0** The RFP states that the “Contractor(s) should also seek synergistic relationships with other City programs, such as... business waste audit services.” Will the Centers be required or encouraged to accept recyclables and reusable material from businesses, or only residential users? *As noted above, funding for the Centers will come from the Clean Community Fee which is paid as part of the utility bill by any entity, resident or business, within the Austin city limits. The City will utilize the federal definition of a small business relative to hazardous waste generation as defined in 40 CFR 261.5 (Conditionally Exempt Small Quantity Generator - CESQG) to limit the amount of material that a business can drop off for reuse through these City-funded programs. As such, the Centers can accept up to 220 pounds (or 100 kilograms) of non-hazardous materials in a month from a single business entity. This is a guideline to help the Center work with business waste, but not a strict requirement. As*

noted above, the City requests that the contractor make a good faith effort to accept material predominantly from Austin residents and businesses or 75% of the material (by individual drop off, not by weight or volume) that is accepted by the Center be those that report a zip code within the City of Austin. The contractor will track those who drop off by zip code and ask that the contractor report by zip code to the City. The percentage of actual materials dropped off will be reviewed one year after contract execution and can be revised if necessary to ensure that the Center is primarily serving the targeted population. If the Center is co-located with a facility that is open to the general public, the City requests that the contractor try to operate the Center in good faith so that the City-funded portion of any facility primarily focus on the diversion of City of Austin waste. Please note: Large quantity business waste is best handled through direct waste/recycling contracts between the generator and area recyclers and not through the Centers. In addition, no BOPA material can come from businesses of any size.

6. 3.1.2 Please clarify the intent behind the statement “can provide opportunities for business in the area of the Teacher/Creative Reuse Center.” *As clarified above, businesses are able to utilize the Reuse/Recycling/Creative Reuse Centers. In fact, the creative reuse center would be expected to receive much of their inventory through businesses.*

7. 3.1.15 and 3.2.4 c Is there a conflict between the requirement to accept “at a minimum” the items listed in 3.2.4 c and the statement in **3.1.15** indicating that Contractor will “reject any materials/items that cannot be recycled/reused”? For example, there are extremely limited recycling and reuse options for “Used Carpet” (particularly residential carpets). Despite the directive in **3.2.4 c**, may the Contractor refuse to accept listed items if the only viable option for those materials would be proper disposal? *The City’s goal in the proposal is to get as many items reused or recycled as reasonably and economically possible to help meet the City’s Zero Waste goals. There is a list of ideal materials that would be collected and reused/recycled at each site, and the City asks that proposers make a good faith effort to locate and bid on the entire list of items that are noted in the Request for Proposal.*

However, the City also recognizes that some of the material categories could be limited or reasonably unavailable. If that is the case, the City asks that the contractor bid on the items it is able and willing to manage and clearly state how other items will be phased in over a time period or note why the material is not able to be recycled. Proposers should understand that the contractor that can manage the most items listed in the proposal will be viewed more favorably than a contractor limited in what it is able to manage.

Using the example of Used Carpet, if the contractor is unable to find a market for all used carpet, the contractor is encouraged to look for creative means for reuse or recycling some components of the material, if possible. In the instance of carpet, bidders could provide the cost of transporting to markets, noting a recommendation that it is cost-prohibitive at this time; or could propose collecting a subset of the category of Used Carpet to accept only carpet tiles for reuse as part of building material reuse; or could accept only reusable scraps in small quantities providing quality or size requirements (e.g., can accept “pieces in good, reusable condition in size 6’ x 8’ or smaller” for reuse in small home projects or for animal shelter bedding). The point here is that if taking all of an item noted is not feasible, it might be possible to propose taking a subset of the whole that would be more feasible.

Again, the goal is a good faith effort to locate new markets and creative ideas for including some or all, or ramping up the collection of a material over time.

8. 3.2.4 How much notice will ARR provide to the Contractor regarding of addition of new materials to curbside collection program? *The City’s current contracts for single-family residential (SFR) recycling processing services allow the City to add one additional, new item for recycling each year. The process by which the SFR recycling processing contractors are required to add new items provides for a 12-month advance written notice from the City, along with an extensive vetting process and mechanism for resolving disagreements. Those*

materials added for curbside collection must then also be added to recycling collection at the Center. The Center will be notified 90 days prior to the finalization of the process about adding a new recycling item.

For any other item that the City would like to add for collection for reuse or recycling at the Centers, the City will provide a 90-day notification and it will be done in consultation with the Center contractor(s). The goal is, on an on-going basis, to look for new market opportunities to increase diversion from disposal. The City also requests that the Center operators propose the addition of new materials for collection, reuse and/or recycling during the contract period when viable opportunities arise.

9. 3.2.4 c The RFP states that "Contractor must accept, at a minimum," the items listed in this section. Will allowances be made if Contractor can verify that no viable reuse or recycling options exist for specific listed materials? Is the City aware of a legally operated resource recovery processor for all materials listed? If so, who is/are that processor(s)? *The City is not aware of local markets for each of the materials included in the list. The intent of the proposal is to drive materials towards new market opportunities. As noted above, if the bidder is unable to locate a viable market for any material, it should be clearly stated in the proposal and alternatives should be given where possible.*

4.0 All other terms and conditions will remain the same

BY THE SIGNATURES affixed below, Addendum No. 1 is hereby incorporated and made a part of the above-referenced Request for Proposal.

APPROVED BY: Steve Cocke
Steve Cocke, Buyer II
Finance and Administrative Services Department

ACKNOWLEDGED BY: _____
Bidder Authorized Signature Date

RETURN ONE (1) COPY TO THE PURCHASING OFFICE, CITY OF AUSTIN, TEXAS PRIOR TO BID OPENING OR WITH YOUR BID. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR BID.