

**OFFICIAL NOTICE NO. 46-1-2014**

**ADDENDUM NO.3**  
**May 28, 2014**

BID SPECIFICATIONS FOR PROVISION OF TRANSFER STATIONS AND SELF HELP CENTERS OPERATION WITH ASSOCIATED HAULING AND DISPOSAL SERVICES FOR THE CITY OF MILWAUKEE.

BIDS DUE: June 3, 2014 at 10:30AM Central Standard Time.

Prospective Bidders:

- A. In regard to our advertisement for PROVISION OF TRANSFER STATIONS AND SELF HELP CENTERS OPERATION WITH ASSOCIATED HAULING AND DISPOSAL SERVICES FOR THE CITY OF MILWAUKEE, this attached Addendum No. 3 is issued to modify the original documents and is hereby a part of the contract documents.
  
- B. Each Bidder shall read the entire addendum. The Bid shall include all items included in this Addendum No. 3. Bidder shall acknowledge receipt of this Addendum by referencing the Addendum number in the Bid.

Very truly yours,

Ghassan Korban  
Commissioner of Public Works

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WITH ASSOCIATED HAULING AND DISPOSAL SERVICES FOR THE CITY OF MILWAUKEE.

I. Revisions to the Bid Specifications by this Addendum.

A. On Page 3-3, Section 3.1.7 delete the second paragraph and insert the following:

The contractor must accept passenger vehicle tires of all sizes and compositions (automobile, pickup truck, SUV) which may be delivered to the self help stations. Tires mounted on rims shall be hauled and disposed of at no additional cost to the city.

II. Responses to Bidders Additional Written Questions and Comments

The following bidders have submitted additional written questions to the Commissioner. The questions, comments and the City's responses are provided. The City's responses are in **bold**.

A. Additional Questions and Comments from Waste Management – May 16, 2014

1. BASIS FOR CONTRACT AWARD AND C & D RECYCLING QUALIFICATIONS AND PAYMENT.

On May 2, Waste Management submitted comments recommending that the City base the contract award on:

- All services performed under the current contract, including yard waste management and C & D recycling;
- Direct haul costs, in light of the City's demonstrated success in reducing costs by direct hauling recyclables and additional flexibility to direct haul gained through new routing and vehicle tracking technology; and
- Minimum qualification requirements for C & D recycling that ensure recycling performance and prevent City subsidization of landfilling of recyclable material through reimbursement of state landfill taxes.

Our comments have not been acknowledged or addressed, and perhaps a response is pending. We believe these recommended changes are very much in the City's best interest and want to ensure they are considered. For your convenience, the comments submitted May 2 are repeated below.

MAY 2ND COMMENTS REGARDING BASIS FOR CONTRACT AWARD

In order to select the bidder yielding the lowest overall cost, the City should consider its costs for all services it is likely to use. Specifically, determination of the lowest total contract price should include direct hauling costs (Alternate A-7) and construction and demolition debris management costs (alternates A-5 and A-6).

Milwaukee's Department of Public Works has demonstrated that direct hauling selected City recycling routes to a processing facility in Germantown is an effective means of reducing costs by avoiding transfer fees. Direct hauling solid wastes for disposal has even greater potential to save City dollars. A reasonable basis for evaluating direct haul bids would be to assume that the City could direct haul any route terminating within a City-specified distance of a bidder's disposal location.

It's unclear why C & D bids would be excluded from competitive evaluation when determining the City's costs. Nearly 20,000 tons a year of C & D debris are managed under the City's current contract and the new contract could encompass up to 40,000 tons a year. At those volumes, varying bid prices could generate significant savings - or expense - for City taxpayers.

#### MAY 2ND COMMENTS REGARDING C & D RECYCLING QUALIFICATIONS AND PERFORMANCE STANDARDS

Milwaukee can build on its successful C & D recycling initiatives by specifying minimum qualifications and performance standards for C & D recycling facilities. Local C & D recycling operations range from programs that pick materials from a transfer station floor, to fully permitted, dedicated C & D recovery plants.

Requiring a bidder's C & D recycling facility to be in compliance with a plan of operation approved by the Wisconsin Dept. of Natural Resources for construction waste processing will ensure that the City's C & D debris is managed in compliance with state standards for recycling operations and protection of the environment, health and safety. The City's experience with a C & D "recycling" facility in Milwaukee that recently closed and is now the subject of State enforcement action painfully illustrates the potential for poorly run facilities to create neighborhood nuisances and environmental liabilities.

Requiring that the facility achieve a minimum 65% recycling rate, reported to and regulated by government agency, will enable the City to verify that recycling is actually occurring.

Eliminating pass-through of State Landfill Fees under C & D recycling options A-5 and A-6 will protect the City from sham recycling efforts that achieve only minimal recycling. Otherwise, a company undertaking only token recycling efforts could landfill the majority of C & D debris while back charging the City for State Landfill Fees. Choosing the company bidding the lowest unit price could be a costly mistake if the City pays \$13 a ton for recyclable material unnecessarily landfilled by a low-cost operation. That company would have an incentive to landfill C & D debris if the City's landfill fee subsidy makes landfilling less costly than recycling.

**The City will not consider direct hauling, C & D debris recycling or any other alternate bid item in determination of the total contract price for bid evaluation purposes. Those elements are listed as alternate bids which the City may or may not choose to incorporate into the final contract. Regarding C & D recycling standards, existing specifications require the Contractor to comply with all applicable laws and regulations.**

2. ADDENDUM No. 1 – ALTERNATE A-6 C & D DEBRIS. Addendum No. 1 changed this option to "recycle or dispose of" 10,000 tons of C & D material. Who will determine whether the material is recycled or landfilled, the Contractor or the City? Will the City pay state landfill fees to landfill all of the 10,000 tons regardless of whether any of the material could have been recycled? It may be simpler to request separate a unit price for disposal and a unit price for recycling.

**The Contractor will determine whether the material is recycled or landfilled. Bidders shall only include a State Landfill Fee for disposal options. The City will not pay State Landfill Fees to the Contractor if they do not apply.**

3. ADDENDUM No. 1 – ALTERNATE A-10 YARD WASTE

If the City accepts Alternate A-10, will delivery of at least 40,000 tons of yard waste be guaranteed?

**No. The total tons of yard waste is not guaranteed. The intent of this alternate bid item is to provide the possibility of a tiered price based on tonnage in the event that yard waste exceeds 30,000 tons per year.**

4. PRE-BID CONFERENCE MINUTES

Question 10 - The City indicates it will calculate the Total Contract Price based on "each bid item." Will that include alternates?

Question 9 – The application of RPP and Wage requirements to "all hours worked on the contract" could be interpreted as extending the requirements to include a portion of hours at every facility receiving material, potentially including yard waste operations, log processing operations, C & D recycling sites, recyclable processing sites, catch basin solidification sites and the City of Wauwatosa yard. While the goals are laudable, the reporting requirements are a significant burden at facilities receiving relatively small volumes of material under the contract. We recommend applying the requirements to facilities managing solid waste and yard waste under Bid Form items No. A and B and excluding other facilities.

**No, the total contract price will not include alternates because the City may or may not choose to incorporate alternates into the final contract. Alternates must be bid separately. The RPP and Wage requirements will apply to solid waste and yard waste facilities only.**

5. RESPONSES TO BIDDERS' WRITTEN QUESTIONS

Regarding response #13 to ADS, Waste Management purchased and owns four of the five compactors at the Lincoln TS and both compactors at the NW TS. Regarding response #10 to WM, please clarify that a bidder must submit copies of current permits only. Permits are routinely superseded, and providing all prior permits for facilities with long histories would be significant.

**Copies of current permits will be required.**

6. ADDENDUM No. 2 – WAUWATOSA YARD WASTE AND LOGS

Please provide additional information regarding new Alternatives A-11 and A-12, including:

- The months during which these services are required and the anticipated volumes per month

The months during which these services are required and the anticipated volumes per month -  
600 tons: Jan – Mar (Christmas trees, drop-off brush/leaves, and City Forestry trimmings)  
400 tons: Apr (drop-off brush/leaves and start of curbside collected yard materials)  
700 tons: May (drop-off brush/leaves and curbside collected yard materials)  
600 tons: Jun (drop-off brush/leaves and curbside collected yard materials)  
400 tons: Jul (drop-off brush/leaves and curbside collected yard materials)  
300 tons: Aug (drop-off brush/leaves and curbside collected yard materials)  
300 tons: Sept (drop-off brush/leaves and curbside collected yard materials)  
900 tons: Oct (drop-off brush/leaves, end of curb collected materials, begin City leaf pickup)  
3500 tons: Nov (drop-off brush/leaves, and full month of City leaves collection)  
500 tons: Dec (end of drop-off and City collection of leaves)  
300 tons: Apr through October (special City brush/branch collections from the curb)  
500 tons: Dec to Apr (Forestry residual logs/trimmings)  
9,000 tons per year estimated total

- A description of facilities available for storage of contractor equipment

**Gravel areas denoted on the attached map designated with a “P”. These are areas where the current contractor has parked vehicles (end loaders, tractors, etc.) and staged some equipment (shredder, screener).**

- Whether fueling facilities are available for contractor equipment

**Yes, the on-site fueling system can be made available on a paid basis through user cards.**

- Any noise, runoff, dust or other relevant restrictions and requirements imposed by local ordinance or state permit

**Municipal ordinances are applicable for the use of equipment, although the neighborhood is accustomed to the equipment used in the yard, the back-up alarms and the Police Department Shooting Range. Dust can be a minimal problem on very windy days. The City of Wauwatosa has used “asphalt millings” on its DPW gravel roads to minimize the dust from gravel. The Wauwatosa Public Works Yard is restricted to the Storm Water Permit NR 216.**

- What the contractor's role would be, if any, in licensing and permitting the operation

**The City of Wauwatosa has the license to operate from the DNR and has in the past paid the fees associated with those permits. The Yard Waste contractor is required to provide the tonnage figures for those permits and abide by the terms of the permits.**

- Where and how the material would be deposited

**The Drop-off Center area is an earth area well compacted but very muddy in wet conditions (not concrete or asphalt). All other areas of composting are earth surfaces.**

- The source of logs and method for collecting logs

**Approximately 500 TPY of softwood logs and other y-crotch wood are available December through April as noted above in this bid. However, about 1,000 tons of logs, 6 inches and above, not including softwoods and y-crotches, are recovered through a separate contract. Those are not included in this bid, and are either handled by the separate contractor or chipped onsite by the City of Wauwatosa through its stationary chipper to have wood chips available for its use and residents' use.**

A. Additional Questions and Comments from Advanced Disposal – May 16, 2014

1. Please provide a diagram showing the areas at both transfer stations/self-help centers where landscaping services are to be provided.

**See attached map outlining areas where contractor is responsible for landscaping services.**

2. Section 2.2.4 - should new transfer station compactors be installed during the contract period, will these be considered an improvement and thereafter become the property of the City? Or will a similar written contract clarification as dated March 10, 2004 be considered for any new compactors installed?

**If the vendor chooses to install new compactors, such new compactors shall belong to the contractor at the end of the contract period. The contractor shall pay any costs associated with removing the present compactors and disposing of them for their scrap value. Any salvage proceeds resulting from disposition of any existing City owned compactors shall be credited to the City in contractor's next monthly invoice. Contractor shall also be responsible for all costs associated with installing its new compactors. At the end of the contract period the contractor shall have the choice of leaving the new compactors in place, removing them at its expense, or selling the new compactors to a subsequent contractor.**

3. Follow-up question to the response provided to Advanced Disposal's question 13 on May 2. It appears that there may be a few transfer station compactor units currently in place that were not replaced since the written contract clarification dated March 10, 2004. If there are transfer station compactor units that have not been replaced by the current contractor since this written contract clarification, will these units remain the property of the City, and be available for use in the new contract? Please provide information detailing which compactors, if any, will remain at either of the Transfer Stations?

**One Heil compactor at Lincoln Transfer Station is owned by the City and would remain.**

4. Please provide a copy of the "contract documents" that are outlined on the first page of the WM contract and which are incorporated by reference?

**Contract documents are posted on the DPW bid page at [http://mpw.milwaukee.gov/services/bid\\_notice?46-2014](http://mpw.milwaukee.gov/services/bid_notice?46-2014)**

5. Has the City pursued options to purchase the existing compactors from the current vendor, either for the City or as a price for a subsequent Contractor?

**No.**

6. Please provide statements of reimbursement from the scrapping of the compactors replaced by the current vendor.

**Available records show the City received a credit of \$4,050 for the scrap value of three compactors replaced at Lincoln Transfer Station in December 2006.**

7. Please provide copies of the last 2 years utility bills (electric, natural gas, water, sewer) required to be paid by the Contractor for the transfer stations, scale houses, and self help centers.

**Not available.**

8. Will the security camera at the Lincoln Transfer Station remain in place at the end of the current agreement?

**The security camera at the Lincoln Transfer Station is owned by Waste Management.**

9. Please provide copies of the last two years of audited financial statements from the current company.

**Audited financial statements for the current contractor are available here:**

2013 – <http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=119743&fid=9272962>

2012 - <http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=119743&fid=8627346>

- B. Responses to Bidders Additional Questions and Comments include the following attachments:
- Wauwatosa Public Works Yard Equipment Parking Areas (P)
  - Milwaukee Lincoln & Industrial Road Transfer Stations landscape areas

C. Any revisions to any of the contract documents made by this Addendum shall be considered as the same revision to any and all related areas of the contract documents not specifically called out in this Addendum.