



DATE: March 20, 2018

BID NO.: 18-A-052F

ADDENDUM NO. 1
RECYCLABLE MATERIALS PROCESSING

A change has been made to Instructions to Bidders, Page 9 and 10, Section 23. Award of Contract as follows:

23. AWARD OF CONTRACT

- 23.1 If the contract is to be awarded, it will be awarded to the most responsible and responsive Bidder whose evaluation by CITY indicates to CITY that the award will be in the best interests of the CITY and not necessarily to the **highest** Bidder.
- 23.2 Criteria utilized by CITY for determining the most responsible and responsive Bidder includes, but is not limited to the following:
- (a) Ability of Bidder to meet published specifications.
 - (b) Bidder's experience and references including, but not limited to, the reputation, integrity, character, efficiency, experience, skill, ability and business judgment of the Bidder, the quality of performance of Bidder under previous contracts, any sub-contractors and other persons providing labor or materials to Bidder.
 - (c) Bidder's qualifications and capabilities, including but not limited to, the size, financial history, strength and stability of the business to perform the work of the Contract, the possession of necessary facilities and equipment and the quality, availability and adaptability thereof to the particular use(s) required.
 - (d) Whether Bidder can perform the Contract promptly or within the time specified without delay or interference.
 - (e) Previous and existing compliance by Bidder with laws, ordinances, and regulations relating to the commodities or services.
 - (f) **Highest revenue percentage to City.**
- 23.3 If applicable, the Bidder to whom award is made shall execute a written Contract prior to award by the City Commission. If the Bidder to whom the first award is made fails to enter into a Contract as herein provided, the Contract may be let to the next lowest Bidder who is responsible and responsive in the opinion of the CITY.

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Also, Attached is a revised Attachment "B" – Program Recyclables. A paragraph was inadvertently omitted from Page 3.

THIS ADDENDUM MUST BE RETURNED WITH YOUR PROPOSAL, DUE APRIL 4, 2018 AT 2:00 P.M.

Signature

Company

Date

Angelo Salomone
Purchasing Administrator

**BID 18-A-052F
RECYCLABLE MATERIALS PROCESSING**

**ATTACHMENT "B"
PROGRAM RECYCLABLES**

1. Material Percentages

The material percentages used for calculating the AMV are based on the results of the April 2014 Recyclables composition study conducted of the City's inbound residential single stream Program Recyclables. The material percentages in the AMV do not attempt to estimate Residue, which is Recyclables that are not recovered due to breakage and/or transportation or processing limitations or inefficiencies.

2. Composition of Program Recyclables

The material percentages stated in sample AMV calculation for Program Recyclables in this Exhibit shall be the basis for calculating the AMV and Revenue Share in accordance with this Contract, unless otherwise adjusted according to the procedures stated below.

3. Adjustments to Composition of Program Recyclables

The material percentages used for calculating the AMV shall be revised only upon completion of a recyclables composition study conducted that meets the following requirements:

- The study entails sampling and manual sorting of inbound Program Recyclables, not materials processed through the MRF or other sorting line with mechanized equipment. Inbound Program Recyclables means Materials as delivered and tipped at the Designated Receiving Facility. If the study is requested by the Contractor, the final methodology is subject to written approval by the Contract Administrator.
- The study shall be conducted by a qualified entity with demonstrated experience conducting recyclables composition studies in Florida. If the study is requested by the Contractor, selection of such entity is subject to written approval by the Contract Administrator.
- The City and Contractor each have the right to have a representative onsite during the sorting event.
- Study results are subject to final approval by the City, which shall not be unreasonably withheld. If approved by the City, adjustments to the composition provided in this Exhibit shall be made and shall become effective on the first Day of the following month and for the remainder of this Contract, or until further adjusted in a future composition study.
- The study shall be paid for by the party requesting such study, unless otherwise agreed upon in writing by the parties to the Contract.
- A study cannot be requested more than once annually.

4. Market Index

The market index (Recyclingmarkets.net) utilized is intended to reflect the regional average value, in the Southeast United States, of each Recyclable included in the City's Program Recyclables. It is not intended to equate to the commodity revenue received by Contractor. If at any time during the term of this Contract, Recyclingmarkets.net no longer posts or otherwise provides the applicable market indices, then the parties shall mutually select an appropriate replacement source for the required information from among the sources

recycling industry professionals utilize to obtain reliable Recovered Materials pricing information, and this selection shall be memorialized in writing.

5. Calculation of AMV

Contractor shall calculate the AMV of Program Recyclables each month. The AMV is defined as the sum of the RecyclingMarkets.net Southeast USA regional average commodity prices (U.S. Dollars per Ton) first posted in the month for which payment is being made. For illustrative purposes, a sample AMV calculation based on the commodity prices first posted for June 2017 follows.

6. Revenue Share Percentage

The Program Recyclables revenue share percentage shall be the percentage provided by Bidder and as submitted in this ITB.

SAMPLE AVERAGE MARKET VALUE (AMV) CALCULATION FOR PROGRAM RECYCLABLES

Material	Index Description*	Market Index Jan 2018*	Market Value (\$/Ton)*	Material %	Average Market Value (\$/Ton)
Mixed paper	PS 1 baled, F.O.B. seller's dock	37.50	\$37.50	21.5%	\$15.59
Newspaper	PS 8 baled, F.O.B. seller's dock	52.50	\$52.50	14.6%	\$8.06
Corrugated containers	PS 11 baled, F.O.B. seller's dock	110.00	\$110.00	11.6%	\$16.06
Aluminum cans	Cents/lb., sorted, baled and delivered	69.00	\$1,380.00	1.1%	\$15.18
Steel cans	\$/Ton, sorted, baled and delivered	17.50	\$17.50	2.0%	\$0.35
PET	Cents/lb., baled and picked up	13.50	\$270.00	7.5%	\$20.25
Natural HDPE	Cents/lb., baled and picked up	32.00	\$640.00	3.0%	\$19.20
Colored HDPE	Cents/lb., baled and picked up	16.00	\$320.00	3.0%	\$9.60
Plastics #3-#7**	#1-7, Cents/lb., baled and picked up, adjusted**	(1.50)	\$(30.00)	4.4%	\$(1.32)
Glass (3 Mix)	\$/Ton, delivered	(22.50)	\$(22.50)	13.3%	\$(2.99)
Polycoated cartons	None at this time	-	-	0.8%	\$0.00
Contamination	N/A	N/A	N/A	17.2%	\$0.00
				100.0%	\$90.48

EXCEL FORMULA FOR CALCULATING MONTHLY RECYCLABLES REVENUE SHARE

$$\text{Recyclables Revenue Share (\$)} = \text{ROUND}(((\text{AMV} - \text{P\&M Service Fee}) * \text{Inbound Tons}) * \text{Revenue Share Percentage}, 2)$$

Where:

The Contractor Processing and Marketing (P&M) Service Fee: \$75.00

The Program Recyclables revenue share percentage: <<To Be Bid>>

SHOULD THE MONTHLY AMV FALL BELOW THE CONTRACTOR'S P&M SERVICE FEE FOR ANY MONTH, THE CONTRACTOR SHALL INVOICE THE CITY FOR THE DIFFERENCE BETWEEN THE P&M SERVICE FEE AND THE APPLICABLE AMV FOR THAT MONTH. FOR EXAMPLE, IF THE CALCULATED AMV WAS \$65/TON AND THE P&M SERVICE FEE WAS \$75/TON, THE \$65/TON WOULD GO TOWARDS THE SERVICE FEE, THE CITY WOULD RECEIVE \$0 AND PAY THE \$10/TON BALANCE OF THE SERVICE FEE TO THE CONTRACTOR FOR THAT MONTH.

SAMPLE CALCULATION OF MONTHLY RECYCLABLES REVENUE SHARE

Assumptions: Recyclables delivered to the Designated Receiving Facility (Inbound Monthly Tons) = 650

AMV (\$/Ton; as calculated above): \$90.48

P&M Service Fee (per Ton): \$75.00

Program Recyclables Revenue Share Percent: 50%¹

Recyclables Revenue Share = $((\$90.48 - \$75.00) * 650) * 50\% = \$5,031$

¹ The revenue share percent used in this sample calculation is an example only.