

**FREQUENTLY ASKED QUESTIONS
FOR
EXCLUSIVE FRANCHISE AGREEMENTS REQUEST FOR PROPOSALS**

Please take note of the following Frequently Asked Questions that have been submitted by the proposers from the past Exclusive Franchise Agreement solicitations. The County responses to the submitted questions are provided to as a guide to the interested proposers for future Franchise Agreement Request for Proposals (RFP).

1. Part I, Section 2G, GAIN/GROW. How will the County verify that Proposers in fact have a proven track record of hiring participants from the GAIN/GROW program? "Attesting a willingness" is a meaningless requirement.

Response: There is no provision for routine verification. The County reserves its right to debar and/or disqualify any proposer who makes a false representation.

2. Part I, Section 3A9, Disputes, Actions, Contests and Debarments; and Environmental History. Would the County agree to limit the scope of the disclosures under subsections a. i., iii., iv., v. and vi. to Southern California?

Response: The requested limitation is not appropriate and the County will not limit the geographic scope of the disclosures to Southern California as requested, but the scope of certain disclosures will be limited with respect to the Proposer, guarantor, affiliates, and subcontractor, as described in Part I, Section 3A9, Disputes, Actions, Contests, and Debarments; and Environmental History.

3. Part I, Section 3A9, Litigation History. The County's definition of "affiliates" in the 1st paragraph of Section 3A9a would, in effect, encompass not only the proposer, its subsidiaries and its parent company, but also every operating subsidiary of a parent company across the nation. Please note that the majority of privately-held companies that would normally respond to this procurement operate only in Southern California, and in some cases in LA County only, whereas the larger public companies that would normally respond to this procurement have a multitude of affiliates that operate across the United States, that are completely independent of the proposing entity from the standpoint of operations and management oversight. Will the County either limit the disclosures under Sections 3A9aiv, 9avi, and, particularly 9b, to the Proposer only, or limit the definition of "affiliates" under those same sections, to only those affiliates of proposer operating in Los Angeles County, as the County's request will require an abundance of work for the larger publicly owned companies, the results of which may not be deemed useful to the County in its evaluation process on this broad of a scale?

FREQUENTLY ASKED QUESTIONS

Response: The County has already limited the scope of disclosure in the County's residential franchise procurement. In particular, disclosure of civil disputes, and criminal and enforcement actions which might be numerous for large companies' affiliates, is limited to Proposer, Guarantor (and any Proposed subcontractor). Only the more serious disclosure items include Affiliates (procurement contests, class actions and labor disputes), which by their nature are presumably far less numerous than civil disputes and criminal actions.

(prior 5 years)	Proposer	Guarantor	Proposed subcontractor	Affiliates
i. Civil disputes (greater than \$250,000)	X	X		
ii. Criminal actions	X	X	X	
iii. Enforcement actions	X			
iv .Contests of municipal procurements	X			X
v. Class action	X			X
vi. Labor disputes	X			X
vii. Debarments	X			

4. Part I, Section 3A9a, Disputes, Actions, Contests, and Debarments; and Environmental History. The RFP states that the pertinent supplemental information submitted by the Proposer or included in the Proposer Profile such as the size of the Proposer's business, scope of operations, reasons for the activity, outcome of the activity, and other relevant data will be taken into consideration. Would the County consider adding more specific language about how this additional information would be included in the evaluation process? Will the evaluators be looking at ratios, number of employees, revenue, and type and size of facilities? The criteria are still too subjective and would disadvantage larger service providers. The objective data that we suggest using would be readily available from the proposers.

Response: The County has requested supplemental information in order to put the number of proposer's disclosed disputes, actions, contests and debarments in *context* of proposer's business, so that larger service providers are *not* disadvantaged relative to small ones. The supplemental information also allows proposer to explain any mitigating or extenuating circumstances. Proposers may include number of employees, revenue, type and size of facilities and any other information for evaluators to consider as part of proposers' supplemental information related to size of its business and scope of its operations. No comparative, mathematical criteria evaluating the quantitative relationship or

FREQUENTLY ASKED QUESTIONS

ratios between number of employees, revenue, and type and size of facilities has been generally identified.

5. Part I, Section 3A11, Financial Stability. Would the County accept audited financial statements from the parent of a Proposer that would provide a parent guaranty?

Response: Public Works will accept audited financial statements from the parent of a Proposer as long as the guaranty is in the form provided by the Director of Public Works and submitted with the parent's financial statements. The Parent/Franchise Guaranty is found in the RFP as Attachment 7.

6. Part I, Section 3A14. Is Form PW-21 (terminated contracts) required? It is not referenced anywhere else in the RFP. How would the information be utilized in the evaluation? Would the County limit the scope of the disclosure in Form PW-21 to public contracts only? Without objective criteria to assess the relative size of the proposer, this would disadvantage larger proposers.

Response: Form PW-21, Statement of Terminated Contracts, is a requirement and must be completed and submitted with your proposal and will not be limited to public contracts only as requested. Information regarding terminated contracts may be considered by the evaluators to the extent that it is relevant in scoring the Proposers' references as described in Part I, Section 5E3, References. In addition, terminated contracts may reflect Proposer's ability to finance the proposed contract activities. Therefore, the requested limitation on the disclosures would work against selection of more responsible Proposers. Proposers may submit pertinent supplemental information. Additionally, it is not possible to establish objective criteria due to the nature of the information, the variety of organizations, and relationships among the Proposers.

7. Part I, Section 4M, Form PW-4, Proposer's Safety Record. Would the County limit the geographic scope of this disclosure to Southern California? Without objective criteria to assess the relative size of the proposer, this would disadvantage larger proposers.

Response: No, the County will not limit the geographical scope of this disclosure to Southern California. The form expressly limits the scope to the State of California. It is not possible to establish objective criteria due to the nature of the information, the variety of organizations, and relationships among the Proposers.

8. Part I, Section 4Q, Term of Proposals. What procedures will be in place to address significant changes in the cost of providing services during the very long (270 day) evaluation period?

FREQUENTLY ASKED QUESTIONS

Response: There are no such procedures. Proposers are expected to hold prices at the proposed levels for the entire period. It should be noted that all efforts will be made by the County to ensure that this contract is awarded in a timely manner.

9. Recyclables. In what sense is this franchise non-exclusive with respect to recyclables? Does it just mean that customers can sell or donate recyclables, or will other companies be allowed to collect recyclables for a fee? If the latter, this creates a competitive disadvantage for Franchisee, who must operate under specific terms and conditions while the competitors do not.

Response: The Franchise is non-exclusive with respect to recyclables because customers can donate recyclables or pay a fee for recycling service. Purchase of recyclables is not part of the contractually defined "Franchise Services". The Franchise places the franchised hauler on a level playing field with respect to other recycling haulers because it does not require the franchised hauler to pay a franchise fee on any revenue it receives from processing and marketing fee-for-service recyclables

10. Commercial and Multi-Family Cart Collection. The current provision creates a competitive disadvantage for Franchisee, who must operate under specific terms and conditions, while the competitors do not. This service should either be exclusive, or not in the franchise agreement at all.

Response: Franchisee is obligated to provide commercial and multi-family customers "franchise services" meeting the service specifications under the franchise agreement upon the customer's request. However, Franchisee can also compete directly with other haulers to provide "MSW management" services that do not meet franchise specifications to commercial and multi-family cart customers.

11. Enforcement of Exclusive Rights. After the contract award and prior to service commencement, will the County be issuing a letter to residents informing them of the change in service providers, including a reference to the fact that residential service recipients will be required to utilize the services of the exclusive Franchisee?

Response: Yes, the County will work with the Franchisee in notifying residents by letter of the change in service providers and the exclusivity of the services provided by the Franchisee, subject to the exclusions in Section 1B of the Sample Agreement.

12. Part II, Section 1B4, Rights Under Calif. PRC Section 49520. Are there any existing haulers that may have continuation rights under PRC 49520 in the subject Service Area (or that have asserted such rights), as it relates to exclusive rights being granted to the Franchisee hereunder

FREQUENTLY ASKED QUESTIONS

(i.e., residential service to single-family residences and duplexes)? It is known that the County previously issued 5-year notices to all permitted haulers operating in the subject Service Area, however, can the County confirm this, as well as the date in which the notices were given?

Response: We are not aware of any waste haulers that could claim continuation rights in the Franchise areas being solicited. The five-year notice was sent to all permitted haulers operating in the County Unincorporated areas. Jeanette the date was June 23, 1998.

13. Part II, Section 1A6, Franchise Fee. Will the service rate be adjusted automatically if the percentage franchise fee is increased?

Response: If the County changes the franchise fee, the service rate is not adjusted automatically. A change in the franchise fee would be a "Change in Law" and the rate would be adjusted in accordance with the procedures described in Section 22A6, and Section A1 of Exhibit 10.

14. Part II, Section 2.A, Term. It is indicated that the Agreement commences on the date both parties have executed the Agreement and terminates on a date to be determined. Part I, Section C of the RFP indicates that the term of the Agreement is 7-years, which is interpreted to mean the period from which Collection services will commence and the Contactor begins generating/accruing revenue (as opposed to the Execution Date). Since the Execution Date of the Agreement will likely precede the date of commencement of services by possibly up to 6+ months, the Termination Date will be based on a period which is 7 years from the effective date of service commencement as opposed to the date both parties have executed the Agreement. Please clarify, so that the proposer's financial models should be based on a full 7-year term (84 months).

Response: The contract is for a term of seven years, plus three 1-year renewal options, if applicable. The Termination Date of the Agreement will be seven years from the Collection Commencement Date.

15. Part II, Section 2C. Does the prohibition on recovery against the County apply even where the termination arises due to a breach by the County?

Response: Yes, however this section does not prohibit the Franchisee from taking any actions against the County to enforce this agreement or seek damages for County breach.

16. Part II, Section 3B, County Notice. This provision requires the Franchisee to provide service to "any Premises." Does that mean Premises that are outside the scope of the franchise?

FREQUENTLY ASKED QUESTIONS

Response: No, "Premises" means those properties located in the solicited Franchise Service Areas and fall within the scope of service under the agreement.

17. Part II, Section 7D1a and b, Resolution of Complaints. This section requires the Franchisee return to the route area on the same day if a "missed collection" call is received as late as 3:00 pm. Will the County consider modifying the cut-off time from 3:00 pm to 1:00 pm for purposes of a "same day" return, with any calls coming in after 1:00 pm being accommodated on the next Service Day.

Response: No. Careful planning and conscientious efforts on the Franchisee's part to pick up all material on each set out day should prevent or minimize missed pickups.

18. Part II, Section 7D1b. Does "next day" mean the next business day or the next calendar day?

Response: The "next day" means the next calendar day.

19. Part II, Section 8. What provisions of existing law does the County rely on with respect to the transfer of ownership of Refuse? Public Resources Code Section 41950 et seq. only relates to transfer of ownership of Recyclables.

Response: The purpose of Section 8 is to acknowledge that the franchise agreement does not change or otherwise affect the ownership of refuse or other solid waste in accordance with existing law.

20. Part II, Section 13A3b, Annual Report. Can a Franchisee submit audited financials for a parent (of both itself and its affiliates) providing a guaranty, in lieu of submitting audited financials for itself and its affiliates?

Response: Public Works will accept audited financial statements from the parent of a Proposer as long as the guaranty is in the form provided by the Director of Public Works (Attachment 7, Parent Franchise Guaranty) and submitted with the parent's financial statements.

21. Part II, Section 14A1. Define the term "sole active negligence"?

Response: The phrase "sole active negligence" is clear on its face and does not have a meaning that is specific to this agreement.

22. Part II, Section 14A5, last paragraph. Does the prohibition on seeking compensation from the County related to Unpermitted Waste apply when the County is at fault?

FREQUENTLY ASKED QUESTIONS

Response: Yes. However, since the Franchisee makes subscription arrangements directly with its customers, the County is not involved in the provision of service to the customer.

23. Part II, Sections 16A3d and 16A7. How does the County reconcile the inconsistent requirements that County "shall assume complete responsibility for the Service Assets" and that Franchisee is "not exempt . . . from any Indemnities"?

Response: Sections 16A3d and 16A7 are not inconsistent, because Section 16A7 provides that Franchisee is not required to indemnify County against claims and liabilities arising from the negligence or misconduct of County officers, employees, and agents driving vehicles.

24. Part II, Section 16A8. Where the event arises from Uncontrollable Circumstances and rental fees are due from the County, is the Franchisee still responsible for County's Reimbursement Costs? This seems unreasonable where the event is outside of Franchisee's control.

Response: No, the Franchisee is not responsible for County's reimbursement costs where the event arises from uncontrollable circumstances. Franchisee is only obligated to pay County's reimbursement costs under Section 16A8b for events that are not due to uncontrollable circumstances.

25. Part II, Section 17B4. Would the County limit the scope of this provision to performance under this agreement or at least only in the County? What procedures would be in place for the County to decide whether it was satisfied that a violation in another jurisdiction (or even in another state) was addressed? In any event, wouldn't this interfere with the authority of those other jurisdictions? Without objective criteria to assess the relative size of the proposer, this would disadvantage larger proposers.

Response: No, the County will not limit the scope of this provision as requested, but Section 17B4 is already limited to violations by Franchisee and not by its affiliates or guarantor. The County's procedures to determine whether or not the violation was cured may vary depending on the type of violation, but would likely depend on the determination of the regulatory agency that assessed or determined the violation in the first place. The County would not interfere with any other entities authority, because it would not be taking action with respect to the violation itself, but only determining whether the violation constitutes a Franchisee default.

26. Part II, Section 17A9. What standards will be applied to determine if a Franchisee is a repeated or habitual violator? It appears to be open-ended as it seems? Define the term "repeatedly and habitually Breaches."

FREQUENTLY ASKED QUESTIONS

Response: The applicable Section is 17B9. The Director of Public Works will make the determination of a "repeated or habitual violator." The phrase "repeatedly and habitually" is clear on its face and does not have a meaning that is specific to this agreement.

27. Part II, Section 17C1. Is Franchisee entitled to notice and opportunity to cure per Section 17A with respect to the defaults listed in this subsection?

Response: Yes, under Section 17A, Franchisee has a chance to cure *all* breaches (including missed collections) *other* than those that are specifically listed (such as failure to collect for 7 or more consecutive or aggregate days).

- Franchisee has 30 days to cure a material or repeated violation of applicable law.
- Franchisee has 30 days following County notice to pay money Franchisee owes to County.
- Franchisee has 90 days to comply with the Child Support Compliance Program
- Franchisee has any right to hearings and appeals provided under County ordinances with respect to ILO Convention Concerning Minimum Age for Employment, nondiscrimination or the County Lobbying Ordinance.
- The Guaranty provides its own cure.

The remaining breaches, are generally by their nature not capable of cure (such as: Section 17 B1-Fraud, Misrepresentation, or Breach of Warranties, B2-Insolvency or Bankruptcy, B10-Improper Consideration), except with respect to insurance: County cannot risk being un-protected under any lapsed insurance policy for any amount of time.

28. Part II, Section 17D2b. What procedures are in place to assure that the County will negotiate in good faith the rate adjustment arising from changes in service? As currently worded, the County could assert any position, and then just terminate the entire franchise if the Franchisee did not agree.

Response: The County may only terminate the Franchise after "good faith negotiations."

29. Part II, Section 18E. Define and/or provide examples of a "nonroutine investigation"?

Response: An example of a "non-routine investigation" would be a customer who alleges it has an evergreen subscription or has been denied its right to terminate upon specified notice. Examples of routine investigations, by contrast, include reviewing reports, auditing franchise fees, checking on renewals of permits and insurance.

FREQUENTLY ASKED QUESTIONS

30. Part II, Section 19, A – C. Would these provisions apply to a transfer to an affiliate of Franchisee, where the affiliate is also covered by the same parent guaranty? Define and quantify "the value of good will and intangibles" that would be lost, in particular under the circumstance of an intra-company transfer?

Response: Yes, the transfer provisions apply to affiliates that are covered by the same parent guaranty. Affiliates may have a different record of civil or labor disputes, environmental violations or other evaluative criteria originally assessed with respect to the Proposer/Franchisee. The value of good will and intangibles is not an issue in the case of a transfer to an affiliate, as described in Exhibit 3A Section A7 of the exclusive franchise agreement.

31. Part II, Section 20L. Would the Franchisee be afforded the procedural rights per Section 17A prior to any termination based on the County's Quality Assurance Plan?

Response: The Franchisee's procedural rights are already specified in said Section 20L. Please refer to section 20L as follows: COUNTY or its agent will evaluate FRANCHISEE'S performance under this AGREEMENT on not less than an annual basis. The evaluation will include assessing FRANCHISEE'S compliance with all terms and performance standards of this AGREEMENT. FRANCHISEE deficiencies that COUNTY determines are severe or continuing and that may place performance of this AGREEMENT in jeopardy, if not corrected within 30 days after FRANCHISEE'S receipt of the evaluation, will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by COUNTY and FRANCHISEE. If improvement does not occur consistent with the corrective action measures within 30 days after FRANCHISEE'S receipt of the report, COUNTY may terminate this AGREEMENT or impose other penalties as specified in this AGREEMENT.

32. Part II, Section 22A4. Is the County intending to prosecute alleged violations of Applicable Law occurring in other jurisdictions through this franchise agreement?

Response: No, County does not have jurisdiction to prosecute violations of law in other jurisdictions.

33. Part II, Exhibit 3A, Section B2C. Define what would constitute "Reasonable Business Efforts" to divert residual Solid Waste, since that material would already have gone through processing at a MRF? Is cost-benefit applicable criteria? Would the County agree to adjust the service rate to encourage diversion? This is especially important since liquidated damages may be imposed for non-compliance with this requirement. The general definition provided is not specific enough to meet legal requirements.

FREQUENTLY ASKED QUESTIONS

Response: "Reasonable Business Efforts" is defined in Exhibit 21. The definition allows the exercise of Franchisee's business judgment, which would include consideration of cost-effectiveness.

34. Part II, Exhibit 3A, Section B3c. Would the County allow Franchisee to charge the customer a fee for repair or replacement of containers where the damage or destruction of the container was due to the fault of the customer?

Response: No, this is a no fault obligation in order to minimize customer/Franchisee disputes over damaged causation. However, customers must report lost or stolen containers to the police.

35. Part II, Exhibit 3A, Section B4, Collection Vehicles. It appears that the County is now requiring the use of alternative fuel vehicles for fully automated collection, with the only exception to the AFV requirement being for any vehicles used pursuant to provide alternative collection approaches to automated service pursuant to Section B.3.h. Please note that there will be other ancillary collection services that will not involve the use of automated collection vehicles and that, by definition, involve the use of vehicles that will require only partial or periodic use in the County (i.e., those services listed in Exhibit 3A, Section F "Special Services"), and therefore, it is important to also exclude vehicles used for the services listed in Exhibit 3A, Section F, from the alternative fuel requirement. Instead, the Franchisee should have the option of using either alternative fuel vehicles or vehicles that run on ultra low sulfur diesel to provide such services. We trust that the County understands and agrees with this necessary additional exclusion, however, please confirm.

Response: Yes, the use of alternative fuel vehicles for fully automated collection is now a requirement, unless Franchisee provides documentation that supports the use of other vehicles "with respect to collection at Premises that are difficult to serve as permitted in Section B3h". In addition, the use of alternative fuel vehicles for ancillary collection activities is encouraged but not required.

36. Part II, Exhibit 3A, Section B6, Routing and Container Placement. Exhibit 3A, Section B6 of the Sample Agreement indicates that the Franchisee shall schedule collection one to two Service Days before streets are swept. Moreover, this section allows the County to amend the street sweeping schedule after the Execution Date. Please note that proposers will be determining their collection schedules, manpower allocations, equipment requirements, and routing, in view of the street sweeping schedule included in the RFP (and the aforementioned requirement), therefore, a subsequent change in this schedule could have a material impact on these assumptions and the Franchisee's costs. This section of the contract should be clarified such that the Franchisee will not be held to the requirement to collect one to two Service Days before streets are swept if (a) the County changes the street sweeping schedule

FREQUENTLY ASKED QUESTIONS

subsequent to the Execution Date, and (b) Franchisee cannot accommodate the change without an increase in costs. Would this be acceptable to the County?

Response: The Franchisee needs to adhere to the street sweeping schedule as described in Exhibit 3A, Section B6, which states that collection services will be provided one to two service days before streets are swept, unless otherwise approved by the Director. The County does not anticipate changes to the street sweeping schedule prior to the execution date of the agreement. In the event the County wishes to change the street sweeping schedule, it will do so at its discretion. However, the County may maintain some flexibility with the collection schedule and will work with the Franchisee as needed to address this issue.

37. Part II, Exhibit 3A, Section C2. Define what would constitute "Reasonable Business Efforts" to use conversion technologies, where those technologies currently do not exist or may not be cost effective? Would the County agree to adjust the service rate to encourage use of conversion technologies? Is cost-benefit applicable criteria? This is especially important since liquidated damages may be imposed for non-compliance with this requirement. The general definition provided is not specific enough to meet legal requirements.

Response: "Reasonable Business Efforts" is defined in Exhibit 21. The definition allows the exercise of Franchisee's business judgment, which would include consideration of cost-effectiveness. If a proposed use of conversion technology is a change in Franchise services that is agreed to between the Franchisee and the County, then the rate would be adjusted under Section A1c of Exhibit 10.

38. Part II, Exhibit 3A, Section F2e, Semi-Annual E-Waste and Clothing Drop-off Events. Is intent of this language to provide two drop-off events each year wherein the Franchisee provides containers and employee supervision at a single collection location for a full day for the first event, and then duplicates this effort at a different time of the year for the 2nd event (possibly at a different location than the first event)?

Response: Yes, the County anticipates the Franchisee to conduct two collection events at locations where people can simultaneously drop-off their e-waste and clothing. These collection events can take place in the same location/dates or in two different locations/dates as approved by the Director of Public Works.

39. Part II, Exhibit 3A, Section F6, Sharps Collection. Would the County be willing to allow the Franchisee the option of proposing either 6a or 6b, as opposed to requiring the availability of both programs (collection and mail back)? It will be difficult enough to project the potential costs of providing this service

FREQUENTLY ASKED QUESTIONS

(and the degree of utilization thereof), and allowing for both options will add to that difficulty.

Response: No, upon request, the County anticipates the Franchisee to provide residents a regular Sharps container, or a mail back Sharps container.

40. Part II, Exhibit 3A2, Task 2, Abandoned Waste On-Call Collection Services. Would the County be willing to place some parameters around what the Franchisee is required to provide in terms of annual crew hours and tonnage/items collected, with anything in excess of these parameters being compensated for through a rate adjustment mechanism if properly documented and requested by Franchisee? Given the unknowns as to what this new program might entail, it may better serve the County's interests through more competitive rates if proposers could more easily quantify the potential cost impact associated with this service.

Response: No, the County will not impose program parameters. The County anticipates the Franchisee to collect illegally dumped materials when requested by a resident or County as long as it is within the solicited Franchise areas and in the public right-of-way.

41. Part II, Exhibit 3A, Section H, Senior Discount. Will the senior discount also be available for customers that also receive free roll-out service, resulting in a monthly payment substantially below the cost of providing service? Does the "not to exceed 25%" include the cost of the roll-out service?

Response: Yes, senior discounts are available for qualified residents, as described in Exhibit 3A, Section H. In addition, qualified seniors and disabled residents are eligible for free roll-out service at all times, thus the 25% discount does not apply.

42. Part II, Exhibit 18D2, Item 16. Does this apply to a complete billing cycle or each service recipient? If there was one mistake on the billing, however minor and even if rectified, the liquidated damages could be millions of dollars if assessed for each customer.

Response: This liquidated damage applies to each customer, but the imposition of liquidated damages is discretionary at the County's reasonable judgment. Please refer to Section 18D2 for additional information.

43. Part II, Exhibit 18D2, Item 19. How does the County reconcile the requirements of this section and the Franchise Agreement, Section 20C, which provides that these are to be resolved between the Franchisee and the customer as a civil matter?

FREQUENTLY ASKED QUESTIONS

Response: Damaging private property is a breach subject to cure. With respect to customers, disputes between Franchisee and customers may be the basis of a civil suit.

44. Part II, Exhibit 21, definition of Reasonable Business Efforts. Please provide a more specific definition, since liquidated damages may be assessed for failure to make reasonable business efforts and Government Code Section 53069.85 requires that the basis for liquidated damages imposed by public agencies be specific.

Response: The definition of "Reasonable business efforts" is adequate.

45. Part II, Exhibit 21, definition of Recyclables, subsection 13. Would the County provide for a rate adjustment to collect and process additional recyclables if increased costs could be demonstrated?

Response: No. The definition of "Recyclables" in Exhibit 21 provides for a rate adjustment for additional recyclables only if the additional recyclables require franchise services at the set-out site separate and distinct from previously collected recyclables (e.g., adding food waste processing with new carts).

46. Part II, Exhibit 21, definition of Violation of Applicable Law. What is the scope of this provision? Does "any Regulatory Agency" mean any agency in the state or the nation?

Response: "Regulatory Agency" is defined in Exhibit 21.

47. Regarding the rate component structure used for calculating future price increases. In light of potentially high increases in disposal rates when Puente Hills closes, shouldn't the County consider using a formula that adjusts the weighting to accommodate the changes caused by unusually high increases (or decreases) in the components?

Response: The rate adjustment formula considers several economic and market indicators in sufficient detail to capture fluctuations in the disposal market.

48. The tonnage information reported for solicited areas. The 2008 Solid Waste Collection Activity Report does not break down the Residential portion of Recycling and Greenwaste. Is this information available?

Response: No, this information is not available. Proposers should independently investigate service conditions in each solicited areas prior to proposal submission.

49. The State of California, "Certificate of Good Standing", requirement. How current does that have to be?

FREQUENTLY ASKED QUESTIONS

Response: The State of California, "Certificate of Good Standing," should be for 2009, unless it is not available, such as it has not yet been issued by the State, or your firm's 2008 certificate is still valid, in which case the 2008 certificate will be acceptable.

50. On Attachment 9, Street Sweeping Map Schedules, the legend on the bottom of each exhibit lists the street sweeping schedule with multiple days. For example, on Attachment 9, it lists the first street sweeping as occurring on Monday/Tuesday. Does the street sweeping occur on Monday or Tuesday? What day does street sweeping occur on each Attachment 9, since the specific day has a significant bearing on days of service to the solicited areas of franchise community.

Response: In each Attachment 9, when the street sweeping day is labeled as Monday/Tuesday, it means that currently the streets are swept on a Monday on one side, and on Tuesday on the other. Since collection should occur one to two days prior to Monday and/or Tuesday, trash collection must occur on Friday in this particular scenario. The same rule applies to all other street sweeping schedules.

51. Is it possible to have PW Forms provided on either a Word or Excel document in order to complete the submittal?

Response: Public Works will not provide Word versions of PW Forms. The only forms available in Excel format are Form PW-3.1 and Form PW-3.2, which can be accessed at the following link:

<http://dpw.lacounty.gov/asd/contracts>.

52. Does the Department of Public Works have an approximate number of residential units covered by street sweeping for the area defined in Attachment 9?

Response: Since the number of residential units on a given street is irrelevant as far as street sweeping is concerned, the County does not readily have this information available. In addition, the County does not have an estimate of the percentage of the residential units that are included within the color-coded street sweeping areas.

53. Is it possible for the Department of Public Works to release the parcel list for the solicited areas with the day of street sweeping as part of an Excel spreadsheet?

Response: No, the parcel list associated with the day of the street sweeping will not be released. The County will provide the winning Proposer with a total list of residential units in the solicited service areas.

FREQUENTLY ASKED QUESTIONS

54. Estimated Time Frame. Can the County provide an estimated time frame from date of Board of Supervisors decision to award a contract to commencement of collection pickups? Please note that typical turnaround time for new vehicles is at least 6 months from date vehicles are ordered.

Response: It is estimated that the County will approve the contract as early as four months from the proposal submission date of the RFP. The County will work with the winning Proposer to coordinate the start date which may be as long as approximately six months after the Board approval date.

55. How many units are in the mobile home park?

Response: The County does not have this information. Proposers should investigate the service conditions in the service areas prior to proposal submission.

56. Service Addresses. Does the County have access to the current customer list information of the current service providers? If not, does the County have a list of names and service addresses for the Residential Customers in the service areas, and will this list be provided to the successful Franchisee well in advance of the start date of the contract?

Response: The County does not have access to any current customer lists of the current service providers. However, the County does have a list of residential service addresses and will provide it well in advance of the commencement service date.

If you have questions concerning the above information, please contact Mr. Benjamin Sandoval at (626) 458-7334 or Ms. Jeanette Arismendez at (626) 458-4050.

P:\aspub\CONTRACT\BENFRANCHISE\2010\Chatsworth\ADDENDUM\FAQ_07-19-10.docx