



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: **AS-0**

September 2, 2010

**REQUEST FOR PROPOSALS – ADDENDUM 2
EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREAS OF
CHATSWORTH/WESTHILLS,
EL CAMINO VILLAGE/DEL AIRE/WISEBURN/ALONDRA PARK,
PIONEER/CARSON PARK, AND
RANCHO DOMINGUEZ/WEST RANCHO DOMINGUEZ/ROSEWOOD (2010-FA004);
OCEANVIEW/LA RAMBLA/WEST CARSON (2010-FA005);
ALTADENA AND KINNELOA MESA (2010-FA006)**

Please take note of the following questions and revisions that have been addressed regarding the Request for Proposals (RFP). Please note that questions presented in this Addendum represent the questions asked by Proposers in the form and context as submitted.

Please note that the proposal submission deadline has been extended to **Thursday, September 9, 2010, at 5:30 p.m.**

REVISIONS

Please note that **bold underlined** text has been added, and any text that has a ~~strikethrough~~ has been deleted from the RFP.

1. Part II, Sample Franchise Agreement, Exhibit 10.A.2.a, for all of the RFPs has been revised as follows:
 - a. *Adjustment Due to Change in CPI.* Beginning on July 1 of **in** the second Calendar Year ~~of the Term~~ **after commencement of Collection** and thereafter on each succeeding July 1 the Service Component will be adjusted by 75 percent of the percent change, if any, between the following:
2. Part II, Sample Franchise Agreement, Exhibit 10.A.2.b.i, for all of the RFPs has been revised as follows:

- i. *Adjustment Due to Change in DOE CNG.* Beginning on July 1 of ~~in~~ in the second Calendar Year of the Term **after commencement of Collection** and thereafter on each succeeding July 1 the CNG Fuel Component will be adjusted by the percent change, if any, between the following:
3. Part II, Sample Franchise Agreement, Exhibit 10.A.2.b.ii, for all of the RFPs has been revised as follows:
 - ii. *Adjustment Due to Change in Energy Information Administration (EIA) LNG.* Beginning on July 1 of ~~in~~ in the second Calendar Year of the Term **after commencement of Collection** and thereafter on each succeeding July 1 the EIA LNG Fuel Component will be adjusted by the percent change, if any, between the following:
4. Part II, Sample Franchise Agreement, Exhibit 10.A.2.b.iii, for all of the RFPs has been revised as follows:
 - iii. ***Adjustment Due to Change in DOE Diesel.*** Beginning on July 1 of ~~in~~ in the second Calendar Year of the Term **after commencement of Collection** and thereafter on each succeeding July 1 the Diesel Fuel Component will be adjusted by the percent change, if any, between the following:
5. Part II, Sample Franchise Agreement, Exhibit 10.A.3, for all of the RFPs has been revised as follows:
 - iv. ***Rate Adjustment for Changes in Disposal Facility Fees.*** Beginning on the **first** July 1 ~~in the second full Calendar Year of the Term~~ **occurring at least 24 months after the commencement of Collection** and thereafter on each succeeding July 1 the Disposal Component of Net Rates will be adjusted for any change in Disposal tipping fees charged FRANCHISEE by the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation during the period commencing on April 1, of the prior year, as applicable, and ending on March 31, of the current year. FRANCHISEE must substantiate to the satisfaction of the Director that FRANCHISEE is experiencing that change in Disposal tipping fees. (For example, FRANCHISEE may have independently contracted for Disposal at a cost lower than posted tipping fees at the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation, or FRANCHISEE may own the Solid Waste Facility it designated for Disposal and consequently internalize Disposal costs lower than posted tipping fees

at the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation. If FRANCHISEE does not substantiate to the satisfaction of the Director that FRANCHISEE is experiencing that change in Disposal tipping fees, the Disposal Component will not be adjusted.)

QUESTIONS

1. **Question:** Draft Agreement Exhibit 10, Rate Adjustments. The Agreement and RFP indicates that the service commencement date can be as early as 1/1/11, which means services will commence sometime in 2011. Exhibit 10, seems to indicate that the first CPI and Fuel adjustment would be granted effective July 1 of the "second calendar year of the Term" whereas the first disposal adjustment would be granted effective July 1 of the "second *full* calendar year of the Term." Does this mean the first CPI and Fuel rate adjustment would be effective 7/1/12, and the first disposal adjustment would not be effective until 7/1/13? If so, we do not understand why there would be different rate adjustment dates for the first CPI/Fuel adjustment and the first disposal adjustment, as both should be effective 7/1/12. Secondly, as mentioned in Item (14), above, Section 2.A of the Draft Agreement defines the Term as commencing on the date that both parties have executed the Agreement, which could occur in calendar year 2010. Would this mean that the first CPI/Fuel adjustment would occur 7/1/11 and the disposal adjustment 7/1/12? Please clarify.

Response: Yes, if the Collection commences before July 1, 2011, the first CPI and Fuel rate adjustment would be effective July 1, 2012, and the first disposal tipping fee adjustment would be effective July 1, 2013. Exhibit 10, Rates, Item A, Rate Adjustment, has been modified in this Addendum under Revisions to specify that the CPI and fuel rate are adjusted beginning on July 1 in the second calendar year after commencement of Collection, and that the disposal tipping fee is adjusted beginning on the first July 1 occurring at least 24 months after the commencement of Collection.

For example, if the Collection commences on May 1, 2011, then the **CPI** is adjusted beginning on July 1 in the second calendar year, then:

- 2011 is the first (partial) calendar year.
- 2012 is the second calendar year and, therefore, the CPI is adjusted beginning on July 1, 2012.

Using the same example, if Collection commences on May 1, 2011, then the **disposal tipping fee** is adjusted beginning on the first July 1 occurring at least 24 months after the commencement of Collection.

- 24 months after May 1, 2011 is April 30, 2013.
- The first July 1 occurring after April 30, 2013, is July 1, 2013.
- The disposal tipping fee is adjusted beginning July 1, 2013.

2. **Question:** As it relates to subcontractors, if we require a truck manufacturer and a cart manufacturer to provide us equipment for one of the franchise areas, are they considered a subcontractor for the purposes of this procurement process? I would assume if yes, then they are required to provide the necessary forms as specified in Section 15, subcontractors' forms list. Please advise.

Response: No. Truck and cart manufacturers are not considered subcontractors as their services are strictly obtained to procure equipment. Therefore, they do not need to be listed as subcontractors and do not need to complete the required subcontractor forms. Subcontractors are companies hired by the primary proposer to perform a portion, or all of the work outlined in the RFP. If a proposer is going to hire a company to perform a portion, or all of the work outlined in the RFP, then the company would need to be identified as a subcontractor on Form PW-8 (List of Subcontractors) and would be required to complete the subcontractor forms.

CLARIFICATION

1. The County has received a request to give due consideration to eliminating the Contractor Employee Jury Service Program from the RFP.

The County does not have the discretion to eliminate this Program, which is required and codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. However, as set forth in the RFP (Part I, Section 2.J) and the Sample Franchise Agreement (Part II, Exhibit 3A2, Section 3A2.3.L), if the Franchisee can demonstrate to County's satisfaction either that Franchisee is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Franchisee qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), then the Jury Service Program may not apply to that particular Franchisee. Franchisee must complete Form PW-24 of the RFP to either request an exception from the Program requirements or certify compliance.

As a clarification, as defined in Section 2.203.020 of the County Code, a "Contractor" is a person, partnership, corporation, or other entity, which has a contract with the County or a subcontract with a Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.

At this time, the County estimates that each individual Franchise Agreement for Task 2 will be less than \$50,000 in any Contract Year. However it is possible that compensation could exceed \$50,000 over a rolling 12-month period (such as April 1 – March 31) or the County may supplement the contract amount at any time during the Contract Year, which may increase the Maximum Contract Sum to exceed \$50,000. In addition, the County Code requires that the Franchisee must aggregate *all* franchises awarded to the Franchisee as well as any other existing contracts or subcontracts that the Franchisee has with the County, in order to determine whether or not the total contract amounts aggregate to \$50,000 or more. The estimated Maximum Contract Sums for Task 2 range from \$6,000 to \$48,000 per contract year (Part II, Exhibit 3A2.D) as set forth in the following table:

Service Area	Estimated Maximum Contract Sum for Task 2
Oceanview/La Rambla/West Carson	\$25,000
Chatsworth/Westhills	\$15,000
El Camino Village/Del Aire/Wiseburn/Alondra Park	\$12,000
Pioneer/Carson Park	\$6,000
Rancho Dominguez/West Rancho Dominguez/Rosewood	\$12,000
Altadena	\$48,000
Kinneloa Mesa	\$6,000
Altadena/Kinneloa Mesa	\$48,000

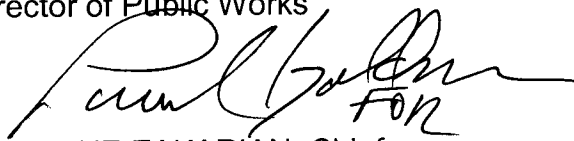
See also Part II, Exhibit 3A2, Section 3A2.L, that describes the County's remedies (including termination of the franchise agreement) if the County determines that franchisee is subject to the Jury Service Program *and* is in noncompliance with Jury Service Program requirements.

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If you have questions concerning the above information on the previous pages, please contact Ms. Jeanette Arismendez at (626) 458-4050 or Mr. Benjamin Sandoval at (626) 458-7334, Monday through Thursday, 7 a.m. to 5:30 p.m.

Very truly yours,

GAIL FARBER
Director of Public Works

A handwritten signature in black ink, appearing to read "Paul G. Zakarian". The signature is fluid and cursive, with a large initial "P" and "G". Below the signature, the word "FOR" is written in a smaller, handwritten font.

GHAYANE ZAKARIAN, Chief
Administrative Services Division

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bc: Environmental Programs (Proano w/o enc., Alva, Hajjialiakbar w/o enc., Morris,
Ruiz w/o enc.)