

VALENCIA COUNTY
STATE OF NEW MEXICO
SOLID WASTE SERVICES FOR VALENCIA COUNTY
RFP#VCR-FY17-010

Questions and Answers #3

May 16, 2017

Due to a technical error, question number one was not included in Q&A #2 (dated 5/12/2017) and is now being answered. Additionally, this is an opportunity to respond to follow-up questions number 2 & 3 below, in an effort to offer clarification to all Offerors.

NOTE: THERE ARE NO ADDITIONAL AMENMENTS TO THE RFP DOCUMENT AS A RESULT OF THESE QUESTIONS.

QUESTION:

1. With regard to the operations of the Conejo Convenience Center, in the 2015/2016 budget, there was an approximate 29% increase over the actual expenses from the previous fiscal year. The 2015/2016 budget also included transfers into revenue budget in the amount of \$220,496 from other line items in order to reconcile the projected revenue and expense budgets in Fund 446.

Under the terms of the RFP, the successful operator would retain the revenues of operations, which was \$138,886, as projected in line item 446-100-34100; however, this still left an operational shortfall of \$517,553, based upon the projected expense line items.

During a review of the projected expense budget, several expense categories were not allocated funding, including the following:

☐ Equipment

◦ There was no budgetary allocation for equipment purchase or replacement.

☐ Insurance

◦There was no budgetary allocation for insurance for vehicles, equipment, or property.

☐Fuel (Gas/Oil)

◦There was no budgetary allocation for the costs of fuel for operations of the Conejo facility.

☐Utilities

◦There was no budgetary allocation for the costs of the utilities required to operate the Conejo facility.

☐Grounds Maintenance and Improvement

◦There was no budgetary allocation for grounds maintenance.

The costs associated with the required infrastructure improvements are the responsibility of the successful offeror and all such improvements will revert to the County at the end of the contract.

Based upon a budget review, the operational cost of the Conejo Convenience Center is approximately \$656,439 minus approximately \$138,886 in revenues, plus the additional costs of insurance, fuel, utilities, etc., that were not included in the expense budget in Fund 446. In addition to operational costs, the costs of the Conejo improvements must be included. **Should these costs be incorporated into our proposed monthly household collection price and proposed gate fees?**

*2015/2016 budget was used, as the 2017 Final Budget online is not the detailed budget, and the Solid Waste Enterprise Fund does not have any numbers included in the budget online.

ANSWER: The report generated from the County's budget for Conejo is not a tool that is easily compared to an enterprise type fund since the County's budget does not function for the creation of profit. Offeror's are encouraged to include all reasonable projected expenses/improvements in the development of their operational budget/plan and also the Cost Response Form (Appendix C). How the Offeror incorporates those projected costs is at their discretion and will be reflected in each Offerors proposal.

2. It appears the income we would be looking at is the transfer station line item of \$138,886, but could you confirm that we would not be receiving the Gross Receipts or the Solid Waste Enforcement Fee, if that correct?

ANSWER: The gross receipts is an environmental GRT and the proceeds of that revenue would remain with Valencia County.

3. What does the Gross Receipts line item consist of, in terms of whether this would be something we would charge that would be paid to the State?

ANSWER: The gross receipts line item is revenue (.125%) from the gross receipts of sales in the unincorporated area of Valencia County.