



## ADDENDUM NO. 2

Issue Date: August 16, 2019

Project Name: Yard Waste Processing and Recycling Services

Bid Number: 2019045

Original Opening Date: August 20, 2019 at 2:00 PM

**Revised Bid Opening Date: September 10, 2019 at 2:00 PM**

This addendum is being released to change the deadline for bid receipt and answer questions received to date. The information and documents contained in this addendum are hereby incorporated in the invitation to bid. **This addendum must be acknowledged where indicated on the bid form, or the bid will be declared non-responsive.**

### Questions and Answers

1. The original RFP document does not have any reference to a \$300,000 Performance Bond being required for the term of the Agreement. There is a Public Construction Bond form attached to the Sample Agreement but this is not a Construction Project and there was no Performance Bond called out in the actual RFP Notice Page or Scope of Work pages. There is now however, a \$300,000 Performance Bond added to the new Article 4 – Payment Procedures and Adjustment that was provided under question #3 that relates to requesting an annual CPI. Definitely a different way to now incorporate a requirement for a Performance Bond if that is the intent. And if it is, this is at a very late stage of the process with the RFP Opening Date still being the original RFP Opening Date of August 20, 2019. Which is less than a week away. Obtaining approval of a Performance Bond of this size can often take several weeks, and is usually initiated when the RFP or Bid is first advertised and obtained. A Performance Bond for a service contract is also a differently worded document than the Public Construction Bond attached to the Sample Agreement.

There is also a reference to bonding in question #9 of the Addendum, which mirrors an Addendum question from when this contract was last bid in 2017. So not sure how that question was raised when it is not actually in the RFP.

**This RFP No 2019045 is for Yard Waste Processing and Recycling Services and included a “Sample Agreement” as an example including the Public Construction Bond. The comment in the above question is correct, this is not a construction project. All references to a requirement for a Public Construction Bond in the RFP are hereby deleted.**

**The intent of this RFP is to provide similar bond requirements as the current agreement for processing yard waste. Therefore, through this Addendum No. 2, the RFP No. 2019045 requirements are for an annual payment and performance bond in the amount of \$300,000 renewed annually with verification of insurance as stated in Addendum No. 1 issued on August 14, 2019.**

**As requested in the comment above, the deadline for RFP No. 2019045 is extended to 2:00 PM on Tuesday, September 10, 2019.**

2. The Insurance Section of the RFP includes a requirement for Professional Liability insurance which is also something generally required with a construction and/or design contract and not a service contract. Can this be deleted?

**The Professional Liability insurance requirement in RFP No. 2019045 are hereby deleted.**

3. With a requirement to market the material for 10 years, that is an extremely risky proposition for a contractor with the ever changing markets for biomass products, and not providing a mutual termination for convenience language for the Contractor as well, may preclude bidding on it. We ask that your responses to Questions #4 and 5 of Addendum #1 be reconsidered. The language from the previous contract on Termination for Convenience and Mutually Agreed upon Extensions are even more applicable to a longer term agreement due to the increase in risk due to greater probability of changes impacting rates and markets over the longer period of time. It is a simple fact that risk of increased costs of operation and changes in markets increase over time. While a County may believe it is in their best interests to lock in rates and terms for a long period of time with little flexibility for the Contractor, it risks causing issues for the Contractor that would prevent them from performing profitably which is necessary to ensure performance and the successful conclusion of a long term contract.

**The comment above has been taken into consideration. However, SWDD is also at risk in locking in rates for a 7-year base period with built in adjustments. Therefore, the request for a mutually agreed extensions is not granted.**

**However, on the issue of a Termination for Convenience, the following Article 2.2 is added to the sample agreement. The timeframe is extended to six (6) months prior to the end of a given fiscal year to allow SWDD time to advertise a solicitation for services.**

## **2.2. Termination for Convenience**

**This Agreement may be terminated by either party with at least a six (6) month notice prior to the end of the fiscal year (September 30<sup>th</sup>) of intent to terminate.**