

ADDENDUM #2 – ATTACHMENT A
CITY OF FEDERAL WAY SOLID WASTE COLLECTION RFP
RESPONSE TO RFP QUESTIONS
FEBRUARY 26, 2019

	Section	Hauler	Question/Comment	Response	Action
1.	RFP General	WCI	Does the current contractor have contractor owned detachable receiver containers or self contained compactors in place at customer locations that would be removed if they did not retain the contract? If so may we be provided a count?	Customers who lease or own compactors (both drop-box and detachable containers) make their own decisions on vendors for those containers. The provision of those containers and related equipment is outside of the scope of this contract. Note that the Form 2 includes container counts for compactors.	None.
2.	RFP General	WCI	How many limited access vehicles are utilized by the current contractor to provide services?	The City believes no LAV's are used in the City. The City has posted several dozen cul-de-sacs as "no parking" areas on garbage service day. This presumably reduces the need for LAV's.	None.
3.	RFP General	SSS	Can the City please confirm the total revenue for 2018?	<p>The City did not project total revenue for 2018. The March 2019 Annualized Revenue Projections (RFP Attachment B.1) is based on 2018 container counts, but uses rates effective March 2019 through February 2020. Please refer to the notes at the end of that attachment for clarification.</p> <p>Addendum # 1 - Attachment B included a list of an additional 700 hauls & tonnage that occurred in 2018. Those counts do not appear to be included in the original RFP Attachment B.1, so presumably 2019 estimates would be incrementally higher than shown in RFP Attachment B.1. The City requested that its current hauler account for the additional hauls and provide a reconciled update. If that data becomes available it will be included via addendum.</p>	None, but updated information will be provided via addendum if available.
4.	RFP General	SSS	Has the City considered the impact of proposed legislation on the recycling services being offered? How will the City score or account for these potential changes (for example, glass no longer being recyclable?)	The City has not attempted to forecast future changes in laws or regulations. Any that occur will be dealt with in context with implementation of said law at the appropriate time. For purposes of this RFP, please refer to the list of recyclables in Exhibit C of Appendix A.	None.
5.	RFP General	RCS	<p>The Base Proposal now allows the Contractor to either use existing carts or buy new ones. The condition of the existing aged carts and the extent to which they need to be replaced to meet the City's quality standards are unknown.</p> <p>In addition, the City is changing the color assignments to be consistent with similar cities in the region (Trash – Grey, Compostable -Green, Recycling – Blue). Per for the RFP Section 1.2, "the new Base Contract will feature different container/cart color assignments...which could negate the certain use of certain carts." For example, Attachment B.1 shows 6,529 green 35 gallon carts, which under the existing program was a solid waste cart but will now be available as a composting cart. However, the average size for a composting cart is often larger than 65 gallons since 35 gallon carts typically do not accommodate appropriate volume for yard debris. As a result, it is difficult to make assumptions regarding the implementation of these existing carts.</p>	<p>The City prefers that proponents inspect the condition of existing carts and account for how their continued use via redistributing them to meet the new color assignment will impact your rate proposal. Even with reuse of the existing carts, new carts will be required as the redistribution will result in excess green carts. Proponents should assume that yard waste is fully embedded in residential rates, and determine how many additional new green carts will be required.</p> <p>The City realizes that this may be challenging for proponents, yet cost isn't the only evaluation factor. The City is attempting to balance "leveling the playing field" with leveraging assets in ways that minimize ratepayer impacts. An incumbent typically has some financial advantage in any given competitive process, but the adjusted scoring</p>	No change.

			<p>Attempting to price the use of these existing carts would require pricing assumptions that are uncertain and will favor the incumbent. Capital assumptions regarding these existing carts can have a material impact on the pricing from proposers.</p> <p>To ensure a level playing field and an apples-to-apples comparison among proposers, please require new carts in the Base Proposal, and if desired, negotiate a price reduction for used carts during contract negotiations.</p>	weight (60% quantitative and 40% qualitative) also mitigates for this to some degree.	
6.	RFP General	RCS	Appendix B.1, "Annualized Revenue Projections," does not include container counts by size for curbside recycling. Please provide these cart counts, since it will help adequately price the capital requirements for curbside recycling.	<p>December 2018 deployed residential recycling cart counts [as reported by incumbent hauler]:</p> <p>35 Gallon = 284</p> <p>64 Gallon = 10,357</p> <p>96 Gallon = 8,411</p>	None.
7.	RFP General	RCS	Item 16 in the Industry Review Response table noted that there would likely be "at least one additional round of Q&A." Can you please provide the timeline for the additional Q&A period(s)?	The Addendum cover sheet includes the process and timing for additional questions.	See Addendum cover sheet.
8.	RFP General	RCS	Thank you for your response to our question on process integrity rules (item 26 in the Industry Review Response table). The response notes that if a Public Records Act request for a proposer's proposal is made before the RFP process is completed, "the Proposer may choose to pursue a court order prohibiting or conditioning the release of such documents." Could the City please confirm that if a proposer seeks such a court order – which would involve a lawsuit against the City – such a step would not be viewed unfavorably by the City? We believe such PRA requests undermine a fair procurement process and staff's ability to evaluate proposals. We would like the ability to oppose such requests without being prejudiced in the RFP process.	The City recognizes that any person who is named in a requested public record, or to whom the record specifically pertains, may lawfully seek a court order to enjoin the examination of such public record. The City will score proposals based on the criteria established in the RFP, and because the scenario you identified is not referenced as part of the evaluation criteria, it is not relevant to the City's evaluation process.	No change.
9.	RFP General	RCS	<p>Please consider requiring all proposers to use prevailing wages for the King County area. A prevailing wage requirement standardizes each proposer's wage structure, whether or not the company is unionized. In addition, some companies have lower wages and benefits for recycling drivers in comparison to solid waste drivers. A prevailing wage requirement ensures that all employees performing similar work receive equitable pay. While each company may have different route productivity assumptions and route design, standardizing wages and benefits helps ensure consistent and fair labor rates.</p> <p>As an example, we have included the prevailing wage attachment from the City of Seattle's recent solid waste collection RFP. This requires proposers to include wages of \$32.09/hour, a healthcare employee cap of \$177/month, a pension of \$8.46/hour, specific Vacation/Holiday allowances, etc.</p>	The City has considered this comment.	No change.
10.	RFP General	RCS	Item 73 in the Industry Review Response table discusses excess cardboard left outside the recycling container by customers. Such material would be exposed to the elements and as such may become unrecyclable. Would the City be amenable to having this material handled (i.e. recycled or disposed) according to an agreed protocol, perhaps as part of the Contamination Reduction Plan?	The City may consider a process for addressing this as part of the contamination reduction plan.	No changes at this time.

11.	RFP Section 1.3	SSS	As stated by the City, the “zero waste” concept holds that no recoverable materials will be disposed as garbage, not that there would be no garbage. With bundled services, customers are paying for all three streams of collection with one rate, so they will continue to pay for all streams, even if zero waste is achieved. If all streams are paid for with one rate (the garbage rate) and garbage reduces to “no recoverable material”, there would be a drastic reduction in garbage volume and container sizing. Therefore, the selected hauler would see a significant reduction in revenue. How will the selected hauler afford to provide organics and recycling services for free (or with the reduction in revenue and increase in recycling and organics services? due to a large shift in materials towards zero waste?	Diversion rates have been stable and predictable over many years and this sort of scenario has not materialized, nor has this concern been identified as a potential issue by other contractors. The base contract includes provisions that would address changes triggered by law or regulation that would be necessary to achieve this level of diversion (for example, enforced mandatory recycling).	No change.
12.	RFP Section 1.3	SSS	How do embedded residential rates reduce billing questions for customers?	Residential recycling services have always been embedded for Federal Way customers. Reverting to a billing practice based on charging for recycling as a separate line item would likely generate confusion and unproductive customer inquiries to the contractor’s customer services staff.	No change.
13.	RFP Section 1.3	SSS	While embedding rates is becoming increasing disfavored and questionable legally, the City at the very least should request pricing for the separate lines of business and then it can bundle the services when customers are billed. The City has offered no compelling reason to request proposals with bundled/embedded rates. By removing embedded residential rates, the City will get a much better comparison of proposals, while eliminating major assumptions by Proposers.	It is the City’s policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No change.
14.	RFP Section 1.3.1	SSS	In response to Comment 11 and regarding fairly comparing rate proposals: Understanding that the cost to compost and recycling is less than garbage, to some degree this point makes sense. But also understand that there is a fixed collection cost to collect any service from a resident, whether garbage, recycling or compost that will still impact the hauler. If the garbage volume reduces, so does the haulers revenue to account for compost and recycling. Compost and recycling may cost less, but there will still be an increase in cost to the hauler due to the increase in tonnage to those streams with no revenue to allocate to those increased costs. If the City were to have all proponents submit based off of actual services by solid waste line item, the risk of “projections” is eliminated and comparability of proposals is easier for the City.	As noted in the response to Question #11 above, diversion levels have remained consistent over the years. In past procurements, proponents have typically been comfortable with the risk (and reward) of shifting amounts material between streams, without additional city financial reviews and audits of contractor’s costs and revenues.	No change.
15.	RFP Section 1.13	SSS	The City is asking the hauler to make major assumptions and estimations. Embedded rates are extremely problematic for long term sustainability within the industry. We strongly advise the City to eliminate embedded rates. A cost is a cost, no matter how you bury it in a rate to a customer. The customer deserves the right to know what they are paying for.	It is the City’s policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No change.
16.	RFP Section 2.11	SSS	We appreciate the City’s willingness to go to 60/40, but why is the City unwilling to go to a 50/50 scoring model between quantitative and qualitative? Citing the same reasoning from our previous questions and other proponent’s questions.	The proportion has already been adjusted, but be aware that survey results indicate that rates are very important to City ratepayers.	No change.
17.	RFP Section 2.11.1	SSS	If the City rejects a Proposer’s selected facility or other proposal component, it is hard to see how that Proposer should not be docked qualitative points.	The City has considered this comment.	No change.

18.	RFP Section 2.11.1	SSS	We strongly urge the City to revise the Process section to include Council and the Mayor's office in the review of all proposals, prior to negotiating additional terms to the contract and presenting a fully negotiated bid. This is one of, if not, the largest and the longest-term contracts with the City. It takes a tremendous amount of work on the proponents end in light of the significant amount of assumptions proponents are asked to make over a 10+ year period. The Council and Mayor's office should have the opportunity to hear about all creative proposals submitted. See Kirkland for an example of fair comparison of proposals and preparation of an agenda packet for Council review. Alternatives should also be a Council decision and discussed after staff is given direction on which proposer to negotiate with.	This comment was already addressed in the City response to question #23 during the industry review. The City has received copies of Kirkland's comprehensive documentation and will emulate as appropriate.	No change.
19.	RFP Section 2.11.2	SSS	A scoring rubric should be used to provide transparency and objectivity to this process. This rubric with scoring for all proposals should be provided to Council prior to contract negotiation.	The City intends to use a cohesive scoring process for the evaluation team to assess qualitative elements. All City Council members will have access to the proposals and will be provided the results of the quantitative and qualitative evaluation.	No change.
20.	RFP 3.1.C.1	SSS	Why does the City ask for so much more information regarding a selected recycling facility as compared to compostables processing facility? Should there be more emphasis on the compostables processor considering this facility manages a large portion of the City's overall material? Quality end products and effective marketing/end markets are just as important for this type of recycling. This should be a qualitative evaluation factor.	In this market, proponents typically have affiliated recycling processing operations that may differ in their approaches to processing and marketing. The commodity market environment has more potential for volatility and change so the City would like details about the prospective contractors' operations. This contract will include a commodity adjustment process, and seeing first-hand how MRF's manage throughput is integral to that. In contrast, commercial composting in NW Washington is dominated by established independent companies who provide an integral, valuable and sustainable service, but material flow is more local and not subject to the same market dynamics as recyclables.	No change.
21.	RFP Form 2	WCI and WM	Can RFP Appendix C FW 2019 Form 2 be provided in Excel format?	Yes.	Provided with Addendum #2.
22.	RFP Form 2	RCS	Alternative 3 in the RFP features mandatory collection. Please provide details on the City's planned enforcement practices, should the mandatory collection alternative be implemented. This will help adequately price this alternative based on realistic assumptions for new customers and associated revenue. In our experience, without specific enforcement language it is extremely difficult for proposers to make assumptions.	If the mandatory alternative is implemented, the City anticipates the contractor would be the primary advocate for promotion of mandatory service sign-ups. The City does not plan to provide direct enforcement of mandatory service sign-ups on individual ratepayers, but would consider codifying 'mandatory sign-ups' as part of FWRC to help encourage compliance. Note that the RFP instructions for this alternative incorrectly indicate that all sectors would be mandatory. The most likely implementation scenario for mandatory collection would be for only the single-family residential sector.	No change, other than applying only to single-family customers.
23.	RFP Form 2	RCS	Please provide data on the numbers of extras charged over the past two years.	Extra units and yards for 2017 and 2018 are listed in a table.	"Attachment C" of Addendum #2.
24.	RFP Form 2	SSS	The City should deduct points if a Proposer heavily subsidizes one line of business with another. A Proposer who does not provide cost of service rates could be viewed more favorably by offering lower rates for the many (residents) while penalizing businesses with excessive rates.	The City does not intend to attempt to evaluate the methodology each proponent uses to apportion costs between customer classes. As the City is not providing cost-plus rate regulation (e.g. WUTC's regulatory approach), it is the City's intention to evaluate based on aggregate rates as directed in the RFP. Nevertheless, the City has stated that rate proposals be cost-of-service and the contract will not allow any future rebalancing of rates due to different growth rates between sectors over the life of the contract, including potential annexations.	No changes.

25.	RFP Form 2	SSS	In response to: "Embedded recycling would presumably spur increased diversion above that projection, as the cost barrier to expanding recycling services is eliminated." Can the City please elaborate? Wouldn't the cost still be embedded into the garbage rate? This appears speculative.	The reference to the cost barrier reflects regional experience with businesses and MF property management. Seeking corporate or managerial approval to spend money on a new service (even if it is intended to reduce the garbage bill) is an unnecessary barrier. The City prefers a rate structure that allows simply ordering the appropriate recycling service as part of setting up a given service package.	No changes.
26.	RFP Form 2	RCS	Form 2 hard-codes the rates for certain ancillary services. In many cases, the hard-coded rate is well below the cost of the service. This means users of these services are being subsidized by the majority of ratepayers who don't use them. In addition, the low hardcoded rates for extras may result in customers not right-sizing their containers. Would the City be open to modifying the hard-coded rates during contract negotiations? If not, would the City consider doubling the following hardcoded rates: \$3-4 for extras (32g equivalent), \$10 for extra loose cubic yards in containers, \$10-\$25 for return trips, and \$10 for container redelivery?	These hardcoded rates have been increased by 50%.	Form 2 has been revised.
27.	RFP Form 2	RCS	The RFP requires rates to be proposed in year 2020 dollars. However, the first CPI adjustment will not occur until January 1, 2022, 16 months after the contract start date. Is the intent that the proposed year 2020 rates (adjusted for the Administrative Fee and changes in disposal costs) will apply for the entire period from September 1, 2020 through the end of 2021?	Yes. The City does not want to have a general rate increase four months into the start of a new contract. Due to rate notice practices, customers would receive a rate increase only 10 weeks into the contract. The City would prefer to avoid this situation.	No changes.
28.	Section 4.1.11	SSS	If a new compost facility is proposed as the primary, what criteria will the City verify to ensure the back-up facility is capable to process the City's material if the primary facility is not operable in time?	The City would accept written assurance from an alternative permitted processor that they have the necessary capacity, subject to City confirmation.	No change.
29.	Section 4.1.11	Cedar Grove	We have seen contamination protocols in collection contracts for many years but they are often ignored or marginally utilized. How can the City ensure the selected hauler develops and follows through on their reduction plan?	Contractors have been less willing in the past to remove service from problematic customers. China Sword has changed that dynamic and has made it clear that problem customers (recycling and composting) need to be removed from the system if they are unwilling or unable to properly prepare recyclables. The new contract will be managed with this in mind.	No change.
30.	Section 4.1.11	Cedar Grove	As an example of contamination impacts on diversion, Cedar Grove Compost has seen an influx of contamination in recent years. With confusion caused by China's National Sword and increased costs related to garbage due to embedded rates, we strongly believe that a resident will fill-up their garbage container then dispose of full bags of garbage into the organics and/or recycling container with little or no penalty. Cedar Grove has seen a large increase of bags of garbage in their inbound feedstocks. While we understand Cities are working very hard to reduce contamination at the source, to sustain recycling options it is imperative to make changes that benefit improving the quality of programs. In theory, rates to the customer should not be impacted by separating out all 3 services. Unbundling will help educate the customer on what they are actually receiving for solid waste services and that there are actual costs behind recycling and composting	It is the City's policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No change.
31.	Section 4.1.13	WC	Section 4.1.13 refers to "Collection vehicles shall also be equipped with back-up cameras, as well as route-recording cameras integrated with their on-board route management system." For the route-recording cameras, is the City's expectation that the video from these cameras be used for safety, customer service, or both? Would the City allow the route-recording camera system be separate from the contractor's on-board route management system?	Yes, the City would allow the route-recording camera system to be separate from the contractor's on-board route management system.	The final contract will be revised if needed.
32.	Section 4.1.13	RCS	Sections 4.1.13 and 4.1.14.2 require the Contractor to repaint vehicles and metal containers whenever requested by the City. We agree that the City should have a	Yes	Final contract will be clarified.

			remedy if the Contractor fails to maintain the appearance of its equipment, but on the other hand the Contractor shouldn't have to perform expensive repainting arbitrarily. Would the City consider revising these sections to say that the Contractor will repaint vehicles and metal containers "upon City's request if City reasonably determines that repainting is necessary for safety or aesthetic reasons"?		
33.	Section 4.1.19	RCS	Section 4.1.19 requires the Contractor to provide site planning assistance within 5 working days of request. This seems like an unreasonably short time frame. Would the City consider lengthening it to 10 working days? Also, this section requires the Contractor to provide input on strategies to contain leaks and reduce noise and emissions within buildings. These items seem more appropriate for an architecture or engineering firm, so we suggest deleting these requirements.	The level of analysis and input requested by the City would not require such a lengthy period for response. The City typically seeks input on clearances, access, slope, drainage, and placement. This input is often solely to corroborate City staff observations, not to perform extensive analysis or original calculations.	No changes.
34.	Section 4.1.22	RCS	Could the City please confirm that the obligation to reimburse COBRA payments for displaced employees in Section 4.1.22 applies only to displaced employees who are actually hired by the Contractor?	Confirmed.	Final contract will be clarified.
35.	Section 4.1.22	WCI	Section 4.1.22 Hiring Preference. Could the current contractor provide the current value of workers wages and benefits to include values by classifications, if applicable? If there are collective bargaining agreements currently in place, could the current contractor provide copies of those agreements? If not, could the current contractor provide which locals these agreements are with, what folks are covered under these agreements, and what are the expiration dates of the agreements?	The City does not have the current contractor's labor agreement with Local 117, so proponents may wish to contact this agency for particulars.	No changes.
36.	Section 4.2.1.2	WCI	Section 4.2.1.2 Containers refers to micro cans. In Section 4.2.1.3 micro cans are struck. Does the City want micro cans as a service level, or are those eliminated in the new agreement?	The City did not intend to specify that service level.	The draft contract has been revised.
37.	Section 4.2.1.3	RCS	Do the SFD carry-out charges described in Section 4.2.1.3 (the SFD garbage collection section) also apply to SFD recycling and compostables containers?	No, the carry-out charge is added to a customer's bill once and covers all three services (garbage, recyclables, and compostables).	No changes.
38.	Section 4.2.2.1	SSS	Multiple prospective haulers recommended the removal of embedded residential rates. This should be seriously considered and the City should respond to its prospective haulers and their knowledge of the industry.	It is the City's policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No changes.
39.	Section 4.2.2.1	RCS	To help increase the City's current 14% diversion for commercial service, would the City consider fully embedding recycling service for commercial customers as part of the Base Proposal, and not as an alternative? Commercial customers are typically the largest volume generators with the most opportunity for diversion.	The City hopes proponents focus on increasing recycling opportunities for commercial customers. As such, from a rate structure and service consistency perspective, the City would generally prefer to have fully embedded commercial recycling in the base contract. However, since markets are volatile, concerns exist about how that might impact rates, and therefore the City structured the RFP alternative accordingly.	No changes.
40.	Section 4.2.5	RCS	Please provide data on the number of accounts that have the fee cap applied to commercial recycling.	Essentially all commercial accounts set up under this contract that include recycling services have been subject to the fee cap.	No changes
41.	Section 4.3.4.3	RCS	The contract requires the Contractor to provide 12 ad hoc reports per year, on any subject and in any format requested by the City. They must be submitted within 5 working days, and if late are subject to \$500/day performance fees. While 5 working days is enough time for "push-button" reports, it could be unreasonably short for complicated or time-consuming reports. Would the City consider changing the 5-day limit to a period to be agreed by Contractor and City, not to exceed 30 days?	In practice the City typically requests 'push button' reports. If an extended period was required to assemble some form of complex data or reporting (that we haven't even thought of yet), the city would waive any performance fees and be amenable to having the contractor take the time to accurately prepare the reporting in question.	No changes.
42.	Section 4.2.5	SSS	What assumptions and/or conclusions does the City disagree with in the State	It is the City's policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further	No changes.

			Auditor's report?	justify this position.	
43.	Section 4.2.5	SSS	If all Proposers choose to not submit a rate for the alternative of unlimited free commercial recycling, would this alternative therefore become irrelevant and/or eliminated?	It is very unlikely that multiple proponents would risk having their proposals declared unresponsive.	No changes.
44.	Section 4.2.5	SSS	How does embedding rates ensure that cost-effective commercial recycling services are available to all city commercial customers? An open market system without question will provide these services to all customers at fair market rates.	It is the City's policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No changes.
45.	Section 4.2.5	SSS	The City of Seattle has one of the highest diversion rates in King County and they do not embed rates. Recycling is the norm now throughout King County regardless of whether rates are embedded or not. Please further explain your logic behind: "Embedding commercial and multi-family recycling services is a normal, routine, and long-standing practice for many King County cities, which has contributed to improved recycling diversion levels."	In actuality the City of Seattle has largely the same limited 2-cart embedded commercial recycling program that exists in Federal Way to serve smaller customers. Further, Seattle is a major metropolitan area with multiple service providers that can actively compete in a very dense service area, not a suburban residential community served primarily by one company.	No changes.
46.	Section 4.2.5	SSS	"Fee Based Services" should not be considered a barrier. Especially when considering that "fee" is embedded into the garbage rate. We view this as hiding actual costs from the customer.	It is the City's policy to embed services within rates because this best serves the ratepayers we represent. The City does not plan to further justify this position.	No change.
47.	Section 4.2.7.2	RCS	Section 4.2.7.2 states that drop boxes will be provided to new and temporary customers within 3 days of request. However, Section 4.2.7.3 states that drop boxes shall be delivered to new customers within 1 day of request. Can the City please clarify?	It should be three days. Thanks for identifying the inconsistency.	Contract will be changed accordingly.
48.	Section 4.3.2	WCI	Section 4.3.2 Specific Customer Service Requirements. Is the current contactor providing a staffed call center on Saturdays? If so, can the current contractor provide call volumes by service? Would the city entertain other options instead of a staffed call center on Saturdays?	Yes, they provide a staffed call center on Saturdays. No, the current contractor provides regional weekly call volumes (not split by sector). The contractor has repeatedly indicated this is as close to local (Federal Way-specific) data as can be provided, so presumably daily volumes are not available. Yes, please detail any "other options" in your proposal and if the City finds them appropriate for our ratepayers, the contract would be revised during finalization.	Final contract may be revised.
49.	Section 5.1.2	SSS	It does not appear that this revision [referenced by Comment #100 in the Industry Review responses] was made in the contract.	This was our error. It will be corrected in the final contract.	Final contract will be revised.
50.	Section 5.3.2	SSS	While the restriction to certain market adjustments may have been corrected under Comment 100, the City should also provide express language and a mechanism for making the adjustment. This language is proposed: <i>"Organics processor may request a price adjustment by way of written notice to the City. The organics processor shall supply supporting documentation for any requested price adjustment to account for unexpected increased costs to process City organic material. Reasonable price changes based on market conditions, cost analyses, or regulatory changes shall be approved by the City. City will evaluate the supplied documentation to determine if the price adjustment is considered fair and reasonable."</i>	The City's collection contract is not with the Contractor's organics processor. Separate contracts between collection contractors and their processors govern how those fees are managed.	No changes.
51.	Section 5.3.5	RCS	State lawmakers are currently considering a 1% increase in the B&O tax. This underlines the need to ensure that the Contractor can be made whole for any such changes in taxes or other laws that are beyond the Contractor's control but increase the cost of doing business. Would the City consider agreeing to pass through	There is a pass-through, subject to a threshold. The threshold is there to protect both the City and the Contractor from constant minor adjustments in rates due to increasing or decreasing taxes. The City's due diligence on rate changes costs money and it makes little sense for	No changes.

			<p>costs/savings resulting from changes in taxes or governmental fees (Section 5.3.5), and not to unreasonably withhold consent to a request by the Contractor under Section 5.4 (changes in law)?</p>	<p>the City to spend \$10,000 having an accountant review a \$2,000 tax change. Similarly, the Contractor will not want to have the City directing a rate reduction if Federal Excise taxes on tires are reduced 25%. The threshold allows the City and Contractor to focus on more material levels of changes in taxes over the life of the contract.</p>	
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