



sanitation

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– NOTICE TO PROSPECTIVE PROPOSERS –
ISSUED MAY 16, 2022
ADDENDUM #4
COMMERCIAL WASTE ZONE IMPLEMENTATION
PIN: 82720AD0038

This Addendum is issued for the purpose of amending Part 2 of the Request for Proposals (“RFP”) for the above-referenced solicitation. It is hereby made a part of said RFP to the same extent as if originally included therein.

This Addendum amends the above-referenced solicitation to modify and explain in greater detail the evaluation criteria. **Section III.B Evaluation Criteria** is replaced with the updated section attached to this Addendum. Notably, the weights of the evaluation criteria are amended as follows:

- Capacity and Operations (25%)
- Technical Proposal (35%)
- Price Proposal (40%)

These first two pages summarizes some of the changes and starting on page 3 of this Addendum the actual changes are indicated. This Addendum adds the following language to the description of the pricing proposal evaluation:

The pricing evaluation is structured to assign the highest scores to Proposers that offer the most competitive rates to their customers by having the lowest maximum prices. Proposers are encouraged to consider the projected operational cost savings modeled in the 2019 Final Generic Environmental Impact Statement for the CWZ Program (“FEIS”) when developing their pricing proposals. The FEIS estimates that the efficiencies gained from the shorter routes within zones will reduce vehicle miles traveled by 50%. Based on the FEIS’s analysis, it is estimated that the average individual route should be completed 31% faster under CWZ with an overall 11% reduction in the number of routes. It is further projected in the FEIS that these savings on routes will lead to direct savings on fuel, truck maintenance, and labor. It is finally estimated in the FEIS that after comparing the savings generated by routing efficiencies with the costs incurred by a carter in meeting new programmatic requirements of the CWZ system, the total operational costs to the carting industry will be 2% lower under CWZ than they would be otherwise. The City does not guarantee that the projections in the FEIS will actually occur.

Proposers are also reminded that Section 6.2 of the template agreement (Appendix C) describes the process of automatic adjustments to maximum rates based on indices of

inflation. Therefore, Proposers are encouraged to offer their prices for Year One of service in the pricing proposal.

In order to encourage competitive rates for customers, DSNY reserves the right to request and consider Best and Final Offers on price if received price proposals are not appropriately competitive. DSNY also reserves the right to negotiate price, to award less than the maximum number of awards in one or more zones, and/or to reject proposals based on price in one or more zones and rebid, if deemed in the best interest of the City.

This Addendum deletes the statement “The Department strongly prefers that the rate for Recyclable materials and the rate for Organic Waste each be at least 30% lower, relative to the rate for Refuse” from the following sections of the RFP: Section II.E.1.d.ii., Section III.B.3, and Attachment 14; while maintaining the language that “As required by LL 199, Proposals that include lower rates for organics and recycling collection than for refuse collection services will be viewed more favorably.” The following language is also in the Department’s Rules provided in Appendix B of Part 2 of the RFP, Title 16 B § 20-21 (a)(2): “Rates for collection of designated recyclable materials and source separated organic waste must be proportionally lower than rates for refuse collection services in the proportion set forth in the agreement between the awardee and the Department where such agreement includes such a proportion, except that if the awardee collects no amount of refuse from the customer, the rate for designated recyclable materials and source separated organics cannot exceed the maximum rate for such material set forth in such agreement.”

The revised **Section III.B Evaluation Criteria** begins on the next page, with additions underlined and deletions shown in ~~strike-through~~.

III.B Evaluation Criteria

All timely and complete RFP Proposals from Proposers who meet the Minimum Qualifications and Requirements for Submission of this Part 2 of the RFP (Section I.H) will be evaluated according to the following Evaluation Criteria, consistent with the requirements of Section 16-1002(b) of the Administrative Code (See LL 199, and the Department's rules in Appendix B). Please note that all designated carters will also be evaluated under the same criteria, where applicable.

1. Capacity and Operations (3025%) *(Please note that each of the following will be evaluated holistically and each point may not necessarily count equally)* Capacity and Operations will be evaluated and scored as a whole to determine the total score. Categories within the Capacity and Operations section, as described below, will not be assigned individual percentage point values. Capacity and Operations will be evaluated based upon information provided by Proposers in Attachments 9, 10, 11 and 12.

- Experience Category: A Proposer's experience with providing commercial waste collection services will be evaluated, including but not limited to: the number and locations of existing customers, existing routes, the Proposer's general operating experience, and specific experience operating in NYC. Proposers applying for Zone awards will also be evaluated based on their prior experience in the geographic area of the Zone or Zones for which the Proposer is applying¹. Proposers that are applying for a containerized commercial waste collection award will be evaluated based on their relevant experience collecting containerized commercial waste in NYC. Proposers will also be evaluated based on similar experience and performance of services outside of NYC, where relevant. In addition, Proposals will be evaluated based on the specific experience of the Proposer's key team members to perform the range of services required to service each Zone for which the Proposer is applying or for containerized commercial waste collection, where applicable. Experience in collecting and marketing recyclables and organics will also be considered. Evaluators will also consider any other information available or provided to the Department.
- Capacity, Financial and Business Information Category:
 - A Proposer will be evaluated based on the nature and frequency of the commercial waste collection services proposed and the Proposer's plan for ensuring that the proposer has the ability and adequate capacity to provide such services within the Zone or Zones for which the Proposer is applying, or Citywide, in the case of proposals for containerized commercial waste collection. Specifically, the Proposer will be evaluated based on the following elements in comparison to the Proposer's ability to meet its obligations under the Agreement and provide the services proposed, while remaining in full compliance with all applicable laws, including but not limited to LL 199 and the Department's rules, and all applicable environmental, safety, labor and employment laws:
 - The Proposer's financial strength, including net worth, profitability, debt to equity ratio, liquidity, access to sources of working capital, and access to credit;

¹ Proposers should include the customer and route information in the response to Attachment 9.
New York's Strongest

- The Proposer’s organizational structure and size, including its current workforce size and its staffing plan to ensure continuity and safety in the delivery of services;
- The Proposer’s existing fleet and facilities, physical assets and other relevant infrastructure; ~~and~~
- The Proposer’s plans to acquire additional trucks, physical assets or infrastructure or to hire additional staff as needed to meet the market needs in the Zone or Zones for which the Proposer is applying and/or to meet the market needs for containerized commercial waste collection Citywide, as applicable-; and
- The Proposers demonstrated ability to meet all minimum program requirements on the first day of the Transition Period.
- The Department will evaluate how well the Proposer has self-assessed its capabilities, inclusive of the Department’s determination of scale-up capabilities. The Department may evaluate the Proposer’s assets, bank or other lender references, and current commitments in order to assess the Proposer’s capacity to secure transition and permanent financing, meet lender’s equity requirements, absorb any cost overruns, provide transition scale-up in a timely manner, and provide continuous service for the duration of the contract.

Evaluators will also consider any other information available or provided to the Department.

- Compliance History Category: A Proposer will be evaluated for history of compliance with existing federal, state and local laws, including but not limited to, laws relating to waste collection, transport, removal and disposal, environmental protection, antitrust, consumer protection, health and safety, labor and employment, and anti-discrimination protections, specifically considering historical records of CDL violations, driving infractions, vehicle maintenance and safety requirements, workers’ compensation cases, and any history of injuries and fatalities in the last three (3) years. Evaluators will also consider other information provided in response to Question 12 of Attachment 10, and any other information available or provided to the Department.

2. Technical Proposal (CWZ Plans) (35%)

The Technical Proposal will be evaluated and scored as a whole. Plans comprising the Technical Proposal, including elements of those Plans, as described below, will not be assigned individual percentage point values.

- CWZ Plans: As described in Section II.E.2, Proposers must submit a series of Plans as part of their responses to Part 2 of this RFP. Each Plan will be evaluated during the RFP selection process and then will be incorporated into the Agreement that the Proposer enters into with the Department, subject to requested changes by the Department during the negotiation process.

The Department’s review of each Plan will follow the evaluation criteria specific to such Plan as set out in Section II.E.2 of this RFP Part 2 (CWZ Plans), in accordance with the requirements of Section 16-1002(b) of the Administrative Code (See LL 199, Appendix A) and the Department’s rules (Appendix B). For each required Plan, Proposers will be evaluated based on the quality, completeness, feasibility and reasonableness of the proposed approach. Such evaluation will consider the Plan’s compliance with the minimum program requirements and the degree to which the Plan exceeds the minimum requirements. Plans that include specific operational approaches or investments in personnel, equipment or infrastructure intended to further the Goals and Objectives of

the Commercial Waste Zones program set forth in LL 199 and as stated in this RFP Part 2 Section II.A will be viewed more favorably. The Department will give particular attention to affirmative steps the Proposer has already taken or is in the process of taking toward meeting any proposed commitments.

Additional elements of each Plan are described below, with reference to Attachment 13. The Evaluation Committee will consider the responses and information provided in this Attachment 13, and other referenced Attachments, for the following subcategories when evaluating the Plans comprising the Technical Proposal:

- Attachment 13.1: Subcontracting Plan
 - Plans to subcontract Designated Carters, justifications for using Designated Carters as subcontractors, and the degree that such use supports CWZ program goals
 - Plans to subcontract for services other than waste collection, justifications for using these services, and the degree that such use supports CWZ program goals.
- Attachment 13.2: Customer Transition Plan
 - Plans to find, market to, and acquire customers
 - Customer onboarding protocols
 - Plans to prevent and mitigate customer service interruptions
 - Plans to ensure smooth and orderly transition for customers when exiting any zones not awarded
 - Any other information on the Proposer's Transition Plan that may be considered relevant to the City's goal of ensuring a smooth and orderly transition to the Commercial Waste Zones program.
- Attachment 13.3: Education and Outreach Plan
 - Sufficient staff to conduct education and outreach to customers during the Transition Period
 - Education and outreach materials and methods employed during the Transition Period
 - Sufficient staff to conduct education and outreach to customers after the Transition Period has concluded
 - Education and outreach materials and methods employed after the Transition Period has concluded.
- Attachment 13.4: Customer Service Plan
 - Customer service tools, programs, standards, and protocols
 - Customer request and complaint protocols
 - Customer service performance metrics
 - Plan for addressing language access needs of customers
 - Written Service Agreement specifications
 - Customer billing and payment practices
 - Any plans or practices that promote cleanliness, rodent mitigation, order, and safety on city sidewalks
 - Any additional information related to the Proposer's plan to provide high quality customer service if awarded an Agreement.
- Attachment 13.5: Zero Waste Plan
 - Plans, practices and targets for waste reduction, reuse and recycling, including increasing diversion rates

- Partnerships to further zero waste goals or assist with recycling education
 - Plans to improve customer participation in and compliance with recycling laws, rules, and goals
 - Plans to provide commercial waste generation audit services to customers
 - Recycling collection services and pricing discount for recycling services, as provided in Attachment 14, Tab 4
 - Organics collection services, including plans to provide organics collection to non-designated covered establishments, and pricing discount for organics services, as provided in Attachment 14, Tab 4.
- Attachment 13.6: Waste Management Plan
 - Proposed waste disposal facilities, including their locations, proposed use, compliance history and impact on public health or safety
 - Ability to reliably process all collected waste streams properly
 - Methods of delivery to and export from proposed facilities including the use of routing software for efficient routes
 - Contribution of proposed facilities' locations to overall vehicle miles traveled in collection operations
 - Plans and additional investments for new, improved, or expanded facilities for Recycling and Organics processing by transfer stations, recycling processors or any other disposal location or location of final use or reuse where proposer intends to send commercial waste
 - Additional plans or investments designed to promote sustainability, reliability and equity in the delivery of waste management services.
- Attachment 13.7: Health and Safety Plan
 - Implementation of equipment or vehicle specifications to improve safety of fleet operations
 - Implementation of telematics and GPS tracking systems
 - Health and Safety procedures, programs, and practices.
- Attachment 13.8: Air Pollution Reduction Plan
 - Compliance with existing engine requirements
 - Plans to reduce air pollution and greenhouse gas emissions from commercial waste vehicles, including any plans to utilize zero emissions vehicles
 - Plans to reduce air pollution and greenhouse gas emissions through operational best practices
 - Plans to reduce air pollution and greenhouse gas emissions through infrastructure investments, including sustainable facilities and infrastructure for organics and recycling processing
 - Any additional existing or future plans to reduce air pollution and greenhouse gas emissions.

Evaluators will also consider any other information available or provided to the Department.

3. Price Proposal (3540%)

- *Price Proposal:* The pricing structure proposed in the Proposal will be evaluated based on the competitiveness of the prices proposed in comparison with other Proposals received for the Zone proposed upon or for containerized commercial waste services, as applicable. Where the Proposer is applying for multiple Zones, each pricing proposal will be evaluated separately. The proposed pricing structure must conform to all applicable requirements described in Section II.E.1.1, LL 199 (Appendix A), and the Department's rules (Appendix B). As required by LL 199, Proposals that

include lower rates for organics and recycling collection than for refuse collection services will be viewed more favorably. ~~The Department strongly prefers that the rate for Recyclable materials and the rate for Organic Waste each be at least 30% lower, relative to the rate for Refuse.~~

Any additional fees proposed will also be comparatively evaluated. Please note that all fees must be authorized under the Department's Rules (See Appendix B).

The Department will consider the reasonableness of the proposed maximum rate schedule in relation to the Proposer's ability to provide reliable commercial waste collection services in accordance with all requirements of the Agreement and in full compliance with all applicable laws. The Department's assessment of the reasonableness of the proposed rate schedule will include a consideration of market conditions and any additional proposed commitments beyond the minimum program requirements stated in the Proposal.

The pricing evaluation is structured to assign the highest scores to Proposers that offer the most competitive rates to their customers by having the lowest maximum prices. Proposers are encouraged to consider the projected operational cost savings modeled in the 2019 Final Generic Environmental Impact Statement for the CWZ Program ("FEIS") when developing their pricing proposals. The FEIS estimates that the efficiencies gained from the shorter routes within zones will reduce vehicle miles traveled by 50%. Based on the FEIS's analysis, it is estimated that the average individual route should be completed 31% faster under CWZ with an overall 11% reduction in the number of routes. It is further projected in the FEIS that these savings on routes will lead to direct savings on fuel, truck maintenance, and labor. It is finally estimated in the FEIS that after comparing the savings generated by routing efficiencies with the costs incurred by a carter in meeting new programmatic requirements of the CWZ system, the total operational costs to the carting industry will be 2% lower under CWZ than they would be otherwise. The City does not guarantee that the projections in the FEIS will actually occur.

Proposers are also reminded that Section 6.2 of the template agreement (Appendix C) describes the process of automatic adjustments to maximum rates based on indices of inflation. Therefore, Proposers are encouraged to offer their prices for Year One of service in the pricing proposal.

In order to encourage competitive rates for customers, DSNY reserves the right to request and consider Best and Final Offers on price if received price proposals are not appropriately competitive. DSNY also reserves the right to negotiate price, to award less than the maximum number of awards in one or more zones, and/or to reject proposals based on price in one or more zones and rebid, if deemed in the best interest of the City.

Of the 40%, 35% of the score will be based on the Proposer's maximum rates for curbside and containerized services provided in Attachment 14, Tab 4.

DSNY will apply the proposed maximum rates to existing market data for customers, tonnage, and pick-up patterns in the specific zones or award areas being applied for, producing a metric named the Maximum Total Market Value (MTMV). The MTMV is a sum of the Proposer's estimated total annual curbside collection revenue and/or containerized revenue (if applicable) in a given zone, and estimates the maximum dollar value of the Award if the Proposer were the only carter to service the zone and applied its maximum proposed price to every customer. For each zone, the MTMVs of the various Proposers will be compared and ranked. Proposals with lower MTMVs will receive higher scores for offering more competitive prices; conversely, proposals with higher MTMVs will receive lower scores for offering less competitive prices. The proposal with the lowest MTMV for each zone will receive the maximum score—35 out of 35 points. All other Proposers will be scored

relative to the lowest MTMV. These scores will be determined using reverse proportionality on an exponential scale using the formula $35/(X^2)$, where X is the ratio between the Proposer's MTMV and the lowest MTMV.

Of the 40%, 5% of the total score will be based on the Proposer's Additional Fees, provided in Attachment 14, Tab 5.

Each Additional Fee will be evaluated separately, comparing each of the thirteen allowable fees across all Proposers within a zone. A score between 0 and 5 will be given to each proposer for each fee. Proposals with relatively low fee amounts will receive higher scores and proposals with relatively high fee amounts will receive lower scores. If a Proposer provides a value of \$0 or 0% for a fee, it will receive the maximum score of 5 points for that fee. The lowest proposed amount for that fee after zero will receive 4.5 points. All other Proposers within that zone will be scored relative to the lowest non-zero fee amount for each fee. These scores will be determined using reverse proportionality with the formula $4.5/X$, where X is the ratio between the Proposer's fee amount and the lowest non-zero fee amount. If no Proposer has proposed \$0 or 0% for a fee, the lowest fee amount will receive the maximum score of 5 points. Other Proposers would then be scored relative to that lowest amount using reverse proportionality with the formula $5/X$, where X is the ratio between the Proposer's fee and the lowest fee amount. Each Proposer will receive a score between 0 and 5 for each of the thirteen allowable fees. These thirteen scores will then be averaged to produce the Proposer's total Additional Fee score between 0 and 5.

Maximum Number of Zones:

The following process will be used for calculating an advisory maximum number of zones for each Proposer. DSNY will consider the Proposer's current number of employees and vehicles to determine how much tonnage it should be able to service, based on industry averages. This tonnage will be converted into a count of zones, taking into account which zones the Proposer selected in its proposal. DSNY will also consider each Proposer's ability to scale up, if necessary, determined by:

- The Proposer's current debt ratio, calculated as total liabilities over total assets, as reported in its financial statements.
- The extent to which the Proposer can bring in assets from outside of the New York City area, based on responses to Attachment 11 Question 2.
- The extent to which the Proposer can acquire new assets, based on responses to Attachment 11 Question 2 and Attachment 12 Question 6.
- The available assets of proposed Designated Carters, based on responses to Attachment 12 Questions 4 and 5.
- The extent to which the Proposer can take on additional debt, based on responses to Attachment 11 Question 2, which may include financing commitment letters from lending institutions for expansion or documentation of access to credit.
- Any additional debt the Proposer could take on without exceeding a debt ratio of 0.8. This advisory metric will be considered "allowable debt" and will be used to measure a Proposer's potential for growth while maintaining a healthy ratio of liabilities to assets.

The advisory maximum number of zones is an estimate of the number of zones each Proposer could reasonably service, based on its current and projected capacity. This advisory number will be used to assist the Evaluation Committee in making final determinations as to which Proposers are selected for which Zone Awards.

All Proposers must acknowledge receipt of this Addendum below and return it as a part of their respective responses to Part 2 of the RFP. By signing below, the Proposer's authorized representative states that he/she has read the Addendum in its entirety.

By: *Kirk Eng*
Kirk Eng
ACCO

(Print name of Proposer)

(Signature of individual authorized to execute binding legal documents on behalf of the Proposer)

(Print date of execution)

(If a corporation, affix a corporate seal)