



June 10, 2010

**REQUEST FOR QUALIFICATIONS (RFQ) TO DESIGN,
FINANCE, BUILD, OPERATE, AND MAINTAIN A GREENWASTE
PROCESSING FACILITY IN SACRAMENTO COUNTY**

(Issued on May 20, 2010)

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(City of Sacramento)

Jimmie Yee
(County of Sacramento)

Paul J. Hahn
Administrator

Paul Philleo
General Manager/Engineer

The SWA response to the questions received by June 4, 2010.

1. Will the SWA consider extending the agreement to include a 20 year base term, instead of a 15 year base term?

SWA Response: At this time, the SWA intends to enter into a 15-year agreement. However, the SWA may consider a longer duration based on the outcome of the procurement process.

2. Would the SWA consider a provision to reimburse the private partner for a pro rata share of costs for equipment, infrastructure, maintenance and improvements for the final five years of the contract, unless the contract is extended?

SWA Response: No. The entire cost to develop, operate, and maintain the GreenCycle facility is envisioned to be funded through tipping fees, sale of finished products, etc. by the end of the initial 15 year contract's duration.

3. A major element for the success of GreenCycle is improving the transportation corridors. (a) Will the SWA specifically identify the corridor improvements that need to occur? **Yes.** (b) (What) Are the costs for improvements associated with the permitting of the nearby mining projects? **The costs for transportation improvements for the nearby mining projects are not known at this time.** (c) If so, will GreenCycle be contingent on those facilities' approval and construction of roads to service those operations? **The GreenCycle project is not contingent on approval of these projects, and the GreenCycle project is not contingent on construction of roads to service the mining operations** (d) How will the pro rata share of those costs be determined between GreenCycle and other facilities? **The GreenCycle Final Environmental Impact Report (FEIR) identifies two general transportation mitigation measures; either improvements to Scott Road or "fair share" participation with the mining projects for funding of road improvements that will service both the mines and the GreenCycle facility. The fair share funding formula is expected to**

9850 GOETHE ROAD SACRAMENTO, CA 95827-3561

Phone: (916) 875-6789 Fax: (916) 875-6767

be based on the number of heavy trucks traffic generated by each project. and (e) who will pay for the pro rata share for GreenCycle? It is anticipated that the fair share for GreenCycle transportation improvements will be funded through GreenCycle facility tip fees.

4. Is the SWA willing to include language that enables the set price mentioned in the RFQ to be adjusted up or down based on conditions that warrant re-evaluation of the pricing structure?

SWA Response: During the contract negotiation phase of the procurement process, the SWA is willing to consider adjustments to the set price mentioned in the RFQ based on such factors and the consumer price index and changes to facility regulatory requirements.

5. What happens if the selected private partner cannot obtain the necessary CEQA approvals for Track 2 uses? Since CEQA approval for Track 2 uses is at the expense of the private partner, can the SWA provide any visibility on the likelihood that a supplemental EIR will be required for an anaerobic digester solution and the approximate cost of such supplemental EIR, for budgeting purposes?

SWA Response As stated in the GreenCycle RFQ Addendum 1, Statements of Qualifications should, at the minimum, address Track 1 of the project. The scope and nature of the environmental review under CEQA is dependent on the technology proposed for the Track 2. The SWA does not have an estimate for the approximate cost for supplemental EIR for an anaerobic digester solution for this project.

It may be useful to note that the California Department of Resources Recycling and Recovery (CalRecycle) issued a Notice of Preparation (NOP) for a statewide Programmatic Environmental Impact Report on Anaerobic Digester (AD) during April 2010. For more information please visit the following link:

<http://www.calrecycle.ca.gov/SWFacilities/Compostables/AnaerobicDig/default.htm>

6. Would the SWA consider establishing performance standards that would enable a private partner to be guaranteed a five year extension?

SWA Response: The five year extension is subject to SWA Board discretion at the end of the initial contract for the 15 years and upon mutual agreement between the SWA and the private partner. Any extension to this term is dependent on the contractor's performance and SWA needs. Throughout the entire duration of the initial contract, the contractor is expected to comply with the performance standards and permit conditions for the project.



7. Will the SWA provide a five year notice, similar to a hauling franchise agreement, informing the private contractor of termination of the agreement?

SWA Response: No.

8. The RFQ states that if excess capacity is available, the private partner may accept green waste from other jurisdictions with SWA approval of tipping fees and quantity. Will the SWA consider removing the provision that requires their approval for tipping fees, as this should be subject to private negotiations? Also, would the SWA allow the facility to receive other waste streams under private arrangements (e.g., commercial food waste), as long as the facility is properly permitted to receive such materials and has adequate capacity?

SWA Response to the first part of the question (*Will the SWA consider removing the provision that requires their approval for tipping fees, as this should be subject to private negotiations?*): No.

SWA Response to the second part of the question [*would the SWA allow the facility to receive other waste streams under private arrangements (e.g., commercial food waste), as long as the facility is properly permitted to receive such materials and has adequate capacity?*]: The CEQA review of the project is focused on the residential greenwaste processing and at this stage SWA intends to focus on greenwaste processing only.

9. How will revenue generated from energy creation efforts be viewed by the SWA? Will that revenue be able to offset operating costs?

SWA Response: It is our general view that the revenue generated from products sale and energy creation is to be utilized for reducing tipping fees and offsetting operating costs.

10. Will the SWA accept RFQ submittals via email?

SWA Response: While the SWA promotes electronic communication to conserve natural resources, wet signature requirements on certain forms and technological limitations does not allow us to accept email submittals at this time.

11. Would the SWA consider, as an alternative proposal, allowing the private partner to own and operate the facility in perpetuity, and simply enter into a 15 year feedstock agreement with the private partner, if such would result in lower tipping fees (to better allow the private partner the ability to amortize capital improvements over a longer period).

SWA Response: No. It is the intent of the SWA to own the facility.

12. The SWA mentions the need for groundwater monitoring wells. What characteristics will the wells be testing and how frequently will tests need to be conducted? Also, who will those monitoring results need to be reported to?

SWA Response: The mitigation measures section of the GreenCycle Final Environmental Impact Report Chapter 12 (Hydrology) has information about water quality monitoring. Details about anticipated testing protocols may be available from the Central Valley Regional Water Quality Control Board.

13. I have a specific questions as to whether a change to the amount composted and amount converted to energy can be made.

SWA Response: SWA staff may consider allocating more tonnages to energy conversion depending on the qualifications of the submittal in which such a tonnage shift is requested.

14. Can we sublet portions of the site to grow Algae in contained clear plastic tubes?

SWA Response: No.

