

THE CITY OF WALTHAM
MASSACHUSETTS

PURCHASING DEPARTMENT

Municipal Waste Disposal

ADDENDUM NO. 1

November 28, 2014

CHANGES, CORRECTIONS AND CLARIFICATIONS

The attention of bidders submitting proposals for the above subject project is called to the following addendum to the specifications. The items set forth herein, whether of omission, addition, substitution or clarification are all to be included in and form a part of the proposal submitted.

THE NUMBER OF THIS ADDENDUM (NO. 1) MUST BE ENTERED IN THE BID PRICE FORM LOCATED AT THE END OF THE BID DOCUMENT.

ITEM 1: ANSWERS TO POSED QUESTIONS.

Q1. The bid states that the City has the sole right to extend the contract for an additional term of 10 years. Will the City consider changing this from a sole right on the City's behalf to a mutual option that both parties must agree to?

A1. The acceptance of the extension by the City is optional to the Company

Q2. Will the City consider removing the provision that would allow the City to terminate the contract for convenience on 10 days' notice? This is a long term contract that requires a performance bond; this type of very short convenience termination provision in our view seems onerous.

A2. In the paragraph of the bid document entitled: "**Termination for Improper Performance/Events of and Remedies for Default**" CHANGE FROM"...upon ten days written notice..." TO "...upon Thirty (30) days written notice..."

Q3. Will the City consider modifying the current cap on CPI to reflect a floor of 2% and a ceiling of 3% annually?

A3. The City, in the past, has paid the highest per ton rate of any city in the State. Such high rate per ton was caused by unrestricted contract terms. The City intends not to enter in a similar

contract as in the past; therefore, it insists on the application of the language in the main body of the bid: “2. **CPI, Commodities** (Boston) up to a maximum of 1.25% per year with a total Cap, over the duration of the contract, of 5% for the Five (5) year option or a total cap of 7% over the ten (10) year option”.

Q4. Please explain how the Revenue Incentive described on page 13, #3 is calculated. Specifically, if the City pays the company more than \$1M in any fiscal year, is the Revenue Incentive paid on all revenue paid in that year or just the portion over \$1M?

A4. Page 13 paragraph #3 reads: “a “high revenue” incentive equal to .025% of the total annual paid revenue by the City when that received revenue reaches \$1M or higher in any fiscal year”.

Q5. Will the City consider eliminating the provision that limits the City’s liability under the contract to the amount the City has paid under the contract? For example, if the City were to deliver unacceptable waste to the disposal facility and that action resulted in damage or injuries to the company, the City’s liability should not be limited as currently outlined in the bid document.

A5. In Page 19, the paragraph entitled: “**The City’s Liability**” CHANGE FROM “*The City’s liability under this Contract shall be limited **only** to the payments due hereunder*” TO “*The City’s liability under this Contract shall be limited **only** to fifty (50) percent of the unpaid annual contract revenue. The unpaid annual revenue is calculated by taking the revenue paid by the city divided by the number of months paid and multiplied by 6 months (50% annual revenue)*”.

End of Addendum 1