



**ADDENDUM NO. 2**  
**Issued September 24, 2020**

**TO**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**FOR**  
**BROKERAGE OF RECYCLED COMMODITIES**  
**FROM THE CONNECTICUT SOLID WASTE SYSTEM**  
**RECYCLING FACILITY**

**(RFP Number 21-OE-003)**

**(RFP Issued August 25, 2020)**

**Note:** Proposers are required to acknowledge this and all Addenda in Section 3 of the Proposal Form.

## 1. RESPONSES TO SUBMITTED QUESTIONS

Below are answers to submitted questions received by MIRA as of September 18, 2020.

1.	Question	8.3 Representatives of Contractor – This indicates that a facility manager and plant manager are required to be on site. That would seem pertinent to the plant processor, but not the broker. Can you please confirm what is required for on-site staff on the brokerage contract alone?
	Answer	Pursuant to Section F.6 of the RFP, Proposers should specify any on-site staff requirements for administrative office areas and discuss the type and level of coordination to occur with the Future Contract Operator. Proposals should clearly identify how the Brokerage Services will effectively be provided with or without on-site representation. Section 8.3 of the Brokerage Service Agreement allows, but does not require, on site representation. Conforming changes to the Brokerage Service Agreement, required to reflect proposed staffing, should be identified as Business Exceptions.
2.	Question	Would MIRA consider hiring their own Materials Coordinator to act as a liaison between the broker and plant processor?
	Answer	This may be expressed as a Business Exception for MIRA’s consideration. This should specifically identify elements of the Brokerage Services proposed to be transferred to a Materials Coordinator position and if Proposer is requesting a second position, in addition to MIRA’s Facility General Manager specified in Section 8.3 of the Brokerage Service Agreement. Proposer should discuss how this would be in MIRA’s best interest.
3.	Question	17.3 Minimum Limits of Insurance – These insurance requirements are excessive for a brokerage contract and would be more appropriate for the plant processing contract. On the brokerage contract, all carriers will provide proof of insurance prior to arriving on-site. If no employees are placed on site in the brokerage contract, will the carrier’s proof of insurance fulfill MIRA’s requirements?
	Answer	If a firm is submitting a proposal just for the brokerage services specified in MIRA RFP 21-OE-003 and is not also submitting a proposal for the operation and maintenance services specified in MIRA RFP 21-OE-002, then MIRA will accept excess liability specified in Section 17.3(e) of the agreement of \$2 million. MIRA will send separate guidance to firms that have submitted Notices of Interest in response to MIRA RFP 21-OE-002 regarding exceptions to the insurance specified therein.
4.	Question	What is the course action in the event of a rejection or downgrade? Will the broker work with MIRA or the plant processor in those scenarios?
	Answer	The Broker is not responsible for costs associated with commodity rejection. If a load is rejected at the Facility, the Future Contract Operator will be required to reprocess the material. If a load is rejected at the End Market Facility, the Broker will arrange the return of the load to the Facility or an alternate facility. Broker will work with MIRA in making this determination and MIRA will fund any associated transportation and disposal expense. If a load is downgraded at the Facility, Broker will work with MIRA in determining if the load should be reprocessed

		<p>or distributed as downgraded. If a load is downgraded at the End Market Facility, Broker will work with MIRA in determining if the load should be returned, in which case Broker will arrange for the return and MIRA will fund the associated transportation expense, or distributed as downgraded. MIRA will make the final determination in all of the foregoing matters. Conforming changes to the Brokerage Service Agreement, required to reflect these conditions, will be entertained in final contract negotiations. Proposers should also note that the O&amp;M Agreement for the Future Contract Operator will include incentives for the Future Contract Operator to meet commodity specifications. See Section F.8 of the Future Contract Operator RFP and Schedule 14.3 of the Future Contract Operator's O&amp;M Agreement. Broker is expected to confer with MIRA in developing instructions for the Future Contract Operator concerning operating and processing techniques and requirements to ensure the quality and throughput of Recovered Products. See Section 7.1 of the Brokerage Agreement. Also, under Section 10 of the Brokerage Agreement, Broker is to provide expected quality of Recovered Products. MIRA's intent is to incentivize the Future Contract Operator to produce the quality of Recovered Products desired by the Broker.</p>
<b>5.</b>	Question	<p>Each Monday morning and each Friday morning, Contractor's Plant Manager, or his designee, shall meet with MIRA's Facility General Manager, or his designee, to discuss the upcoming week's Brokerage Service activities and to review the past week's performance and activities respectively. Is this clause about the operator or the material brokerage contractor? Are we expected to meet weekly in Hartford?</p>
	Answer	<p>MIRA expects the Brokerage Service Contractor to coordinate with the Future Contract Operator as outlined in the Brokerage Service Agreement. This may occur at the Facility or by conference call. Reference Section 6 in the RFP (see also response to Question 1).</p>
<b>6.</b>	Question	<p>Sections 10.1.2 states we meet every November to discuss quality and quantity and marketing. Does that mean contract price for brokerage services is to be negotiated every November?</p>
	Answer	<p>No this section is focused on MIRA's annual budget development which will need to include estimated revenues from the sale of Recovered Products. MIRA will be seeking the expertise of the Brokerage Service Contractor to develop this aspect of its annual budget. The annual budget will also identify the steps being taken by the Brokerage Service Contractor to achieve budgeted sales revenue.</p>
<b>7.</b>	Question	<p>Section 11.1 discusses quality adjustments. Are these mandatory to the operator so they produce a marketable product? How do we ensure the operator is producing a marketable product and how do we resolve any disputes that may arise?</p>
	Answer	<p>Yes. If the Future Contract Operator is not producing Recovered Products of the expected quality then Broker and MIRA (and Future Contract Operator) will seek to identify modifications in Facility throughput or processing that will achieve the desired quality. Changes agreed to by MIRA will be imposed upon the Future Contract Operator. Similar</p>

		language is provided in the Future Contract Operator O&M Agreement. Also see answer 4 and note Future Contract Operator's only motivation is to produce the quality of recovered Product desired by Broker. The Future Contract Operator is paid all Facility operating and maintenance costs plus an incentive-based management fee.
<b>8.</b>	Question	Sections 12.4 details reports required quarterly including scale tickets. Is that the brokerage company's responsibility or the operating contractor's?
	Answer	The Brokerage Service Contractor will be expected to provide scale tickets from the End Market Facilities. MIRA controls its Recycling Facility scales and will document Recovered Products as they are exported from the Recycling Facility.
<b>9.</b>	Question	Same with section 12.5
	Answer	This Section is with reference to the budget for Recovered Products sales revenue. The Brokerage Service Contractor will be expected to report on the factors underlying any deviation in budget versus actual sales revenue.
<b>10.</b>	Question	Confirm terms for MIRA to terminate contract with 6-month notice. Is there evidence of any kind (malfeasance, incompetence, etc.) required for termination?
	Answer	Termination under Section 15.3.1 with 6 months' notice is conditioned upon the occurrence of a Contractor Event of Default and failure to cure such default as described in Article 15.
<b>11.</b>	Question	Section 17.10 What is the amount of the performance bond for brokerage services contract. Likewise, for the letter of credit.
	Answer	MIRA's primary concerns here are i) that it receives payment for net commodity sales revenue due under Schedule 14.2 in the Broker Agreement and ii) that Recovered Products are timely exported from the Facility. Since there is a six month notice of termination required in the event of non-payment, MIRA would seek a bond or letter of credit roughly equivalent to that amount based on estimated net sales. Proposers may suggest an alternate approach as a Business Exception.
<b>12.</b>	Question	Insurance requires a \$35 million-dollar claims made excess policy. Is this mandatory or can we propose a lower limit?
	Answer	If a firm is submitting a proposal just for the brokerage services specified in MIRA RFP 21-OE-003 and is not also submitting a proposal for the operation and maintenance services specified in MIRA RFP 21-OE-002, then MIRA will accept excess liability specified in Section 17.3(e) of the agreement of \$2 million. MIRA will send separate guidance to firms that have submitted Notices of Interest in response to MIRA RFP 21-OE-002 regarding exceptions to the insurance specified therein.
<b>13.</b>	Question	Quality and specification of products. We will need to understand the quality or product that is made by the contractor. Will there be a written specification given to bidders for every grade that is to be marketed? What happens if the plant does not meet those specifications? Who is responsible for any downgrades or rejections due to deviance from specifications? What kind of documentation is required for such occur-

		es? Who has final say over resolution on day to day downgrades or rejections (is approval for disposition required?)
	Answer	See answers 4 and 7. Also note that, pursuant to Section F.5 of the Brokerage RFP, Proposers are to provide a Transition Plan necessary to secure end markets. Also note that pursuant to Section F.6 of the Brokerage RFP, Proposers are to provide a Marketing and Distribution Plan for all key Recovered Products. Lastly, pursuant to the Brokerage Transition Services included in the Brokerage Agreement, the Broker will fully develop specifications for Recovered Products to be included in Subcontracts with End Market Facilities. Accordingly, Proposer's should describe the desired product specifications in their proposals, and if selected, expect to fully develop same within Subcontracts with End Market Facilities as part of their Transition Services. MIRA will coordinate such specifications with the Future Contract Operator as O&M and Brokerage agreements are finalized and as part of the Transition Period under each agreement.
14.	Question	Does the brokerage proposal need to be inclusive of glass (likely to have a negative value) and/or plastic-rich residue? The contract refers to "Recovered Products."
	Answer	That is MIRA's current preference. Proposers should fully describe the treatment of negative values as part of the brokerage fee structure required pursuant to Section F.7 of the RFP. Proposers may propose Business Exceptions that exclude (or only include) certain Recovered Products. MIRA's concern is that all Recovered Products are timely exported.
15.	Question	Can product be sold ex-works? Meaning picked up? Alternatively do they have to be sold picked up or can they be sold delivered if that is more favorable. In the latter case, does MIRA have a preference for how freight costs are managed?
	Answer	Yes. Products may be sold using either method. This is to be scheduled, managed and coordinated as part of the brokerage services. Proposers should specify how freight costs are to be factored into proposed brokerage fee structures. MIRA will be interested in ensuring such costs are fully transparent and documented and that it is receiving the highest net value for the commodities sold.
16.	Question	Clause 5.7 - Who is currently employed at the Facility providing brokerage services?
	Answer	The current Facility operator (Republic Services) provides both operating and brokerage services under one contract.
17.	Question	If MIRA maintains the scale house, how does it support Contractor billing?
	Answer	MIRA will timely provide any necessary weight tickets for Exported Product to the Broker. Conforming changes to the Brokerage Agreement will be incorporated during final agreement negotiations if necessary.
18.	Question	Clause 6.1 – can the Brokerage Contractor leverage existing sub-contract arrangements for transport?

	Answer	MIRA does not envision objecting to a broker leveraging an existing contract for transport that is a contract between MIRA and a third party vendor as long as any such leveraging does not adversely affect MIRA's interests. MIRA also does not envision objecting to a broker leveraging an existing contract between two other third parties provided the Broker Agreement requirements for Subcontracts are met.
19.	Question	Does the "Staffing Plan," referred to in Deliverables, - Exhibit 2 exist today?
	Answer	Not in the context required for the Brokerage Agreement. The Existing O&M Agreement combines brokerage and O&M services.
20.	Question	Would MIRA consider making the excess liability per occurrence rather than claims made?
	Answer	Firms wishing to propose an alternative to the excess liability insurance specified in Section 17.3 (e ), other than a detailed in question #3 and question #12 herein this Addendum 2, should do so as a Business Exception.
21.	Question	Is the minimum brokerage fee and maximum brokerage fee intended to be entered as a flat rate lump sum dollar amount? Or could a proposer enter a per ton rate? Why is this even a range entry field?
	Answer	MIRA's intent in the RFP and Brokerage Service Agreement is to be flexible in allowing alternate brokerage fee structures to be proposed. Per ton rates may be proposed. Pursuant to Section F.7 of the RFP, Proposers should specify the proposed brokerage fee structure for the Brokerage Contract period including any proposed minimums, maximums and percentage of commodity sales revenue. Conforming changes to the Schedule 14.2 of the Brokerage Service Agreement, required to reflect the proposed brokerage fee structure, should be identified as Business Exceptions. MIRA's intent in allowing a range of fees is to protect Broker's interest while recycling markets are depressed, and MIRA's interests while recycling markets are strong.

**- END OF ADDENDUM 2 -**