



## City of North Mankato, Minnesota

---

To: Mayor Dehen & City Council Members  
From: John D. Harrenstein, City Administrator  
Date: December 13, 2013  
Re: Economic Development Policies

### **Background**

Attached for your consideration are the economic development policies recommended for adoption. These recommendations culminate a process started in July of this year that involved four stakeholder meetings and discussions with both City Council and Port Authority members. Tony Schertler of Springsted, Inc., will be at the meeting to answer any further questions you have regarding these policies. Staff recommends the policies be adopted at the business meeting following the work session.

### **Broad Overview of the Policies**

1. The proposed policies strike a balance between differing opinions on awarding business incentives. For those who seek increased standards for awarding business incentives, the policy outlines criteria to be met by applicants for incentives. For those who prefer a more liberal distribution of incentives, the policy allows enough discretion to incentivize projects desired by the community.
2. The proposed policies specifically discourage “bidding wars” for incentives between North Mankato and cities in Nicollet County and Blue Earth County. This is intended to satisfy those concerned with the possibility that incentives would be unwisely used to simply subsidize a rearrangement of the tax base in the region.
3. The policies specifically guide consideration of incentives to the minimum amount needed for public involvement by requiring specific financial data and financial commitments from those seeking subsidies. Essentially, this requires applicants to demonstrate any given project would not move forward without public assistance. This excludes the strategic investment fund which is designed to promote improvement in designated areas of the city.
4. The proposed policies minimize public risk by specifically giving preference to projects using the “pay-as-you-go” method as opposed to projects that require up front borrowing by the public sector. However, up front public financing for eligible costs remains available for projects which meet the criteria of the policy.
5. The policies require projects to be consistent with the City’s Comprehensive Plan or another identifiable goal of the City Council.

### **Conclusion**

These five points highlight a few of the changes associated with the policies and demonstrate a tightening up of policy concerns identified by stakeholders and members of the governing body. Economic development decisions are discretionary and these policies establish the boundaries of that discretion for staff and elected officials. In addition, clarity is provided to citizens and private institutions seeking business incentives so that decisions may be made in an efficient and transparent manner. For these reasons staff recommends adoption of the policies.

*Economic Development Policies  
of the  
City of North Mankato, Minnesota  
and the  
North Mankato Port Authority Commission  
Adopted: \_\_\_\_\_*

## Table of Contents

- I. CITY OF NORTH MANKATO BUSINESS SUBSIDY POLICY
- II. CITY OF NORTH MANKATO TAX ABATEMENT AND TAX INCREMENT FINANCING POLICY
- III. SUBSIDY AGREEMENT & REPORTING REQUIREMENTS
- IV. APPLICATION PROCESS
- V. ECONOMIC DEVELOPMENT FEDERAL REVOLVING LOAN POLICY
- VI. STRATEGIC INVESTMENT FUND POLICY

## I. CITY OF NORTH MANKATO AND NORTH MANKATO PORT AUTHORITY BUSINESS SUBSIDY POLICY

1. This policy is adopted for the purposes of the Minnesota Statutes Sections 116J.993 through 116J.995, as amended (the Business Subsidy Act). Terms used in this policy are intended to have the same meaning as used in the Business Subsidy Act. This policy shall be applied as required by the Business Subsidy Act.
2. It is recognized that governmental units, at all levels, routinely provide subsidies of various form and structure to various recipient entities. This is done with the expectation that the subsidy will result in the creation or enhancement of a public benefit. This principle will be the underlying criteria used by the City of North Mankato and its Port Authority in evaluating subsidy requests.
3. Because projects vary greatly in structure and public benefit derived, each project will be considered on its own merits. Consideration will be given to projects providing public benefits in one or more of the following categories:
  - a) To retain and/or expand existing businesses located in the City
  - b) To increase the tax base
  - c) To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available
  - d) To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits
  - e) To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development or attracting other businesses, jobs, and investments in the area
  - f) To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be underdeveloped without assistance
  - g) To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in quality redevelopment and private reinvestment
  - h) To provide significant economic impact by attracting other businesses, jobs, or investment
  - i) To offset increased costs of development or redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development
  - j) To fully utilize existing or planned infrastructure improvements

- k) To encourage fast-growing businesses
  - l) To encourage businesses that provide basic goods and services
  - m) To create opportunities for affordable housing
  - n) To contribute to the implementation of other identifiable goals of the City
4. It is the intent of the City of North Mankato and the Port Authority to avoid participating in "bidding wars" between cities located within Nicollet County and Blue Earth County competing for the relocation of an existing business through attempts to offer the largest tax incentive or other public inducement, which is detrimental to the local economy and public interest. This policy does not preclude providing information to companies that inquire about North Mankato or are seeking an expansion rather than relocation. It also does not preclude the granting of an incentive in those situations where the business has already made a decision to relocate or expand in another city, or is seriously considering moving out of the Mankato-North Mankato MSA.
  5. The governing body retains the right to review and approve subsidies that result in public benefit but vary from the principles and criteria of this policy. The burden will be on the applicant to demonstrate, to the satisfaction of the City of North Mankato and the Port Authority, that the public benefit justifies the requested subsidy.
  6. In all cases of business subsidy (as that term is defined in the Business Subsidy Act), a subsidy agreement will be entered into between the funding entity and the recipient. This agreement will delineate the subsidy structure and amount, as well as the expected public benefit. The agreement will include provisions for repayment and other penalties if the expected public benefit is not achieved. All business subsidies will be subject to the criteria outlined in the Business Subsidy Act, except those subsidies as exempted by same.
  7. Every business subsidy recipient must create and retain the maximum number of jobs feasible for the proposed project and site, and these jobs must pay at least 110% of the federal poverty level for a family of four, as determined annually by the U.S. Department of Health and Human Services. The jobs created may include jobs to be retained, but only if job loss is specific and demonstrable. The goals may also specify wage goals for any jobs to be enhanced through increased wages. The minimum number of jobs to be created by a project is one (1) jobs. The City or Port Authority may deviate from these criteria by documenting in writing the reason(s) for the deviation. The documentation related to any deviation shall be submitted to the Minnesota Department of Employment and Economic Development (DEED) with the City's next annual report. Please note that wage requirements for business subsidies are not required if the project does not meet the definition of a business subsidy according to Minnesota State Statutes.

## II. CITY OF NORTH MANKATO TAX ABATEMENT AND TAX INCREMENT FINANCING POLICY

1. The purpose of this section is to establish the City of North Mankato and the Port Authority's position relating to the use of Tax Abatement and Tax Increment Financing (TIF) hereafter referred to as *incentives* for private development. Terms used in this policy refer to the authority given for Tax Abatement and TIF incentives in Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the TIF Act) and Minnesota Statutes, Sections 469.1812 through 469.1816, as amended (the Abatement Act). This policy shall be used as a guide in the processing and review of applications requesting tax abatement and tax increment assistance. The purpose of *incentives* in the City of North Mankato is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through TIF or Tax Abatement.
2. Consideration for Tax Abatement and TIF will be given to projects providing public benefits in one or more of the categories listed in subsection 3, items a-n, and subsections 4-5 of the City of North Mankato and North Mankato Port Authority Business Subsidy Policy.
3. The City of North Mankato is granted the power to utilize incentives by the TIF Act and the Abatement Act. The Port Authority Commission, in addition to economic development powers also has the powers of a housing and redevelopment agency, which can grant incentives under the TIF Act.
4. It is the intent of the City and the Port Authority to provide the minimum amount of incentives at the shortest term required for the project to proceed.
5. The City and the Port Authority reserve the right to approve or reject projects on a case by case basis, taking into consideration established policies, economic development policy criteria, and demand on city services in relation to the potential benefits from the project.
6. Meeting economic development policy criteria does not guarantee the award of business assistance to the project.
7. Approval or denial of one project is not intended to set precedent for approval or denial of another project.
8. The City Council or the Port Authority Commission may deviate from this policy for projects that supersede the objectives identified herein.
9. When possible, incentives shall be used to finance public improvements associated with the project in the following priority:
  - a. Public improvements, legal, administrative, and engineering costs.
  - b. Site preparation, site improvement, land purchase, demolition, and environmental remediation.
  - c. Capitalized interest, bonding costs.

10. Incentive assistance shall typically be provided to the developer upon receipt of the increment by the City or the Port Authority, otherwise referred to as the *pay-as-you-go* method. Requests for up front financing will be considered on a case by case basis and consideration will be given to the project's alignment with the public benefits listed in section one of this policy.
11. Any developer receiving incentives shall provide equity in the amount normally needed to invest in a project financed without public assistance.
12. Tax abatement assistance will be considered for up to a maximum of 20 years using an agreed-upon formula. It is the preference of the City and the Port Authority to not extend tax abatements over 10 years using a phased approach.
13. Tax Increment Financing assistance will be considered for a range of nine (9) to twenty six (26) years depending on the type of district requested (economic development, redevelopment, housing, renewal and renovation). Only projects which significantly enhance the objectives identified herein will be provided TIF assistance in excess of 15 years.
14. Assistance shall not be provided for reimbursement of land and/or property price that is in excess of fair market value. An appraisal by a third party, agreed upon by the City and Developer, will determine the fair market value of the land. At the discretion of the City or the Port Authority, the assessed value of the land determined by the County Assessor may also be accepted as fair market value.
15. Developer shall be able to demonstrate a market demand for a proposed project. Assistance shall not be granted to support purely speculative projects.
16. The developer must provide adequate financial guarantees to ensure completion of the project, including, but not limited to: assessment agreements, a letter of commitment, personal guaranties, etc.
17. The developer shall adequately demonstrate, to the City and Port Authority's satisfaction, an ability to complete the proposed project based on past development experience, general reputation, credit history, or letter of commitment from a bank, among other factors.
18. For the purposes of underwriting the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by the City, the Port Authority or their consultants.
19. The developer shall demonstrate that the project is not financially feasible *but-for* the use of the requested business incentives.
20. The project shall be consistent with the City's Comprehensive Plan or another identifiable goal of the City Council.
21. If Tax Abatement is requested by the developer, the developer must comply with all of the provisions of the Abatement Act.

22. If TIF is requested by the developer, the developer must comply with all of the provisions of the TIF Act.

### III. SUBSIDY AGREEMENT & REPORTING REQUIREMENTS

1. If the incentives requested meet the definition of "business subsidy" in the Business Subsidy Act, the developer must comply with all provisions of the Business Subsidy Act.
2. All developers/businesses receiving incentive assistance shall enter into a *subsidy agreement* with the City of North Mankato that identifies: the reason for the subsidy, the public purpose served by the subsidy, and the goals for the subsidy, as well as other criteria set forth in the City and Port Authority's Business Subsidy Policy.
3. The developer/business shall file a report annually until all goals set forth in the business subsidy agreement have been met. Projects that do not satisfy the requirements of the business subsidy agreement will be required to repay the assistance provided based on a pro rata formula. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with the City of North Mankato no later than March 1 of each year for the previous calendar year. Businesses fulfilling job creation requirements must file a report to that effect with the city within 30 days of meeting the requirements.
4. If granted a tax abatement, the developer/business owner shall maintain and operate its facility at the site where tax abatement assistance is used for the entire term of the tax abatement.
5. Developers/Businesses failing to comply with the above provisions will be subject to fines, repayment requirements, and may be deemed ineligible by the State of Minnesota to receive any loans or grants from public entities for a period of five years.

### IV. APPLICATION PROCESS

1. Applicant submits the completed application.
2. City/Port Authority staff reviews the application.
3. The process for creating an Incentive project area, including all necessary notices, resolutions and certificates prepared by City/Port Authority staff and/or consultants is begun.
  - a. Development Agreement and Business Subsidy Agreement is drafted and negotiated.
  - b. Public hearing notices are published.
  - c. Public hearing(s) on the proposed project are held.
  - d. The City Council and/or Port Authority Commission grants final approval or denial of the proposal.
4. If approval is granted, costs associated with processing the application will be reimbursed by the developer or owner of the project either as part of the approved incentive or upfront.



## **V. ECONOMIC DEVELOPMENT FEDERAL REVOLVING LOAN GUIDELINES**

### **A. PURPOSE.**

The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing loans, and ensuring borrower compliance with loan terms and conditions.

### **B. AUTHORIZATION AND FUNDING SOURCES**

Chapter 469 of the Minnesota State Statutes, as amended, authorizes the Port Authority to make loans to private businesses. The revolving loan fund was capitalized in part through federal funds made available by the Minnesota Department of Trade and Economic Development and the U.S. Department of Housing and Urban Development (HUD).

In addition to these guidelines, loan funds are subject to the rules and regulations established by the Department of Housing and Urban Development (HUD) for the State of Minnesota's Community Development Block Grant (CDBG) program.

### **C. MISSION**

The mission of the revolving loan fund is to increase the City's tax base, create and retain permanent private sector jobs, promote redevelopment of blighted areas and improve economic opportunity and living standards for the citizens of North Mankato by promoting local business development and expansion, by attracting out-of-state business expansion, leveraging private sector funds, and assisting the development of new technologies.

### **D. PROGRAM OBJECTIVE**

The objective of the revolving loan fund is to fill the financing gap between project costs and private debt financing and private equity by making direct low-interest loans for certain approved activities to businesses within the North Mankato city limits.

### **E. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION**

1. Non-discrimination. No one shall be denied assistance based upon race, color, creed, religion, national origin, sex, marital status, age, familial status or disability.
2. All loan recipients, developers, contractors, and subcontractors must agree:
  - a. Not to discriminate in any manner against an employee or applicants because of race, color, creed, religion, sex, marital status, age, familial status, or disability.
  - b. To post and to cause subcontractors to post in conspicuous places available to employees and on applications for employment, notices setting forth the substance of this clause.

## F. ELIGIBLE ACTIVITIES

Certain projects, applicants, activities and cost are eligible for revolving loan funds.

1. Eligible applicants. Applicants may be a small business or developer who are organized as proprietorships, partnerships, or a corporation. Moreover, the successful applicant must also demonstrate proof of the following:
  - a. Ownership or lease agreements of the subject property;
  - b. Property insurance;
  - c. Property taxes paid and current;
  - d. Freedom from all judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the application for participation in any program administered by the City of North Mankato;
  - e. Compliance with all applicable City of North Mankato ordinances and plans;
  - f. Creation of a business plan and/or pro forma.
2. Eligible Activities. Loan funds may be used to assist small business primarily by providing financial assistance for the following types of activities: retention, growth and expansion, rehabilitation, redevelopment to prevent or eliminate blight, code compliance, employee recruitment and retention through housing initiatives, and façade enhancement.
3. Eligible costs. Eligible costs may include the following:
  - a. Land improvements. Improvements to the land which are a portion of the project cost including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
  - b. Purchase of land for development. Purchase and, if necessary, renovation and/or removal of an existing industrial or commercial facility is permitted.
  - c. Purchase machinery or equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least 5 years and the term of the loan shall not exceed the useful life of the equipment purchased.
  - d. Building construction. Construction of a new building and/or a major addition to an existing building.
  - e. Leasehold improvements. Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.
  - f. Affordable housing. Because affordable housing development is tied to business needs, revolving loan funds may be used to:
    - i. Leverage the public and private funds and shall not be used as a primary funding sources; and
    - ii. Purchase residential property for development and redevelopment of affordable housing.
  - g. Micro-enterprise. Micro-enterprise activities are eligible for revolving loan funds.
    - i. Definition. A micro-enterprise is defined as a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise.
    - ii. Exemption. Micro-enterprise loan applications may be exempt from certain requirements of these guidelines on a case by case basis.

**G. INELIGIBLE ACTIVITIES**

Certain applicants, projects, activities, and costs are ineligible for revolving loan funds.

1. Ineligible applicants. Any applicants not meeting the eligibility requirements outlined in Section F, subsection 1 shall be ineligible to receive revolving loan funds.
2. Ineligible activities. Funds may not be used for retail business, non-profit institutions, gambling organizations, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state, or local law ordinance.
3. Ineligible costs. Ineligible costs includes but is not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs, refinancing, and operating cost or working capital.

**H. LOAN TERM AND CONDITIONS**

The Port Authority shall make available to eligible applicants direct low-interest loans for the purpose of encouraging economic development, redevelopment, job creation and job retention, housing development to meet business needs, and preservation of business districts in the City.

1. Loan amount. There are maximum and minimum loan amounts for eligible projects.
  - a. Maximum loan amount. The maximum loan available from the revolving loan fund for each eligible project is limited to \$300,000.00 or 40% of total project cost, whichever is less.
  - b. Minimum loan amount. The minimum loan amount available from the revolving loan fund for each eligible project is \$10,000.00.
  - c. Micro-enterprise loan. The maximum amount of a micro-enterprise loan shall be \$5,000.00 and the minimum loan amount shall be \$2,000.00.
2. Interest rate. The interest rate shall be a fixed-rate established at 70% of the prime rate at the date of application but shall not be less than 3.0%.
3. Term. The term of the loan will be tied to the useful life of the assets being financed. The following general terms apply:
  - a. Machinery/equipment. The term of the loan for machinery/equipment shall not exceed 7 years.
  - b. Land/building acquisitions. The term of the loan for land/building shall not exceed 15 years.
  - c. New construction/renovation. The term of the loan for new construction/renovation shall not exceed 15 years.
  - d. Balance due. All balances will be due and payable if and when the loan recipients sell or otherwise transfer any or part of his/her interest in the property or fails to meet any

of the guidelines established within this document before the maturity date of the loan or relocates any part of the business outside the City.

4. Job creation. A minimum of 51% of all jobs created or retained must be held by or made available to individuals determined to be of low or moderate income in accordance with the rules and regulations established by the U.S. Department of Housing and Urban Development (HUD) for the Port Authority Block Grant (CDBG) program.
  - a. One permanent full-time job must be created or saved within two years of the loan closing for each \$50,000.00 borrowed from the revolving fund;
  - b. Businesses receiving revolving loan fund must pay each employee total compensation, including benefits not mandated by law, that on an annual basis is equal to at least 115% of the federal poverty level for a family of four; and
  - c. A business that receives revolving loan funds must agree to list any vacant or new position with the job services of the Minnesota Department of Employment and Economic Development.
5. Slum and Blight. Funds may be expended for economic development or redevelopment activities, such as acquisition/demolition and/or commercial rehab, which aid in the elimination of slum or blight in an area designated by the Port Authority. Designated areas must meet the definition of slum or blight under state or local law. If proceeds are used for these purposes, the Port Authority may elect to forgive repayment of the loan.
6. Equity participation. There shall be a minimum of 10% equity investment of total project cost required of all applicants.
7. Collateral requirements. All loan agreements will be secured by one or more of the following: promissory notes, mortgage, or security agreement as required by the Port Authority; and
  - a. The revolving fund may take a subordinate position to the primary lender on the assets financed; and
  - b. Surety deposits shall be required for certain construction contracts as set forth in Minnesota Statutes 290.9705.
8. Letters of commitment. Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
9. Personal guaranty. Personal guaranty of person(s) with ownership interest of 20% or greater are required by the Port Authority but are discretionary.
10. Loan repayments. Repayments of the loan must begin within one month of completion of construction or taking possession of machinery and equipment purchased with loan funds. The Port Authority may make exceptions to this rule on a case by case basis.

11. Loan prepayments. Prepayments are permitted where the Borrower makes the Port Authority whole for any losses or costs associated with the prepayment.
12. Notice of award or denial. Applicants will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the Port Authority.
13. Loan closing documents. The Port Authority will close the loan within sixty (60) days of final approval of the loan application. At that time, the Port Authority will deliver to the Borrower all closing documents and final debt service schedule. In exchange, the Borrower must execute evidence of its obligation for repayment of the loan.
14. Post closing amendments and modifications. Request for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request require Port Authority approval and shall be present at the next scheduled meeting of the Port Authority Commission.
15. Loan declination. The Port Authority will not make a loan if it determines that the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan or the Port Authority otherwise determines that making the loan is not in its best interest.
16. Appeal. There will be complaint appeal procedure for aggrieved applicants:
  - a. Written notes. Applications will receive written notice of the denial of the loan and the reason(s) for the determination within fourteen (14) days of the determination.
  - b. Petition. The aggrieved applicant may petition the Port Authority Commission in writing for reconsideration within fourteen (14) days from the date of the written notice of denial. Any request to appear before the Port Authority Commission must be in writing and must be submitted at least seven (7) days prior to the next scheduled meeting and the Port Authority shall advise the petitioner in writing of its decision within (14) days of that meeting. The Port Authority's decision will be final.
  - c. Re-application. Applicants aggrieved by the Port Authority's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns set out in the denial of the preceding application are adequately and appropriately addressed.

#### **I. ADMINISTRATION**

1. Loan review committee. The Port Authority will serve as the loan review committee. The final determination on all revolving loan applications rest with the Port Authority.
2. Conflict of Interest. All City and Port Authority officials and employees shall comply with the applicable state and federal regulations relating to conflicts of interest.

3. Staff responsibility. City/Port Authority staff shall have the general responsibility for coordinating the application process, reviewing loan application pro forma and business plan, preparing applications and recommendations for review by the Port Authority, and coordinating the loan approval and service process.

## **VI. STRATEGIC INVESTMENT FUND**

The purpose of the Strategic Investment Fund is to allow for other economic development incentives as deemed necessary by the City Council to advance the interests of the community. The fund also replaces the Central Business District Grant and Loan Program previously funded by sales tax dollars. Processing applications for the Strategic Investment Fund will follow the guidelines authorized by City Council Resolution 05-09, although access to strategic investment funds will not be limited to businesses only located within the Central Business District and all awards will be subject to City Council approval as recommended by the Port Authority.

REQUEST FOR FINANCIAL ASSISTANCE – PROJECT APPLICATION FORM

PROJECT:

1. Business Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Contact: \_\_\_\_\_

2. Brief description of the business: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Present ownership of the site: \_\_\_\_\_  
\_\_\_\_\_

4. Proposed project: Building square footage, size of property, description of buildings – materials, etc. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Total Estimated Project Costs:

a. Land Acquisition	\$ _____
b. Site Development	\$ _____
c. Building Cost	\$ _____
d. Soft Costs	\$ _____
e. Financing Costs	\$ _____
f. Contingencies	\$ _____
Total	\$ _____

6. Estimated Project Costs Eligible for Assistance (i.e. Acquisition, Demolition, Site Improvements, Utilities, Streets):

a.	\$ _____
b.	\$ _____

c.		\$ _____
d.		\$ _____
	Total	\$ _____

7. SUBMIT PROJECT PROFORMAS SHOWING NEED FOR ASSISTANCE (I.E. WITH ASSISTANCE AND WITHOUT).

8. Total Estimated Market Value at completion: \$ \_\_\_\_\_

9. Estimated real estate taxes upon completion: \$ \_\_\_\_\_

10. Source of Financing

a.	Equity	\$ _____
b.	Bank Loan	\$ _____
c.	Incentive ("the gap")	\$ _____
	Total	\$ _____

11. Amount of Assistance (Estimated Gap): \_\_\_\_\_

12. Type of Assistance Requested (Upfront or PayGO): \_\_\_\_\_

13. Name & Address of architect, engineer, and general contractor: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

14. Project construction schedule:

a.	Construction Start Date	_____
b.	Construction Completion Date	_____



c. If phase project: \_\_\_\_\_Year \_\_\_\_\_% Complete  
\_\_\_\_\_Year \_\_\_\_\_% Complete

15. State specific reasons why assistance is necessary for the project (the "but for" test).

---

---

---

---

---

---

16. Please circle each economic development goal the proposed project advances. Provide explanation below:

- To retain and/or expand existing businesses located in the City
- To increase the tax base
- To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available
- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development or attracting other businesses, jobs, and investments in the area
- To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be underdeveloped without assistance
- To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in quality redevelopment and private reinvestment
- To provide significant economic impact by attracting other businesses, jobs, or investment
- To offset increased costs of development or redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development
- To fully utilize existing or planned infrastructure improvements
- To encourage fast-growing businesses
- To encourage businesses that provide basic goods and services
- To create opportunities for affordable housing

- To contribute to the implementation of other identifiable goals of the City

Explain Selections:

---

---

---

---

---

---

17. Municipal Reference (if applicable). Please name any other municipalities wherein the applicant, or other corporations the applicant has been involved with, has completed developments within the last five years.

---

---

---

---

---

---

18. Additional Comments:

---

---

---

---

---

---

**ADDITIONAL DOCUMENTATION AND CHECKLIST**

Applicants are required to provide the following documentation.  
All personal financial information will be kept private and confidential.

- 1. Written business plan or a description of the business, ownership/management, date established, products and services, and future plans.
- 2. Two year financial projections, or if housing project, or leased space, include a 10-year operating pro-forma.
- 3. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.

- 4. Attach the following documentation:

- \_\_\_\_\_ Part 1 – Corporation/Partnership Description
- \_\_\_\_\_ Part 2 – List of Shareholders/Partners
- \_\_\_\_\_ Part 3 – Description of Project
- \_\_\_\_\_ Part 4 – *But For Analysis*
- \_\_\_\_\_ Part 5 – List of Prospective Lessees
- \_\_\_\_\_ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
- \_\_\_\_\_ Part 7 – Public Purpose Narrative
- \_\_\_\_\_ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City of North Mankato to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT C**

REQUEST FOR FINANCIAL ASSISTANCE – Sample Staff Worksheet

**BUSINESS ASSISTANCE REVIEW WORKSHEET**

**1. What objectives as set forth in the Economic Development Policies of the City of North Mankato, Minnesota, and the North Mankato Port Authority Commission does this project application advance?**

---

---

---

---

---

---

<b>2. Ratio of Private to Public Investment in Project:</b>	<b>Points:</b>
\$ _____ Private investment	5:1    5
\$ _____ Public Investment	4:1    4
_____ <b>Ratio Private to Public Financing</b>	3:1    3
	2:1    2
Less than	2:1    1

<b>3. Type of Project:</b>	<b>Points:</b>
_____ 100% Owner Occupied	5
_____ Mix Owner Occupied & Investment	3
_____ Investment Property	1

<b>4. Use:</b>	<b>Points:</b>
_____ Industrial	5
_____ Office/Commercial	4
_____ Retail	3
_____ Mixed-use	3
_____ Housing	2

<b>5. Type of Development:</b>	<b>Points:</b>
_____ Redevelopment of Substandard Structures	5
_____ Development of Vacant Land	3

<b>6. Job Creation:</b>	<b>Points:</b>
_____ Net new jobs (minimum 40 hours per week) w/ health insurance benefits	50+ 5 40+ 4 25+ 3 15+ 2 Less than 15+ 1

<b>7. Wage Level of jobs created</b>	<b>Points:</b>
_____ Average hourly wage of new jobs	Over \$21/hour 5 \$18-21/hour 4 \$14-17/hour 3 \$10-13/hour 2 Under \$10/hour 1

<b>8. Assessed Value:</b>	<b>Points:</b>
_____ 5+ times current	5
_____ 4 times current	4
_____ 3 times current	3
_____ 2 times current	2
_____ 1 times current	1

<b>9. The project will pay annual property taxes in the first fully assessed year of \$_____.</b>	<b>Points:</b> 50,000+5 40,000+4 25,000+3 15,000+2 Under 10,000+1
---	--

<b>10. Likelihood that the project will result in unsubsidized, spin-off development.</b>	<b>Points:</b> High 5 Moderate 3 Low 1
---	---

Sub - Total Points: _____ of a possible 45 points.
--

<b>11. Bonus Points</b>	<b>Points:</b>
_____ The project will be 100% pay-as-you-go financing	3 points

**Total Points:** \_\_\_\_\_

Overall Project Analysis *:	40-48 Points	High
	30-39 Points	Moderate
	20-29 Points	Low
	0-19 Points	Not Eligible

*\* The purpose of this analysis is determine project eligibility*

**SAMPLE BUT-FOR ANALYSIS**

	WITH NO TAX INCREMENT			WITH TAX INCREMENT		
	SOURCES AND USES			SOURCES AND USES		
	SOURCES			SOURCES		
Mortgage			9,600,000			8,667,000
Equity			2,400,000			2,400,000
Tax Increment Financing			0			933,000
<b>TOTAL SOURCES</b>			<b>12,000,000</b>			<b>12,000,000</b>
			USES			
Land			1,500,000			1,500,000
Site Work			300,000			300,000
Soil Correction			468,000			468,000
Demolition			100,000			100,000
Relocation			65,000			65,000
Subtotal Land Costs			2,433,000			2,433,000
Construction			6,750,000			6,750,000
Finish Manufacturing			250,000			250,000
Subtotal Construction Costs			7,000,000			7,000,000
Soft Costs			350,000			350,000
Taxes			35,000			35,000
Finance Fees			850,000			850,000
Project Manager			542,000			542,000
Developer Fee			540,000			540,000
Contingency			250,000			250,000
Subtotal Soft Costs			2,567,000			2,567,000
<b>TOTAL USES</b>			<b>12,000,000</b>			<b>12,000,000</b>
			Income Statement		Income Statement	
	Sq. Ft.	Per Sq. Ft.		Sq. Ft.	Per Sq. Ft.	
Rent-Space 1	100,000	\$8.00	800,000	100,000	\$8.00	800,000
Rent-Space 2	25,000	\$8.50	212,500	25,000	\$8.50	212,500
Rent-Space 3	25,000	\$9.00	225,000	25,000	\$9.00	225,000
Other	0	\$0.00	0	0	\$0.00	0
			1,237,500			1,237,500
Mortgage		20 Term	1,051,646		20 Term	949,439
		9.00% Interest			9.00% Interest	
		9,600,000 Principal			8,667,000 Principal	
Net Income			185,854			288,061
Total Return on Equity			7.74%			12.00%







## City of North Mankato, Minnesota

---

To: Mayor Dehen & City Council Members  
From: John D. Harrenstein, City Administrator  
Date: December 13, 2013  
Re: Solid Waste RFP

### **Background**

Last year the city council and staff issued an RFP for solid waste and recycling services. After rejecting all proposals for further review, staff was directed to renew the process this year. Attached to this memo is a RFP for your consideration and approval at the business meeting as well as draft contract for the RFP process. As the city council is aware, this RFP is to be jointly issued with the City of Mankato as discussed with you in October. Dan Krivit, from FOTH Engineering, will be at the work session and business session to answer any questions you may have.

Below are a few statements highlighting the salient points of the RFP:

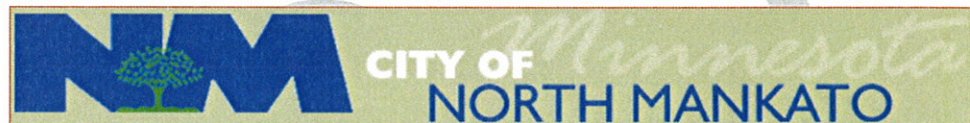
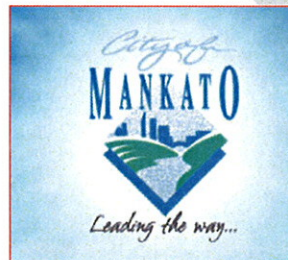
1. Fully implements single-stream recycling with new carts. The new recycling service will be provided on an every-other-week collection schedule (compared to the current weekly recycling schedule) to reduce truck traffic, pavement impacts and improve safety.
2. Supports and complements the City of North Mankato's other ongoing, parallel effort to streamline recyclables processing operations at Riverbend Recycling Center. This RFP and draft North Mankato collection contract has a blank placeholder for the City to designate a third party recycling center. Staff plans to insert LJP as the destination of residential recycling. However, this is pending final negotiations with LJP. If those negotiations fail other options will be pursued or Riverbend will continue processing recyclables.
4. Adds an additional level of trash service (35-gallon cart) for North Mankato
5. Expands automated trash and recyclables collection city-wide with standardized carts for every residential dwelling unit. This enhanced, modern form of collection will drive down operating costs and make the City's contract even more attractive to RFP respondents.
6. Preserves the residents' ownership of the new Hansen carts recently sold to about 1,500 households.
7. Proposes a "Joint" RFP procurement process with the City of Mankato while preserving North Mankato's independence and individual decision-making authority. This Joint RFP process has a number of advantages to North Mankato:
  - ◆ Administrative cost savings.
  - ◆ Close coordination of the planning, design and roll-out of the two cities' new single-stream recycling systems.
  - ◆ Numerous tactics to increase the value and quality of collection service while putting downward pressure on contract costs.
  - ◆ Additional municipal and county resources will be more readily available to help North Mankato continue to develop a more sustainable, cost-effective, regional approach to the solid waste and recycling systems.

---

# **Joint Request for Proposals (RFP) for the Collection of Residential Solid Waste and Recyclable Materials**

**Project I.D.: 12M004**

**Prepared for the Cities of  
Mankato and North Mankato**



**December 17, 2013**

***Prepared by:***

**Foth Infrastructure & Environment  
8550 Hudson Blvd North, Suite 105  
Lake Elmo, MN 55042**

# Joint Request for Proposals

## Contents

---

1	Introduction .....	1
2	General Procurement Information.....	6
3	Detailed Service Requirements and Specifications.....	12
4	Minimum Qualifications of Responsive Respondents.....	12
5	Ownership and Operation.....	12
6	Summary of City Roles and Responsibilities.....	13
7	Number of Copies and Form of Proposals .....	14
8	Examination of RFP Documents.....	14
9	Draft Contract Terms Must Be Accepted or Explicitly Redlined .....	14
10	Proposal Content Requirements .....	14
11	Alternate Proposals .....	18
12	Evaluation of Proposals.....	18
<b>PROPOSAL FORMS .....</b>		<b>21</b>
Form A:	Proposal Content Checklist	
Form B:	Respondent Information Questionnaire	
Form C:	Certification of Binding Signature	
Form D:	Certification of Independent Proposal Pricing	
Form E-1:	Price Worksheet – Mankato Only	
Form E-2:	Price Worksheet – North Mankato Only	
Form E-3:	Price Worksheet – If Awarded Both City Contracts	
Form F:	Proposed Prices for Special Collection of Bulky Item Categories	
Form G:	Itemized Listing of Trucks and Other Collection Equipment	
Form H:	Acknowledgement of Receipt of Addenda	
Form I-1:	Certification of Acceptance of the Draft Mankato Contract or Notification of Proposed Exceptions	
Form I-2:	Certification of Acceptance of the Draft North Mankato Contract or Notification of Proposed Exceptions	

## **Tables**

Table 1-1 Proposed New Solid Waste and Recyclables Collection Services.....	2
Table 2-1 Schedule of RFP and Contracting Process, plus Service Start Dates.....	7

## **Attachments**

Attachment A	Mankato's Draft Contract for the Collection of Residential Solid Waste and Recyclable Materials
Attachment B	North Mankato's Draft Contract for the Collection of Residential Solid Waste and Recyclable Materials

# **1 Introduction**

## **1.1 Summary of Services to Be Provided**

The Cities of Mankato and North Mankato are seeking proposals from qualified companies to provide a comprehensive set of residential solid waste and recyclables collection services.

The two cities have elected to use this joint request for proposal (RFP) process as a means to cooperate on the solicitation and evaluation of proposals. At the end of this RFP procurement process, each city will execute individual, separate contracts for collection service. This joint RFP process is intended to save on city administrative costs and make the two contracts more attractive to potential respondents.

Each City Council will retain its rights to select the Contractor that is in its city's best interests. Mankato and North Mankato may or may not decide to select the same company as their new Contractor.

For Mankato, the residential collection accounts are generally single family and duplex housing units as defined by Mankato as eligible residential dwelling units (RDUs). Mankato estimates 9,257 RDUs are served under the current Mankato collection contract and that 6,455 tons of solid waste was collected in 2012.

For North Mankato, the residential collection accounts are generally single family through three-family dwellings, all townhouses, all condominiums, and selected multi-family dwellings as defined by North Mankato as eligible RDUs. Based on the City's billing system as of July 2012, North Mankato estimates 4,454 RDUs are served under the current North Mankato collection contract including 621 RDUs with seniors.

Table 1-1 summarizes the collection services to be provided for each city under the new contracts. The detailed standards and specifications for these services are explained further in this RFP and in the attached draft contracts (Attachment A – Mankato Draft Contract; Attachment B – North Mankato Draft Contract). These attachments are incorporated by reference into this RFP.

Many of the collections services have the same standards for both cities. Table 1-1 highlights that each city also has individual collection features unique to Mankato or North Mankato. Respondents to the RFP must understand that this joint RFP process will result in two, separate city contracts and therefore respondents must understand the similarities and differences between the service specifications of the two cities.

The list of collection services that are the same for both cities includes, but is not limited to:

- ◆ Citywide, weekly solid waste collection services (similar to current city-contracted operations).
- ◆ Each city designates the facility where solid waste is delivered in accordance with the respective County Solid Waste Management Master Plan. The solid waste facility currently designated for each city is Minnesota Waste Processing Company (MWPC) located at 1051 Summit Avenue, Mankato.

**Table 1-1: Proposed New Solid Waste and Recyclables Collection Services**

Service	Mankato	North Mankato	Notes on Proposed, New Contracts
<b>Trash:</b>			
<b>Standard collection service levels:</b>			
1 35-gallon cart	Yes.	Yes.	North Mankato to add 35-gallon service level as an option for residents.
2 64-gallon cart	Yes.	Yes.	Both cities to provide 65-gallon service level.
3 90-gallon cart (Contractor provided)	No for single-family households. Yes for duplexes and triplexes.	Yes.	Mankato will not add the 90-gallon service level to single-family households, but may provide a 90-gallon cart to duplexes and possibly triplexes. North Mankato will retain 90-gallon service level.
4 Residents can use their own container	No	No.	Residents will be required to use standard carts to assure they can be collected by automated side loading trucks
<b>Trash disposal (current and proposed):</b>			
5 Designates Minnesota Waste Processing Corp. (MWPC) for trash disposal	Yes	Yes	As required by each County respectively.
6 City pays MWPC tipping fees directly (not included in collection contract prices)	Yes	Yes	As per both Cities' contracts.
<b>Recyclables:</b>			
<b>Base collection (proposed):</b>			
7 Single-stream recyclables collection	Yes	Yes	To be included in new collection contracts starting Jan 1, 2015
8 Single-stream recycling cart	Yes	Yes	
9 Every other week recyclables collection	Yes	Yes	
<b>Recyclables processing:</b>			
10 Designated to specified facility	Yes. (WM)	Yes.	North Mankato's new recyclables processing contract in development.
11 Revenue sharing (proposed)	Yes	Yes.	
<b>Cart Ownership: Trash + Recyclables (proposed):</b>			
12 City owns	Yes	Yes as the base option.	About 1,500 North Mankato residents currently own their own carts (purchased from Hansen's). Others will get City carts for trash. All residents to get recycling carts

**Table 1-1: Proposed New Solid Waste and Recyclables Collection Services (continued)**

Service	Mankato	North Mankato	Notes on Proposed, New Contracts
<b>Yard Waste Collection (current):</b>			
13 City provides "vacuum" collection service	Yes	Yes	Vacuum leaf collection service is in the fall only and is a primary means of leaf collection.
14 Residents self haul (for free)	Yes (SMC)	Yes. (Riverbend)	Self-haul is a secondary means of collection.
15 Contractor collects (if resident subscribes / pay direct)	Yes	No.	Mankato contract currently allows for subscription yard waste service; North Mankato's contract will not.
16 Christmas tree drop-off	Yes. (3 parts + SMC)	Yes. (Riverbend)	Seasonal. "Free" service to Mankato residents. Hauled by Mankato City crews to SMC.
<b>Bulky Item Collection (Curbside, year-round)</b> (e.g., large appliances, furniture):			
17 Contractor collects (if resident subscribes / pay direct)	Yes	Yes	Contractor to provide ongoing, year-round collection of bulky items at a set subscription price.
18 Also "free" to residents as part of spring cleanup	Yes	Yes	
19 Additional drop-off + curbside collection services	Yes. (GreenTech)	Yes	North Mankato will retain option to have additional bulky item collection services, similar to Mankato's.
<b>Electronic Waste</b>			
20 Contractor provides curbside collection (year-round)	No.	No	North Mankato residents can drop off electronics at Riverbend. (Both cities should encourage residents to self-haul to manufacturer take-back programs.)
21 City drop-off facility	No	Yes (Riverbend)	Mankato has contract with Green tech, first 300 lbs/household are free to citizens

**Table 1-1: Proposed New Solid Waste and Recyclables Collection Services (continued)**

Service	Mankato	North Mankato	Notes on Proposed, New Contracts
<b>Annual Clean Up Days and Other Special Events:</b>			
22 Contractor collects at city PWD for Annual Clean Up days	Yes. (Included in base trash price)	Yes. (To be included in base trash price)	Both cities' contracts should include this service in the base trash price.
23 Annual clean up dates:	4 Saturdays in May.	Spring: Over two weeks in late April, early May. Fall: Drop-off at PWD.	
24 Trash + recycling at other special events	E.g., Mankato Air Show, Songs on The Lawn, Rib Fest, 4th of July, etc.	Yes. North Mankato Fun Days, Triathlon, Blues Fest, Octoberfest (aka Beer on Belgrade), etc.	Both cities' contracts should include this service in the base trash price.
<b>Household Hazardous Waste (HHW):</b>			
25 Drop-off at regional county facility	Yes (Regional HHW facility in Mankato)	Yes (Regional HHW facility in Mankato)	
<b>Special Waste and Other Problem Materials</b> (e.g., light bulbs, pharmaceuticals, etc.):			
26 Drop-off facility	Yes (Regional HHW facility in Mankato)	Yes. (Riverbend + regional HHW facility)	Mankato has 2 pharmaceutical locations, Green tech will also collect other items
<b>City Buildings and Parks</b>			
27 Included in contract	Yes. (Multiple sites)	Yes. (Several sites.)	
<b>Public Education</b>			
28 Contractor assists city with public education	Yes	Yes	



- ◆ Citywide, every other week recyclable collection services under a new single-stream system using new recycling carts.
- ◆ Subscription “on-call” bulky item collection services.
- ◆ Solid waste and recyclables removal services from designated city buildings and park facilities.
- ◆ Solid waste and recyclables removal services from the Cities’ annual “Spring Cleanup” and other special events. (Each City has a different list of events and collection service specifications.)
- ◆ Public education services from the Contractor to complement the Cities’ own public education and outreach efforts

Other services are different for each City. For example:

- ◆ Mankato does not yet have a 90-gallon trash cart service level. Mankato is currently planning on adding this larger trash can size for duplexes and other multi-family dwellings on a voluntary (i.e., “opt in”) basis.
- ◆ North Mankato does not yet have a 35-gallon trash cart service level. North Mankato is currently planning on adding this smaller trash can size to accommodate households with lower amounts of solid waste and to encourage its residents to recycle more.
- ◆ For Mankato only, subscription weekly yard waste collection is provided as an additional service for Mankato residents to get their yard waste collected on a seasonal basis. For North Mankato, the Contractor is not required by the City contract to provide curbside yard waste collections.
- ◆ Each City has a slightly different approach, schedule and scope of Contractor services for their annual cleanup and other special event collection programs.

Both Cities shall continue to be responsible for billing eligible residents directly through their respective utility bills for the regular solid waste and recyclables collection services. All eligible RDUs are required to pay their City for these services on their utility bill.

Mankato has decided to own the solid waste and recyclables carts. North Mankato is asking for RFP respondents to price the base collection services with both City-owned and Contractor-owned carts.

The Mankato Contractor shall own yard waste carts for carted yard waste subscription service (if any) by the Mankato Contractor.

The final Contracts will incorporate by reference the corresponding proposals received. The final Contracts shall govern the terms and conditions of unit pricing, billing procedures, and other customer service administration.

The new Contracts shall provide for operations to commence on January 1, 2015 and continue through December 31, 2019, unless extended at the sole discretion of the individual Cities. All services shall begin on January 1, 2015.

Solid waste and recycling services are regulated by individual City Codes. In general, these municipal ordinances require all eligible RDUs that receive municipal water service to have solid waste and recyclables collection service from the City's Contractor. It shall be the RFP respondents' responsibility to have read, understood and comply with these ordinances relating to solid waste and recyclables collection services.

Current operations were originally designed to collect two streams of recyclable materials in separate compartments on the route trucks. Both Cities are in various stages of planning for single-stream recycling. Both Cities intend to use the new Contracts to fully implement single-stream recycling.

Mankato reports an estimated 1,759 tons of curbside recyclables were collected by its current contractor in 2012.

North Mankato reports an estimated [REDACTED] tons of recyclables were collected by its current contractor in 2012.

## **1.2 Contract Term**

The initial term of the Contracts shall be five (5) years with City-determined options for five (5) one-year extensions. The terms and conditions of the initial Contracts shall apply to any such Contract extension(s).

Offering the Contractors the option of such extensions will be at each City's sole determination. The Cities shall individually decide on any extension based in part on past collection service quality, overall contract performance, and protection of its residents' best interests.

The right of each City to offer an extension of their Contract shall not be considered to imply any obligation by either City to renew or extend their Contract.

## **2 General Procurement Information**

### **2.1 Schedule**

The Cities anticipate the following schedule displayed in Table 2-1. The Cities reserve their rights to modify this schedule as needed whether individually or collectively during the joint RFP process.

**Table 2-1**  
**Schedule of RFP, Contracting, and Service Start Dates**

(As of the release of this RFP. The City retains the right to adjust this schedule as needed.)

<b>Event</b>	<b>Date</b>
Issue RFP	January 3, 2013
Pre-proposal conference	Friday, January 10, 2013 1:00 p.m.
Deadline for any additional questions from respondents	Tuesday, January 14, 2013 4 p.m.
City's deadline for written responses to questions	Friday, January 24, 2013 4 p.m.
<b>Proposals due</b>	<b>Friday, February 7, 2014 at noon</b>
Respondents submit responses to questions	Friday, February 14, 2014
Conduct interviews with selected respondents (Only if needed)	Week of February 17, 2014
Final recommendations and report to City Councils	February 27, 2014
City Councils consideration of Contract award	March 3, 2014 and March 10, 2014
Finalization of Contracts	March 11 - 20, 2014
City Councils authorizations to execute final Contracts	March 17, 2014 and March 24, 2014
Solid waste collection begins	Thursday, January 1, 2015
Single-stream recyclables collection begins	Thursday, January 1, 2015

A Pre-Proposal Conference will be held at 1 p.m., Friday, January 10, 2013. At least one representative from each respondent is required to attend. This Conference will be held at the City of Mankato, City Hall – Intergovernmental Center, 10 Civic Center Plaza, Mankato, MN 56001.

Proposals are due on **Friday, February 7, 2014 at noon**. Any proposal received after the proposal due date and time specified above may be rejected and considered non-responsive at the cities' sole discretion.

## **2.2 Respondent Interviews**

If desired by the joint city review Committee, interviews will be held with selected respondents per the RFP schedule listed in Table 2-1. Respondents may receive a list of questions prior to the interview. At the interview, respondents will be asked to respond to those specific questions and will be given the opportunity to ask the city review team questions. The cities expect that key individuals on the respondent's team will attend the respondent interviews.

Following the interviews, respondents may be required to submit additional written responses to selected questions within an agreed-upon timeframe.

## **2.3 Clarifications and Addenda to the RFP**

If respondents discover any significant ambiguity, error, omission, or other deficiency in the RFP, they shall immediately notify the Project Contact. All questions must be submitted to the Project Contact via email, including the company contact information. Preliminary questions are encouraged to be submitted prior to the Pre-Proposal Conference.

The Cities reserve their rights to amend or clarify this RFP by addenda. Addenda may be issued at any time prior to the date for receipt of proposals. If such revisions or clarifications are of such a magnitude as to warrant, in the opinion of the city review team, the postponement of the date for the receipt of proposals, written notification will be issued to the respondents, announcing the revised date. Addenda will be emailed. All addenda issued to this RFP shall become part of the RFP document.

## **2.4 Proposals May Be Rejected in Whole or Part**

The Cities retain all of their rights throughout this RFP and contracting process. This includes, but is not limited to, the right to:

- ◆ Reject any or all proposals.
- ◆ Reject all proposals and issue a revised, new RFP.
- ◆ Reject parts of proposals.
- ◆ Negotiate modifications of proposals submitted for purposes of finalizing and executing a Contract.
- ◆ Accept part or all of the proposals on the basis of consideration(s) other than cost or proposed rates.
- ◆ Negotiate with Respondents to obtain best and final offers.
- ◆ Terminate these RFP procurement proceedings at any time.

## **2.5 Guarantees**

### **2.5.1 Proposal Guarantee**

All proposals must be accompanied by a proposal guarantee in the amount of \$25,000, payable to the City of Mankato and \$25,000 payable to the City of North Mankato. At the option of the respondent, the proposal guarantee may be a cashier's check, a certified check payable to each city, or a proposal bond secured by a guarantee of a surety company listed in the latest issue of the U.S. Treasury Circular 570, and within the maximum amount specified in said circular. Any proposal bond must be valid for a period of at least 90 days from the proposal's submission date and must be renewable at the election of each city. No proposal shall be considered unless it is accompanied by the required check or proposal guarantee. In the event that a performance guarantee is not provided by the successful respondent and the Contract is not executed within the time set forth, the proposal guarantee shall become the property of that the individual city.

### **2.5.2 Performance Guarantee**

Within 30 days of receipt of notice by each city, the successful respondents will execute the formal Contract and will deliver an approved performance bond for the faithful performance of the Contract. The performance guarantee shall be in the amount of \$500,000 with the condition that the successful respondent shall comply in all respects with the terms, conditions, and agreements of the Contract.

The performance guarantee will be a corporate surety bond executed in a manner acceptable to the individual city. The surety on any bond shall be a duly authorized corporate surety company authorized to do business in the State of Minnesota and shall be subject to the approval of the individual city.

Attorneys-in-fact who sign performance guarantees must file an effectively dated copy of their power of attorney, bearing the seal of the company, evidencing such agent's authority to execute the guarantee.

The Contract shall be subject to termination by the individual City at any time if said guarantee shall be canceled or the surety thereon relieved from liability for any reason.

Any monies provided as security will be deposited in escrow by the individual City, and will be returned to the Contractor, without interest, upon successful completion of the Contract.

## **2.6 Representation and Certification**

An official authorized to bind the respondent shall execute the Certification of Binding Signature (Form C) and shall submit it as part of the proposal. All forms requiring respondent signatures shall be executed by the same person.

## **2.7 Subcontractors**

Respondents are permitted to include subcontractors within their proposals. If one or more subcontractors are to be used, the subcontractor must be fully disclosed in the proposal when it is submitted. Any change in subcontractors after the proposal submission date must be approved in writing by the individual city.

Respondents intending to use a subcontractor (or subcontractors) must fully describe the roles and responsibilities of the proposed subcontractors. All legal obligations for the Contractor, such as insurance requirements, will be the same for the subcontractor(s) as specified in the draft Contract.

## **2.8 Inspections**

All proposed trucks, services, and facilities are subject to inspection, approval, and acceptance by the individual City, both during the procurement process and after the execution of a Contract with the successful respondent. If inspections are at the Contractor's facility, the City representatives will give reasonable notice of such inspections. At any time, the individual City staff may make unannounced inspections of collection services and route operations in the field. Respondents will not be responsible for normal city inspection costs.

## **2.9 Cost of Proposal Preparation and Negotiation**

Respondents shall participate in this procurement process at their own expense. This includes proposal preparation, interviews, and contract negotiations. Respondents shall prepare all of the required materials and submittals with the express understanding that there may be no claims whatsoever for reimbursement from either city or its consultant advisors for the cost, expenses, or damages that may be associated with this process. The cities accept no liability for costs and expenses incurred by the respondent in connection with this RFP, subsequent interviews, negotiations, and Contract execution. The cities reserve the right to terminate the proceedings at any time and return all proposal guarantees.

## **2.10 Project Contact**

Questions regarding this RFP shall be directed **in writing** (either via email or hard copy via U.S. mail) to:

Mary Fralish, Director  
City of Mankato - Department of Public Works  
P. O. Box 3368  
Mankato, MN 56002-3368  
507-387-8665  
[mfralish@city.mankato.mn.us](mailto:mfralish@city.mankato.mn.us)

And/or:

Brad Swanson, Superintendent of Public Works  
City of North Mankato  
1001 Belgrade Avenue  
P.O. Box 2055  
North Mankato, MN 56002-2005  
507-625-4601  
[BSwanson@NorthMankato.com](mailto:BSwanson@NorthMankato.com)

Questions and initial responses will be made in writing (via email and or hard copy via U.S. mail) and distributed by the joint city review Committee to those firms who attended the pre-proposal conference.

The Cities prohibit potential respondents from initiating contact with any other city or municipal employee, elected official, or consultant advisor except for the Project Contact. Inappropriate contact by a representative of a potential respondent may lead to disqualification of the respondent from consideration.

## **2.11 Availability of Information**

Throughout this RFP, the cities and its consultant advisors have exerted their best efforts to present information and data that are current and applicable to this project. The cities are providing the information contained herein as a courtesy to the respondents. It is the respondent's responsibility to use this information and verify same during the proposal, negotiation, and project-information periods.

Best efforts have been made to provide accurate information. However, the cities and their consultant advisors make no guarantees or warranties that the information contained in this RFP or referenced documents are accurate and complete.

All summaries of laws and documents do not purport to be complete, and respondents are referred to each such law and document for a full and complete statement of relevant provisions. In the event any of the summaries in the text are inaccurate, the provisions of the actual laws and documents shall be controlling. The cities and consultant advisors are not and shall not be liable for omissions or errors contained in the RFP, and submittal of a proposal by a respondent shall serve as the respondent's verification and acknowledgement of the cities' lack of liability.

## **2.12 Prerequisites to Final Contract Execution**

The individual cities shall not be obligated to execute the final Contract unless each of the following conditions are met.

### **2.12.1 Negotiation of Final Contract**

The respondent and the authorized individual city staff must complete negotiations for the final Contract in preparation for approval by the individual city councils. If a final Contract is not satisfactorily reached within sixty (60) days of selection of the preferred respondent, each individual city reserves the right to discontinue negotiations with the preferred respondent and negotiate with the next best respondent.

### **2.12.2 Approved Certificates of Insurance**

Proper certificates of insurance shall be provided by the respondent after final notice of Contract award by one city or both cities. The individual city shall approve these certificates of insurance.

### **2.12.3 Approved Performance Bond**

Respondent shall provide an active performance bond or other security to the individual city in a form acceptable to that city in the designated amount to secure the performance of its obligations

under the draft Contract. The exercise of any rights under such security shall in no way operate as a waiver of any other rights or claims that that city may have against respondent.

#### **2.12.4 Licenses and Permits**

Respondent shall provide a copy of all necessary local city hauling licenses. Also, the respondent must provide copies of any other local, county or state licenses or permits that may be required for the proposed operations. This may include other facility permits and local approvals of proposed business operations.

#### **2.13 Definitions Used Within This RFP Consistent with Draft Contract**

All definitions of terms specified in the draft Mankato Contract (Attachment A) and draft North Mankato Contract (Attachment B) shall be used to define the same terms used within this RFP.

### **3 Detailed Service Requirements and Specifications**

#### **3.1 Draft Contracts**

The services that the selected respondent will be required to perform are specified in the draft Contracts (see Attachment A – Draft Mankato Contract and Attachment B – Draft North Mankato Contract), incorporated into this RFP by reference. A final version of the Contract shall be executed with the individual city.

Both draft Contracts should be carefully reviewed by all respondents. The draft Contracts provide the detailed terms, conditions, and scope of services that will define the contractual arrangements between the individual city and the respondent selected through this RFP process.

#### **3.2 RFP, Addenda, and Proposal Become Part of Final Contract**

This RFP, all written addenda, and the selected respondent's written proposal will be incorporated by reference into the final Contract documents. In the case of a conflict between the Contract and this RFP, the language in the Contract will take precedence.

### **4 Minimum Qualifications of Responsive Proposers**

Proposals will only be considered and reviewed from companies that are engaged in providing solid waste and recycling services comparable to those described in this RFP packet.

Respondents should have solid waste/recycling contracts with at least one (1) city or township that provide similar scope of services. A minimum of three (3) references of current customers are required, at least one (1) of which should be a city or township where the respondent is currently (or recently) under contract.

### **5 Ownership and Operation**

#### **5.1 Contractor Shall Own and Operate Their Own Trucks**

The selected respondent shall own and operate their own trucks and other equipment in order to provide the collection services specified in the draft Contract (Attachment A). The individual city will not own or operate any part of the selected respondent's trucks or other equipment



(other than the solid waste and recycling carts) or services. If using subcontractors, this same condition applies – subcontractors must own and operate their own trucks and equipment.

## **5.2 Personnel**

The selected respondent shall employ adequate number of personnel who have qualifications and demonstrated ability to provide the specified services, including truck drivers, other equipment operators, and customer service administrative staff.

The selected respondent shall designate a manager to provide a single-point contact with the individual city's designated representative.

The selected respondent shall ensure that qualified personnel are assigned to operate the collection trucks at all times by providing training before contract start-up and formal on-the-job training of employees periodically throughout the term of the Contract.

The selected respondent shall institute measures necessary to ensure safe collection operations for all employees and comply with all OSHA requirements.

All workers shall be issued adequate personal protective equipment.

## **5.3 Compliance with Applicable Laws and Requirements**

The selected respondent shall comply with all applicable local, state, federal, and international laws and requirements pertinent to the contracted services. The respondent shall itemize all permits, licenses, and other local, county, and state approvals required for ownership and operation of the proposed collection services. This may include local zoning and other building permits required for a commercial trucking business and facility.

## **5.4 Insurance Requirements**

The Contractor shall maintain the insurance for the term of the Contract, as specified in the draft Contract.

## **6 Summary of City Roles and Responsibilities**

The individual cities have the following roles and responsibilities. All other requirements to provide the collection services described in the draft Contract will be the responsibility of the selected respondent.

- ◆ Coordinate and pay MWPC (or a suitable alternative) for the delivery of the solid waste.
- ◆ Coordinate with their designated recycling center for planning the delivery of recyclables.
- ◆ Prepare the individual city's public education materials as specified in the draft Contract.
- ◆ Monitor the performance of the selected respondent according to the Contract.
- ◆ Review and approve reporting and recordkeeping procedures/forms. Review records as appropriate.
- ◆ Review monthly and annual reports.
- ◆ Meet periodically with the Contractor to discuss program status and address any issues.

## **7 Number of Copies and Form of Proposals**

Respondents must submit one (1) electronic copy; one (1) clipped, unbound original hard copy with original signatures; and five (5) bound hard copies.

The proposal hard-copy documents, plus a CD-ROM with an electronic copy, shall be submitted in its entirety, in a properly identified and sealed envelope or box to the RFP contact person. Proposals must be received before the deadline for submitting proposals. Late proposals will not be considered.

An electronic copy of all parts of the proposal must be included in the proposal packet. Respondents shall format their electronic copies using either Microsoft Word or PDF. Electronic signatures are not required on the electronic copies, but may be included.

## **8 Examination of RFP Documents**

Before submitting a proposal, all Respondents shall carefully examine the specifications in this RFP, including the draft Contracts (Attachments A and Attachment B to this RFP). Respondents shall fully inform themselves as to all definitions, specifications, service standards, and limitations of the specified scope of services.

## **9 Draft Contract Terms Must Be Accepted or Explicitly Redlined**

Using Form I, respondents must certify that they agree and accept all requirements within this RFP, including the draft Contracts (Attachment A and/or Attachment B). Alternatively, respondents must certify that they have proposed exceptions to one or both of the draft Contracts. If exceptions are proposed, respondents must clearly highlight any and all changes in redline format (Microsoft Word "track changes") within the appropriate draft Contract or Contracts. **DO NOT** submit comments via a separate document, memo or email. Comments and redline changes must be embedded directly within an electronic copy of the draft Contracts provided as Attachment A and Attachment B to this RFP.

Respondents must have their legal counsel review and comment on the draft Contract before submitting their proposals. Form I certifies that respondents have completed such legal reviews.

In reviewing and evaluating the Proposals, the joint city review Committee will take into consideration the number and content of exceptions and changes to the draft Contracts.

## **10 Proposal Content Requirements**

This section sets forth the minimum proposal content requirements the respondent must satisfy in responding to the RFP. All responsive Respondents shall submit a complete proposal by submitting all information required within this RFP. Failure to submit a complete proposal may result in the joint city review Committee rejecting that incomplete proposal as non-responsive.

Please use the Word document forms to enter your responses to the RFP questions. When you're done, please print and sign the final forms for submittal with your proposal. You may also print

out these forms, fill in your numeric answers by hand, attach additional sheets for typed narrative answers, and then sign the forms. All forms completed manually must be clear and legible.

Furthermore, the individual cities intend to work as expeditiously as possible in finalizing the Contract with the selected respondent.

### **10.1 Proposals Will Be Held Confidential until a New Contract Is Executed**

Immediately after the deadline for proposals to be submitted, only the company names of respondents submitting proposals will be made public, consistent with the Minnesota Government Data Practices Act (M.S. 13.591, subd. 3(b)). All proposal documents shall be held as confidential until both new, final Contracts are fully executed.

While the cities have no plans to publicize proposals and other information provided by any respondent, pursuant to the Minnesota Data Practices Act (M.S. 13.591), after the final Contract is executed the cities may be required to publicly disclose to third parties proposals and materials submitted by respondents.

If a respondent wants the cities to consider a portion of its proposal as confidential (e.g., trade secret or proprietary data) pursuant to the Minnesota Government Data Practices Act, these sections of their proposal must be submitted within a separate envelope and cover letter explaining the reason for the request. The joint city review Committee will review any such request and make a final judgment on whether these sections shall be held by both cities as confidential per the Minnesota Government Data Practices Act. Requesting that all, or substantially all, of the proposal be deemed confidential may result in the proposal being considered non-responsive by the joint city review Committee.

Notwithstanding the foregoing, respondents recognize and agree that the cities will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties.

### **10.2 Disposition of Proposals**

Proposals will not be returned and may be retained by the cities for official record purposes for five (5) years. The cities will arrange for the disposition, in whatever manner it deems appropriate, of any and all copies of proposals received.

### **10.3 Cover Letter and Signature Requirements**

The original proposal shall be accompanied by an original cover letter committing the respondent, if selected, to carrying out all the provisions of the proposal. It must further state that all information submitted in support of the proposal is accurate and factual, and that all representations made regarding the respondent's willingness to make the required performance guarantees and the respondent's concurrence with the proposed business arrangement are accurate. Finally, the cover letter shall designate the individuals who will be the key technical and business negotiators. The cover letter must be signed by an officer of the proposing

organization empowered to sign such material and must commit the respondent to the obligations contained in the proposal.

All forms requiring signatures shall be signed by the same individual signing the cover letter. One copy of the proposal documents must be clearly marked as the original and contain the original signature forms, bonds, and other original documents. The original response should be printed double-sided on recyclable paper and held together with a clip.

#### **10.4 Respondent's Qualifications**

Describe company and staff qualifications as they relate to successfully operating solid waste, recycling, and yard waste collection services.

If companies are submitting as a team, describe any prior successful working arrangements involving similar types of services for similarly-sized communities.

Describe these qualifications by providing the following information.

##### **10.4.1 Company Information**

State the name and address of the company that will be signing the Contracts. Provide the name, address, phone number, fax number, e-mail address, and title of person to be contacted regarding the proposal. Provide the names of any other company (or companies) that will share significant responsibilities as proposed team members.

##### **10.4.2 Company Qualifications and Reference Contracts**

Fully describe services company provides currently and/or in the past that are directly relevant to the collection services described in this RFP, including descriptions of relevant contracts, the degree of the company's involvement in conversion to single-stream recycling and the date the service was provided. Provide names and telephone numbers for all municipal clients over the last five (5) years as references for your experience providing relevant solid waste and recyclables collection experience.

Provide a description of at least one municipal collection contract (solid waste and/or recyclables) that the joint city review Committee can refer to as a reference client. This municipal collection contract should be reasonably similar of the scope of work outlined in this RFP.

The cities may conduct a site visit to reference clients' operations as part of the proposal evaluation process.

Provide additional references for communities where similar work was performed in a satisfactory manner by respondent. Provide the following:

- ◆ Name of community
- ◆ Contact
- ◆ Address
- ◆ Phone Number
- ◆ Email address.

### **10.4.3 Key Personnel**

Provide names and resumes of principal officers, partners, or other officials of each company to perform significant, substantive responsibilities required under the RFP. Clearly identify the names of individual(s) who will implement the Contract and include resumes or summary of qualifications/work experience for each individual (include names, addresses, and telephone numbers of key individuals). Describe relevant technical experience of key personnel and their background in solid waste and recyclables collection, including customer service operations.

### **10.5 Financial Component**

Provide a confirmation letter from a bonding company confirming the ability to obtain the required performance guarantee.

Respondents must submit at least three (3) credit references.

Respondents must submit evidence of the ability to finance the equipment needed by submitting a financing plan for necessary equipment. Where the respondent is a corporation, submit evidence that the respondent is in good standing under the laws of the state of incorporation.

### **10.6 Technical Component**

Technical information should focus on the method of performing the services required under the Contracts and as described in the draft Contracts. Proposals applying commercially demonstrated and environmentally-sound collection methods are required.

Respondents should describe in detail the proposed method for providing the services requested in the RFP.

The Respondent must demonstrate the following:

- ◆ Overall experience in the solid waste industry; and
- ◆ Experience in the successful operation of the type of residential solid waste, yard waste, single sort recyclables, bulky waste and other special collection services solicited in this RFP.

### **10.7 Proposed Prices**

All of the Respondents' proposed prices shall be submitted on Form E – Price Worksheets. This form shall be executed by the authorized official to bind the company. If an alternate proposal is submitted, a separate Form E – Price Worksheet must be included and labeled, clearly specifying the proposed prices of any such alternate provision.

The final Contract will specify those collection services that the individual city will pay for. The Contract service price components may include the following (but may not be limited to):

- ◆ Base collection fee for refuse (BCF – Refuse).
- ◆ Base collection fee for recyclables (BCF – Recyclables).

- ◆ Special event rates.

The final Contract will specify those additional collection services **not** included in this RFP packet that the Contractor will bill for directly to residential customers. These “direct billed” additional collection services will be specified in the final Contract and may include the following (but may not be limited to):

- ◆ Yard waste collection.
- ◆ Special collection of bulky item cleanups.

## **10.8 Payments to Contractor**

The Contractors shall invoice the individual cities on a monthly basis within ten (10) days following the end of each month, in a format to be specified by the individual city. The Contractors shall bill the individual cities for any collection services rendered to mutually agreed-upon, eligible RDUs, according to the collection service Contract prices set forth in the individual city Contract. The individual city shall pay the Contractor within thirty (30) days after receiving and approving the invoice from the Contractor. The individual city’s payment to the Contractor shall be based on the approved invoice and the collection service Contract prices set forth in the Contract.

The individual city shall be responsible for invoicing and collecting the utility rate fees from all eligible RDUs receiving covered collection services.

See the draft Contracts (Attachment A and Attachment B) for additional details and specifications concerning the terms of payment and Contract price components.

## **11 Alternate Proposals**

This RFP, together with the draft Contracts (Attachment A and Attachment B), provide the template for the base Contract scenario definitions, conditions, and scope of service specifications. These base Contract requirements indicate the individual city’s preferred scope of services.

Alternate proposals may be considered by the joint city review Committee if they are clearly marked as “Alternate Proposals” and any changes from the base scenario Contract requirements clearly summarized and itemized. Proposals that alter the base Contract requirements without so marking it as an “Alternate Proposal” may be rejected by the joint city review Committee.

Respondents are encouraged to submit a proposal under the preferred base scenario specifications to be more fully responsive to this RFP. Respondents may submit two (2) or more alternate proposals as long as they are marked accordingly and clearly described as such.

## **12 Evaluation of Proposals**

### **12.1 General**

The individual cities retain the right to reject any and all proposals and to waive defects or irregularities in any proposal. The city review team will not evaluate proposals received after the designated time for submissions or proposals it deems to be non-responsive.

At the sole discretion of an individual city and its appointed agents, proposals submitted indicating any exception to the terms of this RFP, including the attached draft Contracts, may be included or excluded from the evaluation process. Incomplete proposals may be rejected and not evaluated at the sole discretion of an individual City.

The individual cities will follow the steps identified below in evaluating the proposals and in determining the selected respondent:

- ◆ The individual cities will appoint members to a joint city review committee (Committee) to review all proposals submitted.
- ◆ The Committee members shall review each proposal individually and score each proposal based on the evaluation criteria listed in the following sections.
- ◆ Written clarification regarding the proposals may be requested by the Committee.
- ◆ Additional information may be solicited from references to assist in the evaluation, including, but not limited to, a site visit to the reference facility proposed by each or to selected respondents.
- ◆ The Committee will compile individual rankings for each proposal to determine Committee recommendations. The Committee may, at their discretion, schedule interviews with the respondents. The interviews may consist of the respondent's oral presentation regarding their approach to providing services and addressing any requests for clarification from the Committee. The final city recommendations will be decided based on the consensus of the Committee, in consideration of ranking criteria and any others deemed relevant by the Committee, in its sole discretion.

## **12.2 Proposal Evaluation Criteria**

The individual city councils will determine which respondent shall be awarded the Contract for each city. The individual city council has final authority to select the respondent to be awarded the contract for that city. The individual city councils shall consider various factors, such as (without limitation) the following criteria to evaluate proposals:

- ◆ **Price schedules**  
(Estimated total costs over the five-year base Contract period.)
- ◆ **Experience and capacity**  
(Demonstrated capability, including the company's financial condition.)
- ◆ **References**
- ◆ **Thoroughness and responsiveness to this RFP**  
(Demonstrated understanding of the City's needs, goals, objectives, and service specifications and quality standards.)

- ◆ **Overall environmental benefits**

(Specific operations proposed and overall company approach and philosophy to environmental protection and natural resource conservation.)

No single criterion will be determinative of the best proposal. The foregoing list is not exhaustive, and the individual city councils may consider additional criteria.

All responsive proposals will be reviewed and compared with competing proposals in order for the individual city council to determine, in its sole discretion, which proposal is in the best interests of the public.

### **12.3 Evaluation Methodology**

The evaluation process is designed to select a respondent(s) to negotiate a final Contract that each individual city believes to be in its best interest.

Each proposal will be reviewed by the Committee and graded relative to other proposals on the basis of the evaluation criteria described above. The Committee will consider the major evaluation criteria on the basis of the needs of the project and the best interests of each city.

If negotiations with the selected respondent do not result in a final Contract satisfactory to each individual city, each city reserves the right to negotiate with the next respondent or to discontinue the procurement process.



## PROPOSAL FORMS

Responsive respondents must submit all of the following forms as an integral part of their proposals:

- ◆ Proposal Cover Letter
- ◆ Form A: Proposal Content Checklist
- ◆ Form B: Respondent Information Questionnaire (including references)
- ◆ Form C: Certification of Binding Signature
- ◆ Form D: Certification of Independent Proposal Pricing
- ◆ Form E: Price Worksheet
- ◆ Form F: Proposed Prices for Special Collection of Bulky Item Categories
- ◆ Form G: Itemized Listing of Trucks and Other Collection Equipment
- ◆ Form H: Acknowledgement of Receipt of Addenda
- ◆ Form I: Certification of Acceptance of the Draft Contract or Notification of Proposed Exceptions

All forms must be completed and submitted for the proposal to be deemed responsive. The Proposal should be in Microsoft Word format with the separate “Forms” document provided. The Respondent must indicate clearly on the form(s) if any information is not applicable. All forms must be executed by an official authorized to bind the Respondent, and must be submitted as part of the proposal.

**PROPOSAL FORMS:  
RFP FORMS A THROUGH I**

**Instructions:**

Please use this Word document to enter your responses to the RFP questions. When you're done, please print and sign the final forms for submittal with your proposal.

You may also print out this document, fill in your numeric answers by hand, attach additional sheets for typed narrative answers, and then sign the forms. All forms completed manually must be clear and legible.

DRAFT

## **Form A: Proposal Content Checklist**

**Instructions:** Please check off the forms and other proposal sections to assure that your proposal is complete and all forms are signed:

- Proposal Cover Letter
- Form A: Proposal Content Checklist
- Form B: Respondent Information Questionnaire (including references)
- Form C: Certification of Binding Signature
- Form D: Certification of Independent Proposal Pricing
- Form E: Price Worksheet
- Form F: Proposed Prices for Special Collection of Bulky Item Categories
- Form G: Itemized Listing of Trucks and Other Collection Equipment
- Form H: Acknowledgement of Receipt of Addenda
- Form I: Certification of Acceptance of the Draft Contract or Notification of Proposed Exceptions

## Form B: Respondent Information Questionnaire

**Instructions:** Please attach additional pages as may be necessary to properly respond to each of the following questions. This and other forms can be provided electronically from the cities designated contacts.

*Note: If this is a teaming arrangement, please list all team members on a separate page, providing an address, telephone number, email, website, and contact person for each.*

### General Contact Information:

Name of Company Proposing: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Website: \_\_\_\_\_

Name of contact person: \_\_\_\_\_

Type of organization: \_\_\_\_\_

*(e.g., corporation, joint venture, partnership, individual)*

Is this a "Team" proposal (see RFP: "Vendors May Team with a Maximum of Three (3) Other Companies")?  Yes  No

If yes, please list the name of the other Company or Companies Proposing as a part of your Team:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**References:** Please provide on separate page(s) collection references (provide municipality, capacity [number of households per day], contract structure between the organization and the municipality(ies) or public agency being serviced, type and frequency of service provided, etc.).

If this is a Teaming arrangement, collection references for each Team member should be submitted. The word "Company," as used below, includes partnerships, corporations, and/or sole proprietorships.

## Qualifications Questionnaire

Complete this Section as described in RFP:

**General Management:**

**Financial Stability and Strength:**

**Refuse and Recyclables Collection Experience:**

**Overview of Services:**

**Collection Proposal:**

**Transition and Cart Management Plan (As per instructions in RFP Section 3.3, "Refuse and Recycling Carts Ownership and Management"):**

**Spring Cleanup Plan:**

What is your plan for collections from these special events?  
(Please describe your plans for each individual city.)

**Other Special Events:**

What is your plan for collections from the two individual cities' special events?  
(Please describe your plans for each individual city.)

What is your plan for collections from other City-sponsored special events?  
(Please describe your plans for each individual city.)

**Safety Plan:**

## Business Information

Complete this Section for the Respondent and, if applicable, each member of a Teaming arrangement.

Within the past five (5) years, has the Company submitting this proposal failed to complete a contract?  Yes  No

If so, state name of parties to the contract, the date of the contract and the reason for non-completion. If a bond was posted, state the contact information for the bond company.

Within the past five (5) years has the Company submitting this proposal or any facility or property owned or operated by this Company failed to perform any of its contract obligations with any municipality, county or other public entity?  Yes  No

If so, state the nature of the failure.

With what other lines of business are you or your company directly or indirectly affiliated?

Describe the nature of your current business.

State the length of time you have been in business under your present name.

Within the last five (5) years, has the Company submitting this Proposal, or any facility or property owned or operated by your Company ever been the subject of administrative or judicial action for alleged violation of the conditions of a permit issued by a governmental entity; or alleged violations of environmental, zoning, or public health laws or regulations?  Yes  No

If so, state the details and disposition.

Has the Company submitting this proposal or any of its subsidiaries been a party to any lawsuits within the last five (5) years that may affect its ability to perform the obligations described in the Proposal?  Yes  No

If so, list these lawsuits.

List names and business address of all individuals financially associated with the Company submitting this Proposal.

**Automated Collection Equipment (As per instructions in RFP and service specifications in the draft Contracts):**

If awarded the Contract, will your Company (or proposed Team), be able to provide automated refuse collection service by the Contract start date?  Yes  No

If not, will you be able to provide automated refuse collection at some time in the future?  
 Yes  No

If awarded the Contract, will your Company (or proposed Team), be able to provide automated single-stream recyclables collection service by the proposed single-stream start date?  
 Yes  No

If not, will you be able to provide automated single-stream recyclables collection at some time in the future?  Yes  No

If yes, what is your proposed schedule for implementing automated collection?

What percent of your refuse/recyclables collection truck fleet is equipped with automatic collection devices? \_\_\_\_\_%

What is your plan for transition operations required between the current contract operations and the new Contract operations? For example, if old carts and/or bins need to be replaced by new carts, summarize these transition operations (e.g., timing and public notice about cart/recycling bin switches, etc.). (Please describe your plans for each individual city.)

**Radio Frequency Identification:**

Each individual city may require all new carts used to be manufactured and installed with radio frequency identification (RFID) tags for possible later integration into a data management system to be implemented at some time in the future within the Contract term. Within the term of the Contract, will your company be able to install the necessary truck-mounted RFID scanner (i.e., RFID reader), antennae, and on-board computer on vehicles serving the two cities?  Yes  No

If yes, what is your schedule for equipment purchase, installation and system roll-out?

**Truck Fuel (As per instructions in RFP and the specifications in the draft Contract):**

What is the primary type of fuel proposed to be used in the refuse trucks serving each individual city under the Contract?

What is the primary type of fuel proposed to be used in the recyclables trucks serving each individual city under the Contract?

**Impacts on Roads (As per instructions in RFP and the specifications in the draft Contract):**

Both cities will require that all refuse collection vehicles are in full compliance with City, County, and State road weight restrictions. What are your plans for reducing impacts on roads and means to comply with road weight restrictions?

**Pollution Reduction and Environmentally Sustainable Plan (As per instructions in RFP and the specifications in the draft Contract):**

What are your plans for pollution reduction and environmentally sustainable initiatives? Special focus should be on initiatives to be implemented while servicing residents in the two cities (e.g., vehicle emissions and fuel use while on the two cities' collection routes).

Does your company have its own sustainability plan?  Yes  No

**Public Education:**

The two individual cities and their Contractors will plan for a coordinated public education campaign as specified in the RFP and the draft Contracts. Does your Company use "education tags" that are left by your collection crews at the time material is left behind?  Yes  No

If yes, please attach an example of one such education tag from another community.

What other public education efforts you have used successfully in the past that are directly relevant to this scope of service?

What are your plans for additional public education efforts?

**Methods to Audit Active Customer Counts:**

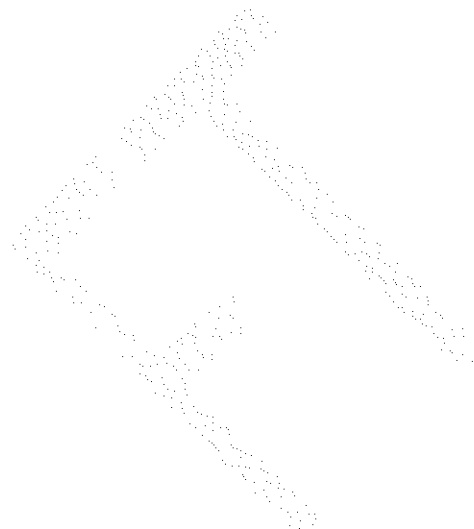
How will you conduct the required semi-annual audits (e.g., January and July each year) of currently active household counts to verify the number of residential customers served? Specify your proposed methods and schedules to audit and verify active customer counts by service type (refuse, recycling, organic waste, yard waste, etc.).

Signature of person duly authorized to sign submittal on behalf of the Respondent:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date





**Form C: Certification of Binding Signature**

**Instructions:** All forms provided in this RFP are required to be completed and executed by an official authorized to bind the Proposal offer. All completed forms shall be made a part of the Respondent's proposal. All proposal forms must be signed by the same authorized person.

The undersigned Respondent further certifies that he/she has read the information submitted by the Respondent and has personal knowledge that the information submitted is true and correct.

I, \_\_\_\_\_  
(Name of Authorized Officer)

\_\_\_\_\_ of \_\_\_\_\_  
(Title) (Respondent Firm name)

\_\_\_\_\_  
(Date)

I swear that I am authorized to execute all Proposal forms included in this Proposal response to the RFP and to bind the company to these agreements and swear that I have read the information contained in this Proposal and that I have personal knowledge that it is true and correct.

## Form D: Certification of Independent Proposal Pricing

**Instructions:** This form shall be executed by the authorized official to bind the company.

The respondent makes the following representations and certifications as part of this proposal:

The undersigned respondent certifies that the respondent has not directly or indirectly entered into any agreement, express or implied, with any other respondent(s) (other than for purposes of forming a Team as defined and allowed in this RFP) for any of the following:

- A. Controlling of the price of such proposal(s);
- B. Limiting of the number of proposals or respondents; or
- C. Parceling or farming out to any respondent(s) or other persons of any part of the Contracts or any part of the subject matter of the proposal(s) or of the profits.

The undersigned respondent certifies that they have not and will not divulge the sealed proposal to any person except those as a part of a legitimate Team as per the specifications of this RFP or having a partnership or other financial interest with them in said proposal or proposals until after both city Contracts are fully executed or until the City publicly releases this sealed information.

The undersigned respondent further certifies that the respondent has not been a party to any collusion including, but not limited to, actions such as:

- A. Respondents restraining the freedom of competition by agreement to make a proposal at a fixed price or pre-arranged price limit;
- B. Refraining from submitting a proposal at a fixed or pre-arranged price limit; or
- C. Refraining from submitting a proposal.

The undersigned responded further certifies that the respondent has not engaged in any prohibited contact or conflict of interest with any city official or its agents such as, but not limited to:

- A. Discussion of service quantity, quality, or price in the prospective Contract or any other terms of said prospective Contracts; or
- B. Any other prohibited discussions between the respondents and city officials or agents concerning exchange of money or other things of value for special consideration in the letting of a Contract.

Signature of person duly authorized to sign submittal on behalf of the respondent:

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

## Form E-1: Price Worksheet – Mankato Only

**Instructions:** This form shall be executed by the authorized official to bind the company. If an alternate proposal is submitted, a separate Form E-1 – Price Worksheet must be included, labeled “Alternate,” and clearly specifying the proposed costs of any such alternate provision.

### Proposed Refuse Collection Fees:

#### Base Collection Fee for Refuse (BCF-Refuse):

Proposed refuse collection fees  
(Exclusive of State Solid Waste Management Tax. See RFP and draft Contract for more details.)

35-gallon cart, every other week (EOW) service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Weekly service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

#### Portion of BCF-Refuse Related to Fuel vs. Non-Fuel Costs:

(See RFP and draft Contract for more details.)

Percentage of BCF-Refuse allocated to non-fuel related items

Units: Percent of BCF-Refuse allocated to non-fuel costs: = \_\_\_\_\_%

Percentage of BCF-Refuse allocated to fuel-related items

Units: Percent of BCF-Refuse allocated to fuel costs: = \_\_\_\_\_%

**Total** = **100%**

#### Refuse Cart Exchange/Replacement Delivery Fee:

The price to deliver a refuse cart or carts as an exchange or addition to an existing household, as a one-time price per occurrence.

Units: Proposed \$ per delivery occurrence: = \$ \_\_\_\_\_/occurrence

#### Walk-Up (Valet):

Additional collection fee for each refuse/recycling monthly walk-up service

Units: Proposed \$ per each month = \$ \_\_\_\_\_/month

### Proposed Recyclable Collection Fees:

#### Base Collection Fee for Recyclables (BCF-Recyclables):

Proposed recyclables collection fees  
(See RFP and draft Contract for more details.)

Every other week (EOW) service

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Additional collection fee for each additional cart, every other week service  
Units: Proposed \$ per extra recycling cart per HH per MO: = \$ \_\_\_\_\_/cart/HH/MO

**Portion of BCF-Recyclables Related to Fuel vs. Non-Fuel Costs:**  
(See RFP and draft Contract for more details.)

Percentage of BCF-Recyclables allocated to non-fuel related items  
Units: Percent of BCF-Recyclables allocated to non-fuel costs: = \_\_\_\_\_ %

Percentage of BCF-Recyclables allocated to fuel-related items  
Units: Percent of BCF-Recyclables allocated to fuel costs: = \_\_\_\_\_ %

**Total** = **100%**

**Special Bulky Items Fee**

Price per collection occurrence by category for bulky items.  
(See Form F: Proposed Prices for Special Collection of Bulky Items)

**Cleanup Event and Special Event Fee**

Fixed annual price for one (1) cleanup events (spring), approximately four hours and/or City special events.

Units: Proposed \$ price per hour for labor: = \$ \_\_\_\_\_/hour  
Units: Proposed \$ price per ton for transportation of recyclables: = \$ \_\_\_\_\_/ton  
Units: Proposed \$ price per yard for yard waste: = \$ \_\_\_\_\_/yard

Signature of person duly authorized to sign submittal on behalf of the Respondent:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## Form E-2: Price Worksheet – North Mankato Only

**Instructions:** This form shall be executed by the authorized official to bind the company. If an alternate proposal is submitted, a separate Form E-2 – Price Worksheet must be included, labeled “Alternate,” and clearly specifying the proposed costs of any such alternate provision.

### Proposed Refuse Collection Fees:

#### Base Collection Fee for Refuse (BCF-Refuse):

Proposed refuse collection fees  
(Exclusive of State Solid Waste Management Tax. See RFP and draft Contract for more details.)

35-gallon cart, every other week (EOW) service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Weekly service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

#### Portion of BCF-Refuse Related to Fuel vs. Non-Fuel Costs:

(See RFP and draft Contract for more details.)

Percentage of BCF-Refuse allocated to non-fuel related items  
Units: Percent of BCF-Refuse allocated to non-fuel costs: = \_\_\_\_\_ %

Percentage of BCF-Refuse allocated to fuel-related items  
Units: Percent of BCF-Refuse allocated to fuel costs: = \_\_\_\_\_ %

**Total** = **100%**

#### Refuse Cart Exchange/Replacement Delivery Fee:

The price to deliver a refuse cart or carts as an exchange or addition to an existing household, as a one-time price per occurrence.

Units: Proposed \$ per delivery occurrence: = \$ \_\_\_\_\_/occurrence

#### Walk-Up (Valet):

Additional collection fee for each refuse/recycling monthly walk-up service  
Units: Proposed \$ per each month = \$ \_\_\_\_\_/month

### Proposed Recyclable Collection Fees:

#### Base Collection Fee for Recyclables (BCF-Recyclables):

Proposed recyclables collection fees  
(See RFP and draft Contract for more details.)

Every other week (EOW) service

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Additional collection fee for each additional cart, every other week service  
Units: Proposed \$ per extra recycling cart per HH per MO: = \$ \_\_\_\_\_/cart/HH/MO

**Portion of BCF-Recyclables Related to Fuel vs. Non-Fuel Costs:**  
(See RFP and draft Contract for more details.)

Percentage of BCF-Recyclables allocated to non-fuel related items  
Units: Percent of BCF-Recyclables allocated to non-fuel costs: = \_\_\_\_\_%

Percentage of BCF-Recyclables allocated to fuel-related items  
Units: Percent of BCF-Recyclables allocated to fuel costs: = \_\_\_\_\_%

**Total** = **100%**

**Special Bulky Items Fee**

Price per collection occurrence by category for bulky items.  
(See Form F: Proposed Prices for Special Collection of Bulky Items)

**Cleanup Event and Special Event Fee**

Fixed annual price for one (1) cleanup events (spring), approximately four hours and/or City special events.

Units: Proposed \$ price per hour for labor: = \$ \_\_\_\_\_/hour

Units: Proposed \$ price per ton for transportation of recyclables: = \$ \_\_\_\_\_/ton

Units: Proposed \$ price per yard for yard waste: = \$ \_\_\_\_\_/yard

Signature of person duly authorized to sign submittal on behalf of the Respondent:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## Form E-3: Price Worksheet – If Awarded Both City Contracts

**Instructions:** This form shall be executed by the authorized official to bind the company. If an alternate proposal is submitted, a separate Form E-3 – Price Worksheet must be included, labeled “Alternate,” and clearly specifying the proposed costs of any such alternate provision.

### Proposed Refuse Collection Fees:

#### Base Collection Fee for Refuse (BCF-Refuse):

Proposed refuse collection fees  
(Exclusive of State Solid Waste Management Tax. See RFP and draft Contract for more details.)

35-gallon cart, every other week (EOW) service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Weekly service for single-family thru duplexes:

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

#### Portion of BCF-Refuse Related to Fuel vs. Non-Fuel Costs:

(See RFP and draft Contract for more details.)

Percentage of BCF-Refuse allocated to non-fuel related items

Units: Percent of BCF-Refuse allocated to non-fuel costs: = \_\_\_\_\_%

Percentage of BCF-Refuse allocated to fuel-related items

Units: Percent of BCF-Refuse allocated to fuel costs: = \_\_\_\_\_%

**Total** = **100%**

#### Refuse Cart Exchange/Replacement Delivery Fee:

The price to deliver a refuse cart or carts as an exchange or addition to an existing household, as a one-time price per occurrence.

Units: Proposed \$ per delivery occurrence: = \$ \_\_\_\_\_/occurrence

#### Walk-Up (Valet):

Additional collection fee for each refuse/recycling monthly walk-up service

Units: Proposed \$ per each month = \$ \_\_\_\_\_/month

### Proposed Recyclable Collection Fees:

#### Base Collection Fee for Recyclables (BCF-Recyclables):

Proposed recyclables collection fees  
(See RFP and draft Contract for more details.)

Every other week (EOW) service

Units: Proposed \$ per household (HH) per month (MO): = \$ \_\_\_\_\_/HH/MO

Additional collection fee for each additional cart, every other week service  
Units: Proposed \$ per extra recycling cart per HH per MO: = \$ \_\_\_\_\_/cart/HH/MO

**Portion of BCF-Recyclables Related to Fuel vs. Non-Fuel Costs:**  
(See RFP and draft Contract for more details.)

Percentage of BCF-Recyclables allocated to non-fuel related items  
Units: Percent of BCF-Recyclables allocated to non-fuel costs: = \_\_\_\_\_ %

Percentage of BCF-Recyclables allocated to fuel-related items  
Units: Percent of BCF-Recyclables allocated to fuel costs: = \_\_\_\_\_ %

**Total** = **100%**

**Special Bulky Items Fee**

Price per collection occurrence by category for bulky items.  
(See Form F: Proposed Prices for Special Collection of Bulky Items)

**Cleanup Event and Special Event Fee**

Fixed annual price for one (1) cleanup events (spring), approximately four hours and/or City special events.

Units: Proposed \$ price per hour for labor: = \$ \_\_\_\_\_/hour  
Units: Proposed \$ price per ton for transportation of recyclables: = \$ \_\_\_\_\_/ton  
Units: Proposed \$ price per yard for yard waste: = \$ \_\_\_\_\_/yard

Signature of person duly authorized to sign submittal on behalf of the respondent:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



**Form F: Proposed Prices for Special Collection of Bulky Item Categories**

Proposed prices of bulky items that do not fit in the regular refuse collection truck and require special pick up collection service. Respondents shall specify their proposed bulky item collection rate according to the following categories (all rates should be in price per item):

Items with fifty percent (50%) metal or more, less than fifty (50) pounds  
(e.g., aluminum lawn furniture, lawn mower, dehumidifier, etc.): \$ \_\_\_\_\_/item

Fifty percent (50%) metal or more, more than fifty (50) pounds  
(e.g., stove, refrigerator, snow blower, hide-a-bed, etc.): \$ \_\_\_\_\_/item

Less than percent (50%) metal, less than fifty (50) pounds  
(e.g., ottoman, wooden chair, etc.): \$ \_\_\_\_\_/item

Less than percent (50%) metal, more than fifty (50) pounds  
(e.g., sofa, mattress, wooden picnic table, etc.): \$ \_\_\_\_\_/item

Electronic recyclables  
(e.g., computer, computer monitor, keyboard, VCR, television, etc.): \$ \_\_\_\_\_/item

**Form G: Itemized Listing of Trucks and Other Collection Equipment**

Instructions: This form shall be executed by the authorized official to bind the company. Information should be completed for each different model of equipment proposed (including any spares). This list should include equipment to service the specified residential units in each individual city.

**Technical Description of Collection Equipment:**

Make of Chassis & Body	Model	Year	#	Capacity/Cubic Yards	Loading Method	Delivery Schedule, if not Currently Owned

**Route Planning Assumptions:**

Automated Routes						
Number of Routes	Average Stops Per Load	Average Stops Per Day	Collection Hours Per Full Load	Cu. Yds Per Load	Crew Size	Total Operating Hours Per Day

Signature of person duly authorized to sign submittal on behalf of the respondent:

\_\_\_\_\_   
 Authorized Signature

\_\_\_\_\_   
 Printed Name

\_\_\_\_\_   
 Date

**Form H: Acknowledgement of Receipt of Addenda**

Please acknowledge receipt of addenda to the Joint RFP with your signature. An opportunity to acknowledge up to five (5) addenda is included in this form but does not necessarily mean that five (5) addenda will be provided.

Addendum 1 \_\_\_\_\_

Addendum 2 \_\_\_\_\_

Addendum 3 \_\_\_\_\_

Addendum 4 \_\_\_\_\_

Addendum 5 \_\_\_\_\_

Signature of person duly authorized to sign submittal on behalf of the respondent:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Telephone

**Form I-1: Certification of Acceptance of the Draft Mankato Contract or Notification of Proposed Exceptions**

---

[Respondent's Company Name] has reviewed the draft Mankato Contract (Attachment A) in the RFP.

- We have no changes to request to the draft Contract and we have no exceptions to the proposed Contract language. We hereby certify that our legal counsel for our company has reviewed the draft Contract and accepts the language "as is". If awarded the Contract by the City, we hereby certify that we will execute the final Contract without any proposed changes.

Or

- We have exceptions to the draft Contract language. We have proposed changes to request to the draft Contract. We have attached a redline ("tracked changes") version of the draft Contract that itemizes our changes or exceptions. We hereby certify that our legal counsel for our company has reviewed the draft Contract and accepts the language with the proposed changes. No other exceptions or changes are or will be proposed. If awarded the Contract, we hereby certify that we will execute the final Contract if our proposed changes are accepted by the City.

Signature of person duly authorized to sign submittal on behalf of the respondent:

---

Authorized Signature

---

Print Name

---

Date

**Form I-2: Certification of Acceptance of the Draft North Mankato Contract or Notification of Proposed Exceptions**

---

[Respondent's Company Name] has reviewed the draft North Mankato Contract (Attachment B) in the RFP.

- We have no changes to request to the draft Contract and we have no exceptions to the proposed Contract language. We hereby certify that our legal counsel for our company has reviewed the draft Contract and accepts the language "as is". If awarded the Contract by the City, we hereby certify that we will execute the final Contract without any proposed changes.

Or

- We have exceptions to the draft Contract language. We have proposed changes to request to the draft Contract. We have attached a redline ("tracked changes") version of the draft Contract that itemizes our changes or exceptions. We hereby certify that our legal counsel for our company has reviewed the draft Contract and accepts the language with the proposed changes. No other exceptions or changes are or will be proposed. If awarded the Contract, we hereby certify that we will execute the final Contract if our proposed changes are accepted by the City.

Signature of person duly authorized to sign submittal on behalf of the respondent:

---

Authorized Signature

---

Print Name

---

Date

**DRAFT CONTRACT**

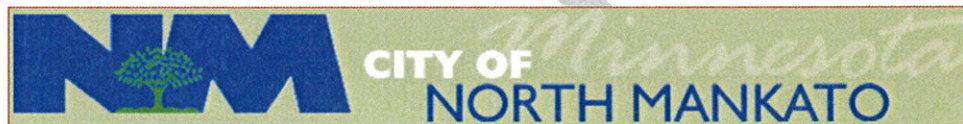
---

**CONTRACT FOR THE COLLECTION OF  
RESIDENTIAL SOLID WASTE AND  
RECYCLABLE MATERIALS  
IN NORTH MANKATO**

Project I.D.: 13M172

**Prepared For  
The City of North Mankato, Minnesota**

**DRAFT As of December 17, 2013**



*Prepared by:*

**Foth Infrastructure & Environment  
8550 Hudson Blvd North, Suite 105  
Lake Elmo, MN 55042**

**CITY OF NORTH MANKATO**

**CONTRACT FOR THE COLLECTION OF RESIDENTIAL SOLID WASTE  
AND RECYCLABLE MATERIALS**

**Table of Contents**

1 Term of Contract .....3  
2 Definitions .....4  
3 Scope of Work: General Description ..... 10  
4 Operations: General to All Collections Services..... 12  
5 Collection Services..... 12  
5 Collection Equipment..... 22  
7 Employees ..... 22  
8 Liquidated Damages ..... 24  
9 Compliance with Laws ..... 25  
10 Non-Discrimination..... 26  
11 Indemnity ..... 26  
12 Insurance ..... 26  
13 Licenses and Taxes..... 27  
14 Transferability of Contract ..... 27  
15 Exclusive Contract ..... 28  
16 Default and Termination ..... 28  
17 Payment for Base Collection Services ..... 29  
18 Monthly Fuel Adjustments on the Fuel Portion of the BCF ..... 31  
19 Bulky Waste Collection Fee Calculation ..... 31  
20 Conflict of Interest ..... 31  
21 Force Majeure ..... 32  
22 Governing Law..... 32  
23 Miscellaneous Provisions ..... 32

**Appendices**

Appendix A Map of Route Sectors by Collection Day

**CITY OF NORTH MANKATO**

**CONTRACT FOR THE COLLECTION OF RESIDENTIAL SOLID WASTE AND RECYCLABLE MATERIALS**

This Contract, is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between the City of North Mankato, a Municipal Corporation under the laws of the State of Minnesota (hereinafter called the "City") and \_\_\_\_\_, a corporation under the laws of the State of Minnesota, and having its principal place of business at \_\_\_\_\_ (hereinafter called the "Contractor").

**WITNESSETH**

**WHEREAS**, the City requires the collection and proper management of garbage, rubbish and recyclables from all single-family dwellings and multi-family units of two or less dwelling units within the corporate limits of the City;

**WHEREAS**, the Contractor is engaged in the business of collecting garbage, rubbish and recyclables; and

**WHEREAS**, the City desires to hire the services of the Contractor and the Contractor desires to provide the services to the City;

**NOW, THEREFORE, IT IS AGREED BY AND BETWEEN BOTH PARTIES:**

**1 Term of Contract**

- 1.1 This Contract shall commence on January 1, 2015 and shall remain in full force and effect through December 31, 2019.
- 1.2 The City may elect to extend the Contract at its sole discretion for up to five (5), one (1) – year increments. The terms and conditions of this Contract shall apply to any such Contract extension. Nothing in this Contract shall be interpreted to imply or infer that the City is committing to such extensions.
- 1.3 At least six months prior to the expiration of this Contract (or any extension period), the City shall notify the Contractor of its decision as to whether or not to exercise its extension option. The Contractor may request an early decision by the City for a contract extension by submitting a written request.



## 2 Definitions

The following terms, whenever used in this Contract, shall have the meanings set forth in this Section unless otherwise limited or expanded elsewhere in this Contract.

**Additional Collection Service Options for Residents**

The collection services above the base level of collection services, including, but not limited to:

- ◆ Additional carts or bags of trash collected beyond the first trash cart;
- ◆ Bulky item collections; and
- ◆ The Contractor shall charge residents directly for these additional collection services on a price schedule to be preapproved by the City.

**Base Collection Services**

The base level of solid waste and recyclables collection services. This includes weekly collection from the first solid waste cart and unlimited bi-weekly recyclables collection services which are paid for by the City to the contractor as specified in this contract. Base collection services do not include additional collection service options for residents, which are paid for directly by eligible residential dwelling unit residents to the Contractor.

**Bulky Waste**

Rubbish such as stoves, refrigerators, water heaters, washing machines, "white goods", bicycles, lawn mowers, lawn chairs, furniture and other waste material other than construction debris, dead animals, hazardous waste or stable matter with weights or volumes greater than those allowed for bags or cart. Bulky household waste does not include electronic waste.

**Bundle**

Tree, shrub and brush trimmings or newspapers securely tied together forming an easily handled package not exceeding 48 inches in length and 18 inches in diameter and not exceeding 60 pounds in weight.

**Carts**

The wheeled, lidded cart in which recyclable materials, household waste or rubbish can be stored and later placed for curbside collection as approved by the City.

**City**

The City of North Mankato, Minnesota.

**City-Designated Recycling Center**

The recycling center designated by the City where the Contractor is required to deposit residential recyclables collected under this Contract. Until amended otherwise, the City currently designates the \_\_\_\_\_ (located at \_\_\_\_\_) as the city-designated Recycling Center.

**City-Designated Solid Waste Disposal Facility** The facility designated by the City where the Contractor is required to deposit residential solid waste collected under this Contract. Until amended otherwise, the City currently designates the Minnesota Waste Processing Company (MWPC) solid waste transfer station (located at 1051 Summit Ave., Mankato, MN 56001) as the city-designated Solid Waste Disposal Facility.

**Collection Route Sector** A contiguous geographic area within the City as determined by the City that will be serviced by one or more collection vehicles within one, specified day each week and which may be used to assure complete route coverage.

**Collection Vehicle** Any vehicle licensed and inspected as required by the state and county and approved by the City for collection within the corporate boundaries of the City.

**Collection Hours** The time period during which collection of trash, refuse, recycling etc., is authorized by the city. Until amended otherwise, the Collection Hours shall be \_\_\_ a.m. \_\_\_ to \_\_\_ p.m. \_\_\_

**Compostable Yard Waste Bags** Bags as required by Minnesota Statute (M.S. 115A.931, Subd. (c) and M.S. 325E.046) for collection of any yard waste that is not contained in a yard waste cart.

**Consumer Price Index (CPI) Adjustment** The annual adjustment to the nonfuel portion of the Contract collection prices to reflect the increase or decrease in nonfuel costs as per the formula in this Contract.

**Contract Price for Recyclables Collection Service** The amount of money per RDU charged by the Contractor to the City as per the terms and conditions of this Contract for costs attributable to the base recyclables collection service, including transport of these recyclables to the City-designated recycling center as established in this Contract.

**Contract Price for Solid Waste Collection Service** The amount of money per RDU charged by the Contractor to the City as per the terms and conditions of this Contract for costs attributable to the base solid waste collection service, including transport to the City-designated disposal facility as established in this Contract.

**Contractor** \_\_\_\_\_, Inc., ( \_\_\_\_\_, MN).

**County** Nicollet County, MN

<b>Curbside</b>	That portion of right-of-way adjacent to paved or traveled City roadways. "Curbside" as used in this Contract shall be interpreted to include alleys.
<b>Curbside Collection</b>	The collection of all household waste, recyclables, yard waste and other additional optional collection services for material placed in accordance with this Contract, City ordinances, and City guidelines regulating the placement of the same.
<b>Dead Animals</b>	Animals that have expired from any cause, except those slaughtered for human use.
<b>Detailed Collection Route Plans</b>	The Contractor-established truck patterns within the City residential streets (e.g., start points, stop points, truck direction) within each daily route sector.
<b>Disposal Site</b>	A household waste, yard waste, or recycling depository including, but not limited to, sanitary landfills, transfer stations, resource recovery facilities, yard waste processors, waste processing/separation centers or recycling centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive household waste, recyclables, yard waste and/or other disposable material for processing or final disposal.
<b>Door-Step Collection</b>	The collection of household waste and recyclable material at an RDU, at a point close to the dwelling unit in lieu of curbside collection for producers or occupants who have a documented physical infirmity without a person living in the dwelling that is not handicapped.
<b>Dwelling Unit</b>	A separate residential dwelling place located within the City limits. See also Residential Dwelling Unit (RDU).
<b>Electronic Waste</b>	Any discarded consumer electronic device with a circuit board including (but not limited to): televisions, computers, laptops, tablets, computer monitors, peripherals (e.g., keyboard, printer, mouse, etc.), cell phones, PDAs, DVD recorders/players and video cassette recorders/players, and fax machines.
<b>Field Route Audits</b>	Annual counts of all eligible residential dwelling units served through actual field route audits (such as dwelling unit counts by solid waste route).
<b>Fuel Adjustment</b>	The annual adjustment to the fuel portion of the Contract collection prices to reflect the increase or decrease in fuel prices.

<b>Garbage</b>	All animal and vegetable matter from handling, preparation, cooking, consumption, storage, decay or decomposition of food (meats, fish, fowl, fruits, grains) and/or any other animal or vegetable matter, whatsoever subject to decay which may putrefy or generate noxious or offensive odors, be a food source for rodents, or be a breeding or feeding place for insects or vermin. As used herein, the term garbage does not include yard waste, household electronic waste, construction debris, bulky waste, rubbish, stable matter, dead animals or hazardous waste.
<b>Garbage Bags</b>	Plastic sacks designed to store household solid waste with wall strength, at least 1½ mills, sufficient to maintain physical integrity when lifted by the top.
<b>Hazardous Waste</b>	Waste or material defined, characterized or designated as hazardous by the United States Environmental Protection Agency (USEPA), appropriate State agencies, or County by or pursuant to Federal or State law or regulations. For purposes of this Contract, the term hazardous waste shall also include motor oil, gasoline, batteries, paint, paint thinner, insecticides, toxic materials and other toxic substances so designated by the City or County.
<b>Holidays</b>	Any of the following: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
<b>Household Waste</b>	All waste from eligible RDUs which normally result from the operation of a household including (but not limited to): all mixed municipal solid waste, garbage, rubbish, recyclables, yard waste, bulky waste, household electronic waste and other problem material waste. Household waste and recyclables do not include hazardous waste or dead animals.
<b>Missed Collection</b>	The failure of the Contractor to provide collection service to an RDU within the City during collection hours on the scheduled day of collection.
<b>Overflow Garbage Bags</b>	The extra solid waste that does not fit into the garbage cart (with the lid substantially closed) as set-out by residents in plastic garbage bags having the required sticker or tag and set next to garbage cart. The Contractor shall bill the residents directly for this additional service.

<b>Problem Material Waste</b>	The other types of bulky waste that are too large to fit into a standard solid waste cart and require special collection by the Contractor. Problem material waste includes (but is not limited to): furniture, appliances, mattresses, and bed springs. Problem material waste does include household electronic waste.
<b>Producer</b>	Occupants of a RDU who generate household waste and/or recyclable material.
<b>Receptacle</b>	A City approved garbage carts and/or City approved recyclables carts.
<b>Recyclable Materials or Recyclables</b>	The current list of household recyclables as established through guidelines released under the authority of the City's Superintendent of Public Works. The current list of recyclables, as of the date of Contract execution, includes: newspapers (including advertising inserts), household office paper & mail (including copy paper and computer paper, greeting cards, school papers), phone books, magazines & catalogues, boxboard (including cereal, cake, chip, and cracker boxes), corrugated cardboard, food and beverage glass jars and bottles, aluminum cans and foil (including pie tins and trays), steel bimetal ("tin") cans, all rigid plastic containers (including lids and caps, non-bottle tubs, cups, clam shells), textiles & clothing, aseptic juice cartons and milk cartons. Recyclable materials include all items of solid waste designated by Nicollet County to be part of an authorized recycling program and which are intended for transportation, processing, and remanufacturing or reuse.
<b>Recyclables Collection</b>	The collection of all recyclable materials properly set out by residents from eligible RDUs into specially identified recycling carts. Collection shall also include transporting the recyclable materials to the City-designated recycling center. The Contractor shall not landfill, incinerate or otherwise dispose recyclable materials collected for recycling under this Contract without the specific, prior written approval of the City.
<b>Recyclable Carts</b>	Carts provided by the City or the Contractor for retaining recyclable materials for collection.
<b>Refuse Carts</b>	Carts provided by the City for retaining solid waste materials for collection.
<b>Residential Waste</b>	Household waste generated by a producer at a RDU.

**Residential Dwelling Unit (RDU)**

Any eligible, occupied single-family, two-family, and three-family dwellings, all townhouses, all condominiums, and other multi-family dwellings expressly agreed upon in writing by the City and the Contractor within the corporate limits of the City occupied by a person or group of persons. A RDU shall be deemed occupied when water is being supplied thereto.

**Residents' Utility Rate Fee for Solid Waste and Recyclables Collection Services**

The monthly charge assessed by the City to each RDU for solid waste and recyclables collection services. The base utility rate solid waste fee is charged by the City to residents for garbage service. The utility rate recyclables collection fee is for every-other-week, single-stream recycling service. The base rate does not include the additional charges directly assessed by the Contractor for additional collection services:

- ◆ Additional carts or "overflow" bags of garbage collected beyond the first garbage cart.
- ◆ Bulky item collections \*

\* These additional services shall be billed directly by the Contractor to the resident as specified in this Contract.

**Route Sectors**

The City-established collection areas that shall be collected on one Scheduled Collection Day for eligible RDUs within the City. (See Appendix A for the current route sectors map showing when collections are scheduled.)

**Rubbish**

All non-putrescible solid wastes consisting of both combustible and noncombustible waste, including but not limited to paper, plastics, bottles, glass, cardboard, metal, cans, bricks, ashes, dirt, rocks, cement, wood, leather, and any other like materials not exceeding 60 pounds. The term rubbish shall not include yard waste, construction debris, bulky household waste, garbage, stable matter, dead animals or hazardous wastes.

**Scheduled Collection Day**

The day or days of the week (Tuesday through Friday) on which collection by the Contractor is to occur, as specified in the Contract with the City. It includes Saturdays for weeks that include Holidays.

**Single-Stream Recycling**

(Also referred to as "single-sort recycling.") The recycling system whereby residents set out recyclables in a wheeled, lidded recycling cart, or bundled cardboard and/or newspaper, with the materials later processed at a centralized materials recovery facility, including sorting into their individual marketable commodities.

**Solid Waste**

(Also referred to as “mixed municipal solid waste.”) Garbage, rubbish and other discarded solid materials (except animal waste used as a fertilizer), including solid waste materials resulting from industrial, commercial and agricultural operations, and from community activities. Solid waste does not include earthen fill, boulders, rock and other material normally handled in construction operations, solids or dissolved material in domestic sewage or other significant pollutants in waste resources, such as silt, dissolved or suspended solids in industrial waste water effluents, dissolved materials in irrigation return flows, or other common water pollutants. For purposes of this contract, solid waste does not include recyclables, yard waste, bulky items or electronic waste.

**Source Separated Organics (SSO)**

Food waste, non-recyclable paper, house plants, and other household organics designated by the City that, once separated by residents, may be recovered for composting or other forms of organics recovery. SSO does not include yard waste for purposes of this Contract.

**Tipping Fee**

The dollar charge per cubic yard or dollar charge per ton assessed to the City by the operators of the disposal facilities designated by the City for disposing of household solid waste, recyclables, and/or yard waste. For purposes of calculating the solid waste density in the route truck, one cubic yard of household solid waste is assumed to weigh 700 pounds.

**Trash**

Also known as garbage, refuse, or solid waste. (See these definitions.)

**Volume of Solid Waste to the Disposal Facility**

The total volume of household solid waste delivered to the City designated solid waste disposal facility.

**Yard Waste**

Compostable yard waste material consisting of plants, weeds, Christmas trees, tree or hedge trimmings, grass clippings and leaves, but excluding tree limbs over 4 inches in diameter and 48 inches in length. For purposes of this Contract, yard waste does not include SSO.

**3 Scope of Work: General Description**

- 3.1 The work under the Contract shall consist of all the items contained in the Contract, including all the supervision, materials, equipment, labor and all other items necessary to complete such work in accordance with the Contract.
- 3.2 The work under the Contract does not include any increased volume of household waste or similar material resulting from a tornado, flood, ice storm, disabling snowstorm, disaster, or act of God over which the Contractor has no control. The

Contractor shall not make such collections unless the City gives prior, written authorization.

- 3.3 In case of a tornado, flood, ice storm, disabling snowstorm, or other disaster or other acts of God, the City may grant the Contractor a temporary variance in the Contractor's regular schedules and routes at the options of, and according to conditions set by the City.
- 3.4 In case of a storm or other disaster or acts of God or other instances where it is necessary for the Contractor to perform services beyond the scope of this Contract, the Contractor and the City shall negotiate the amounts to be paid to the Contractor. If the Contractor and the City cannot agree on terms, conditions and compensation in such circumstances, the City shall be free to utilize other contractors for such services without additional or further obligation to the Contractor. The City is always free to use its own municipal crews and staff to perform these and other services as it deems necessary the City's sole discretion.
- 3.5 The Contractor will acquaint itself with all pertinent City Ordinances and other City guidelines and comply with said ordinances and guidelines, except load limits within the City Limits, which will be adjusted to provide for use of the Contractor's vehicles, as approved in writing by the City.
- 3.6 The City reserves the right to improve any street or alley, which may prevent the Contractor from using its accustomed route or routes for collection. The Contractor is advised to contact the North Mankato Department of Public Works prior to each construction season to determine areas of potential conflict and possible alternate routes or solutions. No additional compensation will be made for this interference. At least two months before any route or schedule changes, the Contractor shall specify the proposed route and/or schedule changes in writing to the City's Superintendent of Public Works.
- 3.7 The Contractor has made its own examination, investigation and research regarding the proper method of doing the work, and all conditions affecting the work to be done (including street layout, alley layout, other geography, daily route sector boundaries, etc.) and the labor, equipment and materials needed thereon, and the quantity of work to be performed (including the Contractor's own field audit verification of RDU counts estimates provided by the City), and the Contractor agrees that it has satisfied itself by its own investigation and research regarding all of such conditions, and that this conclusion to enter into the proposed Contract is based upon such investigation and research, and that it shall make no claim against the City because of any of the estimates, statements, or interpretations made by any official officer or agent of the City may prove to be in any respect erroneous. The Contractor so assumes the risk of all conditions foreseen and unforeseen and agrees to complete the work without additional compensations under whatever circumstances may develop other than as herein provided.
- 3.8 The Contractor shall be obligated to protect all public and private utilities whether occupying public or private property. If such utilities are damaged by reason of the Contractor's operations under this Contract, it shall repair or replace same or,



failing to do so promptly, the City shall cause repairs or replacements to be made and the cost of doing shall be deducted from payment to be made to the Contractor.

## **4 Operations: General to All Collections Services**

### **4.1 Hours of Operation**

Collection of household waste, recyclables, yard waste and other special collections (e.g., bulky items, electronic waste) shall not start before 6:00 a.m. or continue after 9:00 p.m. on the same day. Exceptions to collection hours shall be effected only by prior permission of the City. The Contractor shall request permission from the City for any exception first via telephone and then in writing (email to the Superintendent of Public Works or designee is acceptable) with an explanation as to the reason for the exception.

### **4.2 City-Established Route Sectors**

The City shall establish route sectors for each collection day of the week, Tuesday through Friday. The City shall provide the Contractor with a list of eligible RDUs by address by day / route sector. Appendix A to this Contract is a map of current route sectors by day. Unless otherwise amended in writing, this map of route sectors in Appendix A shall be used for this Contract. After consultation with the Contractor, the City may make changes to these route sectors once each year.

### **4.3 Holidays**

The following shall be holidays for purposes of this Contract: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a holiday falls on the day that solid waste and recycling will normally be collected, each subsequent day will be delayed one day. For Example – Labor Day is on Monday – regular services will be Tuesday through Saturday.

### **4.4 Office and Supervision**

The Contractor shall establish and maintain an office or call service with continuous supervision for accepting complaints and customer calls. The office shall be in service during the hours of 8:00 a.m. until 6:00 p.m. on all days except Saturday, Sunday and legal holidays. The call service shall be available from 8:00 a.m. to 10:00 a.m. on Saturday. The address and toll free telephone number of such office shall be published in the official area telephone book (Hickory Tech) and posted on a sticker on the carts.

### **4.5 Cart Handling and Care**

The Contractor's employees shall handle the carts with reasonable precautions to prevent spilling or scattering of household solid waste and recycling materials. The Contractor shall replace all carts in an upright position and shall immediately clean up and dispose of any contents thereof which may be spilled, regardless of whether the spill occurred on public or private property.

### **4.6 Spills to be Cleaned Up**

If the Contractor fails to clean up any scattered or spilled material within three hours after oral or written notice (email is acceptable) from the City, the City may cause such work to be done and deduct the reasonable cost thereof from any payments due and owing the Contractor, in addition to any other remedies provided herein.

## **5 Collection Services**

### **5.1 Solid Waste Collection Services To Be Performed**

- 5.1.1 The Contractor shall collect household solid waste from all RDUs within the City, once a week during the term of this Contract. The Contractor shall make up collections during Tuesdays through Friday (except those weeks in which Holidays fall) in accordance with a schedule and map of daily route sectors of pickups to be established by the Contractor and approved by the City.
- 5.1.2 The Contractor shall collect one solid waste cart from each eligible RDU as part of the base level of solid waste collection service. Additional solid waste carts may be ordered by the resident, but are above this base level of service and must be paid directly to the Contractor.
- 5.1.3 The City intends to offer three levels of base solid waste collection service through this Contract: 35-gallon trash cart; 64-gallon trash cart; or 95-gallon trash cart.
- 5.1.4 The City will structure its residential solid waste fee schedule to provide a variable rate between these three levels of solid waste collection service as a means to encourage more recycling and waste reduction.
- 5.1.5 Daily service hours shall not begin prior to 6:00 a.m. or continue past 9:00 p.m. Collection shall include collection from all eligible RDUs. Household waste collection and recyclables collection shall occur on the same day of the week throughout the term of the Contract (except Holidays or severe weather events) and shall not be changed without the written permission of the City.
- 5.1.6 The City will publish guidelines for residents of eligible RDUs with instructions on how to store and set out their solid waste. Residents shall be required to place their household waste in the City-designated garbage carts.
- 5.1.7 Senior citizens with a physical limitation and disabled or handicapped residents shall be entitled to door-step collection without additional charge. Within one month of the Contract execution, the City shall submit to the Contractor for review and comment a proposed set of reasonable guidelines governing eligibility requirements of physically limited senior citizens and disabled or handicapped persons. The City

shall develop a form for eligible residents to apply for such door-step collection service.

- 5.1.8 The City shall instruct residents in eligible RDUs to have their solid waste carts set-out to curbside by 6:00 a.m. on their designated solid waste collection day.
- 5.1.9 The Contractor shall load and transport household waste in such a manner as to be as inoffensive to the public as possible and shall exert all reasonable precautions to prevent the spilling or scattering of waste materials while in transit or loading. In the event that any of such waste does spill or scatter, the Contractor shall immediately clean up and remove such spillage regardless of whether such spillage occurred on private or public property, within the City limits of North Mankato.
- 5.1.10 The Contractor shall not knowingly collect any hazardous waste from RDUs, and shall refuse to pick up waste, which is defined as hazardous without explicit written permission of the City. The Contractor shall also bring any such improper disposal practice to the producer's attention via written or verbal notification and keep a log of the verbal contacts with the producers. Within two business days, the Contractor shall notify the City of any such improper disposal of hazardous waste.
- 5.1.11 The Contractor shall keep a written record of any and all dwelling units, which improperly mix any hazardous wastes with household waste or recyclable materials and report it to the City. Within two business days, the Contractor shall notify the City of any such improper disposal of hazardous waste.
- 5.1.12 Garbage carts shall be owned by the City [or Contractor], as solely determined by the City, and managed by the Contractor.
- 5.1.13 Collection of additional types of overflow trash bags and bulky items as ordered and paid for directly by the residents within eligible RDUs shall be provided by the Contractor upon a resident's request directly to the Contractor.
- 5.1.14 Unless otherwise amended, the Contractor shall deposit all residential solid waste collected under this Contract at the City-designated disposal facility.

## 5.2 **Recyclables Collection Services**

The City will convert its recycling service to a "single-stream" system. The single-stream recycling system shall have the following provisions:

- 5.2.1 Recyclables collection service from eligible RDUs shall be performed exclusively by the Contractor. The City shall not permit other contractors to perform such household recyclables collections
- 5.2.2 Collections under the new single-stream recycling service will begin on Thursday, January 1, 2015.

- 5.2.3 Collection shall be every other week from a 64-gallon or 96-gallon wheeled recycling carts.
- 5.2.4 Collection shall occur in the same location (i.e., at “curbside”) and similar manner as solid waste collection.
- 5.2.5 Recyclables “door-step” collection may occur for eligible residents who apply and receive City and Contractor approval.
- 5.2.6 The City will publish guidelines for residents of eligible RDUs with recycling instructions. All occupants of residential properties containing RDUs in the City shall be required to place their recyclables in the City-supplied or Contractor-supplied carts.
- 5.2.7 The City shall provide a specific list of resident instructions for sorting recyclable materials and setting out recycling carts. Before the list is finalized and published, the City shall develop a draft list of instructions for review, comment and advice from the Contractor.
- 5.2.8 The City shall instruct residents in eligible RDUs to have their recycling carts set-out to curbside by 6:00 a.m. on their designated recycling collection day.
- 5.2.9 Recycling trucks shall be equipped with fully automated lifting mechanisms.
- 5.2.10 The current list of recyclables shall be established by the City’s Superintendent of Public Works. The current list of recyclables as of the date of Contract execution is contained in the definition of “Recyclable Materials”. After consultation with the County, this list may be amended by mutual agreement between the City and the Contractor. All recyclable materials placed for collection shall remain the responsibility and ownership of the residents until picked up by the Contractor. The City requires that all collected recyclables must be delivered to the City’s designated recycling center in a manner acceptable to the City.
- 5.2.11 Residential recyclables collected from the City under this Contract will be kept separate from recyclables collected from other cities or from non-residential properties. North Mankato loads of residential recyclables shall be weighed on certified truck scales with the weight of each truck load reported to the City. The Contractor shall retain truck scale weight tickets for City inspection upon request.
- 5.2.12 Recycling trucks shall be clearly marked as such to distinguish from refuse and yard waste trucks.
- 5.2.13 Collection of additional types of recyclables as ordered and paid for directly by the residents within eligible RDUs (e.g., appliances, furniture and other large bulky items) may be provided by the Contractor.

- 5.2.14 After consultation with the Contractor, the City shall develop a set of cart specifications for the trash and recycling carts.
- 5.2.15 Recycling carts will be owned by City [or the Contractor] and managed by the Contractor.
- 5.2.16 The color and labeling of the recycling carts shall be approved by the City and will distinguish them from the City's trash carts, and Contractor's yard waste carts.
- 5.2.17 Contractor Shall Manage the Carts – The Contractor shall be responsible and pay for all aspects of cart management and operations including (but not limited to), receiving, assembly, distribution (aka new cart “roll out”), excess cart inventory, (i.e., provide “warehouse” services), cart switches/replacements, cart maintenance, repair or replacement of damaged carts, and shall manage all aspects of warranty repairs.
- 5.2.18 Cart Purchase Warranty Management – [If the City elects to own the carts,] the Contractor shall serve as the City's agent for purposes of implementing cart warranty service and replacements. The Contractor will make its best efforts to help assure eligible cart warranty repairs and replacements are paid for by the cart manufacturer and not the City.
- 5.2.19 Cart Rollout and Ongoing Replacement – The Contractor's cart distribution services shall include both the initial cart rollout and ongoing cart replacements (i.e. new customers, service changes, replacement of damaged containers, etc.) during the term of the Contract.
- 5.2.20 Cart Switches – Within one week of a request from a resident within an eligible RDU, the Contractor shall exchange a smaller trash cart to downsize from their current trash cart or exchange a larger trash cart to upsize. Residents shall only be allowed to make one such service level switch per year for “free” and thereafter the Contractor may charge a \$5.00 per switch service fee.
- 5.2.21 Cart and Bin Recycling – Damaged carts and old recycling bins that are not reusable must be recycled. All costs incurred in recycling old curbside bins and new carts damaged beyond repair shall be the responsibility of the Contractor at no additional cost to the City. Residents may be allowed to keep their old City-provided recycling bin for other uses. The Contractor shall provide a roll-off box stationed at garage location specified by the Public Works Superintendent or designee for residents who want to recycle their old recycling bins. The Contractor will provide documentation showing the City where the containers were recycled.
- 5.2.22 Cart Purchase, Roll-Out and Management Plan – [If the City elects to own the carts,] within one month of the execution of this Contract, the

City shall develop a more detailed cart purchase, roll-out and management plan with consultation from and approval by the Contractor. This plan shall then be incorporated into this Contract as an amendment signed and executed by the City and the Contractor. This plan shall provide additional details, schedules and procedures for: initial City cart purchase, transportation from the manufacturer, receipt of carts by the Contractor, initial distribution of new carts, removal of old carts owned by the hauler under the former solid waste collection contract, recycling bin recycling, cart switches, cart warranty repairs/replacements, cart inventory control/reporting, parts inventory requirements, and other such operational details as needed.

### 5.3 **Bulky Item Collections**

- 5.3.1 The Contractor shall provide bulky item collection services. The collection services shall be on an “on-call” basis whereby residents must call and pay the Contractor directly for bulky item pickup service. The Contractor shall provide all collection, processing and marketing or disposal services related to these bulky items. .
- 5.3.2 The City will provide a specific list of resident instructions (including notifying the Contractor) for preparing bulky items and other problem materials requiring special collections.
- 5.3.3 The Contractor shall maintain a record of bulky items and other problem waste special collections.
- 5.3.4 The Contractor shall submit a bulky item and other problem material collection price schedule to be reviewed and approved by the City.
- 5.3.5 The City reserves the right to publicize and/or distribute Contractor’s bulky item collection price schedules to the public and otherwise inform the public of bulky item collection alternatives. The Contractor must file new or revised price schedules with the City prior to instituting new or revised bulky item collection charges. The City reserves the right to set additional terms, conditions, and restrictions on bulky wastes and problem materials collections as the City deems appropriate, including, but not limited to, disposal restrictions. The Contractor may provide for the special collection of dead animals at RDUs at its discretion.
- 5.3.6 Bulky item collection service from eligible RDUs shall not be exclusive to the Contractor. The City retains the right to contract with additional contractors to provide bulky item collection services in addition to the Contractor.

### 5.4 **Special Event Collections**

- 5.4.1 General – Upon request and approval of the City, the Contractor shall provide household solid waste and recycling collections for special events held on City property or sponsored in whole or in part by the City **at no additional charge**.

5.4.2 Spring Special Services Weeks – During these two weeks, the Contractor shall pick up all solid waste, furniture and minor appliances, non-recyclable plastics and metals, and such other items, without respect to quantity or weight that will fit in the Contractor's garbage truck. Items need not be in special containers but must be set at the curb line at the same location as residents' regular weekly pick up. The City shall allocate such personnel and equipment as it deems necessary to assist the Contractor in the performance of Special Services Week. The services will take place approximately at the end of April or early May.

The exact dates of and scope of the Spring Special Week will be set by City Council by February 15 each year. City staff shall then immediately provide a scope of work and schedule to the Contractor. The City shall pay for waste disposal tipping fees. The Contractor may keep the revenue from sale of any recyclables. The Contractor shall then provide a cost estimate for the specified scope each year based on its standard labor/equipment rates. City staff will then review, comment, and, if acceptable, recommend acceptance of the Contractor's proposed cost. The City retains the right to contract with an alternate contractor for these services at the City's sole discretion.

5.4.3 Fall Special Services Week - . The Contractor shall provide the following equipment at the City's Department of Public Works facility, along with appropriate personnel:

- ♦ Eight (8), forty (40) cubic yard roll-offs
- ♦ Other equipment as needed to load to roll-offs

5.4.4 Other Special Events - The Contractor will provide solid waste and recycling equipment and collection services for other North Mankato special events at no charge. These special events include, but are not limited to: North Mankato Fun Days, Triathlon, Blues Fest, and Oktoberfest (also known as the "Beer on Belgrade" event). The City will assign a special events manager and this person will contact the Contractor's office in advance of each event to set up the delivery of this equipment and coordinate the services.

## 5.5 **Collections from City Buildings and Parks**

5.5.1 The Contractor shall provide solid waste and recycling collection services at the City owned and operated buildings and parks including, but not limited to: City Hall, City Parks, City receptacles in the Central Business District, Library, Fire Station, Police Department, and Public Works Department

5.5.2 Similar collection services shall be extended to all new City owned buildings and parks created during the term of the contract. The Superintendent of Public Works will provide a list of new parks and buildings to the Contractor in writing.

- 5.5.3 The City [or Contractor] shall own the trash and recycling carts for these City facilities. The Contractor shall distribute and manage these carts at these City facilities.
- 5.5.4 The Contractor shall provide the other types of containers necessary for the services in this Section, including, but not limited to dumpsters and compactors.
- 5.5.5 The solid waste shall be transported to the City-designated solid waste disposal facility along with the rest of the residential waste collected.
- 5.5.6 The recycling materials shall be transported to the City-designated Recycling Center along with the rest of the residential recyclables collected.

## 5.6 Public Education

The Contractor agrees to aid and assist the City in the public education and promotion of the City's overall solid waste and recycling program. The Contractor's required actions shall include, but not be limited to, the following:

- 5.6.1 City Web Site – Review and comment on updates to the City's website including:
- ◆ Guidelines, instructions and standards for how residents should prepare and set out materials.
  - ◆ Utility rates to be charged by the City for the base collection services.
  - ◆ Agreed upon prices for additional services to be charged directly by the Contractor to residents including, but not limited to, bulky item collections (including how to order and pay for the special bulky item collection service from the Contractor).
- 5.6.2 Contractor Web Page – Throughout the term of this Contract, the Contractor shall maintain their own web page that is specific and customized to the City of North Mankato's solid waste and recycling services as specified in this Contract. All postings to this Contractor web page shall be approved by the City prior to posting going live on the Contractor's web page.
- 5.6.3 School Seminars – In coordination with the County and the City, the Contractor shall cooperate with City schools to provide at least one recycling seminar per school year.
- 5.6.4 Media Cooperation – The Contractor shall cooperate with the local media in promoting the City's recycling program.
- 5.6.5 "Recycling Cart Hang Tags" – As part of the "roll-out" of the new single-stream recycling system, the Contractor shall produce and attach single-stream recycling education hang tags to the new recycling carts at time of cart distribution. The content of these hang tags shall include:



- ◆ The full list of all recyclable items
- ◆ Cart set out and care instructions (e.g., where and how to place the carts; periodic washing of carts; etc.)

5.6.6 All Public Education Materials Shall be Approved by the City – The Contractor shall submit “camera ready” draft versions of any and all public education materials for review and approval by the City at least three (3) weeks prior to going to print or release.

5.6.7 Cart Stickers to Provide Contractor’s Phone Number - The Contractor shall provide a sticker on the cart that specifies the Contractor’s local phone number (no long-distance phone numbers) to call for customer service issues (e.g., missed pick-up, cart needs repair, cart needs to be replaced, etc.)

**5.7 Customer Service**

5.7.1 Communication Plan – The Contractor must clearly summarize their customer service plans, including lines of communication with City residents and City staff.

5.7.2 Contractor’s Contact Person – The Contractor shall maintain throughout the duration of the Contract a designated single contact person who is located within fifty miles of Mankato and who has sufficient authority to resolve issues when officially notified by City staff.

5.7.3 Responsive Service – The Contractor shall strive to provide responsive, friendly customer service at all times including interactions with residents by drivers / crews on the collection route, on the phone, emails, web sites, and other forms of communication.

5.7.4 Complaints Direct to the Contractor – The Contractor shall maintain a complaint phone line for residents to call. The Contractor shall address all complaints courteously and promptly. Complaints by customers should first be made directly to the Contractor.

5.7.5 Follow-Up Complaints to City Staff – If not satisfied with the resolution of a complaint communicated directly to the Contractor, a resident may then also contact City staff by calling 311 to seek further resolution. The Contractor must communicate this option to contact the City staff, at 311, to residents if the Contractor’s staff is unable to resolve the complaint directly.

5.7.6 Missed Collections – In the case of alleged missed collections, the Contractor shall investigate, and, if such allegations are verified, the Contractor shall then arrange for the collection of the subject materials no later than 4 p.m. the next business day after being notified of the miss.

**5.8 Annual Report: Plan for Continuous Improvement**

- 5.8.1 The Contractor shall submit an annual progress report to the City by February 1 of each year. The Contractor shall also present a summary of this annual report to City staff in a personal meeting to discuss annual progress and plans for the next year. This annual report shall include:
- 5.8.2 Program results – Performance statistics including:
- ◆ Number of solid waste accounts by service level by collection day.
  - ◆ Number of overflow trash bags by service level by collection day.
  - ◆ Solid waste tonnage from residents by collection day.
  - ◆ Recyclables tonnage from residents by collection day.
  - ◆ Recyclables composition estimates (based on actual, annual sorts from North Mankato recyclables).
  - ◆ Recyclables set-outs and participation rates.
  - ◆ Markets for recyclables
  - ◆ Recyclable market expectations for the upcoming year
  - ◆ Number of bulky item, “on-call” collections and dispositions.
  - ◆ Solid waste tonnages from City buildings and parks facilities.
  - ◆ Recyclables tonnages from City buildings and parks facilities.
- 5.8.3 Contract Prices – Any proposed changes in Contract prices for collection services, including discussion of past rate or fee changes due to CPI or fuel adjustments since the beginning of the Contract.
- 5.8.4 Summary of Complaints – Summary of customer service complaints (e.g., counts of customer calls by type of complaint, summary of how these were resolved, time of resolution, etc.).
- 5.8.5 Other Recent Changes – Any other notable issues or happenings over the past year (e.g., changes in service standards).
- 5.8.6 Recommended Program Improvements – Any proposed service improvements including:
- ◆ Annual focus for public education.
  - ◆ Updated discussion and any recommended changes in the rate schedule to improve the “increments between each refuse service level rate.
- 5.8.7 Recommended Public Education Plan for the Next Year – Any proposed public education improvements, including:
- ◆ Production and City approval schedules for annual calendar and quarterly newsletter
  - ◆ Other recycling public education action steps for the next year

## **6 Collection Equipment**

### **6.1 Truck Equipment for Solid Waste**

- 6.1.1 When collecting household waste under this Contract, the Contractor shall use automated packer trucks. The packer shall then transport the household waste to the disposal site.
- 6.1.2 The 'packer' shall be watertight, and be relatively quiet in operation.
- 6.1.3 The number of collection vehicles furnished by the Contractor shall be sufficient for the collection of all household waste within the allotted daily time frame identified in this Contract.

### **6.2 Trucks for Recyclables Collection**

When collecting recyclables, under this Contract, the Contractor shall use separate collection vehicles for recyclables than used for household waste collection. The vehicles must be approved by the City.

### **6.3 Compliance with Truck Road Weight Restrictions**

It shall be the Contractor's sole responsibility to comply with all road weight restrictions. The Contractor shall immediately inform the City of any notices of exceeding such restrictions. The City retains the right to inspect and/or weigh the Contractor's trucks at any time.

### **6.4 Cleaning**

All vehicles shall be kept in a clean and sanitary condition; and all collection vehicles shall be cleaned with pressurized hot water at least once a week. It may be necessary to wash these vehicles more often to improve the appearance of the vehicle, eliminate or control insect infestation, and to control odor, as directed by the City.

### **6.5 Painting**

The vehicle bodies shall be painted and numbered, and shall have the Contractor's name and telephone number painted in letters of a contrasting color, at least four (4) inches high or easily readable under normal conditions.

### **6.6 Maintenance**

The trucks shall be maintained in good working order. They shall be equipped to meet all federal, state and municipal regulations concerning vehicles used on City streets and alleys and maintained to meet these standards.

### **6.7 Safety Equipment**

All vehicles shall be equipped with the safety equipment as required by any local, state or federal laws.

## **7 Employees**

### **7.1 General**

All employees shall be competent and skilled in the performance of the work to which they may be assigned. Failure or delay in the performance of this Contract due to the Contractor's inability to obtain employees of the number and skill required shall constitute a default of the Contract.

**7.2 Cleanup of Any and All Spills or Litter**

The Contractor shall collect any and all spills or blown litter resulting from collection operations specified in this Contract. A broom and shovel shall be standard equipment and in place on all vehicles. The Contractor shall train all employees about the importance of high quality service, especially as it relates to the extra effort required to clean up any such spills or litter.

**7.3 Courteous, Prompt Service**

The employees shall not use loud or profane language, shall be courteous to patrons at all times (arguing will not be tolerated) and shall perform their work as quietly and quickly as possible. No scavenging of wastes, recyclables, bulky materials or other set out items will be permitted by employees.

**7.4 Trespass**

The employees (and vehicles) will establish access, and shall not drive over private property unless requested by property owners.

**7.5 Inspection**

The City or its authorized agent may inspect the work performed for compliance with the Contract. The Contractor shall furnish all reasonable assistance required by the City or its representative for the proper inspection of the Contractor's premises, facilities, equipment or work.

**7.6 Contractor's records**

The Contractor shall maintain, separate from all other records and accounts, complete records and an accurate ledger of accounts of all revenues and expenses relating to the collection of residential household solid waste, recyclables, yard waste, bulky items, electronic waste and materials from special events. Such records and accounts shall, at all reasonable times, be open to inspection by the City and its agents. With reasonable notice, the City shall have the right to audit any portion of the Contractor's records relating to services provided under this Contract.

**7.7 Notification**

The City shall notify all RDU occupants of complaint procedures, rates and regulations.

**7.8 Violations by Producer**

The Contractor shall report all violations of ordinances pertaining to household waste, recycling collection and disposal or hazardous waste disposal to the City.

## **8 Liquidated Damages**

### **8.1 Liquidated Damages**

- 8.1.1 The imposition of liquidated damages is not a penalty, but recognition of the difficulty of ascertaining damage resulting from certain types of performance breaches. The assessment of liquidated damages shall be at the reasonable discretion of the City and shall be in lieu of other remedies, if imposed.
- 8.1.2 The City may deduct the full amount of any liquidated damages from any payment due to the Contractor, but any liquidated damages not so deducted shall remain the obligation of the Contractor and be payable to the City on demand.
- 8.1.3 The City may assess liquidated damages in lieu of other remedies available to the City for breach of the Contract or violation of the City's ordinances. Failure to impose liquidated damages for lack of performance shall not constitute a waiver of the City's other rights and/or remedies under either the Contractor or the City's ordinances or any subsequent failure of performance.
- 8.1.4 The Contractor shall be liable to the City for liquidated damages, in the amount of \$75.00 first incident, \$100.00 second incident and \$200.00 per incident thereafter, upon determination by the City that performance has not occurred consistent with the following provisions of the Contract:

- 8.1.4.1 Failure to pick up missed collections by 4:00 p.m. on the day following scheduled collection day.
- 8.1.4.2 Failure to complete City-wide or route-wide collection by 9:00 p.m. on the scheduled collection day, unless prior approval is received by the City.
- 8.1.4.3 Failure to adequately address legitimate complaints, whether submitted by residents or the City.
- 8.1.4.4 Failure to promptly clean up any spills caused by the Contractor.
- 8.1.4.5 Failure to clean up scattered or spilled material spilled by the Contractor within three hours of written or oral notice from the City.
- 8.1.4.6 Disposal of recyclables to landfill, resource recovery facility or other disposal facility not designated by the City without receiving prior written City permission.
- 8.1.4.7 Failure to adhere to other collection restrictions and requirements set forth in the Contract. If the Contractor has violated or failed to follow collection restrictions or requirements in a specific incident, the City may treat each violation or failure as a separate incident for the purpose of calculating liquidate damages.
- 8.1.4.8 Failure to request and obtain permission from the City for collecting on the residential routes earlier than 6 a.m. or later than 9 p.m.

## **9 Compliance with Laws**

In performing any actions or services under this Contract, the Contractor shall comply with any and all federal and state statutes, rules and regulations and any and all City and county ordinances and regulations pertaining to or regulating the provision of such services or actions, including those now in effect or hereafter adopted.

- 9.1 Any violation of such statutes, ordinances, rules or regulations by the Contractor shall entitle the City to take appropriate corrective action. Any material violation by the Contractor shall entitle the City to terminate this Contract upon twenty-one (21) days written notice of termination to the Contractor except as provided elsewhere herein. Prior to exercising the right of termination, the City shall notify the Contractor in writing and consult with the Contractor in an effort to resolve the dispute. The Contractor may have up to twenty-one (21) days to cure a violation prior to the City's exercise of its termination right, provided that such an opportunity to cure is not in conflict with the provisions of the subject law, ordinance, rule, or regulation. However, the opportunity to cure shall not apply to subsequent and repeated violations of the same law, ordinance, rule or regulation.
- 9.2 Amendments to existing regulatory laws, ordinances, regulations and enactment of new laws, ordinances and regulations shall not serve as justification for the Contractor to terminate its obligations hereunder, unless such changes make the completion of this Contract impossible.

## **10 Non-Discrimination**

No person shall be illegally excluded from employment rights in, participation in, or be denied the benefits of the program, which is the subject of this Contract on the basis of race, religion, color, creed, sex, age, disability, handicapped status, national origin or any other protected class defined under the Minnesota Department of Human Rights and/or federal law. The Contractor agrees to undertake all efforts at reasonable accommodations as may be required by state or federal law.

## **11 Indemnity**

11.1 The Contractor shall indemnify, keep and save harmless the City and its respective officers, agents and employees against all suits or claims that may be based upon any injury or damage to persons or property that may occur, or that may be alleged to have occurred, in the performance of this Contract by the Contractor, whether or not it shall be claimed that the injury was caused through an negligent act or omission of the Contractor, its employees, its subcontractors or their agents or in connection with any claim based on lawful demands of subcontractors, workers, or suppliers; and whether or not the persons injured on whose property was damaged were third parties, employees of the Contractor or employees of an authorized subcontractor; and the Contractor shall, at its own expense, defend the City in all litigation, pay all attorneys' fees and all costs and other expenses arising out of the litigation or claim or incurred in connection therewith; and shall, at its own expense, satisfy and cause to be discharged such judgments as may be obtained against the City, or any of its officers, agents or employees.

11.2 When requested by the City, the Contractor shall submit satisfactory evidence that all persons, firms or corporations who have done work or furnished supplies under this Contract, for which the City may be come liable under the laws of the State of Minnesota, have been fully paid or satisfactorily secured. In case such evidence is not furnished or is not satisfactory, an amount may be retained from compensation due the Contractor, which will be sufficient, in the opinion of the City's Attorney to meet all claims of the persons, firms, and corporations as aforesaid. Such sum shall be retained until the liabilities are fully discharged or satisfactorily secured.

## **12 Insurance**

### **12.1 Performance Bond**

Before the Contract shall be valid or binding against the City, the Contractor shall obtain a performance bond payable to the City of North Mankato for the use of said City. The performance bond shall be signed by the Contractor and with a surety of company as surety, and shall be in the amount of fifty (50) percent of yearly Contract. The performance bond shall at all times be kept in full force and effect. The bond shall be filed with the Superintendent of Public Works or

designee. The conditions of the bond shall be that the Contractor shall fully and faithfully perform all conditions of the Contract and these specifications; shall pay anyone who may perform or cause to be performed any work or labor, or furnish or cause to be furnished any skill, labor, equipment or material in the execution of such Contract; and such bond shall provide the full amount thereof and shall be forfeited upon the Contractor's failure to comply therewith

## **12.2 Liability Insurance**

The Contractor shall provide and maintain in full force and effect during the entire term of this Contract, regular Contractor's Public Liability Insurance, with the City as an additional insured, providing for a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) for all damages arising out of bodily injuries or death of one person, and subject to that limit for each person, and regular Contractor's property damage liability insurance providing for a limit of not less than One Million Five Hundred Thousand Dollars (\$1,500,000.00) for all damages arising out of injury to or destruction of property in any one accident, and subject to that limit per accident. A copy of the insurance certificate shall be filed with the Superintendent of Public Works or designee

Such policy shall provide for thirty days' notice to the City or any change, cancellation, or lapse of such policy.

The Contractor shall further guarantee and save harmless and indemnify the City of and from any and all loss, damage, claims, suits, judgments and recoveries which may be asserted, made or may arise or be had, brought or recovered against the City by reason of any of the foregoing claims except such as are caused by the existence of the disposal sites at the locations specified or contemplated in the Contract; and that it shall immediately appear and defend the same as its own cost and expense.

Prior to the effective date of this Contract, the Contractor shall file a copy of such policies with the Superintendent of Public Works or designee.

## **13 Licenses and Taxes**

The Contractor shall obtain all required licenses and permits to perform the Contract and promptly pay all fees required or taxes assessed by the City or any other Governmental agency.

## **14 Transferability of Contract**

Other than by operation of law, no assignment of the Contract or any right accruing under this Contract shall be made in whole or in part by the Contractor without the prior express written consent of the City. In the event of an assignment, the Contractor shall act as a guarantor of the assignee's satisfactory performance of all Contractual obligations.



## **15 Exclusive Contract**

### **15.1 Exclusivity**

15.1.1 The Contractor shall have the sole and exclusive contract, license and privilege to provide recyclables and household solid waste collection services for eligible RDUs within the City pursuant to the terms and conditions of this Contract. The Contractor shall not have exclusive rights to the collection of bulky items and electronic waste.

The Contractor's exclusive contract for collection from RDUs shall not extend to factories, businesses, and commercial enterprises or multi-unit apartments of more than two (2) units in the City.

## **16 Default and Termination**

### **16.1 Notice of Default**

If the work to be done under this Contract is abandoned by the Contractor; or if this Contract is assigned by it without the written consent of the City Council; or if the Contractor is adjudged bankrupt; or if a general assignment of assets is made for the benefit of the Contractor's creditors; or if a receiver is appointed for the Contractor of any of its property; or if, at any time, the City determines that the performance of the work under this Contract is being unnecessarily delayed or that the Contractor is violating any of the conditions of this Contract, or that it is executing the same in bad faith or otherwise not in accordance with the terms of this Contract, then the City may serve written notice upon the Contractor and its surety of the City's intention to terminate this Contract.

### **16.2 Termination Schedule**

Unless within twenty-one (21) days after the serving of such notice, a satisfactory arrangement is made for continuance, this Contract shall terminate and the Contractor and its surety shall be liable to the City for all costs.

### **16.3 The City May Withhold Payments or Performance Bond**

In the event of Contractor's default under the terms of this Contract, all payments due the Contractor shall be retained by the City and applied to the completion of the Contract and to damages suffered and expense incurred by the City by reason of such default, unless the surety on the performance bond shall assume the Contract, in which event all payments remaining due the Contractor at the time of default, less amounts due the City from the Contractor and less all sums due the City for damages suffered and expense incurred by reason of such default shall be due and payable to such surety. Thereafter, such surety shall receive monthly payments equal to those that would have been paid to the Contractor had such Contractor continued to perform the Contract.

## 17 Payment for Base Collection Services

- 17.1 City to Act as Collector of Residents Utility Rate Fees – The City shall be responsible for invoicing and collecting the utility rate fees from all eligible RDUs receiving covered collection services.
- 17.2 City Retains Right to Add or Delete Service to RDUs – The City may give the Contractor oral notice of the discontinuation, provided it is promptly followed by written confirmation of the order. Upon reinstatement by the City, the Contractor shall resume collections on the scheduled collection day.
- 17.3 Contractor’s Billings to City – The Contractor shall bill the City for any collection services rendered to mutually agreed-upon, eligible RDUs according to the collection service Contract prices set forth in this Contract. The Contractor shall invoice the City on a monthly basis within ten (10) days following the end of each month in a format to be specified by the City. The Contractor shall itemize applicable charges by county, state or federal agencies.
- 17.4 City’s Payment to the Contractor – The City shall pay the Contractor within 35 days after receiving and approving the invoice from the Contractor. The City’s payment to the Contractor shall be based on the approved invoice and the collection service Contract prices set forth in this Contract. The Contractor shall be entitled to payment for services rendered provided an approved invoice is submitted to the City pursuant to the terms of this Contract regardless of whether or not the City collects the utility rate fee from the RDU for such services. However, the Contractor shall not be entitled to receive payment for dwelling units for which the Contractor has received notice from the City of discontinuance of service. The City shall be entitled to offsets in its payments to Contractor for Contractor errors or omissions as specified in the Liquidated Damages Section. The City shall not be responsible for payment of any optional or additional services provided by the Contractor to RDUs, including yard waste collection, special collections, or overflow trash bags beyond the weekly amount included in the Contract prices.
- 17.4.1 Compensation and RDU Counts - The City will compensate the Contractor through the base Contract prices for solid waste and recyclable collection services . Commencing January 1, 2015, the base Contract prices will be:
- |                        |          |                            |
|------------------------|----------|----------------------------|
| Solid Waste Collection | \$ _____ | per eligible RDU per month |
| Recyclables Collection | \$ _____ | per eligible RDU per month |
- 17.4.2 The Contract price will be multiplied by the total number of RDUs as determined by the City.
- 17.4.3 The City shall provide an annual count of eligible RDUs by \_\_\_\_\_ each year. These annual counts may include additional RDUs added due to annexations or other such changes. The City shall provide the list of eligible RDUs by address, by collection route day,

to the Contractor in electronic format (e.g., Excel spreadsheet) as specified by the City.

The Contractor shall conduct field route audits of eligible RDUs at least twice per year. Field route audit reports shall be provided to the City on February 15 and August 15 each year. Within one month of execution of this Contract, the Contractor shall submit a plan to the City for review, comment and approval with the details of the Contractor's proposed methods for counting eligible RDUs for the field route audits.

- 17.4.4 If the City increases the eligible RDUs (e.g., due to annexations), the City shall notify the Contractor with as much advance notice as possible along with an effective date for the collection services to the additional RDUs. The Contractor may add these RDUs to its monthly invoice RDU count effective the same date as the collection service begins.
- 17.4.5 CPI Price Adjustment on the Non-Fuel Portion of the Base Contract Price
- 17.4.6 The Contract prices shall be divided into the "non-fuel portion" vs. the "fuel portion" for each base service (solid waste and recyclables collections) as follows:
- For base solid waste collection services:
- |  |                    |
|--|--------------------|
|  | % non-fuel portion |
|  | % fuel portion.    |
- For base recyclables collection services:
- |  |                    |
|--|--------------------|
|  | % non-fuel portion |
|  | % fuel portion.    |
- 17.4.7 The non-fuel portion of the Contract payable for each successive Contract year shall equal the Contract prices for the previous Contract year adjusted proportionately by the specified Consumer Price Index (CPI). The specific index shall be the CPI - All Urban Consumers, U.S. city average, All items less food and energy: (<http://data.bls.gov/cgi-bin/surveymost>). The CPI for the month of October 2013 will be defined as the benchmark CPI month and year. The non-fuel portion of the Contract prices will be adjusted by the relative change each year, using the change from the previous year, compared to the benchmark CPI, or three percent (3%), whichever is lower.
- 17.4.8 The published index for determining the yearly percent change of the CPI will be the U.S. Bureau of Labor Statistics web site at [www.BLS.gov](http://www.BLS.gov). Each yearly adjustment of the non-fuel portion of the Contract prices will be based on the benchmark CPI index of the previous year.

## **18 Annual Fuel Adjustments on the Fuel Portion of the BCF**

18.1 The fuel portion of the Contract prices will be adjusted monthly to reflect the percent change in indexed diesel or natural gas prices. If the Contractor uses primarily diesel fuel for their trucks serving the City of North Mankato, the index shall be the “Retail, On-Highway Diesel Prices – Average All Types, Midwest Region” as determined and published by the U.S. Department of Energy (DOE), Energy Information Administration (EIA). See EIA web page at: [http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD\\_EPD2D\\_PTE\\_R20\\_DPG&f=W](http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_R20_DPG&f=W). The diesel price index for the month of October 2013 will be defined as the benchmark month.

18.1.1 If the Contractor uses primarily compressed natural gas (CNG) fuel for their trucks serving the City of North Mankato, the index shall be the “Henry Hub Natural Gas Spot” price as determined and published by EIA. (See web page at [http://www.eia.gov/dnav/ng/ng\\_pri\\_fut\\_sl\\_d.htm](http://www.eia.gov/dnav/ng/ng_pri_fut_sl_d.htm).)

18.1.2 In either case, the Contractor may elect to request City approval of a monthly fuel price adjustment if the price of their specified fuel has gone up over the past year. The Contractor must submit its written request for said fuel adjustment increases by November 1 each year otherwise no increase shall be allowed. Decreases in fuel price adjustments shall be automatically implemented.

18.1.3 The Contract-specified index shall be used to establish the average monthly fuel price of the previous year. The fuel portion of the Contract prices payable for each successive Contract year shall equal the Contract price fee payable for the previous year adjusted proportionately by the annual fuel index. The fuel portion of the Contract prices will be adjusted by the relative change each year compared to the previous year.

## **19 Bulky Waste Collection Fee Calculation**

Commencing with the execution of this Contract, the Contractor shall receive compensation directly from the RDU for the collection and disposal of bulky wastes on an on-call basis. An itemized fee schedule for these bulky wastes must be prepared by the Contractor and provided to and approved by the City prior to January 1 of each Contract year. Contractor does not have exclusive right to collection of Special Waste or Bulky items. The City may contract with additional companies for additional collection services of bulky items, special waste, electronic waste or other problem materials.

## **20 Conflict of Interest**

Contractor agrees that no member, officer, or employee of the City shall have any direct or indirect interest in this Contract or the proceeds thereof. Violation of this provision shall cause this Contract to be null and void and Contractor will forfeit any payments to be made under this Contract.

## **21 Force Majeure**

Neither does the Contractor nor the City shall be liable for the failure to perform their duties if such failure is caused by a catastrophe, riot, war, fire, act of God, power failure, flood, disaster or other similar contingency beyond the reasonable control of the City or the Contractor. Labor disruptions shall not be considered beyond the reasonable control of the Contractor.

## **22 Governing Law**

The laws of the State of Minnesota shall be used to interpret this Contract

## **23 Miscellaneous Provisions**

- 23.1 In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of this Contract shall not affect the validity or enforceability of the remaining provisions or portions of the Contract.
- 23.2 Any notice or demand required herein shall be in writing and shall be effectively made if delivered to either party in person or, if mailed, sent by certified mail as follows: To the Public Works Superintendent at the office of Public Works, 10 Civic Center Plaza, PO Box 3368, North Mankato, MN 56002-3368; and to the Contractor at Waste Management of Southern MN, 739 Beaver Ave, PO Box 336, North Mankato, MN 56002-0336; or to such other address as either party may furnish the other in writing. Citizens may also go to the City's website @ [www.ci.mankato.mn.us](http://www.ci.mankato.mn.us).

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF NORTH MANKATO, MN**

BY \_\_\_\_\_

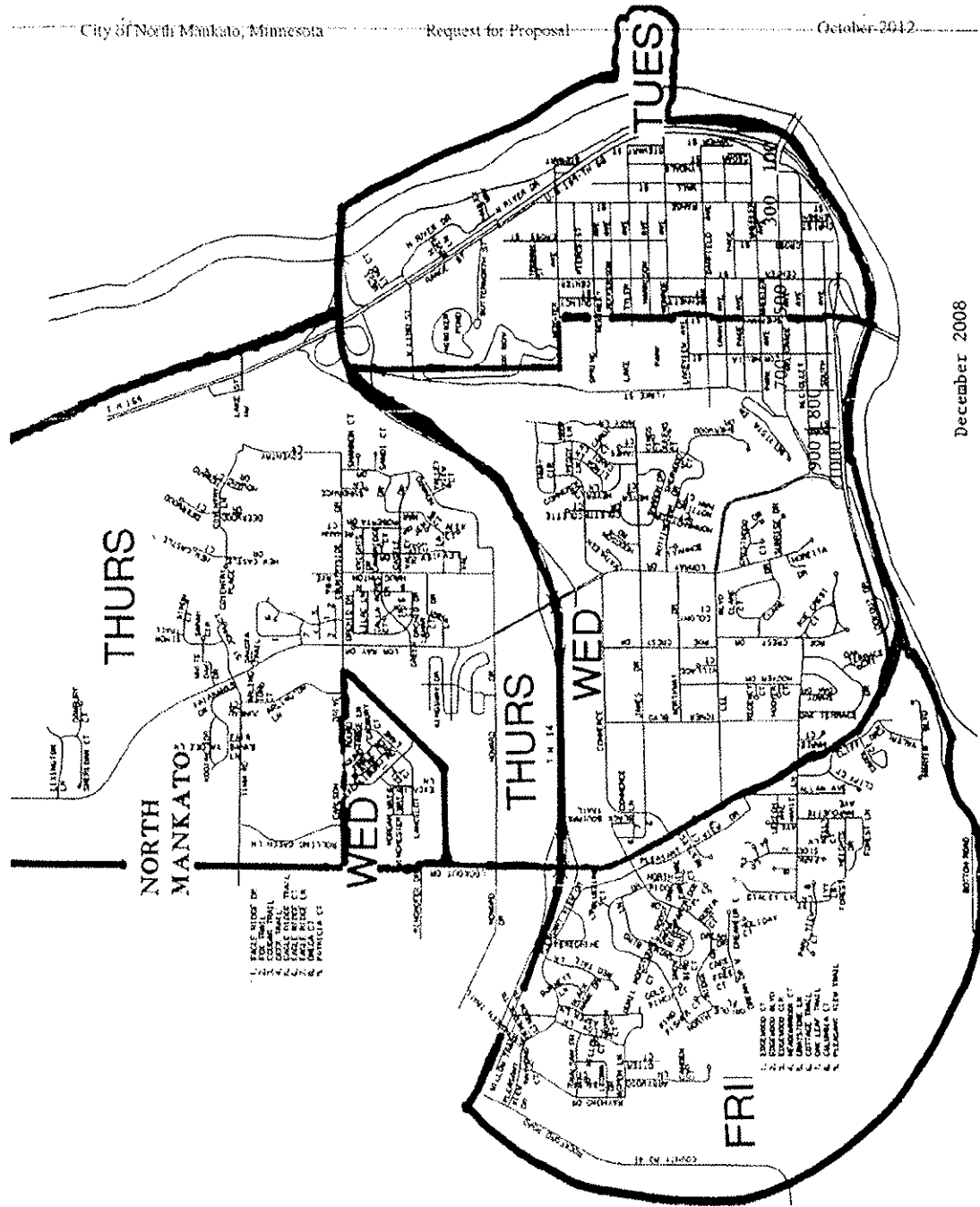
**THE CONTRACTOR:**

**[THE CONTRACTOR COMPANY NAME HERE]**

BY \_\_\_\_\_

DRF

**Appendix A**  
**Map of Route Sectors by Collection Day**



December 2008