

**City of Kirkland**  
**Solid Waste Collection RFP Addendum #7**  
**May 11, 2021**

This Addendum 7 provides confirmation as to how recycling commodity revenue will be handled under the new contract. The City is confirming that under the base proposal commodity revenues shall be excluded from proposed rates as written in the Form 2 RFP instructions.

**A paragraph has been added on Page 2 to the Price Proposal Form 2 instructions:**

“Under the base proposal, a periodic commodity credit/debit will accrue to the City utility based on the tonnage of processed recyclables, regional market prices from an agreed-upon publication, and a periodic analysis of MRF composition. The specific details of this arrangement will be negotiated at the time of contract finalization with the successful proponent.”

In addition, two commodity revenue alternatives have been added to the mandatory RFP alternatives (see the revised RFP Form 2 instructions and revised Form 2).

**Alternative 7: Contractor Retains All Commodity Revenues/Pays all Expenses:**

Under this alternative, the Contractor retains all commodity revenues and pays all commodity expenses during the term of the contract, as with earlier City collection contracts.

**Alternative 8: Contractor Retains All Commodity Revenues/Pays all Expenses Within Price Floor and Ceiling:**

Under this alternative, the Contractor retains commodity risk and reward within a band of \$25-\$156/ton average commodity value. In the event that average published commodity value drops below \$25/ton, the City will compensate the Contractor for lost revenues based on the difference between actual published value and the \$25/ton floor. In the event that average published commodity value exceeds \$156/ton, the Contractor will compensate the City for excess revenue based on the difference between actual published value and the \$156/ton ceiling.