



COUNTY OF WASHINGTON, VIRGINIA

COUNTY ADMINISTRATION BUILDING
1 GOVERNMENT CENTER PLACE, SUITE A
ABINGDON, VIRGINIA 24210

TAMMY STURGILL, CPA,
DIRECTOR OF BUDGET & FINANCE

DEPARTMENT OF BUDGET & FINANCE

ADDENDUM NO. 1 TO ORIGINAL SOLICITATION OF INVITATION FOR BIDS FOR SOLID WASTE TRANSPORTATION AND DISPOSAL SERVICES

DATE: August 21, 2023

BIDS MUST BE RECEIVED BY: **August 31, 2023 @ 3:00 P.M.**

This addendum is being issued to make the following changes, corrections, clarifications, and additions to the invitation for bids document. The information in this addendum modifies and changes the original invitation for bids document and takes precedence over the original document. **Receipt of this addendum shall be acknowledged by the bidder signing and dating below and submitting this document with your bid. Failure to acknowledge this addendum may preclude consideration of the bid for award.**

1. Attachment 2 – Special Terms & Conditions, Item 5, Fee Structure has been amended as follows:

Option 1: Disposal of Solid Waste Materials

Company agrees to provide disposal service for County Waste Material for price per ton as indicated on bid form during year one of the Contract. This figure shall constitute the Initial Service Fee for purposes of calculating any inflationary adjustments as provided herein. The parties expressly agree that this fee structure is based upon an average tractor-trailer weight of twenty (20) tons and that such an average is material to the terms and conditions of this contract. Should this average weight be reduced over a substantial period of time, the parties agree that the per-ton figure shall be renegotiated and adjusted accordingly.

Company agrees to provide, annually, a credit for fifty (50) tons of disposal of Waste Material at no cost to County in the event the County declares disaster or emergency circumstances. County may use the credit at its discretion with reasonable notice to the Company. This credit does not include the cost of transportation for said waste material.

The parties further agree that beginning in year two (2) of the Agreement an allowance for inflationary increases in the cost of disposal services may be allowed in accordance with the following criteria:

Commencing with the second July 1 following the date of this Agreement and on each July 1 thereafter, the Initial Service Fee shall be adjusted and revised according to the Consumer Price Index South formula as set forth in Exhibit "A" attached hereto and incorporated herein by reference. As soon as practicable after the said annual anniversary date of each year, Company shall notify County of such rate adjustment and upon request provide the supporting data that is the basis for the rate adjustment. Each successive twelve (12) month period of operation shall constitute one (1) year.

The adjusted Initial Service Fee shall then constitute the base service fee for purposes of future annual allowances for inflationary increases in accordance with this paragraph.

The parties agree that in no case shall the adjustment allowed for inflationary increases, as described above, exceed two percent (2 %) of the previous year's service fee without prior written approval of such an increase by County. In such cases County shall have the right to request substantial documentation of economic data supporting an increase exceeding two percent (2 %) and may reject any increase over two percent (2 %) where such data does not clearly support the excess. Company may at its discretion adjust the service fee in order to pass through to County pro rata costs for mandated taxes, fees, or other similar legally required expenses associated with operating the Sanitary Landfill. Company agrees to provide documentation of such fees upon County's request.

The parties agree that any mandatory fees imposed upon disposal providers by federal, state, or local government authorities, after the commencement of this Agreement, may be passed on to County at the actual cost of such fees thirty (30) days after submittal of written documentation of imposition of such fees. Such fees shall not be subject to the above-referenced CPI adjustment.

Option 2: Transportation of Solid Waste Materials from Transfer Station to Sanitary Landfill

Company agrees to provide transportation service for County Waste Material from Transfer Station to Sanitary Landfill for price per ton as indicated on bid form during year one of the Contract. This figure shall constitute the Initial Service Fee for purposes of calculating any inflationary adjustments as provided herein. The parties expressly agree that this fee structure is based upon an average tractor-trailer weight of twenty (20) tons and that such an average is material to the terms and conditions of this contract. Should this average weight be reduced over a substantial period of time, the parties agree that the per-ton figure shall be renegotiated and adjusted accordingly.

Company agrees to provide, annually, a credit for fifty (50) tons of disposal of Waste Material at no cost to County in the event the County declares disaster or emergency circumstances. County may use the credit at its discretion with reasonable notice to the Company. This credit does not include the cost of transportation for said waste material.

The parties further agree that beginning in year two (2) of the Agreement an allowance for inflationary increases in the cost of transportation services may be allowed in accordance with the following criteria:

Commencing with the second July 1 following the date of this Agreement and on each July 1 thereafter, the Initial Service Fee shall be adjusted and revised according to the Consumer Price Index South formula as set forth in Exhibit "A" attached hereto and incorporated herein by reference. As soon as practicable after the said annual anniversary date of each year, Company shall notify County of such rate adjustment and upon request provide the supporting data that is the basis for the rate adjustment. Each successive twelve (12) month period of operation shall constitute one (1) year.

The adjusted Initial Service Fee shall then constitute the base service fee for purposes of future annual allowances for inflationary increases in accordance with this paragraph.

The parties agree that in no case shall the adjustment allowed for inflationary increases, as described above, exceed two percent (2 %) of the previous year's service fee without prior written approval of such an increase by County. In such cases County shall have the right to request substantial documentation of economic data supporting an increase exceeding two percent (2 %) and may reject any increase over two percent (2 %) where such data does not clearly support the excess. Company may at its discretion adjust the service fee in order to pass through to County pro rata costs for mandated taxes, fees, or other similar legally required expenses associated with operating the Sanitary Landfill. Company agrees to provide documentation of such fees upon County's request.

The parties agree that any mandatory fees imposed upon transportation providers by federal, state, or local government authorities, after the commencement of this Agreement, may be passed on to County at the actual cost of such fees thirty (30) days after submittal of written documentation of imposition of such fees. Such fees shall not be subject to the above-referenced CPI adjustment.

Option 3: Transportation of Tires for Disposal or Recycling

Company agrees to provide transportation service for tires for disposal or recycling for price per ton as indicated on bid form during year one of the Contract. This figure shall constitute the Initial Service Fee for purposes of calculating any inflationary adjustments as provided herein. The parties expressly agree that this fee structure is based upon an average tractor-trailer weight of twenty (20) tons and that such an average is material to the terms and conditions of this contract. Should this average weight be reduced over a substantial period of time, the parties agree that the per-ton figure shall be renegotiated and adjusted accordingly.

The parties further agree that beginning in year two (2) of the Agreement an allowance for inflationary increases in the cost of transportation services may be allowed in accordance with the following criteria:

Commencing with the second July 1 following the date of this Agreement and on each July 1 thereafter, the Initial Service Fee shall be adjusted and revised according to the Consumer Price Index South formula as set forth in Exhibit "A" attached hereto and incorporated herein by reference. As soon as practicable after the said annual anniversary date of each year, Company shall notify County of such rate adjustment and upon request provide the supporting data that is the basis for the rate adjustment. Each successive twelve (12) month period of operation shall constitute one (1) year.

The adjusted Initial Service Fee shall then constitute the base service fee for purposes of future annual allowances for inflationary increases in accordance with this paragraph.

The parties agree that in no case shall the adjustment allowed for inflationary increases, as described above, exceed two percent (2 %) of the previous year's service fee without prior written approval of such an increase by County. In such cases County shall have the right to request substantial documentation of economic data supporting an increase exceeding two percent (2 %) and may reject any increase over two percent (2 %) where such data does not clearly support the excess. Company may at its discretion adjust the service fee in order to pass through to County pro rata costs for mandated taxes, fees, or other similar legally required expenses associated with operating the Sanitary Landfill. Company agrees to provide documentation of such fees upon County's request.

The parties agree that any mandatory fees imposed upon transportation providers by federal, state, or local government authorities, after the commencement of this Agreement, may be passed on to County at the actual cost of such fees thirty (30) days after submittal of written documentation of imposition of such fees. Such fees shall not be subject to the above-referenced CPI adjustment.

2. Exhibit "A" C.P.I. South Formula has been amended to reflect the amendment in fee structure. See attachment to Addendum #1.

COUNTY OF WASHINGTON, VIRGINIA

DEPARTMENT OF BUDGET & FINANCE

Page 4

ACKNOWLEDGEMENT OF RECEIPT OF INVITATION FOR BIDS ADDENDUM

To qualify your bid, of which this addendum is now a part, this acknowledgement of receipt of invitation for bids addendum must be acknowledged and returned with your completed bid. Signature on this addendum does not substitute for your signature on the original bid document. The original bid document must be signed.

Vendor Name

Vendor Address

Printed Name of Signatory

Printed Title of Signatory

Signature

Date of Signature

**EXHIBIT “A”
C.P.I. SOUTH FORMULA**

The Transportation and Disposal Service Fee specified in Special Terms and Conditions of this Contract shall be adjusted annually beginning July 1, 2025, and on every succeeding July 1 during the term of the Contract in order to reflect changes in the Consumer Price Index, not to exceed two percent (2 %) annual increase in the absence of compliance with procedures stated in Special Terms and Conditions. The method of adjustment shall be as follows:

$$\text{New Rate} = [\text{Old Rate}] \times [1 + (\text{Cn} - \text{Ci}) / \text{Ci}]$$

Where:

Old Rate = the rate in effect during the first year of the Agreement. (The Bid Price Per Ton)

Ci = the Consumer Price Index on the date of the Agreement execution (For example, agreement execution date of October 2023)

Cn = the Consumer Price Index on the first day following the first anniversary of the Agreement and every annual anniversary date thereafter. (For example, October of 2024 will be the month to determine the Cn for the July 1, 2025—June 30, 2026 contract year.)

The Consumer Price Index used shall be the Consumer Price Index for all Items Portion, New Series, for Urban Wage Earners and Clerical Workers for the South, as published by the United States Department of Labor.

Example Rate Adjustment:

Rate Adjustment on annual anniversary of Agreement

Old Rate = \$6.50 per ton (assume)

Ci = 115.00 (assume)

Cn = 120.00 (assume)

Calculation

New Rate = \$6.50 x [1 + (120 - 115)]

115

New Rate = \$6.50 x 1.04348

New Rate = \$6.78 (rounded)

In the event the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish the C.P.I., the parties hereto agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available so as to carry out the intent of this provision.