

CITY OF JACKSONVILLE, FLORIDA
NORTH/WEST LANDFILL

TO: City of Jacksonville
Department of Public Utilities
219 Newnan Street
Jacksonville, Florida 32202-3229

* Alternate Proposal # 3 - Plan "B"
Inward Gradient Design

FROM: Trail Ridge Landfill, Inc.
500 Cypress Creek Road, West
Ft. Lauderdale, Florida 33309
(Address)

(305) 771-9850
(Telephone)

hereinafter called the PROPOSER, an () Individual, a () Partnership, a
(X) Corporation organized and existing under the laws of the State of Delaware

1. PROPOSAL INSTRUCTIONS

All entries in this Proposal must be made clearly and in ink. Where indicated, proposal prices must be written in both words and figures. In case of discrepancy, the amount shown in words will govern. Definitions are as set forth in the GENERAL CONDITIONS.

2. DESCRIPTION AND SCOPE OF WORK

Provide all labor, materials, land and equipment required to provide the North/West Landfill ("Project") as detailed in PROPOSER's documents and the minimum standards as set forth in the INFORMATION FOR PROPOSERS. Project shall be provided completed and ready for routine operation. Project shall, as a minimum:

- 2.1 Be capable of accepting and processing 1,800 tons/day (annual average day) of Class I and Class III refuse (1,500 tons/day Class I refuse and 300 tons/day Class III refuse);
- 2.2 Be capable of accepting and processing 3,000 tons/day (maximum day) of Class I and Class III refuse (2,500 tons/day Class I refuse and 500 tons/day Class III refuse);
- 2.3 Have a design facility life of 20 years minimum based on the loading rates stated in paragraph 2.1 above.

PROPOSER shall certify that the facility is designed in accordance with all local, State and Federal laws, regulations and ordinances in effect on the date of this Proposal.

PROPOSER shall furnish all of the above mentioned including all miscellaneous and incidental work items.

Also, upon award of contract(s), provide labor, superintendence, equipment, materials and supplies to operate the landfill over the life of the facility, in accordance with terms of the contract(s) and at prices set forth in this Proposal and/or as subsequently negotiated based thereon.

ADDENDUM NO. 2

(continued)

specifics of the capital cost recovery accounting - amortization, depreciation or leasing - the cost of an equipment item will be fixed at the time of its initial placement into service. Capital costs will be recovered over a multi-year period in amounts which, once fixed, are not subject to inflation. The 70 percent figure is the basis for the City's contracts with waste haulers and is utilized here for consistency. Whether the percentage is exact (i.e., whether it should be 65 percent or 75 percent) is immaterial; the concept is sound in theory and the stated percentage provides an "equal playing field" basis on which Proposers may base their price quotations.

ITEM NO. 6

Question/Comment: How will we and the city arrive at design, construction and operation prices for the "life of the facility" after the "first incremental five year term"? Does the City really want cost-plus fee type of pricing or utility-type pricing?

Response: The Draft Operations Contract, cited in Section VI of the RFP and previously distributed to all Proposers, addresses renegotiation at five-year intervals in some detail. This draft is reflective of the Committee's current perceptions and intentions, subject to finalization during contract negotiation. The Committee does, definitely, prefer a cost-plus-fixed fee or cost-plus-negotiated profit margin type pricing. It is the City's intent to pay for capital costs at the time of facility development, and a classic "utility-type" pricing method with return on investment considerations is not applicable.

ITEM NO. 7

Question/Comment: How will the City evaluate the availability of landfill capacity in excess of 558,000 or 657,000 tons per year for 20 years.

Response: It is the Committee's present intention to treat excess remaining available capacity as a salvage value, at the end of the 20-year period, and to include a present worth of the salvage value in the evaluation of costs.

ITEM NO. 8

Question/Comment: Will the City accept a landfill entirely designed and constructed for Class I waste with part of its Class I capacity used for Class III.

Response: The City will accept a landfill entirely designed and constructed for Class I waste with a portion of its capacity to be used for Class III waste as necessary.