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# CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



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MARGO REID BROWN  
CHAIR  
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(916) 341-6051

Date: April 25, 2008

To: All Prospective Contractors

RE: Tire-Derived Product Business Assistance Program contract RFP  
#IWM07059

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## Addendum No. 2 To the Request For Proposals (RFP)

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1. Attached is a list of all businesses who have expressed an interest in the contract to date (Attachment 1).
2. The following questions were submitted during the question and answer period of the RFP. Each question is directly followed by the answer.

CHERYL PEACE  
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Q1 On page 7 the RFP discusses the 10 percent payment withholding policy. This withholding requirement caused considerable challenges during the first TBAP contract. Some product testing firms declined to provide services through the program since they were unwilling to accept these payment terms. Some subcontractors who had satisfactorily completed task work on behalf of a business were required to wait until all work for the business was complete to receive full payment. In order to attract qualified subcontractors and compensate them in a fair and timely manner, would the Board consider adjusting the 10 percent withholding policy for this contract? For example, the Board could:

- a) Waive the 10 percent withholding requirement in lieu of a requirement that the final payment (of at least 10 percent) not be paid until all work has been determined to be complete and satisfactory;
- b) Make payment on withheld amounts on a task-by-task basis rather than paying withheld amounts after an entire work order is complete or, worse, after the entire 35 month contract is complete; and/or



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- c) Waive the withholding requirement in certain circumstances where it is deemed necessary to secure a certain subcontractor's services, for example, for specialized testing firms that may only be conducting a small amount of work (e.g., less than \$10,000)?

- A1 Generally, the CIWMB withholds 10 % of every invoice until the end of the contract term and only after all deliverables required under the contract have been accepted and approved. The options presented would not sufficiently serve the purpose of the 10% withhold or would be excessively burdensome with regards to administrative activities. However, the CIWMB agrees to release the 10% withhold upon final acceptance and approval of all deliverables under each work plan for general business assistance or industry wide activities.
- Q2 On Page 11 the RFP describes the circumstances under which subcontractors not included in the original proposal may be used. Can you please clarify whether the 5 percent of contract value cap on *additional* subcontractors also applies to the use of *substitute* contractors who are performing a service identified in the existing contract?
- A2 No, the 5 percent cap on additional subcontractors does not apply to the use of substitute contracts. The 5 percent cap applies only to the use of additional subcontractors to meet service needs that could not be duly anticipated under the contract. The substitution of contractors applies to the replacement of a subcontractor already identified in the proposal.
- Q3 The use of additional or substitute subcontractors specifically identified/requested by the applicant firms carries with it the possibility of displacing a capable and approved SB/DVBE who already is part of the proposal and contract. How will the Board determine compliance with its SB/DVBE guidelines and requirements given the unknowns of specific assistance tasks and its enabling third-party contractors to replace core team companies?
- A3 Throughout the solicitation process, the CIWMB has provided a list of interested parties to encourage networking, particularly with SB/DVBE firms. The Good Faith Effort requires that steps be completed to ensure that each proposer, who has not already identified SB and DVBE subcontractors, make every effort to meet the required participation levels through various outreach activities. The State also gives preference points to any non-SB or non-DVBE firm who identifies a minimum of twenty five percent (25%) SB and three percent (3%) DVBE participation levels.
- Q4 How will the Board handle liability and quality assurance concerns with respect to additional or substitute subcontractors added at the request of applicant firms (subcontractors, page 11 of RFP), that it authorizes to deliver services in lieu of the prime contractor or a pre-existing subcontractor? Since the prime contractor may not have had experience or a business relationship with the applicant-requested and Board-approved subcontractor: Will the Board and applicant firms indemnify and waive liability and liquidated damages provisions and responsibility for the timeliness and quality of their delivery?
- A4 No, the CIWMB and applicant firms cannot indemnify and waive liability and liquidated damages provisions and responsibility for timeliness and quality of their deliverables; However, liquidated damages are only imposed in rare circumstances and would not be imposed in situations such as non-performing substitute contractors. If the

original/subcontractor team has any concerns about substituted contractor, these concerns should be brought to the attention of the CIWMB Contractor Manager immediately.

Q5 Will additional subcontractors not part of the original proposal (or not selected specifically by the original contractor/subcontractor team) be required to agree to the contractor's standard subcontractor agreements under which the originally proposed subcontractors are operating, including any flow-down provisions (as have the other "original" subcontractors)?

A5 Yes.

Q6 Because the actual nature of assistance is unknown until applicants request assistance, assessments are undertaken, and actual assistance packages/tasks are recommended and approved by CIWMB, it is possible that less work than contemplated in a proposal may be conducted by SB/DVBE firms if the assistance requests, assignments and approvals are not suitable for the SB/DVBE firms to actually deliver. The RFP mentions or implies that the proposed/contemplated SB/DVBE percentage of revenue must be deployed in actuality. How will CIWMB reconcile this RFP requirement with the reality of unknown assistance scopes, tasks and appropriate contractor/subcontractor resources?

A6 The prime is expected to familiarize themselves with the TBAP Program and the general business needs provided under the Program and to select appropriate SB/DVBE subcontractors to meet these needs. The participation levels to which the prime certifies at the time of proposal submittal must not change. Additionally, the appropriateness of the selected team members will be evaluated as part of the proposal scoring process.

Q7 On Page 12 the RFP discusses payment to contractor. What are the anticipated payment terms (net xx days)?

A7 The payment term is 45 days between receipt of invoice and payment to the prime contractor.

Q8 Can the Board make any assurances regarding its ability to make payment within a reasonable time period, especially given that the selected contractor is likely to include several small businesses?

A8 Best efforts are always made to ensure timely payment to the prime contractor.

Q9 For small business (SB) and non-profit contractors and subcontractors, will the Board be applying the California Prompt Payment Act based on the total contract award, on individual task orders, or by some other criteria?

A9 The CIWMB applies the CA Prompt Payment Act to each invoice submitted under the contract.

Q10 On Page 16 the RFP asks proposers to provide detailed proposals for each of two hypothetical business assistance scenarios, and states that it should be assumed that “the businesses have already undergone the Assessment phase of the Program.” Under Scenario A, however, proposers are asked how they would assess the company. Can the Board please clarify whether proposers should include a description and budget for how they would assess the hypothetical business under Scenario A?

A10 Proposers should include both a description and a budget for how they would assess the hypothetical business under Scenarios A and B. Section III, Instructions for Business Assistance Proposals for Scenarios A and B has been revised as follows:

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**Instructions for  
Business Assistance  
Proposals for  
Scenarios A and B**

Below are two scenarios for businesses that could receive assistance under the Tire-Derived Product Business Assistance Program. In the scenarios presented, the businesses have ~~already~~ not undergone the Assessment phase of the Program. Provide detailed proposals of how your team would perform the assessment, prioritize and provide the business assistance ~~identified in~~ for the respective Scenarios. Title your proposals **Scenario A Business Assistance Proposal** and **Scenario B Business Assistance Proposal**. Cost sheets for these two Scenarios are also required and are described in Section IV (see Sample Attachment C).

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Q11 For both Scenario A and B, can the Board clarify what maximum grant amount should be assumed for each hypothetical business?

A11 The proposer is to determine the appropriate maximum based on the TBAP background material (attachment and web links provided in the RFP).

Q12 With regards to the Cost Proposal Sheet (Rate Sheet) described on Page 22 of the RFP, must proposers literally list each and every individual in its and all subcontractors' organizations? If so, will the prime contractor and subcontractors be allowed to use new employees or other employees not listed in the proposal rate sheet?

A12 No, the proposer does not have to list each and every individual in its and all subcontractors' organizations. Only those individuals expected to provide services under this agreement must be listed. The prime contractor and subcontractors are allowed to use new employees or other employees not listed in the proposal rate sheet in accordance with the substitution rules described in the RFP and with approval by the CIWMB contract manager.

- Q13 With regards to the Cost Proposal Sheet (Rate Sheet) described on Page 22 of the RFP, may proposers list classifications with standardized rates and assign all consultants to one of the categories, with CIWMB approval?
- A13 Proposers must identify individuals and their corresponding rates if the proposer considers the individual to be critical to the success of the project(s). Proposers can specify classification categories within each firm and the corresponding rates for personnel not considered key, but a thorough description of each classification must be included in the proposal. Individual team members considered to be experts in their respective fields must be listed by name as opposed to classification to ensure that higher and lower levels of service are properly assigned and billed during the contract term.
- Q14 For some firms, especially product testing organizations, it is industry practice to price services on a fixed cost basis (e.g., the cost for a certain type of product testing service). Can proposers assume that some tasks under the contract will be budgeted at a fixed price basis, with approval by the CIWMB contract manager?
- A14 The CIWMB understands the competitive nature of testing laboratories; therefore, the Board recommends that testing services should be awarded based on a competitive basis to the benefit of the state.
- Q15 For these firms included in the proposal, must proposers list hourly rates in the rate sheet? (Given the wide range of product testing needs, it would be impossible to predict all types of testing services that may be needed under the contract.)
- A15 The proposer should anticipate services to be provided under the contractor, identify a subcontractor through a competitive process, and the firm's rates reported in the proposal. For those services that cannot be provided by the identified subcontractor, a substitution will be allowed at the same or lower rate in accordance with the conditions for substitution of subcontractors as stated in the RFP.
- Q16 For some personnel, hourly rates may vary depending on the nature and complexity of services provided. For example, a web developer may charge \$175/hr for web site design activities and \$200/hr for programming and technical implementation. In such a case, can an individual appear more than once on the cost proposal sheet (rate sheet), identifying the specific nature of activity and associated rate?
- A16 Yes, but the individual and some classification description regarding the difference in services must be clearly identified on the rate sheet.
- Q17 Page 61 of the RFP (Attachment M) contains a *truncated* table outlining funding award levels for applicant businesses based on business category, age, and PTE diversion. Can the Board please provide the table in its entirety?

A17 The table provided in Attachment M is shown in its entirety; however, the full December 11, 2007 Agenda Item #20 can be viewed from the CIWMB website at [www.ciwmb.ca.gov/Agendas/Agenda.asp?RecID=1277&Year=2007&Comm=BRD&Month=12](http://www.ciwmb.ca.gov/Agendas/Agenda.asp?RecID=1277&Year=2007&Comm=BRD&Month=12).

Q18 On Page 15 the RFP requests proposers to respond to two hypothetical questions. Proposers are asked to prepare a proposed plan that includes, among other items, identification of funding sources. Should proposers assume the plans prepared in response to the two questions are work plans that may be implemented by the contracting team? And if so, does the Board wish to see an estimated *budget* in lieu of identified *funding sources*?

A18 Yes, the proposer should assume the plans prepared in response to the two questions may be implemented by the contracting team. A budget is not required for the hypothetical questions. The proposer is being asked to demonstrate the ability to identify other sources of funding for financing, employee training for the businesses/CIWMB, etc. in order to further or enhance the services to be provided under the contract.

Q19 Can the proposal submitted last time by Beck be shared electronically? If not, can copies be picked up or mailed?

A19 The Proposal submitted by R.W. Beck is posted on the Tire Derived Product Business Assistance Program Contract # IWM07059 Contract website ([www.ciwmb.ca.gov/Contracts](http://www.ciwmb.ca.gov/Contracts)) under a link titled "Miscellaneous". Portions of the Response to Proposal submitted by R.W. Beck, the awarded contractor for contract number IWM05030, have been redacted because the Proposal identified those portions as confidential. Anyone seeking to obtain the redacted portions must follow the procedures set forth in the Board's regulations (14 CCR 17401-17406). Please be advised that the process set forth in those regulations would not result in disclosure, if allowed, prior to the deadline for submitting proposals for this contract offering.

Please also be advised that future contract offerings will include a provision that disallows claims of confidentiality except as to personal information.

Q20 How was the budget allocated during this past contract? How much has been allocated to marketing activities conducted by Riester-Robb?

A20 The budget for general assistance provided under the current contract and businesses receiving award of grant agreements is viewable at: <http://www.ciwmb.ca.gov/Tires/Grants/>. Proposers can also review Agenda Item 1 (Revision 3) presented to the Board in June of 2007 and Agenda Item 3 (Revised) presented to the Board in August 2006 to view dollar amounts for each of the categories that were awarded. The majority of marketing services provided under the current contract were performed by Riester-Robb.

- Q21 There is reference to the survey protocol that was developed during the first contract. Can that be shared?
- A21 The current contract was recently augmented to include this task; therefore, the survey protocol is still in the developmental stages, but will be provided to the contractor receiving award of this agreement.
- Q22 There is reference to conducting assessments. What does the current assessment tool look like? Can the criteria be shared?
- A22 The assessments will serve as the preliminary basis for future work under the agreement. An application checklist is available and identifies the standard information collected for the assessments. The application checklist can be found at:  
<http://www.ciwmb.ca.gov/Tires/Grants/Product/FY200708/Apply/Application.pdf>.
- Q23 On page 27, Section E, it states that the contractor will compile and analyze market research done during the first TBAP contract in order to make new recommendations. Can that information be shared in advance in order for new recommendations to be made in conjunction with the submission of this proposal?
- A23 The first annual report regarding compilation and analysis of market research done under the current contract was presented as Agenda Item #5 at the March 13, 2007 Board Meeting ([www.ciwmb.ca.gov/Agendas/](http://www.ciwmb.ca.gov/Agendas/)). A Power Point presentation is offered on the website and proposers are encouraged to read the meeting transcripts for more complete information. The CIWMB anticipates presentation of the second annual report at the September 2008 Board Meeting.
- Q24 How many businesses are currently being reached? Can a list be provided with an update on current activities?
- A24 Specific services provided to each business under the Program is maintained as confidential; however, general assistance needs and businesses awarded service grant agreements under the Program are identified in A20 above.
- Q25 What types of marketing activities have been implemented and for how many businesses? Please provide specifics. And did the businesses view this assistance as helpful?
- A25 See A20) and A24) above. Specific marketing activities for each business are maintained as confidential, but generally included web design, web enhancement and development of printed marketing materials. Surveys regarding the usefulness of assistance provided to each business under the agreement are not completed until the end of the grant term, but general reaction has been positive.
- Q26 Can samples of past marketing materials be shared?

- A26 No. The CIWMB does not retain copyrights for any marketing materials produced under the Program. Proposers can search for individual business' websites with budgeted marketing activities provided under the Program. See A20 above.
- Q27 Please share any evaluation that has been conducted during this past phase. Were key goals/objectives by the contractor met?
- A27 See A25 above.
- Q28 Attachment M, Item D, refers to improving the efficiency of program administration. Can further information on what the CIWMB is envisioning be shared? What percent of the budget does CIWMB feel should be allocated to administration?
- A28 Under the current contract, there has been a significant amount of administrative work associated with tracking and invoicing of services. The administrative work is significant because of the relationship and coordination between the businesses, subcontractors, the prime and the CIWMB Contract Manager. It is the proposer's responsibility to determine the anticipated administrative costs under the agreement.
- Q29 Are contract deliverables under the existing TBAP available for review/distribution (progress reports, CIWMB contractor presentations made to board, etc.). In general terms, products undertaken using state/public funds that are normally be made available under FOIA
- A29 See A20 and A24 above. A description of all contract deliverables, except industry and sector activities, will be presented at the May 2009 Board Meeting. Presentations regarding the program activities to date can be viewed and transcripts read at:  
<http://www.ciwmb.ca.gov/Agendas/Agenda.asp?RecID=1462&Year=2008&Comm=BRD&Month=5> (Not yet available-proposed publication date is May 1, 2008)
- Q30 What was the rationale and or justification not to require oral interviews for this solicitation?
- A30 Oral interviews are not anticipated under this RFP based on the last solicitation results; however, should it become evident that oral interviews are necessary, they may be scheduled. The CIWMB has not waived its right to conduct oral interviews if deemed necessary.

RFP IWM07059  
Addendum 2  
April 25, 2008

All other terms, conditions, and requirements of this RFP will remain the same.

If you have any questions relating to this RFP process, please contact me by e-mail at [contracts@ciwmb.ca.gov](mailto:contracts@ciwmb.ca.gov).

Sincerely,

*{Original Signed By}*

Carol Baker  
Contract Analyst  
Administrative Services Branch

Attachment

ATTACHMENT 1  
Interested Parties Listing For RFP IWM07059  
as of 4/25/08

The CIWMB has not confirmed the certification status of firms who have identified themselves as CA Certified Small Business (SB) or Disabled Veterans Business Enterprise (DVBE).

| Contact (First & Last Name) | Email                          | Company  | Mailing Address   | SB | DVBE |
|-----------------------------|--------------------------------|--|---|----|------|
| Edward Boisson              | eboisson@rwbeck.com            | R.W. Beck, Inc.                                      | 48 Cushing Ave., San Rafael, CA 94903                       |    |      |
| Beverly Kennedy             | beverley.kennedy@ogilvypr.com  | Ogilvy PR  | 2495 Natomas Park Drive, Suite 650<br>Sacramento, CA 95833  |    |      |
| Ralph Hoag                  | rhoag@hoag-consulting.com      | Ralph Hoag Consulting                                | 1169 Norval Way, San Jose, CA 95125-3435                    | X  |      |
| Terry Leveille              | terry@caltirereport.com        | TL & Associates                                      | 8740 Bluff Lane, Fair Oaks, CA 95628                        |    |      |
| Mike Tinney                 | miketinney@aol.com             | Tinney Associates                                    | 6368 Silveira Way<br>Sacramento, CA 95831                   | X  |      |
| Brent Meyers                | bmeyers@manexconsulting.com    | The Corporation for Manufacturing Excellence (Manex) | 2633 Camino Ramon, Suite 325, San Ramon, CA 94583           |    |      |
| Andrew Brigg                | abrigg@mactec.com              | MACTEC   | 4704 Roseville Road, Suite 108<br>North Highlands, CA 95660 |    |      |
| Emily Miggins               | emiggins@saic.com              | SAIC   | 1000 Broadway, Oakland, CA 94607                            |    |      |
| Tom Faust                   | tf Faust@redwoodrenewables.com | Redwood Renewables LLC                               | 6 Endeavor Drive<br>Corte Madera, CA 94925                  | X  |      |
| Terry Gray                  | tagray@flash.net               | TAG Resource Recovery                                | 18038 Radworthy Drive<br>Houston, TX 77084                  |    |      |
| Douglas Eldridge            | doug@EldridgeBidReporter.com   | Eldridge Bid Reporter                                | PO Box 699<br>West Sacramento, CA 95691                     |    |      |
| Larry Jensen                | carolie1@sbcglobal.net         | Jensen Enterprises                                   | PO Box 835<br>Clovis, CA 93613                              |    |      |