

ADDENDUM #2
June 7, 2018

REQUEST FOR PROPOSALS FOR REGIONAL BIOSOLIDS FACILITY
NAUGATUCK, CONNECTICUT

Response to Questions

1. With the SSI hardware coming on line in July 2018, is Naugatuck under a Consent Order? If so, please provide. Yes, a copy can be found on the Borough's web site with the RFP.

a. What are projected additional operating costs and throughput limitations as a result of the improvements? There are not any biosolids throughput limitations. Additional operating costs may include additional labor, replacement cost for Gore Modules, as well as an annual service agreement for the equipment. Annual costs are still being determined but expected to be between \$50,000 and \$150,000.

2. What is dewatering capacity of the 5 centrifuges reserved for merchant processing?

We have 2 belt presses with a capacity of 90 gal/min each and 3 J-spin centrifuges with a capacity of 80 gal/min each, with a total capacity of approximately 2.5 dry tons/hour.

3. When do the new phosphorous limitations take effect?

The NPDES permit is available with the RFP on the Web site. The Borough must comply with the new Phosphorus limitation by July 26, 2019.

4. What is incinerator's current Greenhouse Gas footprint?

The Borough does not have this information.

5. The last paragraph in 7.0 indicates costs will be included although the Technical Comparative Evaluation Criteria listed says costs will be excluded. How will business and financial proposal be evaluated if cost is excluded? Cost will be taken into consideration as part of the value analysis to be completed after the technical comparative evaluation criteria are used to evaluate Proposals. During the value analysis, the Borough will rank Proposals considering both the results of the technical evaluation and cost, ranking those Proposals higher that are in the best interests of the Borough. It is not necessary for the Borough to choose the lowest cost Proposal, or the Proposal providing the highest revenues to the Borough, but cost and revenue are important factors in selecting the qualified Proposers.

6. Other than Naugatuck’s own sewage, does the proponent’s scope include identifying, contracting for and arranging for transportation of all feedstocks (food, FOG, green waste, etc.) to the WWTP/Biosolids Facility? Will the septage supply from neighboring municipalities be included at the same commercial arrangements or may that supply be replaced/renegotiated? Yes, the Contractor will be responsible for identifying, contracting for and arranging for transportation of all feedstocks to the Biosolids Facility. Regarding septage supply, currently septage from Naugatuck and communities connected by sanitary sewer to the Naugatuck WWTP (Middlebury, Beacon Falls and Oxford) receive septage treatment at no cost. For Phase I Proposal purposes, assume that this practice will continue.

7. Do the current contractual agreements contain any performance requirements regarding the condition of assets at the conclusion of the operating period? Specifically with regard to the SSI, are there any throughput, permit compliance, or equipment service life requirements? Yes, current contractual agreements contain requirements regarding the condition of assets at the conclusion of the operating period. Those requirements include remaining “useful life “ requirements at the end of term. The SSI itself and components not integrally connected to it are not included in those remaining useful life requirements, although appurtenances to the incinerator are included. Nevertheless, SSI facilities not included in the useful life calculations are to be properly maintained through the contract term, accounting for wear and tear from intended usage. Throughput, permit compliance and service life of the SSI must be maintained through the term of the contract, and are expected to be met at turnover, when the term is completed. Details are presented in Appendix 15 to the Incineration Facilities Lease Agreement. A copy of Appendix 15 is provided with the RFP in the Borough’s web site.

8. Section 1, page 3, second paragraph – notes that Phase II of RFP will be expanded to include WWTF and collection system operation (“WET side”) and the biosolids service provider will have to be from one or more of shortlisted Phase I shortlisted companies. How will the “WET side” prequalification be done to make sure that biosolids proposer teams up with a qualified company? May be best not to ask this to limit number of interests on Phase I and may be ask after completion of Phase I. “Wet side” minimum qualification criteria will be included in the Phase II RFP, and wet side Proposers for Phase II will be evaluated against those criteria. Those wet side Proposers that meet the minimum qualification criteria will be deemed qualified companies by the Borough for wet side services in Phase II. When the Phase II RFP is released, biosolids companies shortlisted in Phase I will be able to compare wet side companies against those same criteria to judge whether the wet side company is a qualified company. The Borough focused on biosolids providers in Phase I to encourage as many possible companies and technologies providing biosolids services to respond to and be available for teaming in Phase II. As noted in the Phase I RFP, Phase I shortlisted companies that can provide

all requested services for Phase II, including operation of the WWTP and sanitary sewer system, can propose to do so in Phase II.

9. Will the Borough provide side-stream return flows and quality data (i.e. centrate from dewatering and incinerator return from ash lagoons)?

Ash Lagoon Effluent data is available with the RFP on the Borough Web Site. The available information regarding dewatering flows and phosphorus loading is available in the Phosphorus report available on the Borough website (Documents and Forms, Water pollution Control, Facilities Plan WWTP 2018, Additional Reports, Phosphorus Report).

10. Page 15 of pdf Table 7.1; Item 2 states that Any proposed system must produce end products that have markets (compost, fertilizer, products designated as recyclable by statute). Would the Borough please confirm that this provision is not intended to limit or preclude continued incineration?

This provision is not intended to limit or preclude continued incineration. If a technology proposed produces compost, fertilizer, products designated as recyclable by statute, then the Borough's intent is that such end products be marketable.

11. Page 16 of pdf , 8.0 item 1 requires the lead proponent to list the design engineering firm and construction contractor. Will the Borough consider making this an optional element, such that lead proponents may reserve the right add those elements during phase II of the procurement? This adjustment will allow the lead proponents to more closely match the qualifications and experience of the design firm with the final solution being proposed and to more efficiently control costs on both elements.

The Borough requests that key members of the Proposer's team be identified in Phase I so as to be able to review and evaluate their qualifications as part of the shortlisting process in Phase I. If a specific design engineering and construction contractor can not be identified in Phase I, then the Proposer should identify those firms that it is considering for that role. If it is necessary or desirable to change that selection in the Phase II Proposal, that can be done, provided the qualifications of the selected design and engineering firms are comparable to or exceed those identified in the Phase I Proposal.

12. Can proponents submit more than one proposed solution? Will proponent be allowed to change or add on to the technology submitted during Phase I to address the specifics of the Phase II documents?

Yes, a proponent can submit more than one proposed solution, however, in so doing the Borough requests that the Proposer identify their preferred solution. All Phase I Proposals will be evaluated using the same evaluation process and evaluation criteria. Yes, a proponent can modify or add to a technology submitted during Phase I during the Phase II Proposal process, provided that said technology or technologies meet the Minimum Evaluation Criteria presented in the Phase I RFP. The evaluation of Phase II Proposals will take into account any such changes or additions. The Borough does not encourage significant changes from Phase I to

Phase II, but recognizes that there might be a need for change based on the Phase II RFP requirements.

13. In the Phase I RFP it states that a fuel cell project came on line in June 2017 and it supplies 75% to 80% of the plants energy needs. Can the town provide additional information on this project as follows:

- 1) **Who owns and operates the project and who is responsible for maintenance?**
Doosan Fuel cell America, Inc., owns and maintains the equipment.
- 2) **What is the electric efficiency of the fuel cell?**
The system installed includes three- Pure Cell Model 400 units. The electrical efficiency is 43%, LHV and peak overall efficiency is 90%, LHV.
- 3) **What is the total electrical output capacity of the fuel cells?**
The fuel cells are averaging 980,350 Kwh per month or approximately 80% of the electric demand
- 4) **What is the quantity and temperature of the waste heat?**
The following information is listed for the PureCell Model 400. The system install includes three units:
High Grade Heat @ up to 250 degrees F output 0.72 MMBtu;
Low Grade Heat @ up to 140 degrees F output 1.03 MMBtu.
- 5) **Is the waste heat currently being utilized?**
The waste heat is currently not being used.
- 6) **Is the provider of the merchant facility required to purchase energy from the fuel cells?**
The contract requires the Borough to purchase all energy produced by the fuel cells.
- 7) **What is the energy charged for the power from the fuel cells?**
The contract guarantees a savings of 1.5 cents/kWH less than the rate for the same charge by the utility, or the minimum purchase price. The minimum energy purchase price is = 8.00c/kWh – (Demand Charge ÷ Monthly kWh production).
- 8) **Did the fuel cell project receive funding/grants from the Connecticut Green Bank, or its predecessors CEFIA or CCEF (other than low cost financing)?**The project did not receive grant funding, the project was submitted and approved by DEEP under the LREC program.

14. Who is responsible for removal of the ash in the ponds? The current operator, Veolia.

15. Can we get an analytical of the ash? Ash data is provided with the RFP on the Borough's RFP web site.

16. What does Veolia pay in taxes to the Borough? Veolia does not pay taxes to the Borough. It pays Rent for lease of the land and use of Borough owned facilities to provide services.