October 5, 2010

Addendum No. 3
to
Request for Proposals No. SWD001-10

Operation of the Government of Guam Municipal Solid Waste Landfill
(Layon Landfill)

This Addendum No. 3 to RFP No. SWD001-10 includes responses to written questions received by the Receiver through October 1, 2010, and not included in Addendum No. 1 and Addendum No. 2, which were posted on the Receiver’s Website last week.

This Addendum No. 3 also includes certain revisions to RFP No. SWD001-10. Those revisions are noted after the responses to questions. Parties interested in this RFP should monitor the Receiver’s Website at http://www.guamsolidwastereceiver.org/documents-RFP-SWD001-10.html for additional RFP addenda. All addenda issued for RFP No. SWD001-10 will be posted on this Website.

Questions and Receiver’s Responses

Question No. 1: Please provide a copy of the letter of intent dated July 17, 2009, that explains the Military’s intent to use the Layon Landfill.

Response: The Military Letter of Intent, dated July 17, 2009, and fully executed, is provided as an attachment to this Addendum.

Question No. 2: Will the final contract be issued from both the Government of Guam and the Receiver?

Response: The final Agreement will be issued by the Receiver.

Question No. 3: Please provide the Government of Guam’s procedures for awarding contracts? (Statutes/Regulations)

Response: Guam’s procurement law is found in Chapter 5 of Title 5 of Guam Code Annotated and is available at http://www.guamcourts.org/CompilerofLaws/GCA/title5.html. Guam’s procurement rules and regulations are found in Title 2, Division 4 of the Guam Administrative Rules and Regulations which is also available online at http://www.guamcourts.org/CompilerofLaws/GAR/02gar.html. Proposers are cautioned,
however, to follow the provisions of the RFP and not rely on their own interpretation of
these statutes and regulations, some of which are not applicable to this procurement.

**Question No. 4:** How much of the waste will be direct haul by waste collection trucks?

a. How much of the waste will be hauled by transfer trailers?

b. What size trailers?

c. Are the trailers self-unloading?

d. Will the landfill be closed to small vehicles?

**Response:**

Approximately 90 percent of the waste quantities presented in Table 1-1 of the RFP are
anticipated to be hauled by transfer trailers. Typical combined transfer trailer and truck
length is anticipated to be less than 60 feet, with transfer trailer to be typically less than 50
feet in length with a nominal capacity of 80 cubic yards. Operators should anticipate load
weights per trailer to be 15-20 Tons. The trailers are self-unloading with moving floors.
The Landfill will be closed to small Vehicles.

**Question No. 5:** Was this approach approved by the District Court or Guam District
Attorney?

**Response:** The Order of the United States District Court of Guam, dated March 18, 2008
appointing GBB as Receiver states: “In awarding any future contracts, the Receiver shall
follow the procedures required in Guam’s statutes and regulations, unless, in the best
judgment of the Receiver, such compliance would unreasonably delay the progress in
meeting the mandates of the Consent Decree.” The Receiver has determined in this
procurement to invoke the authority granted by the Order and depart from Guam’s
procurement statutes and regulations for the reasons stated in the RFP. No additional
approval from the Court or the Government of Guam is required.

**Question No. 6:** Please describe the “certain” environmental monitoring activities that are
required of the Landfill Operator and the activities that are conducted by a separate party
under contract to the Receiver.

**Response:** The “certain” environmental monitoring activities that are required to be
performed by the Operator are those associated with the operation of the Landfill under the
Permits, with the exception of the following:

1. Performance of the Site Specific Groundwater Monitoring Plan programs:
   a. Baseline Monitoring for Groundwater
   b. Detection Monitoring for Groundwater
   c. Assessment Monitoring
   d. Corrective Action Monitoring
   e. Streamwater Monitoring
f. Subdrain Groundwater Monitoring

g. Leachate Monitoring

The cost for the performance of these services is contracted separately by SWMD to a third party. However, if it is determined that the cause for Assessment, Corrective Action or Subdrain Groundwater monitoring to be performed is the result of actions performed by the Operator under the Agreement, then the Operator will pay for all costs associated with this monitoring work performed by the third party.

The Operator is responsible to maintain access to the locations of the various monitoring points. In the event that the Operator disturbs or damages a monitoring well or probes, the Operator will be responsible to arrange and pay for the repair or replacement of the well or probes.

The remaining environmental monitoring and compliance activities required by the Permits and regulations such as the Municipal Solid Waste Landfill Facility Permit, Title V Air Permit, U.S. NPDES General Industrial Stormwater Permit, GEPA emergency generator air permit, GEPA Stormwater Pollution Prevention Plan and Guam Water Quality Standard requirements, GEPA Wastewater Operator Certification Act, U.S. Oil Pollution Control Act and associated Spill Prevention and Countermeasures Control Plan, U.S. Non-Point Source Pollution Control and local GEPA non-point source pollution control regulations are the responsibility of the Operator. These monitoring, inspection and reporting requirements to be performed by the Operator cover all necessary monitoring requirements for the Landfill except the groundwater monitoring wells. Monitoring Reports prepared by the third party contracted by SWMD will be provided to the Operator for incorporation into its quarterly and annual reporting requirements under the Permits. The Operator shall submit these reports on behalf of the Receiver/SWMD to GEPA. Receiver/SWMD will need to review and approve all submittals to GEPA.

2. Annual emissions and Green House Gas monitoring and reporting.

Question No. 7: What are the local and federal reporting responsibilities?

Response: The local and federal reporting requirements are those required, but not limited to, the Permits and regulations identified in response to question No. 6 above.

Question No. 8: Please describe the amount and type of soil that will be available to the Landfill Operator as Cover Material and Intermediate Cover Material? Does the Landfill Operator need to budget for any additional Cover Material or is it all available at the site for excavation? If Basalt is encountered during future cell excavation, is this material acceptable for cover? If not, will it be made available to the Operator for other uses? What other Cover Material on the Island is acceptable as Cover Material?
Response: Proposers are referred to the answer to Question 2 in Addendum 1 to RFP No. SWD001-10. The following additional comments are provided in response to the questions above:

It is the responsibility of the Operator to determine if additional sources or types of material are needed to maintain operations in all weather conditions (with the exception of Typhoon Conditions 2 and 1). The acceptability of Basalt material as Daily or Intermediate Cover is dependent on GEPA’s approval and the material gradation. The basalt is available for other uses by the Operator in its operations of the Facility. No other cover material on the island has been proposed for use at the Facility at this time and approved by GEPA.

As discussed in the RFP, prior to commencement of operations and every Operating Year thereafter, the Operator shall submit a Site Specific Landfill Operations Plan to the Receiver for review and approval. The Operator will be required to include a description of the process for obtaining soil borrow as part of this Plan and subsequent updates to it. The Receiver will review the entire Site Specific Landfill Operations Plan (including the soil borrow portion of the Plan) with the Operator prior to the anniversary of each new Operating Year.

As presented in the Solid Waste Facility Permit and the supporting Permit application documents, there is adequate soil borrow material for Daily Cover and Intermediate Cover for the entire life of the Landfill. Proposers shall assume that adequate soil is available for use as Daily Cover and Intermediate Cover for the Initial Term of the Agreement. The Operator is encouraged to use Alternative Daily Cover such as plastic tarps to reduce the amount of airspace in the landfill occupied by soil.

Question No. 9: Since the Landfill Operator is asked to be responsible for any and all responsibilities, how will background conditions be documented? Note: Book 4, p. 2-4 includes some background groundwater monitoring data that indicates that primary drinking water criteria have been exceeded for some parameters (arsenic,..). Please clarify.

Response: Background groundwater conditions are now being established through the execution of the Baseline Groundwater Monitoring program of the Site Specific Groundwater Monitoring Plan. This plan has been approved by GEPA and EPA and will be available for review on the Receiver Website.

Question No. 10: What Permits are yet to be obtained? What are the Landfill Operator’s responsibilities for Permits that are yet to be obtained?

Response: The permits, plans or certifications yet to be obtained or generated include the following:

1. Air Permit for the Emergency Generator
2. Spill Prevention Countermeasures and Control Plan
3. Wastewater Operator System Certification for Operator Personnel
4. Occupancy Permits for Landfill Buildings
The Operator is responsible for obtaining or generating the following permits, plans or certifications:

1. Air Permit for the Emergency Generator
2. Spill Prevention Countermeasures and Control Plan
3. The SWPPP is part of the stream/surface water permit, right?
4. Wastewater Operator System Certification for Operator Personnel

**Question No. 11:** GEPA MSW Landfill Permit No 09-015 MSWLF will expire on 11/24/14. Permittee must apply for renewal at least 180 days before expiration. Whose responsibility will it be to renew the Permit? What was the itemized cost to permit this new Landfill?

**Response:** It will be the Operator's responsibility to renew the GEPA Municipal Solid Waste Landfill Facility Permit No. 09-015 MSWLF and all other Permits of the Landfill with the exception of the groundwater monitoring well operating permits. There was no itemized cost identified to permit the Landfill.

**Question No. 12:** Will the Landfill Operator be compensated for all Acceptable Waste delivered to the Landfill by the SWMD?

**Response:** The Operator will be compensated for all Acceptable Waste delivered to the Landfill and landfilled by the Operator.

Please see ARTICLE III of the Agreement to Operate the Layon Landfill, which sets forth the compensation terms. A draft of this Agreement, Appendix A to RFP SWD001-10, is included in Addendum No. 2, which is posted on the Receiver’s Website.

**Question No. 13:** What engineering responsibilities will be the responsibility of the engineering firm selected by the Receiver?

**Response:** The engineering responsibilities of the engineering firm selected by the Receiver will include the engineering analyses necessary to supplement the information presented in the quarterly and annual reporting by the Operator under the Permits.

**Question No. 14:** How do we receive a copy of the CD ROM as described?

**Response:** The CD ROM as described in the RFP is available for pickup at the SWMD office, or it may be requested from Ms. Linda Ibanez, and it will sent via overnight express shipping at the expense of SWMD.

**Question No. 15:** Please describe the regulatory fees that are required of the Landfill Operator? These fees could become substantial and what is and what is not required needs to be fully disclosed to allow the Operator to budget these expenses. What adjustment provisions will be allowed if the fees drastically increase due to Governmental Order or any other increase?
**Response:** The regulatory fees for application and renewal of Permits will be considered as Pass-Through Costs and be payable by SWMD. Fines are not regulatory fees.

**Question No. 16:** Can the Receiver give us a maximum amount to budget for contingent leachate disposal and condensate treatment and disposal or modify this term to make this requirement cost plus due to the uncertainty of the expense?

**Response:** The cost for leachate disposal will be paid by SWMD. If leachate needs to be hauled to a GWA-approved location as directed by GWA or SWMD, the Operator will be paid as a Pass-Through Cost in the monthly invoices. Condensate will be mixed with the leachate and handled as leachate as a routine part of operations. In the event that leachate pre-treatment is required, the cost for treatment will be paid by SWMD. Also, see response to Question No. 17 below.

**Question No. 17:** Has this forcemain been completed? Does this forcemain convey the leachate to the Inarajan WWTP? Guam Waterworks Authority issued an 11/18/09 letter approving leachate for disposal at its Inarajan WWTP. Will the Receiver pay for leachate disposal? Are these faculties scheduled to be operational when the Landfill begins accepting waste?

**Response:** The forcemain has not been completed. It is anticipated to be completed by the end of April 2011, before the Landfill accepts waste. The forcemain does convey leachate and sewage from the Landfill to the Inarajan WWTP. The Receiver/SWMD will pay for the leachate disposal as a Pass-Through Cost; however, the Operator shall minimize generation of leachate through effective use of a rain cap that has been placed over the leachate collection system during construction, fill sequencing plan and stormwater management. If trucking and disposal costs for leachate are incurred due to Operator fault, then the Operator is financially responsible for paying those costs.

**Question No. 18:** Will the Receiver consider capping the environmental liability? What relief is available for design flaws and other activities before, during and after construction of the Landfill that could cause liability to the Landfill Operator as described in the scope of services?

**Response:** It is not the Receiver’s intent to otherwise cap environmental liability. The Operator is required to have Pollution Liability/Environmental Impairment Insurance with limits as set forth in RFP Section 3.2.4 (and ARTICLE IX of the Agreement).

We believe the second part of this question is answered in the responses to Questions 15 and 29 in Addendum No. 1. Please see those responses.

**Question No. 19:** Will SWMD be responsible for scale maintenance and calibration?

**Response:** No; this will be the Operator’s responsibility.
**Question No. 20:** Is the infrastructure in place for the storage of HHW? Who pays for the disposal of the HHW material? What is the historical tonnage or amount of this material? Are there any requirements for diverting Household Hazardous Waste from the Landfill?

If so, what are these requirements?

**Response:** Currently, there is no storage infrastructure for either the collection or storage of household hazardous waste (HHW) under the management of the Solid Waste Management Division. The Operator of the Layon Landfill must comply with any and all Guam and United States Environmental Protection Agency rules and regulations, and the Proposers should familiarize themselves with such rules. The cost of HHW Disposal will not be the responsibility of the Operator. Any such material diverted by the Operator at the Landfill should be delivered by the Operator to the SWMD or its designee for Disposal. In the event that the Operator is directed by the SWMD to Dispose of it directly, Disposal cost will be a Pass-Through Cost.

**Question No. 21:** What type of security infrastructure is being installed (i.e. cameras, etc.)?

**Response:** Please see construction plans and specifications provided in RFP Appendix D. Security systems include 6-foot high chain-link perimeter fencing around Cells 1 and 2, and around the Entrance facilities. There are also locking doors on all facility buildings. There are two cameras to be used in the entrance facility at the truck scale area.

**Question No. 22:** What access will the Landfill Operator have to the waste data collected at the scalehouse?

**Response:** The Operator will have access to these data on a daily basis. Additionally, the SWMD will provide monthly tonnage reports from the scales at the Layon Landfill to the Operator.

**Question No. 23:** Who is responsible for transfer hauling? Will this contractor be liable for damage to concrete and paved roads?

**Response:** SWMD and/or its Transfer Station contractor will be responsible for transfer hauling. All Vehicles entering the Landfill must meet legal limits for Guam public roads. Vehicles must also meet the weight limits used for the design of the entrance road, portions of which are paved with either concrete or asphalt. It is expected that the Operator will only put Vehicles on the Landfill roads that meet the same load limits as the waste-hauling Vehicles. It is further expected that the Operator will construct alternative roadways for mobile equipment such as landfill compactors and dozers so that damage to paved roads that are to be used by the waste-hauling Vehicles is minimized.

The Operator will be responsible for making repairs to concrete and asphalt paved roadways outside of the Landfill if the Operator causes the damage. The Operator will be responsible for routine maintenance and repairs of roads inside the Landfill caused by day-to-day use by
waste-hauling Vehicles.

**Question No. 24:** Book 2, p. 12 states that “During the initial construction of Cells 1 and 2, a stockpile will be constructed in the areas of Cells 5 and 7...” What is the estimated volume in cubic yards of the existing stockpile? Will this be the source of cover or will the Landfill Operator be expected to excavate soil for use as cover? What is the source of Cover Material for the Landfill operations? Are future Cells acceptable excavation areas?

**Response:** These questions have been answered in Addendum No. 1 and in Question No. 8 of this Addendum No. 3.

**Question No. 25:** Book 2, p. 12 states that “...initial construction will include Cells 1 and 2, and construction of Ponds 2 and 3-A” Has the construction of these ponds been completed?

**Response:** Pond 3A has been completed, and Pond 2 is under construction and anticipated to be completed by February 2011.

**Question No. 26:** Has the asphalt/concrete paving construction been completed? Is the Operator liable for damage to asphalt and paving that is out of its control (i.e. transfer trucks and other heavy equipment)? Please provide road diagram drawings.

**Response:** The asphalt paving has been completed for the main entrance/access road and a portion of the perimeter road. The asphalt and concrete paving for the entrance facility area is anticipated to be completed by May 2011. The current construction contractor is liable for any damage caused by the contractor to the operations and perimeter road pavements while the site is under its control. When the Landfill is turned over to the Operator, inventory will be made of the condition of the asphalt and concrete paved areas. The Operator will be liable for the repair/maintenance of all asphalt and concrete paved areas within the Landfill. The plans provided in RFP Appendix D on the Receiver Website contain the Landfill road diagrams.

**Question No. 27:** Please provide the manufacturer’s name and contact information for the Landfill wheel wash facility. We need to contact to get pricing for operation and maintenance.

**Response:** The Landfill does not have a wheel wash facility. There is a wash rack for Landfill equipment and a mud rack for transport Vehicles to shake off mud from the site.

**Question No. 28:** Due to the average annual rainfall (between 90 and 105 inches per year), can the Government elaborate on its expectations during wet weather conditions? In addition, will the Operator have the ability to share in any of the Government’s low cost aggregate material supplier sources during wet weather conditions?
Response: The Receiver/SWMD expects and requires the Operator to receive and dispose of waste in all weather conditions throughout the Term of the Agreement. The only exception being when Typhoon Condition 2 is declared by the Guam Department of Homeland Security pending the impact of a Typhoon and subsequent escalation to Typhoon Condition 1. As soon as Typhoon Condition 2 is downgraded to Typhoon Condition 3 or 4, the Operator is expected to resume full operations of receiving waste and landfilling activities. It is required of the Operator to continue to man and operate the landfill systems such as the Leachate Collection and Removal System and the Gas Collection and Control System throughout Typhoon Conditions 2 and 1 when waste receiving and landfilling has ceased, or to secure such operations so as not to cause a violation of the Permits resulting in a release of leachate or gas. The Receiver/SWMD cannot make any commitments that the Operator will have the ability to share in any of the Government’s low cost aggregate material supplier sources during wet weather conditions.

Question No. 29: Have electric power and water been completed to the scalehouse/administration and maintenance buildings? We understand that the Landfill Operator will not be responsible for utilities. Please confirm.

Response: The electric power and water service to the scalehouse/administration and maintenance buildings have not been completed at this time and are expected to be completed by May 2011. Electric service, public water service, leachate treatment/disposal and sewer service for sewage from restrooms, sinks, and showers at the Layon Landfill transported to the Inarajan Wastewater Treatment Plant via pipeline will be paid by SWMD as direct-billed utilities or as Pass-Through Costs. The Operator will be responsible for phone and Internet service arrangements and costs. The Operator will also be responsible for fuel costs and routine maintenance and repairs for the back-up generator.

Question No. 30: Who will be responsible to install the landfill gas management facility?

Response: SWMD.

Question No. 31: Are the three (3) Scalehouse Attendant/Clerks to be provided by SWMD

Response: SWMD will employ the scalehouse attendants. It is anticipated that there will be two scalehouse attendants employed by SWMD.

Question No. 32: Are we to budget for 12-hour days Mon-Fri and 10-hour days to allow for transfer loads to be accepted as early as 5 am? Or will additional compensation be paid if loads are accepted from 5 am to 7 am?

Response: The Proposer is expected to budget for the hours of operation and the acceptance of tractor trailers from the Transfer Station during the Receiving Time specified in the Solid Waste Facility Permit. However, the Operator may need to receive transfer trailers and possibly certain other waste hauling Vehicles outside the Receiving Time. A
Permit amendment may be required to provide for such additional hours of waste receipt. Please see the response to Question No. 4 in Addendum No. 1 to RFP SWD001-10.

**Question No. 33:** Will the Receiver consider a performance bond versus a Letter of Credit?

**Response:** Please see the response to Question No. 14 in Addendum No. 1.

**Question No. 34:** Will the Receiver consider making the performance security in the amount of the annual contract versus $5 million? This amount far exceeds the annual value of this Landfill Operating Agreement. Surety companies and banks do not typically secure a contract that exceeds the annual contract value. In addition, the performance security needs to be renewable annually; surety companies will not secure a contract for more than one year at a time.

**Response:** The Receiver does not intend to reduce the $5 million financial security requirement. The Receiver will allow up to $2.5 million of that requirement to be provided through an annually renewable operations performance bond (See response to Question No. 14 in Addendum No. 1 and Revisions to RFP SWD001-10, also in Addendum No. 1).

There are other potential costs for which financial security may be needed beyond the annual contract value, including but not limited to, liquidated damages, step-in costs, and/or costs of a replacement operator should that be needed. We believe the $5 million threshold to be prudent.

**Question No. 35:** These insurance requirements seem out of the ordinary and quite excessive for a landfill operating contract of this magnitude and traditionally fall more in line with a large scale landfill ownership versus operation.

(a) Is the Receiver flexible in the coverages?

There are only four (4) companies who write insurance in Guam, two are from the U.S. and the other two are from Japan. The reason for the limited coverage is that Guam is a U.S. Territory and not a state. The required insurance is very costly based on the workload and operating environment and prohibitive if not reduced to fall in line with a landfill operating contract versus landfill ownership.

Examples:

(b) **General Liability** - Why would a Landfill Operator need general liability coverage up to $10 M. The operating environment does but yield coverage in this amount and inflates the cost to operate.

(c) **Property Insurance** – Why would a Landfill Operator provide property insurance of property that is not owned by the Operator? Our Broker says this type of insurance is not available unless the property is rightfully owned. Please clarify.

(d) **Property Insurance** – To request this unusual coverage for property not owned is inconceivable. We can attempt to request but not without the exact type of structures
(square footage, make of building; brick, steel, wood, etc), the values of these structures/properties and an itemized list of all other buildings, structure, equipment and material owned and provided by the Government of Guam to get an insurance quote. Please provide or delete this requirement.

(e) Business Interruption Insurance- Our insurance broker has advised us that this type of insurance is reserved exclusively for business ownership and not an operating contract of a business that is not owned and fully controlled. This type of insurance is not sold separately and is only added to property insurance coverage which is purchased by the owner of the business, the Government of Guam.

Isn’t property insurance already in place to protect damage to these buildings?

Please confirm if property coverage and business interruption is still required by the Landfill Operator. This insurance is provided to owners and not operators.

(f) Pollution Liability Insurance- The amount of the required insurance of $10 million per occurrence with a $20 million aggregate is extremely excessive. The industry standard for pollution liability insurance for Landfill Operators historically ranges from $2 to $5 million per occurrence. The amount currently required is usually standard for an owner/operator of a landfill and not an operating contractor. We respectfully request that the Receiver consider reducing this coverage considerably.

Response:

(a) The Receiver can be flexible in the coverage requirements to the extent certain required insurance is not commercially available.

(b) The Receiver believes this coverage limit to be reasonable for the type of operation and the risks involved.

(c) The property including all buildings, equipment, and facilities will be under the care and general control of the Operator. The Receiver’s experience is that property insurance on a replacement cost, all risk basis, is, in fact, available and has been provided to other parties operating, but not owning, landfills on the U.S. mainland.

(d) Please see sheets 72-150 and sheets 49-60 of the Construction Plan set in RFP Appendix D for the information on the structures. These structures have not been appraised to date, so we do not have a value to provide at this time.

(e) The Operator would own and operate a business – the business of operating a landfill. Business Interruption Insurance is a common form of insurance carried by service providers in the waste industry, such as operators of landfills, transfer stations, waste-to-energy facilities, and other operations where a fire, explosion, or other adverse event could temporarily shut down the operation for weeks or months and temporarily close out the service provider’s source(s) of revenue to pay its bills, retain employees, etc. Unless this insurance is commercially unavailable, it is the Receiver’s expectation that this form of insurance will be provided by the Operator.

(f) The Receiver will reconsider the coverage limits, but at this time, the Receiver is not inclined to reduce the limits of coverage.

Proposers should keep in mind that insurance and Letter of Credit/performance bonding
costs are part of their operating fee, and the same requirements apply to all Proposers. It is acknowledged that the cost and/or availability of such insurance/Letter of Credit/performance bonding may vary among Proposers on the basis of their operating and claims history, financial condition, creditworthiness, revenues, and other factors.

**Question No. 36:** Based on the investment to establish a business in Guam, deliver equipment and develop/construct future cells, would the Receiver consider making the contract extension ongoing versus establishing a maximum term of 17 years?

**Response:** The Receiver does not intend to change the Term of the Agreement as currently set forth in ARTICLE II of the Agreement. The Operator is not financially responsible for development and construction of future Cells.

**Question No. 37:** Re: Monitoring Operator Performance; Liquidated Damages (a) iv - What is the maximum tipping time requirement?

**Response:** The Operator shall operate the Landfill so that no more than 20 minutes are required between the time a Vehicle leaves the scales after being weighed and the time that the Vehicle is able to begin unloading at the Working Face, excepting time for any Vehicles selected for random load checking/waste screening. See SECTION 5.50, Tipping Time, in the Agreement.

**Question No. 38:** How has the Receiver determined that the MED of 1,350 pounds per cubic yard at the Layon Landfill is achievable? Numerous landfills in the U.S. do not and cannot meet this requirement; will the Receiver consider reducing this requirement? Does the Receiver know the MED for the Saipan landfill or any other landfills currently operating to use as a comparison?

**Response:** The Receiver believes this density is achievable and will not reduce this standard. The Operator is encouraged to use Alternative Daily Cover materials to reduce the amount of airspace occupied by soil and take other appropriate measures to maximize the density of the in-place waste and Cover Materials. Density measurements for operations at the Ordot Dump during the 7-month interval from January to August 2010 show the density is about or greater than 1,300 lbs per cubic yard. The operator at the Ordot dump is using only soil as daily cover. The waste currently being delivered to the Ordot Dump is the same waste stream that will be delivered to the Layon Landfill when operations commence there, except that about 90 % of the waste that will be sent to Layon Landfill will have been processed at the Transfer Station. The waste processed at the Transfer Station should be more easily compacted than the waste currently being delivered to the Ordot Dump. After operations commence at the Layon Landfill, operations at Ordot Dump will cease, and work activities for closure of that site will commence.

The Receiver understands there may be times when the MED may not be achieved on a short-term basis, such as when placing the initial layer of waste on the surface of the protective cover layer component of the liner and leachate collection system. As stated in
the Solid Waste Facility Permit, this initial waste layer shall not be compacted, and it is not expected that the MED will be achieved in this layer. When MED is not achieved, the Operator shall provide to the Receiver an explanation and justification with the reasons why the MED was not achieved. The Operator shall also propose measures to improve density over the long term, and work with the Receiver to implement those measures. The Receiver will work with the Operator to get GEPA approval of any density improvement measures when needed.

**Question No. 39:** Based on our review of the plan, the Operator is not financially responsible for any closure or post-closure, or any other financial assurance. Is this correct?

**Response:** The Operator is financially responsible for the placement and maintenance of Intermediate Cover when exterior slopes reach final finish grades for closure. Operator is also financially responsible for the maintenance and repair of the gas collection and control system put in place on these finished slopes with Intermediate Cover. The Operator is not responsible for financial assurance related to Closure and Post-Closure.

**Question No. 40:** Is the Landfill Operator released of liability if the cause of deficiency is caused by faulty Landfill construction versus operation? What ongoing liability does the Landfill construction company hold after the operation is turned over to the Landfill Operator?

**Response:** Please refer to response provided in Addendum No. 1.

**Question No. 41:** Is the Operator guaranteed the 80,000 Tons in which to base its operation for billing? If the annual Tons fall below the 80,000, how is the Operator compensated?

**Response:** SWMD does not warrant or guarantee the quantity or composition of waste to be delivered to Layon Landfill. See SECTION 5.03 and SECTION 7.01 of the Agreement. However, please see the response to Question No. 12 in this Addendum No. 3. Also, please see the response to a similar question, Question No. 7, in Addendum No. 1.

**Question No. 42:** Please provide the established wage determination that is required to be used for this project. How will annual wage determinations be made to the Operator when the wage determination labor rates and benefits increase? Are these wages Davis Bacon or SCA?

**Response:** Please see the wage determinations that were included in Addendum No. 1. According to the Guam Attorney General’s office, wages are not subject to Davis Bacon or SCA because no federal funds will be used to pay the Operator. The intent of Guam’s law is that the Operator pay in accordance with the U.S. Department of Labor (USDOL) wage determination for Guam at all times while the Agreement with the Government of Guam is ongoing. It will be the Operator’s responsibility to monitor USDOL determinations of wages.
and benefits for Guam to ensure that it conforms with such determinations if and when adjustments to them are made during the Term of the Agreement.

**Question No. 43:** Will the Operator be compensated for the Disposal of excluded items? If not, can there be an annual cap on the amount the Operator is financially responsible for proper Disposal. This requirement is impossible to allocate the exact cost of Disposal.

**Response:** The Operator will be compensated for Disposal of Excluded Waste only if the Operator has followed the protocols and procedures in Appendix 5 of the Agreement, Solid Waste Screening Protocol, the Solid Waste Facility Permit and other Applicable Laws. If the Operator accepts Excluded Waste and has not followed the applicable procedures, the Operator is responsible for the cost to remove, haul and properly dispose of it off site. There is no cap on the annual amount since this situation will be avoided most of the time. Proposers are also reminded of the limited sources of Excluded Waste, and that waste received from the Transfer Station will typically be acceptable after having been screened and processed there. Proposers should budget as they deem necessary.

**Question No. 44:** Will the Landfill Operator be required to place Final Cover on slopes that have achieved Final Cover grades?

**Response:** The Operator is not responsible for placing Final Cover on slopes that have reached Final Cover grades. The Operator is responsible to fill to the final waste elevation and place 12 inches of Intermediate Cover soil on the waste surface. The Receiver expects the Operator to establish the surface elevation of the Intermediate Cover within 6 inches of the required elevation for the base of the Final Cover. SWMD will be responsible for contracting with others to furnish and install the Final Cover system. In support of the efforts of the Operator, the Receiver will provide a digital copy of the final grades shown in the Solid Waste Facility Permit.

The Operator is required to provide survey data of landfill progress on a semi-annual basis. The survey data from this effort will be used to provide information on the proximity of fill levels relative to final grades. The Operator will be required to remove at their cost any waste and Intermediate Cover soil that is more than 6 inches above the permitted elevation.

**Question No. 45:** Please define dead animals and how they are to be disposed?

**Response:** The requirements for the disposal of dead animals are primarily addressed by the Guam Department of Public Health & Social Services - Environmental Health Division. This is something that Proposers should be researching for their proposals. Dead animals consist of cats, dogs, deer, pigs, cattle, fish, chickens and other wildlife. The procedure for disposing of large dead animals or a large number of dead animals at the Landfill is described in SECTION 5.41, Special Wastes, of the Agreement, which is believed to be consistent with past guidance, and is restated below.
“If approved by the RECEIVER/SWMD for Disposal, large dead animals, or a large number of dead animals, shall be directed to the toe of the active Working Face for unloading. The dead animals shall be covered immediately with a minimum of two feet of Acceptable Waste or soil Cover Material.”

**Question No. 46:** Can the Landfill Operator operate its own sewage hauling truck?

**Response:** Yes; the Operator may operate its own sewage hauling truck provided the required permits are obtained to haul sewage/leachate. The Operator must provide and show proof of competitive rates for the service relative to other on-island service providers.

**Question No. 47:** Why is the Receiver requesting to be “additionally insured” on auto and general liability?

**Response:** The Receiver is contracting with the Operator in the Receiver’s capacity to assume the duties and responsibilities of the SWMD during the pendency of the Receivership.

**Question No. 48:** Will off-shore ship waste be accepted at the Landfill without prior treatment as medical waste? The Operator needs the ability to charge for services that are over and above the general landfill services; i.e. special waste, etc? Please clarify.

**Response:** Off-shore ship waste can be accepted provided the waste is handled and treated by the generator in accordance with U.S. Department of Agriculture (USDA) requirements and all Applicable Laws. The Operator shall follow the procedures presented in the Solid Waste Screening Protocol of Appendix E in the RFP (and Appendix 5 of the Agreement) and the Solid Waste Facility Permit to determine whether the waste is acceptable. If off-shore ship waste is delivered to the Landfill, the Operator shall verify that the generator has treated and handled the waste in accordance with USDA requirements and all Applicable Laws. The Operator has the right and responsibility not to accept the waste for Disposal in the Landfill if the Operator has reason to believe it is Excluded Waste.

**Question No. 49:** Page 35, 3.2.13, what is the expected Recyclable Diversion?

**Response:** We do not now have the data to establish the expected Recyclables diversion. The curbside recycling pilot program will determine the expected diversion. The pilot program will begin by November 2010 and last approximately a year. The Recyclables diversion procedures at the Landfill are set forth in Appendix E to the RFP, Solid Waste Screening Protocol, which is Appendix 5 to the Agreement.

**Question No. 50:** Appendix E, #5 alludes to the Landfill Operator having to pay for hazardous material identified at the Working Face? We request that this requirement be paid as a cost plus due to the unknown quantities to be delivered to the Landfill. This is contradictory to the operating plan. The Landfill Operator does not own the facility; it is only managed and operated. The Landfill owner needs to share in unknown occurrences at this
Response: The Operator is responsible for following procedures and protocols to avoid accepting Excluded Waste. The Operator is responsible to pay for the removal and Disposal of Hazardous Waste or other Excluded Waste only if that material has been accepted when the Operator has not followed the protocols and procedures presented in Appendix E of the RFP (which is Appendix 5 of the Agreement – Solid Waste Screening Protocol), Solid Waste Management Facility Permit, applicable rules and regulations, and Applicable Laws.

In accordance with the procedures in the Solid Waste Facility Permit, the Operator is required to not accept Excluded Waste. The Operator shall keep the Hauler at the active face if Excluded Waste is identified and the Excluded Waste shall be reloaded into the Vehicle that brought it to the Landfill. Proposers shall note that only Haulers licensed by GEPA or Public Works Department and approved to use the Layon Landfill by SWMD will be using the Landfill. Any Haulers that do not comply with the rules and regulations of the Government of Guam risk having their license revoked. The Operator is expected to identify parties that consistently do not follow landfill rules and permitted procedures.

Proposers are reminded that the Operator has the right to refuse Suspicious Waste, and is responsible to not accept any material shown to be Excluded Waste.

It is not clear what is meant by an “unknown occurrence” at the Facility. The Receiver, GEPA and SWMD will work with the Operator to assure a safe and compliant landfill operation.

**Question No. 51:** Page 38, 3.2.15, Reporting: This requirement should be reversed; the SWMD is operating the scale not the Landfill Operator; reporting should be provided to the Landfill Operator. Please clarify how the Landfill Operator is provided scalehouse data and other data that is captured by SWMD reports?

**Response:** Refer to the response to Question No. 22 above.

**Question No. 52:** Page 38, 3.2.15, Reporting, does the leachate system have a meter that provides the amount of volume that has passed through the forcemain?

**Response:** SWMD will provide a meter on the waste water flow (leachate and sewage from on-site facilities). This meter will be approved by the Guam Water Works Authority (GWA). The SWMD will be responsible to report leachate quantities to the GWA. The Operator will be responsible to maintain the flow meter and perform routine maintenance on it. Information on the type of flow meter and other specifications will be provided to the Operator after being selected.

**Question No. 53:** Will any Guam EPA Board members be involved in the decision-making process?

**Response:** Members of the Guam EPA Board have no decision-making role in this RFP.
**Question No. 54:** The operating plan discusses Alternate Daily Cover in 5.8.1 page 5-10 – It makes mention of different means for ADC, if approved. The types of ADC that are mentioned include compost, mulch and contaminated soil. Will the SWMD deliver processed mulch and compost to the Landfill for use by the Landfill Operator? Is the Landfill Operator responsible for getting Permit approval to accept mulch and compost? If compost and mulch become viable alternatives, who will deliver the material and who will grind/process for use on the Landfill? This is a substantial cost of permitting, equipment and manpower.

**Response:** Mulch and compost may be delivered to the Landfill occasionally. The Receiver will work with the Operator to determine the best method to manage these materials. It is not known at this time whether mulch and compost are available or being generated. The Operator should assume these materials would be delivered to the Landfill, and the Operator would not incur a cost for receiving them. Mulch and compost will need to be characterized and evaluated to determine whether the materials are Acceptable Waste. The Operator has the option to demonstrate the material has a beneficial use as ADC. It is the responsibility of the Operator to follow the procedures in the Permits for getting ADC approved. The Receiver does not expect the Operator to process any material for use as ADC unless the Operator chooses to do so for economic or other reasons.

In order for mulch, compost or any other materials to be used as ADC, they must first be approved by GEPA. The approval process for ADC is described in Section IV.A .6 of the Solid Waste Management Facility Permit. The approval process generally involves performing a demonstration that the material is suitable and how to use it properly. The Receiver will assist the Operator with obtaining GEPA approval. The Receiver expects the Operator to seek approval of certain ADC materials such as plastic tarps. The reasons for using the ADC would be to reduce operational costs and achieve more efficient utilization of airspace in the Landfill.

Contaminated soil shall be handled as Special Waste and tested for TCLP constituents. It will be the responsibility of the generator to test the soil in support of a request for approval from the Operator and Receiver to dispose of it in the Landfill. The Receiver would encourage the Operator to perform independent or verification testing on certain materials to assure that the waste characterization is correct.

**Question No. 55:** Is the Landfill Operator expected to estimate the cost of Disposal for unacceptable items that are delivered to the landfill as described in the operating plan section 5.7 on page 5-9 (Tires/White Goods)? This section also says that the Landfill will not accept for disposal by COMMERCIAL waste haulers, bulk green waste, tires and white goods. Will any other sources be able to deliver this type of material to the Landfill?

**Response:** It is up to the Proposers to decide whether to include a cost for disposing of unacceptable items (Excluded Waste). If the Operator follows the procedures in the Solid Waste Screening Protocol and other requirements of the Solid Waste Facility Permit and the
GEPA Solid Waste Rules and Regulations, the likelihood of accepting Excluded Waste will be very low. If the Operator can show they followed the procedures in the Solid Waste Screening Protocol, they will not be liable for the cost to remove, transport and dispose of Excluded Waste or other unacceptable items off site. Proposers are reminded that the Operator has the right not to accept a waste material if the Operator has reason to believe it is Excluded Waste.

The Operator shall accept waste only from Haulers authorized by the SWMD.

**Question No. 56:** Section 3.2.4 on the RFP, Maintenance of Insurance, requires the Operator to carry insurance for Property Coverage, (page 30), for buildings and infrastructure that are in the care, custody and control of the Operator. Is it possible for the RFP to place a value on these specific properties so our insurance company can quote a realistic premium to consider in the cost estimate?

**Response:** Please see the response to Question No. 35(d) herein.

**Question No. 57:** Is the water that will be utilized on-site for dust control furnished or will the Operator be required to purchase water?

**Response:** The water for dust control is furnished; however, it is required of the Operator to minimize costs to the greatest extent practicable. Use of non-potable stormwater from the detention ponds at the Landfill should be considered for use on the site for dust control as a potential lower cost alternative.

**Question No. 58:** When will the draft Agreement be available?

**Response:** The draft Agreement, Appendix A to RFP SWD001-10, is provided in Addendum No. 2, which is now posted on the Receiver’s Website.

**Question No. 59:** Please identify and describe the software program that SWMD will purchase and utilize at the scalehouse for record keeping and billing. The RFP states that the Operator needs to be able to develop and apply appropriate software for reporting and record keeping (4.1.12) to interface with SWMD. Will the Receiver provide the Landfill Operator a license and access to utilize this information?

**Response:** The software program that SWMD will purchase and use at the scalehouse for record keeping and tracking will be the Cardinal Scale WinVRS Vehicle Tracking System. A separate license is not anticipated to be necessary, as access to the information can be provided through the WinVRS workgroup networking feature for file server networking.

For clarification, the RFP intended to commit the Operator to transmit any and all information electronically rather than in paper form. The SWMD will be the sole operator of the scalehouse, and its records will be provided to the Operator, with monthly electronic reports generated from software by Cardinal Scale Mfg. Company. The Proposer can obtain further information about this software from its manufacturer at [www.cardinalsacle.com](http://www.cardinalsacle.com) or by phoning their published number 800-441-4237.
Revisions to RFP No. SWD001-10

- Section 1.2, Procurement Schedule, is revised as follows to reflect the new deadline for questions on the RFP:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for Questions on RFP</td>
<td>October 14, 2010</td>
</tr>
</tbody>
</table>

- Section 1.3, Pre-Proposal Conference:

  The date of October 7, 2010 in the fourth sentence of the second full paragraph is deleted and replaced with the date of October 14, 2010.

- Section 1.7, Definitions

  “First Renewal Term” is added with the following definition:

  ‘First Renewal Term’ means the first five-year term following the Initial Term.

  “Second Renewal Term” is added with the following definition:

  ‘Second Renewal Term’ means the five-year term following the First Renewal Term.

  The definition of “Pass-Through Costs” is revised as follows:

  The period after the word “agency” is replaced with a comma and the following text is added:

  “and certain other costs incurred by the Operator for which SWMD has agreed to reimburse Operator subject to cost substantiation by Operator and for which Operator provides cost substantiation acceptable to SWMD.”

- Section 3.2.12.2, Dispute Resolution

  The text under this subsection is deleted and replaced with the following:

  “Disputes shall be handled in accordance with SECTIONS 16.11, 16.12, and 16.13 of the Agreement.”
LETTER OF INTENT

This Letter of Intent is dated this 17th day of July, 2009, and is made by and between the COMMANDER NAVY REGION MARIANAS (COMNAVREG), NAVAL FACILITIES ENGINEERING COMMAND MARIANAS (NAVFAC), the JOINT GUAM PROGRAM OFFICE (JGPO), GERSHMAN, BRICKNER & BRATTON, INC. FOR THE DISTRICT COURT OF GUAM, TERRITORY OF GUAM (Receiver) and the GOVERNMENT OF GUAM (GOVGUAM).

RECITALS

WHEREAS, on March 17, 2008 Gershman, Brickner & Bratton, Inc. of Fairfax, Virginia was named Receiver by the federal District Court of Guam to achieve compliance with the Consent Decree entered February 11, 2004 between GovGuam and the United States; and

WHEREAS, compliance with the Consent Decree will require among other things the construction of a new municipal solid waste landfill unit (MSWLF) compliant with all applicable environmental standards, the closure, post-closure monitoring and post-closure care of the existing Ordot Dump, programs, facilities, and equipment to assure proper diversion and management of Household Hazardous Waste (HHW), recyclable materials, compostable materials and other solid waste subject to waste reduction and waste recycling that can be diverted from disposal in the future MSWLF; and

WHEREAS, the Department of Defense has a continuing requirement to ensure proper solid waste management and reduce solid waste disposal volumes and cost through appropriate waste reduction and recycling strategies for existing DoD installations on Guam, and will have increased solid waste management and waste reduction requirements associated with future DoD growth on Guam, including the relocation of U.S. Marine Corps forces from Okinawa; and

WHEREAS, the Commander, Navy Region Marianas (COMNAVREG) will be responsible for installation management functions for Navy and Air Force installations on Guam upon the completion of associated realignment efforts; and

WHEREAS, the Naval Facilities Engineering Command, Marianas (NAVFAC), as the execution agent for COMNAVREG, currently provides solid waste management services, waste reduction, and recycling programs for the Navy on Guam, and will similarly assume such responsibilities for Anderson Air Force Base under current DoD plans for realignment of shore installation management services in a joint region; and

WHEREAS, the Joint Guam Program Office (JGPO) has responsibility for the facilitation, management, and execution of requirements associated with the releasing of Marine Corps Assets from Okinawa to Guam and the implementation of realignment efforts to establish a Joint Base on Guam; and

WHEREAS, the existing Integrated Solid Waste Management Plan for Guam, developed by Guam Environmental Protection Agency and accepted by the Guam Legislature, and current Federal and Department of Defense regulations and policies each
set forth similar goals and programs for the management of solid waste and recyclables; and

WHEREAS, COMNAVREG, NAVFAC, and DPO desire to cooperate with the Receiver and GovGuam to achieve a solid waste management system for Guam that will meet all applicable environmental standards, and will be mutually beneficial with DoD interests, and cost-effective.

NOW THEREFORE, in furtherance of the above recitals, COMNAVREG, NAVFAC, and DPO, the Receiver and GovGuam agree to the following Letter of Intent concerning DoD involvement in Guam’s future solid waste management system presently being developed pursuant to the Consent Decree.

1. Definitions: The following definitions are applicable to this Letter of Intent:

   a. Closure – actions taken by the owner or operator of a solid waste site or facility to cease operations and to ensure that all such facilities are closed in conformance with applicable regulations at the time for such closures and to prepare the site for the post-closure period.

   b. Commercial solid waste – all types of solid waste generated by stores, offices, restaurants, warehouses, multiple dwellings of five or more units, hotels, motels, bunkhouses, ranger stations, crew quarters, camp grounds, picnic areas, and day use recreation areas and other non-manufacturing activities, excluding residential and industrial wastes.

   c. Construction and Demolition waste – the waste of building materials, packaging, and rubble resulting from construction, remodeling, repair and demolition operations on pavement, houses, buildings, and other structures.

   d. Disposal – the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituents thereof may enter the environment or be emitted into the air or discharged into any waters, including ground water.

   e. Household Hazardous Waste (HHW) – household waste products which exhibit characteristics for reactivity, ignitability, corrosivity, toxicity, and persistence similar to hazardous waste. Examples include, but are not limited to drain cleaners, latex and oil paint, motor oil, antifreeze, fuel, poisons, pesticides, herbicides and rodenticides, fluorescent lamps, lamp ballasts, smoke detectors, medical waste, some types of cleaning chemicals, and consumer electronics (such as televisions, computers, and cell phones).

   f. Household Waste – any solid waste (including garbage, trash, and sanitary waste in septic tanks) derived from households (of single and multiple residences of up to four units).
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g. Industrial solid waste – solid waste generated by manufacturing or industrial processes that is not a hazardous waste regulated under subtitle C of the Resource Conservation and Recovery Act (RCRA) or Guam's Hazardous Waste Management regulations.

h. Material resource recovery facility – a facility where recyclable materials such as scrap metal, aluminum, newspaper, and paper are accepted for recycling.

i. Municipal Solid Waste Landfill (MSWLF) unit - a discrete area of land or an excavation that receives household waste, and that is not a land application unit, surface impoundment, injection well, or waste pile, as those terms are defined in 40 CFR 257.2. A Municipal Solid Waste landfill may also receive other types of RCRA Subtitle D wastes, such as commercial solid waste, nonhazardous sludge, small quantity generator waste and industrial solid waste.

j. Post-Closure - requirements placed upon disposal sites after closure to ensure their environmental safety for at least a 30 year period or until the site becomes stabilized (i.e. little or no settlement, gas production or leachate generation)

k. Recoverable resources – materials that still have useful physical, chemical or biological properties after serving their original purposes and can, therefore be reused or recycled for the same or other purposes.

l. Recovery – the process of obtaining materials or energy resources from solid waste

m. Recycled material – a material that is used in the place of a primary, raw, or virgin material in manufacturing a product

n. Recycling – the process by which recovered materials are transformed into new products.

o. Solid waste – any garbage, or refuse, sludge from a wastewater treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semi-solid, or contains gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include solid or dissolved materials in domestic sewage, or solid or dissolved material in irrigation return flows or industrial discharges that are point sources subject to permit under 33 US.C. 1342, or source, special nuclear, or by-product materials as defined by the Atomic Energy Act of 1954, as amended (68 Stat. 923)

p. Solid waste management – the systematic administration of activities which provide for the collection, source separation, storage, transportation, transfer, processing, treatment, and disposal of solid wastes, including the recovery and recycling of materials from solid waste, the recovery of energy resources from such wastes or the conversion of the energy in such wastes to more useful forms or combinations thereof.

q. Tipping Fees – Fees charged to dispose of or deposit solid waste in a municipal solid waste landfill unit or transfer station.
r. Transfer station – any intermediate waste facility in which solid waste collected from any source is temporarily deposited and stored while awaiting transportation to another solid waste management facility.

s. Waste reduction – reducing the amount or type of waste generated.

2. COMNAVREG, NAVFAC, and JFPO hereby state their intent to pursue appropriate contractual arrangements consistent with federal laws with the future solid waste agency, authority, or organization, to be authorized by the Receiver, in consultation with Gov.Guam., for solid waste management of DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste subject to the following terms and conditions:

a. The development and execution of a time schedule for both the new MSWLF currently being developed by the Receiver pursuant to the Consent Decree and a solid waste management program that meets existing and future DoD military requirements

b. The establishment of a long-term regulatory and institutional management structure that ensures the financial viability of an integrated solid waste management program and new MSWLF, operated in accordance with applicable regulations and requirements.

c. Permitting and construction of a new MSWLF unit fully compliant with all terms and conditions of the Consent Decree and applicable environmental laws and regulations.

d. Agreement on appropriate and reasonable tipping fees and other charges covering solid waste management of DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste.

e. Development of appropriate waste reduction, resource recovery, and recycling plans for Guam and DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste.

f. Development of appropriate plans for disposal of construction and demolition waste generated by DoD activities. The parties, in consultation with Gov.Guam, may explore alternate uses or disposal options for some construction debris and demolition wastes.

3. It is the intent of the parties that tipping fees and other charges covering solid waste management of DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste will be subject to periodic adjustment as agreed by the parties and subject to review and approval by appropriate regulatory authorities such as the Guam Public Utilities Commission.
4. It is the intent of the parties that tipping fees and other charges covering disposal of DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste into the to be constructed new MSWLF unit on Guam and associated solid waste management costs associated with waste reduction, resource recovery, and recycling efforts shall be based on a per ton rate covering:

a. Costs to plan, procure, finance, build, expand, operate, and maintain the new MSWLF and associated facilities on Guam to handle solid waste management of household waste, household hazardous waste, commercial solid waste, and industrial solid waste generated by the residents, businesses, and institutions of Guam and that generated by DoD over a period of at least 20 years from the date of initial operation, which is currently projected to be [TBD - 2011]

b. Costs for closure, post-closure monitoring, and post closure care efforts for the to be constructed new MSWLF, including certain financial reserves as may be necessary and required.

c. Costs to plan, procure, finance, build, operate, and maintain new material resource recovery facilities for the management of HIHW generated by the residents, businesses, and institutions of Guam and that generated by DoD. Charges for use of such facilities shall be net of revenues, if any, gained from the sale of recoverable resources, to the extent DoD contractually agrees to use such new HIHW material resource recovery facilities.

d. Costs to plan, procure, finance, build, operate, maintain, and manage any new material resource recovery facilities and equipment associated with waste reduction, resource recovery and recycling of solid waste other than HIHW generated by the residents, businesses, and institutions of Guam and that generated by DoD. Charges for use of such facilities shall be net of revenues gained from the sale of recoverable resources, to the extent DoD contractually agrees to use such new material resource recovery facilities.

e. Costs associated with periodic updates of the Integrated Solid Waste Management Plan for Guam that account for solid waste generated by the residents, businesses, and institutions of Guam and DoD.

5. It is the intent of the parties that tipping fees and other charges covering disposal of DoD generated household waste, household hazardous waste, commercial solid waste, and industrial solid waste into the to be constructed new MSWLF unit and solid waste management costs associated with waste reduction, resource recovery, and recycling efforts shall include costs and programs only to the extent that DoD contractually agrees to use the programs and facilities giving rise to such costs.
6. It is the intent of the parties to cooperate in development of an island-wide program to dispose of HHW generated by the residents, businesses, and institutions of Guam and that generated by DoD. It is further the intent of the parties that costs for operation of programs HHW management, facilities, and equipment will be shared by the parties in proportion to contractual arrangements which shall be based on anticipated DoD quantities of HHW collected, processed and sold or disposed through such a joint program.

7. It is the intent of the parties to cooperate in development of an island-wide program for waste reduction, resource recovery and recycling of solid waste other than HHW generated by the residents, businesses, and institutions of Guam and by DoD. It is further the intent of the parties that costs for operating new material resource recovery facilities and equipment will be shared by the parties in proportion to contractual arrangements which shall be based on anticipated DoD quantities of solid waste, or recyclable materials, as applicable, other than HHW collected, processed and sold through such a joint program.

8. It is the intent of the parties that existing DoD waste reduction, resource recovery, and recycling efforts will continue, to the extent desired by DoD and that DoD shall maintain control over existing DoD materials resource recovery facilities and the revenues generated from the waste reduction, resource recovery and recycling of DoD generated solid waste. It is further the intent of the parties that DoD shall maintain control over disposal of construction and demolition waste generated by DoD activities and associated MSWLF units currently operated by DoD. The parties may explore alternate uses or disposal options for some construction debris and demolition waste.

9. It is the intent of the parties that DoD will bear the cost of collecting household waste, household hazardous waste, commercial solid waste, and industrial solid waste generated by DoD on its installations on Guam and that charges agreed to be paid by DoD shall not include costs of collecting other household waste, household hazardous waste, commercial solid waste, and industrial solid waste generated by the residents, businesses, and institutions of Guam on areas other than DoD installations on Guam.

10. It is the intent of the parties to reduce truck traffic into the to be constructed new MSWLF and the associated effects by using a properly permitted and located transfer station or stations.

11. It is the intent of the parties that all vehicles used for transporting household waste, household hazardous waste, commercial solid waste, and industrial solid waste either directly to or from transfer stations to the to be constructed new MSWLF shall use routes designated for such traffic in accordance with a routing plan to be developed in consultation with the Director of Public Works of the Government of Guam.
12. It is the intent of the parties that the new MSWLF on Guam be operated in an efficient, cost-effective manner employing best practices to protect the environment and maximize its useful life.

13. It is the intent of the parties to plan and work cooperatively in joint solid waste management and recycling projects and programs as may be in their mutual interest.

14. It is the intent of the parties that this Letter of Intent may be amended, subject to the mutual written agreement of the parties.

15. It is the intent and understanding of the parties that no federal funds are obligated by this Letter of Intent. Furthermore, no provision of this Letter of Intent shall be interpreted to require obligation of funds by the Navy in violation of the Anti-Deficiency Act, 31 USC Sections 1301, 1341, 1342, and 1517.

16. It is the intent and understanding of the parties that this Letter of Intent may be terminated by any party upon providing 30-days written notice. The parties acknowledge such an action would be undertaken with all due consideration to potential adverse impacts on successful development of the critically required new MSWLF.

SO UNDERSTOOD AND AGREED by the parties hereto. Any reference to the date of this Letter of Intent shall be to the date as first stated at the beginning of this Letter of Intent.

D. Briel
COMNAVREG
Date: 7/21/09

J. L. Martin
RECEIVER
Date: 7/27/09

Peter A. Lynch
NAVFAC
Date: 22 July 2009

Felix P. Camacho
Governor of Guam
Date: 18 July 2009

CERTIFIED TO BE A TRUE COPY

LT. Cmdr. C. D. Romney, USA, CIP
Staff Judge Advocate
U.S. Naval Base Guam