

FORM 2 – RATE PROPOSAL

Form 2A:

The attached Excel spreadsheet (filename “Bellevue Form 2A 041513.xlsx”) is to be used by Proponents to submit their proposed rates to the City. No other forms or modifications of this spreadsheet will be accepted by the City. The completed spreadsheet shall be returned to the City with the Proponent’s name (or abbreviation up to 15 characters long) appended to the filename. For example: “Bellevue Form 2A 041213 – Acme Services.xlsx”.

The Rate Proposal Form file includes five (5) worksheet tabs: “SF Residential - COS,” “SF Residential – Linear,” “Commercial,” “Drop-box,” and “Totals.” The “Totals” tab summarizes total annual revenues from the other four (4) tabs and does not require any entries by Proponents. In general for the other four (4) worksheet tabs Proponents need to enter rates for service line items in the yellow highlighted cells. Cells without yellow highlights are locked and cannot, and should not, be changed by Proponents. Specific instructions for each of these four tabs follow:

SF Residential – COS

This worksheet provides cells for Proponents to enter proposed fees for services available under the contract to Single-family (SF) Residential Customers served with individual cans and carts for collection of their solid wastes. For this SF Residential – COS worksheet the proposed fees are to reflect a cost-of-service (COS) rate design for SF Customers, including smaller multi-unit apartments and condominiums buildings at which solid waste collection services are supplied and billed to each separate unit. Under the COS rate design, costs are expected to cover the full bundle of services to be provided per the Contract for each service line item listed on the worksheet, and costs of providing each line item’s bundle of services to a Customer are to include all direct, indirect, and overhead expenses, as well as profits, required by the Proponent for providing these services to SF Customers in the City Service Area.

For each line item service the Proponent must enter proposed disposal and collection fees in yellow highlighted cells in the Proposed Disposal Fee and Proposed Collection Fee columns, respectively. For line item services without a disposal component there is only a yellow highlighted cell in the Proposed Collection Fee column for entering the proposed fee.

The worksheet automatically calculates the Proposed Total Service Fee for each line item. The worksheet also automatically calculates Total Annual Residential SF Revenue based on the service level counts shown in the City Estimated Container Count for Scoring column, which has been developed solely for scoring purposes.

For informational purposes only, Proponents need to enter their estimates for customer counts in the For Informational Purposes Proposed Container Count column for the basic 10-gallon micro-can, 20-gallon cart, 45-gallon cart, 64-gallon cart, and 96-gallon cart line items indicating solid waste collection container size choices available to each Customer. The total number of customers as of December 2012 is listed across from the 32-gallon service level when Proponents initially open this worksheet. This number will automatically decrease when Proponents enter their estimates for customer demand for the other collection container sizes. This keeps total customer count fixed for all Proponents, but allows Proponents to estimate their own service level distribution for SF solid waste collection cans and carts. Current container counts do not reflect customer demand for the 10-gallon micro-can or the 45-gallon cart because these container sizes are not currently available for SF Customers in the City Service Area.

To the right of the columns for entering disposal and collection fees for basic solid waste collection containers services are a series of columns that list Key Service Enhancements and New Service Options that the City may wish to include in the bundle of services provided along with a solid waste collection service container. The yellow highlighted cells under each column are to be filled in with Proponent's estimate of the additional cost or reduced cost that would need to be included in the total service fee for each solid waste collection container size in order to reflect incremental costs or cost savings if that key service enhancement or new service option is offered at no additional charge (i.e., embedded) to each solid waste collection service customer.

The worksheet automatically calculates total annual revenue increases or decreases for each key service enhancement and new service option. The annual revenue increases or decreases for the key service enhancements ("Key Service Enhancements Totals") are included in Total Proposal revenue shown under the "Totals" tab. Total Proposal revenue will be used for proposal cost scoring comparisons.

Finally, to provide guidance for estimating rates for non-basic line item services, there is a column to the right of the Proposed Total Service Fee column that shows the average fee charged in unincorporated areas adjacent to the City Service Area by the Washington Utilities and Transportation Commission (WUTC) certificated collection companies Eastside Disposal (Republic) and Sno-King (Waste Management).

SF Residential – Linear

This worksheet provides cells for Proponents to enter proposed fees for services available under the contract to SF Residential Customers served with individual cans and carts for collection of their solid wastes. For this SF Residential – Linear worksheet the proposed fees are to reflect a linear rate design for SF Customers, including smaller multi-unit apartments and condominiums buildings at which solid waste collection services are supplied and billed to each separate unit. Under the linear rate design, total annual revenue raised by proposed fees is expected to cover the full bundle of services to be provided per the Contract. This total revenue is expected to cover in total all direct, indirect, and overhead expenses, as well as profits, required by the Proponent for providing these services to SF Customers in the City Service Area. However, for the basic solid waste collection container size choices, costs are allocated on the basis of container size rather than cost of service.

To achieve the required linear rate design for the solid waste collection cans and carts, Proponents only need to enter proposed disposal and collection fees for the 32-gallon cart. The worksheet automatically calculates rates for the other solid waste collection container sizes and the disposal fee for the 32-gallon extra.

Other yellow highlighted cells in the Proposed Disposal Fee and Proposed Collection Fee columns should be filled in following the same procedure Proponents used for these cells on the SF Residential – COS worksheet.

The Proposed Container Count column should be filled in per instructions for the For Informational Purposes Proposed Container Count column on the SF Residential – COS worksheet. In addition, Proponents may want to take into account the effect of linear rates on disposal quantities when they estimate customer counts for each size collection container.

The worksheet automatically calculates the Proposed Total Service Fee for each line item. The worksheet also automatically calculates Total Annual Residential SF Revenue based on the service level counts shown in the Proposed Container Count column.

Instructions for filling in incremental costs or cost reductions for the Key Service Enhancements and New Service Options on this worksheet are the same as for the SF Residential – COS worksheet, except that the only rate entry required is for the incremental cost or cost savings for the 32-gallon cart. The worksheet automatically calculates the incremental cost or cost savings for the other solid waste collection container sizes.

The worksheet automatically calculates total annual revenue increases or decreases for each key service enhancement and new service option. Annual revenue increases or decreases for the key service enhancements (“Key Service Enhancements Totals”) are included in Total Proposal revenue shown under the “Totals” tab. Base Proposal Total revenues for the SF Residential – Linear worksheet must be equal to or less than the Base Proposal Total revenue for the SF Residential – COS worksheet. If the Base Proposal Total revenue for the SF Residential – Linear worksheet is not equal to or less than the Base Proposal Total revenue for the SF Residential – COS worksheet, the Proponent must specify in detail why on a separate sheet.

This worksheet also lists the same average WUTC certificated solid waste collection rates for non-basic services as the SF Residential – COS worksheet does.

Commercial

The Commercial tab worksheet covers fees for collection of solid wastes from Commercial and Multifamily Complex Customers that use Carts and/or detachable front load containers for collection of solid wastes. Proponents are to enter proposed disposal and collection fees in yellow highlighted cells of the worksheet. The worksheet will automatically calculate the Proposed Total Service Fee for each line item, as well as total annual revenue raised by proposed fees. Total revenue is based on counts shown in the # of Containers column of the worksheet.

Similar to the SF Residential – COS worksheet, this worksheet also contains yellow highlighted cells that Proponents need to fill in for Key Service Enhancements and New Service Options listed in columns to the right of the basic service offerings. The yellow highlighted cells across from each basic solid waste collection service line item are to be filled in with Proponent’s estimate of the total service fee incremental increase or decrease that would need to be taken into account were the key service enhancement or new service option to be bundled into the service offerings provided at no additional charge (i.e., embedded) to each Commercial or Multifamily Complex Customer for solid waste collection from a cart or detachable container. The worksheet automatically calculates total annual revenue increases or decreases for each key service enhancement and new service option. Annual revenue increases or decreases for the key service enhancements (“Key Service Enhancements Totals”) are included in Total Proposal revenue shown under the “Totals” tab. Total Proposal revenue will be used for proposal cost scoring comparisons.

For non-basic services the worksheet also lists, where available, average WUTC certificated solid waste collection rates for non-basic services.

Drop-box

The Drop-box tab worksheet covers fees for collection of solid wastes from Commercial and Multifamily Complex Customers that use large non-compacting or compacting drop-boxes for collection of solid wastes. Proponents are to enter proposed haul, rental, and other fee amounts in the yellow highlighted cells of the worksheet. The worksheet will automatically calculate total

annual revenue raised by proposed fees. Total revenue is based on counts shown in the Hauls/Month column of the worksheet.

Similar to the SF Residential – COS and Commercial worksheets, the Drop-box worksheet also contains yellow highlighted cells that Proponents need to fill in for Key Service Enhancements and New Service Options listed in columns to the right of the basic service offerings. The yellow highlighted cells across from each basic solid waste collection service line item are to be filled in with Proponent’s estimate of the haul fee incremental increase or decrease that would need to be taken into account were the key service enhancement or new service option to be bundled into the service offerings provided at no additional charge (i.e., embedded) to each Commercial or Multifamily Complex Customer for solid waste collection from a Drop-box. The worksheet automatically calculates total annual revenue increases or decreases for each key service enhancement and new service option. Annual revenue increases or decreases for the key service enhancements (“Key Service Enhancements Totals”) are included in Total Proposal revenue shown under the “Totals” tab. Total Proposal revenue will be used for proposal cost scoring comparisons.

For non-basic services the worksheet also lists, where available, average WUTC certificated solid waste collection rates for non-basic services.

General Instructions

Carefully review the Contract provided with the Rate Proposal Form. The rates provided on the Rate Proposal Form must reflect all services and conditions detailed in the Contract. No rate adjustments or revisions, other than provided in the Contract, will be considered by the City.

If any formula or other errors in the spreadsheets are discovered by the Proponent, the Proponent shall immediately inform the City. The City, at its option, may either revise and reissue the spreadsheets, or retain the original release for use in rate evaluation.

Proponents shall use a King County disposal fee of \$120.17 in their rates. If the County adjusts disposal fees prior to Contract implementation, the Contract rates will be adjusted accordingly.

Current customer counts are included for informational purposes only. Prospective Proponents are responsible for developing their own service level profile forecasts based on the defined rate structure for the internal purpose of developing their proposed fees.

The Proponent’s fees provided on the Rate Proposal Forms shall include all capital, labor, and other operating costs, including administration, management, profit, contract fees, and incidental taxes (e.g., tire and fuel taxes, B&O, sales taxes on capital equipment).

State refuse collection tax, County household hazardous waste fees, and City utility taxes shall be excluded from the Proposal rates, as they will be added to Customer bills as itemized taxes. Carefully review the Contract language related to the treatment of sales taxes and the delivery of purchased vehicles and Containers within City municipal limits.

The Proponent’s fees provided on the Rate Proposal Forms shall be generally designed to recover the costs for each collection sector only from that sector. Proponent fees provided by the Proponent on Form 2A shall incorporate the following elements:

Customer Sector	Include In Rates
Single-family Residence	Garbage + Recycling + Organics costs, <u>including</u> the garbage, recycling, and organics cart costs, but <u>excluding</u> cart rental fees for additional organics carts

Customer Sector	Include In Rates
Multifamily Complex/ Commercial Can, Cart, and Detachable Container	Garbage + Recycling costs, <u>including</u> container costs, for Multifamily Complex Customers, and Garbage costs + Limited Recycling costs, <u>including</u> container costs, for Commercial Customers
Temporary Detachable Container Service	Garbage costs for detachable containers, <u>including</u> container rental
Permanent Drop-box Service	Garbage + Recycling costs, <u>excluding</u> container rental and pass through disposal, for Multifamily Complex Customers, and Garbage + Limited Recycling costs, excluding container rental and pass through disposal, for Commercial Customers
Temporary Drop-Box Service	Hauling costs, <u>excluding</u> container rental and pass through disposal
Other Services (e.g. container cleaning, Commercial organics, etc.)	Only cost-of-service