MIAMI-DADE COUNTY

ADDENDUM NO. 4

January 10, 2008

TO:	**ALL POTENTIAL BIDDERS**
SUBJECT: BID NO.:	8578-0/23
TITLE:	Development of Landfill Gas Utilization Systems (LFGUS) at North Dade and South Dade Landfills
BID OPENING DATE:	**Wednesday, January 30, 2008**
	Pre-Bid Conference: Thursday, January 17, 2008

This Addendum is and does become a part of the above-mentioned bid.

The following comments were received from a potential bidder on the LFGUS solicitation and the responses from the Department of Solid Waste Management (DSWM) – *italicized below* - are being made available to all potential bidders for informational purposes.

1. [The Bidder] agrees with the comment made in Addendum No. 2 (i.e. Question No. 1). That is, the County has precluded bidders from pursuing anything other than a landfill gas-to-electricity project. Has the County independently determined that landfill gas-to-electricity represents the highest and best end use for the LFG? If not, we recommend the County focus on a gas sales arrangement and leave it to the creativity of the bidders to determine the highest value/best use of the LFG and that highest value will be reflected in the offer price to the County for the gas.

1. Comment Noted. DSWM does not wish to change the ITB document. DSWM desires a gas to electricity project not other alternatives for reuse of the LFG.

2. The County, while interested in a gas sales arrangement for 15 years, has also required that the physical assets be transferred to the County (unless waived) after 15 years. Presumably, the transfer of the assets is at no cost to the County. A word of caution is in order here. The project owner/operator may not perform adequate maintenance of the facility as the contract nears its term in order to minimize costs that could not otherwise be recovered from the project when the assets are transferred. Put another way, a conscientious bidder may offer the County a low price for gas purchase as they intend to undertake diligence maintenance (and therefore have a more valuable asset near the end of the contract), while another bidder could offer the County a higher price for gas purchase and skimp on maintenance. The asset transfer provision in the RFP unnecessarily adds complexity to the bid. The County may wish to

simply focus on gas sales and then negotiate either a contract extension for gas sales or negotiate a fair market transaction of the asset at the end of the term and leave the transfer provision out of the current RFP. Consider simplifying the RFP to consist of a gas sales agreement and a ground lease; the latter to allow installation of the respondent's equipment on County-owned property. For a straight-forward gas sales arrangement, the County should ask the respondent to identify the transfer point and to describe the metering systems to be employed for billing purposes.

2. Comment Noted. DSWM does not wish to change the ITB document as suggested.

3. The unit of sale (LFG) per the RFP is in MCF. This should be revised to MM BTU. It is the heat content of the gas that has value and it is the heat content that powers engines and fuels boilers. MCF is a suitable unit of measure for natural gas but not for landfill gas. Also, guarantees expressed in MM BTU to the respondents are considerably more valuable than the guaranteed minimum MCF.

3. Comment Noted. We do not wish to change to MMBTU basis. The gas quality data has been provided. The risk of changing gas quality better or worse is the bidders.

4. The County desires a CPI escalator for gas sales. Respondents to the RFP may be agreeable to an escalator providing that their power purchase agreement (PPA) provides for a similar escalator in their revenue stream so that their project margins are maintained. In other words, the respondent will only be agreeable to this requirement to the extent that they can negotiate a similar provision in their end use contract. This type of "flow through" issue will be a recurring concern of the respondents as they will have to negotiate with two parties concurrently (i.e. Miami-Dade and the ultimate user of the derived energy).

4. Comment Noted. We do not wish to change the phrasing.

5. Regarding liquidated damages specified in Section 2.10: There are a multitude of schedule variables that will affect development of a new LFGTE project; many are outside the control of the respondent and include permitting delays caused by regulatory agencies; the time required for respondents to negotiate a PPA or gas sales agreement; long lead time on equipment deliveries and other similar issues. Consider liquidated damages for a schedule that is established after environmental permits are issued and after the respondent has a PPA or gas sales agreement in hand.

5. Comment Noted. We do not wish to change the requirements related to liquidated damages.

6. The requirement for a Performance and Payment bond should not be applicable to a facility that will be owned by the bid respondent. Similarly, there is a number of "construction"-related provisions in the RFP that could be removed as "not applicable" to a simple gas sales agreement. Again, the County will not own the facility but will be a seller of gas to the project once developed. The County has already managed the risk associated with delayed gas sales via the Liquidated Damages provision. Consider removal of all construction-related provisions from the RFP.

6. Comment Noted. We do not wish to change the requirements.

7. The County requires that the bidder turn over 50% of the tax credits and other environmental credits. Please be aware that tax credits and environmental attributes are not dependable/firm revenue streams. A respondent that has no tax liability will not qualify for tax credits (and therefore have nothing to "share" with the County). The County should focus on negotiating a gas price first and foremost.

Expect that the respondents will willingly share revenue from credits/attributes but do not be distracted from the basic commodity being sold...the landfill gas.

7. Comment Noted. The County does not wish to change the cost sharing method of any environmental or other credits associated with the project.

8. Performance verification and guarantees are not applicable to a facility owned by others. If the respondent was constructing the facility for the County, such guarantees would be appropriate.

8. Comment Noted. We disagree with the premise of the comment. The County will be exposed to additional costs for management of the gas should performance guarantees not be met by the installed facility. We do not wish to make any changes to the ITB document.

ALL OTHER INFORMATION REMAINS THE SAME

Km! Ra, CPPO, CPPB, C.P.M.
Senior Procurement Contracting Agent
January 10, 2008