

**REQUEST FOR PROPOSALS
FOR THE DIVESTITURE OF SOLID WASTE ASSETS BY THE COUNTY OF
SONOMA**

**VOLUME I
INSTRUCTIONS TO PROPOSERS**

COUNTY OF SONOMA

**ISSUED June 11, 2008
ADDENDUM #1 ISSUED JULY 9, 2008
ADDENDUM #2 ISSUED AUGUST 6, 2008
ADDENDUM #3 ISSUED AUGUST 19, 2008
ADDENDUM #4 ISSUED AUGUST 29, 2008
ADDENDUM #5 ISSUED SEPTEMBER 12, 2008**

**County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Ste. B100
Santa Rosa, California 95403**

CERTAIN KEY DATES

<u>EVENT</u>	<u>DATE</u>
Issue Request for Proposals	June 11, 2008
Proposal Due Date	October September 30, 2008 at 2:00 P.M. Noon. (Pacific)
Proposals Received by the County Board of Supervisors	September 9 October 7, 2008
Target for Contract Award, Execution and Delivery	Fall 2008

TABLE OF CONTENTS

	Page
Section 1.0 INTRODUCTION AND GENERAL PROVISIONS	1
1.1 Introduction	1
1.2 County Goals	1
1.3 Descriptions of the Facilities	2
1.4 Documents in the Request for Proposals.....	2
1.5 Definitions and Acronyms	3
1.6 Divestiture Schedule, Address for Proposal Delivery and Financial Close Deadline	3
1.7 General Provisions Regarding Proposals	5
Section 2.0 DIVESTITURE PROCESS	7
2.1 Divestiture Method	7
2.2 Receipt of the Request for Proposal Documents, Communications and Other Information	7
2.3 Questions and Responses Regarding the RFP and Addenda	9
2.4 Pre-Proposal Due Date Meetings	11
2.5 Confidentiality	13
2.6 Permitting Status of Central Landfill.....	14
2.7 Examination of RFP and Site Access	15
2.8 Errors	16
2.9 Improper Conduct; Organizational Conflicts of Interest.....	16
2.10 Changes in Proposer's Organization	17
2.11 Single Purpose Entities; Guarantees	17
Section 3.0 REQUIREMENTS FOR SUBMITTAL OF PROPOSALS AND ACCEPTANCE OF DELIVERY BY the County	19
3.1 General Submittal Requirements.....	19
3.2 Requirement to Submit Compliant Proposal	19
3.3 Format	20
3.4 Additional Requirements for Proposal Delivery.....	20
3.5 Currency	22
3.6 Modifications, Withdrawals and Late Submittals.....	22
3.7 Forfeiture of Proposal Security; Relief from Obligation to Close By Specified Deadline.....	23

3.8	Acceptance of Delivery by the County	23
3.9	Costs Not Reimbursable	24
Section 4.0	EVALUATION AND POST-SELECTION PROCESS.....	24
4.1	Organization of the County Evaluation Committees	25
4.2	Pass/Fail and Responsiveness Evaluation	26
4.3	Financial Proposal and Contract Comment Evaluations	27
4.4	Contract Comments	28
4.5	Requests for Clarification	29
4.6	Requests for Best and Final Offers	30
4.7	Identification of Apparent Highest Ranked Proposal and Other Proposers for Negotiations and/or Execution	30
4.8	Documents to be Submitted Following Notification of Apparent Highest Ranked Proposer or of Commencement of Negotiations	31
4.9	County Comment on Post-Selection Deliverables	31
4.10	Award of Contract	32
4.11	Finalization and Negotiation of Contract Documents	32
Section 5.0	AWARD AND EXECUTION; POST-EXECUTION ACTIONS	34
5.1	Award, Execution and Delivery of Contract Documents.....	34
5.2	Documents To Be Delivered By Proposer With Executed Contract	34
Section 6.0	PROTESTS	36
6.1	Applicability	36
6.2	Required Early Communication for Certain Protests	36
6.3	Deadlines for Protests.....	36
6.4	Content of Protest.....	36
6.5	Filing of Protest.....	37
6.6	Comments from other Proposers	37
6.7	Burden of Proof.....	37
6.8	Decision on Protest.....	37
6.9	Protestant's Payment of Costs.....	37
6.10	Rights and Obligations of Proposers	38
Section 7.0	County RIGHTS AND DISCLAIMERS.....	39
7.1	County Rights	39
7.2	County Disclaimers	40

EXHIBITS

Exhibit A	Definitions and Acronyms
Exhibit B	Proposal Forms Instructions
Exhibit C	Financial Proposal Instructions
Exhibit D	Contract Comments Instructions
Exhibit E	Required Forms
Exhibit F	Summary and Order of Proposal Contents

FORMS

Form A	Proposal Letter
Form B	Information About Proposer
Form C	Non-Collusion Affidavit
Form D	Initial Purchase Price and System Royalty Offer Form
Form E	Proposal Security/Letter of Credit <u>Intentionally Omitted</u>
Form F	Opinion of Counsel
Form G	Tip Fee Schedules Form
Form H	Minimum Committed Flow Form

INSTRUCTIONS TO PROPOSERS

(Request for Proposals: County of Sonoma Solid Waste Divestiture)

SECTION 1.0 INTRODUCTION AND GENERAL PROVISIONS

1.1 Introduction

This Request for Proposals (“RFP”), as may be amended from time to time, is issued by the County of Sonoma (“County”) to seek competitive proposals (individually, a “Proposal” and collectively, “Proposals”) for a purchase and sale agreement (“Contract”). The Contract shall provide that the successful Proposer (the “Purchaser”) shall purchase and acquire the Facilities (as defined below) and operate and maintain the same pursuant to the terms and conditions of the Contract (the “Divestiture”). The Divestiture of the Facilities may occur under a number of different structures, including simultaneously or in stages. The Divestiture covers the Central Landfill and the Annapolis, Central, Guerneville, Healdsburg and Sonoma Transfer Stations and related personal property, permits, contracts and other assets pertinent to the operation of the County’s solid waste system (collectively, the “Facilities”). The form of Contract is included in Volume II of the RFP.

The County is issuing this RFP to those Proposers shortlisted on February 8, 2008, based on the County’s evaluation of Statements of Qualification (“SOQs”) delivered to the County on January 8, 2008 in response to the Request for Qualifications for the Divestiture issued on November 7, 2007 (as amended, the “RFQ”). Only those Proposers shortlisted on February 8, 2008 may respond to this RFP and submit a Proposal.

Proposers must comply with these Instructions to Proposers (“ITP”) during the divestiture process and in their responses to the RFP. Proposers shall also take the Divestiture goals identified in Section 1.2 below into consideration in preparing their Proposals.

1.2 County Goals

The County’s primary goals for the Divestiture are as follows:

- Maximize the monetary return for divestiture of the Facilities;
- Reduce or eliminate exposure for past, current and future environmental, operational and closure/post-closure liabilities related to the Facilities;
- Provide a location for solid waste disposal of the municipal solid waste stream at reasonable prices;
- Transfer, through a divestiture, all of the Facilities;

- Assure that the Facilities be operated in the future in an environmentally sound and safe manner consistent with applicable law and regulations;
- Assure that the facilities are operated in the future in a manner that reduces greenhouse gases, complies with the California Global Warming Solutions Act of 2006 (AB 32) and other County climate protection initiatives, such as through the use of rail or other appropriate means; and
- Support diversion goals consistent with AB 939 and the Countywide Integrated Waste Management Plan.

The County's secondary goals for the Divestiture are as follows:

- Achieve an in-county Central Landfill solution, if the Divestiture terms are such that they substantially alter the findings of the Brown, Vence & Associates study, previously provided to the Proposers, which led to the County Board of Supervisors' decision to move towards a permanent out-haul solution;
- Assist impacted employees to compete for and find employment with the successful Purchaser;
- Involvement in tip rate setting process; and
- Preserve capacity at the Central Landfill for the County-generated waste stream.

These goals will be articulated and achieved through the terms of the Contract Documents.

1.3 Descriptions of the Facilities

Refer to the RFQ, the Contract and the Reference Information Documents for a more detailed description of the Facilities.

1.4 Documents in the Request for Proposals

The RFP consists of the following volumes, and any other documents that may be issued by Addendum, as such documents may be amended and supplemented (collectively, the "RFP Documents"):

Volume I - this ITP (including exhibits and forms),

Volume II - the Contract Documents,

Refer to Section 1.1 and Schedules 8.4 and 9.6 of the Contract for a list of the Contract Documents.

The Reference Information Documents are for the purpose of providing information to Proposers. Except as may be expressly provided otherwise in the Contract, the Reference Information Documents are not mandatory or binding. Proposers are not entitled to rely on the Reference Information Documents or any opinions or recommendations therein as presenting financing, design, engineering, permitting, construction, operating or maintenance solutions or other direction, means or methods for complying with the requirements of the divestiture process, Permits or applicable laws.

The County shall not be responsible or liable in any respect for any causes of action, claims or losses whatsoever suffered by any Proposer by reason of (a) any use, in connection with participation in the divestiture process, of information, opinions or recommendations contained in the Reference Information Documents, or (b) any action or forbearance in reliance on the Reference Information Documents.

The County does not represent or warrant that the information, opinions and recommendations contained in the Reference Information Documents are complete or accurate or that such information, opinions and recommendations are in conformity with the requirements of the RFP, Permits or applicable laws. Proposers shall have no right to compensation, or other claim in connection with participation in the divestiture process based on any incompleteness or inaccuracy in the Reference Information Documents.

1.5 Definitions and Acronyms

Refer to Exhibit A hereto for the meaning of various capitalized terms and acronyms used but not defined herein, and refer to the Contract for the meaning of capitalized terms and acronyms used but not defined herein or in said Exhibit A. As used herein, “include” shall mean “including, without limitation” and a “day” shall be a calendar day (unless otherwise specified).

1.6 Divestiture Schedule, Address for Proposal Delivery and Financial Close Deadline

1.6.1 Divestiture Schedule

The following represents the current schedule for the Divestiture.

<u>EVENT</u>	<u>DATE and TIME</u>
Issue Request for Proposals	June 11, 2008
Last date for Proposer submittal of initial questions/comments regarding the RFP	June 18, 2008
One-on-one meetings with Proposers	June 25-26, 2008
Additional one-on-one meetings/calls with Proposers (at option of the County)	If utilized, the County will notify Proposers in advance
Last date for Proposer submittal of	July 16, 2008

<u>EVENT</u>	<u>DATE and TIME</u>
questions/comments regarding the RFP, as described in <u>Section 2.3.1</u>	
Last date for the County responses to questions/comments regarding the RFP (if necessary)	August 19, 2008
Proposal Due Date	September 8 <u>October 3</u> , 2008 at <u>Noon 2:00 P.M.</u> (Pacific)
County Board of Supervisors Receives Proposals	<u>October 7</u> September 9 , 2008
Anticipated Contract Award, Execution and Delivery	Fall 2008

All dates set forth above and elsewhere in this RFP are subject to change, in the County's sole discretion, by Addendum.

1.6.2 Address for Proposal Delivery

The completed Proposal shall be submitted and delivered in sealed containers no later than the Proposal Due Date and time specified in Section 1.6.1, respectively. The Proposal is to be delivered to the County at the following address:

County of Sonoma
 Department of Transportation and Public Works
 2300 County Center Drive, Suite B100
 Santa Rosa, California 95403
 Attn: Jay Jasperse

1.6.3 Deadline for Contract Documents Execution and Payment of Deposit

A Proposer that has been selected for negotiations shall be required to promptly commence good faith negotiations in order to attempt to conclude such negotiations; on or before 30 days after notification by the County of such selection. If negotiations are successful, such Proposer shall, promptly deliver to the County executed copies of the Contract Documents and the documents required under Section 5.2, remit payment of the Deposit Letter of Credit as required under the Contract Documents and otherwise satisfy all other conditions to award set forth in the RFP; provided, however, that the 30 day period shall be extended by the County if the County and such Purchaser-Proposer are then in the process of negotiations (and the County has not terminated such negotiations). If, in lieu of negotiations, the County wishes to accept a Proposer's Proposal on the basis of the Contract Documents included in the RFP (e.g., excluding Contract Comments, but with such changes as are (i) necessary to fill in blanks; (ii) expressly indicated in the RFP to be inserted from Proposer's Proposal to the Contract Documents, such as the Initial Purchase Price, System Royalty, Tip Fee Schedule,

~~Minimum Flow Commitment and the name of the Proposer entity and (iii) necessary to address the impact, if any, of any material change (if any) to the form of the HHW Lease, the Agency Agreement and the PWRPA Agreement that were provided to the Proposers prior to the Proposal Due Date), the Proposer so notified shall have 15 days after notification in which to deliver to the County executed copies of the Contract Documents and the documents required under Section 5.2, remit payment of the Deposit as required under the Contract Documents and otherwise satisfy all other conditions to award set forth in the RFP. As noted in Section 4.4, the form of Contract Documents shall be in the form included with the RFP (with such changes as are (14) necessary to fill in blanks; (ii) expressly indicated in the RFP to be inserted from Proposer's Proposal to the Contract Documents, such as the Initial Purchase Price, System Royalty, Tip Fee Schedule, Minimum Flow Commitment and the name of the Proposer entity; and (iii) necessary to address the impact, if any, of any material change (if any) to the form of the HHW Lease, the Agency Agreement and the PWRPA Agreement that were provided to the Proposers prior to the Proposal Due Date); provided, however, that the form of Contract Documents shall be subject to negotiations as set forth in Section 4.7 below, except to the extent that the County, in its sole discretion, agrees to further negotiate and/or modify the terms of the Contract Documents based on some or all of the selected successful Proposer's Contract Comments. Except as set forth in the preceding sentence, Proposers shall not be entitled to submit comments to the Contract Documents or include any exception, exclusion, condition or assumption in their Proposals or modify the Proposal forms.~~

1.7 General Provisions Regarding Proposals

1.7.1 Proposal Contents

As used in the divestiture process, the term "Proposal" means a Proposer's complete response to this RFP, including a Financial Proposal and Proposal Forms. Proposers may, but are not obligated to, also submit Contract Comments.

Requirements for Proposal Forms are set forth in Exhibit B. Requirements for the Financial Proposal are set forth in Exhibit C, and a checklist showing the required contents of the entire Proposal is found in Exhibit F. The Proposal shall be organized in the order listed in Exhibit F, and shall be clearly indexed. Each Proposal component shall be clearly titled and shall be submitted without reservations, qualifications, conditions or assumptions set forth therein (Contract Comments shall not be considered reservations, qualifications, conditions or assumptions). Any failure to provide all the information and all completed forms in the format specified, or submittal of a Proposal subject to any reservations, qualifications, conditions or assumptions may result in the County's rejection of the Proposal or giving it a lower rating. All blank spaces in the Proposal Forms must be filled in as appropriate. No substantive change shall be made in the Proposal Forms.

1.7.2 Inclusion of Proposal in Contract Documents

Portions of the successful Proposer's Proposal will become part of the Contract Documents, as specified in the Contract. All other information is for evaluation purposes only and will not become part of the Contract Documents.

1.7.3 Ownership of Proposal

Subject to the exceptions specified herein, all written and electronic correspondence, exhibits, photographs, reports, printed material, tapes, disks, and graphic and visual aids submitted to the County during the divestiture process, whether included in the Proposal or otherwise submitted, become the property of the County upon delivery to the County and will not be returned to the submitting parties.

SECTION 2.0 DIVESTITURE PROCESS

2.1 Divestiture Method

This RFP is issued pursuant to and in accordance with the provisions of California Government Code Section 25515 *et seq.*, as amended (the “Statute”) (which may be found at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=25001-26000&file=25515-25515.5>) and all other applicable provisions of law. The County will award the Contract (if at all) to the responsible Proposer offering the best overall value to the County, as determined pursuant to Section 4.3.

The County will accept Proposals for the Divestiture only from those Proposers that the County has shortlisted for the Divestiture based on their responses to the RFQ. As noted in ITP Section 2.10, the Proposer team must be the same as that which was submitted in its SOQ, unless otherwise approved by the County as set forth in ITP Section 2.10.

The County will not review or consider alternative proposals but Proposers may provide Contract Comments as described herein and such Contract Comments shall not be considered an alternative proposal.

2.2 Receipt of the Request for Proposal Documents, Communications and Other Information

The RFP will be issued and made available to shortlisted Proposers in electronic format on the website for the Divestiture, which can be found at http://www.sonoma-county.org/tpw/20tpw_waste08/ (the “Website”). The Website is a password protected website accessible only by the shortlisted Proposers.

2.2.1 Authorized Representative

The County has designated the following individual to be its authorized representative for the Divestiture (the “Authorized Representative”):

County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite B100
Santa Rosa, California 95403
Attn: Jay Jasperse
Email: jjasper1@sonoma-county.org
Phone: (707) 565-2231
Fax: (707) 565-2620

From time to time during the divestiture process or pursuant to the Contract, the County may designate another Authorized Representative or representatives to carry out some or all of the County’s obligations pertaining to the Divestiture.

2.2.2 Identification of Proposer Authorized Representative

A Proposer shall identify in its Proposal an individual authorized to act on behalf of the Proposer relating to the Divestiture ("Proposer Authorized Representative"). If a Proposer changes its Proposer Authorized Representative to receive documents, communications or notices in connection with this Divestiture subsequent to its submission of its Proposal, the Proposer shall provide the County's Authorized Representative with the name and address of such new Proposer Authorized Representative. Failure to identify a Proposer Authorized Representative in writing may result in the Proposer failing to receive important communications from the County. The County is not responsible for any such failure.

2.2.3 Rules of Contact

(a) From November 7, 2007 until issuance of the RFP, the rules of contact provisions in the RFQ, as modified by the letter agreement between the County and each Proposer, dated February 8, 2008, were applicable to this Divestiture.

(b) From and after the date of issuance of this RFP and ending on the earliest of (i) the execution and delivery of the Contract, (ii) rejection of all Proposals by the County or (iii) cancellation of the RFP, the following rules of contact shall apply. These rules are designed to promote a fair and unbiased procurement process, with each Proposer having equitable access to information. Contact includes face-to-face, telephone, facsimile, electronic-mail (e-mail), or formal written communication.

(c) The specific rules of contact are as follows:

(i) No Proposer nor any of its team members may knowingly communicate with another Proposer or its team members with regard to this RFP or either team's Proposal, except that this prohibition does not apply to public discussions regarding the RFP at any County sponsored informational meetings.

(ii) Only the Proposer Authorized Representative shall correspond with the County regarding this RFP and only through the County's Authorized Representative.

(iii) No Proposer or representative thereof shall have any ex parte communications regarding the RFP, the Contract or the Divestiture with any member of the County Board of Supervisors or with any County staff, advisors, employees or consultants (including KNN Public Finance, Zions Bank, Zions Bancorporation, Nossaman-Guthner, Knox & Elliott, LLP, Brown, Vence & Associates and HDR, Inc. or Affiliates of any of the foregoing) involved with the Divestiture, except for communications expressly permitted by the RFP or except as approved in advance by the County's Authorized Representative, in his/her sole discretion. The foregoing restriction shall not, however, preclude or restrict communications with regard to matters unrelated to the Divestiture, Contract or RFP or from participation in public meetings of the County or any public or joint Proposer workshop related to the Divestiture, Contract

or RFP. Any Proposer engaging in such prohibited communications may be disqualified at the sole discretion of the County.

(iv) Proposers shall not disclose any aspect of their Proposals or strategy until the earliest of (1) execution of the Contract by the County and the successful Proposer, (2) rejection of all Proposals by County or (3) cancellation of the Divestiture.

(v) The County intends to be the sole source of all public information (press releases, public notices, etc.) concerning the Divestiture and the Facilities.

(vi) Any communications determined by the County, in its sole discretion, to be improper may result in disqualification.

(vii) All official communications regarding the Divestiture will be in writing, on the County letterhead, and signed by the County's Authorized Representative or designee.

(viii) The County will not be responsible for, and a Proposer may not rely on, any oral or written exchange or any other information or communication that occurs outside the official process specified herein.

The Proposer shall note that no correspondence or information from the County or anyone representing the County regarding the RFP or the Proposal process in general shall have any effect unless it is in compliance with Section 2.2.3(c)(i)-(viii).

2.2.4 Language Requirement

All correspondence regarding the RFP and Contract are to be in the English language.

2.3 Questions and Responses Regarding the RFP and Addenda

2.3.1 Questions and Responses Regarding the RFP

Proposers shall be responsible for reviewing the RFP and any Addenda issued by the County prior to the Proposal Due Date, and for requesting written clarification or interpretation of any perceived discrepancy, deficiency, ambiguity, error or omission contained therein, or of any provision which the Proposer fails to understand. Failure of the Proposer to so examine and inform itself shall be at its sole risk, and no relief for error or omission will be provided by the County. Proposers shall submit questions, comments and requests for written clarification in accordance with this Section 2.3.1. The County reserves the right not to respond to any such questions, comments and clarification requests received after the last date for Proposer submittal of questions regarding the RFP, as set forth in Section 1.6.1. To the extent responses are provided, they will not be considered part of the Contract Documents, nor will they be relevant in interpreting the Contract Documents, except as expressly set forth in the Contract Documents.

The County will only consider questions and comments regarding the RFP, including requests for clarification and requests to correct errors, if submitted by a shortlisted Proposer to the County's Authorized Representative, by facsimile, hard copy, or other electronic transmission in the prescribed format.

Such request may be submitted at any time during the Proposal preparation period, but the County will have no obligation to answer any request unless it is received by the County's Authorized Representative by the date and time set forth in Section 1.6.1 (which date will automatically be extended with respect to any Addendum issued within five days of such date, so as to allow the Proposer five days to submit a request concerning the Addendum, unless a longer time is specified by the County in such Addendum). Requests for clarification or interpretation must specifically reference the relevant RFP volume, section and page number, unless such request is of general application (in which case the request for clarification shall so note). Questions must be sequentially numbered and should not include information within the question that identifies the Proposer.

No telephone or oral requests will be considered, and e-mail requests must be followed up by a facsimile or other hard copy delivery. Communications will be deemed received upon receipt of the facsimile or other hard copy delivery. Proposers are responsible for ensuring that any written communications clearly indicate on the first page or in the subject line, as applicable, that the material relates to the Divestiture. No requests for additional information or clarification to any Person other than the County's Authorized Representative will be considered. Questions may be submitted only by the Proposer Authorized Representative or its designee except as specifically approved by the County's Authorized Representative designee, and must include the requestor's name, address, telephone and facsimile numbers, and the Proposer he/she represents.

The questions and the County's responses will be in writing and will be delivered to all Proposers, except that the County intends to respond individually to those questions identified by a Proposer or deemed by the County as containing confidential or proprietary information. If a Proposer believes a question contains confidential or proprietary information (including that the question itself is confidential), it may mark such question as "confidential". The County reserves the right to disagree with the confidentiality of information provided by a Proposer. If the County disagrees with a confidentiality designation, it shall notify the Proposer, in which case the Proposer may retract the question in writing or retract the confidentiality designation, each within a time period specified by the County. Failure of the Proposer to respond within such specified time frame shall mean that the Proposer has retracted the confidentiality designation. If the Proposer retracts the question, the County will not answer the question unless it believes it must answer the question in the interest of maintaining a fair process or complying with applicable law (with such answer being transmitted to all Proposers). If the Proposer retracts the confidentiality designation, the County shall answer the question for all Proposers.

The County may modify or rephrase questions as it deems appropriate and may consolidate similar questions. The County contemplates issuing multiple sets of

responses at different times during the divestiture process. Except for responses to questions relating to the issuance of Addenda to the RFP, the last set of responses will be issued no later than the date specified in Section 1.6.1. A consolidated, final set of questions and answers will be compiled and delivered to the successful Proposer prior to award.

The County may convene pre-Proposal Due Date meetings with Proposers as it deems necessary (see Section 2.4), and Proposers must make themselves available to the County for such pre-Proposal meetings and to discuss any matters they submit to the County under this Section 2.3.1. If the County determines, in its sole discretion, that its interpretation or clarification requires a change in the RFP, the County will prepare and issue an Addendum.

2.3.2 Addenda

The County reserves the right, in its sole discretion, to revise, modify or change the RFP and/or divestiture process at any time before the Proposal Due Date (or, if BAFOs are requested, prior to the due date for the BAFOs). Any such revisions will be implemented through issuance of Addenda to the RFP. Addenda will be posted on the Website, and Proposers will be notified of the issuance of such Addenda. If any Addendum significantly impacts this RFP, as determined in the County's sole discretion, the County may change the Proposal Due Date. The announcement of such new date will be included in the Addendum. In addition, if the last date for the Proposer to submit questions regarding the RFP has occurred or has changed, the Addendum will indicate the latest date for submittal of any clarification requests concerning the Addendum.

The Proposer shall acknowledge in its Proposal Letter (see Form A) receipt of all Addenda and question and answer responses. Failure to acknowledge such receipt may cause the Proposal to be deemed non-responsive and be rejected. The County reserves the right to hold group meetings with Proposers and/or one-on-one meetings with each Proposer to discuss any Addenda or response to requests for clarifications. The County does not anticipate issuing any Addenda later than five business days prior to the Proposal Due Date. However, if the need arises, the County reserves the right to issue Addenda after such date. If the County finds it necessary to issue an Addendum after such date, then any relevant processes or response times necessitated by the Addendum will be set forth in a cover letter to that specific Addendum, including any extension to the Proposal Due Date determined necessary by the County.

2.4 Pre-Proposal Due Date Meetings

2.4.1 Informational Meetings

The County may hold joint informational meetings with all Proposers at any time prior to the Proposal Due Date. Informational meetings may be held either in person or by telephonic or electronic means. If held telephonically or electronically, the meeting will permit interactive communication between all Proposers and the County. The County will provide written notice of any such informational meetings to all Proposers. If the

meeting is conducted by telephonic or electronic means, the notice will inform Proposers of the manner of the meeting.

Each Proposer shall attend informational meetings with appropriate members of its proposed key management personnel, and if required by the County, senior representatives of proposed team members identified by the County.

2.4.2 One-on-One Meetings

The County intends to conduct one-on-one meetings with each Proposer on the dates set forth in Section 1.6.1 herein, and on such other dates designated by the County in writing to the Proposers, to discuss issues and clarifications regarding the Divestiture and Divestiture-related documents or communications provided by the County or the Proposers (including the RFP). The County reserves the right to disclose to all Proposers any issues raised during the one-on-one meetings, except to the extent that the County determines, in its sole discretion, that such disclosure would reveal a Proposer's confidential business strategies (unless the County believes such disclosure is necessary in the interest of maintaining a fair process or complying with applicable law). Participation at such meetings by the Proposers shall be mandatory.

The one-on-one meetings are subject to the following rules:

- The meetings are intended to provide Proposers with a better understanding of the Divestiture and Divestiture-related documents or communications provided by the County.
- The County, except as provided in this ITP, will not discuss with any Proposer any information submitted as part of this Divestiture (including other Proposals) other than its own.
- The Proposers shall not seek to obtain commitments from the County in the meetings or otherwise seek to obtain an unfair competitive advantage over any other Proposer.
- No aspect of these meetings is intended to provide any Proposer with access to information that is not similarly available to other Proposers. Accordingly, material information about the Divestiture that the County reveals or discusses in response to questions raised in a one-on-one meeting will, except as provided in this ITP, be revealed to the other Proposers.
- The discussions or any statements made by either party in one-on-one meetings shall not be binding. No part of the evaluation of Proposals will be based on the conduct or discussions that occur during one-on-one meetings.

Persons attending the one-on-one meetings will be required to sign an acknowledgment of the foregoing rules at each meeting.

2.4.3 Questions and Responses During One-on-One Meetings

During one-on-one meetings, Proposers may ask questions, and the County may provide responses. However, any responses provided by the County during one-on-one meetings may not be relied upon unless questions were submitted in writing and the County provided written responses in accordance with Section 2.3.1. Such questions and responses will be provided in writing to all Proposers, except to the extent such questions are deemed by the County, in its sole discretion, to contain confidential or proprietary information relating to a particular Proposer's Proposal (unless the County believes such disclosure is necessary in the interest of maintaining a fair process or complying with applicable law). Nothing stated at any pre-proposal meeting or included in a written record or summary of a meeting will modify the ITP or any other part of the RFP unless it is incorporated in an Addendum issued pursuant to Section 2.3.2.

2.5 Confidentiality

Pursuant to the Act and other applicable law, with certain specified exceptions, the County intends that the records related to this divestiture, including the Proposals, evaluation and selection procedures, and the records created during the evaluation and selection process, will remain confidential records until the Contract has been executed by all necessary officials of the selected Proposer and the County. The County has made a determination in accordance with Section 6255 of the California Government Code that the previously submitted SOQs and the foregoing materials shall not be made public by the County until after the County awards and executes a purchase and sale contract.

In connection with award and execution of the Contract, the County shall have the right to disclose any and all portions of all Proposals, other than those items which are protected under the Act. Each Proposer, by submitting a Proposal to the County in response to this RFP, consents to such disclosure and expressly waives any right to contest such disclosure under the Act.

Under no circumstances will the County or any of its agents, representatives, consultants, directors, officers or employees (the "County Parties") be responsible or liable to a Proposer or any other party as a result of disclosing any such materials.

If, prior to or in connection with award and execution of the Contract, the County receives a request for public disclosure of all or any portion of a Proposal, the County will use reasonable efforts to notify the applicable Proposer of the request and give such Proposer an opportunity to assert, in writing and at its sole expense, a claimed exception under the Act or other applicable law within the time period specified in the notice issued by the County and allowed under the Act.

If a Proposer has special concerns about information which it desires to make available to the County but which it believes constitutes a trade secret, proprietary information, or other information excepted from disclosure under the Act, such responding Proposer team shall specifically and conspicuously designate that information by placing “CONFIDENTIAL” in the header or footer of each such page affected. Blanket designations that do not identify the specific information shall not be acceptable and may be cause for the County to treat the entire Proposal as public information. Nothing contained in this provision shall modify or amend requirements and obligations imposed on the County by the Act or other applicable law. The provisions of the Act or other laws shall control in the event of a conflict between the procedures described above and the applicable law.

All Proposers should obtain and thoroughly familiarize themselves with the Act and other applicable law. All Proposals received in response to this RFP shall conform to and contain the detailed information required by the Act and other applicable law. The County will not advise a Proposer as to the nature or content of documents entitled to protection from disclosure under the Act or other applicable law, as to the interpretation of such laws, or as to the definition of trade secret. The Proposer shall be solely responsible for all determinations made by it under applicable laws. Each Proposer is advised to contact its own legal counsel concerning the effect of applicable laws to that Proposer’s own circumstances.

In the event of any proceeding or litigation concerning the disclosure of any Proposal or portion thereof, the Proposer shall be responsible for otherwise prosecuting or defending any action concerning the materials at its sole expense and risk; provided, however, that the County reserves the right, in its sole discretion, to intervene or participate in the litigation in such manner as it deems necessary or desirable. All costs and fees (including attorneys’ fees and costs) incurred by the County in connection with any litigation, proceeding or request for disclosure, whether as a result of the County’s intervention or otherwise, shall be reimbursed and paid by the Proposer whose Proposal is the subject thereof and such Proposer shall defend, indemnify and hold the County harmless from and against any and all such claims and/or litigation. Proposer’s acknowledgment of and agreement to undertake such obligation will be evidenced by the Proposer’s submittal of its Proposal.

2.6 Permitting Status of Central Landfill

In 2004, the North Coast Regional Water Quality Control Board (RWQCB) adopted Order No. R1-2004-0040, Waste Discharge Requirements for Continued Operation and Corrective Action at the County of Sonoma, Central Landfill and East Canyon Expansion Unit (WDRs). Since the WDRs were issued, the County has been working very closely with the RWQCB to address their concerns. As a result of the Order, the Central Landfill is currently not accepting waste for landfill disposal. Waste acceptance has been temporarily suspended since October 2005.

More recently, the County has entered into a Stipulated Notice, Order and Cooperative Agreement, dated as of December 28, 2007 with the CIWMB and the LEA (the “Order”)

regarding the permitting status of the landfill. Pursuant to the Order, the County submitted final closure and post closure maintenance plans for the Central Landfill on or about August 1, 2008. The Order does acknowledge the County's divestiture process and the fact that a new owner will likely want to continue landfilling operations at the Central Landfill. In particular, the Order states that the LEA and the CIWMB agree to work cooperatively with any new owner of the Landfill selected during the divestiture process and shall consider any reasonable requests by such new owner to: (i) recommence waste disposal at the Landfill; (ii) demonstrate remaining capacity at the Landfill; (iii) expand areas of the Landfill permissible for waste disposal; (iv) review and approve any extensions; and/or (v) adjust, revise or modify compliance and/or closure implementation schedules. A copy of the Order is contained on the Website. In addition, the County has entered into an additional Stipulated Notice and Order dated as of March 21, 2008 with the CIWMB requiring the County to post sufficient financial assurances at such time that the final closing and post-closure maintenance plans for the Landfill are required to be submitted to the CIWMB. The amount of such financial assurances were based on the amounts set forth in the County's final closure and post-closure maintenance plans and were submitted on or around August 1, 2008. See the Contract concerning Purchaser's obligations with respect to Approved Financial Assurances.

2.7 Examination of RFP and Site Access

2.7.1 Examination of RFP

Each Proposer shall be solely responsible for examining, with appropriate care and diligence, the RFP, including Reference Information Documents and any Addenda, and material posted on the Website and/or provided to the Proposers on DVDs, and for informing itself with respect to any and all conditions that may in any way affect the amount or nature of its Proposal, or the performance of the Purchaser's obligations under the Contract Documents with the County. Each Proposer also is responsible for monitoring the Website for information concerning this RFP and the Divestiture. The Proposal Letter (Form A) includes an acknowledgment that the Proposer has received and reviewed all materials posted thereon. Failure of the Proposer to so examine and inform itself of the aforementioned documents and materials shall be at its sole risk, and the County will provide no relief for any error or omission.

Each Proposer is responsible for conducting such investigations it deems necessary or appropriate in connection with its Proposal, regarding the condition of and future revenue and expense potential of the Facilities, including the existence and extent of any Hazardous Substances, the condition of permanent and temporary utilities, the landfill gas systems, monitoring wells, groundwater and subsurface conditions, permits, expansion opportunities, the location and condition of structures located on the real property of the Facilities, waste flows, potential revenue and applicable law. The Proposer's receipt of the County-furnished information does not relieve the Proposer of such responsibility.

The submission of a Proposal shall be considered prima facie evidence that the Proposer has made the above-described examination and is satisfied as to all matters and conditions to be encountered and as to the requirements of the Contract Documents.

2.7.2 Access to the Facilities

Proposers may be allowed limited physical access, through the Proposal Due Date, to the Facilities, subject to the terms and conditions of a right of entry agreement satisfactory to the County, for purposes of reviewing operations, inspecting in-place assets and determining site conditions, including through non-destructive, non-intrusive investigations (such as sample collection or soil borings).

2.8 Errors

If any mistake, error, or ambiguity is identified by the Proposer at any time during the divestiture process in any of the documents supplied by the County, the Proposer shall have a duty to notify the County of the recommended correction in writing in accordance with Section 2.3.1.

2.9 Improper Conduct; Organizational Conflicts of Interest

2.9.1 Non-Collusion

Neither the Proposer nor any of its team members shall undertake any of the prohibited activities identified in the Non-Collusion Affidavit (Form C).

2.9.2 Equitable Treatment of Proposers

Proposers are assured that, during the divestiture process (including the process for evaluation of Proposals), the County will make every reasonable effort to treat Proposers equitably.

2.9.3 Organizational Conflicts of Interest

The firms identified in Section 2.2.3(c)(iii) are ineligible to advise, assist, propose or join a Proposer team.

By submitting its Proposal, each Proposer agrees that, if an organizational conflict of interest is thereafter discovered, the Proposer will make an immediate and full written disclosure to the County that includes a description of the action that the Proposer has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest that the Proposer knew, or should have known about, but failed to disclose is determined to exist during the divestiture process, the County may, at its discretion, disqualify the Proposer. If an organizational conflict of interest that the Proposer knew, or should have known about, but failed to disclose exists and the Proposer has entered into a purchase and sale agreement as the Purchaser, the County may terminate the

detail to establish the merits of the protest. Statements shall be sworn and submitted under penalty of perjury.

6.5 Filing of Protest

Protests shall be filed by hand delivery on or before the applicable deadline to the address specified in Section 2.2.1 above. A protest must be accompanied with a cashier's check, to be held as a deposit, in the amount of \$25,000. The County may distribute the protest to any other Proposer.

6.6 Comments from other Proposers

In the event County distributes the protest to other Proposers, such other Proposers may file statements in support of or in opposition to the protest within seven days of the filing of the protest. The County shall promptly forward copies of all such statements to the protestant. Any statements shall be sworn and submitted under penalty of perjury.

6.7 Burden of Proof

The protestant shall have the burden of proving its protest. The County may, in its sole discretion, discuss the protest with the protestant and other Proposers. Except as otherwise provided herein, no hearing will be held on the protest. The protest shall be decided on the basis of written submissions, unless the County decides to permit a hearing before the County Administrator or his designee, in which case, the protest will be decided on the basis of the written submissions and finding of the County Administrator or his designee following the hearing.

6.8 Decision on Protest

The County Administrator or his designee shall issue a written decision regarding the protest within 30 days after the filing of the detailed statement of protest, or if the County Administrator determines to hold a hearing, within 30 days after the date of the hearing. If necessary to address the issues raised in a protest, the County may, in its sole discretion, make appropriate revisions to the RFP by issuing Addenda. The decision of the County Administrator or his designee shall be the final decision by the County. The procedure and time limits set forth in this Section are mandatory and are the Proposer's sole and exclusive remedy in the event of protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the protest, including filing claim under the government claims procedures in the Government Code claim or other legal proceedings. Failure to strictly follow these procedures shall irrevocably and unconditionally constitute a waiver of any further rights to dispute the County's decisions and determinations made during the RFP and Divestiture process.

6.9 Protestant's Payment of Costs

If a protest is denied, the Proposer filing the protest shall be liable for the County's costs reasonably incurred to defend against or resolve the protest, including legal and

consultant fees and costs, and any unavoidable damages sustained by the County as a consequence of the protest. Proposer's liability for damages shall not be limited to the \$25,000 deposit made pursuant to Section 6.5.

6.10 Rights and Obligations of Proposers

Each Proposer, by submitting its Proposal, expressly recognizes the limitation on its rights to protest provided in this Section 6.0, and expressly waives all other rights and remedies and agrees that the decision on the protest is final and conclusive. If a Proposer disregards, disputes, or does not follow the exclusive protest remedies provided in this Section, it shall indemnify and hold the County and its officers, employees, agents, and consultants harmless from and against all liabilities, fees and costs, including legal and consultant fees and costs, and damages incurred or suffered as a result of such Proposer's actions. Each Proposer, by submitting a Proposal, shall be deemed to have irrevocably and unconditionally agreed to this indemnity obligation.

SECTION 7.0 COUNTY RIGHTS AND DISCLAIMERS

7.1 County Rights

The County may investigate the qualifications and Proposal of any Proposer under consideration, may require confirmation of information furnished by a Proposer and may require additional evidence of qualifications to perform the Purchaser's obligations under the Contract Documents. The County reserves the right, in its sole discretion, to:

- (a) Reject any or all of the Proposals;
- (b) Modify any dates set or projected in this RFP and extend any deadlines;
- (c) Cancel, modify or withdraw the RFP in whole or in part;
- (d) Terminate this Divestiture and commence a new divestiture or other process for the sale, transfer, disposition, lease or operations of part or all of the Facilities and/or the handling of Waste;
- (e) Terminate evaluations of Proposals received at any time;
- (f) Suspend and terminate negotiations at any time, elect not to commence Contract negotiations with any responding Proposer and engage in negotiations with other than the highest ranked Proposer;
- (g) Modify the Divestiture process in any manner (with appropriate notice as required by law to Proposers);
- (h) Waive or permit corrections to data submitted with any response to this RFP until such time as the County declares in writing that a particular stage or phase of its review of the responses to this RFP has been completed and closed;
- (i) Permit submittal of addenda and supplements to data previously provided in a Proposal pursuant to a request for clarification issued by the County until such time as the County declares that a particular stage or phase of its review of the responses to this RFP has been completed and closed;
- (j) Appoint evaluation committees to review Proposals, make recommendations and seek the assistance of outside technical experts and consultants in Proposal evaluation;
- (k) Disclose information contained in a Proposal to the public as described herein;
- (l) Approve or disapprove changes in the Proposer's organization;

(m) Waive deficiencies, informalities and irregularities in Proposals; accept and review a non-conforming Proposal or seek clarifications or modifications to a Proposal;

(n) Disqualify any Proposer that violates the terms of the RFP;

(o) Select a Proposer for negotiations or execute Contract Documents with a Proposer that does not provide (i) the highest aggregate Initial Purchase Price and Net Present Value of the System Royalty; (ii) the lowest Tip Fee Schedule; (iii) the lowest Minimum Flow Commitment; (iv) the least Contract Comments; or (v) any combination of the foregoing;

(p) Enter into simultaneous or sequential negotiations with more than one Proposer;

(q) Enter into negotiations, execute Contract Documents, ~~and~~ close escrow or enter into any other contractual agreement with any Proposer if the transaction with the selected Proposer does not close pursuant to the terms of the Contract Documents, whether as a result of falling out of escrow or otherwise; and

(r) Exercise any other right reserved or afforded to the County under this RFP and applicable law.

7.2 County Disclaimers

This RFP does not commit the County to enter into a contract. The County assumes no obligations, responsibilities, or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFP. All of such costs shall be borne solely by each Proposer and Proposer team.

In no event shall the County be bound by, or liable for, any obligations with respect to the Divestiture until such time (if at all) as the Contract Documents, in form and substance satisfactory to the County, has been authorized and executed by the County and, then, only to the extent set forth therein. In submitting a Proposal in response to this RFP, the Proposer is specifically acknowledging these disclaimers.

Exhibit A

DEFINITIONS AND ACRONYMS

“**Act**” means the California Public Records Act, California Constitution Article I, Section 3 and California Government Code Section 6250 *et seq.*

“**Addenda/Addendum**” means supplemental additions, deletions, and modifications to the provisions of the RFP after the release date of the RFP.

“**Best and Final Offer**” has the meaning set forth in ITP Section 4.6.

“**Contract**” means the Purchase and Sale Agreement to be entered into between the successful Proposer (Purchaser) and the County.

“**Contract Comments**” means optional comments to the Contract submitted by a Proposer pursuant to ITP Exhibit D.

“**Equity Participant**” means (a) each entity with a direct equity interest in the Proposer (whether as a member, partner, joint venture member, or otherwise), (b) each entity proposed to have a direct equity interest in the Purchaser, and (c) each entity that will hold a 10% or greater indirect interest in the Proposer. Notwithstanding the foregoing, if the Proposer is a publicly traded company, shareholders with less than a 10% interest in the Proposer shall not be considered Equity Participants.

“**Evaluation and Selection Recommendation Committee**” or “**ESRC**” means the committee that will review and evaluate the Proposals and make a recommendation to the Assistant County Administrator as set forth in ITP Section 4.0.

“**Financial Proposal**” means the portion of the Proposal as described in ITP Exhibit C.

“**Instructions to Proposers**” or “**ITP**” means those documents, including exhibits and forms in Exhibit E, included in the RFP containing directions for the preparation and submittal of information by the Proposers in response to the RFP.

“**Minimum Flow Commitment**” means the Tons of Waste per day, based on a 260 calendar day year, proposed by a Proposer on Form H, which amount indicates the Tons of Waste that the Proposer requires to be committed by the Cities as a condition to the effectiveness of the Contract, as set forth in Section 1.3 of the Contract.

“**Overall value**” has the meaning set forth in ITP Section 4.3.

“**Proposal Due Date**” means the deadline for submission of Proposals identified in ITP Section 1.6.1.

“**Proposal Forms**” means the portion of the Proposal as described in ITP Exhibit B.

“Proposal Security” means the letter of credit as described in Section 2.2 of Exhibit C to the ITP.

“Proposer” means the entity submitting a Proposal for the Divestiture in response to this RFP.

“Proposer Authorized Representative” has the meaning set forth in ITP Section 2.2.2

“Request for Qualifications” or **“RFQ”** means the County’s Request for Qualifications issued on November 7, 2007, as amended.

“Request for Proposals” or **“RFP”** means the set of documents identifying the Divestiture in response to which a Proposal may be submitted by a Proposer/Purchaser. The RFP includes the ITP, Contract Documents, and Reference Documents. The RFP is issued only to Proposers that have been shortlisted following RFQ review.

“RFP Documents” has the meaning set forth in ITP Section 1.4.

“Statement of Qualification” or **“SOQ”** means the submission made by a Proposer in response to the RFQ, including all clarifications thereto submitted in response to requests by the County.

“Tip Fee Schedule” means the schedules for tip fees for Waste submitted by a Proposer pursuant to ITP Form G

For definitions of other initially capitalized terms, see the Contract Documents.

Exhibit B

PROPOSAL FORMS INSTRUCTIONS

1.0 General Instructions

This Exhibit B describes the submission format for the Proposal Forms.

The Proposer shall submit the information required by this Exhibit B in the organization and format specified herein. The Proposal Forms shall be organized in the order listed in Exhibit F, and shall be clearly indexed. Each component of the Proposal Forms shall be clearly titled and identified.

All forms named herein are found in Exhibit E unless otherwise noted. All blank spaces in the Proposal forms must be filled in as appropriate. No substantive change shall be made in the Proposal forms.

Evidence of signature authority shall be provided for all individuals signing forms. Item B on page 6 of Form A identifies requirements regarding evidence of signature authorization for the Proposal Letter. Similar authorization shall be provided for all other signatories.

2.0 Contents of the Proposal Forms

The required contents and organization of the Proposal Forms are presented in this Exhibit B and summarized in the Proposal checklist provided in Exhibit F. Proposers are to provide all the information set out in this Exhibit B. The Proposal Forms shall not contain any information relating to the Financial Proposal.

The Proposal Forms shall consist of the ~~following major elements:~~

~~(A) Proposer Information, Certifications, and Documents (including required Forms A-C); and~~

~~(B) Proposal Security.~~

2.1 Proposer Information, Certifications, and Documents

2.1.1 Proposal Letter

The Proposal shall include the Proposal Letter (Form A). The Proposer shall include with the Proposal Letter evidence of authorization to execute and deliver the Proposal the Contract and all other documents required to be executed by the Proposer or Purchaser in connection with the Contract and award of the Contract, and shall identify its authorized representative(s).

2.1.2 Information About the Proposer

The Proposal shall include a completed Form B providing information about the Proposer and its team as specified therein.

The Proposal shall include copies of organizational documentation described in pages 5 and 6 of Form A for the Proposer, Purchaser and Equity Participants), as well as other documentation required by Form B. If any modification to the organizational documents for such entity is contemplated prior to award or, if the Proposer intends to form an affiliated entity to be the Purchaser, the Proposer shall provide a brief description of the proposed legal structure and draft copies of the underlying organizational documents (described in pages 5 and 6 of Form A) for such proposed entity.

2.1.3 Changes in Proposer's Organization

If the Proposer's organization has changed since submission of the SOQ, the Proposer shall specifically describe such changes and, if applicable, include a copy of the County's approval letter provided under ITP Section 2.10.

2.1.4 Non-Collusion Affidavit

Each Proposer and Equity Participant shall complete and submit a non-collusion affidavit (Form C).

2.1.5 List of Optional Assigned Contracts.

Each Proposer shall submit (a) a list identifying which of the contracts identified on Schedule 2.1(d) of the Contract as "Optional Assigned Contracts" that it unconditionally elects and commits to treat as an Assigned Contract; and (b) a list identifying which of the contracts identified on Schedule 2.1(d) of the Contract as "Optional Assigned Contracts with Third Party Consent" that it unconditionally elects and commits to treat as an Assigned Contract if the Third Parties thereto consent to such assignment. For those contracts listed pursuant to clause (b) by the successful Proposer, the County will attempt to obtain the required consents to assignment (but makes no guarantee with respect thereto and shall have no liability should it be unable to secure such consent). Unless and until a Proposer includes an optional contract on its list(s) submitted pursuant to this Section 2.1.5, a Proposer is not obligated to have such optional contracts assigned to it at Closing and may elect to do so in its sole discretion as part of this element of its Proposal. Schedule 2.1(d) of the Contract shall be revised in connection with award and execution thereof to reflect the successful Proposer's election as set forth in its Proposal.

~~2.2 Proposal Security~~

~~An irrevocable standby letter of credit in the amount of One Million Dollars (\$1,000,000) shall be provided by the Proposer, which shall be substantially in the form of Form E issued by a financial institution with a credit rating of "A" or better according to Standard~~

~~& Poor's and with an office in California at which the letter of credit can be presented for payment or, alternatively, if the issuing bank does not have offices in California, the letter of credit may be submitted provided it is also confirmed by a financial institution with a credit rating of "A" or better according to Standard & Poor's having an office in California at which the letter of credit can be presented for payment. The County may draw against the letter of credit and the funds represented by the letter of credit shall be released to the County and become and remain the property of the County under the circumstances described in ITP Section 3.7, unless the Proposer is excused from performance as set forth in ITP Section 3.7. Each letter of credit will be retained until the Contract has been fully executed with a Proposer and the Deposit Letter of Credit has been received from such Proposer by the County or this RFP has been canceled, after which the letter of credit for each unsuccessful Proposer, except those letters of credit which have been drawn against, will be returned to the respective Proposers. The letter of credit for the successful Proposer shall be returned at such time as the Proposer has satisfied all conditions of award and execution, including payment of the Deposit and the other conditions set forth in ITP Section 5.1. A letter of credit submitted by a Proposer shall be valid for no less than 270 days after the Proposal Due Date.~~

~~Forfeiture of Proposal Security in accordance with Section 3.7 of the ITP will constitute liquidated damages. By submission of its Proposal, Proposer agrees and acknowledges that such liquidated damages are reasonable in order to compensate the County for damages it will incur as a result of Proposer's failure to satisfy the obligations under the RFP to which Proposer agreed when submitting its Proposal. Such damages include potential harm to the credibility and reputation of the Facilities, the County's solid waste program, with policy makers, with regulatory agencies and with the general public, delays to the Divestiture and additional costs of administering this or a new divestiture (including financial advisory, legal, accounting, overhead and other administrative costs). By submitting its Proposal, Proposer further acknowledges that these damages would be difficult and impracticable to measure and prove, are incapable of accurate measurement because of, among other things, the unique nature of the Divestiture and the efforts required to receive and evaluate proposals for it, and the unavailability of a substitute for those efforts. The amounts of liquidated damages stated herein represent good faith estimates and evaluations as to the actual potential damages that the County would incur as a result of Proposer's failure to satisfy the obligations under the RFP to which Proposer agreed when submitting its Proposal, and do not constitute a penalty. By submitting its Proposal, Proposer agrees to such liquidated damages in order to fix and limit Proposer's costs and to avoid later disputes over what amounts of damages are properly chargeable to Proposer.~~

Exhibit C

FINANCIAL PROPOSAL INSTRUCTIONS

1.0 General Instructions

This Exhibit C describes the submission format for financial proposals and outlines the required information that will comprise a Financial Proposal.

The Proposer shall submit the information required by this Exhibit C in the organization and format specified herein. The Financial Proposal shall be organized in the order listed in Exhibit F, and shall be clearly indexed. Each component of the Financial Proposal shall be clearly titled and identified.

All forms named herein are found in Exhibit E unless otherwise noted. All blank spaces in the Proposal forms must be filled in as appropriate. No substantive change shall be made in the Proposal forms.

1.1 Format of Financial Proposal

All financial information provided in the Financial Proposal shall be in U.S. Dollar currency only and all amounts shall be clearly identified as real or nominal dollars.

If there are any discrepancies between the hard copy and electronic copy of any quantitative information provided in the Financial Proposal, the hard copy version will prevail. If there are any differences between the sum of individual line amounts and totals, the individual line amounts will prevail.

1.2 Contents of Financial Proposal

All parts of the Proposal that indicate price and financial terms are to be included in the Financial Proposal.

The required contents and organization of the Financial Proposal are presented in this Exhibit C and summarized in the Proposal checklist provided in Exhibit F. Proposers are to provide all the information set out in this Exhibit C.

2.0 Financial Capacity Information

Proposers shall clearly identify any differences between the financial capacity information submitted in the Proposal and the information submitted in the SOQ.

The Financial Proposal shall include the following information for the Proposer and all Equity Participants :

- Audited financial statements for all periods subsequent to those included in the SOQs, audited by a certified public accountant in accordance with generally accepted accounting principles (GAAP).

