



Request For Proposal;

Interested Parties to Own and Operate
Mobile Asphalt Blending Equipment to
produce Rubberized Asphalt Cement

Issued by Ontario Tire Stewardship

September 23rd, 2015

RFP Overview

Ontario Tire Stewardship (OTS) has issued this Request for Proposal (“RFP”) with the sole purpose and intent of obtaining proposals from interested and qualified firms to source, operate, maintain a mobile asphalt blending unit and provide services and support to the Ontario asphalt industry in expanding its usage of Rubber Modified Asphalt. One or more Proponents will be selected and invited to enter into a contractual relationship with OTS for the services outlined in this RFP.

OTS anticipates that the contract term will commence on November 23rd 2015 and continue through to December 31st 2018.

All interested and qualified Proponents are invited to submit a proposal for consideration. Submission of a proposal indicates that the Proponent has read and understands this entire RFP, including all attachments, exhibits, schedules, and addendum (as applicable,) and all concerns regarding this RFP have been satisfied.

The Proponent understands and acknowledges that by submitting a proposal that no contractual relationship has been created between the Proponent and OTS. This is a RFP and not a tender call. OTS reserves the right to issue amendments to this RFP.

1.1. Statement of Purpose

Ontario Tire Stewardship (OTS) is issuing this RFP to solicit proposals from interested and qualified parties who will source, operate, maintain and market a mobile asphalt blending unit for the production of Rubberized Asphalt Cement (RAC) for the Ontario market. OTS will provide a grant to the selected proponent(s) (payable based on a schedule to be negotiated) to purchase the equipment and perform the other functions specified in this RFP.

OTS is seeking to develop the use of crumb rubber in the production of RMA in Ontario and is deploying a range of incentives to achieve this goal including a \$250 / tonne of rubber used in asphalt in Ontario. The incentive is payable to the asphalt contractor supplying the Rubberized Asphalt Cement (RAC). As part of this initiative OTS has identified the lack of available blending capacity as a significant impediment to the development of this market and so is issuing this RFP to address this capacity deficit.

The selected proponent will be expected to source the mobile blending equipment and be responsible for all aspects of its maintenance and operation, including shipping to Ontario, the marketing of the equipment and its services to potential customers. In addition the proponent will be responsible for achieving annual production targets and a multi-year cumulative production objective, with

a bonus available for exceeding the targets and penalties for a failure to achieve them up to and including forfeiture of the equipment to OTS at the end of the 2018 paving season in the event of gross underperformance. Precedence must be given to servicing the Ontario hot mix asphalt market, however providing blending services to other Ontario customers (i.e. non-RAC production) or out of province customers is encouraged so long as these activities do not impede RAC production for Ontario projects.

1.2. Background Information

Ontario Tire Stewardship (OTS) is an Industry Funding Organization (IFO) incorporated under Ontario's Waste Diversion Act, to implement and operate the Used Tires Program. This province-wide scrap tire solution for On-road and Off-road tires supplied into the Ontario market, will divert scrap tires away from burning and landfilling to 3Rs (Reduce, Reuse, Recycle) processing and uses. Launched on September 1, 2009, the program will eliminate the "disposal fee" that consumers currently pay to get rid of their old tires – whether or not they are buying new ones -- making it easy and free for Ontarians to get their old tires recycled by dropping them off at registered Collectors across Ontario.

1.3. Scope of Work

The selected proponent will be responsible for:

- Sourcing the mobile blending equipment including blending unit and reaction tank unit;
- Shipping the equipment to Ontario;
- Maintaining the equipment in a good state of repair;
- Housing the equipment when it is not in use;
- Maintaining all necessary insurance, permits, inspections, health and safety plan, quality control plan, etc. necessary to be able to operate the equipment in Ontario;
- Operating the equipment to supply RAC to customers according to their needs
- Performing quality control testing to ensure that the RAC product meets the client's specifications;
- Providing regular updates and reporting to OTS regarding the progress towards meeting all the objectives outlined in this RFP including at a minimum annual:
 - Pre-paving season expectations of RAC production in Ontario including anticipated projects / clients and equipment status
 - Projects for non-Ontario RAC production uses for the equipment in the coming year
 - Project specific updates during the paving season
 - Post-season project review and analysis including lessons learned

- Post-season equipment status update and planned maintenance.
- Production target planning and remedial actions to be undertaken if targets are being missed.

In addition the proponent will be responsible for:

- Marketing the blending services to Ontario asphalt cement suppliers and hot mix asphalt contractors;
- Securing contracts for the production of RAC;
- Sourcing the crumb rubber from Ontario Processors (alternate rubber sources may be permitted if no Ontario source is available);
- All aspects of mobilization, production and demobilization;
- Providing training, including factory training, for Ontario asphalt producers;
- Undertaking a "Caravan" of visits to a minimum of five asphalt plants around Ontario with at least one being in Northern Ontario, to pre-establish asphalt delivery requirements and control connections prior to April 15th 2016.
- Performing hot drops to set baseline mix designs

At a minimum the equipment must have the following attributes:

- Ultra low NOx burner
- Pressure vessel rated heaters
- Heater must have a Canadian Registration Number (CRN)
- Dual sided connection ports and controls on mix trailer and reaction tank
- Dual feed hoppers
- Reaction tank should have sufficient piping, thermal fluid and capacity to heat and maintain temperature of the blended binder
 - Tank should also have agitation sufficient to maintain proper mix of the blended binder
- A high shear mixer to ensure homogenous mixing of asphalt and crumb rubber
- Be capable of producing 21 tonnes per hour of RAC delivered to the HMA plant
- Include tank, pump and metering/control for extender oil, anti-strip agents etc.
- Coriolis meter for asphalt
- Emission condenser unit - Vent condenser, to reduce emissions and odor - sufficient to manage 100% of vent gases and reduce temp to below 50°C
- Control unit that meets Material Processing Quality Program (MPQP) standards.
- Sufficient hosing and connectors compatible with the asphalt supply lines in the asphalt plant.

Blended Asphalt production targets are:

Year	Tonnes of Blended Rubberized Asphalt Cement Target for the Ontario Market
2016	8,000
2017	12,000
2018	20,000

A 40,000 tonne cumulative production result by the end of 2018 may also be accepted by OTS as satisfying the project objectives.

A cumulative 3-year production of RAC over the 40,000 tonnes listed above may result in a financial bonus to the equipment operator. Production of RAC over and above the target may include production for markets outside of Ontario. These elements are to be clarified in negotiations with the selected proponent(s).

In the event OTS selects more than one proponent to receive a grant for the purpose described in this RFP the selected proponents will be notified within 2 business days of the Notification of Award date and the annual and cumulative production targets may be amended.

1.4. Related Documents

Prior to submitting a proposal, Proponent should understand and be familiar with any and all related documents that will be made available at the following web site:

URL	Description
www.ontariots.ca	Ontario Tire Stewardship Website Homepage
	Used Tire Program Plan
	Roles & Operations: Find an OTS Registered Participant

1.5. Timetable

The following are important dates and time for this RFP. This timetable is tentative only and may be changed by OTS in its sole discretion. If any dates are changed, all Proponents shall be notified.

Important Dates	Date	Time
RFP Issued	September 23 rd 2015	14:00:00 EDT
Deadline for questions from proponents	October 14 th 2015	17:00:00 EDT
Responses provided by OTS	October 19 th 2015	17:00:00 EDT
Response Submission Deadline	November 6 th 2015	17:00:00 EDT
Notification of Award	November 12 th 2015	17:00:00 EDT
Anticipated Start Date	November 23 rd 2015	09:00:00 EDT
Contract Expected End Date	December 31 st 2018	

1.6. Correspondence

All correspondences, including proposals and questions, concerning the RFP are to be submitted to:

Andrew Horsman
Executive Director
Ontario Tire Stewardship
300 The East Mall
Suite 100
Toronto, Ontario Tire
Stewardship M9B 6B7
ahorsman@rethinktires.ca

Requests for clarification to RFP provisions must be received no later than 17:00 EDT on October 14th, 2015 to guarantee consideration. All questions and responses will be posted on the OTS website.

1.7. Incurred Costs

This RFP does not commit OTS to pay any costs incurred in the preparation of a proposal in response to this RFP and Proponents agree that all costs incurred in developing this RFP are its responsibility.

1.8. Terms of Proposal

All terms of proposals submitted shall be binding for ninety (90) calendar days from the submission date.

1.9. Withdrawal of Proposal

Proponent(s) may withdraw at any time up to 5 business days following the Notification of Award date by submitting a written request to OTS.

1.10. Proposal Package

1.10.1. General Requirements

Proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content, and should demonstrate the capability and creativity of the Proponent in providing the requested services.

Proposals must be complete in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.

Proponent agrees to provide OTS with any additional information it deems necessary to accurately determine ability to perform the services proposed.

Furthermore, submission of this proposal constitutes permission by this organization for OTS to verify all information contained in the proposal. Failure to comply with any request for additional information may disqualify this organization from further consideration. Such additional information may include evidence of financial ability to perform.

All references to business days in this RFP and in your submission are based on Ontario business days, unless expressly set out otherwise.

1.10.2. Minimum Proposal Requirements

We invite your firm to submit a proposal to assist OTS in the development of the RMA market in Ontario by purchasing, operating and maintaining mobile asphalt blending equipment, supporting the Ontario asphalt industry in adopting this material and producing RMA for use in Ontario projects. All proposals should be submitted with the following aspects / understanding:

- Proponent cost quotations must be in Canadian currency
- All work products prepared by the successful proponent once the contract has been awarded will be the property of OTS

1.10.3. Other Proposal Considerations

Above and beyond the minimum requirements, Proponents will also be evaluated on qualitative factors that distinguish them from other Proponents. These factors include:

- Demonstrated successful experience in blending asphalt binder and crumb rubber
- Demonstrated successful experience operating and maintaining asphalt blending equipment
- Experience working with the asphalt supply and asphalt contracting sectors
- Understating of the standards, technical & regulatory requirements and operational details of RMA and HMA production
- Experience working with the Ontario asphalt industry.

1.10.4. Proposal Content

By submitting a proposal, the Proponent confirms and certifies that it has read, understood and accepts the terms of the mandatory requirements. If OTS concludes that the Proponent has made any misrepresentation in its response, the Proponent will be disqualified from the RFP Evaluation process.

Cover Letter

A cover letter must be enclosed from authorized Proponent personnel whom can enter into contracts for the Proponent. The cover letter should include all pertinent contact information such as the name , telephone number and email address.

Table of Contents

A table of contents that includes a clear identification of the material by section and page number is required.

Summary of Approach

Proponent should provide the proposed approach to the performance of the work requested that demonstrates its understanding of the nature of the work being requested and the general approach to be taken.

The approach should include a description of how the proponent expects to approach all elements of the project including engagement and training of Ontario asphalt industry stakeholders and expected annual RAC production.

Capability and Resources

Proponent should provide a statement of the firm's qualifications and previous experience in conducting similar work and describe the firm's capabilities in the subject areas of interest.

Proponent should also identify any significant failure(s) or problem(s) that it has experienced in a similar initiative(s) and indicate the lessons learned from the failure(s) and how it has mitigated them for this initiative.

Financial Proposal

The financial proposal should clearly outline the proponents request grant amount / total project cost for completing the services outlined in this RFP.

Proponent should provide any innovative proposed financial approach to the performance of the work requested that demonstrates its understanding of the nature of the work being requested and the general approach to be taken.

References

Proponents should provide three (3) arm-length client references to whom the proponent provided services similar to those described in this RFP. A brief description of the services provided to the respective references should be included. References should be willing to talk informally to our Selection Committee as well as supply a written reference. References must represent first-hand experience with the Proponents' services over a period of time, and be willing to share their experience within the past two (2) years.

Miscellaneous

Proponents are permitted to provide any other information in its history or future prospective that it believes would be helpful the Selection Committee in considering your proposal

1.10.5. *Proposal Format*

Proposals must be verified before submission as they cannot be corrected after being opened. OTS will not be responsible for errors or omissions on the part of Proponents in making up its proposals.

To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the responsibility of the Proponent to ensure that its proposals arrive on or before the specified time.

Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened and considered. Under no circumstances, regardless of weather conditions, transportation delays, or any other circumstance, will this deadline be extended without prior notification by OTS. If the Proponent is submitting its proposal by way of electronic mail (preferred method of delivery), please attach your completed electronic submission with the required documents with a subject line "OTS Mobile asphalt Blending Equipment – Request for Proposal".

If you are mailing or couriating your proposal, return your completed submission with the required documents in a sealed envelope marked "OTS Mobile Asphalt Blending Equipment– Request for Proposal". One (1) unbound copy of submission is required. OTS may reproduce any of the Proponent's proposal and supporting documents for internal use or for any other purpose required by law.

Proposals submitted by way of mail or courier must be in ink. Erasures and "white-out" are not permitted. Mistakes may be crossed out, corrections typed adjacent and initial in ink by the person signing the proposal. Please identify all attachments, literature and samples, etc. with your firm name.

1.11. *Evaluation of Submissions*

All compliant Proposals will be reviewed and evaluated by a Selection Committee consisting of OTS Senior Staff. The objective of the Selection Committee is to recommend the Proposal(s) that best meets the needs of OTS. Contracts may be awarded to a number of proposals depending on the capacity needs of the Program.

OTS has developed evaluation criteria, and the relative weight of each will be used to evaluate and rank the Proposals. The criteria are based on relevant factors pertaining to the specific needs of OTS.

Criteria
Quality and Capabilities of Firm Knowledge of Asphalt industry and RMA production in particular issues Experience undertaking similar projects Knowledge of the Ontario asphalt industry players and road owners Equipment capabilities
Strategic thinking, Creativity and Innovation
Proposal Rate
Existing Industry knowledge / relationships

1.12. Final Authority & Award of Contract

The final authority to award a contract rests solely with OTS Selection Committee. Proponents are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by OTS and as determined by the Selection Committee.

OTS reserves the right to award this RFP to more than one contractor. Any award made will be to one successful Proponent whose proposal is most advantageous to OTS, based on the evaluation criteria outlined above.

Contract(s) will be awarded based on a competitive selection of proposals received. The contents of the proposal of the successful Proponent will become contractual obligations and failure to accept these obligations in a contractual agreement may result in cancellation of the award.

OTS reserves the right to negotiate any portions of the successful Proponent's fees and scope of work or utilize its own resources for such work. If, in the opinion of OTS, a written contract cannot be negotiated with the successful proponent, the OTS may terminate negotiations with that Proponent and negotiate a contract agreement with next most suitable Proponent according to the evaluation procedure, or may choose to terminate the request for proposal process and not enter into a contract with any of the contractors.