

# **COLLECTION SERVICE AGREEMENT**

**Executed Between the City of West Sacramento  
and  
USA Waste of California, Inc.**

**This 1<sup>st</sup> day of July 2017**

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## 65 CITY OF WEST SACRAMENTO

66 This Agreement made and entered into this 1<sup>st</sup> day of July 2017, by and between the City of West  
67 Sacramento, State of California, hereinafter referred to as "CITY" and USA Waste of California,  
68 Inc. dba Waste Management, a Delaware corporation, hereinafter referred to as  
69 "CONTRACTOR".

## 70 RECITALS

71 **WHEREAS;** the Legislature of the State of California, by enactment of the California Integrated  
72 Waste Management Act of 1989 ("Act") and subsequent additions and amendments (codified at  
73 California Public Resources Code Section 40000 et seq.), has declared that it is in the public  
74 interest to authorize and require local agencies to make adequate provisions for garbage  
75 collection within their jurisdiction; and,

76 **WHEREAS;** the State of California has found and declared that the amount of garbage generated  
77 in California, coupled with diminishing landfill space and potential adverse environmental impacts  
78 from landfilling and the need to conserve natural resources, have created an urgent need for State  
79 and local agencies to enact and implement an aggressive integrated waste management  
80 program. The State has, through enactment of the Act, directed the responsible State agency,  
81 and all local agencies, to promote disposal site diversion and to maximize the use of feasible  
82 garbage reduction, re-use, recycling, and composting options in order to reduce the amount of  
83 garbage that must be disposed of in disposal sites; and,

84 **WHEREAS;** pursuant to California Public Resources Code Section 40059(a) as may be amended  
85 from time to time, the CITY has determined that the public health, safety, and well-being require  
86 that an exclusive right be awarded to a qualified contractor to provide for the collection of garbage,  
87 recyclable materials, and organic waste materials, except for collection of materials excluded in  
88 the CITY'S Municipal Code, and other services related to meeting the Act's 50 percent diversion  
89 goal and other requirements of the Act; and,

90 **WHEREAS;** the CITY further declares its intent to regulate and set the maximum rates  
91 CONTRACTOR will charge customers for the collection, transportation, processing, recycling,  
92 composting, and/or disposal of garbage, recyclable materials, and organic waste materials; and,

93 **WHEREAS;** the City Council has determined that CONTRACTOR, by demonstrated experience,  
94 reputation and capacity, is qualified to provide for the collection of garbage, recyclable materials,  
95 and organic waste materials within the corporate limits of the CITY, the transportation of such  
96 material to appropriate places for processing, recycling, composting and/or disposal; and City  
97 Council desires that CONTRACTOR be engaged to perform such services on the basis set forth  
98 in this Agreement; and,

99 **WHEREAS;** the CONTRACTOR has represented that it has the ability and capacity to provide for  
100 the collection of garbage, recyclable materials, and organic waste materials within the corporate  
101 limits of the CITY; the transportation of such material to appropriate places for processing,  
102 recycling, composting and/or disposal; and the processing of materials; and,

103 **WHEREAS,** this Agreement has been developed by and is satisfactory to the CITY and the  
104 CONTRACTOR; and,

105 Now, therefore, in consideration of the mutual covenants, conditions and consideration contained  
106 herein, the CITY and CONTRACTOR hereby agree as hereinafter set forth:

107 **ARTICLE 1. Definitions**

108 For the purpose of this Collection Service Agreement, hereinafter referred to as "Agreement", the  
109 definitions contained in this Article shall apply unless otherwise specifically stated. If a word or  
110 phrase is not defined in this Article, the definition of such word or phrase as contained in the CITY  
111 Municipal Code shall control. When not inconsistent with the context, words used in the present  
112 tense include the future, words in the plural include the singular, and words in the singular include  
113 the plural. Use of the masculine gender shall include the feminine gender.

114 1.01 AB 939. The California Integrated Waste Management Act (California Public  
115 Resources Code Sections 40000 et al.), as amended from time to time.

116 1.02 Agreement. This written document and all amendments thereto, between the CITY  
117 and the CONTRACTOR, governing the provision of Collection Services as provided herein.

118 1.03 Agreement Year. Each twelve (12) month period from July 1st to June 30th during  
119 the Term of this Agreement.

120 1.04 Alternative Daily Cover (ADC). Landfill cover material and at least six (6) inches of  
121 earthen material, placed on the surface of the active face of the refuse fill area at the end of each  
122 operating day to control vectors, fires, odor, blowing litter and scavenging, as defined in Section  
123 20164 of the California Code of Regulations.

124 1.05 Applicable Law. All local, state and federal laws that govern the parties' performance  
125 under this Agreement.

126 1.06 Biohazardous or Biomedical Waste. Any waste which may cause disease or  
127 reasonably be suspected of harboring pathogenic organisms; included are waste resulting from  
128 the operation of medical clinics, hospitals, and other facilities processing wastes which may  
129 consist of, but are not limited to, human and animal parts, contaminated bandages, pathological  
130 specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

131 1.07 Brown Goods. Electronic equipment such as stereos, televisions, VCRs, Personal  
132 Data Assistants (PDAs), telephones, and other similar items not containing cathode ray tubes  
133 (CRTs).

134 1.08 Bulky Waste. Includes Large Items; Large Green Waste; discarded furniture; carpets;  
135 mattresses; household appliances including refrigerators, ranges, washers, dryers, water heaters,  
136 and dishwashers and other similar items; large household goods including lawn and garden  
137 equipment (drained of fluids), bicycles and other similar large personal items. Bulky Waste does  
138 not include Exempt Waste, and must be able to be lifted by two people into a collection vehicle.

139 1.09 Business Service Unit. All business, retail, professional, office, wholesale and  
140 industrial facilities, and other commercial enterprises.

141 1.10 Change in Law. Any change in (or any new) laws, ordinances, rules, regulations,  
142 orders, judgments, decrees, interpretations, decisions or permit requirements, of or by any  
143 federal, state or local governmental entity, after the date hereof.

144 1.11 CITY. The City of West Sacramento, California.

145 1.12 City Collection Service. City Garbage Collection Service, City Recycling Collection  
146 Service, and City Organic Waste Collection Service.

147 1.13 City Garbage Collection Service. The Collection of Garbage generated from City  
148 Service Units that is collected and delivered to the Disposal Facility by the CONTRACTOR.

149           1.14 City Organic Waste. Green Waste and Food Waste separated at the source of  
150 generation for inclusion in the City Organic Waste Collection Service program.

151           1.15 City Organic Waste Collection Service. The Collection of City Organic Waste  
152 generated from City Service Units that is collected and delivered to the Organic Waste Processing  
153 Facility by the CONTRACTOR.

154           1.16 City Recycling Collection Service. The Collection of Recyclable Materials generated  
155 from City Service Units that is collected and delivered to the Materials Recovery Facility by the  
156 CONTRACTOR.

157           1.17 City Representative. The City Manager, or his/her designee, authorized to administer  
158 and monitor the provisions of this Agreement.

159           1.18 City Service Unit. Those CITY properties or locations as set forth in **Exhibit 3**, "City  
160 Facilities", which is attached to and included in this Agreement.

161           1.19 Collection. The process whereby Garbage, Recyclable Materials, and Organic Waste  
162 are removed and transported to a Disposal Facility, an Organic Waste Processing Facility, or a  
163 Materials Recovery Facility, as appropriate.

164           1.20 Collection Services. Single-Family Collection Service (SFD), Multi-family Collection  
165 Service (MFD), City Collection Service, and Commercial Collection Service.

166           1.21 Commercial Collection Service. Commercial Garbage Collection Service,  
167 Commercial Recycling Collection Service, and Commercial Organic Waste Collection Service.

168           1.22 Commercial Organic Waste. Green Waste and Food Waste separated at the source  
169 of generation for inclusion in the Commercial Organic Waste Collection Service program.

170           1.23 Commercial Organic Waste Collection Service. The Collection of Commercial  
171 Organic Waste by the CONTRACTOR from Commercial Service Units in the Service Area, and  
172 the delivery of that Commercial Organic Waste to an Organic Waste processing facility.

173           1.24 Commercial Recycling Collection Service. The Collection of Recyclable Materials by  
174 the CONTRACTOR from Commercial Service Units in the Service Area, the delivery of those  
175 Recyclable Materials to a Materials Recovery Facility, and the processing and marketing of those  
176 Recyclable Materials.

177           1.25 Commercial Service Unit. Business Service Units that utilize a Garbage Cart or Bin  
178 for the accumulation and set-out of Garbage.

179           1.26 Commercial Garbage Collection Service. The Collection of Garbage by the  
180 CONTRACTOR, from Commercial Service Units in the Service Area, and the delivery of that  
181 Garbage to the Disposal Facility.

182           1.27 Compactor. Any Bin that has a compaction mechanism, whether stationary or  
183 mobile, that is collected using a front-loading collection vehicle.

184           1.28 Composting. The controlled biological decomposition of Organic Waste into a  
185 specific mixture of decayed organic matter used for fertilizing or soil conditioning.

186           1.29 Construction and Demolition Debris (C&D). Commonly used or discarded materials  
187 removed from construction, remodeling, repair, demolition, or renovation operations on any  
188 pavement, house, commercial building, or other structure, or from landscaping. Such materials  
189 include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard,  
190 aluminum, glass, asphalt material, plastics, roofing material, cardboard, carpeting, cinder blocks,

191 concrete, copper, electrical wire, fiberglass, formica, granite, iron, lad, linoleum, marble, plaster  
192 plant debris, pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees,  
193 remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal,  
194 building materials, packaging and rubble resulting from construction, remodeling, renovation,  
195 repair and demolition operations on pavements, houses, commercial buildings and other  
196 structures. Construction and Demolition Debris does not include Exempt Waste.

197 1.30 CONTRACTOR. USA Waste of California, Inc., dba Waste Management.

198 1.31 County. Yolo County, California.

199 1.32 Customer. Means a Service Recipient that receives Collection Services under the  
200 terms of this Collection Service Agreement.

201 1.33 Debris Box Container. A metal container that is normally loaded onto a motor vehicle  
202 and transported to an appropriate facility.

203 1.34 Disposal Facility. Any facility selected by CONTRACTOR and approved by CITY, or  
204 specifically designated by CITY, that is operated and legally permitted for the purpose of  
205 accepting materials for disposal, as may be listed in **Exhibit 4** of this Agreement.

206 1.35 Dwelling Unit. Any individual living unit in a single family dwelling (SFD) or multi-  
207 family dwelling (MFD) structure or building intended for, or capable of being utilized for, residential  
208 living other than a Hotel or Motel.

209 1.36 E-Waste. Discarded electronics equipment such as cell phones, PDAs, computers,  
210 monitors, televisions, and other items containing cathode ray tubes (CRTs), LCD or plasma  
211 screens and monitors.

212 1.37 Exempt Waste. Biohazardous or Biomedical Waste (including Sharps), Hazardous  
213 Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal  
214 combustion engines, and those wastes under the control of the Nuclear Regulatory Commission.

215 1.38 Food Waste. Food scraps and trimmings and other putrescible waste that results  
216 from food production, preparation, storage, consumption or handling. Food Waste includes but is  
217 not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste, and may also  
218 include compostable food packaging items such as pizza boxes, paper towels, and food  
219 contaminated paper products. Food Waste does not include Exempt Waste.

220 1.39 Garbage. All putrescible and non-putrescible solid, semi-solid and associated liquid  
221 waste, as defined in California Public Resources Code Section 40191. Garbage does not include  
222 those items defined herein as Recyclable Materials, Organic Waste, or Bulky Waste that have  
223 been source-separated for purposes of diversion, or Exempt Waste.

224 1.40 Garbage Bin. A metal or plastic container, with a capacity of one (1) cubic yard up  
225 to, and including, six (6) cubic yards, designed or intended to be mechanically dumped into a  
226 loader packer type garbage truck that is approved for such purpose by the CITY. Garbage Bins  
227 may also include Compactors that are owned by the MFD or Commercial Service Unit wherein  
228 the MFD or Commercial Collection Service occurs.

229 1.41 Garbage Cart. A heavy plastic receptacle with wheels and a rated capacity of at  
230 least thirty two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting  
231 lid and wheels, that is approved by the City Representative (if different from those currently in use  
232 by CONTRACTOR) for use by Service Recipients for Collection Services under this Agreement.

233 1.42 Green Waste. Any vegetative matter resulting from normal yard and landscaping  
234 maintenance that is not more than three (3) feet in its longest dimension or two (2) inches in  
235 diameter and fits in the Organic Waste Cart utilized by the Service Recipient. Green Waste  
236 includes plant debris, such as, ivy, grass clippings, leaves, pruning, weeds, branches, brush, non-  
237 flocked Christmas trees, and other forms of vegetative waste and must be generated by and at  
238 the Service Unit wherein the Green Waste is collected. Green Waste does not include items  
239 herein defined as Exempt Waste or Yucca or Cactus.

240 1.43 Contractor's Gross Billings. All billings as submitted by CONTRACTOR to CITY in  
241 accordance with Article 4 of this Agreement for the provision of Collection Services pursuant to  
242 this Agreement.

243 1.44 Hazardous Waste. Any material which is defined, regulated or listed as "hazardous",  
244 "toxic", a "pollutant", or words of similar import waste under California or United States law or any  
245 regulations promulgated pursuant to such law, as such as state or federal law or regulations may  
246 be amended from time to time; and "designated waste" as defined in California Water Code  
247 Section 13173.

248 1.45 Household Hazardous Waste (HHW). HHW includes dry cell household batteries,  
249 cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag;  
250 compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products, pesticides,  
251 herbicides, insecticides, painting supplies, automotive products, solvents, strippers, and  
252 adhesives, auto batteries, and Universal Waste. Items will be added or removed from this list  
253 pursuant to changes in state or federal law.

254 1.46 Kitchen Food Waste Pail. A plastic receptacle with a rated capacity not exceeding  
255 one and one-half (1.5) gallons, having a hinged lid, suitable for use in a SFD or MFD Service Unit  
256 for temporary storage of SFD and MFD Organic Waste that is approved for such purpose by the  
257 CITY. Kitchen Food Waste Pails are designed to be emptied by Service Recipients into their  
258 Organic Waste Containers for Collection.

259 1.47 Large Items. Those materials including furniture, carpets, mattresses, White Goods,  
260 Brown Goods, E-Waste, clothing, tires (maximum of four per collection), Green Waste, and Large  
261 Green Waste which are attributed to the normal activities of a SFD Service Unit, MFD Service  
262 Unit, or City Service Unit. Large Items must be generated by and at the Service Unit wherein the  
263 Large Items are collected. Large Items do not include items herein defined as Exempt Waste.

264 1.48 Large Green Waste. Oversized Green Waste such as tree trunks and branches with  
265 a diameter of not more than two (2) feet and a length of not more than six (6) feet in its longest  
266 dimension, and not weighing more than fifty (50) pounds, which are attributed to the normal  
267 activities of a SFD, MFD, or City Service Unit. Large Green Waste must be generated by and at  
268 the Service Unit wherein the Large Green Waste is collected.

269 1.49 Material Change In Law. A Change in Law that (a) results in an increase in  
270 CONTRACTOR's allowable costs of operation, or a reduction in CONTRACTOR's Gross  
271 Revenue, of at least Thirty Thousand Dollars (\$30,000), and (b) relates specifically to any aspect  
272 of the solid waste industry (including, for the avoidance of doubt and without limitation, changes  
273 to the California Integrated Waste Management Act (CIWMA), changes to CalRecycle  
274 regulations, or changes to other Applicable Laws or governmental fees relating specifically to any  
275 aspect of "solid waste handling," "solid waste disposal" or "solid waste facilities," as such terms  
276 are defined in the CIWMA).

277 1.50 Materials Recovery Facility (MRF). Any facility, selected by the CONTRACTOR and  
278 approved by the CITY, designed, operated, and legally permitted for the purpose of receiving,

279 sorting, processing, storing, or preparing Recyclable Materials for sale, as may be listed in **Exhibit**  
280 **4** of this Agreement.

281 1.51 MFD Collection Service. MFD Garbage Collection Service, MFD Recycling Service,  
282 MFD Organic Waste Collection Service, and MFD Bulky Waste Collection Service.

283 1.52 MFD Bulky Waste Collection Service. The periodic on-call Collection of a  
284 combination of Large Items collected by the CONTRACTOR, from MFD Service Units in the  
285 Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery  
286 Facility, Organic Waste Processing Facility or such other facility as may be appropriate under the  
287 terms of this Agreement. MFD Bulky Waste Collection Service can include the Collection of Large  
288 Items through the use of Debris Boxes, at CONTRACTOR'S option.

289 1.53 MFD Organic Waste. Green Waste and Food Waste separated at the source of  
290 generation for inclusion in the MFD Organic Waste Collection Service program.

291 1.54 MFD Organic Waste Collection Service. The Collection of MFD Organic Waste by  
292 the CONTRACTOR from MFD Service Units in the Service Area, and the delivery of that MFD  
293 Organic Waste to an Organic Waste processing facility.

294 1.55 MFD Recycling Service. The Collection of Recyclable Materials, by the  
295 CONTRACTOR, from MFD Service Units in the Service Area, the delivery of those Recyclable  
296 Materials to a Materials Recovery Facility, and the processing and marketing of those Recyclable  
297 Materials.

298 1.56 MFD Service Unit. Any residential premises containing five (5) or more Dwelling  
299 Units.

300 1.57 MFD Garbage Collection Service. The Collection of Garbage, by the  
301 CONTRACTOR, from MFD Service Units in the Service Area and the delivery of that Garbage to  
302 the Disposal Facility.

303 1.58 Non-Collection Notice. A form developed and used by the CONTRACTOR, as  
304 approved by the CITY (if different from the form commonly used by CONTRACTOR), to notify  
305 Service Recipients of the reason for non-collection of materials set out by the Service Recipient  
306 for Collection by CONTRACTOR pursuant to this Agreement.

307 1.59 Organic Waste. Food Waste and Green Waste, either separately or commingled  
308 with each other, that has been separated at the source of generation from Garbage and  
309 Recyclable Materials.

310 1.60 Organic Waste Bin. A metal or plastic container, with a capacity of one (1) cubic yard  
311 up to and including four (4) cubic yards, designed or intended to be mechanically dumped into a  
312 loader packer type truck that is approved for such purpose by the CITY.

313 1.61 Organic Waste Cart. A heavy plastic receptacle with wheels and a rated capacity  
314 not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved  
315 for such purpose by the CITY.

316 1.62 Organic Waste Processing Facility. Any facility selected by the CONTRACTOR that  
317 is designed, approved by the CITY, or specifically designated by the CITY, operated and legally  
318 permitted for the purpose of receiving and processing Organic Waste and Large Green Waste,  
319 as may be listed in **Exhibit 4** of this Agreement.

320 1.63 "Party" or "Parties" means the CITY and/or CONTRACTOR.



321           1.64 Recyclable Materials. Those discarded materials which are capable of being  
322 recycled and which would otherwise be processed or disposed of as Garbage. Recyclable  
323 Materials include the following materials defined by the CITY: newsprint (including inserts); mixed  
324 paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags  
325 and paper, paperboard, paper egg cartons, office ledger paper, aseptic containers, gable-top  
326 cartons, and telephone books); glass containers; aluminum beverage containers; small scrap and  
327 cast aluminum (up to 20 pounds); steel including "tin" cans, empty aerosol cans (empty, non-toxic  
328 products) and small scrap (up to 20 pounds); bimetal containers; plastic food containers, #1-7  
329 plastics regardless of form or mold (including but not limited to plastic containers, bottles, and  
330 wide mouth tubs, except #6), aluminum foil and pans. Recyclable Materials do not include Exempt  
331 Waste.

332           1.65 Recycling Bin. A plastic or metal container, with a capacity of one (1) cubic yard up  
333 to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader  
334 packer type recycling truck that is approved for such purpose by the CITY and is appropriately  
335 labeled as a Recycling Bin.

336           1.66 Recycling Cart. A heavy plastic receptacle with wheels and a rated capacity of at  
337 least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting  
338 lid, and wheels that is approved for such purpose by the CITY and is appropriately labeled as a  
339 Recycling Cart.

340           1.67 Service Area. That area within the corporate limits of the City of West Sacramento,  
341 California, as the same may be modified from time to time through annexation or otherwise.

342           1.68 Service Commencement Date. July 1, 2017, the date upon which CONTRACTOR  
343 becomes responsible for providing the services described in this Agreement to Service Recipients  
344 and the CITY, within CITY's boundaries.

345           1.69 Service Recipient. An individual or entity receiving Collection Service under this  
346 Agreement.

347           1.70 Service Unit. SFD Service Units, MFD Service Units, City Service Units, and  
348 Commercial Service Units.

349           1.71 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Collection  
350 Service, SFD Organic Waste Collection Service, and SFD Bulky Waste Collection Service.

351           1.72 SFD Bulky Waste Collection Service. The periodic on-call Collection of a  
352 combination of Large Items collected by the CONTRACTOR, from SFD Service Units in the  
353 Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery  
354 Facility, Organic Waste Processing Facility or such other facility as may be appropriate under the  
355 terms of this Agreement. SFD Bulky Waste Collection Service does not include the collection of  
356 Large Items through the use of Debris Box Containers.

357           1.73 SFD Organic Waste. Green Waste and Food Waste separated at the source of  
358 generation for inclusion in the SFD Organic Waste Collection Service program.

359           1.74 SFD Organic Waste Collection Service. The Collection of SFD Organic Waste by  
360 the CONTRACTOR from SFD Service Units in the Service Area, the delivery of that SFD Organic  
361 Waste to an Organic Waste Processing Facility.

362           1.75 SFD Recycling Collection Service. The Collection of Recyclable Materials by the  
363 CONTRACTOR from SFD Service Units in the Service Area, the delivery of those Recyclable

364 Materials to a Materials Recovery Facility, and the processing and marketing of those Recyclable  
365 Materials.

366 1.76 SFD Garbage Collection Service. The Collection of Garbage, by the  
367 CONTRACTOR, from SFD Service Units in the Service Area and the delivery of that Garbage to  
368 a Disposal Facility.

369 1.77 SFD Service Unit. Each Dwelling Unit in a residential premises containing no more  
370 than four (4) Dwelling Units.

371 1.78 SFD Temporary Bin Collection Service. The Collection of Garbage, Recyclable  
372 Materials, and/or Organic Waste from SFD Service Units in the Service Area using Bins provided  
373 by CONTRACTOR for the temporary accumulation of Garbage, Recyclable Materials, and/or  
374 Organic Waste.

375 1.79 Sharps. Sharps includes needles, scalpels, lancets, blades, broken medical glass,  
376 broken capillary tubes, and ends of dental wires.

377 1.80 Sludge. The accumulated solids, residues, and precipitates generated as a result of  
378 waste treatment or processing, including wastewater treatment, water supply treatment, or  
379 operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks,  
380 grease traps, privies, or similar disposal appurtenances or any other such waste having similar  
381 characteristics or effects.

382 1.81 Solid Waste. Garbage, Recyclable Materials, Organic Waste, Large Items, and  
383 permissible items dropped off at CONTRACTOR'S drop-off events or CONTRACTOR'S (or  
384 CONTRACTOR'S affiliates') facilities pursuant to this Agreement (such as E-Waste and HHW).

385 1.82 Stable Matter. Manure and other waste matter normally accumulated and associated  
386 with stables or in domestic livestock.

387 1.83 Universal Waste. Televisions, computer monitors, consumer electronics with circuit  
388 boards, fluorescent lamps, cathode ray tubes, non-empty aerosol cans, instruments and switches  
389 that contain mercury, and dry cell batteries containing cadmium copper, or mercury.

390 1.84 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other  
391 similar household appliances.

392 1.85 Work Day. Any day, Monday through Saturday that is not a holiday as set forth in  
393 Section 3.09 of this Agreement.

## 394 ARTICLE 2. Term of Agreement

395 2.01 Term. The term of this Agreement shall be for a ten (10) year period beginning  
396 July 1, 2017 (the "Service Commencement Date") and terminating on June 30, 2027. The term  
397 may be extended for up to two (2) additional five (5) year periods at the CITY's sole discretion.

398 2.02 First Five-Year Extension. The CITY may, in its sole discretion, extend this  
399 Agreement for a period of five (5) years upon expiration of the initial Term. The First Five Year  
400 Extension period, if granted, will begin on July 1, 2027 and terminate on June 30, 2032. The CITY  
401 shall not be obligated to offer this First Five-Year Extension to CONTRACTOR. Prior to granting  
402 any extension under this contract, the CITY may require: (1) the contract compliance and  
403 performance review described in Section 2.02.1 below with the specific intent of determining  
404 CONTRACTOR'S eligibility for the First Five-Year Extension. The CITY may waive the  
405 requirement for CONTRACTOR'S compliance with the terms and conditions of Sections 2.02.1

406 and 2.02.2 below at CITY'S sole discretion. The CITY shall not be obligated to offer this First Five  
407 Year Extension to CONTRACTOR, regardless of the outcome of the contract compliance and  
408 performance review described in Section 2.02.1 below.

409           2.02.1 Contract Compliance and Performance Review. If CITY elects to determine  
410 CONTRACTOR'S eligibility to receive the First Five Year Extension described in Section 2.02,  
411 the CITY must complete a contract compliance and performance review as described in Section  
412 20.01.1. The contract compliance and performance review will consist of an evaluation of the  
413 CONTRACTOR'S performance for calendar years 2017 through 2024 and must be completed no  
414 later than September 1, 2025. The CONTRACTOR must pay all costs associated with conducting  
415 the contract compliance and performance review (subject to the maximum amount in Section  
416 20.01.1), and based on the results of the contract compliance and performance review,  
417 CONTRACTOR must be in material compliance with all requirements of this Agreement to be  
418 eligible for any extension to the term of this Agreement. If the CITY initiates this contract  
419 compliance and performance review (with the specific intent of determining CONTRACTOR'S  
420 eligibility for the First Five Year Extension) and then fails to complete the contract compliance and  
421 performance review by September 1, 2025, CONTRACTOR will be deemed to have satisfied this  
422 condition.

423           2.02.2 Compliance with Minimum Annual Diversion Requirement. In order to be  
424 eligible for the First Five Year Extension described in Section 2.02 above, CONTRACTOR must  
425 be in compliance with the minimum diversion requirement set forth in Section 5.01 for calendar  
426 years 2018 through 2024. CONTRACTOR'S compliance with this requirement will be determined  
427 during the performance review described in Section 2.02.1 above. CONTRACTOR'S franchised  
428 diversion requirements are separate from the CITY'S compliance with any State-mandated  
429 diversion requirements.

430           2.02.3 Written Offer of Extension. If the CITY determines that the CONTRACTOR  
431 has satisfied the above conditions, using the process described in Sections 2.02.1 and 2.02.2  
432 above, the CITY may offer the CONTRACTOR a First Five Year Extension to the initial term of  
433 the Agreement.

434           2.02.3.1           If the CITY chooses to offer such an extension, the CITY  
435 shall offer the extension to CONTRACTOR in writing on or before January 1, 2026.  
436 CONTRACTOR shall provide a written response to the CITY as to whether CONTRACTOR  
437 accepts or rejects the CITY'S offer within forty-five (45) Work Days of the date of receipt of the  
438 CITY'S offer. If CONTRACTOR fails to provide such notice to the CITY within forty-five (45) Work  
439 Days, the CITY'S offer shall be deemed withdrawn and the CITY shall have no obligation to extend  
440 the term of this Agreement beyond June 30, 2027.

441           2.02.3.2           Exception to Meeting Diversion Requirement. At CITY'S  
442 sole discretion, in the event that CONTRACTOR has not met its diversion requirements under  
443 Section 5.01, the CITY may assess Liquidated Damages in accordance with Article 19 in lieu of  
444 CONTRACTOR meeting its diversion requirements. CONTRACTOR must make payment in full  
445 of any such assessed Liquidated Damages, and if it does so it will be deemed to have satisfied  
446 such condition.

447           2.03 Second Five-Year Extension. The CITY may, in its sole discretion, grant an additional  
448 five (5) year extension to the term of this Agreement, with the extension period beginning July 1,  
449 2032 and terminating on June 30, 2037. The CITY shall not be obligated to offer this Second Five  
450 Year Extension to CONTRACTOR. Prior to granting any extension under this contract, the CITY  
451 may require: (1) the contract compliance and performance review described in Section 2.03.1  
452 below with the specific intent of determining CONTRACTOR'S eligibility for the Second Five-Year

453 Extension. The CITY may waive the requirement for CONTRACTOR'S compliance with the terms  
454 and conditions of Sections 2.03.1 and 2.03.2 below at CITY'S sole discretion. The CITY shall not  
455 be obligated to offer this Second Five-Year Extension to CONTRACTOR, regardless of the  
456 outcome of the contract compliance and performance review described in Section 2.03.1 below.

457           2.03.1 Contract Compliance and Performance Review. If CITY elects to determine  
458 CONTRACTOR'S eligibility to receive the Second Five Year Extension described in Section 2.03,  
459 the CITY must complete a contract compliance and performance review as described in Section  
460 20.01.1. The contract compliance and performance review will consist of an evaluation of the  
461 CONTRACTOR'S performance for calendar years 2025 through 2029, and must be completed  
462 no later than September 1, 2030. The CONTRACTOR must pay all costs associated with  
463 conducting the contract compliance and performance review (subject to the maximum amount in  
464 Section 20.01.1), and based on the results of the contract compliance and performance review,  
465 CONTRACTOR must be in material compliance with all requirements of this Agreement to be  
466 eligible for any extension to the term of this Agreement. If the CITY initiates this contract  
467 compliance and performance review (with the specific intent of determining CONTRACTOR'S  
468 eligibility for the Second Five Year Extension) and then fails to complete the contract compliance  
469 and performance review by September 1, 2030, CONTRACTOR will be deemed to have satisfied  
470 this condition.

471           2.03.2 Compliance with Diversion Requirement. In order to be eligible for the  
472 Second Five Year Extension described in Section 2.03 above, CONTRACTOR must be in  
473 compliance with the minimum diversion requirement set forth in Section 5.01 for calendar years  
474 2025 through 2029. CONTRACTOR'S compliance with this requirement will be determined during  
475 the Performance Review described in Section 2.03.1 above. CONTRACTOR'S franchised  
476 diversion requirements are separate from the CITY'S compliance with any State-mandated  
477 diversion requirements.

478           2.03.3 Written Offer of Extension. If the CITY determines that the CONTRACTOR  
479 is in compliance with the terms and conditions of this Agreement, using the process described in  
480 Sections 2.03.1 and 2.03.2 above, the CITY may offer the CONTRACTOR a Second Five Year  
481 Extension to the term of the Agreement.

482           2.03.3.1           If the CITY chooses to offer such an extension, the CITY  
483 shall offer the extension to CONTRACTOR in writing on or before January 1, 2031.  
484 CONTRACTOR shall provide a written response to the CITY as to whether CONTRACTOR  
485 accepts or rejects the CITY'S offer within forty-five (45) Work Days of the date of receipt of the  
486 CITY'S offer. If CONTRACTOR fails to provide such notice to the CITY within forty-five (45) Work  
487 Days, the CITY'S offer shall be deemed withdrawn and the CITY shall have no obligation to extend  
488 the term of this Agreement beyond June 30, 2032.

489           2.03.3.2           Exception to Meeting Diversion Requirement. At CITY'S  
490 sole discretion, in the event that CONTRACTOR has not met its diversion requirements under  
491 Section 5.01, the CITY may assess Liquidated Damages in accordance with Article 19 in lieu of  
492 CONTRACTOR meeting its diversion requirements. CONTRACTOR must make payment in full  
493 of any such assessed Liquidated Damages, and if it does so it will be deemed to have satisfied  
494 such condition.

## 495 ARTICLE 3. Services Provided by the Contractor

496           3.01 Grant of Exclusive Right.

497 3.01.1 Exclusive SFD, MFD, and City Services. Except as provided in Section  
498 3.02, CONTRACTOR is hereby granted the exclusive right to collect, transport, recycle, process  
499 and dispose of Garbage, Recyclable Materials, Large Items, Food Waste, and Green Waste  
500 generated by SFD, MFD, and City Service Units located within the Service Area provided the  
501 SFD, MFD and City Service extends only to services provided using Carts and Bins serviced with  
502 a front-loading, rear-loading or side-loading collection vehicle.

503 3.01.2 Commercial Services Exclusivity. Except as provided in Section 3.02,  
504 CONTRACTOR is hereby granted the exclusive right to collect, transport, recycle, process and  
505 dispose of Garbage, generated by Commercial Service Units located within the Service Area  
506 provided the Commercial Service extends only to services provided using Carts and Bins serviced  
507 with a front-loading, rear-loading or side-loading collection vehicle.

508 3.01.3 Exclusivity for Commercial Organics and Commercial Recyclables  
509 Materials. If CITY elects to grant exclusive rights to handle Recyclable Materials, Food Waste  
510 and/or Green Waste generated by Commercial Services Units, CONTRACTOR will have such  
511 exclusive rights (Carts and Bins only). CITY may grant such exclusive rights once notices  
512 described in California Public Resources Code § 49520 have been given, CITY and  
513 CONTRACTOR have agreed on adjustments to CONTRACTOR'S Compensation, and CITY has  
514 adopted new customer rates as may be necessary.

515 3.02 Limitations to Scope of Exclusive Agreement:

516 3.02.1 Collection of Construction and Demolition Debris is not included within the  
517 scope of this Agreement, and is not exclusive to CONTRACTOR.

518 3.02.2 Recyclable Materials or Large Items that are source separated from  
519 Garbage by the generator, which the generator sells or is otherwise compensated by a collector  
520 in a manner resulting in a net payment to the generator;

521 3.02.3 Garbage, Recyclable Materials, Large Items, Construction and Demolition  
522 Debris or Organic Waste, which is removed from any SFD Service Unit, MFD Service Unit,  
523 Commercial Service Unit, or City Service Unit and which is transported personally by the owner  
524 or occupant of such premises (or by his or her full-time employees but not including construction  
525 related employees or subcontractors) to a processing or Disposal Facility;

526 3.02.4 Recyclable Materials, Organic Waste or Large Items which are source  
527 separated at any premises by the generator and donated to youth, civic or charitable  
528 organizations;

529 3.02.5 Beverage containers delivered by the generator for Recycling under the  
530 California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq.;

531 3.02.6 Organic Waste removed from a premises by a gardening, landscaping, or  
532 tree trimming company as an incidental part of a total service offered by that company rather than  
533 as a hauling service;

534 3.02.7 Construction and Demolition Debris where the owner or occupant of the  
535 premises holds a building permit for the project, and such project was done by the owner,  
536 occupant, or a licensed construction company, and, as an incidental part of a total service offered  
537 by the licensed company rather than as a hauling service, and where the owner, occupant, the  
538 licensed company, or an authorized/permitted construction and demolition debris collection  
539 contractor uses its own equipment and employees for the collection and transportation of such  
540 Construction and Demolition Debris;

541 3.02.8 Large Items removed from a premises by a property management or  
542 maintenance company as an incidental part of the total cleanup or maintenance service offered  
543 by the company rather than as a hauling service, and provided that such removal is not with  
544 collection containers placed in use by CONTRACTOR, and

545 3.02.9 Hazardous Waste and other Exempt Waste regardless of its source.

546 3.03 CONTRACTOR acknowledges and agrees that the CITY may permit other persons  
547 besides the CONTRACTOR to collect any and all types of materials excluded from the scope of  
548 this Agreement, as set forth above, except that CONTRACTOR will have a right of first refusal if  
549 the CITY contemplates permitting or licensing other persons to collect such materials. If  
550 CONTRACTOR can produce evidence that other persons are servicing collection containers or  
551 are Collecting Garbage, Recyclable Materials, Large Items, and/or Organic Waste in a manner  
552 that is not consistent with the CITY'S Municipal Code or this Agreement, it shall report the location,  
553 the name and phone number of the person or company to the CITY along with CONTRACTOR'S  
554 evidence of the violation of the exclusiveness of this Agreement, and the CONTRACTOR shall  
555 assist the CITY to enforce the CITY'S Municipal Code and this Agreement. CONTRACTOR may  
556 remove illegally placed containers in public right-of-ways, alleys, or streets, but only after notifying  
557 the CITY.

558 3.03.1 The scope of this Agreement shall be interpreted to be consistent with  
559 applicable law, now and during the term of the Agreement. If future judicial interpretations of  
560 current law or new laws, regulations, or judicial interpretations limit the ability of the CITY to  
561 lawfully provide for the scope of services as specifically set forth herein, CONTRACTOR agrees  
562 that the scope of the Agreement will be limited to those services and materials which may be  
563 lawfully provided and that the CITY shall not be responsible for any lost profits or losses claimed  
564 by CONTRACTOR to arise out of limitations of the scope of the Agreement set forth herein.  
565 Notwithstanding the foregoing, nothing in this paragraph shall be deemed to limit Sections 4.05  
566 or 25.01 of this Agreement.

567 3.04 Service Standards. CONTRACTOR shall perform all Collection Services under this  
568 Agreement in a thorough and professional manner. Collection Services described in this  
569 Agreement shall be performed regardless of weather conditions or difficulty of collection, except  
570 as provided in Section 24.08 (Force Majeure).

571 3.05 Hours and Days of Collection.

572 3.05.1 SFD Collection Services shall be provided, commencing no earlier than  
573 6:00 a.m. and terminating no later than 6:00 p.m., Monday through Friday with no service on  
574 Saturday (except for holiday service as set forth in Section 3.09 of this Agreement in which case  
575 normal collection hours may be utilized) or Sunday. The hours, days, or both of collection may  
576 be extended due to extraordinary circumstances or conditions with the prior written consent of the  
577 City Representative.

578 3.05.2 Commercial Collection Services and MFD Collection Services shall be  
579 provided, commencing no earlier than 5:00 a.m. for Commercial Collection Services and no earlier  
580 than 6:00 am for MFD Collection Services. Both Commercial Collection and MFD Collection  
581 Services shall terminate no later than 6:00 p.m., Monday through Saturday, with no service on  
582 Sunday. The hours, days, or both of collection may be extended due to extraordinary  
583 circumstances or conditions with the prior written consent of the City Representative.

584 3.05.3 City Collection Service shall be provided, commencing no earlier than 6:00  
585 a.m., and terminating no later than 7:00 p.m., Monday through Friday, with the exception of City

586 Sponsored Events as requested by the CITY. The hours, days, or both of collection may be  
587 extended with the prior written consent of the City Representative.

588 3.05.4 The CITY may direct CONTRACTOR to restrict the Collection hours in  
589 areas around schools and request CONTRACTOR to restrict Collection hours in high traffic areas  
590 during peak commute hours. When the CITY is conducting road overlay or slurry projects, the  
591 CITY reserves the right to temporarily redirect or restrict CONTRACTOR from collection in the  
592 affected areas or temporarily change the collection hours if needed. The hours of collection may  
593 be extended due to extraordinary circumstances or conditions with the prior written consent of the  
594 City Representative.

595 3.06 Manner of Collection. The CONTRACTOR shall provide Collection Service with as  
596 little disturbance as possible and shall leave any Cart or Bin in an upright position at the same  
597 point it was collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

598 3.07 Containers.

599 3.07.1 Carts and Kitchen and Food Waste Pails. Kitchen Food Waste Pails are  
600 to be new at the start of the Food Waste program (at the time this program is implemented in  
601 accordance with the Diversion Plan included in **Exhibit 6**). Replacement and newly issued Carts  
602 are to be hot-stamped, embossed, or laminated, with a unique identification number, and in-  
603 molded with the type of materials to be collected (i.e., Garbage, Organic Waste, Recyclable  
604 Materials) and instructions provided for proper usage at the time of delivery to a new account or  
605 upon request of the Service Recipient. In-molding on the Carts shall be on the lids.  
606 CONTRACTOR'S phone number shall be included as part of Cart labeling. Kitchen Food Waste  
607 Pails are to be hot stamped, embossed, laminated, or in-molded with instructions for proper use.  
608 Labeling and graphics of the Carts (if different from those commonly used by CONTRACTOR)  
609 and Kitchen Food Waste Pails shall be approved by the CITY.

610 3.07.2 Bins. Replacement and newly issued Bins are to be painted, embossed,  
611 or hot stamped with a unique identification number, and be labeled with the type of materials to  
612 be collected (i.e., Garbage, Organic Waste, Recyclable Materials) and instructions provided for  
613 proper usage at the time of delivery to a new account or upon request of the Service Recipient.  
614 CONTRACTOR'S phone number shall be included as part of Bin labeling. Labeling and graphics  
615 of the Bins (if different from those commonly used by CONTRACTOR) shall be approved by the  
616 CITY.

617 3.07.3 Purchase and Distribution of Carts, Bins, and Kitchen Food Waste Pails.  
618 The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and  
619 functional carts, bins, and Kitchen Food Waste Pails to Service Units in the Service Area, including  
620 to new Service Units that are added to CONTRACTOR'S Service Area during the term of this  
621 Agreement. Kitchen Food Waste Pails shall be distributed to all MFD Service Units at the time  
622 the MFD Food Waste Program is implemented, in accordance with the Diversion Plan included in  
623 **Exhibit 6**. If and when the SFD Food Waste Program is implemented by CONTRACTOR for SFD  
624 Service Units, Kitchen Food Waste Pails shall only be distributed upon request of the Service  
625 Recipient. The distribution to new Service Units shall be completed within five (5) Work Days of  
626 receipt of notification from the CITY or the Service Unit. Notwithstanding the above, carts, bins  
627 and Kitchen Food Waste Pails used by CONTRACTOR in the CITY prior to July 1, 2017 may  
628 continue to be used.

629 3.07.4 Replacement of Carts and Bins. CONTRACTOR'S employees shall take  
630 care to prevent damage to carts or bins by unnecessary rough treatment. However, any Cart or  
631 Bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the

632 CONTRACTOR'S expense, within five (5) Work Days at no cost or inconvenience to the Service  
633 Recipient.

634 3.07.4.1 Upon notification to the CONTRACTOR by the CITY or a  
635 Service Recipient that the Service Recipient's Cart(s), Bin(s), or Kitchen Food Waste Pail(s) have  
636 been lost, stolen or damaged beyond repair through no fault of the CONTRACTOR, the  
637 CONTRACTOR shall deliver a replacement Cart(s), Bin(s) or Kitchen Food Waste Pail(s) to such  
638 Service Recipient within five (5) Work Days. The CONTRACTOR shall maintain records  
639 documenting all Cart and Bin replacements occurring on a monthly basis.

640 3.07.4.2 Where such Cart, Bin or Kitchen Food Waste Pail is lost or  
641 damaged beyond repair through no fault of the CONTRACTOR, each Service Recipient shall be  
642 entitled to the replacement of, at no cost to the Service Recipient, one (1) such Garbage Cart,  
643 one (1) such Recycling Cart, one (1) such Organic Waste Cart, and, for SFD and MFD Service  
644 Recipients, up to three (3) such Kitchen Food Waste Pails, during the life of this Agreement. In  
645 instances where Carts are reported to have been stolen from the same Service Recipient on  
646 multiple occurrences, CONTRACTOR and CITY shall work with the impacted Service Recipient  
647 to determine the cause of such repeated stolen Carts and develop a method to reduce or eliminate  
648 the occurrences of stolen Carts. CONTRACTOR may charge for replacement of stolen carts after  
649 three (3) occurrences of reported stolen Carts at a particular Service Recipient during the life of  
650 this Agreement.

651 3.07.4.3 Where such Bin or Cart replacement occurs through no fault  
652 of the CONTRACTOR, CONTRACTOR shall be compensated for the cost of those replacements  
653 in excess of the requirements set forth above in accordance with the "Cart or Bin Exchange"  
654 Service Rate, as appropriate, as initially set forth in **Exhibit 1**, as adjusted as provided under the  
655 terms of this Agreement.

656 3.07.5 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair  
657 of carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within five (5)  
658 Work Days of notification by the CITY or a Service Recipient of the need for such repairs, the  
659 CONTRACTOR shall repair the Cart or Bin or if necessary, remove the Cart or Bin for repairs and  
660 deliver a replacement Cart or Bin to the Service Recipient. If the repair is caused by reasons  
661 other than normal wear and tear, or CONTRACTOR mishandling, the Service Recipient will be  
662 responsible for paying CONTRACTOR'S costs to repair as initially set forth in **Exhibit 1**.

663 3.07.6 Cart or Bin Exchange. Upon notification to the CONTRACTOR by the CITY  
664 or a Service Recipient that a change in the size or number of Carts or Bins is required, the  
665 CONTRACTOR shall deliver such Carts or Bins to such Service Recipient within five (5) Work  
666 Days. Each SFD, MFD, Commercial and City Service Unit shall be entitled to receive one (1) free  
667 Cart or Bin exchange per Agreement Year during the term of this Agreement. Accordingly  
668 CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per  
669 Agreement Year, in accordance with the "Cart or Bin Exchange" service rate as set forth in **Exhibit**  
670 **1** which is attached to and included in this Agreement or as may be adjusted under the terms of  
671 this Agreement.

672 3.07.7 Ownership of Carts. Ownership of Carts shall rest with the  
673 CONTRACTOR. In the case of the termination of the Agreement prior to the expiration of the  
674 initial term or optional extension terms due to the default of the CONTRACTOR as set forth in  
675 Article 24 of this Agreement, the CITY shall have the right to take possession of the Carts in  
676 service with customers and retain such possession until satisfactory arrangements can be made  
677 to provide Collection Services using other equipment. Such time of possession shall be limited  
678 to one hundred eighty (180) days after the effective date of termination. After such time, such



679 Carts shall be returned to CONTRACTOR or, if the parties mutually agree, the CITY shall pay a  
680 reasonable monthly rent to the CONTRACTOR for the CITY'S use of the equipment. Upon  
681 termination of this Agreement, CONTRACTOR shall be responsible for removing all Carts in  
682 service from the Service Area and reusing or recycling such Carts as appropriate.

683           3.07.8 Ownership of Bins. Ownership of Bins distributed by the CONTRACTOR  
684 shall rest with the CONTRACTOR. In the case of the termination of the Agreement prior to the  
685 expiration of the initial term or optional extension term due to the default of the CONTRACTOR  
686 as set forth in Article 24 of this Agreement, the CITY shall have the right to take possession of  
687 such Bins and to retain such possession until satisfactory arrangements can be made to provide  
688 Collection Services using other equipment. Such time of possession shall be limited to one  
689 hundred eighty (180) days after the effective date of termination. After such time, such Bins shall  
690 be returned to CONTRACTOR, or, if the parties mutually agree, the CITY shall pay a reasonable  
691 monthly rent to the CONTRACTOR for the CITY'S use of the equipment. Upon the receipt of  
692 written notice from the CITY, CONTRACTOR shall submit to the City Representative an inventory  
693 of Bins, including their locations.

694           3.07.9 Cleaning/Removal of Graffiti from Containers.

695                   3.07.9.1       Carts. If CONTRACTOR, or CITY, identifies graffiti on any  
696 Cart set out for Collection, or otherwise identifies graffiti on any Cart during the normal course of  
697 its work, CONTRACTOR shall exchange that Cart for a clean Cart within five (5) Work Days at no  
698 cost to the Service Recipient.

699                   3.07.9.2       Bins. If CONTRACTOR, or CITY, identifies graffiti on any  
700 Bin set out for Collection, or otherwise identifies graffiti on any Bin during the normal course of its  
701 work, CONTRACTOR shall either exchange that Bin for a clean one or paint over the Bin within  
702 five (5) Work Days at no cost to the Service Recipient.

703                   3.07.9.3       Charges. CONTRACTOR may charge a Service Recipient  
704 a Container exchange fee or Bin painting fee (as set forth in **Exhibit 1**), as applicable, for  
705 instances which exceed one (1) per Agreement year.

706                   3.07.9.4       Notification to CITY. CONTRACTOR shall provide digital  
707 images of graffiti and the location of Containers with graffiti to the CITY within five (5) Work Days  
708 of observing graffiti on Containers.

709           3.08 Labor and Equipment. CONTRACTOR shall provide and maintain all labor,  
710 equipment, tools, facilities, and personnel supervision required for the performance of  
711 CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have  
712 sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this  
713 Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of  
714 labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by  
715 CITY or by any Service Recipient except as expressly provided by this Agreement.

716           3.09 Holiday Service. The CITY observes January 1<sup>st</sup>, Thanksgiving Day, and December  
717 25<sup>th</sup> as legal holidays. CONTRACTOR shall not provide Collection Services on the designated  
718 holidays. In any week in which one of these holidays falls on a Work Day, SFD Collection Services  
719 for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of  
720 the week with normally scheduled Friday Collection Services being performed on Saturday. MFD,  
721 Commercial and City Collection Services shall be adjusted as agreed between the  
722 CONTRACTOR and the Service Recipient but must meet the minimum frequency requirement of  
723 one (1) time per week.

724 3.10 Processing and Disposal.

725 3.10.1 Compliance with Permits. CONTRACTOR shall not knowingly deliver  
726 materials collected under this Agreement to facilities that do not comply in all material aspects  
727 with the Department of Resources Recycling and Recovery regulations under Title 14, Chapter  
728 3, Minimum Standards for Solid Waste Handling and Disposal (Article 5.9 – Sections 17380-  
729 17386). CONTRACTOR, and not the CITY, must use reasonable efforts to assure that all  
730 Disposal, transfer, and processing facilities to which CONTRACTOR delivers material under this  
731 Agreement are properly permitted to receive material collected under this Agreement, except for  
732 any facility that CITY specifically directs CONTRACTOR to use. Failure to comply with this  
733 provision may result in the CONTRACTOR being in default under this Agreement.

734 3.10.2 Permits and Approvals. CONTRACTOR shall, upon written request from  
735 the CITY, arrange for the facilities owned by the CONTRACTOR or an affiliate of the  
736 CONTRACTOR to which CONTRACTOR delivers material under this Agreement to provide  
737 copies of facility permits, notices of violations, inspection areas or concerns, or administrative  
738 action to correct deficiencies related to the operation, but only to the extent the foregoing are  
739 material and reasonably related to the services provided under this Agreement. For other facilities  
740 selected by the CONTRACTOR to which CONTRACTOR delivers material under this Agreement,  
741 if the CONTRACTOR becomes aware of any material permit violations by such facilities that are  
742 reasonably related to the services provided under this Agreement, CONTRACTOR shall notify  
743 the CITY of the same. Failure to provide facility information may result in the CONTRACTOR  
744 being in default under this Agreement.

745 3.10.3 Prior Agreement for Disposal. CONTRACTOR acknowledges that the  
746 CITY may contract for disposal of Garbage with the Yolo County Central Landfill. CONTRACTOR  
747 agrees to deliver Garbage to the Yolo County Central Landfill facility as set forth in future  
748 agreements between the CITY and Yolo County. In the event that Yolo County increases disposal  
749 fees in a manner not specified in the agreement between the CITY and Yolo County regarding  
750 the establishment of disposal fees, CONTRACTOR may request to meet and confer with CITY to  
751 determine if additional compensation should be provided to CONTRACTOR to recover any such  
752 increases in disposal fees. Such approved increases shall not be unreasonably withheld.

753 3.10.4 Disposal Facility. Except as set forth below, all Garbage collected as a  
754 result of performing Collection Services shall be transported, and delivered to the Disposal  
755 Facility. In the event the Disposal Facility is closed on a Work Day, the CONTRACTOR shall  
756 transport and deliver the Garbage to such other legally permitted disposal facility as is approved  
757 by CITY. Failure to comply with this provision may result in the levy of liquidated damages as  
758 specified in Article 19 of this Agreement and may result in the CONTRACTOR being in default  
759 under this Agreement.

760 3.10.5 Organic Waste Processing Facility. All Organic Waste collected as a result  
761 of performing SFD, MFD, Commercial and City Organic Waste Collection Services shall be  
762 delivered to the Organic Waste Processing Facility as listed in **Exhibit 4**. In the event the facility  
763 is closed on a Work Day, the CONTRACTOR shall transport and deliver the Organic Waste to  
764 such other legally permitted facility as is approved by the CITY. Failure to comply with this  
765 provision may result in the levy of liquidated damages as specified in Article 19 of this Agreement  
766 and may result in the CONTRACTOR being in default under this Agreement.

767 3.10.6 Material Recovery Facility. All Recyclable Materials collected as a result  
768 of performing SFD, MFD, Commercial and City Recycling Services shall be delivered to the  
769 Material Recovery Facility (MRF) as listed in **Exhibit 4**. In the event the MRF is closed on a Work  
770 Day, the CONTRACTOR shall transport and deliver the Recyclable Material to such other legally

771 permitted MRF as is approved by CITY. Failure to comply with this provision may result in the  
772 levy of liquidated damages as specified in Article 19 of this Agreement and may result in the  
773 CONTRACTOR being in default under this Agreement.

774 3.11 Inspections. The CITY shall have the right to inspect the CONTRACTOR'S facilities  
775 or collection vehicles used in the performance of this Agreement and their contents at any time  
776 while operating inside or outside the CITY.

777 3.12 Commingling of Materials.

778 3.12.1 Garbage and Recyclable Material. Except contaminated loads,  
779 CONTRACTOR shall not at any time commingle Garbage with separated Organic Waste or with  
780 separated Recyclable Materials, or commingle separated Organic Waste with separated  
781 Recyclable Materials collected pursuant to this Agreement without the express prior written  
782 authorization of the City Representative. Such approval by the CITY will not be unreasonably  
783 withheld.

784 3.12.2 Garbage Collected in West Sacramento. CONTRACTOR shall not at any  
785 time commingle any Garbage collected pursuant to this Agreement, with any other material  
786 collected by CONTRACTOR inside or outside the CITY without the express prior written  
787 authorization of the City Representative. Such approval by the CITY will not be unreasonably  
788 withheld.

789 3.12.3 Recyclable Materials. CONTRACTOR shall not at any time commingle  
790 Recyclable Materials collected pursuant to this Agreement, with any other material collected by  
791 CONTRACTOR inside or outside the CITY without the express prior written authorization of the  
792 City Representative, which such authorization will not be unreasonably withheld.

793 3.13 Contamination. CONTRACTOR shall only be required to collect Recyclable  
794 Materials if they have been separated by the Service Recipient from Garbage and Organic Waste,  
795 and shall only be required to collect Organic Waste if it has been separated by the Service  
796 Recipient from Garbage and Recyclable Materials. If, by visual inspection, Recyclable Materials  
797 are commingled with ten percent (10%) by volume of Garbage or Organic Waste, or if, by visual  
798 inspection, Organic Waste is commingled with three percent (3%) by volume of Garbage or  
799 Recyclables, then CONTRACTOR may take the following steps:

800 3.13.1 One or Two Occurrences Per Agreement Year. CONTRACTOR shall  
801 collect the contaminated Container at no charge to Service Recipient and provide Notice that  
802 contains instructions on the proper procedures for setting out Recyclable Materials or Organic  
803 Waste.

804 3.13.2 Three or Four Occurrences Per Agreement Year. CONTRACTOR shall  
805 provide Notice that contains instructions on the proper procedures for setting out Recyclable  
806 Materials or Organic Waste, and CONTRACTOR shall collect the contaminated Container and  
807 may charge the Service Recipient a contamination fee as set forth in **Exhibit 1**.

808 3.13.3 Five Occurrences Per Agreement Year. On the 5<sup>th</sup> occurrence of  
809 contamination, CONTRACTOR shall collect the contaminated Container and may charge the  
810 Service Recipient a contamination fee as set forth in **Exhibit 1**. CONTRACTOR may also, after  
811 notifying Service Recipient, remove the Recyclable Materials or Organic Waste Container, as  
812 applicable, and discontinue providing the Recyclable Materials or Organic Waste Collection  
813 Services for a period not to exceed one (1) year. CONTRACTOR shall notify CITY within five (5)  
814 Work Days of removal of Recyclable Materials or Organic Waste Containers for excessive  
815 contamination.

816 3.13.4 Service Re-start. After one (1) year, or a shorter time-period if appropriate,  
817 the Service Recipient may request CONTRACTOR and the CITY to reinstate the discontinued  
818 service, and CONTRACTOR may charge a Container re-delivery fee as specified in **Exhibit 1** for  
819 restarting the Recyclable Materials or Organic Waste Collection Service.

820 3.14 Spillage and Litter. The CONTRACTOR shall not litter premises in the process of  
821 providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall  
822 transport all materials collected under the terms of this Agreement in such a manner as to prevent  
823 the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR  
824 shall exercise all reasonable care and diligence in providing Collection Services so as to prevent  
825 spilling or dropping of Garbage, Organic Waste, or Recyclable Materials and shall immediately,  
826 at the time of occurrence, clean up such spilled or dropped materials.

827 3.14.1 The CONTRACTOR shall not be responsible for cleaning up un-sanitary  
828 conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR  
829 shall clean up any material or residue that are spilled or scattered by the CONTRACTOR or its  
830 employees.

831 3.14.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris  
832 resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately  
833 with an absorptive material and removed from the street surface. When necessary,  
834 CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate  
835 cleaning and pressure wash area as needed utilizing a company that protects stormwater drain  
836 inlets and collects wash water to prevent stormwater pollution. To facilitate such cleanup,  
837 CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent  
838 materials along with a broom and shovel.

839 3.14.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any  
840 spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the CITY.

841 3.14.4 In the event where damage to CITY streets is caused by a hydraulic oil spill  
842 (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill),  
843 CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior  
844 to the spill. CONTRACTOR shall also be responsible for all clean-up activities related to the spill.  
845 Repairs and clean-up shall be performed in a manner satisfactory to the City Representative and  
846 at no cost to the CITY.

847 3.14.5 Ownership of Materials. Title to Garbage, Organic Waste, and Recyclable  
848 Materials shall pass to CONTRACTOR at such time as said materials are placed in the  
849 CONTRACTOR'S collection vehicles by CONTRACTOR.

850 3.14.6 Hazardous Waste. Except as provided by the On-Call HHW Collection  
851 Program as specified in **Exhibit 7**, under no circumstances shall CONTRACTOR'S employees  
852 knowingly collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous Waste,  
853 from a collection container. If CONTRACTOR determines that material placed in any container  
854 for collection is Hazardous Waste, or other material that may not legally be accepted at the  
855 Disposal Facility or one of the processing facilities, or presents a hazard to CONTRACTOR'S  
856 employees, the CONTRACTOR shall have the right to refuse to accept such material. The  
857 generator shall be contacted by the CONTRACTOR and requested to arrange for proper disposal  
858 service. If the generator cannot be reached immediately, the CONTRACTOR shall, before leaving  
859 the premises, leave a Non-collection Notice, which indicates the reason for refusing to collect the  
860 material, and how the Hazardous Waste can be properly disposed or recycled.

861 3.14.7 If Hazardous Waste is found in a collection container that poses an  
862 imminent danger to people or property, the CONTRACTOR shall immediately call 911 for  
863 emergency response, or for non-emergency dispatch the CONTRACTOR may call (916) 372-  
864 3375 if there is no imminent danger. The CONTRACTOR shall immediately notify the CITY of any  
865 Hazardous Waste that has been identified.

866 3.14.8 If Hazardous Waste is identified at the time of delivery to the Disposal  
867 Facility, or one of the processing facilities and the generator cannot be identified, CONTRACTOR  
868 shall be solely responsible for handling and arranging transport and disposition of the Hazardous  
869 Waste.

### 870 3.15 Container Overflow.

871 3.15.1 CONTRACTOR shall collect Recyclable Materials or Organic Materials in  
872 excess of the capacity of Customer's Carts, including materials that are outside Customer's Carts  
873 in accordance with Sections 7.05.3 and 7.06.5. CONTRACTOR shall collect Garbage in excess  
874 of the capacity of Customer's Cart, including materials that are outside Customer's Cart, only if  
875 the Customer has made prior arrangements to do so and may assess an overage fee to Collect  
876 said material that is in excess of the Cart's capacity or if such materials are outside of the Cart.  
877 Collection of excess Garbage will be charged as set forth in **Exhibit 1**. Charges will appear on  
878 the customer's next billing statement submitted to the CITY.

879 3.15.2 Customers receiving Commercial or Multi-Family services will be notified  
880 of Collection overages by letter. The letter, with digital photograph, shall be promptly forwarded  
881 to the Customer after Collection.

882 3.15.3 The process for Commercial and Multi-Family customers (bins), is as  
883 follows:

884 3.15.3.1 Overage incidents will result in the Customer receiving a  
885 courtesy notice along with a picture of the overflowing bin, taken by the driver.

886 3.15.3.2 On the second infraction, the customer will receive a  
887 warning, along with a picture and a CONTRACTOR representative will contact the Customer to  
888 ensure that customer has the appropriate level of service.

889 3.15.3.3 On the third and every occasion thereafter, charges for  
890 excess Garbage will be done as set forth in **Exhibit 1**.

891 3.16 Regulations and Record Keeping. CONTRACTOR shall comply with emergency  
892 notification procedures required by applicable laws and regulatory requirements. All records  
893 required by regulations shall be maintained at the CONTRACTOR'S facility. These records shall  
894 include waste manifests, waste inventories, waste characterization records, inspection records,  
895 incident reports, and training records.

## 896 ARTICLE 4. Charges and Contractor Compensation

897 4.01 CITY Billing. Except for Commercial Organic Waste Collection Services as set forth  
898 in Article 9.04, the CITY, and not the CONTRACTOR, shall be responsible for the billing and  
899 collection of payments from Service Recipients. CONTRACTOR will work directly with the CITY  
900 Representative to develop a protocol for answering all Customer billing questions.

901 4.02 CONTRACTOR Billing Account Information. The CONTRACTOR shall be  
902 responsible for providing the CITY with complete customer billing account and service level data  
903 for all Collection services provided by CONTRACTOR under this Agreement during the prior

904 month, in an electronic format that is acceptable to the CITY. Each invoice shall be accompanied  
905 by an accounting, which sets forth CONTRACTOR'S Gross Billings for all services provided  
906 during the preceding month in sufficient detail to allow for an independent recalculation of monies  
907 due to CONTRACTOR. This information will be provided on a monthly basis by the 15th day of  
908 the month for services provided by CONTRACTOR during the prior month. Any changes to the  
909 electronic format or submission date shall be expressly approved in writing by the CITY.

910 4.03 CITY Payments for CONTRACTOR's Compensation. CITY shall pay  
911 CONTRACTOR on the last day of each month for services provided by CONTRACTOR during  
912 the prior invoice period. The CITY shall deduct from the payments due to CONTRACTOR by CITY  
913 the amounts as set forth in Section 4.08 below.

914 4.04 RRI Adjustments to CONTRACTOR'S Compensation. CONTRACTOR'S sole  
915 compensation is derived from the application of the Maximum Service Rates to actual services  
916 provided to SFD, MFD, and Commercial Service Recipients. The Maximum Service Rates are as  
917 specified in **Exhibit 1** of this Agreement, and are firm and fixed through June 30, 2018.  
918 CONTRACTOR shall not be entitled to any compensation that is not listed in **Exhibit 1**, as  
919 adjusted from time to time in accordance with this Agreement. On or after July 1, 2018, and each  
920 subsequent July 1<sup>st</sup>, CONTRACTOR's Maximum Service Rates shall be adjusted as follows:

921 4.04.1 Adjustments to Maximum Service Rates on July 1, 2018.

922 4.04.1.1 Adjustments Using the Refuse Rate Index (RRI). Beginning  
923 on July 1, 2018, and annually thereafter, CONTRACTOR shall, subject to compliance with all  
924 provisions of this Section, receive an annual adjustment to the Maximum Service Rates as set  
925 forth in **Exhibit 1** to this Agreement. In any year that the calculation of the RRI exceeds four  
926 percent (4.00%) or is negative (below 0.00%), these amounts shall be added to the rate  
927 adjustment percentage in the following year, subject to the same floor and cap limitations and  
928 carryover.

929 4.04.1.2 12-Month Annual Average. The RRI adjustment shall be the  
930 sum of the weighted percentage changes for all RRI indices. The percentage change in each RRI  
931 index shall be calculated using the change in the 12-month annual average of RRI index values  
932 between the base year, which shall be the prior preceding 12-month period ending September  
933 30, and the preceding 12-month period ending September 30 as contained in the most recent  
934 release of the source documents listed in **Exhibit 2**, which is attached to and included in this  
935 Agreement. Therefore, the first RRI adjustment (effective July 1, 2018) will be based on the  
936 percentage changes between the average index values for the period of October 1, 2016 through  
937 September 30, 2017 (the previous year) and the average index values for the period October 1,  
938 2015 through September 30, 2016 (the prior previous year).

939 4.04.1.3 The weighted percentage change for each RRI index shall  
940 be calculated using the RRI methodology included in **Exhibit 2**.

941 4.04.1.4 RRI Financial Information. On or before February 1, 2018,  
942 and annually thereafter on February 1<sup>st</sup> during the Term of this Agreement, CONTRACTOR shall  
943 deliver to CITY financial information for the specific services performed under this Agreement for  
944 the preceding Agreement Year. Such financial information shall be in the format as set forth in  
945 **Exhibit 2**, or as may be further revised by the Parties from time to time. CONTRACTOR's failure  
946 to provide the financial information shall not preclude the CITY from applying the RRI using the  
947 prior year's financial data, or pro forma data if no prior year financial data is available, if that  
948 application would result in a negative RRI. If CONTRACTOR's fails to submit the financial  
949 information required by February 1<sup>st</sup>, the CITY at its sole and reasonable discretion, may consider

950 a late request for the annual RRI rate adjustment provided that CONTRACTOR's late request  
951 does not delay the CITY's ability to adjust customer rates billed by CITY the subsequent July 1st.

952 4.04.2 Rounding. Adjustments to the overall Maximum Service Rates shall be  
953 made only in units of one cent (\$0.01). Fractions of less than one cent (\$0.01) shall not be  
954 considered in making adjustments. All RRI indices shall be rounded at two (2) decimal places for  
955 the adjustment calculations.

956 4.04.3 CITY Approval of Maximum Service Rates. On or before June 1, 2018,  
957 and annually thereafter during the term of this Agreement, the CITY Representative shall notify  
958 CONTRACTOR of the RRI adjustments to the affected Maximum Service rates to take place on  
959 the subsequent July 1<sup>st</sup>. CITY shall take action on any changes in the Maximum Service Rates in  
960 accordance with the CITY'S Municipal Code.

961 4.04.4 CONTRACTOR payment for RRI review. CONTRACTOR shall be  
962 responsible for paying the cost of reviewing or correcting the annual RRI adjustment if the CITY  
963 determines that WM has made substantial errors and has not properly submitted or correctly  
964 calculated the RRI adjustment. The total for any one (1) RRI review shall not exceed **Five  
965 Thousand Dollars (\$5,000.00)**.

966 4.05 Adjustments Due to Material Change In Law.

967 4.05.1 If a Material Change in Law occurs after the date hereof, then CITY and  
968 CONTRACTOR shall negotiate in good faith a reasonable and appropriate adjustment to  
969 Maximum Service Rates sufficient to offset CONTRACTOR's increased allowable costs of  
970 operation or reduced Gross Billings resulting from the Material Change in Law. As an exception  
971 to the preceding sentence, CONTRACTOR shall not be entitled to an adjustment in Maximum  
972 Service Rates with respect to the first Thirty Thousand Dollars (\$30,000) in increased costs or  
973 decreased revenues incurred by CONTRACTOR resulting from the Material Change in Law.

974 4.05.2 The Parties may negotiate and agree on the amount of any Maximum  
975 Service Rate adjustment pursuant to this Section 4.05 without a Detailed Rate  
976 Review. CONTRACTOR shall bear the burden of justifying to CITY any adjustment due to a  
977 Material Change in Law and shall bear its own costs of preparing its request for an adjustment  
978 and supporting documentation. CITY may request from CONTRACTOR such further information  
979 as it reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its  
980 determination whether CONTRACTOR has satisfied its burden, which determination shall not be  
981 unreasonably withheld. CITY shall notify CONTRACTOR of its determination within ninety (90)  
982 calendar days of receipt of the written request and all other additional information reasonably  
983 requested by CITY. Any such change will be implemented on the following July 1st, or within any  
984 other time frame agreed upon between CITY and CONTRACTOR. The adjustment in Maximum  
985 Service Rates shall be approved by the City Council and memorialized in a written amendment  
986 to this Agreement."

987 4.06 Detailed Rate Review. Only if requested by the CITY a Detailed Rate Review may  
988 be conducted provided that a pre-established methodology is agreed to by both the CITY and the  
989 CONTRACTOR.

990 4.07 Adjustments Due to Changes in Fees, Payments, or CITY Services. In the event that  
991 CITY elects to increase the amount of fees or payments beyond those increases provided for in  
992 Sections 4.08 below, or in the event the CITY requests CONTRACTOR to perform additional  
993 CITY Collection Services beyond those services listed in Article 10, **Exhibit 3 and 5**, the  
994 CONTRACTOR shall be eligible for an additional adjustment as part of their regularly scheduled  
995 July 1<sup>st</sup> rate adjustment to cover the cost of those new fees, payments and/or services. This

996 additional adjustment shall be calculated using the following methodology, and such calculation  
997 must be included in the CONTRACTOR'S regular rate adjustment request submitted to the CITY  
998 by February 1<sup>st</sup> in order for the CONTRACTOR to be eligible to receive the additional rate  
999 adjustment:

1000 4.07.1.1 The CONTRACTOR shall calculate this additional rate  
1001 adjustment percentage as:

1002 (A) The total dollar value of the new/increased fees, payments and/or services  
1003 *divided by*

1004 (B) The total estimated CONTRACTOR Gross Billings for the current Agreement Year  
1005 *divided by*

1006 (C) One (1) minus the Franchise Fee percentage described in Section 4.08.1, minus the  
1007 AB 939 Support Fee percentage described in Section 4.08.2

1008 "The total estimated CONTRACTOR Gross Billings for the current Agreement Year" (B) shall be  
1009 calculated as: the CONTRACTOR'S total Gross Billings as reported to the CITY for the previous  
1010 Agreement Year, multiplied by one (1) plus the approved rate adjustment percentage which  
1011 became effective on the most recent July 1<sup>st</sup>. If approved, the calculated additional rate  
1012 adjustment percentage shall be added to the CONTRACTOR'S regularly scheduled RRI rate  
1013 adjustment percentage effective the upcoming July 1<sup>st</sup> in accordance with Section 4.04.1 above.

1014 4.08 CONTRACTOR'S Payments to CITY. CONTRACTOR shall make payment to the  
1015 CITY of a Franchise Fee, AB 939 Support Fee, Road Maintenance Fee, Illegal Dumping Clean-  
1016 up fee, Street Sweeping Fee, Education Grant Fee and such other fees as may be specified in  
1017 this Section 4.08. Contractor Payments to CITY will be done on a monthly basis as in the manner  
1018 as specified in Section 4.03. The amount for each payment is specified Sections 4.08.1 through  
1019 4.08.6.

1020 4.08.1 Franchise Fee. The Franchise Fee will be a percentage of  
1021 CONTRACTOR'S Gross Billings submitted to CITY each month under the terms of this  
1022 Agreement. The Franchise Fee percentage shall be **Twelve Percent (12.00%) of Gross Billings**  
1023 unless otherwise adjusted by the CITY. In the event that the CITY adjusts the Franchise Fee  
1024 percentage, the Maximum Service Rates will also be adjusted simultaneously and  
1025 commensurately, to incorporate any such changes in the Franchise Fee percentage.

1026 4.08.2 AB 939 Support Fee. The CONTRACTOR shall pay an AB 939 Support  
1027 Fee to the CITY for the CITY'S costs to provide AB 939 Support Services. The AB 939 Support  
1028 Fee will be a percentage of CONTRACTOR'S Gross Billings submitted to CITY each month under  
1029 the terms of this Agreement. The AB 939 Support Fee percentage shall be **Three Percent**  
1030 **(3.00%) of Gross Billings** unless otherwise adjusted by the CITY. In the event that the CITY  
1031 adjusts the AB 939 Support Fee percentage, the Maximum Service Rates will also be adjusted  
1032 simultaneously and commensurately, to incorporate any such changes in the AB 939 Support Fee  
1033 percentage.

1034 4.08.3 Road Maintenance Fee. The CONTRACTOR shall pay a Road  
1035 Maintenance Fee to the CITY. For the first Agreement Year, CONTRACTOR shall pay **Two**  
1036 **Hundred Fifty Thousand Dollars (\$250,000.00)**. Beginning July 1, 2018, the total annual  
1037 amount of this fee will be adjusted annually by the same percentage change as the percentage  
1038 change in CONTRACTOR'S Maximum Service Rates.



1039 4.08.4 Illegal Dumping Clean-up Fee. The CONTRACTOR shall pay an Illegal  
1040 Dumping Clean-up Fee to the CITY. For the first Agreement Year, the CONTRACTOR shall pay  
1041 **Seventy-five thousand Dollars (\$75,000.00)**. Beginning July 1, 2018, the total annual amount  
1042 of this fee will be adjusted annually by the same percentage change as the percentage change  
1043 in CONTRACTOR'S Maximum Service Rates.

1044 4.08.5 Street Sweeping Fee. The CONTRACTOR shall pay a Street Sweeping  
1045 Fee to the CITY. For the first Agreement Year, the CONTRACTOR shall pay a total of **One**  
1046 **Hundred Eighty Three Thousand Dollars (\$183,000.00)**. Beginning July 1, 2018, the total  
1047 annual amount of this fee will be adjusted annually by the same percentage change as the  
1048 percentage change in CONTRACTOR'S Maximum Service Rates.

1049 4.08.6 Education Grant Program Fee. The CONTRACTOR shall pay an Education  
1050 Grant Program Fee to the CITY to support the development of a K-12 school-aged focused  
1051 environmental education curriculum. For the first Agreement Year, the CONTRACTOR shall pay  
1052 a total of **Twenty Five Thousand Dollar (\$25,000.00)**. Beginning July 1, 2018, the total annual  
1053 amount of this fee will be adjusted annually by the same percentage change as the percentage  
1054 change in CONTRACTOR'S Maximum Service Rates.

## 1055 ARTICLE 5. Diversion Requirements

### 1056 5.01 CONTRACTOR'S Diversion Guarantee.

1057 5.01.1 CONTRACTOR shall fully implement the Diversion, Outreach, and  
1058 Education Plan listed in **Exhibit 6**. The minimum amount of the Solid Waste diverted from landfill  
1059 disposal CONTRACTOR collects pursuant to this Agreement measured on an annual basis shall  
1060 be thirty-five percent (35%) beginning calendar year 2018, increasing to forty percent (40%)  
1061 commencing calendar year 2020 and thereafter for the Term of this Agreement, except as  
1062 provided in Section 5.01.2. CONTRACTOR will also assist the CITY in reaching CalRecycle's  
1063 seventy-five percent (75%) goal.

1064 5.01.2 In the event that the CITY expands CONTRACTOR'S exclusivity rights as  
1065 provided in Article 3 by including exclusive rights to collect, process and recycle Commercial  
1066 Recyclable Materials and Organic Waste, then beginning on the subsequent January 1<sup>st</sup>, and  
1067 measured on an annual basis, CONTRACTOR's Diversion Guarantee shall increase to fifty  
1068 percent (50%). If expanded exclusivity adds other material types or services, CITY and  
1069 CONTRACTOR shall mutually agree on a new Diversion Guarantee.

1070 5.02 Diversion Guarantee Calculation. For purposes of determining if CONTRACTOR  
1071 achieves CONTRACTOR'S Diversion Guarantee, the Parties agree the annual diversion rate will  
1072 be calculated using the following formula: "the tons of materials collected by CONTRACTOR from  
1073 the provision of Collection Services in CITY that are sold or delivered to a recycler or re-user, net  
1074 of all residue, divided by the total tons of materials collected in CITY by CONTRACTOR in each  
1075 calendar year."

1076 5.02.1 As part of the Quarterly Reports submitted in accordance with Section  
1077 16.02.1, CONTRACTOR shall provide documentation to the CITY stating and supporting each  
1078 calendar quarter's diversion rate. Diversion from other sources other than CONTRACTOR'S  
1079 diversion shall not be counted as diversion achieved by CONTRACTOR.

1080 5.03 Use of Transformation Facility. CONTRACTOR may direct up to ten percent (10%)  
1081 of the CITY'S total waste stream to a waste-to-energy facility for diversion purposes provided that

1082 such diversion is allowable and deemed to be diversion by CalRecycle. CONTRACTOR is not  
1083 entitled to any additional compensation associated with use of any Transformation Facility.

1084 5.04 Use of Alternative Daily Cover (ADC). CONTRACTOR may not utilize Organic Waste  
1085 as Alternative Daily Cover (ADC) after December 31, 2020.

1086 5.05 End Uses for Organic Waste. CONTRACTOR shall divert Organic Waste materials  
1087 collected through weekly Cart, Bin and bundle Collection, holiday tree Collection, and mixed  
1088 waste processing (if applicable) from disposal. CONTRACTOR must provide end uses for Organic  
1089 Waste that maximizes diversion credits for CITY according to regulations established by  
1090 CalRecycle. CONTRACTOR shall divert through uses other than as Alternative Daily Cover  
1091 (ADC) whenever feasible.

1092 5.06 Changes in the Market Conditions for Recyclable Materials. Upon notice to and prior  
1093 approval by CITY, CONTRACTOR may deem additional materials or groups of materials  
1094 Recyclable Materials if they become capable of recycling at CONTRACTOR'S facilities in or near  
1095 the Service Area. CONTRACTOR reserves the right, upon written notice to and prior written  
1096 approval by the CITY, to discontinue acceptance of any category of Recyclable Materials as a  
1097 result of market conditions related to such materials. With regard to the preceding two sentences,  
1098 the CITY'S approval shall not be unreasonably withheld. Such CITY approval for reducing the type  
1099 of Recyclable Materials discontinued shall not exceed 12 months.

1100 5.07 Bulky Item Diversion. Bulky Items collected by CONTRACTOR under this Agreement  
1101 may not be landfilled or disposed of until the following hierarchy of diversion efforts has been  
1102 followed by CONTRACTOR:

- 1103 a. Reuse as is (if energy efficient)
- 1104 b. Recycle
- 1105 c. Disposal

1106 5.08 Warranties and Representations. CONTRACTOR warrants and represents that it is  
1107 aware of and familiar with CITY'S waste stream, and that it has the ability to and will provide  
1108 sufficient programs and services to ensure that CONTRACTOR will meet or exceed the diversion  
1109 requirements as set forth in CONTRACTOR'S Diversion Guarantee.

1110 5.09 CONTRACTOR's diversion programs are consistent with the diversion requirements  
1111 of the Applicable Laws (including, without limitation, amounts of Solid Waste to be diverted, time  
1112 frames for diversion, and any other requirements) governing this Agreement (including AB 341,  
1113 AB 939, AB 1594, AB 1826, SB 1016 and all amendments and related subsequent legislation),  
1114 and that CONTRACTOR shall do so without imposing any costs or fees other than those set forth  
1115 in **Exhibit 1** (including if new programs are implemented by CONTRACTOR that are not called  
1116 out herein). The programs identified herein are minimum requirements that must be met and,  
1117 subject to other provisions of this Agreement, CONTRACTOR shall be responsible for  
1118 implementing any other programs that may be necessary to achieve the forgoing.

1119 5.10 Mutual Cooperation. CITY and CONTRACTOR shall reasonably cooperate in good  
1120 faith with all efforts by each other to meet CITY'S diversion and other compliance requirements  
1121 imposed by AB 939 and other Applicable Laws, and to meet CONTRACTOR'S obligations under  
1122 CONTRACTOR'S Diversion Guarantee. In this regard, CITY'S obligations shall include, without  
1123 limitation, making such petitions and applications as may be reasonably requested by  
1124 CONTRACTOR for time extensions in meeting diversion goals, or other exceptions from the terms  
1125 of Applicable Laws, and to agree to authorize such changes to CONTRACTOR'S Recycling or  
1126 Solid Waste programs as may be reasonably requested by CONTRACTOR in order to achieve

1127 CONTRACTOR'S Diversion Guarantee.

1128           5.11 Waste Reduction and Program Implementation. CONTRACTOR shall implement  
1129 CONTRACTOR's diversion programs to support those programs identified in the CITY's Source  
1130 Reduction and Recycling Element (SRRE) and Household Hazardous Wastes Element (HHWE)  
1131 upon the Effective Date hereof, and will implement any additional diversion programs as may be  
1132 required to meet CONTRACTOR'S diversion requirements as specified in this Article 5.

1133           5.12 Reporting. CONTRACTOR shall be responsible for providing data and information,  
1134 cooperating, and assisting CITY with the preparation of, all reports and other information as may  
1135 be required by any agency, including specifically, the State of California, in order to comply with  
1136 AB 939 and other Applicable Laws.

1137           5.13 Guarantee and Indemnification. CONTRACTOR warrants and guarantees that it will  
1138 carry out its obligations under this Agreement in a manner consistent with Applicable Laws,  
1139 including, but not limited to, AB 939, AB 341, AB 1594, AB 1826 and SB 1016, and  
1140 CONTRACTOR'S actions will provide for the CITY to meet or exceed the diversion requirements  
1141 (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion,  
1142 and any other requirements) set forth in CONTRACTOR'S Diversion Guarantee and the  
1143 Applicable Laws including, but not limited to, AB 939 AB 341, AB 1594, AB 1826, and SB 1016  
1144 and all amendments thereto. In this regard CONTRACTOR agrees that it will, in addition to any  
1145 other requirement contained herein, at its sole cost and expense:

1146           5.13.1 To the extent legally permitted, defend, with counsel approved by CITY,  
1147 indemnify, and hold harmless CITY and CITY'S officials, employees, and agents from and against  
1148 all fines and/or penalties and other liabilities which may be imposed by CalRecycle or any other  
1149 regulatory agency if: (1) CONTRACTOR fails or refuses to timely provide information relating to  
1150 its operations which is required pursuant to this Agreement or the Applicable Laws and such  
1151 failure or refusal prevents or delays CITY from submitting reports required by the Applicable Laws  
1152 including AB 939, AB 341, AB 1594, and AB 1826 in a timely manner; or (2) CONTRACTOR'S  
1153 failure to meet its Diversion Guarantee or for CONTRACTOR'S failure to implement the programs  
1154 as specified in this Agreement results in CalRecycle finding that the CITY is in violation of AB 939,  
1155 AB 341, AB 1594, or AB 1826;

1156           5.13.2 Assist CITY in responding to inquiries from CalRecycle or any other  
1157 regulatory agency;

1158           5.13.3 Assist CITY in preparing for, and participating in, the CalRecycle's biannual  
1159 review of CITY'S SRRE pursuant to Public Resources Code Section 41825;

1160           5.13.4 Assist CITY in applying for any extension, including under Public  
1161 Resources Code Section 41820, if so directed by CITY;

1162           5.13.5 Assist CITY in any hearing conducted by CalRecycle, or any other  
1163 regulatory agency, relating to CITY'S compliance with the Applicable Laws including, but not  
1164 limited to, AB 939, AB 341, AB 1594, and AB 1826;

1165           5.13.6 As provided in **Exhibit 6**, assist CITY with the development of and  
1166 implement a public awareness and education program that is consistent with the CITY'S SRRE  
1167 and Household Hazardous Waste Element, as well as any related requirements of the Applicable  
1168 Laws;

1169           5.14 Failure To Meet Minimum Diversion Requirements. CONTRACTOR'S failure to  
1170 meet the minimum diversion requirements of CONTRACTOR'S Diversion Guarantee set forth  
1171 above may result in the denial of a Term extension, the imposition of liquidated damages in

1172 accordance with Article 19, or the requirement to undertake additional diversion programs in  
1173 accordance with Section 5.16.

1174         5.15 Waste Generation/Characterization Studies. CONTRACTOR acknowledges that  
1175 CITY may perform Solid Waste generation and disposal characterization studies periodically to  
1176 comply with the requirements of the Applicable Laws, including AB 939. CONTRACTOR agrees  
1177 to participate and cooperate with CITY and its agents and to accomplish studies and data  
1178 collection and prepare reports, as needed and directed by CITY, to determine weights and  
1179 volumes of Solid Waste collected and characterize Solid Waste generated, disposed,  
1180 transformed, diverted or otherwise handled/processed to satisfy the requirements of the  
1181 Applicable Laws including AB 939 and AB 341.

1182         5.16 Implementation of Additional Diversion Services. If CITY determines that  
1183 CONTRACTOR has not fulfilled its diversion requirements set forth in the Diversion Guarantee,  
1184 CITY will negotiate with CONTRACTOR to implement additional diversion programs, or modify  
1185 the manner in which it performs existing services, and CONTRACTOR agrees to do so at no  
1186 additional charge.

1187                 5.16.1 Pilot programs and innovative services which may entail new Collection  
1188 methods, and use of new or alternative Solid Waste processing and disposal technologies are  
1189 included among the types of changes which CITY may direct. Any changes under this Section  
1190 5.16.1 shall be treated as City-Directed Changes under Section 25.02.

## 1191 ARTICLE 6. Service Units

1192         6.01 Service Units. Service Units shall include all the following categories of premises  
1193 that are in the Service Area as of July 1, 2017, and all such premises that may be added to the  
1194 Service Area by means of annexation, new construction, or as otherwise set forth in this  
1195 Agreement during term of this Agreement:

1196                 6.01.1 SFD Service Units

1197                 6.01.2 MFD Service Units

1198                 6.01.3 Commercial Service Units

1199                 6.01.4 City Service Units

1200                         6.01.4.1 Any question as to whether a premises falls within one of  
1201 these categories shall be determined by the City Representative and the determination of the City  
1202 Representative shall be final.

1203         6.02 Service Unit Changes. The CITY and CONTRACTOR acknowledge that during the  
1204 term of this Agreement, the number of Service Units for which CONTRACTOR will provide  
1205 Collection Services may increase or decrease, due to annexation, development, or other reasons.

1206                 6.02.1 Service Unit Additions. CONTRACTOR shall provide services described  
1207 in this Agreement to new Service Units within five (5) Work Days of receipt of notice from the  
1208 CITY or new Service Unit to begin such service.

1209         6.03 Coordination with Street Sweeping. The CITY and CONTRACTOR acknowledge  
1210 that CONTRACTOR may have to modify collection days to accommodate the CITY'S street  
1211 sweeping schedule.

1212         6.04 Route Map Update. CONTRACTOR shall revise the Service Unit route maps to  
1213 show the addition of Service Units added due to annexation and shall provide such revised maps

1214 to the City Representative as requested. Route maps will indicate the service day by street for  
1215 SFD service units.

## 1216 ARTICLE 7. SFD Collection Services

1217 7.01 SFD Collection Services. These services shall be governed by the following terms  
1218 and conditions:

1219 7.01.1 Conditions of Service. The CONTRACTOR shall provide SFD Collection  
1220 Service to all SFD Service Units in the Service Area whose Garbage is properly containerized in  
1221 Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set  
1222 forth in Section 7.05.3; and Organic Waste is properly containerized in Organic Waste Carts,  
1223 except as set forth in Sections 7.06.5 and 7.09. The Garbage, Recycling and Organic Waste Carts  
1224 will be collected at least once a week. CONTRACTOR shall offer Garbage Carts 32, 64 and 96  
1225 gallon cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon cart sizes,  
1226 with 32 gallon Recyclable Materials and Organic Waste Carts available on request. The size of  
1227 the Cart shall be determined between the SFD Service Recipient and the CONTRACTOR.  
1228 CONTRACTOR shall not charge for collection of Recyclable Materials or Organic Waste collected  
1229 in Carts.

1230 7.01.1.1 Curbside Collection Service. SFD Curbside Collection shall  
1231 be done where Garbage, Recyclable Materials and Organic Waste Carts are placed within five  
1232 (5) feet of the curb, swale, or at edge of street pavement for streets without curbs, or other such  
1233 location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and  
1234 efficient accessibility to the CONTRACTOR's collection crew and vehicle. This shall apply to both  
1235 public and private streets. CONTRACTOR may charge for Curbside Collection at the rates as  
1236 set forth in **Exhibit 1**.

1237 7.01.1.2 On-Premise Collection Service - Subscription. A SFD  
1238 Service Recipient may subscribe for On-premise SFD Collection Service where Garbage,  
1239 Recyclable Materials, and Organic Waste Carts are collected from a side-yard, backyard, or other  
1240 off-street location agreed on between the CONTRACTOR and the Service Recipient.  
1241 CONTRACTOR may charge for On-premise collection at the rates as set forth in **Exhibit 1**.

1242 7.01.1.3 On-Premise Collection Service – Physical Disability. A SFD  
1243 Service Recipient, and all other adults living at the Service Unit residing therein, that has  
1244 disabilities that prevent him/her from being physically unable to place Garbage, Recyclable  
1245 Materials, or Organic Waste Carts at the curb for collection shall receive On-premise Collection  
1246 Service where all Garbage, Recyclable Materials, and Organic Waste Carts are collected from a  
1247 side-yard, backyard, or other off-street location agreed on between the CONTRACTOR and the  
1248 Service Recipient. CONTRACTOR shall provide this service at the Curbside collection rates as  
1249 set forth in **Exhibit 1**. CONTRACTOR may require proof of disability.

1250 7.02 Frequency and Scheduling of Service. Except as set forth in Sections 7.07 (Curbside  
1251 Christmas Tree Collection), 7.09 (Bulky Waste Collection Service), and 7.11 (Curbside Used Oil  
1252 and Oil Filters Collection), curbside SFD Collection Services shall be provided one (1) time per  
1253 week on a scheduled route basis. SFD Collection Services shall be scheduled so that a SFD  
1254 Service Unit receives SFD Garbage Collection Service, SFD Recycling Collection Service, and  
1255 SFD Organic Waste Collection Service on the same Work Day.

1256 7.03 Non-Collection. Except as set forth in Sections 7.05.3 (Overages), 7.07 (Curbside  
1257 Christmas Tree Collection), 7.09 (Bulky Waste Collection Service), and 7.11 (Curbside Used Oil  
1258 and Oil Filters Collection), CONTRACTOR shall not be required to collect curbside any Garbage,

1259 Recyclable Material, or Organic Waste that is not placed in a Cart. In the event of non-collection,  
1260 CONTRACTOR shall affix to the Cart a Non-collection Notice explaining why collection was not  
1261 made. CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

1262 7.04 SFD Garbage Collection Service. This service will be governed by the following  
1263 additional terms and conditions:

1264 7.04.1 Disposal Facility. All Garbage collected as a result of performing SFD  
1265 Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility.  
1266 Failure to comply with this provision shall result in the levy of an administrative charge as specified  
1267 in this Agreement and may result in the CONTRACTOR being in default under this Agreement.

1268 7.04.2 Additional Garbage Carts. Upon notification to the CONTRACTOR by the  
1269 CITY or a Service Recipient that additional Garbage Carts are requested, the CONTRACTOR  
1270 shall deliver such Garbage Carts to such Service Recipient within five (5) Work Days.  
1271 CONTRACTOR shall be compensated for the cost of additional Garbage Carts in accordance  
1272 with the "Additional Garbage Cart" Service Rate as set forth in **Exhibit 1** or as may be adjusted  
1273 under the terms of this Agreement.

1274 7.05 SFD Recycling Collection Service. This service will be governed by the additional  
1275 following terms and conditions:

1276 7.05.1 Material Recovery Facility. All Recyclable Materials collected as a result  
1277 of performing Recycling Services shall be delivered to the Materials Recovery Facility. Failure to  
1278 comply with this provision shall result in the levy of liquidated damages as specified in this  
1279 Agreement. All expenses related to Recyclable Materials processing and marketing will be the  
1280 sole responsibility of CONTRACTOR.

1281 7.05.2 Additional Recycling Carts. CONTRACTOR shall provide additional SFD  
1282 Recycling Carts to SFD Collection Service Recipients within five (5) Work Days of request  
1283 provided that additional carts are used by Service Recipients for the purposes of setting out  
1284 additional Recyclable Materials for regular weekly Recycling Collection Service. CONTRACTOR  
1285 shall be compensated for the cost of additional Recycling Carts, in excess of two (2) Recycling  
1286 Carts offered at no charge, in accordance with the "Additional Recycling Cart" Service Rate as  
1287 set forth in **Exhibit 1** or as may be adjusted under the terms of this Agreement.

1288 7.05.3 Overages. Corrugated cardboard or other recyclable materials that will not  
1289 fit inside the Recycling Cart may be flattened, bagged and/or bundled and placed beside the  
1290 Recycling Cart.

1291 7.05.4 Recycling - Changes to Work. Should changes in law arise that necessitate  
1292 any additions or deletions to the work described herein including the type of items included as  
1293 Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into  
1294 an Agreement amendment covering such modifications to the work to be performed and the  
1295 compensation to be paid before undertaking any changes or revisions to such work.

1296 7.06 SFD Organic Waste Collection Service. This service, which includes both Green  
1297 Waste and Food Waste collected in the same Container, is to begin on the Service  
1298 Commencement Date. This service will be governed by the following terms and conditions:

1299 7.06.1 Organic Waste Processing Services. CONTRACTOR shall ensure that all  
1300 Organic Waste collected pursuant to this Agreement is diverted from the landfill in accordance  
1301 with AB 939 and any subsequent or other applicable legislation and regulations.

1302                   7.06.2 Organic Waste Processing Facility. CONTRACTOR shall deliver all  
1303 collected Organic Waste to a fully permitted Organic Waste Processing Facility or a fully permitted  
1304 Organic Waste transfer station. All expenses related to Organic Waste processing and marketing  
1305 will be the sole responsibility of CONTRACTOR.

1306                   7.06.3 Organic Waste Disposal. CONTRACTOR shall ensure that the Organic  
1307 Waste collected pursuant to this Agreement is not disposed of in a landfill, except as a residue  
1308 resulting from processing.

1309                   7.06.4 Additional Organic Waste Carts. CONTRACTOR shall provide additional  
1310 SFD Organic Waste Carts to SFD Service Recipients within five (5) Work Days of request  
1311 provided that additional carts are used by SFD Service Recipients for the purposes of setting out  
1312 additional Organic Waste Materials for regular weekly Organic Waste Collection Service.  
1313 CONTRACTOR shall be compensated for the cost of additional Organic Waste Carts, in excess  
1314 of four (4) offered Organic Waste Carts offered at no charge, in accordance with the "Additional  
1315 Organic Waste Cart" Service Rate as set forth in **Exhibit 1** or as may be adjusted under the terms  
1316 of this Agreement.

1317                   7.06.5 Bundled Organics. Branches and prunings no larger than three (3) feet  
1318 and/or two (2) inches in diameter may be tied in bundles and placed beside the Organics Cart for  
1319 collection. Individual bundles may not weigh more than fifty (50) pounds. CONTRACTOR may  
1320 not charge for bundled Organics.

1321                   7.06.6 Bagged Leaf Waste. During the leaf fall season (November 1 – January  
1322 31<sup>st</sup>), bagged leafs may be placed beside the Organics Cart for collection. Individual bags may  
1323 not weigh more than fifty (50) pounds. CONTRACTOR may not charge for Bagged Leaf  
1324 Collection.

1325                   7.06.7 Kitchen Food Waste Pails. CONTRACTOR shall provide Kitchen Food  
1326 Waste Pails to SFD Service Recipients that request them within (5) Work Days of request at no  
1327 additional cost provided that pails are used by SFD Service Recipients.

1328                   7.07 Curbside Christmas Tree Collection. CONTRACTOR shall collect Christmas trees  
1329 from all SFD Service Units as part of the SFD Organic Waste Collection Services.  
1330 CONTRACTOR shall provide this service beginning on the first Work Day after December 25 until  
1331 January 22, or dates approved by the CITY. Such collection service shall be provided for  
1332 Christmas trees placed outside of Carts on the street or curb, provided that Christmas Trees are  
1333 cut into sections no longer than five (5) feet, as well as to Christmas trees that have been cut and  
1334 placed into Organic Waste Carts by Service Recipients,

1335                   7.07.1 Contaminated Christmas Trees. Christmas trees that are flocked or  
1336 contain tinsel or other decorations may be delivered to the Disposal Facility at the discretion of  
1337 the CONTRACTOR.

1338                   7.08 Drop-off Christmas Tree Collection. CONTRACTOR shall provide Christmas tree  
1339 drop-off collection service for the two weeks following December 26 using CONTRACTOR-  
1340 provided Debris Boxes placed at locations approved by the CITY.

1341                   7.09 Bulky Waste Collection Service. This service will be governed by the following terms  
1342 and conditions:

1343                   7.09.1 Conditions of Service. The CONTRACTOR shall provide SFD Bulky Waste  
1344 Collection Service to all SFD Service Units in the Service Area whose Bulky Waste have been  
1345 placed within five (5) feet of the curb, swale, paved surface of the public or private roadway,  
1346 closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service

1347 Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S collection crew  
1348 and vehicle. Each SFD Service Unit in the Service Area shall be entitled to receive free Bulky  
1349 Waste Collection Service a maximum of two (2) collection times per Agreement Year. Bulky  
1350 Waste Collection Service shall be a combination of loose items not exceeding an approximate  
1351 equivalent of four (4) cubic yards, plus three (3) additional individual Large Items such as a TV,  
1352 couch, or water heater. White Goods and E-Waste will be included as eligible SFD Large Items.  
1353 In accordance with the "Additional Bulky Waste Collection" service rate as set in **Exhibit 1**,  
1354 CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of 1) a  
1355 single collection of over four (4) cubic yards, 2) more than two (2) Bulky Waste Collections per  
1356 year, or more than three (3) individual Large Items during any single Bulky Waste Collection.

1357 7.09.2 Frequency of Service. SFD Service Recipients must call at least forty-eight  
1358 (48) hours in advance to schedule SFD Bulky Waste Collection Service. Collection will usually  
1359 occur on the customer's regular collection day. Bulky Waste Collection shall occur no later than  
1360 ten (10) Work Days upon request for service.

1361 7.09.3 CITY Direction of Large Items. CITY reserves the right to direct  
1362 CONTRACTOR to take Large Items collected pursuant to this Section to a designated site or sites  
1363 for the purpose of permitting persons who will reuse or recycle such Large Items to obtain the  
1364 Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items or  
1365 Large Item residue remaining at the directed site or sites after reusers and recyclers have  
1366 removed reusable or recyclable Large Items. Diversion of such Large Items shall count as  
1367 diversion by CONTRACTOR for purposes of the Diversion Guarantee. CONTRACTOR shall be  
1368 entitled to an adjustment to the service rates to reflect any increased costs arising from the CITY'S  
1369 direction.

1370 7.10 On-Call Household Hazardous Waste (HHW). The CONTRACTOR shall provide on-  
1371 call Collection of HHW in accordance with **Exhibit 7**. Each SFD Service Unit in the Service Area  
1372 shall be entitled to receive free on-call HHW Collection Service a maximum of two (2) collection  
1373 times per Agreement Year. In accordance with the service rates as set in **Exhibit 1**,  
1374 CONTRACTOR shall be compensated for the cost of providing on-call HHW Collection Service  
1375 in excess of two (2) times per year to any Service Unit.

1376 7.11 Curbside Used Oil and Oil Filters Collection. The CONTRACTOR shall provide  
1377 curbside collection of used oil and oil filters as part of CONTRACTOR'S regularly scheduled SFD  
1378 Recycling Collection Service, at no charge to the SFD customers.

1379 7.11.1 Within five (5) Work Days request of Service Recipient, CONTRACTOR  
1380 shall provide Service Recipients with used oil containers and filter bags if filter bags are provided  
1381 to CONTRACTOR by CITY. Service Recipients will be allowed to recycle up to two (2) gallons of  
1382 used oil each month using this service. Used oil must be properly containerized in accordance  
1383 with CONTRACTOR'S instructions.

1384 7.12 Hard to Service Areas. Notwithstanding any term or definition set forth in this  
1385 Agreement, CONTRACTOR, at service rates as set in **Exhibit 1**, shall collect SFD Garbage,  
1386 Recyclable Materials, Organic Waste, and Bulky Waste from a SFD Service Unit where  
1387 topography, street conditions, or limited street access prevents CONTRACTOR'S collection  
1388 vehicle access for Collecting Garbage, Recycling, Organic Waste, and Large Items for collection.

1389 7.13 SFD Temporary Bin Collection Service. Within five (5) Work Days request by a SFD  
1390 Service Unit for a Temporary Bin, CONTRACTOR shall provide a Temporary Bin at the Service  
1391 Unit. Such SFD Temporary Bin Collection Service shall be on a temporary basis not to exceed  
1392 seven (7) days without collection, emptying, and replacement of the Temporary Bin.



1393 7.13.1 Charges for Temporary Bin shall be in accordance with **Exhibit 1** of this  
1394 Agreement.

1395 7.13.2 The CONTRACTOR shall provide SFD Temporary Bin Collection Services  
1396 with as little disturbance as possible without obstructing alleys, roadways, driveways, sidewalks,  
1397 or mail boxes. CONTRACTOR shall only place Temporary Bins in strict adherence with the  
1398 CITY'S right-of-way requirements and Municipal Code.

## 1399 ARTICLE 8. MFD Collection Services

1400 8.01 MFD Collection Services. These services will be governed by all conditions of  
1401 service as specified in Article 9 of this Agreement, with the following additional services:

1402 8.01.1 Kitchen Food Waste Pails. Upon request, CONTRACTOR shall provide  
1403 one (1) Kitchen Food Waste Pail to each MFD Service Unit. This program will be implemented in  
1404 accordance with the Diversion, Outreach and Education Plan outlined in **Exhibit 6**.

1405 8.01.2 Organics Collection from SFD OR MFD Service Units that receive Cart  
1406 service, but do not generate Green Waste. CONTRACTOR shall provide collection of Organics  
1407 from all SFD and MFD Service Units that do not generate Green Waste and are not serviced with  
1408 individual Green Waste Carts provided by CONTRACTOR. Collection shall be done at least  
1409 weekly, with collection frequency, Container type and size, and location of collection Containers  
1410 to be agreed on between CONTRACTOR and Service Recipient or Service Unit management as  
1411 appropriate. CONTRACTOR shall not charge for this service.

1412 8.01.3 MFD Bulky Waste Collection Service. This service will be governed by the  
1413 following terms and conditions:

1414 8.01.3.1 Conditions of Service. The CONTRACTOR shall provide  
1415 MFD Bulky Waste Collection Service to all MFD Service Units in the Service Area whose Bulky  
1416 Waste have been placed within five (5) feet of the curb, swale, paved surface of the public or  
1417 private roadway, closest accessible roadway, or other such location agreed to by the  
1418 CONTRACTOR and MFD Service Unit management, that will provide safe and efficient  
1419 accessibility to the CONTRACTOR'S collection crew and vehicle. Each MFD Service Recipient  
1420 in the Service Area shall be entitled to receive free Bulky Waste Collection Service a maximum  
1421 of two (2) times per Agreement Year. Bulky Waste Collection Service shall be a combination of  
1422 loose items not exceeding an approximate equivalent of 0.5 cubic yards, plus three (3) additional  
1423 individual Large Items such as a TV, couch, or mattress for each Service Unit in the MFD complex.  
1424 White Goods and E-Waste will be included as eligible MFD Large Items. In accordance with the  
1425 "Additional Bulky Waste Collection" service rate as set in **Exhibit 1**, CONTRACTOR shall be  
1426 compensated for the cost of Collecting Large Items in excess of the limits set above.

1427 8.01.3.2 Frequency of Service. MFD Service Unit management must  
1428 call at least forty-eight (48) hours in advance to schedule MFD Bulky Waste Collection Service.  
1429 Collection will occur on the day agreed to between the MFD Service Unit management and  
1430 CONTRACTOR.

1431 8.01.3.3 CITY Direction of Large Items. CITY reserves the right to  
1432 direct CONTRACTOR to take Large Items collected pursuant to this Section to a designated site  
1433 or sites for the purpose of permitting persons who will reuse or recycle such Large Items to obtain  
1434 the Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items  
1435 or Large Item residue remaining at the directed site or sites after reusers and recyclers have  
1436 removed reusable or recyclable Large Items. Diversion of such Large Items shall count as

1437 diversion by CONTRACTOR for purposes of the Diversion Guarantee. CONTRACTOR shall be  
1438 entitled to an adjustment to the service rates to reflect any increased costs arising from the CITY'S  
1439 direction.

1440 8.01.4 Drop-off Christmas Tree Collection. CONTRACTOR shall provide  
1441 Christmas tree drop-off collection service for the two weeks following December 26 using  
1442 CONTRACTOR-provided Debris Boxes placed at locations approved by the CITY.

1443 8.02 On-Call Household Hazardous Waste (HHW). The CONTRACTOR shall provide on-  
1444 call Collection of HHW in accordance with **Exhibit 7**. Each MFD complex in the Service Area shall  
1445 be entitled to receive free on-call HHW Collection Service, a maximum of two (2) collection times  
1446 per Agreement Year. Collection locations and times shall be agreed on between CONTRACTOR  
1447 and Service Recipient or Service Unit management as appropriate. In accordance with the service  
1448 rates as set in **Exhibit 1**, CONTRACTOR shall be compensated for the cost of providing on-call  
1449 HHW Collection Service in excess of two (2) times per year to any Service Unit.

## 1450 ARTICLE 9. Commercial Collection Services

1451 9.01 Commercial Collection Services. These services will be governed by the  
1452 following terms and conditions:

1453 9.01.1 Conditions of Service. The CONTRACTOR shall provide Commercial  
1454 Garbage Collection Service, and if subscribed for, CONTRACTOR shall offer Commercial  
1455 Recycling Collection Service, and Commercial Organic Waste Collection Service to all  
1456 Commercial Service Units in the Service Area whose Garbage, Recyclable Materials, and Organic  
1457 Waste are properly containerized in Bins or Carts as appropriate where the Bins or Carts are  
1458 accessible as set forth in Section 9.01.3. CONTRACTOR shall offer Garbage Carts in 32, 64 and  
1459 96 gallon cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon cart  
1460 sizes, with 32 gallon Recyclable Materials and Organic Waste Carts available on request.  
1461 CONTRACTOR shall offer Garbage and Recyclable Materials in 1, 2, 3, 4, 5 and 6 cubic yard  
1462 sizes. CONTRACTOR shall offer Organic Waste in 1, 2, and 3 cubic yard sizes. The size of the  
1463 container and the frequency (above the minimum) of collection shall be determined between the  
1464 Service Recipient and the CONTRACTOR. However, the size and frequency shall be sufficient  
1465 to provide that no Garbage, Recyclable Materials, or Organic Waste Materials need be placed  
1466 outside the Bin or Cart.

1467 9.01.2 Required Recyclables Materials Capacity. CONTRACTOR shall offer  
1468 Commercial Recycling Collection Service to all Commercial Service Units in the Service Area at  
1469 no additional cost. For each Service Unit, CONTRACTOR shall offer a minimum capacity of 90  
1470 gallons of Commercial Recycling Collection Service.

1471 9.01.3 Accessibility. CONTRACTOR shall collect all Garbage, Recycling, or  
1472 Organic Waste Bins or Carts that are readily accessible to the CONTRACTOR'S crew and  
1473 vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary  
1474 during the provision of Commercial Collection Services. Push services shall include, but not be  
1475 limited to moving manually or by a specialized "scout" truck the Bins or Carts from their storage  
1476 location for Collection and returning the Bins or Carts to their storage location.

1477 9.01.4 Manner of Collection. The CONTRACTOR shall provide Commercial  
1478 Collection Service with as little disturbance as possible and shall leave any Bin or Cart at the  
1479 same point it was originally located without obstructing alleys, roadways, driveways, sidewalks or  
1480 mail boxes.

1481           9.02 Commercial Garbage Collection Service.

1482                   9.02.1 Conditions of Service. The CONTRACTOR shall provide Commercial  
1483 Garbage Collection Service to all Commercial Service Units in the Service Area whose  
1484 Commercial Garbage is properly containerized in Garbage Bins or Carts, where the Garbage Bins  
1485 or Carts are accessible.

1486                   9.02.2 Disposal Facility. All Commercial Garbage collected as a result of  
1487 performing Commercial Garbage Collection Services shall be transported to, and disposed of, at  
1488 the Disposal Facility. Failure to comply with this provision shall result in the levy of an  
1489 administrative charge as specified in this Agreement and may result in the CONTRACTOR being  
1490 in default under this Agreement.

1491                   9.02.3 Size and Frequency of Service. This service shall be provided as deemed  
1492 necessary and as determined between the CONTRACTOR and the customer, but such service  
1493 shall be received no less than one (1) time per week with no exception for holiday(s) as set forth  
1494 herein, except that Collection Service scheduled to fall on a holiday may be rescheduled as  
1495 determined between the customer and the CONTRACTOR as long as the minimum frequency  
1496 requirement is met. Service may be provided by Bin or Cart at the option of the customer. The  
1497 size of the container and the frequency (above the minimum) of Collection shall be determined  
1498 between the customer and the CONTRACTOR. However, size and frequency shall be sufficient  
1499 to provide that no Commercial Garbage need be placed outside the Bin or Cart. The  
1500 CONTRACTOR shall provide containers as part of the Commercial Collection Service rates set  
1501 forth in **Exhibit 1**, however, customers may own their Compactor provided that the customer is  
1502 completely responsible for its proper maintenance and that such Compactor shall be of a type  
1503 that can be serviced by the CONTRACTOR'S equipment.

1504                   9.02.4 Non-Collection. CONTRACTOR shall not be required to collect any  
1505 Commercial Garbage that is not placed in a Garbage Bin or Cart. CONTRACTOR shall also not  
1506 be required to collect any Container that is blocked by debris, or if there is otherwise any type of  
1507 obstruction that prevents CONTRACTOR from accessing the Container for collection. In the event  
1508 of non-collection, CONTRACTOR shall provide Notice to the Service Recipient explaining why  
1509 collection was not made.

1510           9.03 Commercial Recycling Collection Service. This service will be governed by the  
1511 following terms and conditions:

1512                   9.03.1 Conditions of Service. The CONTRACTOR shall offer Commercial  
1513 Recycling Collection Service to all Commercial Service Units in the Service Area whose  
1514 Recyclable Materials are properly containerized in Recycling Bins or Carts, except as set forth  
1515 below, where the Recycling Bins or Carts are accessible. CONTRACTOR may not charge for  
1516 collection of Recyclable Materials. Commercial Recycling Collection will occur Monday through  
1517 Friday, and on Saturdays upon request and as necessary. CONTRACTOR will follow the  
1518 Diversion, Outreach and Education Plan as outlined In **Exhibit 6**.

1519                   9.03.2 Material Recovery Facility. All Recyclable Materials collected as a result  
1520 of performing Commercial Recycling Services shall be delivered to the Material Recovery Facility.  
1521 Failure to comply with this provision shall result in the levy of liquidated damages as specified in  
1522 this Agreement. All expenses related to Recyclable Materials processing and marketing will be  
1523 the sole responsibility of CONTRACTOR.

1524                   9.03.3 Size and Frequency of Service. This Service shall be provided as deemed  
1525 necessary and as determined between the CONTRACTOR and the customer, but such service  
1526 shall be received no less than one (1) time per week with no exception for holiday(s) as set forth

1527 herein, except that collection service scheduled to fall on a holiday may be rescheduled as  
1528 determined between the customer and the CONTRACTOR as long as the minimum frequency  
1529 requirement is met. Service may be provided by Bin or Cart at the option of the customer. The  
1530 size of the container and the frequency (above the minimum) of collection shall be determined  
1531 between the customer and the CONTRACTOR. However, size and frequency shall be sufficient  
1532 to provide that no Recyclable Materials need be placed outside the Bin or Cart. Customers may  
1533 own their Compactor provided that the customer is completely responsible for its proper  
1534 maintenance and such Compactor shall be of a type that can be serviced by the CONTRACTOR'S  
1535 equipment.

1536 9.03.4 Additional Recycling Bins or Carts. CONTRACTOR shall provide  
1537 additional Commercial Recycling Bins and Carts to Commercial Service Recipients within five (5)  
1538 Work Days of request provided that additional bins and carts are used by Commercial Service  
1539 Recipients for the purposes of setting out additional Recyclable Materials for regular weekly  
1540 Recycling Collection Service.

1541 9.04 Commercial Organic Waste Service. This service will be governed by the following  
1542 terms and conditions:

1543 9.04.1 Non-Exclusive Service. CONTRACTOR and CITY acknowledge that as of  
1544 the Service Commencement Date, CONTRACTOR does not have the right of exclusive collection  
1545 of Commercial Organic Waste but at some future date this service may become exclusive to  
1546 CONTRACTOR in accordance with Section 3.01 of this Agreement.

1547 9.04.2 Conditions of Service. Regardless of Section 9.04.1 above,  
1548 CONTRACTOR shall offer Commercial Organic Waste Collection Service to all Commercial  
1549 Service Units in the Service Area whose Organic Waste materials are properly containerized in  
1550 Organic Waste Bins, Carts, or Compactors except as set forth below, where the Organic Waste  
1551 Bins, Carts, or Compactors are accessible. CONTRACTOR, and not CITY shall bill and collect  
1552 payments for this Commercial Organic Waste Service at rates agreed to between CONTRACTOR  
1553 and Service Recipient. CONTRACTOR agrees that not all Commercial and MFD Service Units  
1554 will elect to receive Organic Waste Collection Service in Carts, and that CONTRACTOR will  
1555 provide Organic Waste Collection Bins upon request and as necessary. Further, CONTRACTOR  
1556 agrees that there are several Commercial Service Units that utilize Compactors for collection or  
1557 Organic Waste, and that CONTRACTOR will provide a sufficient number of Carts or Bins and at  
1558 a collection frequency to allow for any such Commercial Service Unit to utilize the collection of  
1559 Organic Waste. Commercial Organic Waste Collection will occur Monday through Friday, and on  
1560 Saturdays upon request and as necessary.

1561 9.04.3 Compliance with AB 1826. As outlined in **Exhibit 6**, The CONTRACTOR  
1562 will develop and implement an organic waste recycling program consistent with the AB 1826  
1563 schedule, to be approved by the CITY. The CONTRACTOR will notify covered businesses of the  
1564 requirements to comply with the law starting July 1, 2017. The CONTRACTOR will provide the  
1565 volume of collection service that covered businesses require in order to be in compliance with the  
1566 law.

1567 9.04.4 Organic Waste Processing Facility. All Organic Waste collected as a  
1568 result of performing Commercial Collection Services shall be delivered to the Organic Waste  
1569 Processing Facility. Failure to comply with this provision shall result in the levy of an  
1570 administrative charge as specified in this Agreement and may result in the CONTRACTOR being  
1571 in default under this Agreement. All expenses related to Organic Waste processing and marketing  
1572 will be the sole responsibility of CONTRACTOR.

1573 9.04.5 Size and Frequency of Service. This service shall be provided as deemed  
1574 necessary and as determined between the CONTRACTOR and the customer, but such service  
1575 shall be received no less than one (1) time per week with no exception for holiday(s) as set forth  
1576 herein, except that Collection Service scheduled to fall on a holiday may be rescheduled as  
1577 determined between the customer and the CONTRACTOR as long as the minimum frequency  
1578 requirement is met. Service may be provided by Bin or Cart at the option of the customer. The  
1579 size of the container and the frequency (above the minimum) of collection shall be determined  
1580 between the customer and the CONTRACTOR.

1581 9.04.6 Additional Organic Waste Bins or Carts. CONTRACTOR shall provide  
1582 additional Commercial Organic Waste Bins and Carts to Commercial Service Recipients as  
1583 agreed to between CONTRACTOR and Service Recipient.

## 1584 ARTICLE 10. CITY Collection And Other Services

1585 10.01 CITY Collection Services. At no cost to the CITY, CONTRACTOR shall provide  
1586 Garbage, Recycling, and Organic Waste Collection Service to the City Service Units listed in  
1587 **Exhibit 3**, at the volume and frequency set forth in **Exhibit 3**. CITY may change the City Service  
1588 Units receiving service and the volume and frequency of service by written notice to  
1589 CONTRACTOR, provided the change does not increase CONTRACTOR'S total annual cost of  
1590 providing services to City Service Units, which as of July 1, 2017, is set at **Forty-one Thousand**  
1591 **Five Hundred Dollars (\$41,500.00)** per agreement year. This amount shall be adjusted by the  
1592 same percentage change as the changes in CONTRACTOR's Compensation in accordance with  
1593 Article 4. Service may be provided by Bin, Cart, or Debris Box at the option of the CITY.  
1594 CONTRACTOR shall offer Garbage Carts in 32, 64 and 96 gallon cart sizes and Bins in 1, 2, 3,  
1595 4, 5 and 6 cubic yard sizes, and Recyclable Materials and Organic Waste Carts in 32, 64 and 96  
1596 gallon cart sizes and Bins in 1, 2, 3, and 4 cubic yard sizes (and 5 and 6 yard for Recyclable  
1597 Materials). CONTRACTOR shall offer Debris Boxes in 10 – 40 cubic yard sizes. The volume,  
1598 location, and collection frequency of Debris Box service shall be determined between CITY and  
1599 CONTRACTOR. CONTRACTOR shall not include the cost of collection of Recyclable Materials  
1600 or Organic Waste collected in Carts or Bins as part of the CONTRACTOR's total annual cost of  
1601 City Services as specified in this Section.

1602 10.02 Abandoned Waste Notification. CONTRACTOR shall direct its collection vehicle  
1603 drivers to note (i) the addresses of any premises at which the driver observes that Garbage,  
1604 Recyclable Material, and/or Organic Waste Material is accumulating; and (ii) the address, or other  
1605 location description, at which Garbage, Recyclable Material, and/or Organic Waste has been  
1606 dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address or  
1607 description to CITY within two (2) Work Days of such observation.

1608 10.03 Accessibility. CONTRACTOR shall collect all Carts and Bins that are readily  
1609 accessible to the CONTRACTOR'S crew and vehicles and not blocked. However,  
1610 CONTRACTOR shall provide "push services" as necessary during the provision of CITY  
1611 Collection Services. Push services shall include, but not be limited to, dismounting from the  
1612 collection vehicle, moving the bins or carts from their storage location for collection and returning  
1613 the bins or carts to their storage location.

1614 10.04 Notification. The CONTRACTOR will notify the City Representative daily, by Fax  
1615 and e-mail, of all situations that prevent or hinder collection from any City Service Unit, unless  
1616 otherwise directed by CITY.

1617 10.05 School Recycling Program. CONTRACTOR shall provide a school recycling  
1618 program that includes on-site classroom visits, internships, written and electronic materials, and  
1619 sponsorship of environmental field trips. CONTRACTOR is responsible for all costs associated  
1620 with CONTRACTORS'S School Recycling Program.

1621 10.06 City Special Events Program. CONTRACTOR shall provide a special events  
1622 program, at a value of approximately **Twenty Five Thousand Dollars (\$25,000.00)** per year. The  
1623 total annual value of this program will be escalated annually by the same percentage change as  
1624 the percentage change in CONTRACTOR's Compensation. The specific special events will be  
1625 done as directed by the CITY.

1626 10.07 Greenhouse Gas (GHG) Emissions and Carbon Footprint Tracking. Once each  
1627 year during the term of the Agreement, CONTRACTOR, at its sole expense, will provide to the  
1628 CITY a carbon emissions inventory for CONTRACTOR'S waste and recyclables related  
1629 operations in connection with performance of services under the Agreement, including estimated  
1630 emissions and sinks associated with materials placed in the Disposal Facility and energy savings  
1631 associated with the collection and processing of the recyclables collected by its operations in the  
1632 CITY. The annual carbon emissions inventory will be provided as part of CONTRACTOR'S  
1633 Annual Report described in Section 16.02.2.

## 1634 ARTICLE 11. Collection Routes

1635 11.01 Collection Route Changes. The CONTRACTOR shall submit to the CITY, in  
1636 writing, any proposed route change (including maps thereof) not less than sixty (60) calendar  
1637 days prior to the proposed date of implementation. To the extent possible, CONTRACTOR will  
1638 provide the map data in an electronic format that is compatible with the format used by the CITY.  
1639 The CONTRACTOR shall not implement any route changes to SFD Service Recipients without  
1640 the prior review of the City Representative. If the route change will change the collection day for  
1641 a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route  
1642 changes not less than thirty (30) days before the proposed date of implementation.

## 1643 ARTICLE 12. Collection Vehicles

1644 12.01 General Provisions. All Cart and Bin collection vehicles used by CONTRACTOR  
1645 in the performance of services under this Agreement shall be of a high quality. CONTRACTOR  
1646 shall replace its current Collection vehicles in accordance with the replacement schedule set forth  
1647 in **Exhibit 8**. CONTRACTOR shall operate CNG fueled collection vehicles, and shall utilize its  
1648 CNG fueled collection vehicles to provide Collection services beginning on the Service  
1649 Commencement Date; this CNG requirement will not apply to backup trucks or trucks typically  
1650 used for manual collection (e.g., Bulky Items).

1651 12.02 Vehicle Registration, Licensing and Inspection. Upon request by the CITY,  
1652 CONTRACTOR shall submit documentation to the CITY Representative to verify that each of the  
1653 CONTRACTOR'S collection vehicles is in compliance with all registration, licensing and  
1654 inspection requirements of the state, federal and local governmental agencies.. CONTRACTOR  
1655 shall not use any vehicle to perform Collection Services that is not in compliance with applicable  
1656 registration, licensing and inspection requirements. Each vehicle shall comply, at all times, with  
1657 all applicable statutes, laws or ordinances of any public agency.

1658 12.03 Clean Air Vehicles. During the term of this Agreement, to the extent required by  
1659 law, CONTRACTOR shall provide for its collection vehicles to be in full compliance with all then-  
1660 applicable local, State and federal clean air requirements, including, but not limited to, the

1661 California Air Resources Board Heavy Duty Engine Standards; the Federal EPA's Highway Diesel  
1662 Fuel Sulfur regulations, and any other applicable air pollution control.

1663 12.04 On-Board Global Positioning Systems (GPS). CONTRACTOR'S collection  
1664 vehicles shall be equipped with on-board GPS systems that are linked to CONTRACTOR'S  
1665 customer service systems.

1666 12.05 Vehicle Noise Level. All collection operations shall be conducted as quietly as  
1667 possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR  
1668 Part 205, and other applicable State, County, and CITY noise control regulations.

1669 12.06 Safety Equipment. All collection equipment used by CONTRACTOR shall have  
1670 appropriate safety markings including, but not limited to, highway lighting, flashing and warning  
1671 lights, clearance lights, and warning flags. All such safety markings shall be subject to the  
1672 approval of the CITY (if different from the markings commonly used by CONTRACTOR) and shall  
1673 be in accordance with the requirements of the California Vehicle Code, as may be amended from  
1674 time to time. All collection vehicles shall be equipped with audible back-up warning devices and  
1675 back-up warning devices.

1676 12.07 Vehicle Signage and Painting. Unless otherwise agreed to with the CITY,  
1677 Collection vehicles shall have signage in letters of contrasting color, at least four (4) inches high,  
1678 on each side and the rear of each vehicle that clearly states the CONTRACTOR'S name, the  
1679 CONTRACTOR'S customer service telephone number, and the number of the vehicle. No  
1680 advertising shall be permitted other than the name of the CONTRACTOR except promotional  
1681 advertisement of the Recyclable Materials and Organic Waste programs. CONTRACTOR shall  
1682 repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency  
1683 as necessary to maintain a positive public image as reasonably determined by the City  
1684 Representative, but CONTRACTOR shall not be required to repaint any vehicle more than once  
1685 every eight (8) years.

1686 12.08 Vehicle Maintenance. CONTRACTOR shall maintain collection vehicles in a clean  
1687 condition and in good repair at all times and ensure that no collected materials, oil, grease, or  
1688 other substances will blow, fall out, escape or leak out of the vehicle, with the exceptions of vehicle  
1689 emission. All parts and systems of the collection vehicles shall operate properly and be  
1690 maintained in a condition reasonably satisfactory to CITY. CONTRACTOR shall wash all  
1691 collection vehicles in a frequency to maintain a clean appearance.

1692 12.09 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all  
1693 collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon  
1694 request of City Representative, and shall show, at a minimum, each vehicles' CONTRACTOR  
1695 assigned identification number, date purchased or initial lease, dates of performance of routine  
1696 maintenance, dates of performance of any additional maintenance, and description of additional  
1697 maintenance performed.

1698 12.10 Equipment Inventory. On or before August 1, 2017, and by January 30<sup>th</sup> annually  
1699 thereafter as part of the CONTRACTOR'S annual report to the CITY, CONTRACTOR shall  
1700 provide to CITY an inventory of collection vehicles and major equipment used by CONTRACTOR  
1701 for collection or transportation and performance of services under this Agreement. The inventory  
1702 shall indicate each collection vehicle by CONTRACTOR assigned identification number, DMV  
1703 license number, the age of the chassis and body, type of fuel used, the type and capacity of each  
1704 vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the  
1705 maintenance status. CONTRACTOR shall submit to the City Representative, either by Fax or e-  
1706 mail, an updated inventory annually to the CITY or more often at the request of the City

1707 Representative. Each vehicle inventory shall be accompanied by a certification signed by  
1708 CONTRACTOR that all collection vehicles meet the requirements of this Agreement.

1709 12.11 Reserve Equipment. The CONTRACTOR shall have available to it, at all times,  
1710 reserve collection equipment. Such reserve equipment shall have adequate capacity to perform  
1711 the contractual duties.

## 1712 ARTICLE 13. Customer Service

1713 13.01 Customer Service Program. CONTRACTOR shall provide all customer service  
1714 functions, and shall develop, implement, and maintain a Customer Service Program to ensure  
1715 that all services provided under this Agreement are provided at high quality. CONTRACTOR'S  
1716 Customer Service Plan is attached as **Exhibit 5** of this Agreement.

1717 13.02 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that  
1718 provides toll-free telephone access to residents and businesses of the CITY and is staffed by  
1719 trained and experienced Customer Service Representatives (CSRs). Such office shall be  
1720 equipped with sufficient telephones that all Collection Service related calls received during normal  
1721 business hours are answered and shall have responsible persons in charge during collection  
1722 hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on regularly  
1723 scheduled Work Days (Monday through Friday) and when service is scheduled to be provided on  
1724 Saturdays. The CONTRACTOR shall provide either a telephone answering service or mechanical  
1725 device to receive Service Recipient inquiries during those times when the office is closed. Calls  
1726 received after normal business hours shall be addressed the next Work Day morning.

1727 13.03 Emergency Contact. The CONTRACTOR shall provide the CITY Representative  
1728 with an emergency phone number where the CONTRACTOR can be reached outside of the  
1729 required office hours with a two (2) hour response time.

1730 13.04 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability  
1731 of responding to telephone calls in English and Spanish.

1732 13.05 Service Recipient Calls. During office hours, CONTRACTOR shall maintain  
1733 a telephone answering system capable of accepting at least ten (10) incoming calls at one (1)  
1734 time. CONTRACTOR shall record all calls including any inquiries, service requests and  
1735 complaints into a customer service log

1736 13.05.1 Response to Calls. Response protocol procedures are outlined in  
1737 **Exhibit 5**.

1738 13.06 Website. CONTRACTOR shall develop and maintain a website dedicated to  
1739 services provided in the CITY that is accessible by the public. The web site shall include answers  
1740 to frequently asked questions, listing and description of Recyclable Materials and Organic Waste,  
1741 Collection Service schedules and maps, and other related topics. CONTRACTOR shall arrange  
1742 for the CITY'S website to include an e-mail link to CONTRACTOR and a link to CONTRACTOR'S  
1743 website. The CONTRACTOR'S website shall provide the public the ability to e-mail complaints to  
1744 CONTRACTOR. The CONTRACTOR'S website shall also provide customers with the ability to  
1745 request changes to service volume and collection frequency, and also the ability to request special  
1746 services including Bulky Waste Collection. CONTRACTOR'S website shall also promote reuse  
1747 and recycling, including graphics and statistics illustrating the CITY'S progress toward becoming  
1748 a Sustainable Community, resources the community can use to support Sustainability efforts,  
1749 other CITY'S environmental programs, and other materials as requested by the CITY. The CITY  
1750 shall review with CONTRACTOR any changes to CONTRACTOR'S current website.



1751 **ARTICLE 14. Public Outreach Services**

1752           14.01 Public Outreach Services. CONTRACTOR, at its own expense, shall prepare,  
1753 submit and implement an annual (Agreement Year) Public Education Plan that incorporates key  
1754 features of CONTRACTOR'S Diversion, Outreach and Education Plan (**Exhibit 6**). The proposed  
1755 action plans must be submitted annually for CITY approval no later than August 1, 2017, and no  
1756 later than January 30<sup>th</sup> each Agreement Year thereafter as part of the CONTRACTOR'S annual  
1757 report to the CITY. The program must include specific steps designed to increase diversion and  
1758 participation, for the CITY'S residents, businesses and Public Schools, and must include at a  
1759 minimum four (4) annual campaigns, which may include billing inserts, newsletters, participation  
1760 at public events, and sponsorship of Earth Day activities. Campaigns should target certain  
1761 diverted materials or "problem" areas of the CONTRACTOR'S Service Area where improvements  
1762 can be maximized. Targets of outreach should be based on local trends and recycling patterns  
1763 based on information obtained by both the City Representative and CONTRACTOR staff. The  
1764 CONTRACTOR shall provide space in CONTRACTOR'S public outreach materials, such as  
1765 mailers, flyers and newsletters, for the CITY to include announcements, community information,  
1766 articles, and photographs. The Public School campaigns shall correspond with the school year  
1767 and should target student, faculty and staff participation in the diversion of Recyclable Materials  
1768 and Organic Waste.

1769           14.02 Sustainability Support Staff. CONTRACTOR will provide for staff resources to  
1770 support the CITY's for waste diversion and sustainability programs, including performing  
1771 commercial waste audits and outreach and support to commercial and multi-family accounts.  
1772 General sustainability support activities are as follows:

1773                   14.02.1           Sustainability service activities with the CITY will include activities  
1774 such as establishing recycling goals, developing educational and promotional materials, and  
1775 performing recycling audits with commercial and multifamily customers. The CITY and the  
1776 CONTRACTOR will develop in cooperation with one another, measurable goals for the  
1777 Company's Recycling Program and sustainability services. CONTRACTOR will be responsible  
1778 for recycling and organic outreach, in effort to educate customers on AB341 and AB1826.  
1779 CONTRACTOR will focus their efforts on ensuring that the customers are equipped with the  
1780 information needed to meet the CITY's diversion rate, which will include public outreach and  
1781 education. The CONTRACTOR may supplement staff for the sustainability services with other  
1782 employees of the CONTRACTOR who have skills and experience useful for the CITY's efforts  
1783 regarding the waste reduction, waste diversion, Recycling, and Customer education programs.

1784                   14.02.2           Waste Diversion and Sustainability Support Work Plans. The CITY  
1785 and the CONTRACTOR will collaboratively develop specific annual work plans to guide the waste  
1786 diversion and sustainability support staff's work efforts. To accomplish this, the CONTRACTOR  
1787 will submit their proposed Waste Diversion and Sustainability Work Plan for the coming year as  
1788 part of their Annual Reports submitted in accordance with Section 16.02.2. The CITY may then  
1789 confirm and/or working collaboratively with the CONTRACTOR revise the Waste Diversion and  
1790 Sustainability Annual Work Plan.

1791           14.03 Annual Collection Service Notice. Each Agreement Year during the term of this  
1792 Agreement, the CONTRACTOR shall publish and distribute separate notices to all SFD Service  
1793 Units regarding the SFD Collection Service, to all MFD Service Units regarding MFD collect  
1794 Service, and to all Commercial Service Units regarding Commercial Collection Service. To the  
1795 extent appropriate, based on the category of customer receiving the notice, it shall contain at a  
1796 minimum: definitions of the materials to be collected, procedures for setting out the materials,  
1797 collection and disposal options for unacceptable materials such as Hazardous Waste, maps of

1798 the Service Area indicating the day of the week that Collection Service will be provided, and the  
1799 CONTRACTOR customer service phone number and website address. The notice shall be  
1800 provided in English, and shall be distributed by the CONTRACTOR no later than December 1<sup>st</sup>  
1801 each Agreement Year.

1802           14.04 Additional Outreach Programs and Services. CONTRACTOR shall provide  
1803 additional public outreach services and programs as requested by CITY at a price to be mutually  
1804 agreed upon between the CONTRACTOR and the City Representative and included in Maximum  
1805 Rates. In the event the CONTRACTOR and the City Representative cannot reach a mutually  
1806 agreed upon price for the requested service or program, CITY shall have the right to procure the  
1807 service of other vendors or contractors to provide the requested public outreach service.

1808           14.05 News Media Relations. When practicable, CONTRACTOR shall notify the City  
1809 Representative by Fax, e-mail or phone of all requests for news media interviews related to the  
1810 Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the  
1811 request. When practicable, before responding to any inquiries involving controversial issues or  
1812 any issues likely to affect participation or Service Recipient perception of services,  
1813 CONTRACTOR will discuss CONTRACTOR'S proposed response with the City Representative.

1814                   14.05.1           Copies of draft news releases or proposed trade journal articles  
1815 related to the Collection Services program shall be submitted to CITY for prior review and approval  
1816 at least five (5) Work Days in advance of release, except where CONTRACTOR is required by  
1817 any law or regulation to submit materials to any regulatory agency in a shorter period of time, in  
1818 which case CONTRACTOR shall submit such materials to CITY simultaneously with  
1819 CONTRACTOR'S submittal to such regulatory agency.

1820                   14.05.2           Copies of articles related to the Collection Services program  
1821 resulting from media interviews or news releases shall be provided to the CITY within five (5)  
1822 Work Days after publication.

## 1823 ARTICLE 15. Emergency Service Provisions

1824           15.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire,  
1825 natural disaster, or other such event, the City Representative may grant the CONTRACTOR a  
1826 variance from regular routes and schedules. As soon as practicable after such event, the  
1827 CONTRACTOR shall advise the City Representative when it is anticipated that normal routes and  
1828 schedules can be resumed. The City Representative shall make an effort through the local news  
1829 media to inform the public when regular services may be resumed. The clean-up from some  
1830 events may require that the CONTRACTOR hire additional equipment, employ additional  
1831 personnel, or work existing personnel on overtime hours to clean debris resulting from the event.  
1832 The CONTRACTOR shall receive additional compensation, above the normal compensation  
1833 contained in this Agreement, to cover the costs of rental equipment, additional personnel,  
1834 overtime hours and other documented expenses based on the rates set forth in **Exhibit 1** to this  
1835 Agreement provided the CONTRACTOR has first secured written authorization and approval from  
1836 the CITY through the City Representative.

## 1837 ARTICLE 16. Record Keeping & Reporting Requirements

1838           16.01 Record Keeping.

1839                   16.01.1           Accounting Records. CONTRACTOR shall maintain full and  
1840 complete financial, statistical and accounting records as required by this Agreement. Such

1841 records shall be subject to audit and inspection with prior sixty (60) written request by the CITY.  
1842 These records shall be distinguished from other records maintained by CONTRACTOR for the  
1843 provision of other services outside the scope of this Agreement. CONTRACTOR shall maintain  
1844 and preserve all applicable records for a period of not less than five (5) years following the close  
1845 of each of the CONTRACTOR'S fiscal years.

1846                   16.01.2       Tonnage Records. CONTRACTOR shall maintain records of the  
1847 quantities of (i) Garbage, Recyclable Material, and Organic Waste collected, processed,  
1848 composted, and disposed under the terms of this Agreement, and (ii) Recyclable Materials and  
1849 Organic Waste, by material type, purchased, sold, donated or given for no compensation, and  
1850 residue disposed.

1851                   16.01.3       Records. CONTRACTOR shall maintain all other records  
1852 reasonably related to provision of Collection Services, whether or not specified in this Article 16  
1853 or elsewhere in the Agreement.

1854                   16.02 Reporting Requirements. Quarterly reports shall be submitted to the City  
1855 Representative no later than thirty (30) calendar days after the end of the reporting quarter and  
1856 annual reports shall be submitted to the City Representative no later than thirty (30) days after  
1857 the end of each preceding Agreement Year. Quarterly and annual reports shall be submitted in  
1858 hard copy, and shall be provided electronically via e-mail, or a compact disc using software  
1859 acceptable to the CITY. Reports shall be submitted in a format mutually agreed upon between  
1860 the CITY and CONTRACTOR.

1861                   16.02.1       Quarterly Reports. Quarterly reports to the CITY shall include:

1862                               16.02.1.1   Garbage Data. A listing of the tonnage from all Collection  
1863 Services, including Bulky Waste Collection Service, collected, diverted and disposed by the  
1864 CONTRACTOR at the Disposal Facility for the preceding quarter sorted between SFD, MFD,  
1865 Commercial and City Service Units. All tonnage data should be compared to the corresponding  
1866 tonnage data from the prior year comparable period.

1867                               16.02.1.2   Recycling Data. The number of gross tons collected and  
1868 processed for SFD, MFD, City and Commercial Recycling Collection Service, including  
1869 Recyclable Materials collected as part of Bulky Waste Collection Service, for the preceding  
1870 quarter. Indicate totals and location for residue disposed. All tonnage data should be compared  
1871 to the corresponding tonnage data from the prior year comparable period.

1872                               16.02.1.3   Organic Waste Data. The number of gross tons collected  
1873 for SFD, MFD, City and Commercial Organic Collection Service, including Green Waste collected  
1874 as part of Bulky Collection Service, for the preceding quarter. Indicate the number of Organic  
1875 Waste Bins, Carts, Compactors, and Kitchen Food Waste Pails distributed by size and Service  
1876 Unit type. Indicate totals and location for residue disposed. All tonnage data should be compared  
1877 to the corresponding tonnage data from the prior year comparable period.

1878                               16.02.1.4   Diversion Rate. CONTRACTOR shall provide  
1879 documentation stating and supporting the calendar quarter's diversion rate, as calculated in  
1880 accordance with the provisions of Article 5.

1881                               16.02.1.5   Public Education and Information Activities. CONTRACTOR  
1882 shall report on all public education and information activities undertaken during the period,  
1883 including distribution of bill inserts, collection notification tags, community information and events,  
1884 school visits, tours and other activities related to the provision of Collection Services. This report

1885 shall discuss the impact of these activities on Recycling and Organic Waste program participation  
1886 and provide details of events and activities planned for the next period.

1887 16.02.1.6 AB 341 and 1826 Compliance Data. CONTRACTOR shall  
1888 report the total number of Commercial and/or Multi-family Service Units serviced, a summary of  
1889 the number of accounts that qualify as covered generators under AB 341 and /or AB 1826, and  
1890 upon request by the CITY, the number of containers, container sizes and frequency of collection  
1891 for Garbage, Recyclable Materials and Organic Waste for each of Commercial and/or Multi-family  
1892 Service Unit.

1893 16.02.1.7 Processing and Marketing Data. Recycling and Organic  
1894 Waste processing and marketing issues or conditions occurring during the previous quarter (such  
1895 as participation, setouts, contamination, etc.) and possible solutions, discussed separately for  
1896 SFD, MFD, Commercial and CITY programs.

1897 16.02.1.8 Customer Service Data. Upon request by the CITY, a copy  
1898 of the customer service log, including a summary of the type and number of praises, complaints  
1899 and their resolution, and problems encountered with collection and processing activities and  
1900 actions taken. Copies of a written record of all calls related to missed pickups and responses to  
1901 such calls as well as type and number of Notices left at Service Recipient locations.

1902 16.02.1.9 Property Damage or Injury. Indicate instances of property  
1903 damage or injury caused by CONTRACTOR to Service Recipients.

1904 16.02.1.10 Equipment Inventory. Updated complete inventory of  
1905 collection rolling stock and collection containers by type and size.

1906 16.02.1.11 Number of incidents CONTRACTOR operated a collection  
1907 vehicle on CITY streets that exceeds, by more than one thousand (1,000) pounds, the maximum  
1908 weight allowed under the California Vehicle Code for such vehicle.

1909 16.02.2 Annual Reports. The annual report submitted to the CITY shall  
1910 include all quarterly reports in Sections 16.02.1.1 through 16.02.1.11 summarized by quarter and  
1911 averaged for the Agreement Year. For all annual reports beginning with the report for the second  
1912 Agreement Year, the CONTRACTOR shall also include a historical comparison of the last  
1913 Agreement Year and the average of all Agreement Years. The annual reports shall also  
1914 specifically include:

1915 16.02.2.1 Container Deliveries. An accounting of the number of  
1916 Kitchen Food Waste Pails, oil recycling containers and re-sealable oil filter bags that were  
1917 delivered to SFD Service Recipients, and Kitchen Food Waste Pails delivered to MFD Service  
1918 Recipients during the Agreement Year.

1919 16.02.2.2 Annual Carbon Emissions Inventory. The CONTRACTOR  
1920 shall submit an annual carbon emissions inventory to the CITY, as described in Section 10.07.

1921 16.02.2.3 Waste Diversion and Sustainability Annual Work Plan. The  
1922 CONTRACTOR shall submit an annual update to work plan to guide the waste diversion and  
1923 sustainability work efforts (described in Section 14.02 and **Exhibit 6**) for the next calendar year.

1924 16.03 Donated Services. Upon request, CONTRACTOR will provide a listing of any  
1925 services beyond the scope of this Agreement that were donated to the CITY or Service Recipients.

1926 16.04 Additional Reporting. The CONTRACTOR shall furnish the CITY with any  
1927 additional reports as may reasonably be required, such reports to be prepared within a reasonable  
1928 time following the reporting period. In addition, CONTRACTOR shall furnish to CITY information

1929 regarding CONTRACTOR'S activities under this Agreement that is needed for CITY to prepare  
1930 its reports to CalRecycle.

## 1931 ARTICLE 17. Nondiscrimination

1932 17.01 Nondiscrimination. In the performance of all work and services under this  
1933 Agreement, CONTRACTOR shall not unlawfully discriminate against any person on the basis of  
1934 such person's race, sex, color, national origin, religion, marital status, age, disability or sexual  
1935 orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and  
1936 regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

## 1937 ARTICLE 18. Service Inquiries and Complaints

1938 18.01 CONTRACTOR'S Customer Service. CONTRACTOR shall at all times  
1939 provide office staff and office hours, including personnel to answer phones and phone answering  
1940 capabilities when CONTRACTOR'S office is closed, as specified in Article 13 of this Agreement.  
1941 All service inquiries and complaints regarding CONTRACTOR'S services shall be directed to the  
1942 CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the  
1943 complaints during normal business hours. All service complaints will be handled by the  
1944 CONTRACTOR in a prompt, courteous, and efficient manner. In the case of a dispute between  
1945 the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by  
1946 the City Representative.

1947 18.01.1 The CONTRACTOR will utilize a customer service log to maintain  
1948 a record of all inquiries and complaints in a format agreed to by the CITY.

1949 18.01.2 For those complaints related to missed Collections that are received  
1950 by 12:00 noon on a Work Day, the CONTRACTOR will return to the Service Unit address and  
1951 collect the missed Carts or Bins before leaving the Service Area for the day. For those complaints  
1952 related to missed collections that are received after 12:00 noon on a Work Day, the  
1953 CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For  
1954 those complaints related to repair or replacement of carts or bins, the appropriate Articles of this  
1955 Agreement shall apply.

1956 18.01.3 CONTRACTOR agrees that it is in the best interest of the CITY that  
1957 all Garbage, Recyclable Materials, and Organic Waste be collected on the scheduled collection  
1958 day. Accordingly, missed Collections will normally be collected as set forth herein regardless of  
1959 the reason that the collection was missed. However, in the event a Service Recipient reports  
1960 missed collection service more than two (2) times in any consecutive two (2) month period the  
1961 City Representative will work with the CONTRACTOR to determine an appropriate resolution to  
1962 that situation. In the event the CONTRACTOR believes any complaint to be without merit,  
1963 CONTRACTOR shall notify the City Representative, either by Fax or e-mail. The City  
1964 Representative will investigate all disputed complaints and render a decision.

## 1965 ARTICLE 19. Quality of Performance of Contractor

1966 19.01 Intent. CONTRACTOR acknowledges and agrees that one of CITY'S primary  
1967 goals in entering into this Agreement is to ensure that the Collection Services are of the highest  
1968 caliber, that Service Recipient satisfaction remains at the highest level, that required diversion  
1969 levels are achieved, and that materials collected are reasonably put to the highest and best use  
1970 to the extent feasible.



1971 19.02 Service Supervisor. CONTRACTOR has designated a supervisor to be in charge  
 1972 of the Collection Service within the Service Area. At least thirty (30) calendar days prior to  
 1973 replacing the designated supervisor CONTRACTOR shall notify CITY in writing of the name and  
 1974 qualifications of the new service supervisor. CONTRACTOR shall ensure that such replacement  
 1975 is an individual with like qualifications and experience. The supervisor shall be available to the  
 1976 City Representative through the use of a mobile telephone at all times that CONTRACTOR is  
 1977 providing Collection Services. In the event the supervisor is unavailable due to illness or vacation,  
 1978 CONTRACTOR shall designate an acceptable substitute who shall be available and who has the  
 1979 authority to act in the same capacity as the supervisor. The service supervisor shall provide the  
 1980 CITY with an emergency phone number where the supervisor can be reached outside of normal  
 1981 business hours.

1982 19.03 Liquidated Damages. The parties further acknowledge that consistent and reliable  
 1983 Collection Service is of utmost importance to CITY and that CITY has considered and relied on  
 1984 CONTRACTOR'S representations as to its quality of service commitment in awarding the  
 1985 Agreement to it. The parties further recognize that some quantified standards of performance are  
 1986 necessary and appropriate to ensure consistent and reliable service and performance. The parties  
 1987 further recognize that if CONTRACTOR fails to achieve the performance standards, or fails to  
 1988 submit required documents in a timely manner, CITY, and CITY'S residents and businesses will  
 1989 suffer damages and that it is and will be impractical and extremely difficult to ascertain and  
 1990 determine the exact amount of damages. Therefore, without prejudice to CITY'S right to treat  
 1991 such non-performance as an event of default under Article 24, the parties agree that the liquidated  
 1992 damages amount defined in this Article represent reasonable estimates of the amount of such  
 1993 damages considering all of the circumstances existing on the effective date of this Agreement,  
 1994 including the relationship of the sums to the range of harm to CITY, customers and the community  
 1995 as a whole that reasonably could be anticipated and the anticipation that proof of actual damages  
 1996 would be costly or impractical. In placing their initials at the places provided, each party  
 1997 specifically confirms the accuracy of the statements made above and the fact that each party has  
 1998 had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated  
 1999 damage provisions at the time that the Agreement was made.

2000 CITY Initial Here     *ca*     CONTRACTOR Initial Here     

2001 CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following amounts:

LIQUIDATED DAMAGES			
	Item	Amount if Not Cured in 30 Days	If Cured in 15 Days
a.	Failure to respond to each complaint within three (3) Work Days of receipt of complaint.	\$100 per incident per Service Recipient.	
b.	Failure to maintain call center hours as required by this Agreement.	\$100 per day.	-0-
c.	Failure to submit to CITY all reports as required under the provisions of this Agreement.	\$100 per day.	-0-
d.	Failure to display CONTRACTOR'S name and customer service phone number on collection vehicles.	\$100 per incident per day.	-0-

LIQUIDATED DAMAGES			
Item		Amount if Not Cured in 30 Days	If Cured in 15 Days
e.	Failure to collect a missed collection by close of the next Work Day upon notice to CONTRACTOR.	\$100 per incident per day.	Can not be cured
f.	Failure to repair or replace damaged Containers to deliver or exchange Containers within the time required by this Agreement.	\$100 per incident per day.	
g.	Failure to maintain collection hours as required by this Agreement.	\$250 per incident per day.	-0-
h.	Failure to have CONTRACTOR personnel in CONTRACTOR-provide uniforms.	\$250 per incident per day.	-0-
i.	Failure to clean up spillage or litter on public streets located within CITY caused by CONTRACTOR's collection vehicles within two (2) hours after notice by CITY to CONTRACTOR.	\$500 per incident per location.	Can not be cured
j.	More than twenty-four (24) documented incidents in any calendar year of CONTRACTOR operating a collection vehicle on CITY streets that exceeds by more than one thousand (1,000) pounds the maximum weight allowed under the California Vehicle Code for such vehicle, unless CONTRACTOR is permitted to do so by CITY	\$500 per incident, exceeding 24 incidents	Can not be cured
k.	Disposal of separately collected Recyclable Materials or separately collected Organic Waste in the Disposal Facility without first obtaining the required permission of the CITY.	\$500 per load.	Can not be cured
l.	Failure to deliver Garbage collected under this Agreement to the Disposal Facility, except as otherwise expressly provided in this Agreement.	\$5,000 each failure.	Can not be cured
m.	Commingling of materials collected inside and outside the City of West Sacramento without prior CITY approval.	\$1,000 per incident.	Can not be cured
n.	Failure to meet the minimum annual diversion requirements set forth in Section 5.	The current disposal cost/ton for each ton under the diversion requirement.	Can not be cured

2002 19.04 Procedure for Review of Liquidated Damages. The City Representative may  
2003 assess liquidated damages pursuant to this Article 19 on a monthly basis. The City  
2004 Representative may issue a written notice to CONTRACTOR ("Notice of Assessment") of the  
2005 liquidated damages assessed and the basis for each assessment.

2006 19.04.1 If CONTRACTOR cures those items within fifteen (15) Work Days  
2007 of receipt of the Notice of Assessment, then the Assessment shall be deemed to be cleared and  
2008 no Liquidated Damages will be assessed.

2009 19.04.2 For items that can not be cured or are not cured within fifteen (15)  
2010 Work Days, the assessment shall become final unless, within thirty (30) Wok Days of the date of  
2011 the notice of assessment, CONTRACTOR provides a written request for a meeting with the City  
2012 Representative to present evidence that the assessment should not be made.

2013 19.04.3 The City Representative shall schedule a meeting between  
2014 CONTRACTOR and the City Manager or the City Manager's designee as soon as reasonably  
2015 possible after timely receipt of CONTRACTOR'S request.

2016 19.04.4 The City Manager or the City Manager's designee shall review  
2017 CONTRACTOR'S evidence and render a decision sustaining or reversing the liquidated damages  
2018 as soon as reasonably possible after the meeting. Written notice of the decision shall be provided  
2019 to CONTRACTOR.

2020 19.04.5 In the event CONTRACTOR does not submit a written request for  
2021 a meeting within thirty (30) calendar days of the date of the Notice of Assessment, the City  
2022 Representative's determination shall be final and CONTRACTOR shall submit payment to CITY  
2023 no later than fifteen (15) calendar days following final determination. Or at the sole option of CITY,  
2024 if monies are owed to CONTRACTOR, CITY may deduct the liquidated damages from amounts  
2025 otherwise due to CONTRACTOR.

2026 19.04.6 CITY'S assessment or collection of liquidated damages shall not  
2027 prevent CITY from exercising any other right or remedy, including the right to terminate this  
2028 Agreement, for CONTRACTOR'S failure to perform the work and services in the manner set forth  
2029 in this Agreement.

2030 19.05 General Contingency Plan. In conjunction with the execution of this Agreement,  
2031 CONTRACTOR shall develop and provide a General Contingency Plan to address  
2032 CONTRACTOR's program to minimize disruption of service during a labor disruption. The  
2033 Contingency Plan shall be provided to CITY sixty (60) days prior to the Service Commencement  
2034 Date.

## 2035 ARTICLE 20. Contract Compliance and Performance 2036 Reviews

### 2037 20.01 Contract Compliance and Performance Review

2038 20.01.1 Selection and Cost. The CITY may conduct two (2) contract  
2039 compliance and performance reviews ("review") of the CONTRACTOR'S performance during the  
2040 initial term of this Agreement, including one conducted prior to the First Five-Year Extension in  
2041 accordance with Section 2.02.1. The CITY may conduct one (1) additional contract compliance  
2042 and performance review ("review") of the CONTRACTOR'S performance during each of the two  
2043 (2) possible extension periods that may be granted in accordance with Article 2 of this Agreement.  
2044 A review shall be conducted prior to the CITY granting each potential term extension in  
2045 accordance with Section 2.02 and/or 2.03. The reviews will be performed by a qualified firm under  
2046 contract to the CITY. The CITY shall have the final responsibility for the selection of the firm but  
2047 shall seek and accept comments and recommendations from the CONTRACTOR. This amount  
2048 CONTRACTOR will be responsible for a maximum of **Sixty Thousand Dollars (\$60,000.00)** per



2049 review, and starting in Agreement Year 2021 this amount will be adjusted annually by the same  
2050 percentage change as the percentage change in CONTRACTOR's Maximum Service Rates).

2051                   20.01.2       Purpose. The review shall be designed to verify CONTRACTOR'S  
2052 compliance with the reporting requirements and performance standards of the Collection Service  
2053 Agreement, and verify the diversion percentages reported by the CONTRACTOR. The CITY (or  
2054 its designated consultant) may utilize a variety of methods in the execution of the contract  
2055 compliance and performance review, including, but not limited to, analysis of relevant documents,  
2056 on-site and field observations, and interviews. The CITY (or its designated consultant) will review  
2057 and document the items in the Agreement that require the CONTRACTOR to meet specific  
2058 performance standards, submit information or reports, perform additional services, or document  
2059 operating procedures, that can be objectively evaluated.

2060                   20.01.3       CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate  
2061 fully with the review and provide all requested data required to be provided herein, including  
2062 operational data and other data reasonably requested by the CITY within thirty (30) Work Days.  
2063 Failure of the CONTRACTOR to cooperate or provide the requested documents in the required  
2064 time shall be considered an event of default.

2065                   20.01.4       Additional Contract Compliance and Performance Review. In the  
2066 event that the Contract Compliance and Performance Review concludes that CONTRACTOR is  
2067 not in compliance with all terms and conditions of this Agreement and such non-compliance is  
2068 material, the CITY may conduct an Additional Contract Compliance and Performance Review to  
2069 ensure that CONTRACTOR has cured any such area of non-compliance. CONTRACTOR shall  
2070 be responsible for the cost of any such Additional Contract Compliance and Performance Review,  
2071 subject to the maximum in Section 20.01.1.

2072                   20.02   Cooperation with Other Program Reviews. If the CITY wants to collect program  
2073 data, perform field work, conduct route audits to investigate customer participation levels and  
2074 setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable  
2075 Materials and Organic Waste collected in the CITY by the CONTRACTOR, the CONTRACTOR  
2076 shall cooperate with the CITY or its agent(s) as reasonably requested by CITY, provided that such  
2077 cooperation can be accomplished at no additional cost to CONTRACTOR and without interfering  
2078 with CONTRACTOR'S operations.

## 2079   ARTICLE 21. Performance Bond

2080                   21.01   Performance Bond. A performance bond must be furnished by the  
2081 CONTRACTOR within fifteen (15) calendar days of notification to the CONTRACTOR that the  
2082 Agreement has been executed. The CONTRACTOR shall furnish to the CITY, and keep current,  
2083 a performance bond in a form with language that is reasonably acceptable to the CITY, for the  
2084 faithful performance of this Agreement and all obligations arising hereunder in an amount of **One**  
2085 **Million Dollars (\$1,000,000.00).**

2086                   21.02   Renewal. Beginning on the Service Commencement Date, and each July 1<sup>st</sup>  
2087 thereafter, CONTRACTOR shall have the performance bond renewed annually and be executed  
2088 by a surety company that is an admitted surety company licensed to do business in the State of  
2089 California and has an "A:VII" or better rating by A. M. Best or Standard and Poors, or that is  
2090 otherwise acceptable to CITY.

2091                   21.03   Letter of Credit. As an alternative to the performance bond required by Section  
2092 21.01, CONTRACTOR may request that it deposit with CITY an irrevocable letter of credit in an  
2093 amount as set forth in Section 21.01. CITY will have sole discretion whether to allow a Letter of

2094 Credit in lieu of the performance bond. If allowed, the letter of credit must be issued by an FDIC  
2095 insured banking institution chartered to business in the state of California, in the CITY'S name,  
2096 and be callable at the discretion of the CITY. Nothing in this Article shall, in any way, obligate the  
2097 CITY to accept a letter of credit in lieu of the performance bond.

2098 **ARTICLE 22. Insurance**

2099 22.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term  
2100 of this Agreement insurance against claims for injuries to persons or damages to property, which  
2101 may arise from or in connection with CONTRACTOR'S performance of work or services under  
2102 this Agreement. CONTRACTOR'S performance of work or services shall include performance by  
2103 CONTRACTOR'S employees, agents, representatives and subcontractors.

2104 22.02 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

2105 22.02.1.1 Commercial General Liability: Insurance Services Office  
2106 (ISO) Occurrence Form CG 0001 or its equivalent, or, if approved by CITY, Claims Made Form  
2107 No. CG 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, or its  
2108 equivalent, code 1 "any auto".

2109 22.02.2 Workers' Compensation Insurance as required by the State of  
2110 California and Employers Liability Insurance.

2111 22.02.3 Hazardous Waste and Environmental Impairment Liability  
2112 Insurance.

2113 22.03 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no  
2114 less than:

2115 22.03.1 Commercial General Liability: **Five Million Dollars (\$5,000,000.00)**  
2116 combined single limit per occurrence, **Ten Million Dollars (\$10,000,000.00)** annual aggregate;  
2117 including products and completed operations coverage.

2118 22.03.2 Automobile Liability: **Three Million Dollars (\$3,000,000.00)**  
2119 combined single limit per accident for bodily injury and property damage.

2120 22.03.3 Workers' Compensation and Employers Liability: Workers'  
2121 Compensation insurance as required by the State of California, with statutory limits, and  
2122 Employers Liability insurance with limits of **One Million Dollars (\$1,000,000.00)** per accident.

2123 22.03.4 Hazardous Waste and Environmental Impairment Liability: **Ten**  
2124 **Million Dollars (\$10,000,000.00)** per occurrence, **Twenty Million Dollars (\$20,000,000.00)**  
2125 policy aggregate covering liability arising from the release of waste materials and/or irritants,  
2126 contaminants or pollutants. Such coverage shall, if commercially available without involvement of  
2127 CITY, automatically broaden in its form of coverage to include legislated changes in the definition  
2128 of waste material and/or irritants, contaminants or pollutants.

2129 22.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention  
2130 shall be for the account of the CONTRACTOR and paid entirely by CONTRACTOR without  
2131 contribution from the CITY.

2132 22.05 Endorsements. The liability policies are to contain, or be endorsed to contain, the  
2133 following provisions:

2134 22.05.1 The CITY, its officers, employees, agents and volunteers are to be  
2135 covered as additional insureds with respect to liability arising out of automobiles owned, leased,

2136 hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of  
2137 CONTRACTOR; liability arising out of work or operations performed by or on behalf of the  
2138 CONTRACTOR, including material parts or equipment furnished in connection with such work or  
2139 operations; and with respect to Hazardous Waste, Pollution and/or Environmental Impairment  
2140 Liability.

2141           22.05.2           As respects to the services provided by CONTRACTOR under this  
2142 Agreement, CONTRACTOR'S insurance coverage (except for Workers' Compensation) shall be  
2143 primary insurance as respects CITY, its officers, officials, employees, agents and volunteers. Any  
2144 insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents or  
2145 volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

2146           22.05.3           The CONTRACTOR'S insurance shall apply separately to each  
2147 insured against whom claim is made or suit is brought, except with respect to the limits of the  
2148 insurer's liability, and except for Workers' Compensation cover.

2149           22.05.4           The Automobile Liability policy shall be endorsed to delete the  
2150 Pollution and/or the Asbestos exclusion, or documentation that the CONTRACTOR carries  
2151 environmental pollution liability coverage for Solid Waste transported by the CONTRACTOR. The  
2152 Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement  
2153 (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

2154           22.06 Waiver of Subrogation CONTRACTOR hereby agrees to waive subrogation  
2155 against CITY which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of  
2156 the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be  
2157 necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be  
2158 endorsed with a waiver of subrogation in favor of the CITY for all work performed by the  
2159 CONTRACTOR, its employees, agents and subcontractors.

2160           22.07 Cancellation. Each insurance policy required by this clause shall be occurrence-  
2161 based or an alternate form as approved by the CITY and endorsed to state that coverage shall  
2162 not be cancelled except after thirty (30) days' prior written notice has been given to the CITY. Ten  
2163 (10) days' notice applies to cancellation due to non-payment of premium.

2164           Any failure to comply with reporting provisions of the policies shall not affect  
2165 CONTRACTOR'S obligations to CITY, its officers, officials, employees, agents or volunteers.

2166           22.08 Claims Made Coverage. If General Liability or Hazardous Waste and  
2167 Environmental Impairment Liability coverage is written on a claims-made from:

- 2168           1.     The "Retro Date" must be shown, and must be before the date of the contract or  
2169           the beginning of contract work.
- 2170           2.     Insurance must be maintained and evidence of insurance must be provided for at  
2171           least five (5) years after completion of the contract of work
- 2172           3.     If coverage is canceled or non-renewed, and not replaced with another claims-  
2173           made policy form with a "Retro Date" prior to the contract effective date, the  
2174           CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5)  
2175           years after completion of contract work.

2176           22.09 Acceptability of Insurers. Insurance is to be placed with insurers admitted to  
2177 transact business in California with a current A.M. Best's rating of no less than A:VII. If pollution  
2178 and/or Environmental Impairment and/or errors and omission coverage are not available from an

2179 admitted" insurer, the coverage may be written with the CITY'S permission, by a non-admitted  
2180 insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher

2181 22.10 Verification of Coverage. CONTRACTOR shall furnish the CITY with original  
2182 certificates and amendatory endorsements effecting coverage required by this clause. All  
2183 certificates and endorsements are to be received and approved by the CITY before work  
2184 commences. However, failure to obtain the required documents prior to the work beginning shall  
2185 not waive the CONTRACTOR'S obligation to provide them.

2186 22.11 Subcontractors. CONTRACTOR shall include all subcontractors as insureds  
2187 under its policies or require and verify that all subcontractors maintain insurance meeting all the  
2188 requirements of this contract.

2189 22.11.1 Proof of insurance shall be mailed to the following address or any  
2190 subsequent address as may be directed in writing by the CITY.

2191 **City Representative or His/Her Designee**  
2192 **City of West Sacramento**  
2193 **1110 West Capitol Avenue**  
2194 **West Sacramento, CA 95691**  
2195

2196 22.12 Modification of Insurance Requirements. The insurance requirements provided in  
2197 this Agreement may be modified or waived by the CITY, in writing, upon the request of  
2198 CONTRACTOR, if the CITY determines such modification or waiver is in the best interest of CITY  
2199 considering all relevant factors, including exposure to CITY.

2200 **ARTICLE 23. Indemnification**

2201 23.01 Indemnification of the CITY. CONTRACTOR shall defend, with counsel  
2202 reasonably acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by  
2203 law, CITY, its officers, officials, employees, volunteers, agents and assignees (collectively,  
2204 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,  
2205 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not  
2206 limited to, injury to and death of any person and damage to property, or for contribution or  
2207 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from: (i) the operation  
2208 of the CONTRACTOR, its agents, employees, and/or subcontractors, in exercising the privileges  
2209 granted to it by this Agreement; (ii) the failure of the CONTRACTOR, its agents, employees,  
2210 and/or subcontractors to comply in all respects with the provisions and requirements of this  
2211 Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses;  
2212 and (iii) the acts of CONTRACTOR, its agents, employees, and/or subcontractors in performing  
2213 services under this Agreement for which strict liability is imposed by law. The foregoing indemnity  
2214 shall apply regardless of whether such Loss is also caused in part by any of the Indemnitees'  
2215 negligence.

2216 23.02 The CONTRACTOR'S obligation to defend, hold harmless, and indemnify shall not  
2217 be excused because of the CONTRACTOR'S inability to evaluate liability or because the  
2218 CONTRACTOR evaluates liability and determines that the CONTRACTOR is not liable to the  
2219 claimant. The CONTRACTOR must respond within thirty (30) days to the tender of a claim for  
2220 defense and indemnity by the CITY, unless this time has been extended by the CITY. If the  
2221 CONTRACTOR fails to accept or reject a tender of defense and indemnity within thirty (30) days,  
2222 in addition to any other remedy authorized by law, so much of the money due the CONTRACTOR  
2223 by virtue of this Agreement as shall reasonably be considered necessary by the CITY, may be

2224 retained by the CITY until final disposition has been made or the claim or suit for damages, or  
2225 until the CONTRACTOR accepts or rejects the tender of defense, whichever occurs first.

2226 With respect to third party claims against the CONTRACTOR indemnifiable under Section  
2227 23.01, the CONTRACTOR waives any and all rights of any type to express or implied indemnity  
2228 against the Indemnitees.

2229 23.03 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify,  
2230 defend with counsel reasonably acceptable to the CITY, and hold harmless the Indemnitees from  
2231 and against all claims, damages (including but not limited to special, consequential, natural  
2232 resources and punitive damages), injuries, hazardous materials response, remediation and  
2233 removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative  
2234 proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and  
2235 expenses (including but not limited to attorney's and expert witness fees and costs incurred in  
2236 connection with defending against any of the foregoing or enforcing this indemnity) of any kind  
2237 whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials,  
2238 employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to  
2239 any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial,  
2240 response, closure or other plan (regardless of whether undertaken due to governmental action)  
2241 concerning any Hazardous Waste released, spilled or disposed of by CONTRACTOR under this  
2242 Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section  
2243 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section  
2244 25364, to defend, hold harmless and indemnify the CITY from liability. Notwithstanding the  
2245 foregoing, CONTRACTOR is not required to indemnify, defend or hold harmless under this  
2246 paragraph against Claims arising from CONTRACTOR'S delivery of materials collected under this  
2247 Agreement to any processing, disposal, transfer or other facilities, or their handling at such  
2248 facilities or subsequent delivery to other locations, unless such Claims are due to  
2249 CONTRACTOR'S negligence or willful misconduct.

2250 23.04 CalRecycle Diversion Goals. CONTRACTOR agrees to indemnify, hold harmless,  
2251 and defend CITY, with counsel selected by CONTRACTOR and reasonably acceptable to CITY,  
2252 from and against all fines or penalties imposed by the California Department of Resources  
2253 Recycling and Recovery ("CalRecycle") due to CITY'S failure to meet the mandated diversion  
2254 goals specified in California Public Resources Code Section 41780 (as amended) with respect to  
2255 the materials collected by CONTRACTOR, if and to the extent the failure to meet such goals  
2256 results from the failure of the CONTRACTOR to perform its obligations under this Agreement.

2257 23.05 Consideration. It is specifically understood and agreed that the consideration  
2258 inuring to the CONTRACTOR for the execution of this Agreement consists of the promises,  
2259 payments, covenants, rights and responsibilities contained in this Agreement.

2260 23.06 Obligation. The execution of this Agreement by the CONTRACTOR shall obligate  
2261 the CONTRACTOR to comply with the foregoing indemnification provisions; however, the  
2262 collateral obligation of providing insurance must also be fully complied with as set forth in Article  
2263 22 above.

2264 23.07 Exception. Notwithstanding Sections 23.01, 23.02, 23.03 and 23.04,  
2265 CONTRACTOR'S obligation to indemnify, hold harmless and defend the Indemnitees shall not  
2266 extend to any Loss or Claims to the extent arising or resulting from acts or omissions constituting  
2267 willful misconduct or negligence on the part of Indemnitees.

2268 23.08 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors  
2269 cause any damage or loss to CITY property, including but not limited to CITY streets or curbs,

2270 other than as a result of ordinary wear and tear, then CONTRACTOR shall repair such property  
2271 to the reasonable satisfaction of CITY, at CONTRACTOR'S sole cost and expense. If  
2272 CONTRACTOR fails to do so within a reasonable period after CITY notifies CONTRACTOR of  
2273 the damage or loss, then CITY may effect the repair, and CONTRACTOR shall reimburse CITY  
2274 for CITY'S reasonable cost of repairing such damage or loss. Such reimbursement is not in  
2275 derogation of any right of CITY to be indemnified by CONTRACTOR for any such damage or loss.

## 2276 ARTICLE 24. Default of Agreement

2277 24.01 Termination By CITY. The CITY may terminate this Agreement, except as  
2278 otherwise provided below in this Article, by giving the CONTRACTOR thirty (30) calendar days  
2279 advance written notice, to be served as provided in Article 41, upon the happening of any one of  
2280 the following events:

2281 24.01.1 The CONTRACTOR shall take the benefit of any present or future  
2282 insolvency statute, or shall make a general assignment for the benefit of creditors, or file a  
2283 voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its  
2284 reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or  
2285 under any other law or statute of the United States or any state thereof, or consent to the  
2286 appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

2287 24.01.2 By order or decree of a Court, the CONTRACTOR shall be  
2288 adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or  
2289 by any of the stockholders of the CONTRACTOR, seeking its reorganization or the readjustment  
2290 of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United  
2291 States or of any state thereof, and such judgment or order is not stayed or vacated within sixty  
2292 (60) calendar days after the entry thereof; or

2293 24.01.3 By, or pursuant to, or under the authority of any legislative act,  
2294 resolution or rule or any order or decree of any Court or governmental board, agency or officer  
2295 having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or  
2296 substantially all of the property of the CONTRACTOR, and such possession or control shall  
2297 continue in effect for a period of sixty (60) calendar days; or

2298 24.01.4 The CONTRACTOR has defaulted, by failing or refusing to pay in a  
2299 timely manner the liquidated damages or other monies due the CITY and said default is not cured  
2300 within thirty (30) calendar days of receipt of written notice by the CITY to do so; or

2301 24.01.5 CONTRACTOR has defaulted, by failing or refusing to perform or  
2302 observe its obligations under this Agreement, and said default is not cured within thirty (30)  
2303 calendar days of receipt of written notice from the CITY to do so. If by reason of the nature of  
2304 such default, the same cannot be remedied within thirty (30) calendar days following receipt by  
2305 the CONTRACTOR of written demand from the CITY to do so, then the cure period shall be  
2306 extended for such additional period as is reasonably required to cure the default, provided that  
2307 the CONTRACTOR commences the remedy of such default within said thirty (30) calendar days  
2308 following such written notice, and having so commenced thereafter continues with diligence the  
2309 curing thereof. In any dispute concerning failure to commence remedying a default or diligence  
2310 in pursuing a cure, the CONTRACTOR shall have the burden of proof to demonstrate (a) that the  
2311 default cannot reasonably be cured within thirty (30) calendar days, and (b) that it is proceeding  
2312 with diligence to cure said default, and such default will be cured within a reasonable period of  
2313 time.

2314           24.02 Termination By CONTRACTOR. The CONTRACTOR may terminate this  
2315 Agreement, except as otherwise provided below in this Article, by giving the CITY one-hundred  
2316 eighty (180) calendar days advance written notice for the default events specified in Section  
2317 24.02.01, or by giving the CITY sixty (60) calendar days advance written notice for the default  
2318 events specified in Section 24.02.02. Such notice shall be served as provided in Article 41.

2319           24.02.1           CITY has defaulted, by failing or refusing to perform or observe its  
2320 obligations under the Agreement, excluding Sections 4.01 through 4.03, and said default is not  
2321 cured within ninety (90) calendar days of receipt of written notice from CONTRACTOR to do so.  
2322 If by reason of the nature of such default, the same cannot be remedied within ninety (90) calendar  
2323 days following receipt by the CITY of written demand from CONTRACTOR to do so, then the cure  
2324 period shall be extended for such additional period as is reasonably required to cure the default,  
2325 provided that the CITY commences the remedy of such default within ninety (90) calendar days  
2326 of receipt of written notice, and having so commenced thereafter continues with diligence the  
2327 curing thereof.

2328           24.02.2           CITY has defaulted, by failing or refusing to perform or observe its  
2329 obligations under Sections 4.01 through 4.03, and said default is not cured within thirty (30)  
2330 calendar days of receipt of written notice from CONTRACTOR to do so. If by reason of the nature  
2331 of such default, the same cannot be remedied within thirty (30) calendar days following receipt by  
2332 the CITY of written demand from CONTRACTOR to do so, then the cure period shall be extended  
2333 for such additional period as is reasonably required to cure the default, provided that the CITY  
2334 commences the remedy of such default within thirty (30) calendar days within receipt of written  
2335 notice, and having so commenced thereafter continues with diligence the curing thereof.

2336           24.03 Temporary Possession of CONTRACTOR'S Equipment. Notwithstanding  
2337 anything contained herein to the contrary, if the CONTRACTOR fails to provide Collection  
2338 Services for a period of three (3) consecutive Work Days for reasons other than Force Majeure,  
2339 on the fourth (4th) Work Day the CITY may take possession of the CONTRACTOR'S equipment,  
2340 customer account and service records, and other property used in providing Collection Services  
2341 under this Agreement in order to provide interim Collection Services until such time as the  
2342 CONTRACTOR is again able to perform Collection Services pursuant to this Agreement;  
2343 provided, however, if the CONTRACTOR is unable for any reason or cause to resume  
2344 performance of Collection Service at the end of thirty (30) consecutive calendar days of  
2345 nonperformance of Collection Services, then this Agreement may be terminated by the CITY upon  
2346 written notice to CONTRACTOR, and the CITY may retain possession of such equipment, records  
2347 and other property used in providing Collection Services on an interim basis until the CITY has  
2348 made other suitable arrangements for the provision of Collection Services, which may include  
2349 award of an agreement to another contractor. Notwithstanding any other provision in this  
2350 Agreement to the contrary, CITY'S right to take interim possession of, or make use of, any of  
2351 CONTRACTOR'S equipment, including, without limitation, vehicles, Carts, Bins and containers,  
2352 shall not allow the CITY to assign ownership of such vehicles, Carts, Bins and containers to  
2353 another contractor, and CITY acknowledges that the CONTRACTOR'S lender has a security  
2354 interest in such equipment. In addition, notwithstanding any other provision of this Agreement to  
2355 the contrary, CITY'S right to take possession of such equipment, records and other property (i)  
2356 shall be limited to one hundred eighty (180) days after the effective date of termination of this  
2357 Agreement, (ii) shall not apply regarding property needed for CONTRACTOR to service  
2358 customers outside of the CITY, and which is non-essential to the CITY's provision of solid waste  
2359 services for its residents (iii) is contingent on CITY paying a reasonable rental value for such  
2360 property.  
2361

2362                    24.03.1            CITY shall defend, with counsel reasonably acceptable to the  
2363 CONTRACTOR, indemnify and hold harmless, to the fullest extent allowed by law,  
2364 CONTRACTOR, its officers, officials, employees, volunteers, agents and assignees (collectively,  
2365 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,  
2366 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not  
2367 limited to, injury to and death of any person and damage to property, or for contribution or  
2368 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from the CITY's  
2369 negligent operation or possession of the CONTRACTOR's property pursuant to this Section.  
2370

2371                    24.04    Diversion Not Default. Notwithstanding the foregoing or any other provision of this  
2372 Agreement to the contrary, CONTRACTOR'S failure to meet the 50% diversion requirement set  
2373 forth in Article 5 shall not be a default entitling the CITY to terminate this Agreement (it being  
2374 understood that CITY shall have the remedies set forth in Article 2 (term extension) and Article  
2375 19 (liquidated damages) with respect to any such failure).

2376                    24.04.1            In the event that the Agreement is terminated, CONTRACTOR shall  
2377 furnish the CITY with immediate access to all of its business records related to its customer and  
2378 billing accounts for collection services.

2379                    24.05    Effective Date. In the event of the aforesaid events specified above, and except  
2380 as otherwise provided in said subsections, termination shall be effective upon the date specified  
2381 in the CITY'S written notice to the CONTRACTOR and upon said date this Agreement shall be  
2382 deemed immediately terminated, and the CITY shall have the right to call the performance bond  
2383 and shall be free to negotiate with other contractors for the operation of the herein specified  
2384 services.

2385                    24.06    Termination for Failure to Maintain Insurance. CITY may terminate this Agreement  
2386 in the event CONTRACTOR fails to provide and maintain the performance bond as required by  
2387 this Agreement, or if CONTRACTOR fails to obtain or maintain insurance policies endorsements  
2388 as required by this Agreement, or if CONTRACTOR offers or gives any gift prohibited by CITY  
2389 administrative policy. Such termination shall not occur unless CONTRACTOR has been given five  
2390 (5) business days to cure said breach after receiving written notice from CITY, during which time  
2391 CONTRACTOR may not provide any services under this Agreement and will be liable for any  
2392 damages incurred by the CITY as a result of CONSULTANT's failure to provide services as  
2393 specified in this Agreement. In the alternative, CITY may, at its sole discretion, obtain the  
2394 coverage at its own expense and deduct the cost of such coverage from any payments due  
2395 CONTRACTOR pursuant to Article 4.

2396                    24.07    Termination Cumulative. CITY'S right to terminate this Agreement is cumulative  
2397 to any other rights and remedies provided by law or by this Agreement.

2398                    24.08    Force Majeure. Notwithstanding any other provision of this Agreement to the  
2399 contrary, a party shall be excused from performing its obligations hereunder in the event it is  
2400 prevented from so performing by reason of any acts of God, such as landslides, lightning, fires,  
2401 storms, floods, pestilence, freezing, and earthquakes; actual or perceived threats of terrorism,  
2402 explosions, power outages, sabotage, civil disturbances, acts of a public enemy, wars, blockades,  
2403 riots, or other industrial disturbances, eminent domain, condemnation or other taking, or other  
2404 events of a similar nature, not caused or maintained by such party, which event is not reasonably  
2405 within the control of the party claiming the excuse from its obligations due to such event, to the  
2406 extent such event has a significant and material adverse effect on the ability of the party to perform  
2407 its obligations thereunder. Force Majeure shall not include fuel shortages or labor disruptions  
2408 (e.g., strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action



2409 conducted by CONTRACTOR'S employees or directed at CONTRACTOR or any of its  
2410 subcontractors) to the extent they last longer than seven (7) days. Force Majeure shall include a  
2411 Change in Law to the extent such Change in Law materially impedes a party's performance  
2412 hereunder. Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of  
2413 CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force  
2414 Majeure; (ii) except as provided herein, no event which merely increases CONTRACTOR'S cost  
2415 of performance shall be a Force Majeure; and (iii) no event, the effects of which could have been  
2416 prevented by reasonable precautions, including compliance with agreements and applicable laws,  
2417 shall be a Force Majeure.

## 2418 ARTICLE 25. Modifications to the Agreement

2419       25.01 Agreement Modifications and Changes in Law. The CITY and the CONTRACTOR  
2420 understand and agree that the California Legislature has the authority to make comprehensive  
2421 changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and  
2422 other Changes in Law in the future which mandate certain actions or programs for counties or  
2423 municipalities may require changes or modifications in some of the terms, conditions or  
2424 obligations under this Agreement. The CONTRACTOR agrees that the terms and provisions of  
2425 the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of  
2426 the provisions of this Agreement and the Service Recipients of the CONTRACTOR located within  
2427 the Service Area; provided, however that the CITY will not amend the Municipal Code in a way  
2428 that is inconsistent with the Agreement unless compelled to do so by federal or state law. In the  
2429 event any future Change in Law, including state or federally mandated modifications to the CITY  
2430 Municipal Code, materially alters the rights or obligations of the CONTRACTOR or the services  
2431 to be provided by CONTRACTOR hereunder (a "Material Change in Law"), then Maximum  
2432 Service Rates as otherwise established under this Agreement shall be adjusted as provided in  
2433 Section 4.05. Nothing contained in this Agreement shall require any party to perform any act or  
2434 function contrary to law. The CITY and CONTRACTOR agree to enter into good faith negotiations  
2435 regarding modifications to this Agreement, which may be required in order to implement a Material  
2436 Change in Law, and a reasonable and appropriate compensation adjustment for any increased  
2437 costs or decreased revenues to the CONTRACTOR due to the Material Change in Law. The  
2438 CITY and the CONTRACTOR shall not unreasonably withhold agreement to any compensation  
2439 adjustment that is consistent with Section 4.05.

2440       25.01.1 Compensation Adjustments. In the event of a Material Change in  
2441 Law, CONTRACTOR shall provide CITY with a written rate increase request for additional  
2442 compensation to CONTRACTOR arising from the Material Change in Law. If the proposed rate  
2443 increase exceeds five percent (5%) and CITY does not agree with such rate increase, then either  
2444 party, in addition to negotiating with the other party, may submit the matter to non-binding  
2445 mediation upon the terms and conditions in Section 25.06.1.

2446       25.02 City-Directed Changes. CITY may direct CONTRACTOR to perform additional  
2447 services (including new diversion programs, additional public education activities, etc.), eliminate  
2448 programs, or modify the manner in which it performs existing services. Changes in the minimum  
2449 diversion requirement set forth in Article 5 of this Agreement is not among the changes that can  
2450 be directed by CITY. Direction of Garbage to a Disposal Facility other than that originally selected  
2451 by the CITY, direction of Recyclable Materials or Organic Waste to a processing facility other than  
2452 that selected by the CONTRACTOR, pilot programs and innovative services, which may entail  
2453 new collection methods, targeted routing, different kinds of services, different types of collection  
2454 vehicles, and/or new requirements for Service Recipients, are included among the kinds of  
2455 changes which CITY may direct. CONTRACTOR shall be entitled to an adjustment in its

2456 compensation for providing such additional or modified services but not for the preparation of its  
2457 proposal to perform such services. CONTRACTOR shall not be required to begin implementing  
2458 a CITY-directed change until the associated Maximum Service Rate adjustment has been agreed  
2459 upon and has taken effect.

2460           25.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a  
2461 service change from the CITY under Section 25.02, or such longer time as may be reasonably  
2462 needed, CONTRACTOR shall submit a proposal to provide such service. At a minimum, the  
2463 proposal shall contain a complete description of the following:

2464                   25.03.1           Collection methodology to be employed (equipment, manpower,  
2465 etc.).

2466                   25.03.2           Equipment to be utilized (vehicle number, types, capacity, age,  
2467 etc.).

2468                   25.03.3           Labor requirements (number of employees by classification).

2469                   25.03.4           Type of carts or bins to be utilized.

2470                   25.03.5           Provision for program publicity, education, and marketing.

2471                   25.03.6           CONTRACTOR's proposed compensation.

2472           25.04 CONTRACTOR acknowledges and agrees that CITY may permit other companies  
2473 besides CONTRACTOR to provide additional services outside the scope of the services  
2474 contemplated by this Agreement (such as street sweeping or curbside collection of household  
2475 hazardous waste) if CONTRACTOR and CITY cannot agree on terms and conditions, including  
2476 compensation adjustments, for CONTRACTOR'S provision of such services, within one hundred  
2477 twenty (120) calendar days from the date when CITY first requests a proposal from  
2478 CONTRACTOR to perform such services, provided, however, that (i) the terms and conditions  
2479 offered by CITY to any other company are no more favorable to that company than the terms and  
2480 conditions offered to CONTRACTOR, and (ii) the services do not conflict with CONTRACTOR'S  
2481 exclusive rights under Section 3.01.

2482           25.05 Monitoring and Evaluation. If the CITY requests, the CONTRACTOR shall meet  
2483 with the CITY to describe the progress of each new program and other service issues arising from  
2484 the program. If applicable, CONTRACTOR shall document the results of the new programs on a  
2485 monthly basis, including at a minimum the tonnage diverted by material type, the end use or  
2486 processor of the diverted materials and the cost per ton for transporting and processing each type  
2487 of material and other such information reasonably requested by the CONTRACTOR and/or CITY  
2488 necessary to evaluate the performance of each program.

2489                   25.05.1           At each meeting, the CITY and CONTRACTOR shall have the  
2490 opportunity to discuss revisions to the program. The CITY shall have the right to terminate a  
2491 program if the CONTRACTOR is not complying with the terms and conditions agreed upon with  
2492 the CITY, and the termination is effected in accordance with such terms and conditions. Prior to  
2493 such termination, the CITY shall meet and confer with the CONTRACTOR for a period of up to  
2494 ninety (90) calendar days to resolve the CITY'S concerns. After such termination, the CITY may  
2495 utilize a third party to perform these services, provided that (i) the services are outside the scope  
2496 of the services contemplated by this Agreement (such as street sweeping or curbside collection  
2497 of household hazardous waste), and (ii) the services do not conflict with CONTRACTOR'S  
2498 exclusive rights under Section 3.01.

2499           25.06 Dispute Resolution. All disputes relating to service or compensation changes  
2500 relating to a Material Change in Law that meet the conditions specified in Section 25.01.1 shall  
2501 be resolved by the following procedures:

2502                   25.06.1.1       The party desiring mediation shall first give written notice  
2503 thereof to the other party to this Agreement, specifying the dispute to be mediated.

2504                   25.06.1.2       The mediation shall be held at West Sacramento, California,  
2505 or at such other location as may be mutually agreed among the parties. The mediation shall be  
2506 conducted according to and a mediator chosen pursuant to the rules of the American Arbitration  
2507 Association. Each side shall bear its own costs in the mediation. The cost of the mediator shall  
2508 be shared equally between the parties.

2509                   25.06.1.3       At least ten (10) business days before the date of the  
2510 mediation, each side shall provide the mediator with a statement of its position and copies of all  
2511 supporting documents. Each party shall send to the mediation one or more persons who has  
2512 authority to negotiate on behalf of the party. If a subsequent dispute will involve third parties,  
2513 such as insurers or subcontractors, they shall also be asked to participate in the mediation.

## 2514 **ARTICLE 26. Legal Representation**

2515           26.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity  
2516 to be, represented by counsel in the preparation of and contributed equally to the terms and  
2517 conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be  
2518 interpreted strictly against the party preparing the same shall not apply herein due to the joint  
2519 contributions of both parties.

## 2520 **ARTICLE 27. Financial Interest**

2521           27.01 Representation. CONTRACTOR warrants and represents that (i) to its knowledge,  
2522 no elected official, officer, agent or employee of the CITY has a financial interest as defined in  
2523 California Government Code Section §87103, in this Agreement or the compensation to be paid  
2524 under it and, further, that (ii) no CITY employee who acts in the CITY as a "purchasing agent" as  
2525 defined in the appropriate Section of California Statutes, nor any elected or appointed officer of  
2526 the CITY, nor any spouse or child of such purchasing agent, employee or elected or appointed  
2527 officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that (iii) no  
2528 such CITY employee, purchasing agent, CITY elected or appointed officer, or the spouse or child  
2529 of any of them, alone or in combination, has a "material interest" in the CONTRACTOR. "Material  
2530 interest" means direct or indirect ownership of more than five percent (5%) of the total assets or  
2531 capital stock of the CONTRACTOR.

## 2532 **ARTICLE 28. Contractor's Personnel**

2533           28.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified  
2534 personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for  
2535 ensuring that its employees comply with all applicable laws and regulations and meet all federal,  
2536 state and local requirements related to their employment and position.

2537                   28.01.1       The CITY may request the transfer of any employee of the  
2538 CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or  
2539 discourteous in the performance of his duties.

2540                    28.01.2            CONTRACTOR'S field operations personnel shall be required to  
2541 wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees,  
2542 who normally come into direct contact with the public, including drivers, shall bear some means  
2543 of individual identification such as a nametag or identification card.

2544                    28.01.3            Each driver of a collection vehicle shall at all times carry a valid  
2545 California driver's license and all other required licenses for the type of vehicle that is being  
2546 operated.

2547                    28.01.4            Each driver of a collection vehicle shall at all times comply with all  
2548 applicable state and federal laws, regulations and requirements.

2549                    28.01.5            CONTRACTOR'S employees, officers, and agents shall at no time  
2550 be allowed to identify themselves or in any way represent themselves as being employees of the  
2551 CITY.

2552                    28.01.6            The CONTRACTOR'S name and the Customer Service telephone  
2553 number shall be properly displayed on all collection vehicles.

2554 **ARTICLE 29. Exempt Waste**

2555                    29.01            The CONTRACTOR shall not be required to collect or dispose of Exempt Waste,  
2556 but may offer such services. All such collection and disposal of Exempt Waste is not regulated  
2557 under this Agreement, but if provided by the CONTRACTOR shall be in strict compliance with all  
2558 federal, state and local laws and regulations.

2559 **ARTICLE 30. Independent Contractor**

2560                    30.01            In the performance of services pursuant to this Agreement, CONTRACTOR shall  
2561 be an independent contractor and not an officer, agent, servant or employee of CITY.  
2562 CONTRACTOR shall have exclusive control of the details of the services and work performed  
2563 and over all persons performing such services and work. CONTRACTOR shall be solely  
2564 responsible for the acts and omissions of its officers, agents, employees, contractors and  
2565 subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors  
2566 or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits,  
2567 or any other compensation or benefits, which accrue, to CITY employees and CONTRACTOR  
2568 expressly waives any claim it may have or acquire to such compensation or benefits.

2569 **ARTICLE 31. Laws to Govern**

2570                    31.01            The law of the State of California shall govern the rights, obligations, duties and  
2571 liabilities of CITY and CONTRACTOR under this Agreement and shall govern the interpretation  
2572 of this Agreement.

2573 **ARTICLE 32. Consent to Jurisdiction**

2574                    32.01            The parties agree that any litigation between CITY and CONTRACTOR concerning  
2575 or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or  
2576 Superior Courts of Yolo County, State of California, or in the United States District Court for the  
2577 Northern District of California to the fullest extent permissible by law. Each party consents to  
2578 service of process in any manner authorized by California law.

2579 **ARTICLE 33. Assignment**

2580 33.01 No assignment of this Agreement or any right occurring under this Agreement shall  
2581 be made to any third party in whole or in part by the CONTRACTOR without the express written  
2582 consent of the CITY. The CITY shall have full discretion to approve or deny, with or without cause,  
2583 any proposed or actual assignment by the CONTRACTOR. Such approval shall not unreasonably  
2584 be withheld. Any assignment of this Agreement made by the CONTRACTOR without the express  
2585 written consent of the CITY shall be null and void and shall be grounds for the CITY to declare a  
2586 default of this Agreement. In the event of any assignment, the assignee shall fully assume all the  
2587 liabilities of the CONTRACTOR.

2588 33.02 The use of a subcontractor to perform services under this Agreement shall not  
2589 constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior  
2590 written authorization from the City Representative to subcontract such services and the City  
2591 Representative has approved a subcontractor who will perform such services. CONTRACTOR  
2592 shall be responsible for directing the work of CONTRACTOR'S subcontractors and any  
2593 compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility  
2594 of CONTRACTOR. The City Representative shall have the right to require the removal of any  
2595 approved subcontractor for reasonable cause.

2596 33.03 For purposes of this Article when used in reference to CONTRACTOR,  
2597 "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least  
2598 fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement to  
2599 a third party; (ii) a sale, exchange or other transfer of outstanding common stock of  
2600 CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of  
2601 control of CONTRACTOR (with control being defined as ownership of more than fifty percent  
2602 (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation,  
2603 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow  
2604 arrangement, liquidation, subcontracting or lease-back payments, or other transaction which  
2605 results in a change of control of CONTRACTOR; (iv) any assignment by operation of law,  
2606 including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of  
2607 attachment for an execution being levied against this Agreement, appointment of a receiver taking  
2608 possession of CONTRACTOR'S property, or transfer occurring in the event of a probate  
2609 proceeding; and (v) any combination of the foregoing (whether or not in related or  
2610 contemporaneous transactions) which has the effect of any such transfer or change of control of  
2611 CONTRACTOR. As used herein, "third party" excludes affiliates of CONTRACTOR (i.e. direct or  
2612 indirect subsidiaries of Waste Management, Inc.)

2613 33.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital  
2614 service to CITY'S residents and businesses, and that CITY has selected CONTRACTOR to  
2615 perform the services specified herein based on (i) CONTRACTOR 's experience, skill and  
2616 reputation for conducting its garbage, recyclable materials and organic Waste management  
2617 operations in a safe, effective and responsible fashion, at all times in keeping with applicable  
2618 environmental laws, regulations and best garbage, recycling and organic waste management  
2619 practices, and (ii) CONTRACTOR'S financial resources to maintain the required equipment and  
2620 to support its indemnity obligations to CITY under this Agreement. CITY has relied on each of  
2621 these factors, among others, in choosing CONTRACTOR to perform the services to be rendered  
2622 by CONTRACTOR under this Agreement.

## 2623 ARTICLE 34. Compliance with Laws

2624 34.01 In the performance of this Agreement, CONTRACTOR shall comply with all  
2625 applicable laws, regulations, ordinances and codes of the federal, state and local governments,  
2626 including without limitation the Municipal Code of the City of West Sacramento.

2627 34.02 CITY shall provide written notice to CONTRACTOR of any planned amendment of  
2628 the CITY Municipal Code that would substantially affect the performance of CONTRACTOR'S  
2629 services pursuant to this Agreement. Such notice shall be provided at least thirty (30) calendar  
2630 days prior to the City Council's approval of such an amendment.

## 2631 ARTICLE 35. Permits and Licenses

2632 35.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required  
2633 by law or ordinance and maintain same in full force and effect throughout the term of this  
2634 Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall  
2635 demonstrate compliance with the terms and conditions of such permits, licenses and approvals  
2636 upon the request of the City Representative.

## 2637 ARTICLE 36. Ownership of Written Materials

2638 36.01 CITY Materials. All reports, documents, brochures, public education materials, and  
2639 other written, printed, electronic or photographic materials developed by CITY or CONTRACTOR  
2640 for CITY'S use or for public dissemination in connection with the services to be performed under  
2641 this Agreement, whether developed directly or indirectly by CITY or CONTRACTOR, may be used  
2642 by CITY without limitation or restrictions on the use of such materials by CITY. CONTRACTOR  
2643 shall not use any such materials specific to CITY in connection with any project not connected  
2644 with this Agreement without the prior written consent of the City Representative. This Article 36  
2645 does not apply to ideas or concepts described in such materials and does not apply to the format  
2646 of such materials and does not apply to CONTRACTOR'S website.

2647  
2648 36.02 CONTRACTOR Materials. If CITY receives a request from a third Person to review  
2649 or copy material which CONTRACTOR has marked "confidential", CITY will Notify  
2650 CONTRACTOR promptly and allow CONTRACTOR to present arguments and facts to CITY in  
2651 support of CONTRACTOR's position that the material is entitled to an exemption from disclosure  
2652 under the California Public Records Act and should not be released. If CITY determines that the  
2653 material is not entitled to an exemption under this Agreement and that it must be released, CITY  
2654 will so advise CONTRACTOR before releasing that material so that CONTRACTOR may seek a  
2655 court order enjoining that release. If CITY determines that the material is entitled to that  
2656 exemption, and the Person who requested the information files a legal action seeking its release,  
2657 CITY will promptly inform CONTRACTOR and will not oppose a motion by CONTRACTOR to  
2658 intervene in the action. Contractor must either intervene or accept the release of the material.  
2659 CITY will have not have any obligation to defend the action and may release the material sought  
2660 without liability whatsoever for CITY.

## 2661 ARTICLE 37. Waiver

2662 37.01 Waiver by CITY or CONTRACTOR of any breach for violation of any term covenant  
2663 or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or  
2664 condition or any subsequent breach or violation of the same or of any other term, covenant or  
2665 condition. The subsequent acceptance by CITY of any fee, tax, or any other monies, which may

2666 become due from CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any  
2667 breach for violation of any term, covenant or condition of this Agreement.

## 2668 ARTICLE 38. Prohibition Against Gifts

2669 38.01 CONTRACTOR shall not offer any CITY officer or designated employee any gifts  
2670 that are prohibited by CITY ordinance.

## 2671 ARTICLE 39. Point of Contact

2672 39.01 Contact for issues related to the management of this Agreement shall be between  
2673 the CONTRACTOR and the CITY shall be between the CONTRACTOR and the City  
2674 Representative.

## 2675 ARTICLE 40. Conflict of Interest

2676 40.01 CONTRACTOR shall comply with CITY requirements for conflict of interest and  
2677 will file all required disclosure statements.

## 2678 ARTICLE 41. Notices

2679 41.01 Except as provided herein, whenever either party desires to give notice to the  
2680 other, it must be given by written notice addressed to the party for whom it is intended, at the  
2681 place last specified and to the place for giving of notice in compliance with the provisions of this  
2682 paragraph. For the present, the parties designate the following as the respective persons and  
2683 places for giving of notice:

2684 As to the CITY:

2685 **Environmental Services Manager**  
2686 **City of West Sacramento**  
2687 **1110 West Capitol Avenue**  
2688 **West Sacramento, CA 95691**  
2689 **Telephone: (916) 617-4590**  
2690 **Facsimile: (916) 373-9006**  
2691 **E-mail: [Recycle@cityofwestsacramento.org](mailto:Recycle@cityofwestsacramento.org);**  
2692 **[Paulinab@cityofwestsacramento.org](mailto:Paulinab@cityofwestsacramento.org)**

2693 As to the CONTRACTOR:

2694 **USA Waste of California, Inc.**  
2695 **MAGM/Public Sector Manager**  
2696 **1333 E. Turner Road**  
2697 **P.O. Box 241001**  
2698 **Lodi, CA 95241-9501**  
2699 **Telephone: 209-333-5613**  
2700 **Facsimile: 209-369-6894**  
2701 **Email: [aoseguer@wm.com](mailto:aoseguer@wm.com); [tgill2@wm.com](mailto:tgill2@wm.com)**  
2702  
2703

2704 41.02 Notices shall be effective when received at the address as specified above.  
2705 Changes in the respective address to which such notice is to be directed may be made by written  
2706 notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile  
2707 transmissions received (i.e. confirmed transmitted) after 4:30 p.m. or on weekends or holidays,  
2708 will be deemed received on the next business day. Receipt is deemed to have taken place within  
2709 five (5) Work Days of notice mailed by U.S. Postal Service return receipt requested. The original  
2710 of items that are transmitted by facsimile equipment must also be mailed as required herein.

2711 41.03 Notice by CITY to CONTRACTOR of a collection or other Service Recipient  
2712 problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S  
2713 local office with confirmation sent as required above by the end of the Work Day.

## 2714 ARTICLE 42. Transition to Next Contractor

2715 42.01 In the event CONTRACTOR is not awarded an Agreement to continue to provide  
2716 Collection Services following the expiration or early termination of this Agreement,  
2717 CONTRACTOR shall cooperate fully with CITY and any subsequent contractors to assure a  
2718 smooth transition of services described in this Agreement. Such cooperation shall include but not  
2719 be limited to transfer of computer data, files and tapes containing customer account and service  
2720 information; providing routing information, route maps, vehicle fleet information, and list of Service  
2721 Recipients; providing a complete inventory of all carts and bins; providing adequate labor and  
2722 equipment to complete performance of all Collection Services required under this Agreement;  
2723 offering to sell carts and bins to the subsequent contractor or CITY; taking all actions necessary  
2724 to transfer ownership of any sold carts and bins, as appropriate, to the subsequent contractor or  
2725 CITY, including transporting such containers to a location designated by the City Representative;  
2726 coordinating collection of materials set out in new containers if new containers are provided for a  
2727 subsequent Agreement before the expiration or early termination of this Agreement; and providing  
2728 other reports and data required by this Agreement.

## 2729 ARTICLE 43. Contractor's Records

2730 43.01 CONTRACTOR shall maintain any and all letters, books of account, invoices,  
2731 vouchers, canceled checks, and other records or documents evidencing or relating to charges for  
2732 services or expenditures and disbursements charged to Service Recipients for a minimum period  
2733 of five (5) years, or for any longer period required by law, from the date of final payment to  
2734 CONTRACTOR pursuant to this Agreement.

2735 43.02 CONTRACTOR shall maintain all documents and records, which demonstrate  
2736 performance under this Agreement for a minimum period of five (5) years, or for any longer period  
2737 required by law, from the date of termination or completion of this Agreement.

2738 43.03 Any records or documents required to be maintained pursuant to this Agreement  
2739 shall be made available for inspection or audit, at any time during regular business hours, upon  
2740 written request by the City Representative, the City Attorney, City Auditor, City Manager, or a  
2741 designated representative of any of these officers. Copies of such documents shall be provided  
2742 to CITY for inspection at the CITY offices when it is practical to do so. Otherwise, unless an  
2743 alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S  
2744 address indicated for receipt of notices in this Agreement. The CITY'S rights to inspect, audit or  
2745 review confidential or proprietary information of CONTRACTOR shall be subject to CITY entering  
2746 into a reasonable confidentiality agreement with CONTRACTOR. In addition, the CITY will take  
2747 reasonable measures, subject to the requirements of applicable law, to prevent the dissemination



2748 of any such information to third parties, and will promptly notify CONTRACTOR upon receipt of a  
2749 request by a third party under the Public Records Act to review or obtain such information.

2750 43.04 Where CITY has reason to believe that such records or documents may be lost or  
2751 discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, CITY  
2752 may, by written request or demand of any of the above named officers, require that custody of  
2753 the records be given to CITY and that the records and documents be maintained in City Hall.  
2754 Access to such records and documents shall be granted to any party authorized by  
2755 CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

## 2756 ARTICLE 44. Entire Agreement

2757 44.01 This Agreement and the Exhibits attached hereto constitute the entire Agreement  
2758 and understanding between the parties hereto, and it shall not be considered modified, altered,  
2759 changed or amended in any respect unless in writing and signed by the parties hereto.

## 2760 ARTICLE 45. Severability

2761 45.01 If any provision of this Agreement or the application of it to any person or situation  
2762 shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the  
2763 application of such provisions to persons or situations other than those as to which it shall have  
2764 been held invalid or unenforceable, shall not be affected, shall continue in full force and effect,  
2765 and shall be enforced to the fullest extent permitted by law.

## 2766 ARTICLE 46. Right to Require Performance

2767 46.01 The failure of either party at any time to require performance by the other party of  
2768 any provision hereof shall in no way affect the right of such party thereafter to enforce same. Nor  
2769 shall waiver by either party of any breach of any provision hereof be taken or held to be a waiver  
2770 of any succeeding breach of such provision or as a waiver of any provision itself.

## 2771 ARTICLE 47. All Prior Agreements Superseded

2772 47.01 This document supersedes all prior negotiations, correspondence, conversations,  
2773 agreements, contracts and understandings, whether oral or written, applicable to the matters  
2774 contained in this Agreement. Accordingly, it is agreed that no deviation from the terms of this  
2775 Agreement shall be predicated upon any prior representations, agreements, understandings or  
2776 contracts, whether oral or written.

## 2777 ARTICLE 48. Headings

2778 48.01 Headings in this document are for convenience of reference only and are not to be  
2779 considered in any interpretation of this Agreement.

## 2780 ARTICLE 49. Exhibits

2781 49.01 Each Exhibit referred to in this Agreement forms an essential part of this  
2782 Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by this  
2783 reference.

2784 **ARTICLE 50. Representations and Warranties**

2785 The Parties, by acceptance of this Agreement, represents and warrants the conditions presented  
2786 in the Article, as of the date of CONTRACTOR'S signature hereon.

2787           50.01 Corporate Status. The CONTRACTOR is a corporation duly organized  
2788 (Delaware), validly existing and in good standing under the laws of the State of California ("State").  
2789 It is qualified to transact business in the State and has the power to own its properties and to carry  
2790 on its business as now owned and operated and as required by this Agreement.

2791           50.02 Corporate Authorization. CONTRACTOR has the authority to enter this  
2792 Agreement and perform its obligations under this Agreement. The Board of Directors of  
2793 CONTRACTOR (or the shareholders, if necessary) has taken all actions required by law, its  
2794 articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement.  
2795 The Person signing this Agreement on behalf of CONTRACTOR represents and warrants that  
2796 they have the authority to do so. This Agreement constitutes the legal, valid, and binding  
2797 obligation of the CONTRACTOR.

2798           50.03 Agreement Will Not Cause Breach. To the best of each Party's knowledge after  
2799 responsible investigation, the execution or delivery of this Agreement or the performance of their  
2800 respective obligations hereunder does not conflict with, violate, or result in a breach: (i) of any  
2801 applicable law or governmental regulation; or (ii) any term or condition of any judgment, order,  
2802 decree, of any court, administrative agency or other governmental authority, or any Agreement or  
2803 instrument to which it is a party or by which it or any of its properties or assets are bound, or  
2804 constitutes a default thereunder.

2805           50.04 No Litigation. To the best of each Party's knowledge after responsible  
2806 investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by  
2807 any court or governmental authority, commission, board, agency or instrumentality, pending or  
2808 threatened against it wherein an unfavorable decision, ruling or finding, in any single case or in  
2809 the aggregate would:

2810                   50.04.1           Materially adversely affect the performance by it of its obligations  
2811 hereunder;

2812                   50.04.2           Adversely affect the validity or enforceability of this Agreement; or

2813                   50.04.3           Have a material adverse effect on the financial conditions of it, or  
2814 any surety or entity guaranteeing its performance under this Agreement.

2815           50.05 No Adverse Judicial Decisions. To the best of each Party's knowledge after  
2816 responsible investigation, there is no judicial decision that would prohibit this Agreement or  
2817 subject this Agreement to legal challenge.

2818           50.06 No Legal Prohibition. To the best of each Party's knowledge after reasonable  
2819 investigation, there is no Applicable Law in effect on the date it signed this Agreement that would  
2820 prohibit its performance of its obligations under this Agreement and the transactions contemplated  
2821 hereby.

2822           50.07 CONTRACTOR'S Investigation. CONTRACTOR has made an independent  
2823 investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement

2824 and the work to be performed hereunder. CONTRACTOR has taken such matters into  
2825 consideration in entering this Agreement to provide services in exchange for the compensation  
2826 provided for under the terms of this Agreement.

2827 **ARTICLE 51. Effective Date**

2828 This Agreement shall become effective at such time as it is properly executed by the CITY and  
2829 the CONTRACTOR and the CONTRACTOR shall begin Collection Services, as covered herein,  
2830 on the Service Commencement Date.

2831

2832 IN WITNESS WHEREOF, the CITY and the CONTRACTOR have executed this Agreement on  
2833 the day and year first written above.

2834

2835 CITY OF WEST SACRAMENTO

USA WASTE OF CALIFORNIA, INC.

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\_\_\_\_\_  
Christopher L. Cabaldon  
Mayor

8-17-16  
Date

  
\_\_\_\_\_  
Barry Skolnick  
President – Northern California Area  
USA Waste of California, Inc.

8-11-16  
Date

16619  
City of West Sacramento  
Business License Number

The foregoing Agreement has been reviewed and approval is recommended:

2856 Approved as to Form:

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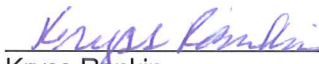
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\_\_\_\_\_  
Jeffrey Mitchell  
City Attorney

8/17/16  
Date

CONFORMED  
COPY

Attest:

  
\_\_\_\_\_  
Kryss Rankin  
City Clerk

8-17-16  
Date

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**Exhibit 1**  
**MAXIMUM SERVICE RATES**

RESIDENTIAL	Rate Effective 7/1/17
<b>Residential Service</b>	
35 gallon cart (bundled rate which includes yardwaste and recycle)	\$18.87
Each additional 35 gallon garbage cart	\$12.44
Each additional 35 gallon recycle cart (first 2 are free)	\$7.00
Each additional 35 gallon organics cart (first 4 are free)	\$12.44
64 gallon cart (bundled rate which includes yardwaste and recycle)	\$23.52
Each additional 64 gallon garbage cart	\$17.85
Each additional 64 gallon recycle cart (first 2 are free)	\$7.00
Each additional 64 gallon organics cart (first 4 are free)	\$17.85
96 gallon cart (bundled rate which includes yardwaste and recycle)	\$30.02
Each additional 96 gallon garbage cart	\$24.05
Each additional 96 gallon recycle cart (first 2 are free)	\$7.00
Each additional 96 gallon organics cart (first 4 are free)	\$24.05
<b>Residential - Extra Services - This is driver is already on site, and collects extra garbage</b>	
35 gallon - extra cart service (on service day) This applies to garbage only.	\$4.75
64 gallon - extra cart service (on service day) This applies to garbage only	\$5.88
96 gallon - extra cart service (on service day) This applies to garbage only	\$7.50
<b>Residential - Extra Pick up fees - This is fee for driver to go back to site to service.</b>	
Extra Residential Pickup Fee - Service Day (applies to all commodities)	
35-gallon (service day)	\$6.90
64-gallon (service day)	\$6.90
96-gallon (service day)	\$6.90
Extra Residential Pickup Fee - NON - Service Day (applies to all commodities)	
35-gallon (service day)	\$35.00
64-gallon (service day)	\$35.00
96-gallon (service day)	\$35.00



Exhibit 1  
MAXIMUM SERVICE RATES

COMMERCIAL	Rate Effective 7/1/2017
Commercial Bin Service/Yard (Includes garbage and recycle)	\$45.92
Multi-family Bin Service/Yard (Includes garbage and recycle)	\$50.82
Commercial FEL Compactor/Yard (Includes garbage and recycle)	\$55.14
35 - gallon - Commercial Cart Service (Includes garbage and recycle)	\$18.87
64 - gallon- Commercial Cart Service (Includes garbage and recycle)	\$23.52
96 - gallon - Commercial Cart Service (Includes garbage and recycle)	\$30.02
<b>Commercial - Extra Pick up fees - This is fee for driver to go back to site to service.</b>	
Extra Pickup Fee - Service Day (This applies to all commodities)	
35-gallon (service day)	\$6.90
64-gallon (service day)	\$6.90
96-gallon (service day)	\$6.90
1-yard bin (service day)	\$24.19
1 1/2-yard bin (service day)	\$34.79
2-yard bin (service day)	\$48.38
3-yard bin (service day)	\$57.57
4-yard bin (service day)	\$66.76
5-yard bin (service day)	\$75.95
6-yard bin (service day)	\$85.14
Extra Pickup Fee - Non-Service Day (This applies to all commodities)	
35-gallon (non-service day)	\$35.00
64-gallon (non-service day)	\$35.00
96-gallon (non-service day)	\$35.00
1-yard bin (non-service day)	\$75.00
1 1/2-yard bin (non-service day)	\$75.00
2-yard bin (non-service day)	\$75.00
3-yard bin (non-service day)	\$75.00
4-yard bin (non-service day)	\$75.00
5-yard bin (non-service day)	\$75.00
6-yard bin (non-service day)	\$75.00



Exhibit 1  
MAXIMUM SERVICE RATES

**Commercial Bin Service (all commodities)**

	1x/Week	2x/Week	3x/Week	4x/Week	5x/Week
1 yard	\$45.92	\$91.84	\$137.76	\$183.68	\$229.60
1 1/2 yard	\$68.88	\$137.76	\$206.64	\$275.52	\$344.40
2 yard	\$91.84	\$183.68	\$275.52	\$367.36	\$459.20
3 yard	\$137.76	\$275.52	\$413.28	\$551.04	\$688.80
4 yard	\$183.68	\$367.36	\$551.04	\$734.72	\$918.40
5 yard	\$229.60	\$459.20	\$688.80	\$918.40	\$1,148.00
6 yard	\$275.52	\$551.04	\$826.56	\$1,102.08	\$1,377.60


**MultiFamily Bin Service (all commodities)**

	1x/Week	2x/Week	3x/Week	4x/Week	5x/Week
1 yard	\$50.82	\$101.64	\$152.46	\$203.28	\$254.10
1 1/2 yard	\$76.23	\$152.46	\$228.69	\$304.92	\$381.15
2 yard	\$101.64	\$203.28	\$304.92	\$406.56	\$508.20
3 yard	\$152.46	\$304.92	\$457.38	\$609.84	\$762.30
4 yard	\$203.28	\$406.56	\$609.84	\$813.12	\$1,016.40
5 yard	\$254.10	\$508.20	\$762.30	\$1,016.40	\$1,270.50
6 yard	\$304.92	\$609.84	\$914.76	\$1,219.68	\$1,524.60

**Commercial Compactor Service (all commodities)**

	1x/Week	2x/Week	3x/Week	4x/Week	5x/Week
1 yard	\$55.14	\$110.28	\$165.42	\$220.56	\$275.70
1 1/2 yard	\$82.71	\$165.42	\$248.13	\$330.84	\$413.55
2 yard	\$110.28	\$220.56	\$330.84	\$441.12	\$551.40
3 yard	\$165.42	\$330.84	\$496.26	\$661.68	\$827.10
4 yard	\$220.56	\$441.12	\$661.68	\$882.24	\$1,102.80
5 yard	\$275.70	\$551.40	\$827.10	\$1,102.80	\$1,378.50
6 yard	\$330.84	\$661.68	\$992.52	\$1,323.36	\$1,654.20

**Exhibit 1**  
**MAXIMUM SERVICE RATES**

 <p style="margin: 0;"> <b>Exhibit 1</b>  <b>City of West Sacramento</b>  <b>ANCILLARY SERVICES</b>  <b>EFFECTIVE JULY 1, 2017</b> </p>		
Special Fees	Rate Effective 7/1/17	Definitions
<b>Miscellaneous Services</b>		
Temp Bin Delivery Fee	\$45.00	Delivery charge for temporary bin.
Commercial overflow fee per occurrence after two warnings	\$55.00	Applies to commercial bins that are overflowing with material.
Monthly lock service charge (per bin per month)	\$5.91	Driver must unlock bin to service. Charge is per bin per month.
Cart, Bin Exchange/Painting/Repair fee	\$25.00	One free exchange per year. Applies when customer wants us to exchange or repair (due to customer caused damage) their cart/bin, or have it painted for graffiti.
Cart/Bin Re-Delivery fee	\$25.00	This fee is applied when customers cart/or bin is pulled for contamination.
Cart Replacement	\$65.00	One free per length of contract. Applies when cart is damaged upon repair and WM needs to replace (Not if damage is caused by WM).
Kitchen Pail Replacement	\$15.00	Three free per length of contract.
Contamination Fee Commercial (after two warnings, fee applies to 3rd and 4th occurrence)	\$50.00	Applies to commercial recycle containers that have more than 10% contamination. Applies to organic containers that have more than 3% contamination.
Contamination Fee Residential (after two warnings, fee applies to 3rd and 4th occurrence)	\$15.00	Applies to residential recycle carts that have more than 10% contamination. Applies to organic carts that have more than 3% contamination.
Hard to Service	\$20.00	Applies when driver has difficulty servicing, such as having to get out of truck and walk a long distance to service, or topography, street conditions, or limited street access. Also includes hard to service areas that need additional equipment to retrieve bins from location.
Push out fee 10'-20' FEET- Per Bin Per Service/per month	\$2.00	Driver must be out of truck and maneuver container in order to empty it.
Push out fee 21' OR MORE -Per Bin Per Service/per month	\$4.00	Driver must be out of truck and maneuver container in order to empty it.
Backyard/Side yard Service (per month)	\$20.00	Applies if customer would prefer we retrieve cart from back/side yard. This would not apply to disabled/elderly customers.
Disabled/Elderly	No Charge	Contractor may require proof.
Additional Bulky Waste Collection Service	\$45.00	Customer would like an additional pickup exceeding the contract limit of two per year.
Additional HHW pick up	\$120.00	Customer would like an additional pickup exceeding the contract limit of two per year.



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Exhibit 2 REFUSE RATE INDEX (RRI)	
<p>The "Refuse Rate Index" (RRI) Adjustment shall be calculated in the following manner:</p>	
<ol style="list-style-type: none"> <li>1. The Operating Costs of providing Collection Services in the Service Area for the prior Agreement Year (July to June) shall be prepared in the format set forth in the "Operating Cost Statement – Description" on the following page of this Exhibit.</li> <li>2. The Operating Costs of providing Collection Services in the Service Area shall be broken down into one of the following seven RRI Categories: Labor; Fuel; Vehicle Replacement; Maintenance, Disposal Fee, Organic Materials Processing Fee, and All Other. Each RRI Category is then assigned a weighted percentage equal to that RRI Category's proportionate share of the total of the Operating Costs as shown for all RRI Categories.</li> <li>3. The indices listed below are used to calculate the percentage change for each RRI Category. The percentage change in each index is calculated between the two previous subsequent 12-month periods ending September 31<sup>st</sup>. The percentage change between the average of index values from October 2015 to September 2016 and the average of index values from October 2016 to September 2017 for each RRI Category, for example, will serve as the basis for the first RRI Adjustment effective July 1, 2018. For the "Disposal Fee" and "Organic Materials Processing Fee" RRI Categories, the percentage change will be calculated using the change in the per-ton tip fees between the prior July 1<sup>st</sup> and the tip fee that will be effective on the upcoming July 1<sup>st</sup> rate adjustment date.</li> </ol>	
<u>RRI Category</u>	<u>Index</u>
<b>Labor</b>	BLS Series ID: ceu6056210008 Employment, hours, and earnings from current employment, Waste collection (U.S. Department of Labor, Bureau of Labor Statistics)
<b>Fuel</b>	PG&E Schedule G-NGV2 – Compressed Gas for Motor Vehicles. Currently provided at the following web address: <a href="http://www.pge.com/notes/rates/tariffs/GRF.SHTML">http://www.pge.com/notes/rates/tariffs/GRF.SHTML</a>
<b>Vehicle Replacement</b>	BLS Series ID: pcu336211336211 Truck, bus, car and other vehicles bodies, for sale separately.
<b>Vehicle Maintenance</b>	BLS Series ID: pcu333924333924 Parts and attachments for Industrial work trucks.
<b>Disposal Fee</b>	The per-ton tip fee charged at the Approved Disposal Site.
<b>Organic Materials Processing Fee</b>	The per-ton tip fee charged at the Approved Organic Materials Processing Site.

## Exhibit 2

## REFUSE RATE INDEX (RRI)

**All Other**

Consumer Price Index, Series ID: CUURA422SA0  
CPI-All Urban Consumers, All Items, San  
Francisco-Oakland-San Jose.

4. The percentage weight (see number 2 above) for each RRI Category is then multiplied by the percentage change (see number 3 above) in each RRI Category's appropriate index to calculate a weighted percentage change for each RRI Category. The weighted percentage changes for each RRI Category are then added together to calculate the RRI Adjustment percentage to be used for adjusting the City-Approved Maximum Service Rates.

**Operating Cost Statement - Description****Labor:**

- List all administrative, officer, operation and maintenance salary accounts.
- List payroll tax accounts directly related to the above salary accounts.
- List all employee benefit accounts including health insurance costs, workmen's compensation premiums, and retirement plan costs.

**Fuel:**

- List all fuel accounts.

**Vehicle Replacement:**

- List all Collection and Collection related vehicle depreciation accounts.
- List all vehicle lease or rental accounts related to Collection or Collection related vehicles.

**Vehicle Maintenance:**

- List all Collection or Collection related vehicle parts accounts.

**Disposal Fee:**

- List all Landfill Disposal related accounts.

**Organic Materials Processing Fee:**

- List all Organic Materials Processing related accounts.

**All Other:**

- List all other expense accounts related to the services provided under this Contract. This category includes all insurance (except for those listed under "Labor" above), including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; and miscellaneous other expenses.

**Exhibit 3  
CITY FACILITIES**

<u>ACCOUNT #</u>	<u>SERVICE ADDRESS</u>	<u>TRASH</u>	<u>RECYCLING</u>
3575	905 Fremont Blvd - Fire Dept	96 gal cart	64 gal cart
7206	3585 Jefferson Blvd - Fire	96 gal cart & 64 gal cart	64 gal cart
7723	132 15th St	2 yard 1x/wk	3 yard 1x/wk & 96 gal cart
9880	205 Stone Blvd - Sam Combs	2 yard 2x/wk	none
1921	550 Jefferson Blvd	2 – 4 yards 1x/wk	2 yard 1x/wk
5247	3025 Riverbank Rd Wtr Tr	3 yard 1x/wk	2 yard 1x/wk
8218	Euclid St/ Memorial Park	4 yard 2x/wk	2 yard 1x/wk
9067	1991 S River Rd	3 yard 1x/wk	2 – 4 yard 2x/wk
9687	1561 Harbor Blvd	3 yard 1x/wk	2 yard 1x/wk
21949	1110 W Capitol Ave	4 yard 2x/wk	2 – 4 yard 1x/wk
23551	1125 Riverbank Rd	4 yard 2x/wk	4 yard 1x/wk
29368	1075 W Capitol Ave	2 – 3 yard 1x/wk	2 - 3 yard 1x/wk
32123	3650 Southport Pkwy - Boat House	4 yard 1x/wk	2 yard 1x/wk
34101	2040 Lake Washington Blvd	4 yard 1x/wk	4 yard 1x/wk
37885	1 Raider Ln - Rec Center	4 yard 1x/wk	2 – 4 yard 1x/wk
1213	231 F St & 600 2nd St	3 yard 1x/wk	none
1897	Alyce Norman Ball Fields	3 yard 1x/wk	none
5168	Carrie St – Bryte Park	3 yard 2x/wk	none

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Exhibit 4 APPROVED CONTRACTOR FACILITIES
<u>Garbage</u>
<ul style="list-style-type: none"><li>• Yolo County Landfill – 44090 County Rd 28H, Woodland CA</li></ul>
<u>Recyclables</u>
<ul style="list-style-type: none"><li>• SRT – 8491 Fruitridge Rd., Sacramento CA</li></ul>
<u>Customer Service</u>
<ul style="list-style-type: none"><li>• Woodland Hauling Site - 1324 Paddock place., Woodland CA 95776</li><li>• Phoenix Arizona - 2625 W Grandview Rd Phoenix, AZ 85023</li></ul>
<u>Organics</u>
<ul style="list-style-type: none"><li>• Harvest Power - 916 Frewert Rd., Lathrop CA 95330</li><li>• Clean World – 8550 Fruitridge Rd., Sacramento CA 95826</li><li>• Yolo County Landfill – 44090 Co Rd. 28H., Woodland CA 95776</li></ul>
<u>At Your Door</u>
<ul style="list-style-type: none"><li>• WM Curbside LLC., dba At Your Door - 410 E. Grant Line Road, Unit A Tracy CA 95376</li></ul>

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## Exhibit 5

### CUSTOMER SERVICE PLAN

Beginning July 1, 2017 CONTRACTOR will begin taking service calls for Residential (excludes new starts, as these calls will remain with the CITY), and Commercial customers.

#### Protocol for Receiving Customer Requests, Issuing Work Orders, Closing Work Orders and Replying to Customers

Customer can call, email or fax CONTRACTOR'S Customer Service with a service question or issue. CONTRACTOR'S Customer Service Representative opens an electronic ticket or case for each call received. These tickets include the customer's information, the date, a coded entry of the type of issue for tracking purposes (e.g., missed pick-up, replacement cart, etc.), and relevant details concerning the service request or complaint. The process of closing tickets is a monitored performance metric. CONTRACTOR requires resolution and closure of complaint tickets within 48 hours of receiving the complaint. CONTRACTOR will notify customers of the resolution using their preferred method of communication—phone, email or fax.

#### Call Center Capacity

CONTRACTOR's call center will be located in Phoenix. The call center will be staffed from 8 am to 5 pm, Monday through Friday. CONTRACTOR uses a proprietary web-based Knowledge Management Tool (KMT) called Green Pages to track and maintain all contract information. Green Pages are accessible by field staff and customer service representatives and can be updated in real-time. It contains comprehensive information about our municipal contracts, such as service offerings and collection schedules, as well as miscellaneous information about each of the communities we serve—including maps, demographic information, special events and activities. Pricing and billing information is also included. CONTRACTOR will review data regularly and enter any updates or changes into Green Pages.

#### Four-Week Professional Training

CONTRACTOR provides a four-week training program for new customer service representatives. The four-week classroom course is designed to introduce new employees to the WM family and create a strong, consistent foundation in the areas of customer-focused service, professionalism, safety, and company pride. The training covers the following information:

**Exhibit 5**  
**CUSTOMER SERVICE PLAN**

Four-Week Training Program

Topics Covered	
New Hire Orientation	Overview of West Sacramento City of West Sacramento service offerings Internal customers and introduction of CSR team Introduction to customer-focused service strategy
Getting to Know West Sacramento	Ride-along in a truck Geography review of the City of West Sacramento
Developing Customer Relationships	Clear communication Building a relationship with your customer Review of other performance metrics
Customer Engagement Tools	Listening sympathetically Agreeing and providing a solution Staying positive and calm Maintaining professionalism
Call Center Equipment Training	MAS (Customer Data System) Knowledge Management Tool Phone system
Professional Customer Service Skills	Strategies for handling common collection questions Methods for handling difficult customer situations

**Side-by-Side Monitoring.** Customer service professionals will be monitored a minimum of three times per month. Side-by-side monitoring sessions provide immediate feedback on call handling. As part of that monitoring session, employees are evaluated on 72 talking points and scored on a scale of 1 to 4.

**Quality Monitoring.** CONTRACTOR employs an external company to monitor customer service professionals, in an effort to capture accurate and unbiased performance



## Exhibit 5 CUSTOMER SERVICE PLAN

measurements. The analysts evaluate and assess representatives based on the same internal metrics used by Customer Service Center management.

**On-the-Job Training.** If a CSR cannot answer a customer's call, they are empowered to contact a supervisor or lead for a resource, if needed, to complete the customer's transaction of the first call. Observing how experienced supervisors handle the call teaches the CSR how to address the same issue on future calls.

**Customer Service Scorecard.** The Customer Service Scorecard is a monthly evaluation of an individual CSR's performance. The Scorecard provides CSRs with actions and opportunities to develop and improve over the course of the month. The Scorecard is comprised of four qualifying sections:

- Quality Assurance
- Resource Management
- Productivity
- Qualitative Professional Development

**Weekly Meetings and Action Plans.** The customer service team will meet weekly to discuss any service issues, upcoming area initiatives or events, errors in paperwork and processing, and to review any potential opportunity for improving the overall customer experience. The team develops action plans to resolve any issues, update any training materials, and adjust staffing plans as needed. All results from these action plans are reviewed and quantified for continuous improvement.

### Driver Training

To ensure our drivers provide outstanding customer service, CONTRACTOR requires them to attend extensive customer service training sessions in which they learn and are required to meet the CONTRACTOR's customer service standards.

Some of the key actions and behaviors that our drivers perform each day are as follows:

- Using friendly nonverbal communications with customers
- Always speaking in a friendly voice and maintaining a pleasant demeanor
- Offering to clean up any items/debris during collection, before the customer has to ask
- Monitoring customer containers and quickly replacing broken/damaged ones before the customer has to ask
- Understanding the customer's needs
- Explaining what items can and cannot be placed in each container and why
- Monitoring a customer's load and knowing when to suggest a service increase/decrease

## Exhibit 5

### CUSTOMER SERVICE PLAN

- Acting as a consultant to optimize the service for the customer
- Taking the time to inform customers of holiday schedules one week before a major holiday
- Owning the customer's issue and saying, "I'm sorry that we disappointed you. But I ensure we will work hard to correct the situation."

#### Driving Efficient Service Delivery with Technology

Onboard Computing System (OCS) mobile technology integrated into CONTRACTORS fleet, coupled with advanced route optimization, decision sciences, and business intelligence technologies allow CONTRACTOR to continually measure our internal operational performance. Optimizing assets to maintain a high quality, efficient fleet, and ensure consistent service

- Scheduling capabilities to avoid interruption due to traffic flow
- Assessing container sizes, frequencies, and other programs (e.g., recycling) based on analysis of waste stream and disposal tonnage, or based on past service history with similar types of service customers to make service recommendations
- Identifying service issue trends to proactively address before further degradation to the City

#### Performance Measures

CONTRACTOR has developed a set of standards and metrics for the areas of customer setup, call handling and operations. All metrics, which are listed below, are ranked on a scale of 1-3, with 3 being the highest. The categories are then averaged, providing an overall performance measurement for any given week. Results are used to guide weekly discussions about areas requiring improvement.

#### Customer Setup

The measurements below are used to track how successful we are in the area of customer setup:

- Percentage of defective setups
- Number of errors by line of business
- Number of errors by responsible party

#### Call Handling

Customers' ability to reach us effectively, is monitored using the following metrics:

- Average speed to answer and hold time
- Abandonment rate
- Average length of call



## Exhibit 5 CUSTOMER SERVICE PLAN

- Number of calls taken each hour

### Surveys

Customer calls are randomly selected for a survey, the results of which are reviewed weekly. Customers are emailed a survey and asked to rate their customer service experience. Customers rank CONTRACTOR'S service in a number of categories, including timeliness of cart delivery, issue and complaint resolution, billing accuracy, reliability, safety, cleanliness, professionalism and how likely they are to recommend CONTRACTOR.

### Operations

CONTRACTOR utilizes the following measures to achieve operations success:

- Number of missed pickups by driver
- Number of estimated time of arrival inquiries by driver
- Number of collection calls (incidents in which driver cites customer action as reason for missed pickup)
- Number of open service tickets (e.g., deliveries, swaps, etc.)

Measuring Missed Pickups (MPU) is arguably the most important indicator of our ability to satisfy our customers' service delivery expectations. The acceptable standard of performance for MPUs is that there should be fewer than or equal to 1 MPU per 1,200 customers.

### WM Customer Service and West Sacramento Interface

Waste Management will work with our internal IT department to create an interface between Waste Management's Customer Service Center and West Sacramento City Staff's Billing Department (to begin in September 2016). This interface will allow Waste Management to send customer information on a monthly basis, and allow West Sacramento to send customer information over daily, to ensure customer data is up to date, and West Sacramento has the data needed to bill customers properly. Prior to contract start date, CONTRACTOR will work with West Sacramento staff to ensure that all customer information is transferred over to CONTRACTOR to effectively handle calls beginning July 1, 2017. For all tenant new starts, a tenant authorization billing form (TAB) will need to be on file, and sent to West Sacramento City Staff. If no tenant form is on file, then the property owner must be responsible for the account. The tenant (TAB) information must be noted on the customer's account. Waste Management will be responsible for providing the city of West Sacramento with complete billing account information, which will include all service levels.

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## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

**DIVERSION PLAN SUMMARY**

CONTRACTOR will work with CITY to achieve the CITY'S 40% diversion requirement. In addition, CONTRACTOR will work with city to continue to achieve the current State target, which is calculated by a per resident/employee disposal rate. CITY'S current per resident disposal rate is 5.5 (2014 Cal Recycle reported) with a target of 9.8; and per employee disposal rate is 10 (2014 Cal Recycle reported), with the target of 14.7.

Additional efforts will be made to go beyond current state recycling mandates. CONTRACTOR will work with residential (SFD), Multifamily (MFD), and commercial customers within the City to utilize commercially reasonable efforts to attain a 40% goal for the city. CONTRACTOR will achieve "Minimum Annual Diversion" as follows:

Jan 1, 2018 – Dec 31, 2018: 35%

Jan 1, 2019 – Dec 31, 2019: 37%

Jan 1, 2020 – Dec 31, 2020: 40%

CONTRACTOR will focus on expanding current public education programs with customized strategies by sector. CONTRACTOR will utilize sustainability support staff (as described in Section 14.02 of the Collection Service Agreement) to assist with rolling out the programs outlined below.

**1. Single Family Dwelling – SFD****a) Mixed Recycling****I. Implementation Task & Schedule:**

1. Residential characterization study of MSW collected at curbside will be performed on a biennial basis (starting 2018) to better understand recycling opportunities.
2. Education material, as described in the outreach and education plan section below, will be mailed to customers on an annual basis.

**II. Outreach and Education Plan**

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate SFD on proper recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of



## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com.

2. CONTRACTOR to attend public events and host booths to promote recycling education and awareness. CONTRACTOR will work with CITY to identify which special events will be attended.
3. CONTRACTOR to distribute educational material to customers on an annual basis. Examples include recycling tips, battery and bulb education, proper cart placement, resource information, and HHW education. This material will be mailed to customers.
4. CONTRACTOR to distribute annual Calendars via the mail, which outline recycling tips, and other educational information to customers on an annual basis by December 1.
5. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY. This content will include proper container set out, educational materials, newsletters and program descriptions. Customers will also have the ability to use WM's web based service request system.
6. Media
  - a. CONTRACTOR will work with local media to ensure information is communicated to community (new programs, events, recycling information, etc.)
  - b. CONTRACTOR to use options, such as; local Paper, Magazines, News and Websites.
7. Service Related Notifications for Customers (Cart tags)
  - a. When container set out needs to be corrected, it is important for the drivers to communicate the problem to the customer. CONTRACTOR will provide notices on the cart for all customers that need such notices.
8. Talk Trash Open House Events with City Councilmembers
  - a. During the first year of the contract and as needed or requested each subsequent year, CONTRACTOR will host an Open House and invite each city councilmember to participate in a community session to get to know each other and "talk trash".

## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

## III. Recycling Contamination

In order for CONTRACTOR to successfully reach diversion goals; CONTRACTOR will work with the customer to ensure a clean recycling stream is less than 10% contaminated. Recycling contamination will be addressed by educating customer with proper recycling techniques. Section 3.13 of the Collection Services Agreement outlines the steps for eliminating contamination in the recycling carts.

## b) Organics

CONTRACTOR to offer CITY'S residential customers a comprehensive organics recycling program. Yard and food waste represent a significant portion of current landfilled material and diverting this material to the proper recycling facility will help reach West Sacramento's diversion goals for years to come. The effort will coincide with California's implementation of new laws, and will be anchored by outreach to maximize participation by current customers. The following describes CONTRACTOR'S approach for service.

## I. Implementation Task &amp; Schedule:

1. Co-Collected Yard Waste/Food Waste from residential customers will be sent to a facility such as Harvest Power in Lathrop, California. Composting facilities process the organic material to create compost for residential and agricultural applications. SFD will have the option of a green waste cart, a food waste cart, or a mixed green waste and food waste cart.
2. SFD Food/organics waste program to begin in January of 2018. Organics program will include; Education information sent to customers, kitchen pails provided to customers, organics and food waste can be placed in carts (35, 64, 96 gallon carts) comingled or separate. Carts will be serviced on a weekly basis.
3. CONTRACTOR to mail implementation and educational material to customers by October of 2017.
4. CONTRACTOR will conduct outreach on an annual basis.
5. Kitchen pails to be ordered and distributed to SFD customers by January 1, 2018.

## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

## II. Outreach and Education Plan

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate SFD on proper organics recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com
2. CONTRACTOR to attend public events and host booths to promote organics recycling education and awareness. CONTRACTOR will work with CITY to identify which special events will be attended.
3. CONTRACTOR to distribute educational material to customers on an annual basis. Examples include recycling tips, battery and bulb education, proper cart placement, resource information, and HHW education. This material will be mailed to customers.
4. CONTRACTOR to distribute annual Calendars via the mail, which outline recycling tips, and other educational information to customers on an annual basis by December 1.
5. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY. This content will include organics recycling information.
6. Media
  - a. CONTRACTOR will work with local media to ensure information is communicated to community (new programs, events, recycling information, etc.)
  - b. CONTRACTOR to use options, such as; local Paper, Magazines, News and Websites.
7. Service Related Notifications for Customers (Cart tags)
  - a. When container set out needs to be corrected, it is important for the drivers to communicate the problem to the customer. Waste Management will provide notices on the cart for all customers that need such notices.

## III. Organics Contamination

In order for CONTRACTOR to successfully reach diversion goals; CONTRACTOR will work with the customer to ensure a clean organics stream is less than 3% contaminated. Recycling contamination will be addressed by educating customer



## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

with proper recycling techniques. Section 3.13 of the Collection Services Agreement outlines the steps for eliminating contamination in the organics recycling carts.

## 2. Commercial

### a) Mixed Recycling

#### I. Implementation Task & Schedule:

1. Commercial characterization study of MSW collected will be performed on a biennial basis (starting 2018) to better understand recycling opportunities.
2. Quarterly conduct a review of commercial customers to identify businesses that do not currently have a recycling service. Conduct site visits and provide recycling education program information.
3. Education material, as described in the outreach and education plan section below, will be mailed to customers on an annual basis.

#### II. Outreach and Education Plan

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate SFD on proper organics recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com
2. CONTRACTOR to attend public events and host booths to promote recycling education and awareness. CONTRACTOR will work with CITY to identify which special events will be attended.
3. CONTRACTOR to distribute educational material to customers on an annual basis. Examples include recycling tips, battery and bulb education, resource information, and information on AB341. This material will be mailed to customers.
4. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY. This content will include how to set out containers properly, educational materials, newsletters and program descriptions. Customers will also have the ability to use WM's web based service request system.
5. Customers will be distributed AB341 educational outreach material on an annual basis via the mail, and during site visits.



## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

6. CONTRACTOR to conduct site visits to assist with AB341 education and compliance. CONTRACTOR will visit customers that are not in compliance with AB341 to educate them on the law, and encourage them to sign up for recycling service.
7. CONTRACTOR to work with businesses to identify cost-effective ways to reduce waste.
8. CONTRACTOR to conduct waste audits with commercial customers to better understand recycling opportunities. Customers can call in and request an audit service. In addition, CONTRACTOR may see an opportunity for this service while conducting a site visit, and offer the service.
9. Talk Trash Open House Events with City Councilmembers
  - a. During the first year of the contract and as needed or requested each subsequent year, CONTRACTOR will host an Open House and invite each city councilmember to participate in a community session to get to know each other and “talk trash”.
10. School and Community Outreach
  - b. CONTRACTOR will collaborate with the City on all school outreach activities, provide recycle assessments upon request and support all school sustainability programs.

### III. Recycling Contamination

In order for CONTRACTOR to successfully reach diversion goals; CONTRACTOR will work with the customer to ensure a clean recycling stream is less than 10% contaminated. Recycling contamination will be addressed by educating customer with proper recycling techniques. Section 3.13 of the Collection Services Agreement outlines the steps for eliminating contamination in the recycling carts or bins.

#### b) Organics

##### I. Implementation Task & Schedule

1. Commercial customers with yard waste, food waste, or combined yard waste and food waste will be informed about organics recycling programs starting July, 1 2017. Customers have the option of commercial carts or a 1 and 2-yard bin. Additional carts or bins can be provided as customers' needs change.

## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

2. AB1826 educational outreach material sent to customers in December of 2016.
3. Quarterly conduct a review of commercial organic customers and identify businesses that do not currently have an organic service.
4. Conduct site visits and provide recycling education program information.

## II. Outreach and Education Plan

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate SFD on proper organics recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com
2. CONTRACTOR to attend public events and host booths to promote organics recycling education and awareness. CONTRACTOR will work with CITY to identify which special events will be attended.
3. CONTRACTOR to distribute educational material to customers on an annual basis. Examples include organic recycling tips, and AB1826 education. This material will be mailed to customers.
4. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY. This content will include organics recycling information.
5. CONTRACTOR will provide targeted on-site technical assistance to businesses with high diversion potential. Businesses will be contacted via phone or direct mail and CONTRACTOR's West Sacramento Recycling Coordinator will offer on-site technical assistance, such as audits, trainings and signage, and offer public recognition for diversion achievements.

## III. Organics Contamination

In order for CONTRACTOR to successfully reach diversion goals; CONTRACTOR will work with the customer to ensure a clean organics stream is less than 3% contaminated. Recycling contamination will be addressed by educating customer with proper recycling techniques. Section 3.13 of the Collection Services Agreement outlines the steps for eliminating contamination in the organics recycling carts or bins.

## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

## 3. Multifamily

## a. Mixed Recycling

## I. Implementation Task &amp; Schedule:

1. Quarterly conduct a review of Multifamily (MF) customers to identify those that do not currently have a recycling service. Conduct site visits and provide recycling education program information.
2. Education material, as described in the outreach and education plan section below, will be mailed to customers on an annual basis.
3. Beginning January 1, 2018 CONTRACTOR will meet with MF property managers to discuss recycling needs. CONTRACTOR to discuss recycling programs, option of food waste program, and provide kitchen pails as needed.

## II. Outreach and Education Plan

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate SFD on proper organics recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com.
2. CONTRACTOR to hold MF events to promote recycling education and awareness. CONTRACTOR will work with MF property management to set up events on an annual basis.
3. CONTRACTOR to distribute educational material to customers on an annual basis. Examples include recycling tips, battery and bulb education, resource information, and HHW education. This material will be mailed to property management.
4. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY.
5. MF Property Managers will be distributed AB341 educational outreach material on an annual basis. This material will be mailed to customers, and during customer site visits. CONTRACTOR will work with Property Management with setting up a recycling program and assist with tenant education.



## Exhibit 6

## DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

## 6. Talk Trash Open House Events with City Councilmembers

- a. During the first year of the contract and as needed or requested each subsequent year, CONTRACTOR will host an Open House and invite each city councilmember to participate in a community session to get to know each other and "talk trash".

## c) Organics

## I. Implementation Task &amp; Schedule

1. CONTRACTOR will reach out to MF property managers to set up an organics program. Customers will have the opportunity to dispose of food waste within a food waste bin.
2. MF property management will have the option of carts or 1 and 2-yard bins.
3. AB1826 educational outreach material sent to MF property owners in December of 2016.
4. CONTRACTOR to conduct quarterly reviews of commercial organic MF properties to determine which ones do not have an organic service.
5. Conduct site visits and provide organic recycling education program information.

## II. Outreach and Education Plan

1. CONTRACTOR to utilize "Recycle Often. Recycle Right." education program to educate MFD on proper organics recycling. RORR (Recycle Often Recycle Right) is a resource center designed to offer a number of educational tools assisting with proper recycling. Educational information includes brochures, school recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. RORR.com
2. CONTRACTOR to distribute educational material to MF properties on an annual basis. Examples include organic recycling tips, and AB1826 education. This material will be mailed to customers.
3. Customers will have access to CONTRACTOR'S local website to find information specific to the CITY. This content will include organics recycling information.
4. CONTRACTOR will provide targeted on-site technical assistance to MF with high diversion potential. MF properties will be contacted via

Exhibit 6

DIVERSION, OUTREACH, AND PUBLIC EDUCATION PLAN

phone or direct mail and CONTRACTOR's West Sacramento Recycling Coordinator will offer on-site technical assistance, such as audits, trainings and signage, and offer public recognition for diversion achievements.

III. Organics Contamination

In order for CONTRACTOR to successfully reach diversion goals; CONTRACTOR will work with the MFD to ensure a clean organics stream is less than 3% contaminated. Recycling contamination will be addressed by educating customer with proper recycling techniques. Section 3.13 of the Collection Services Agreement outlines the steps for eliminating contamination in the organics recycling carts or bins.

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## Exhibit 7

## HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

**HHW Program****Resident Initiates Collection**

To participate, residents can contact the At Your Door Special Collection<sup>SM</sup> service in three ways: call the toll free number 1-800-449-7587, Email [ATYOURDOOR@WM.COM](mailto:ATYOURDOOR@WM.COM) or use the At Your Door service website at [WWW.WMATYOURDOOR.COM](http://WWW.WMATYOURDOOR.COM) and request a collection at their home. A Customer Service Representative from a trained, U.S. based call center answers the call or online request. Basic information is requested: name, address, phone number, how they learned of the program, single or multi-family home and an inventory of the materials. The Representative discusses the program guidelines with the participant, including the placement of the materials on collection day. The call center is available from 5 AM - 5 PM Pacific Standard Time, Monday through Friday. Both English and Spanish speaking representatives are available. There is an automated call system available after hours and on holidays. The website is also available 24/7 to request a collection; messages are responded to Monday through Friday.

**Collection Is Scheduled**

The participant is provided with a date when they must place their materials out near the entrance door. The predetermined location is noted by the Customer Service Representative for use by the Service Technician. Customers can receive up to two (2) appointments per year.

The frequency of collection routes will vary depending upon demand. When programs first start, there is usually a higher demand causing a more lengthy collection lead-time. During peak times of the year from spring into early fall, demand is usually at its strongest thus resulting in longer periods between the initial request and the collection date. Customer will be serviced within 30 days.

**Packaging**

A collection kit will be sent via U.S. mail (or other method) to the participant, who will package the materials and place it out on the designated collection date. The kit consists of a plastic bag, bag tie, survey card, labels (for use as needed by resident) and an instruction sheet. The instruction sheet reiterates the collection date and items discussed with the call center Customer Service Representative. Residents collect their items and place them inside the bag per the instruction sheet. The quantity of materials that can be collected at any one time is limited to the items that can be placed into the kit bag along with items that must be placed outside the bag, per the instruction sheet.

After a resident receives their kit, they may contact our program again if they have more items than will fit inside a single bag. The Customer Service Representative will provide the resident with two options. The first option is to keep the collection date as scheduled for the single kit. Then, a second collection date will be scheduled and a second kit will be mailed to the resident. The second option is to cancel the first collection date and mail the resident another collection kit. Then schedule the collection at a later date when all of the materials can be collected at the same time

All containers must be labeled and they cannot leak. If a container leaks, participants are instructed to transfer it to a non-leaking container and label it. If a container is not labeled, participants are provided



**Exhibit 7****HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN**

labels for use as needed. If the item cannot be identified, we will be unable to collect the item. If a container is leaking or it is unlabeled, a door hanger will be left indicating the reason the material was left behind.

**Collection**

On the established pickup date, a Service Technician will arrive at the home, inspect the materials for eligible items and package the products based upon hazard classification. All supplies must be placed outside of the home. Due to privacy and liability risks employees do not enter the premises to gather or remove any items. Residents may hire, at their own expense, a third party contractor to gather the acceptable materials and place them at an approved collection location.

For single family homes, materials are to be placed near the front door area or garage area, but never on public property, at the curb, street or alleyway. For Multifamily units, WM will work with each Multifamily property management to discuss program and best location for collection activities.

In the event the material is ineligible for collection, e.g., unlabeled, leaking, commercial waste, the resident will be contacted and/or a door hanger will be left with instructions. Residents are not required to be present for collections to occur.

**Transport**

Acceptable materials are transported to a transfer facility and then sent to various recycling and processing facilities (see Exhibit 3 for facility information). Once the items are collected, Service Technicians work to responsibly manage it and recycle as much as possible. Emphasis is placed on recycling, then treatment, followed by incineration, then secure landfills.

The quantity limits for each residential collection have been put into place to ensure there is enough space on the truck for all collected materials for an entire collection day.

**Eligible Items**

In general, most ordinary household chemicals and many electronics are eligible for collection. Only items originating from households are eligible, no business materials are allowed. Console TV's and similar consumer electronics, in limited amounts, are eligible unless they originate from a business. This list is not all-inclusive and may vary depending on state and local regulations. We reserve the right to modify the list.

The quantity of material that can be collected at any one time is limited to the items that can be placed inside the kit bag along with designated items that may be placed outside the bag. Materials that can be placed outside the kit bag include:

- Up to 1 television, 4 vehicle batteries, 5 fluorescent tubes and/or compact fluorescent lamps (CFL)

One computer system consisting of one each: CPU/tower, laptop, monitor, keyboard, mouse, and desktop printer. Up to 25 pounds of electronics with circuit boards such as a CD ROM, VCR, DVD/CD/tape player, cell phone, MP3 player, desktop scanner, fax machine, microwave and related cords.

## Exhibit 7

## HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

**Garden Chemicals**

- > Insect sprays/Insecticides
- > Weed killers
- > Other poisons, rat poison
- > Fertilizer
- > Herbicides
- > Pesticides

**Swimming Pool Chemicals**

- > Pool acid
- > Chlorine: tablets, liquid
- > Stabilizer

**Automotive Material**

- > Motor oil
- > Antifreeze
- > Waxes/Polishes
- > Cleaners
- > Brake fluid
- > Used oil filters
- > Transmission fluid
- > Windshield washer fluid
- > Hydraulic fluid
- > Vehicle batteries
- > Gasoline and Diesel fuel (must be placed in containers designed and sold for the containment and transportation of fuel. 10 gal. max.)

**Misc. Household**

- > Household batteries
- > Fluorescent tubes/ Compact fluorescent bulbs
- > High intensity lamps
- > Hobby glue
- > Driveway sealer (5 gal. max)

**Flammable & Combustible Materials**

- > Kerosene
- > Solvent

**Mercury Containing Devices**

- > Thermostats
- > Thermometers
- Switches

**Paint Products**

- > Oil based paint
- > Latex paint
- > Stripper and thinner
- > Caulking
- > Wood preservative and stain
- > Sealer
- > Spray paint
- > Artist paint

**Household Cleaners**

- > Ammonia
- > Floor stripper
- > Drain cleaner
- > Floor cleaner
- > Tile/shower cleaner
- > Carpet/upholstery cleaner
- > Rust remover
- > Naval jelly

**Sharps**

(must be placed into a rigid, sealed, puncture resistant container)

- > Needles
- > Lancets

**Electronics with Circuit Boards**

- > Televisions
- > Computer monitors
- > CPU/computer tower
- > Laptop and tablet computer
- > Keyboard
- > Mouse
- > Fax machine
- > Desktop printer/scanner
- > CD ROM
- > DVD/CD/tape player
- > VCR
- > Cell phone
- > MP3 player, iPod
- > Microwave oven
- > Related cords



## Exhibit 7

## HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

**Ineligible Items**

Commercial material, material from businesses, and unusually large quantities of the same material are not eligible for this program. List is not all-inclusive and will vary depending on state and local regulations. We reserve the right to modify the list. Business items located at homes are still business waste and are excluded. An example is a painter who works from home. These supplies may be able to be collected but not without a charge. The At Your Door program may be able to provide pricing for the collection of commercial/business materials collected from a home and materials from a business or public agency's commercial yard.

- Biological Waste
- Ammunition and Explosives
- Appliances
- Asbestos
- Commercial chemicals
- Construction related materials
- Containers over 5 gallons
- Fire Extinguishers
- Food Waste and cooking oil
- Gas cylinders/pressurized cylinders
- Items that are not hazardous
- Liquid mercury/Elemental mercury and broken items that contain mercury
- Materials improperly packaged for transportation
- Materials in leaking containers
- Medicines/pharmaceuticals
- Radioactive materials, including smoke detectors
- Tires
- Trash, including bulky items (example: washers, dryers, and refrigerators)
- Unknown or unlabeled materials

**Natural Disaster**

In the event of a natural disaster affecting the community e.g. a hurricane, The At Your Door Special Collection program will be suspended for a period of six months or other period upon mutual agreement. The At Your Door program is designed for the ordinary collection of home generated special materials; a natural disaster changes the nature of that need. A natural disaster is defined as a community wide event including but not limited to a tornado, hurricane, earthquakes, fires and floods.

**Program Evaluation**

The At Your Door Special Collection service is committed to the successful implementation of the program proposed in this document. To this end, two key elements will help to verify the success of the program:

**Participant Surveys**

A postage-paid card addressed to the sponsoring agency program's designee will be included in every kit sent to participants. The card lists several questions. The survey card is a "report card" that is addressed directly to the public agency from the resident. Residents have the option of filling out the cards based upon their experience with the program. The responses can help to improve the program.

## Exhibit 7

## HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

Non-Controlled Pharmaceuticals Management Program (NOTE – THIS IS NOT A PART OF “AT YOUR DOOR COLLECTION”).



CONTRACTOR's Drop Off Pharmaceuticals Collection offers the management of home generated non-controlled pharmaceuticals for residents within the West Sacramento community. This convenient service offers residents the ability to properly dispose of non-controlled pharmaceuticals through a drop box program. By making it easy and convenient for residents, CITY and CONTRACTOR can encourage proper handling of these items. Non-controlled pharmaceuticals generally consist of many items that residents can purchase at drug stores. These items may include non-controlled, over the counter (OTC) medicines and non-controlled prescription pharmaceuticals. When these items are no longer needed, residents simply place their non-controlled medicines in their original containers directly into the drop boxes.

#### Multiple Service Options

This program will be tailored *to fit the needs of West Sacramento*. CONTRACTOR will work with the CITY and businesses within the community to determine the best drop box location, drop box sizes, and collection intervals. Boxes will be provided and maintained by CONTRACTOR and CONTRACTOR will work with the CITY to ensure there are convenient options to encourage residents to properly dispose of these materials. CONTRACTOR will also be responsible for on-going collection services.

#### Convenient Collection Solution

Drop boxes will be conveniently placed throughout the CITY at easily accessible public locations, examples may include; senior centers, community centers, libraries, city hall and participating pharmacies. Each box will be delivered complete and ready to use. It will include professional graphics that are affixed to the front with a lined interior collection container. The box is made of heavy steel plate, not riveted sheet metal, so it is designed to take years of use.



## Exhibit 7

## HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

**Drop Box Specifications****Small Drop Box  
STOCK NO. PH20****Exterior Dimensions:** 54" high, 22" wide, 21" deep**Interior Dimensions:** 26" high, 21" wide, 18" deep**Shipping weight:** 175# without shipping pallet**Construction:** 12 gauge steel plate with welded and sanded seams.**Three Locks:** one on the drop chute, two on the access door to the materials**Large Drop Box  
STOCK NO. PH44****Exterior Dimensions:** 54" high, 31" wide, 28" deep**Interior Dimensions:** 31" high, 27" wide, 27" deep**Shipping weight:** 245# without shipping pallet**Construction:** 12 gauge steel plate with welded and sanded seams.**Three Locks:** one on the drop chute, two on the access door to the materials**Specifications for both sizes****Secure to floor or building:** Holes are located on inside of feet. Can be bolted to a wall through back or sides by drilling holes.**See-through portal** to determine fill level**Door hinges** are rounded at top to prevent moisture from entering.**Decals:** Standard decal is included. The responsible agency may add their logo to the container.**Security:** Drop chute door securely locks

Restrictions in certain areas may apply. Drop box dimensions are approximate and may change at anytime.

**Manufactured In the U.S.A.**

Exhibit 7

HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN

**Program Details**

By offering this easy-to-use program, proper disposal methods can be encouraged in the CITY. Participants can easily place their non-controlled pharmaceuticals, in their original containers, directly into the drop box. It is that simple! Boxes will be added to a route schedule to ensure they are emptied on a regular basis. Trained Service Technicians will safely collect and dispose of these materials, as this program accepts home generated, non-controlled pharmaceuticals only. Medical professionals are typically prohibited from using these boxes. (Additional restrictions may apply)

**Exhibit 7  
HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PLAN**

<b>West Sacramento Timelines</b>	2016	2017	2018
At Your Door	Aug Sept Oct Nov Dec	Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec	Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec
Work with operations to establish protocol for process Develop outreach material for public awareness (city approval needed) Designate locations for pharmaceutical drop-off Set-Up pharmaceutical drop-off locations Send public awareness outreach material to customers			

2883

Exhibit 8 VEHICLE REPLACEMENT SCHEDULE				
Truck Number	Year	CNG/Diesel	Type of Truck	Truck Replacement Year
103804	2011	CNG	Side Load	2021
103805	2011	CNG	Side Load	2021
104543	2014	CNG	Side Load	2024
104545	2014	CNG	Side Load	2024
104546	2014	CNG	Side Load	2024
104737	2015	CNG	Side Load	2025
104738	2015	CNG	Side Load	2025
104805	2014	CNG	Side Load	2024
211270	2013	CNG	Front Load	2023
211853	2015	CNG	Front Load	2025
211854	2015	CNG	Front Load	2025
265418	2013	CNG	Front Load	2023
413736	2013	CNG	Roll Off	2023
414868	2016	CNG	Roll Off	2026

2884