

**FRANCHISE AGREEMENT
BETWEEN
THE CITY OF MILPITAS
AND
ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
DBA
REPUBLIC SERVICES OF SANTA CLARA COUNTY
FOR
COLLECTION OF SOLID WASTE
AND
COLLECTION AND PROCESSING OF
RECYCLABLE MATERIALS AND ORGANIC MATERIALS**

The Council is considering 4 service package options:

Option 1 - Exclusive Debris Box without 20 Gallon Garbage Carts.

Option 2 - Exclusive Debris Box with 20 Gallon Garbage Carts

Option 3 – Non-Exclusive Debris Box without 20 Gallon Garbage Carts

Option 4 – Non-Exclusive Debris Box with 20 Gallon Garbage Carts

The Agreement in this final draft form provides for Option 1. The final agreement with the selected contractor will be modified as needed should the City Council select Option 2, 3 or 4. In each case, the necessary changes will be relatively minor - see yellow highlighted areas of the agreement for discussion of necessary changes.

NOVEMBER 14, 2016 CITY COUNCIL MEETING FINAL DRAFT

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36 **WHEREAS;** the City further declares its intent to approve and maintain reasonable Maximum Rates for
37 the Collection, Recycling, Processing, Composting, and/or Disposal of Solid Waste, Recyclable Materials,
38 Organic Materials, and C&D; and,

39 **WHEREAS;** the City has determined that Contractor, by demonstrated experience, reputation and
40 capacity is qualified to provide for both the Collection of Solid Waste, Recyclables Materials, and Organic
41 Materials within the corporate limits of the City and the Transportation of such material to appropriate
42 places of Processing, Recycling, Composting, and/or Disposal; and, therefore, desires that Contractor be
43 engaged to perform such services on the basis set forth in this Agreement.

44 **WHEREAS;** the City and Contractor have attempted to address conditions affecting their performance of
45 services under this Agreement but recognize that reasonably unanticipated conditions may occur during
46 the Term of this Agreement that will require the Parties to meet and confer to reasonably respond to
47 such changed conditions;

48 **NOW, THEREFORE,** in consideration of the mutual promises, covenants, and conditions contained in this
49 Agreement and for other good and valuable consideration, the Parties agree as follows:

50 **ARTICLE 1. GRANT AND ACCEPTANCE OF FRANCHISE**

51 **1.1 Grant and Acceptance of Franchise**

52 By the signing of this Agreement, City grants to Contractor and Contractor accepts an exclusive franchise
53 within the corporate limits of the City. The franchise granted to Contractor shall be for the scope of
54 services described in Section 3.1 and Article 4 of this Agreement, subject to the limitations described in
55 Section 1.2 and except where otherwise precluded by Federal, State, and local laws and regulations.

56 This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law,
57 now and during the Term of the Agreement. If future judicial interpretations of current law or new laws,
58 regulations, or judicial interpretations limit the ability of the City to lawfully contract for the scope of
59 services in the manner and consistent with all provisions as specifically set forth herein, Contractor
60 agrees that the scope of the Agreement will be limited to those services and materials which may be
61 lawfully included herein and that the City shall not be responsible for any lost profits or losses claimed
62 by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In
63 such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future
64 judicial interpretations or new laws and the Contractor may meet and confer with City and may petition
65 for a Rate adjustment pursuant to Section 8.3.

66 **1.2 Limitations to the Franchise**

67 Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section
68 1.2 will be modified to remove "C&D" from the exclusive services provided by Contractor. See highlights
69 in rest of agreement regarding other key sections for modification. Incidental references to the term
70 "C&D" will also be removed throughout the agreement and exhibits.

71 The award of this Agreement shall not preclude the categories of Solid Waste, Recyclable Materials,
72 Organic Materials, and C&D listed below from being delivered to and Collected and Transported by

73 others provided that nothing in this Agreement is intended to or shall be construed to excuse any
74 Person from obtaining any authorization from City which is otherwise required by law.

75 A. **Recyclable and Organic Materials.** Other Persons shall maintain the right to: (1) accept, donated
76 from the service recipient; or, (2) to pay the service recipient for, Source Separated Recyclable
77 Materials and Source Separated Organic Materials so long as there is no net payment (including
78 the cost of transportation, on-site services and other charges) made by the service recipient to
79 such other Person;

80 B. **Specialty Recyclables.** Other Persons shall maintain the right to collect Specialty Recyclable
81 Materials;

82 C. **Self-Hauled Materials.** A Commercial business Owner, Occupant or Resident may Dispose of
83 Solid Waste, Recyclable Materials, Organic Materials, and C&D generated in or on their own
84 Premises with their own vehicle;

85 D. **Donated Materials.** Any items which are Source Separated at any Premises by the Generator
86 and donated to youth, civic, or charitable organizations;

87 E. **Beverage Containers.** Containers delivered for Recycling under the California Beverage
88 Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources
89 Code;

90 F. **Materials Removed by Owner's or Occupant's Contractor as Incidental Part of Services.** Solid
91 Waste, Recyclable Materials, Organic Materials, and/or C&D removed from a Premises by a
92 contractor in vehicles owned by contractor (e.g., gardener, landscaper, tree-trimming service,
93 demolition contractor, construction contractor, Residential clean-out service) as an incidental
94 part of the service being performed and such contractor is providing a service which is not
95 included in the scope of this Agreement;

96 G. **Animal, Grease Waste, and Used Cooking Oil.** Animal waste and remains from slaughterhouse
97 or butcher shops, grease, or used cooking oil;

98 H. **Sewage Treatment By-Product.** By-products of sewage treatment, including sludge, sludge ash,
99 grit, and screenings;

100 I. **Excluded Waste.** Excluded Waste regardless of its source; and,

101 J. **Materials Generated by State, County, and Federal Facilities.** Materials generated by State
102 (including its political subdivisions, excepting City and County), County, and Federal facilities
103 located in the City provided that the Generator has arranged services with other Persons or has
104 arranged services with the Contractor through a separate agreement.

105 Contractor acknowledges and agrees that the City may permit other Persons besides the Contractor to
106 Collect any and all types of materials excluded from the scope of this Franchise, as set forth above,
107 without seeking or obtaining approval of Contractor. If Contractor can produce evidence that other
108 Persons are servicing Collection Containers or are Collecting and Transporting Solid Waste, Recyclable
109 Materials, Organic Materials, and/or C&D (collectively "Franchised Materials") in a manner that is not
110 consistent with this Agreement or the City's Municipal Code, it shall report the location, the name and
111 phone number of the Person or company to the City's Contract Manager along with Contractor's
112 evidence. In such case, City may notify the Customer, Generator and Person providing service of
113 Contractor's rights under this Agreement.

114 This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law,

115 now and during the Term of the Agreement. If future judicial interpretations of current law or new laws,
116 regulations, or judicial interpretations limit the ability of the City to lawfully contract for the scope of
117 services in the manner and consistent with all provisions as specifically set forth herein, Contractor
118 agrees that the scope of the Agreement will be limited to those services and materials which may be
119 lawfully included herein and that the City shall not be responsible for any lost profits or losses claimed
120 by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In
121 such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future
122 judicial interpretations or new laws and the Contractor may meet and confer with City and may petition
123 for a Rate adjustment pursuant to Section 8.3.

124 **1.3 Obligations of Parties**

125 In addition to the specific performance required under the Agreement:

- 126 A. Contractor shall use its reasonable commercial efforts to enforce its rights under this Agreement
127 by the Contractor's identification and documentation of violations of the Agreement by third
128 parties.
- 129 B. Contractor and City shall provide timely notice to the other Party of a failure or perceived failure
130 to perform any obligations under this Agreement, and each shall have access to information
131 demonstrating the Party's failure or perceived failure to perform.
- 132 C. Contractor and City shall provide timely access to the City Contract Manager and the
133 Contractor's designated representative as applicable and complete and timely responses to
134 requests of the other Party.
- 135 D. Contractor and City shall provide timely notice of matters which may affect either Party's ability
136 to perform under the Agreement.

137 **ARTICLE 2. TERM OF AGREEMENT**

138 **2.1 Term and Option to Extend**

139 The Term of this Agreement shall commence September 6, 2017 (Commencement Date) and continue in
140 full force for a period of ten (10) years, through and including September 4, 2027, unless the Agreement
141 is extended in accordance with this Section or terminated pursuant to Section 10.2.

142 The Term of this Agreement shall only be extended with the prior consent of both Parties. Should the
143 Parties choose to extend this Agreement, both Parties shall meet and confer no later than one (1) year
144 prior to the expiration of this Agreement to determine and specify the duration and terms of such
145 extension. Between the Effective Date and Commencement Date, Contractor shall perform all activities
146 necessary to prepare itself to start providing services required by this Agreement on the
147 Commencement Date.

148 Notwithstanding the above, City may at its sole discretion and with a six (6) month notice, require
149 Contractor to enter into a one (1) year extension of the Agreement without changes to its material
150 provisions.

151 **2.2 Conditions to Effectiveness of Agreement**

152 The obligation of City to permit this Agreement to become effective and to perform its undertakings
153 provided for in this Agreement is subject to the satisfaction of all the conditions below, each of which
154 may be waived, in written form, in whole or in part by City.

155 A. **Accuracy of Representations.** The Contractor’s representations and warranties made in
156 Contractor’s Proposal and Article 11 of this Agreement are true and correct on and as of the
157 Effective Date.

158 B. **Furnishings of Insurance and Performance Bond.** Contractor has furnished evidence of the
159 insurance and performance bond required by Article 9 that is satisfactory to the City.

160 C. **Absence of Litigation.** To the best of Contractor's knowledge, after reasonable investigation,
161 there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or
162 governmental authority, commission, board, agency or instrumentality decided, pending or
163 threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single
164 case or in the aggregate, would:

- 165 1. Materially adversely affect the performance by Contractor of its obligations hereunder;
- 166 2. Adversely affect the validity or enforceability of this Agreement; or,
- 167 3. Have a material adverse effect on the financial condition of Contractor, or any surety or
168 entity guaranteeing Contractor's performance under this Agreement.

169 D. **Permits Furnished.** Contractor has provided City with copies of all permits necessary for
170 operation of all Approved Facilities owned or operated by Contractor or Subcontractor for use
171 under the terms of this Agreement.

172 E. **Referendum.** Contractor understands and agrees that certain decisions of the City are subject to
173 review and repeal by its citizens through a referendum or similar petition. Accordingly, this
174 Agreement shall not become effective until the deadline to challenge the resolutions, motions
175 or approvals awarding this Agreement through a referendum or similar petition have expired. In
176 the event that the City receives a valid referendum or similar petition, it shall notify Contractor
177 and the City may: (1) rescind the action awarding the Agreement; (2) submit the action to the
178 voters; or, (3) take any other action permitted by law in its sole discretion. If the City opts to
179 submit the action to the voters, Contractor shall be liable for all election costs associated with
180 submitting the action to the voters.

181 If the City determines that the referendum petition is invalid or otherwise unlawful, it shall
182 inform Contractor. Unless Contractor elects to terminate the Agreement within five (5) days of
183 such notice, Contractor shall pay all of City’s attorneys’ fees and costs in any litigation to attack
184 or defend the petition or the City’s action related to the petition. Contractor shall also
185 indemnify, defend and hold City harmless from any third party challenge to the same.

186 **ARTICLE 3. SCOPE OF AGREEMENT**

187 **3.1 Summary Scope of Services**

188 **Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section**

189 3.1, A., B. and C. will be modified to remove "C&D" from the exclusive services provided by Contractor.

190 The Contractor or its Subcontractor(s) shall be responsible for the following:

- 191 A. Collecting Solid Waste, Recyclable Materials, Organic Materials, and C&D generated by and
192 placed for Collection by Customers that are subscribers of Contractor's services pursuant to
193 requirements of Article 4;
- 194 B. Transporting Collected Solid Waste, C&D Waste, Organic Materials, and materials collected
195 through the on-call Bulky Item clean-up program (other than Reusable Materials collected at no
196 cost by a third party) to the Approved Facility pursuant to requirements of Article 4;
- 197 C. Transporting to and Processing Recyclable Materials, Organic Materials, and Source Separated
198 Recyclable C&D at the appropriate Approved Facilities;
- 199 D. Performing all other services required by this Agreement including, but not limited to, Customer
200 billing, public education, Customer service, record keeping, and reporting pursuant to Articles 4
201 and 6 and Exhibits B (Public Education & Outreach) and C (Reporting);
- 202 E. Furnishing all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and
203 all other items and services necessary to perform its obligations under this Agreement;
- 204 F. Paying all expenses related to provision of services required by this Agreement including, but
205 not limited to, taxes, regulatory fees, City fees, and utilities;
- 206 G. Performing or providing all services necessary to fulfill its obligations in full accordance with this
207 Agreement at all times using best industry practice for comparable operations; and,
- 208 H. Complying with all Applicable Laws.

209 The enumeration and specification of particular aspects of service, labor, or equipment requirements
210 shall not relieve Contractor of the duty to perform all other tasks and activities necessary to fulfill its
211 obligations under this Agreement, regardless of whether such requirements are enumerated elsewhere
212 in the Agreement, unless excused in accordance with Section 10.7.

213 3.2 Use of Approved Facilities

214 Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section
215 3.2 A., will be modified to remove "C&D" from the exclusive services provided by contractor.

216 A. Approved Facilities

217 The Contractor, without constraint and as a free-market business decision in accepting this Agreement,
218 agrees to use the Approved Facilities for the purposes of Processing and/or Disposing by Disposal
219 Contractor of all Solid Waste, Recyclable Materials, Organic Materials, C&D, and other materials
220 Collected in the City. Such decision by Contractor in no way constitutes a restraint of trade
221 notwithstanding any Change in Law regarding flow control limitations or any definition thereof.

222 Contractor shall maintain accurate records of the quantities of Solid Waste, Recyclable Materials,
223 Organic Materials, and C&D Transported to the Disposal, Processing, or Composting Facilities and will
224 cooperate with City and any regulatory authority in any audits or investigations of such quantities.

225 Contractor shall pay all tipping fees and other costs associated with Transporting to and Processing
226 and/or Disposing Solid Waste, Recyclable Materials, Organic Materials, C&D, and other materials
227 Collected in the City at the Approved Facilities.

228 Contractor shall observe and comply with all regulations in effect at the Approved Facilities, and shall
229 cooperate with and take direction from the operators thereof with respect to delivery of Solid Waste,
230 Recyclable Materials, Organic Materials, C&D, and other materials Collected in the City. Contractor shall
231 actively work with the Approved Facilities operators throughout the Term of this Agreement to minimize
232 contamination of the Recyclable Materials, Organic Materials, and C&D Collected under this Agreement
233 and delivered to the Approved Facilities.

234 To the extent an Approved Facility(ies) or other Facility-related services are provided by an Affiliate or
235 Subcontractor, Contractor shall ensure compliance of that party with the provisions of Section 4.8.
236 However, this requirement is in no way intended to limit Subcontractor compliance with all applicable
237 provisions of this Agreement.

238 **B. Alternative Facilities**

239 1. **Purpose.** Contractor shall identify, and enter into arrangements with Alternative Transfer
240 and Processing Facilities, whether an Affiliate or owned by a third-party prior to the
241 Effective Date, and subject to review by the City upon City request in order to ensure
242 uninterrupted service should Contractor for any reason be unable to provide services at one
243 or more of the Approved Facilities it controls.

244 2. **Alternative Facility Arrangements.** Alternative Transfer and Processing Facility
245 arrangements must ensure that Contractor can Deliver Discarded Materials or street
246 sweepings to an Alternative Facility within two (2) Business Days of Contractor or City notice
247 of need to use such Alternative Facility. Contractor shall ensure that Alternative Facilities are
248 able to accept Discarded Materials or street sweepings on a continuous basis for no less
249 than thirty (30) Days. Should Contractor use of the Alternative Facility exceed thirty (30)
250 Days, City may require Contractor provide additional reasonable assurances of the
251 Alternative Facility's ability to accept Discarded Materials or street sweepings on an ongoing
252 basis under the terms of this Agreement. Contractor may request, and City may at its
253 discretion grant a change in an Alternative Facility owned and operated by Contractor or an
254 Affiliate, or owned and/or operated by a third party with the third party's prior written
255 consent.

256 3. **Contractor Responsibility for Additional Cost.** If Contractor is unable to, or chooses not to
257 provide for Delivery of Discarded Materials or street sweepings to an Approved Facility for
258 reasons other than those specified in Section 10.7, Contractor shall provide immediate
259 notice to City of its need to use an Alternative Facility, and shall be solely responsible for
260 incremental differences in cost due to per-ton fees charged at the Alternative Facility and
261 any additional transportation costs incurred in Transport and Delivery of Discarded
262 Materials or street sweepings to the Approved Facility as provided in Article 8.

263 4. **City Responsibility for Additional Cost.** If Contractor is unable to provide for Delivery of
264 Discarded Materials or street sweepings, or Transport of Discarded Materials or street
265 sweepings to an Approved Facility for a reason specified in Section 10.7, Contractor shall
266 provide immediate notice to City of its need to use an Alternative Facility. City shall be

267 responsible for incremental differences in cost due to per-ton fees charged at the
268 Alternative Facility and any additional transportation costs incurred in Delivering or
269 Transport of Solid Waste to the Approved Facility as provided in Article 8.

270 5. **City Right to Terminate.** If, for any reason, the Contractor is unable to use an Approved
271 Facility for an extended period of time, the City may, at its sole discretion, terminate this
272 Agreement as provided in accordance with Section 10.2.

273 **C. Delivery to Non-Approved Facilities Prohibited**

274 Should Contractor Transport Discarded Materials or street sweepings to a facility other than an
275 Approved Facility or an Alternative Facility as provided in Section 3.2.B without prior City approval,
276 Contractor shall be subject to the penalty identified in Exhibit E for “Delivery to a Non-Approved
277 Facility”.

278 **3.3 Capacity Assurance**

279 Contractor warrants that as of the Commencement Date it has sufficient Transfer capacity at the
280 Approved Transfer Facility to receive, Transfer and transport all materials intended for Processing
281 throughout the Term, and that it shall maintain that Transfer capacity through the Term.

282 Contractor warrants that as of the Commencement Date it has sufficient capacity at the Approved
283 Processing Facilities to Process all materials throughout the Term, and that it shall maintain that capacity
284 through the Term.

285 If at any time during the Term or an extension Contractor fails to provide the capacity needed to fulfill
286 its obligations under this Agreement, the City may assess Liquidated Damages for each Ton of material
287 that the Contractor is unable to Transfer or Process in accordance with the provisions of Exhibit B.

288 **3.4 No Limitation on City Diversion Programs**

289 The City maintains programs to reduce the amount of waste intended for Disposal. It is the City’s intent
290 to continue to improve, develop, and enhance existing programs as well as to implement new programs
291 and services throughout the Term as it deems necessary to meet or exceed mandated Diversion
292 program requirements and goals established by AB 939 and subsequent federal, State, County or local
293 legislation including, but not limited to the State 75 percent recycling goal established in AB 341 and the
294 programmatic requirements of AB 1826. Contractor acknowledges that the characterization and
295 quantity of materials Delivered to the Approved Facilities will change over the Term and may over time
296 be significantly different than that as of the Commencement Date of the Agreement.

297 Nothing in this Agreement shall prevent, penalize, or impede, in any manner, the City from continuing
298 programs, altering programs, or developing new programs that have the effect of reducing or increasing
299 the amount of Solid Waste Collected and Delivered to the Approved Facilities or to the Disposal
300 Contractor including Processing of Collected Solid Waste in lieu of Delivery for Disposal.

301 **3.5 Subcontracting**

302 Contractor shall not engage any Subcontractors for Collection, Transportation, or Processing of Solid

303 Waste, Recyclable Materials, Organic Materials, C&D services, or street sweeping without the prior
304 written consent of City Contract Manager. As of the Effective Date of this Agreement, City has approved
305 Contractor's use of those subcontractors identified in Contractor's Proposal, included herein as Exhibit I.
306 If the Contractor plans to engage other Affiliate or related party entities in the provision of services,
307 Contractor shall obtain written approval from City Contract Manager thirty (30) days prior to its plans to
308 use party. Contractor shall submit written request to the City seeking approval of other Affiliate or
309 related party entities. Such request shall include a description of its plans, name and qualifications of
310 party, and an explanation of any potential impacts related to the quality, timeliness, or cost of providing
311 services under this Agreement.

312 **3.6 Responsibility for Materials**

313 Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section
314 3.6 will be modified to remove "C&D" from the exclusive services provided by Contractor.

315 Once Solid Waste, Recyclable Materials, Organic Materials, and C&D are placed in the Contractor's
316 Containers and at the Collection location, the responsibility for their proper handling shall transfer
317 directly from the Generator to Contractor, with the exception of Excluded Waste if the Contractor can
318 identify the Generator pursuant to Section 5.7.B. Once Solid Waste, Recyclable Materials, Organic
319 Materials, C&D and street sweepings are deposited by Contractor at the appropriate Approved Facility,
320 such materials shall become the responsibility of the Owner or operator of the Approved Facility
321 including the Disposal Contractor in the case of Disposal, with the exception of Excluded Waste pursuant
322 to Section 5.7.C.

323 Responsibility for Excluded Waste that has been inadvertently Collected by the Contractor shall remain
324 with the Contractor if it cannot identify the Generator, and Contractor shall assume all responsibility for
325 its proper Disposal.

326 **3.7 Cooperation with City or County**

327 The Contractor shall with no added compensation cooperate with the City, its agent, and/or Santa Clara
328 County and/or its agent, or any State regulatory authority and/or its agent if the City or County or State
329 regulatory authority seek to collect data, perform field work, and/or evaluate and monitor Diversion
330 program results through characterization of Solid Waste, including providing reasonably requested data,
331 allowing visits to Approved Facilities, and allowing use of Contractor-designated areas of Approved
332 Facilities as needed to perform Solid Waste characterizations.

333 Contractor shall also cooperate with City and/or County or State regulatory authority by providing
334 requested data and review and otherwise assisting with any Disposal Reporting System Investigations or
335 Origin Report Studies by providing documentation deemed reasonably necessary by the City Contract
336 Manager, the County or State regulatory authority.

337 **3.8 Carbon Offset Credits**

338 The City reserves the right to revenues or other benefits from carbon offset credits obtained by
339 Contractor related to services performed under this Agreement.

340 **3.9 City-Directed Changes to Scope**

341 City may meet and confer with Contractor to establish the scope of any additional services or
342 modification to existing services (which may include use of Approved Facilities) to be provided under
343 this Agreement. In such case, Contractor shall present, within thirty (30) calendar days of City’s request,
344 or upon a mutually agreed upon date, a written proposal to provide such modified or additional
345 services.

346 City shall review the Contractor’s proposal for the change in scope of services. City and Contractor may
347 meet and confer to negotiate Contractor’s proposed revisions and costs and shall amend this
348 Agreement, as appropriate, to reflect the mutually agreed-upon changes in scope.

349 **ARTICLE 4. SCOPE OF SERVICES**

350 Contractor shall perform the services described in this Article 4, and shall bill all Customers as provided
351 at the Rates approved under this Agreement as provided in Section 8.1 and as specified in Exhibit L.
352 Failure to specifically require an act necessary to perform the service does not relieve Contractor of its
353 obligation to perform such act.

354 Contractor acknowledges that City is committed to Diverting materials from Disposal through the
355 implementation of source reduction, reuse, Recycling, Composting, and other programs, and that City
356 may implement new programs in accordance with Section 3.9 that may impact the overall quantity or
357 composition of materials to be Collected by Contractor, subject to Contractor’s right to petition for a
358 change in City-approved Maximum Rates pursuant to Section 8.3.

359 **4.1 Single-Family Residential Services**

360 **Should Council act to add a 20 Gallon solid waste cart, Section 4.1.A will be modified to add “20-” to the**
361 **list of cart sizes.**

362 **A. Solid Waste Collection**

363 Contractor shall Collect Solid Waste in Contractor-provided Carts one (1) time per week from Single-
364 Family Customers and Transport all Solid Waste to the Approved Disposal Facility.

- 365 **Containers:** Customer-Provided Containers, Contractor-Provided Carts
- 366 **Container Sizes:** 32-, 64-, and 96-gallons (as requested by Customer) with Cart purchase option
- 367 **Service Frequency:** One (1) time per week
- 368 **Service Location:** Curbside standard; side- or back-yard upon Customer request at additional
369 charge with the exception that side- or back-yard service shall be provided at no
370 additional charge to disabled Customers in accordance with Section 4.1.I
- 371 **Acceptable Materials:** Solid Waste
- 372 **Prohibited Materials:** Recyclable Materials, Organic Materials, Excluded Waste
- 373 **Additional Service:** Unlimited Set-Out Options. Contractor shall collect overages of Solid Waste not
374 placed in, or that will not fit in, the Contractor provided Container, which is set
375 out by the customer on their prescribed Collection day. Said Solid Waste not
376 placed in the Contractor provided Container shall be bagged in a customer

377 provided 32-gallon bag and/or multiple 32-gallon bags and be set out for
378 Collection on or near the Contractor provided Solid Waste Carts. Contractor
379 shall Collect additional bagged Solid Waste on the Customer’s prescribed
380 Collection day at the Rate approved by the City under this Agreement.

381 **Other Requirements:** None

382 **B. Recyclable Materials Collection**

383 Contractor shall Collect Recyclable Materials in Contractor-provided Carts one (1) time per week from
384 Single-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials
385 Processing Facility for Processing.

386 **Containers:** Carts

387 **Container Sizes:** 64-, or 96-gallon Carts available upon Customer request.

388 **Service Frequency:** One (1) time per week

389 **Service Location:** Curbside standard; side- or back-yard upon Customer request at additional
390 charge with the exception that side- or back-yard service provided at no charge
391 to disabled Customers in accordance with Section 4.1.1)

392 **Acceptable Materials:** Recyclable Materials

393 **Prohibited Materials:** Solid Waste, Organic Materials, C&D, Excluded Waste

394 **Additional Service:** 32-gallon available for senior or high-density households

395 **Other Requirements:** Contractor shall accept household batteries in the Recyclable Materials
396 program. Customers shall be required to securely enclose household batteries in
397 a clear plastic bag which shall be placed on top of the Recyclable Materials
398 Container for Collection. Contractor shall ensure that all household batteries are
399 Collected separate from Recyclable Materials. All Collected household batteries
400 shall be processed and disposed of in compliance with Applicable Law.

401 **C. Organic Materials Collection**

402 Contractor shall Collect Organic Materials in Contractor-provided Carts one (1) time per week from
403 Single-Family Customers and Transport all Organic Materials to the Approved Organic Materials
404 Processing Facility for Processing.

405

406 **Containers:** Carts

407 **Container Sizes:** 32-gallon (townhome or small lot customers) or 96-gallon (standard)

408 **Service Frequency:** One (1) time per week

409 **Service Location:** Curbside standard; side- or back-yard upon Customer request at additional
410 charge with the exception that side- or back-yard service provided at no charge
411 to disabled Customers in accordance with Section 4.1.1)

412 **Acceptable Materials:** Yard Trimmings and Food Scraps

413 **Prohibited Materials:** Solid Waste, Recyclable Materials, C&D, Excluded Waste

414 **Additional Service:** Contractor shall establish an “overages” program that allows Single-Family
415 Customers to place additional Yard Trimmings Curbside on their regularly-
416 scheduled Collection day.

417 **Other Requirements:** Contractor shall offer to each Single-Family Customer Curbside Collection of
418 holiday trees for the two weeks beginning on the Monday following Christmas.
419 In the event Christmas is a Monday, holiday tree Collection shall commence on
420 the second Tuesday following Christmas and continue for ten (10) Business
421 Days. Holiday trees shall be Collected on the Customer’s regular Collection day
422 during the designated week(s). Customer notification requirements are
423 specified in the public education plan, Exhibit B.

424 **D. Used Motor Oil and Filter Collection**

425 Contractor shall Collect Used Motor Oil and Filters in a Contractor-provided Used Motor Oil Recovery Kit
426 from Single-Family Customers and properly Dispose of or Recycle the Used Motor Oil and Filter.

427 **Containers:** Used Motor Oil Recovery Kit
428 **Container Sizes:** Various (as provided by Contractor)
429 **Service Frequency:** Up to one (1) time per week (as requested by Customer)
430 **Service Location:** Curbside (adjacent to Recyclable Materials Cart)
431 **Acceptable Materials:** Used Motor Oil and Filter
432 **Prohibited Materials:** Solid Waste, Recyclable Materials, Organic Materials, C&D, Excluded Waste
433 **Additional Service:** Not applicable
434 **Other Requirements:** Contractor shall provide a Used Motor Oil Recovery Kit to a Customer on the
435 next scheduled service day after such request is made by Customer at no
436 additional cost to Customer. Upon Collection of Used Motor Oil and Filter from
437 a Customer, Contractor shall leave a Used Oil Recovery Kit adjacent to the
438 Recyclables Cart. Contractor shall not be required to Collect more than one (1)
439 Used Motor Oil Recovery Kit per individual dwelling unit per week from Single-
440 Family Customers who request it.

441 **E. Used Cooking Oil Collection**

442 Contractor shall Collect Used Cooking Oil in a Contractor-provided Used Cooking Oil Recovery Kit from
443 Single-Family Customers and properly Dispose of or Recycle the Used Cooking Oil.

444 **Containers:** Used Cooking Oil Recovery Kit
445 **Container Sizes:** Various (as provided by Contractor)
446 **Service Frequency:** Up to one (1) time per week (as requested by Customer)
447 **Service Location:** Curbside (adjacent to Recyclable Materials Cart)
448 **Acceptable Materials:** Used Cooking Oil
449 **Prohibited Materials:** Solid Waste, Recyclable Materials, Organic Materials, C&D, Excluded Waste
450 **Additional Service:** Not applicable
451 **Other Requirements:** Contractor shall provide a Used Cooking Oil Recovery Kit to a Customer on the
452 next scheduled service day after such request is made by Customer at no
453 additional cost to Customer. Upon Collection of Used Cooking Oil from a
454 Customer, Contractor shall leave a Used Oil Recovery Kit adjacent to the
455 Recyclables Cart. Contractor shall not be required to Collect more than one (1)
456 Used Cooking Oil Recovery Kit per individual dwelling unit per week from Single-
457 Family Customers who request it.

458 **F. On-Call Curbside Bulky Item/Reusable Materials Collection**

459 Contractor shall Collect Bulky Items and other materials listed below from Single-Family Customers and
460 Transport all Collected materials to the Approved Facility with the exception of Reusable Materials
461 collected at no cost by a third party).

- 462 **Containers:** Not applicable
463 **Service Level:** Up to three (3) cubic yards of Solid Waste, Recyclable Materials, Organic
464 Materials, Reusable Materials, C&D, and E-Waste OR up to one (1) Appliance or
465 Bulky Item
466 **Service Frequency:** Up to four (4) times per year (as requested by Customer)
467 **Service Location:** Curbside
468 **Acceptable Materials:** Solid Waste, Recyclable Materials, Organic Materials (including small tree
469 stumps not to exceed 16 inches in diameter and length), Reusable Materials,
470 Appliances, Bulky Items, E-Waste, C&D (excluding concrete), and U-Waste
471 **Prohibited Materials:** Excluded Waste or any single item that exceeds seventy-five (75) pounds.
472 **Additional Service:**
 - 473 • Contractor shall Collect additional items that exceed the required Service
474 Level and may charge an “Additional Bulky Item” Rate not to exceed the
475 Maximum Rate approved by the City (as requested by Customer).
 - 476 • Contractor shall provide additional Collection events for a Customer beyond
477 four (4) per year and may charge an “Additional Bulky Item Collection” Rate
478 not to exceed the Maximum Rate approved by the City.**Other Requirements:**
 - 479 • The Contractor shall provide the service to the Customer on the Customer’s
480 regularly scheduled Solid Waste Collection day within seven (7) Business
481 Days of the Customer’s requested service date, and such date shall be
482 mutually agreed upon by the Customer and Contractor.
 - 483 • Contractor’s shall notify Customers that materials shall not be placed
484 Curbside more than twenty-four (24) hours in advance of the scheduled
485 bulky Collection day.
 - 486 • Contractor shall tag any items not Collected and such tag shall indicate the
487 reason the item(s) were not Collected and how to arrange for proper
488 Disposal. Within twenty-four (24) hours of tagging item(s), the Contractor
489 shall post on Contractor’s website for access by the City the Premises where
materials were not picked up, describing the type of material(s) and reason.

490 **G. Seasonal Programs**

491 Contractor shall develop and educate Customers about the availability of and participation requirements
492 for programs dealing with seasonal or periodic waste management demands that exceed regularly
493 scheduled Collection including, without limitation: inclusion of Halloween pumpkins in the Organic
494 Materials Carts, holiday tree Collection instructions, and handling of materials from spring cleaning, and
495 fall leaves through on-call Curbside bulky clean-up collections and/or the overages program.

496 **H. Bin-for a Day**

497 Contractor shall offer small Bins for Single Family use as an alternative to an On-Call pickup. Contractor
498 shall, as requested provide the Bin within five (5) days of a Customer request and shall drop-off and

499 Collect Bins Mondays through Saturdays. Accepted materials are the same as provided in Section 4.1.F.
500 Contractor shall provide a one, two, or three cubic yard Bin upon request. Contractor shall place the Bin
501 in a location designated by the property owner, but in no circumstance will place Bins in a location that
502 impedes the public right-of-way (i.e., on sidewalks, in City streets, etc.). Contractor shall collect
503 materials and remove Bin within five (5) days of a Customer request. Contractor may charge Customer a
504 Container delivery and removal fee, as approved under this Agreement, for Bins, but may not charge a
505 Disposal fee for the materials collected under this program.

506 **I. Alternative Service Locations for Seniors and Disabled Customers**

507 Contractor shall allow for Seniors and Persons that have a disability as defined by the Americans with
508 Disabilities Act (which means Public Law 101-336, 104 Stat. 327, 42 U.S.C. 12101-12213 and 27 U.S.C.
509 225 and 611, and all Federal rules and regulations relating thereto) that are Occupants of Single-Family
510 Premises to receive Collection services at a location other than Curbside at no extra charge to the
511 Customer. Contractor shall review all applications made by Senior Customers (which shall include a
512 driver’s license or birth certificate) and by disabled Customers (which shall include statements from
513 physicians) to determine conformance with this exemption provision and shall grant exemptions, if
514 applicable. Contractor shall make reasonable accommodations with regard to provision of and servicing
515 of Containers (e.g., Container size and type, placement of Containers for Collection, etc.) at no additional
516 cost to the Customer.

517 **J. Senior Rates**

518 Contractor shall bill Customers who qualify as Seniors at the Rate specified in Exhibit L, approved by City
519 as a percentage of the Rate Contractor charges other Single-Family Customers for comparable level of
520 service. Contractor shall verify Customer’s eligibility for the Senior discount using driver’s license or
521 birth certificate and proof of residency.

522 **K. Billing Coordination**

523 Contractor shall work with appropriate City representatives to coordinate with water and sewer utility
524 billing in the application of billing and service standards consistent with the City’s Municipal Code. For
525 example, and not by way of limitation, Municipal Code Section V-200-3.20 requires that service be
526 provided to a property unless terminated due to non-occupancy. In order to comply with these
527 requirements, Contractor shall coordinate with City staff to ensure that services provided under this
528 Agreement are not terminated unless the City has approved the change in occupancy status and that
529 the schedule for terminating all services, including water and sewer, is coordinated.

530 **4.2 Multi-Family Residential Services**

531 The City’s General Plan (or as modified per Milpitas City Council approval) defines a range of housing
532 densities as follows: (1) “Medium Density” housing may include single-family attached and semi-
533 attached houses and duplexes; (2) “High Density” housing may include attached row houses to triplexes
534 and four-plexes, stacked townhomes, and walk-up garden apartments; (3) “Very High Density” housing
535 may include attached row houses and townhouses to lofts and stacked flats with structured parking,
536 and; (4) “Mixed Use” allows for commercial offices, retail and services, High Density residential and
537 public and quasi-public uses. Mixed use buildings can contain a combination of residential and

538 commercial uses. Specific permit conditions related to type of service may be placed on new
539 developments as a function of density, and Contractor shall adhere to all such permit conditions.

540 The following changes in Multi-Family Customer service require City approval prior to implementation,
541 and Contractor shall promptly inform City if a Multi-Family Customer requests either:

- 542 1. Conversion from use of Debris Boxes to Bins.
- 543 2. Reduction in total volume of service in excess of twenty five (25) percent or five (5) cubic
544 yards per week.

545 **A. Solid Waste Collection**

546 Contractor shall Collect Solid Waste in Contractor-provided Containers not less than one (1) time per
547 week from Multi-Family Customers and Transport all Solid Waste to the Approved Disposal Facility.

- 548 **Containers:** Carts and Bins; Compactors at City-approved “high density” locations
- 549 **Container Sizes:** 32, 64-, and 96-gallon Carts;
550 1-, 1.5-, 2-, 3-, 4-, 6-, and 8-cubic yard Bins
551 10-, 20-, 30-, and 40-cubic yard Drop Boxes and Compactors
552 (as requested by Customer)
- 553 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as
554 requested by Customer
- 555 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family
556 Premises
- 557 **Acceptable Materials:** Solid Waste
- 558 **Prohibited Materials:** Recyclable Materials, Organic Materials, Excluded Waste
- 559 **Additional Service:** Upon Customer request and to accommodate periodic additional service needs,
560 Contractor shall provide Collection service at a greater frequency than the
561 Customer’s regularly scheduled service, up to the maximum Service Level and
562 Contractor may charge an appropriate Rate for the higher Service Level at a
563 Rate not to exceed the Maximum Rate approved by the City.
- 564 **Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and
565 unlock Containers, or perform other services as reasonably necessary to access
566 and empty Containers.

567 **B. Recyclable Materials Collection**

568 Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1)
569 time per week from Multi-Family Customers and Transport all Recyclable Materials to the Approved
570 Recyclable Materials Processing Facility for Processing. Customers are charged at the Multi-Family
571 Recyclable Materials Rates approved under this Agreement and as specified in Exhibit L.

- 572 **Containers:** Carts, Bins
- 573 **Container Sizes:** 32, 64-, and 96-gallon Carts;
574 1-, 1.5-, 2-, 3-, 4-,6-, and 8-cubic yard Bins
575 10-, 20-, 30-, and 40-cubic yard Drop Boxes and Compactors
576 (as requested by Customer)
- 577 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as

578 requested by Customer)

579 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family

580 Premises

581 **Acceptable Materials:** Recyclable Materials

582 **Prohibited Materials:** Solid Waste, Organic Materials, C&D, Excluded Waste

583 **Additional Service:** Upon Customer request and to accommodate periodic additional service needs,

584 Contractor shall provide Collection service at a greater frequency than the

585 Customer’s regularly scheduled service, up to the maximum service frequency

586 and Contractor may charge an appropriate Rate for the higher Service Level not

587 to exceed the Maximum Rate approved by the City.

588 **Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and

589 unlock Containers, or perform other services as reasonably necessary to access

590 and empty Containers.

591 **C. Organic Materials Collection**

592 Contractor shall Collect Organic Materials in Contractor-provided Containers one (1) time per week from

593 Multi-Family Customers and Transport all Organic Materials to the Approved Organic Materials

594 Processing Facility for Processing. As a minimum standard and not by way of limitation, Contractor

595 service shall meet all requirements of AB 1826 for provision of service to Customers on the dates

596 specified based on level of Organic Materials generation or Solid Waste service, as well as include all

597 other Customers that may elect to participate. Customers are charged at the Multi-Family Organic

598 Materials Rates approved under this Agreement and as specified in Exhibit L.

599 **Containers:** Carts

600 **Container Sizes:** 32, 64-, and 96-gallon Carts;

601 1-, 2-, and 3-cubic yard Bins

602 10-, 20-, 30-, and 40-cubic yard Drop Boxes and Compactors

603 (as requested by Customer)

604 **Service Frequency:** Up to six (6) days per week but not less than one (1) day per week, as requested

605 by Customer

606 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family

607 Premises

608 **Acceptable Materials:** Yard Trimmings and Food Scraps

609 **Prohibited Materials:** Solid Waste, Recyclable Materials, C&D, Excluded Waste

610 **Additional Service:** Contractor shall provide additional Organic Materials Carts to Multi-Family

611 Customers upon request and may charge an “Additional Organics Cart” not to

612 exceed the Maximum Rate approved by the City.

613 **Other Requirements:**

- 614 • Contractor shall open and close gates, push and/or pull Containers, lock and
- 615 unlock Containers, or perform other services as reasonably necessary to
- 616 access and empty Containers.
- 617 • Contractor shall offer to each Multi-Family Customer Collection of holiday
- 618 trees for the two weeks beginning on the Monday following Christmas. In
- 619 the event Christmas is a Monday, holiday tree Collection shall commence on
- 620 the second Tuesday following Christmas and continue for ten (10) Business
- 621 Days. Christmas trees shall be Collected on the Customer’s regular
- 622 Collection day during the designated week(s). Customer notification

requirements are specified in the public education plan, Exhibit B.

623 **D. On-Call Bulky Item/Reusable Materials Collection**

624 Contractor shall Collect Bulky Items and other materials listed below from Multi-Family Customers and
625 Transport all Collected materials to an Approved Facility with the exception of Reusable Materials
626 collected at no cost by a third party).

- 627 **Containers:** Not applicable
628 **Service Level:** Up to three (3) cubic yards of Solid Waste, Recyclable Materials, Organic
629 Materials, Reusable Materials, C&D, and E-Waste OR up to one (1) Appliance or
630 Bulky Item
631 **Service Frequency:** Up to four (4) times per year (as requested by Customer) for Single-Family style
632 properties; on-call bulky item cleanups available at the Rate approved under
633 this Agreement for Multi-Family style properties
634 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family
635 Premises which is immediately accessible by Contractor’s vehicle
636 **Acceptable Materials:** Solid Waste, Recyclable Materials, Organic Materials, Reusable Materials, C&D
637 (excluding concrete), Appliances, Bulky Items, E-Waste, and U-Waste
638 **Prohibited Materials:** Excluded Waste or any single item that exceeds seventy-five (75) pounds.
639 **Additional Service:**
 - 640 • Upon Customer request, Contractor shall Collect additional items which
 - 641 exceed the required Service Level and may charge an “Additional Bulky
 - 642 Item” Rate not to exceed the Maximum Rate approved by the City.
 - 643 • Contractor shall provide additional Collection events for a Single Family style
 - 644 Customer beyond four (4) per year and may charge an “Additional Bulky
 - 645 Item Collection” Rate not to exceed the Maximum Rate approved by the
 - 646 City.**Other Requirements:**
 - 647 • The Contractor shall provide the service to the Customer on the Customer’s
 - 648 regularly scheduled Solid Waste Collection day within seven (7) Business
 - 649 Days of the Customer’s requested service date, and such date shall be
 - 650 mutually agreed upon by the Customer and Contractor.
 - 651 • Contractor’s shall notify Customers that materials shall not be placed
 - 652 adjacent to Containers more than twenty-four (24) hours in advance of the
 - 653 scheduled bulky Collection day.
 - 654 • Contractor shall tag any items not Collected and such tag shall indicate the
 - 655 reason the item(s) were not Collected and describe how to arrange for
 - 656 proper Disposal. Within twenty-four (24) hours of tagging item(s), the
 - 657 Contractor shall post on Contractor’s website for access by the City the
 - 658 Premises where materials were not picked up, describing the type of
 - material(s) and reason.

659 **E. Seasonal Programs**

660 Contractor shall develop and educate Customers about the availability of and participation requirements
661 for programs dealing with seasonal or periodic waste management demands that exceed regularly
662 scheduled Collection including, without limitation: holiday tree Collection instructions.

663 **4.3 Commercial Services**

664 **A. Solid Waste Collection**

665 Contractor shall Collect Solid Waste in Contractor-provided Containers not less than one (1) time per
666 week from Commercial Customers and Transport all Solid Waste to the Approved Disposal Facility.

- 667 **Containers:** Carts, Bins, Drop Boxes, Compactors
- 668 **Container Sizes:** 32, 64-, and 96-gallon Carts;
- 669 1-, 1.5-, 2-, 3-, 4-, 6-, and 8-cubic yard Bins
- 670 10-, 20-, 30-, and 40-cubic yard Drop Boxes and Compactors
- 671 (as requested by Customer)
- 672 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as
- 673 requested by Customer
- 674 **Service Location:** Curbside; or other Customer-selected service location at the Commercial
- 675 Premises
- 676 **Acceptable Materials:** Solid Waste
- 677 **Prohibited Materials:** Recyclable Materials, Organic Materials, Excluded Waste
- 678 **Additional Service:** Upon Customer request and to accommodate periodic additional service needs,
- 679 Contractor shall provide Collection service at a greater frequency than the
- 680 Customer’s regularly scheduled service, up to the maximum Service Level and
- 681 Contractor may charge an appropriate Rate for the higher Service Level at a
- 682 Rate not to exceed the Maximum Rate approved by the City.
- 683 **Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and
- 684 unlock Containers, or perform other services as reasonably necessary to access
- 685 and empty Containers.

686 **B. Recyclable Materials Collection**

687 Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1)
688 time per week from Commercial Customers and Transport all Recyclable Materials to the Approved
689 Recyclable Materials Processing Facility for Processing. Customers are charged at the Commercial
690 Recyclable Materials Rates approved under this Agreement and as specified in Exhibit L.

- 691 **Containers:** Carts, Bins, Drop Boxes, Compactors
- 692 **Container Sizes:** 32, 64-, and 96-gallon Carts;
- 693 1-, 1.5-, 2-, 3-, 4-,6-, and 8-cubic yard Bins
- 694 10-, 20-, 30-, and 40-cubic yard Drop Boxes and Compactors
- 695 (drop boxes and compactors must be serviced at least once every other week or
- 696 Contractor may apply the City-approved rental fee)
- 697 **Service Frequency:** Up to six (6) times per week but not less than one time per thirty (30) day
- 698 period, as requested by Customer; not less than one time per sixth (60) day
- 699 period for Compactors
- 700 **Service Location:** Curbside or other Customer-selected service location at the Commercial
- 701 Premises; provide deskside containers
- 702 **Acceptable Materials:** Recyclable Materials
- 703 **Prohibited Materials:** Solid Waste, Organic Materials, C&D, Excluded Waste

704 **Additional Service:** Upon Customer request and to accommodate periodic additional service needs,
705 Contractor shall provide Collection service at a greater frequency than the
706 Customer’s regularly scheduled service, up to the maximum Service Level and
707 Contractor may charge the appropriate Rate for the higher Service Level at a
708 Rate not to exceed the Maximum Rate approved by the City.
709 **Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and
710 unlock Containers, or perform other services as reasonably necessary to access
711 and empty Containers.
712

713 **D. Organic Materials Collection**

714 Contractor shall Collect Organic Materials in Contractor-provided Containers not less than one (1) time
715 per week from Commercial Customers and Transport all Organic Materials to the Approved Organic
716 Materials Processing Facility for Processing. As a minimum standard and not by way of limitation,
717 Contractor’s service shall meet all requirements of AB 1826 for provision of service to Customers on the
718 dates specified based on level of Organics Materials or Solid Waste service, as applicable, as well as
719 include all other Customers that may elect to participate. Customers are charged at the Commercial
720 Organic Materials Rates approved under this Agreement and as specified in Exhibit L.

721 **Containers:** Carts and Bins
722 **Container Sizes:** 32-, 64-, and 96-gallon Carts;
723 1-, 2-, and 3-cubic yard Bins
724 10-, 20-, 30-, and 40-cubic yard Drop Boxes or Compactors
725 (as requested by Customer)
726 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as
727 requested by Customer
728 **Service Location:** Curbside or other Customer-selected service location at the Commercial
729 Premises
730 **Acceptable Materials:** Food Scraps, Yard Trimmings
731 **Prohibited Materials:** Solid Waste, Recyclable Materials, C&D, Excluded Waste
732 **Additional Service:** Upon Customer request and to accommodate periodic additional service needs,
733 Contractor shall provide Collection service at a greater frequency than the
734 Customer’s regularly scheduled service, up to the maximum Service Level and
735 Contractor may charge the appropriate Rate for the higher Service Level at a
736 Rate not to exceed the Maximum Rate approved by the City.
737 **Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and
738 unlock Containers, or perform other services as reasonably necessary to access
739 and empty Containers.

740 **4.4 Construction and Demolition Debris (C&D)**

741 **Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section**
742 **4.4 will be deleted and retitled “Reserved”.**

743 Contractor shall offer Source Separated Recyclable C&D Collection services and C&D Waste Collection
744 services. C&D Collection service shall be a temporary service, provided only at sites where construction,

745 alteration, remodeling, repair, or demolition operations are being performed. C&D Collection services
746 shall be provided to any Customer upon request. Contractor shall work with the Customer to provide
747 Collection services that result in a minimum of fifty percent (50%) of the C&D Collected and Processed
748 as Source Separated Recyclable C&D, as required by the City’s Green Building Ordinance. Contractor
749 billings to C&D Customers shall include two components: a “per-pull” charge to Transport the Drop Box
750 to an Approved Facility, and a charge for the cost of Disposal or Processing calculated on a per-Ton basis
751 for actual Tons delivered to the Approved Facility. Such billing shall be at rates not to exceed City-
752 approved Maximum Rates.

753 Contractor shall Transport all C&D Collected under this Agreement to the Approved C&D Processing
754 Facility. Contractor shall pay all tipping fees and other costs associated with Transporting and Processing
755 C&D.

756 Contractor shall observe and comply with all regulations in effect at the Approved C&D Processing
757 Facility and cooperate with and take direction from the operator thereof with respect to delivery of
758 C&D.

759 **A. C&D Collection**

760 Contractor shall Collect Source-Separated Recyclable C&D as homogeneous material types (e.g., all
761 metals, all inert materials, all wood waste, etc.) or as mixed Recyclable C&D in Contractor-provided
762 Containers at the frequency requested by C&D Customers. Contractor shall Transport all Source-
763 Separated Recyclable C&D to the Approved C&D Processing Facility for Processing or, at Contractor’s
764 discretion, to any Person who will make a net payment to Contractor for the delivery of Source-
765 Separated Recyclable C&D.

- 766 **Containers:** Drop Boxes
- 767 **Container Sizes:** 10-, 20-, 30-, and 40-cubic yard Drop Boxes
- 768 (as requested by Customer)
- 769 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per month, as
- 770 requested by Customer
- 771 **Service Location:** Curbside or other Customer-selected service location at the construction site
- 772 **Acceptable Materials:** Source-Separated Recyclable C&D, Source-Separated Recyclable Materials
- 773 **Prohibited Materials:** Solid Waste, Organic Materials, Excluded Waste
- 774 **Additional Service:** Not applicable
- 775 **Other Requirements:** Contractor shall document and report to the City Contract Manager each
- 776 instance where Contractor delivers Source Separated Recyclable C&D to a
- 777 Person other than the Approved C&D Processing Facility. Such report shall
- 778 include the Person to whom the materials were delivered, the specific type of
- 779 materials delivered (e.g., metals, wood, etc.), the number of Tons, and the
- 780 amount received in payment for the delivery.

781 **4.5 Services for City Facilities**

782 **A. Collection Services to City Facilities**

783 Contractor shall Collect Solid Waste, Recyclable Materials, Organic Materials, C&D, Bulky Items, and

784 Reusable Materials from City facilities in the same manner as those services are provided to Commercial
785 Customers. Contractor shall provide service to all City facilities identified in Exhibit F as well as any
786 future City facilities. Contractor shall provide these services at no cost to the City. Contractor shall
787 provide Recycling technical assistance to City facilities to assist with implementation and/or expansion
788 of Recyclable Materials and Organic Materials Collection services.

789 Contractor shall coordinate with Disposal Contractor as provided in Section 8.2 of this Agreement
790 regarding the requirements of Section 8.2 of the Disposal Contractor’s agreement with the City to
791 provide Disposal at no charge for up to five hundred (500) cubic yards per year of Solid Waste Collected
792 from City facilities and/or from special events as provided in Section 4.6 of this Agreement. Contractor
793 shall further coordinate with Disposal Contractor to ensure that this provision applies to Solid Waste
794 Delivered to Disposal Facility by Contractor and by City crews.

795 **B. Building Plan Review**

796 Contractor shall, as requested provide staff with the expertise to review and comment on building plans
797 for new Residential and Commercial development projects during the City’s permit review process to
798 verify the reasonableness of the space allocation and enclosure design for Solid Waste, Recyclable
799 Materials, and Organic Materials Containers and the accessibility of such areas. For these plan reviews,
800 the Contractor may be requested to visit the site and submit written recommendations for
801 improvements to the design. Plan reviews shall be completed within two (2) weeks of the City’s request
802 for such review.

803 **4.6 Special Events**

804 Contractor shall provide Solid Waste, Recyclable Materials, and Organic Materials services at up to six
805 (6) special events per year as directed by City, and at no cost to the event or City. Contractor shall
806 coordinate with Disposal Contractor as provided in Section 8.2 of this Agreement regarding the
807 requirements of Section 8.2 of the Disposal Contractor’s agreement with the City to provide Disposal at
808 no charge for up to five hundred (500) cubic yards per year of Solid Waste Collected from special events
809 and/or City facilities as provided in Section 4.5A of this Agreement. Contractor shall further coordinate
810 with Disposal Contractor to ensure that this provision applies to Solid Waste Delivered to Disposal
811 Facility by Contractor and by City crews.

812 Special event services include:

813 **A. Containers**

814 Contractor shall provide Containers for event collection stations to be placed throughout the event
815 venue, and Containers for the aggregation of material removed from event collection stations during the
816 course of the event. Contractor shall provide containers in sufficient number of appropriate type(s) for
817 the needs of the event as determined by Contractor in cooperation with the event organizer. Containers
818 must be delivered “unassembled” on a pallet, and City will break the containers down after the event
819 and return them to the pallet. Contractor will collect the “unassembled” containers within 24 hours of
820 conclusion of the event. City shall designate a non-profit organization as having primary responsibility
821 for the collection of Recyclables placed into the containers during a CITY-sponsored event. Contractor
822 shall service Containers, as agreed-upon with the event organizer, and deliver Collected materials to the

823 appropriate Approved Facility for Processing and Disposal.

824 **B. Public Outreach Booth**

825 Upon request of either the City Contract Manager or the event organizer, Contractor shall staff a booth
826 or exhibit at the event for the purpose of informing the public about the services and programs provided
827 by Contractor under this Agreement and the benefits of source reduction, reuse, Recycling, and
828 Composting.

829 **C. Reporting**

830 Within fourteen (14) calendar days of the end of the event, Contractor shall submit a report to the City
831 Contract Manager and event organizer. The report should include, at a minimum: the number of event
832 collection stations deployed at the event, the number of collection station monitors, the Tonnage of
833 each material type (i.e., Solid Waste, Recyclable Materials, and Organic Materials) Collected, and a
834 description of the public outreach provided at the event.

835 Contractor may, at its sole discretion and expense, coordinate with local youth, community, or
836 charitable organizations to provide some or all of the required services. Regardless of Contractor's use
837 of such an organization, Contractor shall be responsible for ensuring that service is provided at the event
838 in a professional and timely manner.

839 For special events that are not designated by the City as one of the six (6) required events, Contractor
840 shall provide the above-described special event services at the request of the event organizer and may
841 negotiate the charges for such services with the event organizer based on the specific needs of the
842 event.

843 **4.7 Transportation of Collected Materials**

844 Contractor shall Transport all Solid Waste, Recyclable Materials, Organic Materials, C&D, or of other
845 materials Collected in the City to the Approved Facilities for the purposes of Processing, or of Disposal by
846 the Disposal Contractor of such materials, as applicable. Contractor shall maintain accurate records of
847 the quantities of Solid Waste, Recyclable Materials, Organic Materials, C&D, and other materials
848 Transported to the Approved Facilities and will cooperate with City in any audits or investigations of
849 such quantities.

850 Contractor plans to Transport Recyclable Materials, Organic Materials, and Source Separated Recyclable
851 C&D to the Newby Island Resource Recovery Park in Milpitas, California. If the Contractor is unable to
852 use said facility then the Contractor shall be responsible for making other Transportation and Processing
853 arrangements. In such event, Contractor shall not be compensated for any additional costs.

854 A site in the City used for material handling activities of any kind will be subject to the City's strict
855 development permit review process.

856 **4.8 Delivery and Processing of Collected Materials**

857 **Should Council act to retain non-exclusive construction and demolition material (C&D) system, Section**

858 4.8 will in general be modified to remove "C&D" from the exclusive services provided by Contractor.
859 Section 4.8 E. will be deleted in entirety and retitled "Reserved".

860 **A. Delivery of Materials to Approved Facilities**

861 1. **Delivery.** The Contractor is responsible for Transporting Collected Solid Waste, Recyclable
862 Materials, Organic Materials, and Recyclable C&D to the Approved Facility(ies) by direct haul. If
863 the Contractor plans to change its Transport method, Contractor shall obtain written approval
864 from the City prior to making the change; pay all costs; and shall not be reimbursed for any
865 additional costs. The City shall approve the Transport method, and the duration the Transport
866 method is expected to remain in use.

867 2. **Compliance with Facility Rules.** Contractor (or its Subcontractor(s)) shall observe and comply
868 with all regulations in effect at the Approved Facilities and cooperate with the operators thereof
869 with respect to delivery of Solid Waste, Recyclable Materials, Organic Materials, and C&D
870 including directions to unload Collection vehicles in designated areas, accommodating
871 operations and maintenance activities, and complying with Hazardous Waste exclusion
872 programs.

873 3 **Vehicle Tare Weights.** Contractor is solely responsible for ensuring accurate weighing of all
874 Collection vehicles entering Approved Facilities, and of Transfer Vehicles leaving an Approved
875 Transfer Facility owned or operated by Contractor or Subcontractor under this Agreement.
876 Within thirty (30) Days prior to the Commencement Date, Contractor shall ensure that all
877 Collection vehicles used to Deliver Discarded Materials to Approved Facilities owned or
878 operated by Contractor or Subcontractor under this Agreement are weighed to determine
879 unloaded ("tare") weights. Contractor and Franchise Collector shall electronically record the tare
880 weight and provide a distinct vehicle identification number for each vehicle. Contractor shall
881 provide City with a report listing the vehicle tare weight information upon request. Contractor
882 shall ensure that additional or replacement Collection vehicles are promptly weighed prior to
883 Contractor placing them into service. Contractor shall check tare weights at least annually, or
884 within fourteen (14) Days of a City request, and shall retare vehicles immediately after any
885 major maintenance service.

886 4. **Vehicle Tare Weights for Disposal Contractor's Approved Facility(ies).** Within thirty (30) Days
887 prior to the Commencement Date, Contractor shall coordinate with the Disposal Contractor to
888 ensure that all Collection vehicles used by Contractor to Deliver Solid Waste to Approved
889 Facilities are weighed to determine unloaded ("tare") weights. Contractor and Franchise
890 Collector shall electronically record the tare weight, identify vehicle as Franchise Collector
891 owned, and provide a distinct vehicle identification number for each vehicle. Contractor shall
892 provide City with a report listing the vehicle tare weight information upon request. Contractor
893 shall promptly coordinate with Franchise Collector to weigh additional or replacement
894 Collection vehicles prior to Franchise Collector placing them into service. Contractor shall check
895 tare weights at least annually, or within fourteen (14) Days of a City request, and shall retare
896 vehicles immediately after any major maintenance service.

897 5. **Facility Scales at Contractor's Approved Facility(ies).** For all Approved Facilities owned or
898 operated by Contractor or Subcontractor under this Agreement, Contractor shall maintain State
899 certified motor vehicle scales in accordance with Applicable Law. All scales shall be linked to a
900 centralized computer recording system at each Approved Facility to record weights for all
901 incoming and outgoing materials. Contractor shall provide back-up generator(s) capable of

902 supplying power to the scales in the event of a power outage. Contractor shall promptly arrange
903 for use of substitute portable scales should its usual scales not be available for whatever reason.
904 Pending substitution of portable scales, Contractor shall as necessary estimate by material types
905 the tonnages of Discarded Materials Transported to and from the Approved Facilities, on the
906 basis of Delivery vehicle and Transfer trailer volumes, tare weights, and/or other available
907 facility weight records. These estimates shall take the place of actual weights while scales are
908 inoperable, and shall be identified as estimates in electronic records and reporting. Contractor
909 shall upon City request, weigh and provide tare weights for City vehicles should City directly
910 Deliver Discarded Materials to an Approved Facility owned or operated by Contractor or
911 Subcontractor under this Agreement. Contractor shall test and calibrate all scales in accordance
912 with Applicable Law, but at least every twelve (12) months or upon City request.

913 **7. Records and Reporting.** Contractor shall maintain computerized scale records and reports that
914 provide information including date of receipt, inbound time, inbound and outbound weights of
915 vehicles, vehicle identification number, as further provided in Exhibit C. Contractor shall also
916 maintain computerized scale records and reports providing historical vehicle tare weights for
917 each vehicle and the date and location for each tare weight recorded. If vehicle receiving and
918 unloading operations are recorded on video cameras at the Approved Facilities, Contractor shall
919 make those videos available for City review during the Facility's operating hours, upon request
920 of the City, and shall provide the name of the driver of any particular load if available.

921 **B. General Processing Requirements**

922 **1. Overview.** Contractor agrees to Transport and deliver all Recyclable Materials, Organic
923 Materials, and Source Separated Recyclable C&D it Collects in the City to the Approved
924 Recyclables Processing Facility, Approved Composting Facility, and Approved C&D Processing
925 Facility, respectively. Residue from the Processing and Composting activities shall be Disposed
926 of by Contractor or the Processing or Composting Facility Subcontractor at a Disposal Facility
927 selected by Contractor or its Subcontractor. A site in the City used for material handling
928 activities of any kind will be subject to the City's strict development permit review process.

929 **2. Processing Capacity, Residue, and Facility Permits.** Contractor shall secure sufficient capacity
930 to Process all Recyclable Materials, Organic Materials, and Source Separated Recyclable C&D
931 Collected under this Agreement and shall cause the Approved Facilities to Process and/or
932 Compost, and market the Recyclable Materials, Organic Materials, and C&D. Contractor shall
933 provide the City, upon request, with:

- 934 I. Documentation demonstrating the availability of such capacity; and,
935 II. Name, address and owner/operator of any transfer station used to deliver materials to such
936 site.

937 Contractor shall guarantee a residue level of ten percent (10%) or less for Recyclable Materials,
938 ten percent (10%) or less for Organic Materials, and less than ten percent (10%) for Source
939 Separated Recyclable C&D. For the purpose of this residue guarantee, the residue level shall be
940 equal the monthly Tonnage of Processing residue requiring Disposal divided by the total
941 monthly Tonnage of Materials Collected.

942 Contractor shall keep all existing permits and approvals necessary for use of the Approved
943 Facility(ies) in full regulatory compliance or confirm that the owner or operator of such facility

944 does so. Contractor shall, upon request, provide copies of permits and/or notices of violation of
945 permits to the City.

946 **3. Contractor-Initiated Change in Facility.** Contractor may change its selection of one or more of
947 the Approved Facility(ies) following City's written approval, but Contractor shall not be
948 compensated for any increased Transportation and Processing costs. Contractor will bear any
949 increased Transportation and Processing costs associated with a Contractor-initiated change in
950 the Approved Facility(ies). In such case, Contractor shall guarantee the same net Processing
951 Cost specified in Exhibit N or shall increase the net Processing Costs (if the amount is a net
952 revenue) associated with the use of Processing and/or Composting facility(ies) different from
953 the Approved Facilities. If Contractor elects to use a Processing and/or Composting facility(ies)
954 that is different than Approved Facility(ies), it shall request written approval from the City sixty
955 (60) calendar days prior to use of the site and obtain the City's written approval no later than
956 ten (10) calendar days prior to use of the site.

957 **4. Inability to Use Approved Facility.** If Contractor is unable to use an Approved Facility due to an
958 emergency or sudden unforeseen closure of the Approved Facility, Contractor may use an
959 alternative Processing or Composting facility provided that the Contractor provides verbal and
960 written notice to the City and receives written approval from the City at least twenty-four (24)
961 hours prior to the use of an alternative Processing or Composting facility. The Contractor's
962 written notice shall include a description of the reasons the Approved Facility is not feasible and
963 the period of time Contractor proposes to use the alternative facility. Contractor shall not be
964 compensated for any increased Transportation and Processing costs and shall guarantee the net
965 Processing Cost specified in Exhibit N or shall increase the net Processing Costs (if net revenues)
966 associated with the use of Processing or Composting facility(ies) different from the Approved
967 Facility.

968 **5. Marketing.** The Contractor shall be responsible for marketing materials it Collects in the City
969 including: (i) Recyclable Materials, (ii) Organic Materials, and (iii) Source Separated Recyclable
970 C&D. Contractor shall be compensated by the end users/market place for such materials at no
971 less than fair market value. With regard to Organic Materials, Contractor shall market the
972 resulting Compost Product to agricultural growers or other interested parties. Organic Materials
973 shall be used for Compost or mulch.

974 Upon request, Contractor shall provide proof to the City that all Recyclable Materials, Organic
975 Materials, and Source Separated Recyclable C&D (less residue) Collected by Contractor are
976 marketed for Recycling or reuse in such a manner that materials shall be considered as Diverted
977 in accordance with the State regulations established by the AB 939 and AB 341. All residual
978 material from the Processing and Composting activities that is not marketed for use shall be
979 accounted for as Disposal Tonnage at a permitted Disposal Facility. No Recyclable Materials,
980 Organic Materials, or C&D shall be transported to a domestic or foreign location if Solid Waste
981 Disposal of such material is its intended use.

982 Upon request, Contractor shall provide a summary of its marketing plan and end markets for
983 Recyclable Materials, Organic Materials, and Source Separate Recyclable C&D and submit it to
984 the City for review and approval. Contractor shall provide City with a list of broker/buyers it has
985 used during the preceding twelve (12) months, if requested by City. If Contractor becomes
986 aware that a broker or buyer has illegally handled or Disposed of material generated by the City
987 or elsewhere, Contractor shall immediately inform the City and terminate its contract or
988 working relationship with such party.

989 **6. No Disposal.** No Collected materials other than Solid Waste shall be deposited for Disposal. No
990 materials Collected other than Solid Waste shall be used as Alternative Daily Cover or
991 Alternative Intermediate Cover, or used for Beneficial Reuse purposes except C&D Processing
992 residue which may be used for Beneficial Reuse purposes without prior written authorization by
993 the City and which permission may be terminated at any time upon notice by City.

994 If for reasons beyond its reasonable control, Contractor (or its Subcontractor(s)) believes that it
995 cannot Divert the Recyclable Materials, Organic Materials, or Source Separate Recyclable C&D
996 from Disposal, then it shall prepare a written request for approval to Dispose of such material.
997 Such request shall contain the basis for Contractor's belief (including, but not limited to,
998 supporting documentation), describe the Contractor's efforts to arrange for the Diversion from
999 Disposal of such material, the period required for such Disposal, the incremental net cost
1000 increases or net cost savings (giving account to the value from the sale of the Recyclable
1001 Material, Organic Materials, or Recyclable C&D) resulting from such Disposal, and any additional
1002 information supporting the Contractor's request. In addition, the request shall describe the
1003 Contractor's proposed interim plans for implementation while the City is evaluating its request.
1004 If the City objects to the interim plans, the City shall provide written notice to the Contractor
1005 and request an alternative arrangement. The City shall consider the Contractor's request and
1006 inform Contractor in writing of its decision within sixty (60) calendar days. If the City approves
1007 such request, any difference in the net cost of such Disposal compared to Diversion shall be
1008 adjusted in accordance with Section 8.3. Depending on the nature of the Contractor's request,
1009 the City may extend the sixty (60) day calendar period, at its own discretion, to provide more
1010 time for evaluation of the request and negotiation of an acceptable arrangement with the
1011 Contractor.

1012 **7. Allocation Method.** Contractor shall develop a method of allocating Recyclable Materials,
1013 Organic Materials, and Source Separated Recyclable C&D Diverted by materials type and
1014 Processing residue to Contractor and the City. The allocation method shall be the same as that
1015 used to report Solid Waste Disposal to the State, and shall be certified by an authorized
1016 personnel or officer of that Approved Facility owner or operator. Contractor shall Collect
1017 materials generated in the City in Collection Vehicles separately from other materials generated
1018 outside the City and shall weigh each vehicle so that the Tonnage of materials Collected in the
1019 City can be documented on a per-load basis with supporting documentation (such as a certified
1020 weight ticket or tag).

1021 Periodically, the Contractor shall review its marketing records to calculate the volume of
1022 Recyclable Materials received at the Approved Recyclable Materials Processing Facility and
1023 marketed to determine the percentage of various Recyclable Materials (e.g., glass, newspaper,
1024 cardboard, PET, HDPE, aluminum, etc.) and the City's residue level. The percentages determined
1025 from the review of marketing records shall be used to allocate the total Tonnage of Recyclable
1026 Materials Collected in the City into various categories of Recyclable Materials and residue. This
1027 same review of marketing records and allocation of Tonnage by material type shall be
1028 performed for Organic Materials and Source Separated Recyclable C&D.

1029 **C. Recyclables Processing**

1030 Below is information about the Approved Recyclables Processing Facility selected by the Contractor:

1031 Facility Name: Newby Island Resource Recovery Park

1032 Owner: Browning Ferris Industries of California, Inc.
1033 Operator: Browning Ferris Industries of California, Inc.
1034 Address: 1601 Dixon Landing Road, Milpitas, CA
1035 Contact Person and telephone number: Evan Boyd (408) 586-2281
1036 Allocation Method: Inbound ton pro-rata share or other City/Contractor approved method

1037 **D. Organic Materials Processing**

1038 **1. Approved Organic Materials Processing Facility.** Below is information about the Approved
1039 Organic Materials Processing Facility selected by the Contractor for Processing of Food Scraps
1040 and Yard Trimmings:

1041 Facility Name: Newby Island Resource Recovery Park

1042 Owner: Browning-Ferris Industries of California, Inc.

1043 Operator: Browning-Ferris Industries of California, Inc.

1044 Address: 1601 Dixon Landing Road, Milpitas, CA

1045 Contact Person and telephone number: Evan Boyd (408) 586-2281

1046 Allocation Method: Inbound ton pro-rata share or other City/Contractor approved method

1047 **2. Contingent Use of the Approved Organics Processing Facility.** Contractor use of the Approved
1048 Organics Processing Facility for Processing of Organic Materials Collected under this Agreement
1049 is contingent on the following:

1050 I. The Composting process at the Approved Organics Processing Facility shall be fully
1051 converted from open windrows to the “aerated static pile” (ASP) processing method,
1052 and demonstrated to be fully operational by December 31, 2017. The ASP system relies
1053 on forced air rather than frequent physical turning of Composting material. Following
1054 initial removal of contaminants and shredding/grinding, Organics Materials placed in the
1055 ASP piles and a layer of finished compost or ground wood chips will be placed over the
1056 material during Composting to reduce emissions and filter any potential odors coming
1057 from the piles.

1058 II. Once the revised process is operational, Contractor shall notify the City Contract
1059 Manager of completion and City Contract Manager may require a tour of the facility,
1060 which may include, but is not necessarily limited to: other City staff, members of the
1061 City Council, interested members of the public, and the Local Enforcement Agency staff
1062 responsible for the facility.

1063 III. With completion of the shift to use of the ASP system, the Composting area shall be
1064 reduced by at least one-third (1/3rd), and may be reduced by more, relative to the area
1065 required for the current open windrow Composting system.

- 1066 IV. In the event that the ASP process is not fully operational by December 31, 2017,
 1067 Contractor shall, no later than January 1, 2018, commence to Transfer all Collected
 1068 Organic Material under this Agreement for Processing at an Alternative Facility, at no
 1069 added cost to City, until such time as the ASP process is demonstrated to be fully
 1070 operational. Contractor shall by December 15, 2017 provide City notice of the status of
 1071 the ASP system, and the name and location of a Contractor-designated Alternative
 1072 Facility, if one will be needed.
- 1073 V. Upon completion of the conversion to the ASP system, Contractor shall reduce the total
 1074 amount of Organic Material accepted for Processing at Newby Island to 100,000 tons
 1075 annually by December 31, 2017, not including material which is solely Processed at the
 1076 materials recovery facility to separate Organic Materials from other streams and deliver
 1077 that Organic Material to another facility for Processing. Contractor shall maintain a
 1078 maximum accepted tonnage of 100,000 tons annually through the Term.
- 1079 VI. Failure to comply with any one of the requirements of this Section 4.8.D.2 will result in
 1080 Liquidated Damages of \$1,000/day for each day of the violation. If such failure persists
 1081 for more than 90 days past the target date, or at any point after December 31, 2017,
 1082 City may, at its sole discretion, initiate termination of the Agreement for cause, as
 1083 provided in Section 10.1.F. Upon initiation of termination for this purpose, Contractor
 1084 shall pay the City the lesser of: 1) the City's actual costs incurred for conducting another
 1085 procurement process; or, 2) four hundred twenty five thousand dollars (\$425,000). In
 1086 the event that the City terminates the Agreement on the basis of this Section, the City
 1087 shall specify the effective termination date, which may be no less than 90 days from the
 1088 date of notice.
- 1089 **3. Organic Materials Processing Standards.** The following Processing standards shall be met by
 1090 the Approved Composting Facility:
- 1091 I. Pre-processing activities shall include, at a minimum, the inspection for and removal of
 1092 Hazardous Waste and removal of the majority of plastic bags which Commercial
 1093 Customers used to store Organic Materials.
- 1094 II. Composting shall be accomplished by the use of recognized Composting methods, which
 1095 have been demonstrated to be able to consistently produce stable, mature Compost
 1096 Product that is suitable for general purpose use, similar to the U.S. Composting Council's
 1097 Class 1 rating.
- 1098 III. Post-composting processing activities shall include screening to remove plastics and
 1099 other contaminants from the Compost Product.
- 1100 IV. The Organic Materials Processing and Composting activities shall maintain an average
 1101 monthly residue level less than ten percent (10%) where the residue level shall be equal
 1102 to the monthly Tonnage of Processing or Composting residue requiring Disposal divided
 1103 by the total monthly Tonnage of Organic Materials Collected.
- 1104 V. All Organic Materials shall be Processed and marketed for use as Compost, mulch, or
 1105 soil amendment and none shall be Disposed, used as Alternative Daily Cover or
 1106 Alternative Intermediate Cover, or used for Beneficial Reuse purposes. In order to make
 1107 productive use of Compost "overs", Contractor may use no more than ten percent (10%)
 1108 by weight of the total inbound tonnage of Organic Materials received at the Approved
 1109 Compost Facility as Alternative Daily Cover.

1110 **3. Product Use by City.** Contractor shall offer Compost Products to the City at a price that is
1111 limited to the cost incurred by the Contractor to purchase and Transport of such material to the
1112 City. If the City elects to purchase and back-haul finished Compost Products, the Contractor will
1113 collaborate with the City to organize and schedule up to two (2) neighborhood compost “give-
1114 aways” (such as spring garden festivals) during the year ,up to a maximum of one-thousand
1115 (1,000) cubic yards of Compost Products per year.

1116 **E. C&D Processing**

1117 **1. Approved Facility.** Below is information about the Approved C&D Processing Facility selected by
1118 the Contractor for Processing of Source Separated Recyclable C&D:

1119 Facility Name: Newby Island Resource Recovery Park

1120 Owner: Browning Ferris Industries of California, Inc.

1121 Operator: Browning Ferris Industries of California, Inc.

1122 Address: 1601 Dixon Landing Road, Milpitas, CA

1123 Contact Person and telephone number: Evan Boyd (408) 586-2281

1124 Allocation Method: Inbound ton pro-rata share or other City/Contractor approved method

1125 **F. Insurance, Indemnifications and Performance Standards**

1126 If Contractor uses an Affiliate Subcontractor to provide transfer, Processing, and/or Composting
1127 services, or enters into any contract, agreement or understanding with a party for services related to
1128 Recyclable Materials Processing and marketing, Organic Materials Processing, Composting, C&D
1129 Processing and marketing, and marketing, or Transfer Station services, Contractor shall provide that
1130 terms and conditions (such as insurance requirements, indemnifications, and Processing, Composting,
1131 marketing performance, and residue guarantees) of any contract, agreement, or other understanding
1132 Contractor has with such party can be enforced by the City as an additional insured or third party
1133 beneficiary thereof in the same manner provided in Article 9 and in a manner reasonably satisfactory to
1134 City.

1135 If Contractor, an Affiliate, or Subcontractor owns or operates the Approved Recyclable Materials
1136 Processing Facility, Approved Composting Facility, or Approved C&D Processing Facility, Contractor shall
1137 include City as an additional insured on liability policies and defend and indemnify City in a manner
1138 satisfactory to City, and provide that any materials recovery and marketing performance standards or
1139 guarantees made to any other facility customers are made to City as well, including obligations such as
1140 recovered product and Compost Product quality guarantees and limits on the residue level.

1141 Contractor shall demonstrate compliance with the requirements of this paragraph on or before the
1142 Commencement Date of this Agreement.

1143 **G. Compliance with Applicable Law**

1144 Contractor (or its Affiliate or Subcontractor(s)) warrants throughout the Term that the Approved
1145 Facilities (excluding the Approved Transfer Facility) selected by Contractor are respectively authorized
1146 and permitted to accept Recyclable Materials, Organic Materials, and C&D in accordance with Applicable
1147 Law and is in full compliance with Applicable Law. Contractor shall: (1) verify compliance for the
1148 Approved Facilities (that neither it nor its Affiliates own) by contacting the local enforcement agency and
1149 other regulatory agencies having jurisdiction over the Approved Facilities at least quarterly; and (2) upon
1150 City direction, shall promptly provide City with copies of the Approved Facilities' permits or notice of
1151 violations to City.

1152 **H. Transportation and Processing Costs**

1153 All costs associated with Transporting Discarded Materials and street sweepings to, and Processing of
1154 Discarded Materials and street sweepings at the Approved Facilities shall be paid by Contractor.

1155 **I. Weighing and Record Requirements**

1156 Contractor shall ensure that all Solid Waste, Recyclable Materials, Organic Materials, and C&D are
1157 weighed upon delivery to the Approved Facilities, and all weight and related delivery information
1158 (including date, time, material type, route and truck number) ("Delivery Data") is recorded. Contractor
1159 shall provide City the name of any driver of any identified delivery promptly upon request by City. If
1160 vehicle receiving and unloading operations are recorded on video cameras at any Approved Facility,
1161 Contractor shall make, or shall use its best efforts to arrange with the facility operator if other than
1162 Contractor to make, those videos available for City review during the facility's operating hours, upon
1163 request of the City.

1164 **J. City Option to Direct Solid Waste for Processing**

1165 Contractor shall within sixty (60) days of a written request, provide for Processing of City-designated
1166 Solid Waste at the Approved Solid Waste Processing Facility. Solid Waste Processing shall meet the
1167 provisions of this Section 4.8. City shall provide Disposal Contractor with notice of such request as
1168 provided in the City's Disposal agreement. Contractor shall coordinate with Disposal Contractor as
1169 necessary regarding City-designation of Solid Waste for Processing. City may designate for Processing
1170 some or all of Solid Waste Collected from Carts, Bins, Debris Boxes and/or Compactors, however Solid
1171 Waste Collected from a given route shall be designated either for Disposal or for Processing, but not
1172 both.

1173 Contractor has reserved up to 7,200 tons of processing capacity for the City at a rate of one hundred
1174 fifteen dollars per ton (\$115/ton). Prior to implementation of such service, City and Contractor shall
1175 consider an adjustment to Contractor's compensation to reflect the reduction in on-route time required
1176 of Contractor, the tipping fee for Solid Waste Processing, the reduced tipping fees for Disposal, and the
1177 cost to deliver Processing Residue from the Approved Solid Waste Processing Facility to the Designated
1178 Disposal Facility.

1179 Contractor may not commence or cease Processing of Solid Waste without prior City direction or
1180 approval. City may within sixty (60) days written notice require cessation of some or all of approved

1181 Solid Waste Processing, with a commensurate adjustment to the then-current Maximum Rates to reflect
1182 net costs for Transport and Disposal of Solid Waste, as applicable. City reserves the right to require
1183 modified reporting requirements if necessary to understand the impact of such Processing on Disposal
1184 and Diversion.

1185 **4.9 Public Outreach Efforts**

1186 The public outreach activities included in the scope of services provided by Contractor under this
1187 Agreement are described in Exhibit B. Outreach activities collectively include leading development and
1188 production of a range of types of print material, maintaining a website presence, and public meetings
1189 and tours. Contractor’s outreach strategy shall focus on improving Customer understanding of the
1190 benefits of and opportunities for source reduction, reuse, Recycling, and Composting. In general,
1191 Contractor-provided outreach should: (i) inform Customers about the services that are provided under
1192 this Agreement with specific focus on describing the methods and benefits of source reduction, reuse,
1193 Recycling, and Composting; (ii) instruct Customers on the proper method for placing materials in
1194 Containers for Collection and setting Containers out for Collection with specific focus on minimizing
1195 contamination of Recyclable and Organic Materials; and, (iii) clearly define Excluded Waste and inform
1196 Customers of the hazards of such materials and the opportunities for its proper handling.

1197 Contractor, and its Subcontractors, shall cooperate and coordinate with the City Contract Manager or
1198 their designee regarding outreach activities to minimize duplicative, inconsistent, or inappropriately
1199 timed outreach campaigns. Contractor is aware that Santa Clara County conducts ongoing education
1200 regarding a variety of solid waste and related programs.

1201 Contractor shall allow the City Contract Manager a minimum of five (5) Business Days to review, request
1202 modifications to, and approve the content for all outreach materials including, but not limited to: print,
1203 radio, television, or internet media before publication, distribution, and/or release. City may require
1204 inclusion of specific City information on print and electronic outreach materials.

1205 The City shall maintain a budget for graphic design, printing, advertising placements, mailing and door-
1206 to-door distributions of public outreach materials. Contractor staff shall lead development (writing,
1207 graphic design), including working with graphic designers, translators and other outreach support
1208 services as designated by the City. City staff shall review drafts and facilitate printing using the City’s
1209 contractor.

1210 Contractor shall provide City prior right of review and approval for Contractor’s proposed inclusion of
1211 the City name or City staff contact information on print materials or in electronic media.

1212 Contractor shall provide City notice by phone and email no less than one (1) Business Day prior to
1213 releasing any information to the media regarding the Agreement or the services provided under it.

1214 Contractor shall use appropriate social media methods tailored to Milpitas collection programs to
1215 perform outreach (i.e. Facebook, Instagram). Regular communication shall include diversion education,
1216 collateral, advertisement of special events such as compost giveaways, holiday closings, etc.

1217 As part of the Contractor’s third quarterly report (required by Section 6.2 of this Agreement) for the
1218 Rate Period, Contractor shall work collaboratively with City to submit an Annual Plan outlining its public
1219 outreach efforts for the coming Rate Period. For each service audience, the plan shall list each public

1220 outreach piece (e.g., newsletters, bill inserts, flyers, newspaper advertisements, etc.) to be prepared,
1221 the purpose of the piece, the key subject(s) to be covered, and the anticipated date of issuance. In
1222 addition, the plan shall list all events the Contractor plans to attend and the public outreach it intends to
1223 provide at such event. The City shall review and approve the Annual Plan. It is recognized that changing
1224 conditions exist and that plan elements may need to be modified, such as add or delete public events
1225 and alter the manner and timing of outreach. In addition, Contractor is responsible for producing a
1226 Quarterly Schedule of outreach activities two weeks in advance of each quarter for City review,
1227 comment and approval.

1228 **4.10 Multi-Family/Commercial Technical Assistance**

1229 Contractor shall provide comprehensive recycling technical assistance to Multi-Family and Commercial
1230 Customers with the primary purpose of helping Customers increase Recycling and Organics Collection
1231 services and to assist them in complying with the requirements of AB 341 and AB 1826. The technical
1232 assistance services shall include at least one (1) annual meeting with each property manager/owner and
1233 on-site assessments of the Multi-Family and Commercial premises to improve Recycling and Organics
1234 Collection program participation. During the site visits, Contractor will be required to provide and/or
1235 restock posters, “how to” guides, personal recycling baskets/bags for Multi-Family tenants, and any
1236 other appropriate materials and provide new signage for the Recycling and Organics Containers if
1237 necessary. This program shall also involve preparation and presentation of reports to the City on the
1238 Contractor’s efforts and results of the technical assistance efforts.

1239 Contractor shall meet with Multi-Family and Commercial premises as often as is necessary to conduct
1240 documented waste assessments, visual waste assessments and to provide general technical assistance
1241 to ensure these premises are diverting as much material as possible from the landfill. Contractor shall
1242 conduct documented waste assessments at Multi-Family and Commercial premises at the request of the
1243 property manager, owner, operator, at the City’s request, or as deemed necessary by the Contractor.
1244 Contractor shall coordinate and conduct informational meetings on services offered with Home Owners
1245 Associations (HOAs), tenants and other community groups at the request of the HOA, community group,
1246 at the City’s request, or as deemed necessary by the Contractor. Contractor shall produce and distribute
1247 brochures, handouts, fliers, newsletters and other outreach materials designed to inform property
1248 managers, owners, operators and tenants on the services offered. Contractor shall update said outreach
1249 materials if and when diversion programs and services are updated or changed.

1250 Contractor shall implement a Multi-Family Recycling Ambassador program where Contractor shall
1251 identify, recruit, educate and train on-site volunteers to promote diversion programs and services.
1252 Contractor shall at least two (2) times per year develop and produce a newsletter specifically targeted at
1253 Multi-Family tenants with information on recycling, organics, bulky item collection and promotion of a
1254 Multi-Family Recycling Ambassador program. Contractor shall develop and produce Recycling Welcome
1255 Kits for Multi-Family residents to be distributed by property managers.

1256 Contractor shall produce and distribute How-To Instruction Guides to Commercial premises. How-To
1257 Instruction Guides will be mailed or delivered in person to Commercial premises initiating service, upon
1258 request or as deemed necessary by the Contractor. Contractor shall produce and distribute via mail or in
1259 person at least one (1) time per year an Annual Services Brochure designed to inform and educate
1260 Commercial premises on diversion programs and collection services. Contractor shall at least four (4)
1261 times per year develop and produce a newsletter specifically targeted at Commercial premises with
1262 information on Recyclable Materials, Organic Materials and Food Scraps collection programs.

1263 All outreach materials for Multi-Family and Commercial premises will be developed and distributed in
1264 accordance with Section 4.9 of this Agreement.

1265 Contractor shall ensure containers at Multi-Family and Commercial premises are properly color-coded
1266 and labeled with labels containing images and text that describe the appropriate materials to be
1267 deposited. Contractor shall ensure that Multi-Family and Commercial premises have adequate
1268 Recyclable Materials, Yard Trimmings and/or Organic Materials collection service and capacity.

1269 **4.11 Billing**

1270 Beginning with the Effective Date, Contractor shall meet with City billing staff as requested to ensure an
1271 orderly and smooth transition from City to Contractor billing for Single-Family Residential services.

1272 Contractor shall bill all Customers at Rates not to exceed Rates approved by City, and Contractor shall be
1273 solely responsible for collecting billings. Rates shall be set by the City in accordance with Article 8. Billing
1274 shall be performed on the basis of services rendered and this Agreement shall create no obligation on
1275 the part of any Person on the sole basis of the ownership of property.

1276 Contractor's website shall provide Customers with the ability to pay their bills through an electronic
1277 check or credit card and include the ability for Customer billings to be automatically charged on a
1278 recurring basis. Contractor shall prepare, mail, and collect bills from Customers who decline to use such
1279 internet-based billing system. Contractor shall make arrangements to allow Customers to pay bills by
1280 cash, check, electronic check, money order, and credit card. Contractor shall also provide a minimum of
1281 one (1) convenient drop-off location within the Service Area to be available on Business Days from 8:30
1282 AM to 5:00 PM for Customers to directly bring payments. Contractor shall also coordinate with City staff
1283 to collect Customer payments from a drop-off box to be located at the City Hall first floor information
1284 desk. Such service shall be provided for up to two years from the Commencement Date, as needed
1285 during the transition to Contractor billing.

1286 Specific provisions for Customer billing include:

- 1287 1. All Single-Family Customers must receive a single bill.
- 1288 2. Commercial Customers that share service are solely responsible for determining which
1289 participating Customer will be billed and which will pay.
- 1290 3. Mobile homes complexes may request per-unit billing of residents.
- 1291 4. For mixed use complexes with Residential and Commercial Customers, Contractor shall be solely
1292 responsible for determining which party will receive and pay bills.
- 1293 5. Verifying and maintaining records for residential properties that do not receive Yard Trimmings
1294 service and are not billed the Yard Trimmings service fee.

1295 If Customer requests a change in Service Level that results in a lower Rate, Contractor shall adjust
1296 Customer's billing amount within seven (7) days of the date Customer requested the change regardless
1297 of whether or not Contractor delivers the appropriate Containers or modifies the Service Level within
1298 that timeframe. However, If Customer requests change in Service Level that results in a higher Rate,
1299 Contractor shall adjust the Customer's billing amount within seven (7) days of the effective date of the
1300 actual change in Service Level. Should a Multi-Family Customer request a change in service as provided
1301 in Section 4.2, Contractor shall inform City for approval prior to making such change.

1302 Contractor shall maintain copies of all billings and receipts, each in chronological order, for the Term of
1303 this Agreement, for inspection and verification by the City Contract Manager at any reasonable time but
1304 in no case more than thirty (30) calendar days after receiving a request to do so.

1305 Contractor shall be responsible for collection of payment from Customers with past due accounts (“bad
1306 debt”). Contractor shall make reasonable efforts to obtain payment from delinquent accounts through
1307 issuance of late payment notices, telephone requests for payments, and assistance from collection
1308 agencies.

1309 If a residential Customer’s payment becomes more than sixty (60) days past due, Contractor may
1310 request approval from the City to stop the Customer’s service. If the City approves such request, the
1311 Contractor shall provide the Customer thirty (30) days written notice of its intent to stop the service. In
1312 no case shall service be stopped prior to ninety (90) days following the initial Billing date. After service
1313 has been stopped, Contractor may charge the Customer a fee to restart service at a Rate not to exceed
1314 the City-approved Maximum Rate, and may require the Customer to pay all amounts due (including late
1315 payment fees), and/or make a deposit in advance equal to two (2) months of service, as a condition to
1316 recommencing service. If a Customer’s service is stopped, Contractor shall provide written notification
1317 to the City within twenty-four (24) hours and shall include in the notice to City the Customers’ name and
1318 address, original date of billing, date of delinquency notice, and amount due. The City may involve their
1319 code enforcement officer in the assessment of public health and safety concerns at a Customer’s
1320 premises. All notifications and correspondence issued by Contractor shall be directed to the Customer
1321 and the owner of the property if the owner is a different Person or entity than the Customer.

1322 Contractor shall verify Customer’s eligibility for the Senior Rate by reviewing subscribers’ driver’s license
1323 or birth certificate and proof of residency. Contractor shall also assist the City with administration of
1324 any other special Rate programs such as it may establish.

1325 **4.12 Customer Service Program**

1326 **A. Program Requirements**

1327 **1. Availability of Representatives.** A representative of the Contractor who is knowledgeable of
1328 the service area, services, and Rates shall be available from 9 a.m. to 5 p.m. Monday through
1329 Friday to communicate with the public in person and by telephone. Contractor shall maintain a
1330 local or toll-free telephone number which it shall publicize. Contractor shall also maintain an
1331 after-hours telephone number allowing twenty-four (24) hour per day access to Contractor
1332 management by City Contract Manager in the event of an emergency involving Contractor’s
1333 equipment or services including, but not necessarily limited to, fires, blocked access, or property
1334 damage.

1335 **2. Telephone.** Contractor shall maintain a telephone system in operation from 7 a.m. to 6 p.m.
1336 and shall have sufficient equipment in place and staff available to handle the volume of calls
1337 experienced on the busiest days and such telephone equipment shall be capable of recording
1338 the responsiveness to calls. Contractor shall provide a dedicated phone number for use by City
1339 Customers. Recording of Contractor’s responsiveness to calls shall include, at a minimum, all
1340 items included in the “Service Quality and Reliability” and “Customer Service” performance
1341 standards listed in Exhibit E. An answering machine or voicemail service shall record Customer
1342 calls and voice messages between 6:00 p.m. and 7:00 a.m.

- 1343 **3. Website.** Contractor shall develop and maintain a website (or webpage) that is specifically
1344 dedicated to the City to provide customers with detailed service information and Rates. The
1345 website or webpage shall be accessible by the public. In addition, Contractor’s website shall
1346 include all public outreach materials described in Exhibit B and provide the public the ability to
1347 e-mail Contractor questions, service requests, or complaints. Contractor shall update the
1348 website regularly so that information provided is current.
- 1349 **4. Training.** All Persons involved in providing Customer service and/or billing support to Customers
1350 shall be well educated on and knowledgeable of all aspects of the City’s Collection services,
1351 Rates, and other relevant information.
- 1352 **5. Translations.** Contractor shall utilize commercial language translation services where reasonably
1353 available; if commercial language translation services are not used, shall have representatives
1354 reasonably available (through employees or subcontractors) during normal business hours who
1355 are fluent in three languages other than English

1356 **B. Service Requests, Compliments, Complaints**

1357 Contractor shall maintain a minimum of three (3) dedicated Customer Service Representatives (CSR’s) at
1358 all times dedicated to services provided to City. Call center shall be within a fifty (50) mile radius of the
1359 City at all times during the term of this Agreement. Contractor shall be responsible for the prompt and
1360 courteous attention to, and prompt and reasonable resolution of, all Customer service requests and
1361 complaints. Contractor shall record in a separate log, approved as to form by City Contract Manager, all
1362 complaints, noting the name and address of complainant, date and time of complaint, nature of
1363 complaint, and nature and date of resolution. The Contractor shall retain this complaint log for the
1364 Term. Upon request by the City Contract Manager, Contractor shall compile and submit a summary
1365 statistical table of the complaint log.

1366 Contractor shall respond to all complaints received within twenty-four (24) hours, weekends and
1367 Holidays excluded. In particular, if a complaint involves a failure to Collect Solid Waste, Recyclable
1368 Materials or Organic Materials from a Premises in the City, Contractor shall Collect the material in
1369 question within twenty-four (24) hours of receipt of the Complaint, provided that Generator has
1370 properly placed materials for Collection.

1371 Contractor shall ensure its call center has sufficient technical and staffing capability to process the
1372 increased volume of calls that will occur prior to and subsequent to the Commencement Date, and
1373 during the start-up or expansion of services such as those required for compliance with AB 1826.

1374 For a minimum of sixty (60) days prior to and sixty (60) days subsequent to the Commencement Date,
1375 Contractor shall ensure availability of such additional CSR’s as are needed to address the volume of calls
1376 promptly and efficiently. Such CSRs shall be fully trained to provide accurate information consistent with
1377 the services to be provided under the terms of the Agreement.

1378 Customer service performance standards and penalties are specified in Exhibit E.

1379 **C. Customer Satisfaction Assessment**

1380 Contractor shall conduct a statistically reliable quantitative and qualitative commercial customer
1381 satisfaction survey on a bi-annual basis during odd-numbered years. The results of the survey shall be

1382 reported to the City within 60 days after the surveys have been completed. The design of the survey
1383 shall be to the satisfaction of the City but may include an insert with the Solid Waste bill. Contractor's
1384 survey report is due no later than December 15 of odd-numbered years. The Contractor's annual report
1385 to the City as outlined in Section 6.2 of this Agreement, shall include a summary of the survey results, a
1386 description of service improvement goals for the next year as identified by the City based on the survey
1387 findings, identification of tasks required of Contractor during the next year to accomplish the service
1388 improvement goals, and a report of the Contractor's accomplishments for last year's service
1389 improvement goals.

1390 **4.13 City Web-Based Access to Information**

1391 Contractor shall establish a web-based system that enables the City to access Contractor's customer
1392 service and billing system to view Customer records including service information, Rate, call history, etc.,
1393 on a twenty-four (24) hour, real-time basis. Contractor shall also provide web-based access to street
1394 sweeping information including but not limited to completion of callbacks, damage to property,
1395 complaints and daily reports as provided in Sections 4.15.B.3, 4.15.D.11, 4.15.E.2, and 4.15.F.2,
1396 respectively.

1397 The City will receive read-only, real-time access to the Customer Information System (CIS) via a Virtual
1398 Private Network (VPN) system which will be coordinated between the Contractor personnel and City
1399 personnel. Basic customer account screens will be available for the purpose of execution of queries or
1400 reports or on-line viewing of current and historical data. City's access to the CIS using the VPN shall
1401 include the ability to:

- 1402 • View all financial information on customer bills and payments to CIS
- 1403 • Use the CIS to view customer address, contact information, service level, driver and customer
1404 service notes, and rates
- 1405 • Use the CIS to create customized queries and generate customized reports

1406 Contractor shall provide:

- 1407 • Technical support to the City necessary to access the CIS and perform the functions listed
1408 above at no additional cost to the City
- 1409 • Support for the addition and maintenance of City users of the CIS
- 1410 • New City user accounts within two (2) business days and reset passwords within one (1)
1411 work day of the City's request

1412 Any data not available on a real-time basis will be provided to City staff within 3 Business Days.

1413 **4.14 Diversion Requirements; AB 939, AB 341, AB 1826**

1414 **A. General**

1415 Contractor shall perform all education, outreach, monitoring, and shall prepare required reports for City

1416 review and comment for all Commercial and Multi-Family properties as required by AB 939, AB 341, and
1417 AB 1826. These activities shall, at a minimum include providing outreach to Multi-Family and
1418 Commercial Customers regarding the mandatory Diversion requirements of AB 341 and AB 1826;
1419 notifying non-compliant Multi-Family and Commercial Customers at least semi-annually; and providing
1420 the City information regarding Customer compliance with the mandates.

1421 The Contractor shall provide all necessary reporting data requested by the City relating to the City's
1422 compliance requirements pertaining to AB 939, AB 341, AB 1826, and SB 1383 as it affects the County's
1423 Integrated Waste Management Plan and the City's SRRE and requirements of CalRecycle Annual
1424 Reporting.

1425 The Contractor shall cooperate in activities requested by the City to measure diversion of Solid Waste
1426 from landfills including, but not limited to, providing a location for conducting waste sorting at the
1427 Contractor's facility, and re-routing trucks on a temporary basis to facilitate composition analysis. Such
1428 reports shall include, but not necessarily be limited to, throughput, recovery rates per material type,
1429 residue, costs, Recyclable Material commodity values, and final disposition of Recyclable Materials and
1430 Organic Materials. The Contractor shall also supply any other information reasonably requested by the
1431 City Contract Manager to meet State, Federal, or County regulatory requirements as those requirements
1432 may be amended from time to time.

1433 The Parties are aware that SB 1383 the Short-Lived Climate Pollutants Act of 2016 became law on
1434 September 15, 2016 (an act to add Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and
1435 Safety Code, and to add Chapter 13.1 [commencing with Section 42652] to Part 3 of Division 30 of the
1436 Public Resources Code, relating to methane emissions). The Parties agree that the passage of this law
1437 and the regulations required under it will not represent a Change in Law because this Agreement
1438 provides for the programs, education, outreach, and reporting required in the statute. In the event that
1439 the City requests Contractor be responsible for providing enforcement for this law under the
1440 Agreement, such request shall be considered a City-directed Change in Scope and Contractor shall be
1441 entitled to appropriate compensation for such additional services.

1442 **B. Diversion Monitoring**

1443 **1. Target Diversion Rate.** Contractor shall provide, as part of its monthly report, documentation
1444 substantiating that it is Processing a minimum target percentage of the total materials Collected
1445 of the total materials Collected. For Rate Periods One through Four, the minimum target
1446 percentage shall be thirty four percent (34%). Starting in Rate Period Five the parties shall meet
1447 and confer to determine the target for the remaining term of the Agreement, the minimum
1448 target percentage shall be the greater of: 1) forty percent (40%); or, 2) the highest annual
1449 percentage achieved during Rate Periods One through Four.

1450 **2. Monthly Diversion Monitoring.** Contractor shall monitor performance against the minimum
1451 target percentage on a monthly basis. If the percentage is less than the minimum target
1452 percentage in any quarter of any Rate Period as specified in Section 4.14.B.1, Contractor shall
1453 notify City and meet and confer with the City Contract Manager within 15 days after Contractor
1454 submits its monthly report for the last month of the quarter. At the meeting, Contractor will
1455 present its current and projected Diversion rates, progress to date in achieving Diversion rate
1456 goals including specific detail by customer type and stream or City area or location as applicable,
1457 factors enhancing or inhibiting progress, and steps that can be taken to keep the Diversion rate

1458 at or above the minimum Diversion rate and to increase it beyond that level. Such steps may
1459 include, but not be limited to, increased public education beyond that included in this
1460 Agreement (to the extent Contractor demonstrates it is in full compliance with all outreach and
1461 education and technical assistance requirements of the Agreement), new or expanded
1462 programs, revision or enhanced enforcement of the City code, alternative processing
1463 arrangements, revisions to the rate structure, etc. In preparing such proposals, Contractor shall
1464 draw upon its experience achieving high diversion rates in other communities. Contractor shall
1465 work collaboratively with City staff to prepare and implement an action plan to maintain or
1466 increase the Diversion rate, including implementation plans and cost proposals, which shall also
1467 give due regard to opportunities for cost savings. Contractor shall continue to meet with City
1468 staff on a quarterly basis (or more or less frequently, as requested by City staff) to monitor the
1469 Diversion rate and implementation of any mutually agreed action plan.

1470 **3. Good Faith Efforts.** Notwithstanding any other provision of this Agreement, the following
1471 provisions shall apply: So long as Contractor (i) complies with the foregoing provisions of this
1472 Section 4.14.B, and (ii) demonstrates good faith efforts to meet all the requirements of this
1473 Agreement for implementation of any and all Diversion programs and public education and
1474 outreach requirements, Contractor will not be in breach of Section 4.14.B. Additionally, if the
1475 Diversion rate drops below the minimum Diversion rate in any quarter of a given year, but
1476 ultimately equals or exceeds the minimum Diversion rate in that Contract Year then Contractor
1477 will not be in breach of Section 4.14.B with respect to that particular quarter.

1478 **C. AB 341 and AB 1826**

1479 Contractor shall identify and monitor Multi-Family and Commercial premises to ensure those properties
1480 remain in compliance with AB341 and AB1826 at all times. Contractor shall make every effort to bring
1481 into compliance those Multi-Family and Commercial premises not in compliance with AB341 and
1482 AB1826. Contractor shall meet with Multi-Family and Commercial premises not in compliance with
1483 AB341 and AB1826, at least once per quarter, to provide technical assistance and guidance in achieving
1484 compliance, until one hundred percent (100%) compliance is achieved. Contractor shall produce and
1485 distribute brochures, handouts, fliers, newsletters and other outreach materials describing the
1486 requirements of AB341 and AB1826. Contractor shall update said outreach materials if and when the
1487 requirements of AB341 and AB1826 change. Contractor shall ensure containers at Multi-Family and
1488 Commercial premises are properly color-coded and labeled with labels containing images and text that
1489 describe the appropriate materials to be deposited. Contractor shall meet with property managers,
1490 owners, operators and other decision makers at Multi-Family and Commercial premises, as frequently as
1491 needed, to provide technical assistance, guidance and education on requirements and compliance with
1492 AB341 and AB1826. Contractor shall conduct documented waste assessments at Multi-Family and
1493 Commercial premises that meet the criteria for compliance under AB341 and AB1826. Contractor may
1494 conduct documented waste assessments at Multi-Family and Commercial premises that do not meet the
1495 criteria for compliance under AB341 or AB1826, at the request of the property manager, owner,
1496 operator, at the City's request, or as deemed necessary by the Contractor. Contractor shall coordinate
1497 and conduct educational meetings on the requirements of AB341 and AB1826 with Home Owners
1498 Associations (HOAs), tenants and other community groups at the request of the HOA, community group,
1499 at the City's request, or as deemed necessary by the Contractor. Contractor shall ensure that Multi-
1500 Family and Commercial premises subject to AB341 and AB1826 have adequate Recyclable Materials,
1501 Yard Trimmings and/or Organic Materials collection service and capacity.

1502 **4.15 Street Sweeping**

1503 Section 4.15 and Exhibit O of the Agreement specify City’s requirements for provision of street sweeping
1504 services by Contractor.

1505 **A. Definitions**

1506 The following definitions apply to this Section 4.15 and to Exhibit O, and are in addition to the
1507 definitions contained in Exhibit A.

- 1508 **1. Curb Mile** - Linear measurement of 5,280 feet of curbing or pavement edge to be used as
1509 standard unit of Scheduled Service.
- 1510 **2. Street Debris** - All loose, inert, dry waste material including refuse, dirt, sand, glass, metal
1511 fragments and typical street litter (i.e. cans, bottles, leaves), but excluding bulky or putrid
1512 wastes. Street debris does not include waste materials in the catch basins of storm sewers.
- 1513 **3. Sweeping Path** - Specified paved surface distance from curb line or pavement edge in which
1514 Scheduled Service is to be performed. This sweeping path is the only area to be swept in
1515 Scheduled Service.
- 1516 **4. Scheduled Service** - Regularly scheduled sweeping frequency for residential, commercial and
1517 industrial areas is defined in Section 4.15.B.1. Specific routes and sweeping frequencies are also
1518 shown in the map provided in Exhibit O-5.
- 1519 **5. Unscheduled Service** - That service which can be requested by the City to be performed outside
1520 the bounds of the scheduled service (i.e. sweeping after parades or major events).-

1521 **B. Scope of Work and Compensation**

- 1522 **1. Scheduled Service** - The Contractor will furnish Scheduled Service using modern sweeping
1523 equipment for those public streets designated by City at the time of the execution of
1524 the Agreement. After the execution of the Agreement, City may add other public streets,
1525 or portions of public streets.
- 1526 **2. Unscheduled Service** - The Contractor will also provide, if required by the City, Unscheduled
1527 Service before or after major events such as parades, fairs, etc., of any street or streets, or
1528 portions of streets. Contractor shall provide this service at no additional cost to the City twice
1529 per calendar year. Contractor shall sweep up to 11,000 Curb Miles per calendar year, including
1530 both scheduled service and unscheduled service. Unscheduled services which are within this
1531 annual allowance shall be provided at the direction of the City Contract Manager and at no
1532 additional charge to the City. This allowance shall be adjusted annually to reflect an increase or
1533 decrease in the actual number of Curb Miles swept during the previous year relative to the total
1534 Curb Mile allowance at \$38.74 per Curb Mile swept (including both Contractor’s direct cost and
1535 City fees), the calculation of which shall be presented by Contractor in their Annual Report. In
1536 the event that the City requests unscheduled sweeping services which exceed this allowance,
1537 Contractor shall be compensated at \$33.36 per Curb Mile swept (including only Contractor’s
1538 direct cost) and shall invoice City directly for such services.
- 1539 **3. Callbacks** – When in the opinion of the City Contract Manager following sweeping a section of
1540 street is inadequately swept, Contractor shall within 2 Business days re-sweep the section in

1541 question at no additional charge.
1542 **4. Compensation** – Contractor’s compensation for street sweeping services under this agreement
1543 is included in the Maximum Rates charged to Customers. In the event that City terminates this
1544 portion of the Agreement, under Section 4.15.H, Contractor’s proposed annual cost of street
1545 sweeping services three hundred thirty five thousand one hundred twenty five dollars
1546 (\$335,125), plus any percentage change applied to Customer Rates after the start of this
1547 Agreement, shall be excluded from Customer Rates.

1548 **C. Frequency of Service**

1549 **1. General** - Residential areas shall be swept twice a month. Commercial and industrial areas shall
1550 be swept four times a month.

1551 **2. Exception** - Residential Areas C, E, F, G, H, and J as shown on Exhibit O-5, shall be swept weekly
1552 during the months of November and December using vacuum type units.

1553 **D. Operations**

1554 **1. Days and Hours of Operation** – Sweeping for the purposes of the Agreement shall be Monday
1555 through Friday, only. Sweeping of residential and mixed use areas shall not start before 8:00
1556 a.m. or continue after 5:00 p.m. Industrial/commercial areas shall be swept between 12:00 a.m.
1557 and 8:00 a.m. Exceptions to sweeping hours or days shall be only upon the mutual written
1558 agreement of the City and Contractor. If Contractor reasonably determines that an exception is
1559 necessary in order to complete sweeping due to unusual circumstances in case of emergency,
1560 such exception shall require written approval of the City, within ten working days of said
1561 emergency. If Contractor experiences a breakdown, or other reason, which prevents the
1562 completion of daily scheduled street sweeping services, Contractor shall notify City immediately
1563 and provide a plan for completing the sweeping as soon as possible.

1564 **2. Adequate Equipment and Staffing** - The Contractor shall provide additional equipment and staff
1565 as necessary to complete the street sweeping on the frequency shown in Section 4.15.B.1 during
1566 weeks with less than normal working days. Street sweeping shall not occur on City holidays,
1567 which are New Year’s Day, Monday observing Martin Luther King’s Birthday, President Lincoln’s
1568 Birthday, Monday observing President Washington’s Birthday, Memorial Day, Independence
1569 Day, Labor Day, Veteran’s Day, Thanksgiving Day and the day after, Christmas Eve, and
1570 Christmas Day. Street sweeping shall not occur on any other additional holidays approved by the
1571 Milpitas City Council. In the event a holiday falls on a Sunday, the following Monday shall be the
1572 holiday instead. In the event a holiday falls on a Saturday, the preceding Friday shall be a holiday
1573 instead.

1574 **3. Sweeping Routes** – Contractor shall develop sweeping routes for City review and comment by
1575 no later than May 1, 2017. Such schedule shall minimize changes to the existing schedule shown
1576 in Exhibit O5, and the final approved versions be inserted as the new Exhibit O-5. Contractor to
1577 provide a description of how they plan to meet the sweeping routine schedule. Contractor shall
1578 submit a map designating the routes to the City for approval. Contractor shall coordinate
1579 sweeping routes with Collection, and to the extent possible will avoid Collection and street
1580 sweeping of any area of the City on the same day. It is understood that if vehicles are parked on
1581 the streets when services are being performed by the Contractor, then Contractor’s operations

1582 will be impeded and Contractor will be required to bypass said parked vehicles. In such event,
1583 Contractor compensation shall remain as provided in this Section 4.15.

1584 **4. Sweeping Equipment** – The Contractor shall provide list of vehicles for scheduled sweeping
1585 services adequate to accomplish the sweeping effectively (broom and vacuum units). All
1586 sweeping equipment shall have proper safety markings in accordance with State Vehicle Code
1587 and subject to approval of City Contract Manager. Commercial and industrial streets shall be
1588 broom swept. Residential streets shall be broom swept, except where heavy leaf concentrations
1589 make such methods less effective as described in Section 4.15.C.1 Heavy leaf concentrations
1590 shall be vacuum swept. The Contractor may use a vacuum truck with curb broom anywhere a
1591 broom truck is permitted. Equipment shall use a wheelbase small enough to go between parked
1592 cars to sweep a minimum length between cars of eight (8) feet. All vehicles and other
1593 equipment shall be kept in good repair, appearance, and in a sanitary condition at all times.
1594 Each vehicle shall be equipped with mobile radios and hour meters. A two-way mobile radio
1595 shall be made available to the street maintenance supervisor on each work day. Each vehicle
1596 shall have clearly visible on each side the identity and telephone number of the Contractor.
1597 Sweeping equipment to be used must provide a minimum sweeping path of 72 inches and be
1598 capable of removing street debris, which lies in this path. Contractor shall sweep at speeds
1599 which minimize the amount of streaking and is required to make additional passes if necessary
1600 to remove this debris. Each vehicle shall have a dust control system which shall be utilized at all
1601 times during sweeping operations. All vehicles shall have sound control devices and shall
1602 comply with Milpitas Municipal Code - Chapter 213, Noise Abatement. Contractor shall tare
1603 weigh all vehicles upon initiation of service for the City with weights provided to all Approved
1604 Facilities used for street sweeping debris Processing or Disposal. Contractor shall provide City
1605 with a report listing the vehicle tare weight information upon request. Contractor shall promptly
1606 weigh additional or replacement Transfer vehicles prior to placing them into service. Contractor
1607 shall check tare weights at least annually, or within fourteen (14) Days of a City request, and
1608 shall re-tare vehicles immediately after any major maintenance service.

1609 **5. Vehicle Speed** – Contractor shall at all times operate sweepers at no more than five (5) miles per
1610 hour, unless it can be demonstrated to satisfaction of City Contract Manager that the specified
1611 quality of service can be safely accomplished at a higher speed.

1612 **6. Hauling** – All street debris hauled by the Contractor shall be contained, tied or enclosed so that
1613 leaking, spilling or blowing are prevented.

1614 **7. Weather** – In the event of heavy rain or other severe weather conditions, the scheduled
1615 sweeping service may be suspended. The decision to sweep will be made by the City after
1616 consultation with the Contractor.

1617 **8. Water** – City will provide at no cost to the Contractor access to water from City hydrants, except
1618 during periods of declared water shortage. During such shortages, water supply site(s) shall be
1619 designated by the City. Contractor shall be required to use a construction meter, provided by
1620 the City, for this purpose.

1621 **9. Disposition of Material** – All collected street debris shall be delivered to the applicable
1622 Approved Facility for Processing or Disposal.

1623 **10. Direct Point of Contact** – Contractor shall designate a management-level representative,
1624 including of an Affiliate or Subcontractor as appropriate, directly responsible for street sweeping
1625 service to be available to the City on an on-call basis.

1626 **11. Damage to Property** - Any property, including, but not limited to, the existing structures,
1627 equipment, piping, pipe covering, grounds, sidewalks, curbs, gutters, driveways, fences, etc.,
1628 damaged by the Contractor or its Subcontractor during provision of Street Sweeping services as
1629 a result of Contractor's (including its employees and agents) negligence shall be replaced or
1630 repaired by the Contractor in a manner satisfactory to the City and to the Contractor's expense.

1631 **E. Outreach and Customer Service**

1632 **1. Outreach** - Contractor shall provide full page advertisements describing street sweeping
1633 schedules in the Milpitas Post monthly. On an annual basis no later than January 15 of each
1634 year, or next following business day, Contractor shall provide a street sweeping calendar by
1635 service section to each single family household receiving street sweeping services. On an annual
1636 basis to be received by affected customers no later than the last Monday of October, Contractor
1637 shall provide mailed notification of the weekly street sweeping schedule to households in
1638 service areas described in Section 4.15.C.2. Contractor shall provide door-hangers to customers
1639 affected by route changes.

1640 **2. Complaints** – All customer complaints shall be made directly to the Contractor and shall be
1641 given prompt and courteous attention. Contractor shall within three (3) Business Days of receipt
1642 of any complaint, notify City of schedule and plan for resolution of the complaint and for
1643 informing complainant of resolution, as applicable.

1644 **3. Office** – The Contractor shall maintain an office or such other facility through which he/she can
1645 be contacted and from which he/she can maintain radio contact with sweeping vehicles. It shall
1646 be equipped with sufficient telephones and shall have a responsible person in charge from 9:00
1647 a.m. to 5:00 p.m., Monday through Friday.

1648 **F. Recordkeeping and Reporting**

1649 **1. Recordkeeping** - Collector shall maintain street sweeping records relating to: Curb Miles swept
1650 using a broom odometer, or mileage only when cleaning and excluding driver mileage to or from
1651 an area; volume and/or weight of material removed for each cleaning day, and; areas needing
1652 more frequent routine sweeping or added sweeping prior to the rainy season.

1653 **2. Daily Reports** – Contractor shall post a daily report of curb miles swept and cubic yards and
1654 tonnage of debris collected on the Contractor's website for City access as provided in Section
1655 4.13. Daily reports shall use the format specified in Exhibit O-4.

1656 **3. Monthly Reports** - Contractor shall submit to City monthly reports on or before the twenty-fifth
1657 (25th) day following the end of each calendar month. Monthly reports shall use the format
1658 specified in Exhibit O-1. In addition, monthly reports must contain completed forms as shown in
1659 Exhibits O-2 and O-3 to track parked cars and low hanging trees that impede sweeping.

1660 **4. Report Formats and Requirements** – City reserves the right to modify or add to reporting
1661 formats, reporting frequency, and/or content with 30 days' notice.

1662 **5. Performance Standards** – Failure to meet the requirements of Section 4.15 and Exhibit O may
1663 result in penalties as provided in Exhibit E.

1664 **G. Wage Scale**

1665 For the purposes of this Section 4.15.G, Resolution No. 5981 of the City of Milpitas requires that any
1666 Contractor performing routine and recurring labor or services in excess of \$1,000.00 on behalf of the
1667 City of Milpitas, pay not less than general prevailing wage of per diem wages as set forth in Contractor's
1668 collective bargaining agreement with its employees to all employees engaged to perform said labor or
1669 services. (This requirement shall not apply to the sale of goods or to professional services, including, but
1670 not limited to, consultant services, construction inspection services, engineering services, architectural
1671 services, land surveying services, legal services, financial services, accounting or auditing services, data
1672 processing services, administrative services, instructional services, personnel services, and services
1673 provided by other public entities.) In addition, Contractor shall pay prevailing wages as otherwise
1674 required by State law.

1675 **H. Termination**

1676 Notwithstanding the provisions of Article 10, and with or without cause, City may issue Contractor a
1677 written notice to terminate the street sweeping service with 30 days' notice.

1678 **4.16 Performance Reviews and Financial Audits**

1679 **A. Performance Reviews**

1680 Performance and service quality reviews may be conducted or caused to be conducted by the City at its
1681 discretion throughout the Term and any extensions. Such reviews may be conducted from time to time
1682 during the term of this Agreement by a qualified independent consultant selected by City. The reports
1683 required by this Agreement and the Contractor's ability or inability to achieve Diversion goals may be
1684 utilized as a basis of review. Such review or audit may include, but shall not be limited to analyses of
1685 both financial and qualitative performance of Contractor and Contractor's operations. If any
1686 noncompliance with the Agreement is found, the City may direct the Contractor to correct the
1687 inadequacies in accordance with the terms of this Agreement. If the Contractor fails to correct the
1688 noncompliance items, said failure will be considered a default under this Agreement. Contractor shall
1689 cooperate fully with City in conducting such evaluations and audits. The cost of such reviews or audits
1690 shall be borne by Contractor up to a total of \$200,000 during the term of the Agreement, and up to the
1691 equivalent of \$50,000 per year for each year of an extension.

1692 **B. Route Audits**

1693 City may conduct or require that Contractor conduct a route audit for any of, or each of Contractor's
1694 Collection routes by type of material Collected. The period in which the audit is conducted shall be set
1695 by City. City reserves the right to determine which routes will be audited in a particular week and, if City
1696 exercises this right, shall notify Contractor of the routes not less than seventy-two (72) hours in advance.
1697 The route audits may at City direction include any of the following information for each Collection route:

- 1698 A. The route number, the date of the audit, and the starting and ending times of Collection during
1699 the audit.
- 1700 B. A description of the route location, including the names of the streets covered.

- 1701 C. The number of Service Recipients by category on the route.
- 1702 D. The number of Service Recipients by category participating on the date of the audit and the
1703 number and type (e.g., Solid Waste, Recyclables, Yard Trimmings, Food Scraps, Used Motor Oil,
1704 Cooking Oil) of pickups in each Service Recipient category.
- 1705 E. For Collection routes, the number of Service Recipients by category which set out overages and
1706 the total number of overages Collected.
- 1707 F. For the Recyclables and Organics Collection routes, the number of Containers distributed by
1708 Service Recipient category.
- 1709 G. For routes with Used Motor Oil Collection, the number of Used Motor Oil Containers Collected
1710 and the number of Used Motor Oil Containers distributed by Service Recipient category.
- 1711 H. For routes with Cooking Oil Collection, the number of Cooking Oil Containers Collected and the
1712 number of Cooking Oil Containers distributed by Service Recipient category.
- 1713 I. The number of Collection vehicles used on the route by vehicle type (e.g., rear loader Solid
1714 Waste truck, compartmentalized Recyclables truck), the weight of each vehicle, the capacity of
1715 each vehicle by weight and volume, and the number of trips made by each vehicle to Approved
1716 Facilities).
- 1717 J. The tonnages or volumes by type of material Collected per vehicle trip.
- 1718 K. A description of any changes in the route occurring since the immediately preceding route audit,
1719 including changes in the location of the route, the number of Service Recipients, equipment
1720 used, and Collection methods employed.
- 1721 L. The name(s), telephone number(s) and signature(s) of the persons performing each route audit.
- 1722 The City reserves the right to request any additional data it, in its sole discretion, deems necessary to
1723 evaluate the effectiveness of Contractor's operations. Costs of route audits, if any, shall be borne by
1724 Contractor.

ARTICLE 5. STANDARD OF PERFORMANCE

1726 **5.1 General**

1727 Contractor shall at all times comply with Applicable Laws and provide services in a manner that is safe to
1728 the public and the Contractor's employees. Except to the extent that a higher performance standard is
1729 specified in this Agreement, Contractor shall perform services in accordance with Solid Waste,
1730 Recyclable Materials, Organic Materials, and C&D management practices common to Northern
1731 California.

1732 **5.2 Operating Hours and Schedules**

- 1733 **A. Hours of Collection.** Unless otherwise authorized by the City Contract Manager, Contractor's
1734 days and hours for Collection operations shall be as follows:
- 1735 1. **Residential Premises.** Collection from Residential Premises shall only occur between the
1736 hours of 7:00 a.m. and 7:00 p.m., Monday through Friday.

1737 2. **Commercial Premises.** Collection from Commercial Premises that are two hundred (200)
1738 feet or less from Residential Premises shall only occur between the hours of 7:00 a.m. and
1739 7:00 p.m., Monday through Friday. Collection from Commercial Premises more than two
1740 hundred (200) feet from Residential Premises shall only occur between the hours of 4:00
1741 a.m. and 7:00 p.m., Monday through Saturday, except that such pickups may begin at 3 a.m.
1742 during April through September. Contractor is encouraged to schedule Collection from
1743 Commercial Customers in close proximity to any Residential Customers after 7:00 a.m. by
1744 focusing early morning Collection service in Commercial areas away from Residential
1745 neighborhoods. Upon complaints from Residential Customers about Collection noise, the
1746 Contractor shall re-route its Collection vehicles to the extent practical and shall meet and
1747 confer with the City to agree on a proposed solution.

1748 **B. Holiday Collection Schedule.** Contractor, at its sole discretion, may choose not to provide
1749 Collection services on a Holiday. In such event, Contractor shall provide Collection services on
1750 the day following the Holiday thereby adjusting subsequent work that week; however,
1751 Customer service days shall be returned to the normal schedule within one (1) week of the
1752 Holiday. The Contractor shall provide Customers notice of Holiday-related changes in Collection
1753 schedules at least two (2) weeks prior to the change.

1754 **5.3 Collection Standards**

1755 **A. Servicing Containers.** Contractor shall pick up and return each Container to the location where
1756 the Occupant properly placed the Container for Collection. Contractor shall place the Containers
1757 upright with lids properly secured.

1758 Contractor, at the request of Customers, may provide special services including: (i) unlocking
1759 Containers; (ii) accessing Container enclosures with a key; or, (iii) pulling or pushing Containers
1760 to the Collection vehicle.

1761 **B. Litter Abatement.** Contractor shall use due care to prevent spills or leaks of material placed for
1762 Collection, Used Motor Oil, fuel, and fluids while providing services under this Agreement. If any
1763 materials are spilled or leaked during Collection and Transportation, the Contractor shall clean
1764 up all spills or leaks before leaving the site of the spill.

1765 Contractor shall not transfer loads from one vehicle to another on any public street, unless it is
1766 necessary to do so because of mechanical failure, hot load (combustion of material in the truck),
1767 or accidental damage to a vehicle.

1768 Contractor shall cover all open Drop Boxes at the pickup location before Transporting materials
1769 to the Approved Facility.

1770 **C. Clean-Up.** During the Collection or Transportation process, the Contractor shall clean-up litter in
1771 the immediate vicinity of any Container storage area (including the areas where Collection Bins
1772 and Drop Boxes are delivered for Collection) whether or not Contractor has caused the litter.
1773 The Contractor shall discuss instances of repeated spillage not caused by it directly with the
1774 Generator responsible and will report such instances to City. City will attempt to rectify such
1775 situations with the Generator if Contractor has already attempted to do so without success.

1776 **D. Noise.** All Collection operations shall be conducted as quietly as possible and shall conform to
1777 applicable Federal, State, County and City noise level regulations, including the requirement that

1778 the noise level during the stationary compaction process not exceed seventy-five (75) decibels
1779 at a distance of twenty-five (25) at a height of five (5) feet from the Collection vehicle. The City
1780 may conduct random checks of noise emission levels to ensure such compliance.

1781 **E. Damage to Property.** Any property, including, but not limited to, the existing structures,
1782 equipment, piping, pipe covering, grounds, sidewalks, curbs, gutters, driveways, fences, etc.,
1783 damaged by the Contractor or its Subcontractor during the course of his work as a result of
1784 Contractor's (including its employees and agents) negligence shall be replaced or repaired by
1785 the Contractor in a manner satisfactory to the City and to the Contractor's expense.

1786 **F. Route Changes.** On or before, May 1, 2017, Contractor shall provide City with route information
1787 and maps of the Single-Family Collection routes in sufficient detail that allows the City to plan its
1788 street sweeping routes. Route maps shall be provided in Adobe Acrobat PDF format or other
1789 format agreed upon by the City Contract Manager. Contractor shall meet and confer with the
1790 City Contractor Manager to amend the route schedule, and Contractor shall not modify
1791 scheduled Collection routes or scheduled Collection days for the first six (6) months following
1792 the Commencement Date. Beginning six (6) months following the Commencement Date,
1793 Contractor shall: 1) obtain prior written City approval for any routing changes that affect ten
1794 percent (10%) or more of Single-Family Customers on any one route; and, 2) notify City a
1795 minimum of thirty (30) Days in advance of any routing change that affects less than ten percent
1796 (10%) of Single-Family Customers on any one route. Contractor shall ensure that all customers
1797 are properly notified at least thirty (30) Days in advance of route day changes.

1798 **G. Dedicated Routes.** Except otherwise provided with prior City permission, Contractor shall
1799 Collect materials generated in the City in Collection Vehicles separately from other materials
1800 generated outside the City.

1801 **5.4 Vehicle Requirements**

1802 Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently
1803 perform the work required by the Agreement in strict accordance with its terms. Contractor shall have
1804 available sufficient back-up vehicles for each type of Collection vehicle used to respond to scheduled
1805 and unscheduled maintenance, service requests, complaints, and emergencies. All such vehicles shall
1806 have watertight bodies designed to prevent leakage, spillage, or overflow. All such vehicles shall meet
1807 On-Road Heavy Duty Vehicle emissions requirements for model year 2016, regardless of the actual
1808 model year of Contractor's vehicles, and generally comply with all Federal, State, and local laws and
1809 regulations. In no event shall any Collection vehicle operated by Contractor for the performance of
1810 services under this Agreement be more than ten (10) years old, from the date it was first registered.

1811 Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and
1812 local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or
1813 limitations imposed by State or local weight restrictions on vehicles. Collection vehicles shall present a
1814 clean appearance while providing service under this Agreement. Collection vehicles shall be thoroughly
1815 washed and steam cleaned on a regular basis so as to present a clean appearance. City may inspect
1816 vehicles at any time to determine compliance with sanitation requirements. Contractor shall make
1817 vehicles available to the Santa Clara County Health Department for inspection, at any frequency it
1818 requests.

1819 Vehicles shall be tare weighted as provided in Section 4.8.A.

1820 Contractor's name and local telephone number shall be displayed on all vehicles in at least four (4) inch
1821 characters. Vehicles shall be equipped with sign board holders or other hardware to allow public
1822 outreach signage of no less than thirty-six (36) by forty-eight (48) inches to be displayed on both sides of
1823 the vehicle.

1824 Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles
1825 that are not operating properly shall be taken out of service until they are repaired and operate
1826 properly. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which
1827 repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment
1828 in a safe and operable condition. City Contract Manager may inspect vehicles at any reasonable time,
1829 and within three (3) calendar days of such a request, to determine compliance with sanitation
1830 requirements.

1831 Contractor shall furnish the City a written inventory of all vehicles, including Collection vehicles, used in
1832 providing service, and shall update the inventory annually. The inventory shall list all vehicles by
1833 manufacturer, identification number, date of acquisition, type, capacity and decibel rating.

1834 **5.5 Container Requirements**

1835 **A. General.** Contractor shall provide Customers with Collection Containers as requested by the
1836 Customer to meet its desired Service Level as provided in Sections 4.1, 4.2 and 4.3. All
1837 Contractor-provided Containers shall be new as of the Commencement Date and shall be
1838 designed and constructed to be watertight and prevent the leakage of liquids. Contractor shall
1839 purchase Containers with a useful life of ten (10) years or more and shall depreciate the
1840 Containers over a ten-year (10-year) period. New Container purchases shall comply with the
1841 requirements of Sections 5.5.B, C and F.

1842 Contractor shall make Compactors available to Customers for purchase or lease and shall allow
1843 Customers to purchase or lease Compactor's through an outside vendor.

1844 **B. Carts.** Cart sizes and their availability shall conform to the requirements of Sections 4.1, 4.2, and
1845 4.3.

1846 **C. Bins, Drop Boxes and Compactors.** Contractor shall provide Bins, Drop Boxes and/or
1847 Compactors for storage and Collection of Solid Waste, Recyclables, Organic Materials, and C&D,
1848 and in conformance with the requirements of Sections 4.1, 4.2 and 4.3. Contractor shall install
1849 plastic lids on all Bin Containers owned and serviced by the Contractor. All Containers with the
1850 capacity of one cubic yard or more shall meet applicable federal regulations for Bin safety. All
1851 Bins, Drop Boxes and Compactors shall be painted the Contractor's standard color (subject to
1852 approval by the City Contract Manager). Contractor shall steam clean and repaint all Bins, Drop
1853 Boxes and Compactors as requested by Customer or as deemed necessary by Contractor to
1854 present a clean appearance. If Customer requests steam cleaning more frequently than one (1)
1855 time per year, Contractor may charge the Customer at Rates not to exceed City-approved
1856 Maximum Rates for such service.

1857 **D. Repair and Replacement of Containers; Inventory.** Contractor shall be responsible for repairing
1858 or replacing Containers when Contractor determines the Container is no longer suitable for
1859 service; or when the City or Customer requests replacement of Customer's Container that does
1860 not properly function, leaks, is damaged, or is otherwise not fit for service. Contractor shall be
1861 responsible for acquiring the replacement Containers. Contractor shall maintain a sufficient

1862 inventory of Containers to accommodate new Customer requests for service, requests for
1863 change in Service Levels (size, type, or number of Containers) from current Customers, and
1864 requests for replacement due to damage. All such Containers shall be provided within one (1)
1865 week of request. Contractor's failure may request in assessment of Liquidated Damages
1866 pursuant to Section 10.6.

1867 Contractor shall repair or replace all damaged or broken Containers within a one (1) week
1868 period. If the repair or replacement cannot be completed within a week, the Customer shall be
1869 notified by Contractor and a larger Container shall be made available until the proper Container
1870 can be replaced.

1871 **E. City Ownership of Containers at End of Term.** Upon expiration or early termination of
1872 Agreement, all Carts, Bins, Drop Boxes, and Compactors (for permanent Customers) purchased
1873 and put into service at Customers' Premises during the Term of the Agreement shall become
1874 property of the City at no cost to the City if such Containers are fully depreciated. All Carts, Bins,
1875 Drop Boxes, and Compactors (for permanent Customers) purchased and put into service at
1876 Customers' Premises during the Term of the Agreement that have not been fully depreciated
1877 shall be available to the City, at the City's option, at a cost reflecting the net book value.

1878 At its sole discretion, the City may elect not to exercise its rights with regards to this Section
1879 and, in such case; the Containers shall remain the property of the Contractor upon the
1880 expiration date of this Agreement or date of its earlier termination of this Agreement. In such
1881 case, Contractor shall be responsible for outstanding depreciation, and for removing at its own
1882 cost all Containers in service from premises within five (5) Business Days of the expiration date
1883 or early termination date of this Agreement in full cooperation and coordination with the City's
1884 then-current franchised collector.

1885 **F. New Container Standards.** Contractor shall provide Containers for storage and Collection of
1886 Solid Waste, Recyclable Materials, Organic Materials, and C&D which shall be designed and
1887 constructed to be watertight and prevent the leakage of liquids.

1888 When purchasing plastic Collection Containers, Contractor shall purchase Containers that
1889 contain a minimum of 30% post-consumer recycled plastic content. All such Containers shall be
1890 100% recyclable.

1891 All new Carts shall be manufactured by injection or rotational molding methods and shall meet
1892 the Cart design, color, and performance requirements provided in Attachment H. Contractor
1893 shall obtain the City's written approval of Cart specifications before acquisition. Carts provided
1894 to Customers shall have a useful life of ten (10) or more years or more as evidenced by a
1895 manufacturer's warranty or other documentation acceptable to the City.

1896 Contractor shall differentiate Solid Waste Containers, Recyclable Materials Containers, Organic
1897 Materials and C&D Containers from each other by: (i) providing Containers of different colors, or
1898 (ii) adhering clearly-visible labels to each Container identifying the allowable material type. The
1899 second option is not acceptable for Carts purchased at the Commencement of the Agreement
1900 and during the Term; any new Carts shall have bodies in colors that differentiate the different
1901 material types to be Collected and such colors shall be approved by the City.

1902 **G. Container Labeling.** On each Container, Contractor shall label with paint, adhesive label, or
1903 white, hot-stamped lettering, the type of materials (e.g., Solid Waste, Recyclable Materials,

1904 mixed Organic materials, cardboard, mixed paper, Yard Trimmings, Food Scraps Recyclable
1905 C&D, C&D Waste, wood waste, metal, etc.) to be placed in the Container for Collection. The
1906 labeling shall be positioned on each Container so it is visible to the Customer at all times.

1907 All Containers shall display the Contractor’s name, local telephone number, and some
1908 identifying inventory or serial number. Contractor-specific information shall not be hot stamped
1909 on Containers.

1910 **H. Maintenance, Cleaning, Painting.** All Containers shall be maintained in a safe, serviceable, and
1911 functional condition and present a clean appearance. Contractor shall repair or replace all
1912 Containers damaged by Collection operations, unless damage is caused by Customer's gross
1913 negligence, in which case, the Customer will be billed for repair or replacement of Container. All
1914 Containers shall be maintained in a functional condition.

1915 Contractor shall steam clean and repaint all Containers as needed (other than Carts) so as to
1916 present a clean appearance. Contractor shall offer steam cleaning service (or clean Container
1917 exchange) to Customers requesting such service, and shall charge Customers for such cleaning
1918 (or Container exchange) at a Rate not to exceed City-approved Maximum Rates.

1919 Contractor shall remove graffiti from Containers within forty-eight (48) hours of identification by
1920 Contractor or notice by City or Customer if such graffiti includes any written or pictorial
1921 obscenities and otherwise within five (5) Business Days.

1922 At the City’s request, Contractor shall provide City with a list of Containers and the date each
1923 Container was painted and maintained.

1924 **5.6 Personnel**

1925 **A. General.** Contractor shall furnish such qualified personnel as may be necessary to provide the
1926 services required by this Agreement in a safe and efficient manner. Contractor shall designate at
1927 least one (1) qualified employee as City’s primary point of contact with Contractor who is
1928 principally responsible for Collection operations and resolution of service requests and
1929 complaints who shall be available telephonically at all times Transfer and Disposal operations
1930 are taking place Contractor shall use its best efforts to assure that all employees present a neat
1931 appearance and conduct themselves in a courteous manner. Contractor shall not permit its
1932 employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or
1933 gratuity from members of the public.

1934 **B. Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class,
1935 issued by the California Department of Motor Vehicles. Contractor shall use the Class II
1936 California Department of Motor Vehicles employer “Pull Notice Program” to monitor its drivers
1937 for safety.

1938 **C. Safety Training.** Contractor shall provide suitable operational and safety training for all of its
1939 employees who operate Collection vehicles or equipment. Contractor shall train its employees
1940 involved in Collection to identify, and not to collect, Excluded Waste. Upon the City Contract
1941 Manager’s request, Contractor shall provide a copy of its safety policy and safety training
1942 program, the name of its safety officer, and the frequency of its trainings.

1943 **D. Provision of Field Supervision.** Contractor shall at all times, and at a minimum maintain the City-
1944 approved number of field supervisors specified in Exhibit N. Field supervisors shall devote at

1945 least fifty percent (50%) of their time in direct monitoring of Collection operations, including
1946 responding to complaints.

1947 **E. Identification.** All representatives of the Contractor shall display and/or provide proper
1948 identification or documentation exhibiting their association with the Contractor while operating
1949 in the field.

1950 **F. Hiring Displaced Employees.** Contractor shall make best efforts to offer employment to
1951 qualified employees of the prior contractor for the performance of this Agreement. Such efforts
1952 shall not be required in regard to employees who are (1) exempt under the Fair Labor Standards
1953 Act, (2) employed by the prior contractor for less than six months, or (3) convicted of a job-
1954 related or workplace crime. Contractor shall not be obligated to offer employment to more prior
1955 contractor's employees than the Contractor needs to perform the services required under the
1956 Agreement and the Contractor shall not be obligated to offer employment to prior contractor's
1957 employees that are not working prior to the Commencement Date due to a leave of absence
1958 related to disability or workers' compensation claim. Additionally, the Contractor shall not be
1959 obligated to displace any of its current employees or modify its current job performance
1960 requirements or employee selection standards. Additional employees, if needed, shall be
1961 obtained pursuant to procedures currently in effect under the collective bargaining agreement
1962 with the prior contractor. This requirement, however, shall not be applicable to management or
1963 supervisory personnel. Upon request by the City, the Contractor shall demonstrate to the City
1964 that good faith efforts that have been made to comply with this provision

1965 **G. Wage and Benefits.** Wages and benefits applicable to employees performing work under the
1966 Agreement shall be commensurate with current compensation or in accordance with existing
1967 agreements with represented labor groups.

1968 **H. Subcontractor Obligations.** Subcontractors shall be required to comply with the obligations
1969 stated in this Section 5.6.

1970 **I. Labor Agreements.** Labor agreements for drivers and mechanics shall be included as Exhibit K
1971 and future modification shall be submitted to the City. The Contractor shall provide full copies
1972 of the labor agreements including any and all amendments, extensions, renewals, or other
1973 forms of modification.

1974 **5.7 Hazardous Waste Inspection and Handling**

1975 **A. Inspection Program and Training.** Contractor shall develop a load inspection program that
1976 includes the following components: (i) personnel and training; (ii) load checking activities; (iii)
1977 management of wastes; and, (iv) record keeping and emergency procedures.

1978 Contractor's load checking personnel, including its Collection vehicle drivers, shall be trained in:
1979 (i) the effects of Hazardous Substances on human health and the environment; (ii) identification
1980 of prohibited materials; and, (iii) emergency notification and response procedures. Collection
1981 vehicle drivers shall inspect Containers before Collection when practical.

1982 **B. Response to Excluded Waste Identified During Collection.** If Contractor determines that
1983 material placed in any Container for Collection is Excluded Waste or presents a hazard to
1984 Contractor's employees, the Contractor shall have the right to refuse to accept such material.
1985 The Generator shall be contacted by the Contractor and requested to arrange proper Disposal. If
1986 the Generator cannot be reached immediately, the Contractor shall, before leaving the

1987 Premises, leave a tag at least two (2) inches by six (6) inches in size, which indicates the reason
1988 for refusing to Collect the material and lists the phone number of a facility that accepts the
1989 Excluded Waste or a phone number of an entity that can provide information on proper Disposal
1990 of the Excluded Waste. Under no circumstances shall Contractor's employees knowingly Collect
1991 Excluded Waste or remove unsafe or poorly containerized Excluded Waste from a Collection
1992 Container. Prior to Commencement of this Agreement, the tag that will be used to notice
1993 Customers of reason for non-Collection shall be reviewed and approved by the City Contract
1994 Manager.

1995 If Excluded Waste is found in a Collection Container or Collection area that could possibly result
1996 in imminent danger to people or property, the Contractor shall immediately notify the Fire
1997 Department.

1998 **C. Response to Excluded Waste Identified At Disposal or Processing Facility.** Materials Collected
1999 by Contractor will be delivered to the Approved Facilities for purposes of Processing or Disposal.
2000 In the event that load checkers and/or equipment operators at such facility identify Excluded
2001 Waste in the loads delivered by Contractor, such personnel shall remove these materials for
2002 storage in approved, on-site, Excluded Waste storage Container(s). Contractor shall arrange for
2003 removal of the Excluded Wastes at its cost by permitted haulers in accordance with Applicable
2004 Laws and regulatory requirements. The Contractor may at its sole expense attempt to identify
2005 and recover the cost of Disposal from the Generator. If the Generator can be successfully
2006 identified, the cost of this effort, as well as the cost of Disposal shall be chargeable to the
2007 Generator.

2008 **5.8 City Contract Manager**

2009 City has designated staff, the City Contract Manager, to be responsible for the monitoring and
2010 administration of this Agreement. Contractor shall meet and confer with the City Contract Manager to
2011 resolve differences of interpretation and implement and execute the requirements of this Agreement in
2012 an efficient, effective, manner that is consistent with the stated objectives of this Agreement.

2013 From time to time the City Contract Manager may designate other agents of City to work with
2014 Contractor on specific matters. In such cases, those individuals should be considered designates of the
2015 City Contract Manager for those matters to which they have been engaged. Such designates shall be
2016 afforded all of the rights and access granted thereto. In the event of a dispute between the City Contract
2017 Manager's designate and Contractor, the City Contract Manager's determination shall be conclusive.

2018 In the event of dispute between the City Contract Manager and the Contractor regarding the
2019 interpretation of or the performance of services under this Agreement, the City Contract Manager's
2020 determination shall be conclusive except where such determination results in a material impact to the
2021 Contractor's revenue and/or cost of operations. In the event of a dispute between the City Contract
2022 Manager and the Contractor results in such material impact to the Contractor, Contractor may appeal
2023 the determination of the City Contract Manager to the City Council, whose determination shall be
2024 conclusive. For the purposes of this Section, "material impact" is an amount equal to or greater than
2025 one-quarter (1/4) of one (1) percent of Contractor's annual Gross Receipts under this Agreement.

2026 City Contract Manager or their designate shall have the right to observe and review Contractor
2027 operations and Processing Facilities and enter Premises for the purposes of such observation and
2028 review, including review of Contractor's records, during reasonable hours with reasonable notice. In no

2029 event shall Contractor prevent access to such Premises for a period of more than three (3) calendar days
2030 after receiving such a request.

2031 **5.9 Cooperation with City, County**

2032 The Contractor shall with no added compensation cooperate with the City, its agent, and/or Santa Clara
2033 County and/or its agent if the City or County seek to collect data, perform field work, and/or evaluate
2034 and monitor Diversion program results through characterization of Solid Waste, including providing
2035 reasonably requested data, allowing visits to Approved Facilities, and allowing use of Contractor-
2036 designated areas of Approved Facilities as needed to perform Solid Waste characterizations.

2037 **ARTICLE 6. RECORD KEEPING AND REPORTING**

2038 **6.1 Record Keeping and Audit of Records**

2039 Contractor shall maintain accounting, statistical, operational, and other records related to its
2040 performance as necessary to provide reporting under SB 1016, AB 939, AB 341 and AB 1826, and to
2041 demonstrate compliance with this Agreement. The Contractor shall maintain complete financial
2042 statements and accounting records for operations under this Agreement. Contractor shall account for
2043 revenues received and expenses incurred as a result of this Agreement separately from the accounting
2044 for other operations performed by Contractor or its Affiliates. The Gross Receipts derived from the
2045 Collection Services under this Agreement, whether such services are performed by the Contractor, by an
2046 Affiliate, or by a Subcontractor, shall be recorded as revenues in the accounts of the Contractor. Upon
2047 demand, the Contractor shall permit the City Contract Manager to examine and audit the books of
2048 account of the Contractor at any and all reasonable times for the purpose of verifying Contractor's
2049 performance under this Agreement. Upon request, the Contractor shall allow the City Contract Manager
2050 to examine the reports of Gross Receipts and the invoices pertaining to any fee or charge approved by
2051 the City Council for Services provided under this Agreement. Such request shall be made at reasonable
2052 times and with reasonable notice. City reserves the right to produce any such documents examined to
2053 any State or local regulatory or permitting authority upon request.

2054 In the event that an extraordinary Rate adjustment pursuant to Section 8.3, such records shall be subject
2055 to review in accordance with appropriate professional standards, and inspection, for the primary
2056 purpose of reviewing changes in costs to the Contractor attributable to the extraordinary Rate
2057 adjustment request, at any reasonable time by an independent third party. The selection of the
2058 independent third party as well as the scope of work for such review shall be approved in advance by
2059 the City Contract Manager. The independent reviewer shall provide any and all drafts of its review to the
2060 City and the Contractor. The Party requesting the extraordinary Rate adjustment review shall bear the
2061 cost of the review.

2062 Unless otherwise required in this Article, Contractor shall retain all records and data required to be
2063 maintained by this Agreement for the Term of this Agreement plus three (3) years after its expiration or
2064 earlier termination. Records and data shall be in chronological and organized form and readily and easily
2065 interpreted. Upon request, any such records shall be retrieved in a timely manner by Contractor and
2066 made available to the City Contract Manager. Contractor shall maintain adequate record security to
2067 preserve records from events that can be reasonably anticipated such as a fire, theft, and an

2068 earthquake. Electronically-maintained data and records shall be protected and backed-up. The
2069 Contractor shall obtain, within one hundred twenty (120) days of a request by the City Contract
2070 Manager, complete independently audited financial statements for the prior calendar year, including its
2071 balance sheet, statement of revenues and expenses, and statement of changes in cash position, and
2072 provide such financial statements to the City Contract Manager.

2073 City views its ability to defend itself against Comprehensive Environmental Response, Compensation and
2074 Liability Act (CERCLA), and related litigation as a matter of great importance. For this reason, City
2075 regards its ability to prove where Collected Solid Waste is taken for transfer or Disposal. Contractor shall
2076 maintain records which can establish where Solid Waste Collected was Delivered to an Approved Facility
2077 with the intent of Disposal. This provision shall survive the expiration or earlier termination of this
2078 Agreement. Contractor shall maintain these records for a minimum of ten (10) years beyond expiration
2079 or earlier termination of the Agreement. Contractor shall provide these records to City (upon request or
2080 at the end of the record retention period) in an organized and indexed manner rather than destroying or
2081 Disposing of them.

2082 **6.2 Report Submittal Requirements**

2083 Contractor shall submit monthly and quarterly reports within thirty (30) calendar days after the end of
2084 the calendar month or quarter, as applicable. Contractor shall submit annual reports no later than forty-
2085 five (45) calendar days after the end of each calendar year. Monthly, quarterly, and annual reports shall,
2086 at a minimum, include all data and information as described in Exhibit C, and shall be provided in Word
2087 and Excel.

2088 Contractor may propose report formats that are responsive to the objectives and audiences for each
2089 report. The format of each report shall be approved by the City Contract Manager and such approval
2090 shall not be unreasonably withheld. City Contract Manager may, from time to time during the Term,
2091 review and request changes to Contractor’s report formats and content and Contractor shall not
2092 unreasonably deny such requests.

2093 Contractor shall submit (via mail and e-mail) all reports to the City Contract Manager.

2094 City reserves the right to require Contractor to provide additional reports or documents as City Contract
2095 Manager reasonably determines to be required for the administration of this Agreement or compliance
2096 with Applicable Law.

2097 **6.3 Performance Monitoring Meetings**

2098 City and Contractor shall meet no less than quarterly to discuss reports and compliance with the
2099 Agreement. Quarterly meetings shall be held within two weeks of submittal of each quarterly report or
2100 at such time as City otherwise specifies. Nothing in this Section 6.3 or in Exhibit C relieves Contractor of
2101 the responsibility to promptly request a meeting should shall if necessary to ensure its ability to comply
2102 with any of the requirements specified in this Exhibit C.

2103 City and Contractor shall meet twice per year to assess performance and compliance with the following
2104 service quality goals, on or before February 28th (for the immediate previous calendar year) and August
2105 31st (for the immediately previous July 1st through June 30th).

- 2106 A. Ten (10) or fewer Liquidated Damages assessed in each applicable twelve (12) month period.
- 2107 B. Completion of all outreach activities by the identified dates as specified in Section 4.9, Exhibit C,
2108 or as contained in Contractor plans developed with relation to the Agreement requirements
2109 contained in Section 4.9 and Exhibit C.
- 2110 C. Completion of bi-annual commercial customer satisfaction survey and analysis as provided in
2111 Section 4.12.C.

2112 **ARTICLE 7. FRANCHISE FEES AND OTHER FEES**

2113 The highlighted text below will be filled in to reflect the option selected by Council.

2114 **7.1 Franchise Fee**

2115 In consideration of the rights provided Contractor herein, Contractor shall pay Franchise Fees to City
2116 each month equal to _____ percent (____%) of Gross Receipts for all services performed under this
2117 Agreement.

2118 **7.2 Adjustment to Fees**

2119 City may set other fees or adjust the fees established in this Article from time to time during the Term of
2120 this Agreement and such adjustments shall be included in the adjustment of Maximum Rates as
2121 described in Exhibit D.

2122 **7.3 Payment Schedule and Late Fees**

2123 At the end of each month, during the Term of this Agreement, Contractor shall remit to City all fees for
2124 the previously completed month as described in this Article. Such fees shall be remitted to City and sent
2125 or delivered to the City Contract Manager. If such remittance is not paid to City on or before the last day
2126 of the month, all fees due shall be subject to a delinquency penalty of two percent (2%), which attaches
2127 on the first day of delinquency. The delinquency penalty shall be increased an additional two percent
2128 (2%) for each additional month the payment remains delinquent.

2129 Each monthly remittance to City shall be accompanied by a statement listing the amount of each fee
2130 paid; calculation of each fee; and, statement of Gross Receipts, by Customer Type for the period
2131 collected from all operations conducted or permitted by this Agreement. City Contract Manager may, at
2132 any time during the Term, request a detailed calculation of Gross Receipts which may include, but is not
2133 necessarily limited to, the number of Customers charged at each Service Level and Rate for each billing
2134 period.

2135 City Contract Manager may, at any time during the Term, perform an audit of Contractor's billings and
2136 payment of fees. Contractor shall cooperate with the City Contract Manager in any such audit. Should
2137 City or its agent perform this review and identify billing errors or other errors in payment of fees valued
2138 at one (1) percent or more of Gross Receipts, Contractor shall, in addition to compensating City for lost
2139 fees, reimburse the City's cost of the review.

2140 **7.4 Procurement Reimbursement Payment**

2141 Within (5) Business Day of the Effective Date of this Agreement, Contractor shall reimburse the City for
2142 its costs related to the procurement and negotiation of this Agreement in the amount of four hundred
2143 twenty five thousand dollars (\$425,000), due immediately upon execution of this Agreement. This
2144 amount shall be paid by Contractor and may not be recovered through Rates charged to Customers.

2145 **ARTICLE 8. CONTRACTOR'S COMPENSATION AND**
2146 **RATE SETTING**

2147 **8.1 General**

2148 The Contractor's Compensation for performance of all its obligations under this Agreement shall be
2149 Gross Receipts. Contractor's Compensation provided for in this Article shall be the full, entire and
2150 complete compensation due to Contractor pursuant to this Agreement for all labor, equipment,
2151 materials and supplies, Processing and Disposal fees, fees due to City, taxes, insurance, bonds,
2152 overhead, operations, profit, and all other things necessary to perform all the services required by this
2153 Agreement in the manner and at the times prescribed. Nothing herein shall obligate City to provide any
2154 compensation to Contractor beyond Gross Receipts.

2155 If Contractor's actual costs, including fees due to City, are more than Gross Receipts, Contractor shall not
2156 be compensated for the difference in actual costs and actual Gross Receipts. If Contractor's actual costs
2157 are less than the actual Gross Receipts, Contractor shall retain the difference provided that Contractor
2158 has paid City fees pursuant to Article 7.

2159 Under this Agreement, Contractor shall have the right and obligation to charge and collect from
2160 Customers, Rates that shall not exceed the Maximum Rates in Exhibit L that are approved by the City for
2161 provision of services to Customers. The Maximum Rates for Rate Period One are based on the
2162 Contractor's Proposal. Contractor's proposed costs and operating assumptions for Rate Period One are
2163 presented in Exhibit N.

2164 The Contractor or its Subcontractor(s) that operates the Approved Facilities shall retain revenues
2165 received for the sale of Recyclable Materials including California Redemption Value revenues, Organic
2166 Materials, and C&D. Such revenues have been considered in the establishment of Maximum Rates for
2167 services provided under this Agreement. Neither Contractor nor its Affiliates or Subcontractor(s) that
2168 operates the Approved Facilities are entitled to grant funds available through the Department of
2169 Resources Recycling and Recovery (CalRecycle) "City/County Payment Program" pursuant to Section
2170 14581(a)(5)(A) of the California Beverage Container Recycling and Litter Reduction Act. Contractor shall
2171 be entitled to apply for any funds made available by that program for the "Curbside Supplemental
2172 Payments" for registered Curbside Recycling programs. Contractor shall not be afforded any relief under
2173 the Change in Law or Change in Scope provisions of this Agreement in the event that those payments
2174 are reduced and/or eliminated during the term of the Agreement.

2175 Contractor is solely responsible for timely payment of invoices submitted to Contractor by Disposal
2176 Contractor, for services provided by Disposal Contractor under City's agreement with the Disposal
2177 Contractor. Contractor shall coordinate with Disposal Contractor regarding the Disposal Contractor's
2178 provision of Disposal services at no charge to the City as provided in Sections 4.5A and 4.6 and Section

2179 8.2 of the City’s agreement with the Disposal Contractor.

2180 Contractor shall comply with recordkeeping and reporting requirements of Article 6 and Exhibit C.

2181 **8.2 Rates and Annual Adjustments**

2182 **A. General.** The City shall be responsible for approving Maximum Rates as described in this Article.
2183 A Maximum Rate has been established for each individual Service Level and the initial Rates for
2184 Rate Period One are presented in Exhibit L. Contractor may, in its sole discretion, charge
2185 Customers any amount up to and including the Maximum Rate approved by the City, but in no
2186 case exceeding the Maximum Rate. Contractor shall charge all Customers that have the same
2187 Service Level at the same Rate so that Customers are treated equitably. The comparability of
2188 Service Levels and related Rates shall be considered separately for Solid Waste, Recyclable
2189 Materials, Organics Materials, and C&D services.

2190 If at any time during the Term of the Agreement, the Contractor determines the need for a
2191 Maximum Rate that does not appear on the City-approved Maximum Rate schedule in Exhibit L,
2192 Contractor shall immediately notify the City and request establishment of such Maximum Rate.
2193 For example, if a Customer requires Collection of Organic Materials in a fifteen (15) cubic yard
2194 Compactor five (5) times per week and the City-approved Maximum Rate schedule does not
2195 include this level of service, the Contractor must request that the City approve a Maximum Rate
2196 for this level of service.

2197 **B. Rates for Rate Period One.** Maximum Rates for Rate Period One, which are presented in Exhibit
2198 L, were determined by Contractor and City and were approved by City resolution on or before
2199 the execution of the Agreement. The Maximum Rates for Rate Period One shall be effective
2200 from the Commencement Date of this Agreement through December 31, 2018.

2201 **C. Rates for Subsequent Rate Periods.** Rates for subsequent Rate Periods shall be adjusted
2202 annually in accordance with this Section 8.2 and Exhibit D. Rates for Rate Periods Two, Three,
2203 Five, Six, Seven, Nine and Ten, and, if the Term is extended, Rate Periods Eleven, Thirteen,
2204 Fourteen, and Fifteen shall will be adjusted in accordance with Exhibit D-1, Index-Based Rate
2205 Adjustment Methodology. Rates for Rate Periods Four and Eight, and, if the Term is extended,
2206 Rate Period Twelve, shall will be adjusted in accordance with Exhibit D-2, Cost-Based Rate
2207 Adjustment Methodology.

2208 The index-based adjustment, which is described in Exhibit D-1, involves applying the percentage
2209 change in the consumer price index and a fuel index to calculate adjusted Maximum Rates. Such
2210 Rate adjustment calculations shall be performed in strict conformance to the procedures
2211 described in Exhibit D-1.

2212 The cost-based adjustment, which is described in Exhibit D-2, involves a review of Contractor’s
2213 actual costs and projection of cost for the coming Rate Period. This cost-based Rate adjustment
2214 shall be performed instead of the index-based rate adjustment for Rate Periods Four and Eight
2215 and, if the term is extended, for Rate Period Twelve. Such Rate adjustment calculations shall be
2216 performed in strict conformance to the procedures described in Exhibit D-2.

2217 Any calculated adjustment to Rates exceeding five percent (5%) shall be subject to the approval
2218 of the City Council, who may either approve such adjustment or require that the scope and
2219 resultant cost of services be adjusted to allow a lesser Rate adjustment.

2220 **D. Rate Structure.** The City and Contractor shall meet and confer to change the relationship of
2221 individual Rates in comparison with other Rates. Any such changes would occur in conjunction
2222 with the annual Rate adjustment process described in Section 8.2.C or in conjunction with a Rate
2223 adjustment resulting from an extraordinary Rate adjustment in accordance with Section 8.3.
2224 Changes to the rates charged under the new structure shall be calculated in such a way that the
2225 revised Rate structure generates at least the same amount of total revenue when the number of
2226 accounts at each Service Level are multiplied by the Rates charged for each Service Level and
2227 the total for all Service Levels are summed.

2228 **8.3 Extraordinary Rate Adjustments**

2229 It is understood that the Contractor accepts the risk for changes in cost of providing services and the
2230 service levels requested by Customers and therefore the extraordinary adjustments to Maximum Rates
2231 shall be limited to a Change in Law or a City-directed change in scope. If a Change in Law or City-
2232 directed change in scope (pursuant to Section 3.9) occurs, the Contractor may petition City for an
2233 adjustment to the Maximum Rates in excess of the annual adjustment described in Section 8.2.

2234 Contractor shall prepare an application for the extraordinary Rate adjustment calculating the net
2235 financial effect on its operations (both increases and decreases of costs and revenues) resulting from the
2236 Change in Law or City Directed Change in Scope (but not resulting from unrelated changes in costs and
2237 revenues), clearly identifying all assumptions related to such calculations and providing the underlying
2238 documentation supporting the assumptions. The application shall be prepared in compliance with the
2239 procedures described in Exhibit D-2 and shall provide all information requested by City Contract
2240 Manager specific to the nature of the request being made. City Contract Manager shall evaluate the
2241 application for reasonableness. As part of that review, the City Contract Manager may request access to
2242 the financial statements and accounting records required to be maintained by the Contractor (pursuant
2243 to Article 6) in order to determine the reasonableness of the Contractor's application. Should the
2244 Contractor not grant such access, then the City may rely on the Contractor's Proposal and other
2245 information available to it as the basis for making reasonable assumptions regarding what those
2246 accounting and financial records would have shown and therefore the reasonableness of the
2247 Contractor's application. Contractor shall pay all reasonable costs incurred by the City, including the
2248 costs of outside accountants, attorneys, and/or consultants, in order to make a determination of the
2249 reasonableness of the requested Rate adjustment.

2250 In the event of such an application for extraordinary Rate adjustment, it is understood that the City or
2251 Contractor, as the case may be, shall have the burden of demonstrating the reasonableness of the
2252 requested adjustment

2253 The Contractor may appeal the decision of the City Contract Manager to the City Council, which shall
2254 then make the final determination as to whether an adjustment to the Maximum Rates will be made,
2255 and if a Rate adjustment is permitted, the amount of the Rate adjustment. With respect to an
2256 extraordinary Rate adjustment requested by the City Contract Manager, the City Council shall then make
2257 the final determination as to whether an adjustment to the Maximum Rates will be made, and if a Rate
2258 adjustment is permitted, the amount of the Rate adjustment.

2259
2260

**ARTICLE 9. INDEMNITY, INSURANCE, PERFORMANCE
BOND, AND RIGHT TO PERFORM SERVICE**

2261 **9.1 Indemnification**

2262 **A. General.** Contractor shall indemnify, defend with counsel acceptable to City, and hold harmless
2263 (to the full extent permitted by law) City and its officers, officials, employees, volunteers, and
2264 agents from and against any and all claims, liability, loss, injuries, damage, expense, and costs
2265 (including without limitation costs and fees of litigation, including attorneys’ and expert witness
2266 fees) (collectively, “Damages”) of every nature arising out of or in connection with Contractor’s
2267 performance under this Agreement, or its failure to comply with any of its obligations contained
2268 in the Agreement, except to the extent such loss or damage was caused by the sole negligence
2269 or willful misconduct of City.

2270 **B. Excluded Waste.** Contractor acknowledges that it is responsible for compliance during the
2271 entire Term of this Agreement with all Applicable Laws. Contractor shall not store, transport,
2272 use, or Dispose of any Excluded Waste except in strict compliance with all Applicable Laws.

2273 In the event that Contractor negligently or willfully mishandles Excluded Waste in the course of
2274 carrying out its activities under this Agreement, Contractor shall at its sole expense promptly
2275 take all investigatory and/or remedial action reasonably required for the remediation of such
2276 environmental contamination. Prior to undertaking any investigatory or remedial action,
2277 however, Contractor shall first obtain City’s approval of any proposed investigatory or remedial
2278 action. Should Contractor fail at any time to promptly take such action, City may undertake such
2279 action at Contractor’s sole cost and expense, and Contractor shall reimburse City for all such
2280 expenses within thirty (30) calendar days of being billed for those expenses, and any amount not
2281 paid within that thirty (30) calendar day period shall thereafter be deemed delinquent and
2282 subject to the delinquent fee payment provision of Section 7.3. These obligations are in addition
2283 to any defense and indemnity obligations that Contractor may have under this Agreement. The
2284 provisions of this Section shall survive the termination or expiration of this Agreement.

2285 Notwithstanding the foregoing, Contractor’s duties under this subsection shall not extend to any
2286 claims arising from the Disposal of Solid Waste at the Approved Transfer Facility or Disposal
2287 Facility that accepted Solid Waste from the Approved Transfer Facility, including, but not limited
2288 to, claims arising under Comprehensive Environmental Response, Compensation and Liability
2289 Act (CERCLA) unless such claim is a direct result of Contractor’s negligence or willful misconduct.

2290 **C. Environmental Indemnity.** Contractor shall defend, indemnify, and hold City harmless against
2291 and from any and all claims, suits, losses, penalties, damages, and liability for damages of every
2292 name, kind and description, including attorneys’ fees and costs incurred, attributable to the
2293 negligence or willful misconduct of Contractor in handling Excluded Waste.

2294 **D. Related to AB 939, AB 341, AB 1826 and AB 1594.** Contractor’s duty to defend and indemnify
2295 herein includes all fines and/or penalties imposed by CalRecycle if the requirements of AB 939,
2296 AB 341, AB 1826 and/or AB 1594 are not met by the Contractor with respect to the materials
2297 Collected under this Agreement and/or Contractor’s other obligations under this Agreement,
2298 and such failure is: (i) due to the failure of Contractor to meet its obligations under this
2299 Agreement; or, (ii) due to Contractor delays in providing information that prevents Contractor or
2300 the City from submitting reports to regulators in a timely manner.

2301 E. **Related to Proposition 218.** Should there be a Change in Law or a new judicial interpretation of
2302 Applicable Law, including, but not limited to, Article XIII C and D of the California Constitution
2303 (Commonly Proposition 218), which impacts the Rates for the Collection services established in
2304 accordance with this Agreement, Contractor agrees to meet and confer with City to discuss the
2305 impact of such Change in Law on either Party's ability to perform under this Agreement.

2306 If, at any time, a Rate adjustment determined to be appropriate by both City (which
2307 determination shall not be unreasonably withheld) and Contractor to compensate Contractor
2308 for increases in costs as described in this Agreement cannot be implemented for any reason,
2309 Contractor shall be granted the option to negotiate with City, in good faith, a reduction of
2310 services equal to the value of the Rate adjustment that cannot be implemented. If City and
2311 Contractor are unable to reach agreement about such a reduction in services, then Contractor
2312 may terminate this Agreement upon one hundred eighty (180) calendar days prior written
2313 notice to City, in which case the Contractor and City shall each be entitled to payment of
2314 amounts due for contract performance through the date of termination but otherwise will have
2315 no further obligation to one another pursuant to this Agreement after the date of such
2316 termination. Should a court of competent jurisdiction determine that the Contractor cannot
2317 charge and/or increase its Rates for charges related to Franchise Fees, other City fees or
2318 payments to County, and governmental fees and charges, Contractor shall reduce the Rates it
2319 charges Customers a corresponding amount, providing said fees, Rates and/or charges
2320 disallowed by the court are not related to the cost of providing service hereunder and had been
2321 incorporated in the Rates charged by Contractor to its Customers.

2322 Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D, apply to
2323 the Rates established for services provided under this Agreement; rather this Section is provided
2324 merely to allocate risk of an adverse judicial interpretation between the Parties.

2325 This provision (i.e., Section 9.1) shall survive the expiration or earlier termination of this
2326 Agreement and shall not be construed as a waiver of rights by City to contribution or indemnity
2327 from third parties.

2328 F. **Survival of Provisions.** Section 9.1 will survive the expiration or earlier termination of this
2329 Agreement and shall not be construed as a waiver of rights by City to contribution or indemnity
2330 from third parties.

2331 **9.2 Insurance**

2332 A. **General Requirements.** Contractor/Subcontractor shall, at its sole cost and expense, maintain in
2333 effect at all times during the Term of this Agreement not less than the following coverage and
2334 limits of insurance:

2335 B. **Coverages and Requirements.** During the Term of this Agreement, Contractor/Subcontractor
2336 shall at all times maintain, at its expense, the following coverages and requirements. The
2337 comprehensive general liability insurance shall include broad form property damage insurance.

2338 1. Minimum Coverages. Insurance coverage shall be with limits not less than the following:

2339 **Commercial General Liability** – \$10,000,000 combined single limit per occurrence for
2340 bodily injury, personal injury, and property damage.

2341 **Automobile Liability** – \$10,000,000 combined single limit per accident for bodily injury and
2342 property damage (include coverage for hired and non-owned vehicles).

2343 **Workers' Compensation** – Statutory Limits/Employers' Liability - \$1,000,000/accident for
2344 bodily injury or disease.

2345 **Blanket Fidelity/Crime Policy** – \$500,000 per event covering the City for any and all acts
2346 including, but not limited to, dishonesty, forgery, alteration, theft, disappearance, and
2347 destruction (inside or outside).

2348 General Liability and Auto Liability Limits of Insurance may be satisfied by a combination of
2349 primary and umbrella or excess insurance.

2350 2. Additional Insured. City, its officers, agents, employees, and volunteers shall be named as
2351 additional insured on all but the workers' compensation and Blanket Fidelity/Crime Policy
2352 coverages.

2353 3. Said policies shall remain in force through the life of this Agreement and, with the
2354 exception of professional liability coverage, shall be payable on a "per occurrence" basis
2355 unless City's Risk Manager specifically consents in writing to a "claims made" basis. For all
2356 "claims made" coverage, in the event that the Contractor/Subcontractor changes insurance
2357 carriers Contractor/Subcontractor shall purchase "tail" coverage or otherwise provide for
2358 continuous coverage covering the Term of this Agreement and not less than three (3) years
2359 thereafter. Proof of such "tail" or other continuous coverage shall be required at any time
2360 that the Contractor/Subcontractor changes to a new carrier prior to receipt of any
2361 payments due.

2362 4. The Contractor/Subcontractor shall declare all aggregate limits on the required coverage
2363 are in place before commencing performance of this Agreement and are available
2364 throughout the performance of this Agreement.

2365 Each insurance policy required by this clause shall be endorsed to state that coverage shall
2366 not be canceled by either party, except after thirty (30) days' prior written notice (10 days
2367 for non-payment) by certified mail, return receipt requested, has been given to the City. If
2368 Contractor's insurer refuses to provide this endorsement, Contractor shall be responsible
2369 for providing written notice to the City that coverage will be canceled thirty (30) days after
2370 the date of the notice or ten (10) days for non-payment.

2371 5. The deductibles or self-insured retentions are for the account of Contractor/Subcontractor
2372 and shall be the sole responsibility of the Contractor/Subcontractor.

2373 6. Contractor shall furnish the City with original certificates and amendatory endorsements
2374 effecting coverage required by this clause. The endorsements should be on insurance
2375 industry forms, provided those endorsements or policies conform to the contract
2376 requirements. All certificates and endorsements are to be received and approved by the
2377 City before work commences. "The City reserves the right to require complete copies of all
2378 required insurance policies, including endorsements evidencing the coverage required by
2379 these specifications. The Contractor shall be allowed to redact information that it
2380 considers confidential".

2381 The Certificate with endorsements and notices shall be mailed to: City of Milpitas,
2382 Attention: Purchasing, 455 East Calaveras Boulevard, Milpitas California, 95035-5411.7.

2383 Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-
2384 VII, unless otherwise approved by City Risk Manager.

- 2385 8. The policies shall cover all activities of Contractor/Subcontractor, its officers, employees,
2386 agents and volunteers arising out of or in connection with this Agreement.
- 2387 9. For any claims relating to this Agreement, the Contractor/Subcontractor's insurance
2388 coverage shall be primary, including as respects City, its officers, agents, employees, and
2389 volunteers. Any insurance maintained by City shall apply in excess of, and not contribute
2390 to, coverage provided by Contractor/Subcontractor's liability insurance policy.
- 2391 10. The Contractor/Subcontractor shall waive, by evidenced endorsement to the policy, all
2392 rights of subrogation against City, its officers, employees, agents, and volunteers.
- 2393 **C. Endorsements.** Prior to the Effective Date pursuant to this Agreement,
2394 Contractor/Subcontractor shall furnish City Contract Manager with certificates or original
2395 endorsements reflecting coverage required by this Agreement. The certificates or endorsements
2396 are to be signed by a Person authorized by that insurer to bind coverage on its behalf. All
2397 certificates or endorsements are to be received by, and are subject to the approval of, City Risk
2398 Manager before work commences.
- 2399 **D. Renewals.** During the Term of this Agreement, Contractor/Subcontractor shall furnish City
2400 Contract Manager with certificates or original endorsements reflecting renewals, changes in
2401 insurance companies, and any other documents reflecting the maintenance of the required
2402 coverage throughout the entire Term of this Agreement. The certificates or endorsements are to
2403 be signed by a Person authorized by that insurer to bind coverage on its behalf.
- 2404 **E. Workers' Compensation.** Contractor/Subcontractor shall provide workers' compensation
2405 coverage as required by State law, and prior to the Effective Date pursuant to this Agreement,
2406 Contractor/Subcontractor shall file the following statement with City.
- 2407 "I am aware of the provisions of Paragraph 3700 of the Labor Code that require every employer
2408 to be insured against liability for workers' compensation or to undertake self-insurance in
2409 accordance with the provisions of that code, and I will comply with such provisions before
2410 commencing any services required by this Agreement."
- 2411 "Contractor agrees to include in their subcontract the same requirements and provisions of this
2412 agreement including the indemnity and insurance requirements to the extent they apply to the
2413 scope of the Subcontractor's work. Subcontractors hired by Contractor agree to be bound to
2414 Contractor and City in the same manner and to the same extent as Contractor is bound to City
2415 under the Contract Documents. Subcontractor further agrees to include these same provisions
2416 with any Sub-subcontractor. A copy of the Contract/Agreement and Insurance Provisions will be
2417 furnished to the Subcontractor. The Contractor shall require all Subcontractor's to provide a
2418 valid certificate of insurance and the required endorsements included in the agreement prior to
2419 commencement of any work and will provide proof of compliance to the City."
- 2420 "The Person executing this Certificate on behalf of Contractor/Subcontractor affirmatively
2421 represents that she/he has the requisite legal authority to do so on behalf of
2422 Contractor/Subcontractor, and both the Person executing this Agreement on behalf of
2423 Contractor/Subcontractor and Contractor/Subcontractor understand that City is relying on this
2424 representation in entering into this Agreement."

2425 **9.3 Performance Bond**

2426 The highlighted text below will be replaced with three months of projected initial revenues based on the

2427 **Council-selected option.**

2428 Within seven (7) calendar days of the City’s notification to Contractor that the City has executed this
2429 Agreement, Contractor shall file with the City a bond, payable to the City, securing the Contractor's
2430 performance of its obligations under this Agreement and such bond shall be renewed annually if
2431 necessary so that the performance bond is maintained at all times during the Term. The principal sum of
2432 the bond shall be _____ dollars (\$) and shall be adjusted every three (3) years, commencing
2433 with Rate Period Three, to equal three (3) months of the prior Rate Period’s annual Gross Receipts. The
2434 bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of
2435 California that has a rating of A or better in the most recent edition of Best’s Key Rating Guide, and that
2436 has a record of service and financial condition satisfactory to the City. The bond shall be in the form
2437 attached as Exhibit J.

2438 As an alternative to the performance bond required above, at City's option, Contractor may deposit with
2439 City a fully prepaid irrevocable letter of credit for at least the duration of the Contract Year for which the
2440 letter of credit is deposited. Such letter of credit shall be in the amount of _____ dollars (\$ _____).
2441 The form of the letter of credit and the issuer of the letter of credit are subject to the approval of City's
2442 Risk Manager and the City Attorney. Nothing in this Section 9.3 shall in any way obligate City to accept a
2443 letter of credit in lieu of the performance bond.

2444 City shall have the right to draw against the faithful performance bond or the letter of credit in the event
2445 of a breach or default of Contractor or the failure of Contractor to perform fully any obligation under
2446 this Agreement. Within five (5) calendar days of receipt of notice from City, Contractor shall renew or
2447 replace such sums of money as needed to bring the faithful performance bond or letter of credit
2448 current.

2449 **9.4 Guaranty**

2450 Concurrently with execution of this Agreement, Contractor shall furnish a Guaranty of its performance
2451 under this Agreement, in the form of Exhibit G, properly executed by Republic Services, Inc., a Delaware
2452 Corporation, which owns all of the issued and outstanding common stock of Contractor.

2453 **9.5 Emergency Conditions**

2454 The City Manager may declare the existence of an Emergency Condition and shall provide notice as soon
2455 as practicable to Contractor of said declaration. Within 72 hours an emergency meeting of the City
2456 Council shall be scheduled and consideration of the continuation of an Emergency Condition shall be
2457 heard by the City Council. The City Council shall, by resolution, declare the continued existence of the
2458 emergency condition, if appropriate, and transmit a certified copy of the resolution to Contractor.

2459 “Emergency Condition” means the declaration of a State of Emergency by the City Manager or the City
2460 Council resulting from a major disaster in or proximate to the City.

2461 **A. Emergency Operations**

2462 The Parties acknowledge that either temporary cessation or cessation of indeterminate duration of the
2463 services to be provided by Contractor hereunder may result in conditions detrimental to the public

2464 health, safety and welfare and that, in order to protect the public, invoking the extraordinary provisions
2465 of this section may be necessary. From and after the declaration of the existence of an Emergency
2466 Condition, City or the designee of City (irrespective of whether such designee is another public agency or
2467 privately-owned entity) may assume and carry out, as the "Emergency Operator", any or all Collection
2468 operations of Contractor hereunder. During the period of the Emergency Condition exists all revenues
2469 which, but for the Emergency Condition, would accrue hereunder to Contractor, shall instead accrue and
2470 be payable to the Emergency Operator.

2471 **B Use of Contractor's Facilities**

2472 Upon the declaration of the existence of an Emergency Condition pursuant to this Section, Contractor
2473 shall make available and relinquish to the Emergency Operator all of Contractor's operable vehicles,
2474 equipment, and other facilities necessary or convenient for providing Collection in the Service Area.
2475 Further, Contractor shall provide the Emergency Operator access, and/or rights of access, to such
2476 transfer station facilities and/or Disposal or Processing facilities available to, or under the control of,
2477 Contractor for the transferring and disposal of Discarded Materials, and Contractor shall, to the extent it
2478 possesses rights to use such transfer, Disposal, or Processing facilities, assign such rights to the
2479 Emergency Operator for use during the existence of the Emergency Condition. Notwithstanding the
2480 foregoing provisions of this section, the use of Contractor's vehicles, equipment, and other facilities and
2481 the assignment of rights to Contractor shall, in the case of Contractor's insolvency, bankruptcy or other
2482 adverse financial condition, be subject to the provisions of the United States Bankruptcy Act (11
2483 U.S.C. §§101 et seq.) to the extent applicable. During the existence of an Emergency Condition the
2484 Emergency Operator shall operate, maintain and repair, and adequately insure, without cost to
2485 Contractor, Contractor's vehicles, equipment and other facilities used by it. Upon the cessation of the
2486 Emergency Condition the right to use such vehicles, equipment and facilities shall expire and the
2487 Emergency Operator shall return said vehicles, equipment and facilities to Contractor in a condition
2488 substantially the same as that which existed upon acquiring said vehicles, equipment and facilities,
2489 ordinary wear and tear excepted.

2490 **C. Indemnification**

2491 In the event that an Emergency Operator appointed by City utilizes any facilities and/or equipment of
2492 Contractor, City shall defend, indemnify and hold harmless Contractor and its affiliates from and against
2493 any and all losses, expenses, liens, claims, demands and causes of action of every kind and character
2494 (excluding those based upon the sole active or passive negligence or willful misconduct of Contractor, its
2495 officers, employees and agents) for death, personal injury, property damage or any other liability or
2496 damages, including costs, attorney's fees, and settlements arising out of, or in connection with, the use
2497 of Contractor's facilities and/or equipment.

2498 **D. Cessation of Emergency**

2499 At any time after the Emergency Operator has commenced the Collection of Discarded Materials, City
2500 may hold a hearing on the question of the cessation of the Emergency Condition upon giving not less
2501 than forth-eight (48) hours' prior written notice to Contractor and the Emergency Operator. At the
2502 hearing Contractor, the Emergency Operator, and any and all interested persons shall be given the
2503 opportunity to be heard on the question aforesaid. Upon the conclusion of the hearing, City shall
2504 determine if the Emergency Condition has ceased. If it is determined that the Emergency Condition has

2505 ceased, the City Council shall, by resolution, declare the cessation of the Emergency Condition, and
2506 transmit a certified copy of the resolution to Contractor.

2507 **E. Resumption of Service**

2508 Upon the declaration of cessation of the Emergency Condition, the Emergency Operator shall return to
2509 Contractor its vehicles, equipment, and other facilities acquired and used by it. Further, upon the
2510 declaration of cessation of the Emergency Condition, and unless City has terminated this Agreement
2511 pursuant to Article 10, Contractor shall recommence its operations hereunder and shall perform all of its
2512 duties and obligations in accordance with the provisions hereof, and shall be entitled to all of its rights
2513 hereunder, including accrual of revenues for its benefit, from and after the date upon which the
2514 Emergency Condition shall be deemed to have ceased.

2515 **F. Limitation**

2516 Notwithstanding anything herein contained to the contrary, no Emergency Condition shall exist for more
2517 than 180 consecutive days. Upon the expiration of said 180 days, and unless the Emergency Condition
2518 has ceased prior thereto, this Agreement shall terminate. In the event of such termination no rights shall
2519 accrue to Contractor under this Agreement from and after the date of termination.

2520 **G. City Termination of Agreement**

2521 Notwithstanding the provisions of Section 9.5.E., if, upon the cessation of the Emergency Condition, the
2522 City Council determines that Contractor is not substantially able to perform its duties and obligations
2523 hereunder due to the effects of the Emergency Condition, the City Council may declare this Agreement
2524 terminated effective upon the date of the cessation of the Emergency Condition. In the event of such
2525 termination no rights shall accrue to Contractor under this Agreement from and after the date of
2526 termination.

2527 **9.6 Disaster Operations**

2528 **A. Availability of Contractor’s Personnel and Equipment**

2529 In event of wartime, natural, physical or other disaster in or proximate to the City Limits resulting in the
2530 declaration of a State of Emergency by the City Manager or City Council, Contractor shall make available
2531 to City, at no cost to City, all equipment, vehicles, and/or personnel normally performing services under
2532 this Agreement, for emergency operations conducted or directed by the City.

2533 **B. Temporary Possession and Employment**

2534 City shall have the right to take temporary possession of all such vehicles and equipment made available
2535 by Contractor, and to temporarily employ all such Contractor personnel as emergency operations forces
2536 of City, under the direction and control of the City.

2537 **C Use of Additional Equipment**

2538 Contractor may make available, in addition to the vehicles, equipment, and personnel provided in
2539 Section 9.6.A above, equipment, vehicles, and personnel from those Contractor operations and
2540 resources not otherwise serving City pursuant to this Agreement, to the extent necessary to conduct
2541 effective Discarded Materials Collection and removal services during any declared State of Emergency,
2542 subject to the direction and control of the City.

2543 **D. Reimbursement**

2544 City shall not be required to compensate Contractor in any manner or form for Contractor’s provision of
2545 Equipment, vehicles, or personnel normally performing services under this Agreement within the City
2546 Limits, when made available during a declared State of Emergency. When additional equipment,
2547 vehicles, or personnel are provided during such an emergency, pursuant to Section 9.6.C above, City
2548 shall compensate Contractor for actual expenses incurred by Contractor in providing such equipment,
2549 vehicles, and/or personnel upon submission by Contractor to City of detailed records of costs and
2550 expenses actually borne by Contractor, and upon approval by the appropriate Federal agency of City’s
2551 reimbursement of expenses incurred by Contractor during such State of Emergency.

2552 **E. Indemnity**

2553 In the event of a declared State of Emergency during which City takes possession of and utilizes the
2554 equipment, vehicles and/or personnel of Contractor pursuant to this Section 9.6, City agrees to
2555 indemnify and defend Contractor and its officers, directors, agents, and employees, and hold such
2556 parties harmless against all actions, suits, liabilities, costs, and expenses (including reasonable attorneys’
2557 fees and costs of defense) arising out of or related to City’s possession and operation of all Contractor’s
2558 equipment, vehicles, and facilities utilized by City to render services during any such State of Emergency.

2559 **ARTICLE 10. DEFAULT AND REMEDIES**

2560 **10.1 Events of Default**

2561 All provisions of the Agreement are considered material. Each of the following shall constitute an event
2562 of default.

2563 **A. Fraud or Deceit.** Contractor practices, or attempts to practice, any fraud or deceit upon the
2564 City.

2565 **B. Insolvency or Bankruptcy.** Contractor becomes insolvent, unable, or unwilling to pay its debts,
2566 or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.

2567 **C. Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force and affect the
2568 Workers' Compensation, liability, or indemnification coverage as required by this Agreement.

2569 **D. Violations of Regulation.** Contractor violates any orders or filings of any regulatory body having
2570 authority over Contractor relative to this Agreement, provided that Contractor may contest any
2571 such orders or filings by appropriate proceedings conducted in good faith, in which case no
2572 breach or default of this Agreement shall be deemed to have occurred.

- 2573 **E. Violations of Applicable Law.** Contractor violates Applicable Law relative to this Agreement.
- 2574 **F. Failure to Perform Direct Services.** Contractor ceases to provide Collection, Transportation, or
2575 Processing services as required under this Agreement for a period of two (2) consecutive
2576 calendar days or more, for any reason within the control of Contractor.
- 2577 **G. Failure to Pay or Report.** Contractor fails to make any payments to City required under this
2578 Agreement including payment of City fees or Liquidated Damages and/or refuses to provide City
2579 with required information, reports, and/or records in a timely manner as provided for in the
2580 Agreement.
- 2581 **H. Acts or Omissions.** Any other act or omission by Contractor which violates the terms,
2582 conditions, or requirements of this Agreement, AB 939, as it may be amended from time to
2583 time, or any law, statute, ordinance, order, directive, rule, or regulation issued there under and
2584 which is not corrected or remedied within the time set in the written notice of the violation or, if
2585 Contractor cannot reasonably correct or remedy the breach within the time set forth in such
2586 notice, if Contractor should fail to commence to correct or remedy such violation within the
2587 time set forth in such notice and diligently effect such correction or remedy thereafter.
- 2588 **I. False, Misleading, or Inaccurate Statements.** Any representation or disclosure made to the City
2589 by Contractor in connection with or as an inducement to entering into this Agreement, or any
2590 future amendment to this Agreement, which proves to be false or misleading in any material
2591 respect as of the time such representation or disclosure is made, whether or not any such
2592 representation or disclosure appears as part of this Agreement; and, any Contractor-provided
2593 report containing a misstatement, misrepresentation, data manipulation, or an omission of fact
2594 or content explicitly defined by the Agreement, excepting non-numerical typographical and
2595 grammatical errors.
- 2596 **J. Seizure or Attachment.** There is a seizure of, attachment of, or levy on, some or all of
2597 Contractor's operating equipment, including without limits its equipment, maintenance or office
2598 facilities, Approved Facility(ies), or any part thereof.
- 2599 **K. Suspension or Termination of Service.** Except as set forth in Section 10.7 hereof, there is any
2600 termination or suspension of the transaction of business by Contractor related to this
2601 Agreement, including without limit, due to labor unrest including strike, work stoppage or
2602 slowdown, sick-out, picketing, or other concerted job action lasting more than two (2) calendar
2603 days.
- 2604 **L. Criminal Activity.** Contractor, its officers, managers, or employees are found guilty of criminal
2605 activity related directly or indirectly to performance of this Agreement or any other agreement
2606 held with the City.
- 2607 **M. Assignment without Approval.** Contractor transfers or assigns this Agreement without the
2608 expressed written approval of the City unless the assignment is permitted without City approval
2609 pursuant to Section 12.6.
- 2610 **N. Failure to Provide Proposal or Implement Change in Service.** Contractor fails to provide a
2611 proposal for new services or changes to services or fails to implement a change in service as
2612 requested by the City as specified in Section 3.9.
- 2613 **O. Failure to Perform Any Obligation.** Contractor fails to perform any obligation established under
2614 this Agreement.
- 2615 City shall provide Contractor written notice of default within seven (7) calendar days of the occurrence

2616 of default or within seven (7) calendar days of the City’s first knowledge of the Contractor’s default,
2617 whichever occurs first.

2618 **10.2 Right to Terminate Upon Event of Default**

2619 Contractor shall be given ten (10) Business Days from written notification by City to cure any default
2620 which, in the City Contract Manager’s sole opinion, creates a potential public health and safety threat.

2621 Contractor shall be given ten (10) Business Days from written notification by City to cure any default
2622 arising under subsections C, E, F, I, J, and K in Section 10.1 provided, however, that the City shall not be
2623 obligated to provide Contractor with a notice and cure opportunity if the Contractor has committed the
2624 same or similar breach/default within a twenty-four (24) month period.

2625 Contractor shall be given thirty (30) calendar days from written notification by City to cure any other
2626 default (which is not required to be cured within ten (10) Business Days); however, that the City shall
2627 not be obligated to provide Contractor with a notice and cure opportunity if the Contractor has
2628 committed the same or similar breach/default within a twenty-four (24) month period.

2629 **10.3 City’s Remedies in the Event of Default**

2630 In the event of Contractor’s default, City maintains following remedies:

2631 **A. Waiver of Default.** City may waive any event of default or may waive Contractor’s requirement
2632 to cure a default event if City determines that such waiver would be in the best interest of the
2633 City. City’s waiver of an event of default is not a waiver of future events of default that may have
2634 the same or similar conditions.

2635 **B. Suspension of Contractor’s Obligation.** City may suspend Contractor’s performance of its
2636 obligations if Contractor fails to cure default in the time frame specified in Section 10.2 until
2637 such time the Contractor can provide assurance of performance in accordance with Section
2638 10.8.

2639 **C. Liquidated Damages.** City may assess Liquidated Damages for Contractor’s failure to meet
2640 specific performance standards pursuant to Section 10.6 and Exhibit E.

2641 **D. Termination.** In the event that Contractor should default and subject to the right of the
2642 Contractor to cure, in the performance of any provisions of this contract, and the default is not
2643 cured for any default within in ten (10) calendar days if the default creates a potential public
2644 health and safety threat or arises under Section 10.1.C., E, F, I, J, or K, or otherwise thirty (30)
2645 calendar days after receipt of written notice of default from the City, then the City may, at its
2646 option, terminate this Agreement and/or hold a hearing at its City Council meeting to determine
2647 whether this Agreement should be terminated. In the event City decides to terminate this
2648 Agreement, the City shall serve twenty (20) calendar days written notice of its intention to
2649 terminate upon Contractor. In the event City exercises its right to terminate this Agreement, the
2650 City may, at its option, upon such termination, either directly undertake performance of the
2651 services or arrange with other Persons to perform the services with or without a written
2652 agreement. This right of termination is in addition to any other rights of City upon a failure of
2653 Contractor to perform its obligations under this Agreement.

2654 Contractor shall not be entitled to any further Gross Receipts or other revenues from Collection

2655 operations authorized hereunder from and after the date of termination.

2656 **E. Other Available Remedies.** City’s election of one (1) or more remedies described herein shall
2657 not limit the City from any and all other remedies at law and in equity including injunctive relief,
2658 etc.

2659 **10.4 Possession of Records Upon Termination**

2660 In the event of termination for an event of default, the Contractor shall furnish City Contract Manager
2661 with immediate access to all of its business records, including without limitation, proprietary Contractor
2662 computer systems, related to its Customers, Collection routes, and billing of accounts for Collection
2663 services.

2664 **10.5 City's Remedies Cumulative; Specific Performance**

2665 City's rights to terminate the Agreement under Section 10.2 and to take possession of the Contractor's
2666 records under Section 10.4 are not exclusive, and City's termination of the Agreement and/or the
2667 imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall
2668 be in addition to any and all other legal and equitable rights and remedies which City may have.

2669 By virtue of the nature of this Agreement, the urgency of timely, continuous, and high quality service;
2670 the lead time required to effect alternative service; and, the rights granted by City to the Contractor, the
2671 remedy of damages for a breach hereof by Contractor is inadequate and City shall be entitled to
2672 injunctive relief (including but not limited to specific performance).

2673 **10.6 Performance Standards and Liquidated Damages**

2674 **A. General.** The Parties find that as of the time of the execution of this Agreement, it is
2675 impractical, if not impossible, to reasonably ascertain the extent of damages which shall be
2676 incurred by City as a result of a breach by Contractor of its obligations under this Agreement.
2677 The factors relating to the impracticability of ascertaining damages include, but are not limited
2678 to, the fact that: (i) substantial damage results to members of the public who are denied
2679 services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety,
2680 frustration, and deprivation of the benefits of the Agreement to individual members of the
2681 general public for whose benefit this Agreement exists, in subjective ways and in varying
2682 degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that
2683 exclusive services might be available at substantially lower costs than alternative services and
2684 the monetary loss resulting from denial of services or denial of quality or reliable services is
2685 impossible to calculate in precise monetary terms; and, (iv) the termination of this Agreement
2686 for such breaches, and other remedies are, at best, a means of future correction and not
2687 remedies which make the public whole for past breaches.

2688 **B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The
2689 Parties further acknowledge that provision of all services specified in this Agreement in a
2690 consistent, reliable manner is of utmost importance to City and that City has considered and
2691 relied on Contractor's representations as to its quality of service commitment in awarding the
2692 Agreement to it. The Parties recognize that some quantified standards of performance are
2693 necessary and appropriate to ensure consistent and reliable service and performance. The

2694 Parties further recognize that if Contractor fails to achieve the performance standards, or fails to
2695 submit required documents in a timely manner, City and its residents and businesses will suffer
2696 damages, and that it is, and will be, impractical and extremely difficult to ascertain and
2697 determine the exact amount of damages which City will suffer. Therefore, without prejudice to
2698 City's right to treat such non-performance as an event of default under this Section, the Parties
2699 agree that the Liquidated Damages amounts established in Exhibit E of this Agreement and the
2700 Liquidated Damage amounts therein represent a reasonable estimate of the amount of such
2701 damages considering all of the circumstances existing on the Effective Date of this Agreement,
2702 including the relationship of the sums to the range of harm to City that reasonably could be
2703 anticipated and the anticipation that proof of actual damages would be costly or impractical.

2704 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set forth in
2705 the Performance Standards and Liquidated Damages, Exhibit E.

2706 Before assessing Liquidated Damages, City shall give Contractor notice of its intention to do so.
2707 The notice will include a brief description of the incident(s) and non-performance. City may
2708 review (and make copies at its own expense) all information in the possession of Contractor
2709 relating to incident(s) and/or non-performance. City may, within ten (10) Business Days after
2710 issuing the notice, request a meeting with Contractor. City may present evidence of non-
2711 performance in writing and through testimony of its employees and others relevant to the
2712 incident(s) and non-performance. City Contract Manager will provide Contractor with a written
2713 explanation of their determination on each incident(s) and non-performance prior to
2714 authorizing the assessment of Liquidated Damages under this Section 10.6. The decision of City
2715 Contract Manager shall be final and Contractor shall not be subject to, or required to exhaust,
2716 any further administrative remedies.

2717 Except as otherwise noted in Exhibit E, all Liquidated Damages shall apply during the transition
2718 period beginning ninety (90) days prior to, and ending ninety (90) days after the
2719 Commencement Date

2720 **C. Two-Phase Performance Management.** The Parties desire to minimize the time and cost
2721 involved in monitoring Contractor's performance under this Agreement, particularly with regard
2722 to the assessment of Liquidated Damages. Exhibit E to this Agreement identifies each
2723 "Performance Area" for which the City desires to establish performance standards for this
2724 Agreement. Contractor's performance within each "Performance Area" shall be primarily
2725 monitored using the "Performance Indicator" described for each. The City shall not assess
2726 Liquidated Damages for the "Specific Performance Measures" identified in Exhibit E unless
2727 Contractor fails to meet the minimum standard for the "Performance Indicator" within the same
2728 "Performance Area".

2729 **D. Amount.** City may assess Liquidated Damages for each calendar day or event, as appropriate,
2730 that Contractor is determined to be liable in accordance with this Agreement in the amounts
2731 specified in Exhibit E subject to annual adjustment described below.

2732 **E. Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by City within ten
2733 (10) Business Days of the date the Liquidated Damages are assessed. If they are not paid within
2734 the ten (10) Business Day period, City may proceed against the performance bond required by
2735 the Agreement, order the termination of the rights or "franchise" granted by this Agreement, or
2736 all of the above.

2737 **F. Repeated Failure to Meet Goals.** Should the City determine as provided in Section 6.3 that more
2738 than ten (10) Liquidated Damages have been assessed in the prior twelve (12) month period, the
2739 Liquidated Damages provided in Exhibit E shall be increased by one hundred percent (100 %) for
2740 the next twelve (12) month period.

2741 **10.7 Excuse from Performance**

2742 The Parties shall be excused from performing their respective obligations hereunder and from any
2743 obligation to pay Liquidated Damages if they are prevented from so performing by reason of floods,
2744 earthquakes, other acts of nature, war, terrorist activity, civil insurrection, riots, acts of any government
2745 (including judicial action), and other similar catastrophic events which are beyond the control of and not
2746 the fault of the Party claiming excuse from performance hereunder. In the case of labor unrest or job
2747 action directed at a third party over whom Contractor has no control, the inability of Contractor to
2748 provide services in accordance with this Agreement due to the unwillingness or failure of the third party
2749 to: (i) provide reasonable assurance of the safety of Contractor's employees while providing such
2750 services; or, (ii) make reasonable accommodations with respect to Container placement and point of
2751 Delivery, time of Collection, or other operating circumstances to minimize any confrontation with
2752 pickets or the number of Persons necessary to make Collections shall, to that limited extent, excuse
2753 performance. The foregoing excuse shall be conditioned on Contractor's cooperation in performing
2754 Collection services at different times and in different locations. Further, in the event of labor unrest,
2755 including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted
2756 job action conducted by the Contractor's employees or directed at the Contractor, or a subsidiary, the
2757 Contractor shall not be excused from performance. In such case, Contractor shall continue to provide a
2758 reasonably satisfactory level of performance during the pendency thereof, but the Contractor shall not
2759 be required to adhere strictly to the specific requirements of this Agreement regarding routes,
2760 Collection times or similar matters; provided, however, that in no event shall more than seven (7)
2761 calendar days elapse between pickups for Residential and Commercial Customers.

2762 The Party claiming excuse from performance shall, within two (2) calendar days after such Party has
2763 notice of such cause, give the other Party notice of the facts constituting such cause and asserting its
2764 claim to excuse under this Section.

2765 If either Party validly exercises its rights under this Section, the Parties hereby waive any claim against
2766 each other for any damages sustained thereby.

2767 The partial or complete interruption or discontinuance of Contractor's services caused by one (1) or
2768 more of the events described in this Article shall not constitute a default by Contractor under this
2769 Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its
2770 obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days
2771 or more, City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by
2772 giving ten (10) Business Days' notice to Contractor, in which case the provisions of Section 10.4 shall
2773 apply.

2774 **10.8 Right to Demand Assurances of Performance**

2775 The Parties acknowledge that it is of the utmost importance to City and the health and safety of all those
2776 members of the public residing or doing business within City who will be adversely affected by
2777 interrupted waste management service, that there be no material interruption in services provided

2778 under this Agreement.

2779 If Contractor: (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out,
2780 picketing or other concerted job action; (ii) appears in the reasonable judgment of City to be unable to
2781 regularly pay its bills as they become due; or, (iii) is the subject of a civil or criminal judgment or order
2782 entered by a Federal, State, regional or local agency for violation of an Applicable Law, and City believes
2783 in good faith that Contractor's ability to perform under the Agreement has thereby been placed in
2784 substantial jeopardy, City may, at its sole option and in addition to all other remedies it may have,
2785 demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in
2786 such form and substance as City believes in good faith is reasonably necessary in the circumstances to
2787 evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide
2788 satisfactory assurances of timely and proper performance in the form and by the date required by City,
2789 such failure or refusal shall be an event of default for purposes of Section 10.1.

2790 **ARTICLE 11. REPRESENTATIONS AND WARRANTIES**
2791 **OF THE PARTIES**

2792 The Parties, by acceptance of this Agreement, represents and warrants the conditions presented in this
2793 Article.

2794 **11.1 Contractor's Corporate Status**

2795 Contractor is a corporation duly organized, validly existing and in good standing under the laws of the
2796 State. It is qualified to transact business in the State and has the power to own its properties and to
2797 carry on its business as now owned and operated and as required by this Agreement.

2798 **11.2 Contractor's Corporate Authorization**

2799 Contractor has the authority to enter this Agreement and perform its obligations under this Agreement.
2800 The Board of Directors of Contractor (or the shareholders, if necessary) has taken all actions required by
2801 law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement.
2802 The Person signing this Agreement on behalf of Contractor represents and warrants that they have
2803 authority to do so. This Agreement constitutes the legal, valid, and binding obligation of the Contractor.

2804 **11.3 Agreement Will Not Cause Breach**

2805 To the best of Contractor's and City's knowledge after reasonable investigation, the execution or
2806 delivery of this Agreement or the performance by either Party of their obligations hereunder does not
2807 conflict with, violate, or result in a breach: (i) of any Applicable Law; or, (ii) any term or condition of any
2808 judgment, order, or decree of any court, administrative agency or other governmental authority, or any
2809 agreement or instrument to which Contractor or City is a party or by which Contractor or any of its
2810 properties or assets are bound, or constitutes a default hereunder.

2811 **11.4 No Litigation**

2812 To the best of Contractor's and City's knowledge after reasonable investigation, there is no action, suit,

2813 proceeding or investigation, at law or in equity, before or by any court or governmental authority,
2814 commission, board, agency or instrumentality decided, pending or threatened against either Party
2815 wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would:

- 2816 A. Materially adversely affect the performance by Party of its obligations hereunder;
- 2817 B. Adversely affect the validity or enforceability of this Agreement; or,
- 2818 C. Have a material adverse effect on the financial condition of Contractor, or any surety or entity
2819 guaranteeing Contractor's performance under this Agreement.

2820 **11.5 No Adverse Judicial Decisions**

2821 To the best of Contractor's and City's knowledge after reasonable investigation, there is no judicial
2822 decision that would prohibit this Agreement or subject this Agreement to legal challenge.

2823 **11.6 No Legal Prohibition**

2824 To the best of each Party's knowledge, after reasonable investigation, there is no Applicable Law in
2825 effect on the date that Party signed this Agreement that would prohibit the performance of either their
2826 obligations under this Agreement and the transactions contemplated hereby.

2827 **11.7 Contractor's Ability to Perform**

2828 Contractor possesses the business, professional, and technical expertise to perform all services,
2829 obligations, and duties as described in and required by this Agreement including all Exhibits thereto.
2830 Contractor possesses the ability to secure equipment, facility, and employee resources required to
2831 perform its obligations under this Agreement.

2832 **11.8 Obligations Regarding City's Disposal Contractor**

2833 Contractor has exercised due diligence to fully familiarize itself with its rights regarding, and obligations
2834 to the City's Disposal Contractor as enumerated in this Agreement and in the City's agreement with the
2835 Disposal Contractor. Such rights and obligations include but are not limited to: Disposal of Solid Waste
2836 intended for Disposal, Disposal of Residue from City-directed Processing of Solid Waste, and payment to
2837 the Disposal Contractor. Contractor warrants that it shall fully cooperate with City and Disposal
2838 Contractor in the event that there is a change in the Disposal Contractor and/or use of an Alternative
2839 Disposal Facility is required.

2840 **ARTICLE 12. OTHER AGREEMENTS OF THE PARTIES**

2841 **12.1 Relationship of Parties**

2842 The Parties intend that Contractor shall perform the services required by this Agreement as an
2843 independent Contractor engaged by City and neither as an officer nor employee of City, nor as a partner
2844 or agent of, or joint venturer with, City. No employee or agent of Contractor shall be, or shall be deemed
2845 to be, an employee or agent of City. Contractor shall have the exclusive control over the manner and

2846 means of performing services under this Agreement, except as expressly provided herein. Contractor
2847 shall be solely responsible for the acts and omissions of its officers, employees, Subcontractors and
2848 agents. Neither Contractor nor its officers, employees, Subcontractors, or agents shall obtain any rights
2849 to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City
2850 employees by virtue of their employment with City.

2851 **12.2 Compliance with Law**

2852 Contractor shall at all times, at its sole cost, comply with all Applicable Laws, permits and licenses of the
2853 United States, the State, County of Santa Clara, and City and with all applicable regulations promulgated
2854 by Federal, State, regional or local administrative and regulatory agencies, now in force and as they may
2855 be enacted, issued or amended during the Term.

2856 **12.3 Governing Law**

2857 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the
2858 State.

2859 **12.4 Jurisdiction**

2860 Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the
2861 courts of Santa Clara County in the State of California, which shall have exclusive jurisdiction over such
2862 lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed
2863 in Santa Clara County.

2864 **12.5 Binding on Successors**

2865 The provisions of this Agreement shall inure to the benefit to and be binding on the successors and
2866 permitted assigns of the Parties.

2867 **12.6 Assignment**

2868 Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and
2869 businesses, and that City has selected Contractor to perform the services specified herein based on (i)
2870 Contractor's experience, skill and reputation for conducting its operations in a safe, effective and
2871 responsible fashion, and (ii) Contractor's and the Guarantor's financial resources to maintain the
2872 required equipment and to support its indemnity obligations to City under this Agreement. City has
2873 relied on each of these factors, among others, in choosing Contractor to perform the services to be
2874 rendered by Contractor under this Agreement.

2875 **A. City Consent Required.** Contractor shall not assign its rights or delegate or otherwise transfer
2876 any or all of its obligations under this Agreement to any other Person without the prior written
2877 consent of City which may be withheld with or without cause at City's sole discretion. City may
2878 refuse to consent to a proposed assignment unless it is satisfied that the proposed assignee is
2879 ready, willing and able to provide services in a manner equal to or better than Contractor. Any
2880 assignment made in violation of this Section 12.6.A shall be void and the attempted assignment
2881 shall constitute a Contractor default.

2882 **B. Assignment Defined.** For the purpose of this Section, “assignment” shall include, but not be
2883 limited to, (i) a documentary assignment of Contractor’s interest in, and obligations under, this
2884 Agreement; (ii) a sale, exchange or other transfer to a third Party of substantially all of
2885 Contractor’s assets dedicated to service under this Agreement; (iii) a sale, exchange or other
2886 transfer of over thirty percent (30%) of outstanding common stock of Contractor to a Person
2887 who is not a shareholder as of the Effective Date; (iv) any dissolution, reorganization,
2888 consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling
2889 agreement, escrow arrangement, liquidation or other transaction which results in a change of
2890 ownership or control of Contractor; (v) any assignment by operation of law, including insolvency
2891 or bankruptcy, an assignment for the benefit of creditors, a writ of attachment for an execution
2892 being levied against this Agreement, appointment of a receiver taking possession of Contractor’s
2893 property, or transfer occurring in the event of a probate proceeding; and (vi) any combination of
2894 the foregoing (whether or not in related or contemporaneous transactions) which has the effect
2895 of any such transfer or change of ownership, or change of control of Contractor.

2896 **C. Consent Requirements.** No request by Contractor for consent to an assignment need be
2897 considered by City unless and until Contractor has met the following requirements:

- 2898 1. Contractor shall pay City its reasonable expenses for attorneys’ fees, consultants’ fees and
2899 other costs of investigation necessary to investigate the suitability of any proposed
2900 assignee, and to review and finalize any documentation required as a condition for
2901 approving any such assignment. With its written request for consideration of assignment,
2902 Contractor shall submit a non-refundable deposit to City in the amount of \$250,000 to
2903 provide City funding for its review of the assignment;
- 2904 2. Contractor shall be granted no opportunity to review or approve proposed agents of the
2905 City associated with assignment process;
- 2906 3. Contractor shall furnish City with audited financial statements of the proposed assignee’s
2907 operations for the immediately preceding three (3) operating years. City, following review
2908 of financial health of the assignee, may require provision of additional performance surety,
2909 insurance, or secured Closure/Post-Closure funding;
- 2910 4. Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at
2911 least ten (10) years of Solid Waste Transfer and Disposal management experience on a
2912 scale equal to or exceeding the scale of operations conducted by Contractor under this
2913 Agreement; (ii) that in the last five (5) years, the proposed assignee has not been the
2914 subject of any administrative or judicial proceedings initiated by a federal, State or local
2915 agency having jurisdiction over its operations due to an alleged failure to comply with
2916 federal, State or local laws or that the proposed assignee has provided City with a complete
2917 list of such proceedings and their status; (iii) that the proposed assignee conducts its
2918 operations in a safe and environmentally conscientious manner; (iv) that the proposed
2919 assignee conducts its operations in accordance with sound Solid Waste management
2920 practices in full compliance with all federal, State and local laws regulating the Transfer and
2921 Disposal of Solid Waste and all Environmental Laws; (v) of any other information required
2922 by City to ensure the proposed assignee can fulfill the terms of this Agreement in a timely,
2923 safe and effective manner; and
- 2924 5. Any permitted assignee must assume Contractor’s responsibilities under this Agreement.

2925 6. Should City consent to the assignment, Contractor shall make an assignment payment to
2926 the City in the amount of 2% of the annual Gross Receipts for the services provided under
2927 this Agreement for the most recently completed calendar year.

2928 **D. No Obligation to Consider.** City will not be obligated to consider a proposed assignment if
2929 Contractor is in default.

2930 **E. Retention of Records.** Assignment of the Agreement in no way relieves Contractor of its record
2931 retention responsibilities under Section 6.1, nor of any and all other Contractor obligations that survive
2932 the Agreement.

2933 **12.7 No Third Party Beneficiaries**

2934 This Agreement is not intended to, and will not be construed to, create any right on the part of any third
2935 party to bring an action to enforce any of its terms.

2936 **12.8 Waiver**

2937 The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be
2938 deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach
2939 of violation of the same or any other provision. The subsequent acceptance by either Party of any
2940 monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or
2941 concurrent breach or violation by the other Party of any provision of this Agreement.

2942 **12.9 Notice Procedures**

2943 All notices, demands, requests, proposals, approvals, consents, and other communications, which this
2944 Agreement requires, authorizes or contemplates, shall be in writing and shall either be personally
2945 delivered to a representative of the Parties at the address below or deposited in the United States mail,
2946 first class postage prepaid, addressed as follows:

2947 If communications to the City are notices of legal action or request for public information, such
2948 communication shall be directed to:

2949 City Clerk
2950 City of Milpitas
2951 455 East Calaveras Boulevard
2952 Milpitas, CA 95035

2953 All other communications shall be directed to:

2954 Director of Engineering/City Engineer
2955 City of Milpitas
2956 455 East Calaveras Boulevard
2957 Milpitas, CA 95035

2958
2959 If to Contractor:

2960 General Manager

2961 Republic Services, Inc.
2962 1601 Dixon Landing Rd.
2963 Milpitas, CA 95035

2964 The address to which communications may be delivered may be changed from time to time by a notice
2965 given in accordance with this Section. Notice shall be deemed given on the day it is personally delivered
2966 or, if mailed, three (3) calendar days from the date it is deposited in the mail.

2967 **12.10 Representatives of the Parties**

2968 References in this Agreement to the “City” shall mean the City’s elected body and all actions to be taken
2969 by City except as provided below. The City may delegate, in writing, authority to the City Contract
2970 Manager and/or to other City officials and may permit such officials, in turn, to delegate in writing some
2971 or all of such authority to subordinate officers. The Contractor may rely upon actions taken by such
2972 delegates if they are within the scope of the authority properly delegated to them.

2973 The Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as
2974 the representative of the Contractor in all matters related to the Agreement and shall inform City in
2975 writing of such designation and of any limitations upon his or her authority to bind the Contractor. City
2976 may rely upon action taken by such designated representative as actions of the Contractor unless they
2977 are outside the scope of the authority delegated to him/her by the Contractor as communicated to City.

2978 **ARTICLE 13. MISCELLANEOUS AGREEMENTS**

2979 **13.1 Entire Agreement**

2980 This Agreement is the entire agreement between the Parties with respect to the subject matter hereof
2981 and supersedes all prior and contemporaneous oral and written agreements and discussions. Each Party
2982 has cooperated in the drafting and preparation of this Agreement and this Agreement shall not be
2983 construed against any Party on the basis of drafting. This Agreement may be amended only by an
2984 agreement in writing, signed by each of the Parties hereto.

2985 **13.2 Section Headings**

2986 The article headings and section headings in this Agreement are for convenience of reference only and
2987 are not intended to be used in the construction of this Agreement nor to alter or affect any of its
2988 provisions.

2989 **13.3 References to Laws**

2990 All references in this Agreement to laws and regulations shall be understood to include such laws as
2991 they may be subsequently amended or recodified, unless otherwise specifically provided herein.

2992 **13.4 Amendments**

2993 This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

2994 **13.5 Severability**

2995 If any non-material provision of this Agreement is for any reason deemed to be invalid and
2996 unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining
2997 provisions of this Agreement, which shall be enforced as if such invalid or unenforceable provision had
2998 not been contained herein.

2999 **13.6 Counterparts**

3000 This Agreement may be executed in counterparts, each of which shall be considered an original.

3001 **13.7 Exhibits**

3002 Each of the Exhibits identified as Exhibit "A" through "N" is attached hereto and incorporated herein and
3003 made a part hereof by this reference. In the event of a conflict between the terms of this Agreement
3004 and the terms of an Exhibit, the terms of this Agreement shall control.

3005 IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first
3006 above written.

3007
3008
3009

3010 ATTEST:

3011
3012 City CLERK City of Milpitas ("City")

3013
3014 By _____ By _____
3015 City Clerk City Manager

3016
3017 Date: _____ Date: _____

3018
3019

3020 APPROVED AS TO FORM:

3021
3022
3023 _____
3024 City Attorney

3025
3026 Date: _____

3027
3028
3029
3030

3031 APPROVED AS TO FORM: Allied Waste Services of North America, LLC
3032 dba Republic Services of Santa Clara County ("Contractor")

3033
3034
3035
3036 _____ By: _____
3037 Contractor Attorney Michael Caprio, Area President, West Area

3038
3039
3040 Date: _____ Date: _____

EXHIBIT A: DEFINITIONS

EXHIBIT A DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Exhibit and shall be capitalized throughout this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as amended, supplemented, superseded, and replaced from time to time.

“AB 939” means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented, superseded, and replaced from time to time.

“AB 1594” means the 2014 act to amend Sections 40507 and 41781.3 of the Public Resources Code, relating to solid waste (Chapter 719, Statutes of 2014 [Williams, AB 1594), also commonly referred to as “AB 1594”, as amended, supplemented, superseded, and replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 [Chesbro, AB 1826]), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, and replaced from time to time.

“Accept” or **“Acceptance”** (or other variations thereof) means the transfer of ownership of Solid Waste intended for Disposal from the Contractor to the Disposal Contractor upon Delivery to an Approved Disposal Facility, transfer of ownership of Discarded Materials other than Solid Waste from the Contractor to the owner of an Approved Facility for the purposes of Processing, and transfer of ownership of Solid Waste from the Contractor to the owner of an Approved Solid Waste Processing Facility with City direction and for the purposes of Solid Waste Processing as provided in Section 4.8.J.

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interest or common management. They shall be deemed to be "Affiliated with" Contractor and included within the term "Affiliates" as used herein. An Affiliate shall include: (i) a business in which Contractor has a direct or indirect Ownership interest, (ii) a business, which has a direct or indirect Ownership interest in Contractor and/or (iii) a business, which is also Owned, controlled or managed by any business or individual which has a direct or indirect Ownership interest in Contractor. For the purposes of this definition, “Ownership” means ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here, provided that ten percent (10%) shall be substituted for fifty percent (50%) in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest of value which the ownership interest represents.

“Agreement” means this Agreement between City and Contractor, including all exhibits, and any future amendments hereto.

“Alternative Daily Cover (ADC)” means CalRecycle-approved materials other than soil used as a temporary overlay on an exposed landfill face. Generally, these materials must be processed so that they do not allow gaps in the face surface, which would provide breeding grounds for insects and

EXHIBIT A DEFINITIONS

vermin.

“Alternative Facility(ies)” means the Transfer and/or Processing facility(ies) proposed by Contractor and approved by City for use in the event that an Approved Facility is unavailable for use.

“Alternative Intermediate Cover (AIC)” means CalRecycle-approved materials other than soil used at a landfill on all surfaces of the fill where no additional Solid Waste will be deposited within one hundred eighty (180) days. Generally, these materials must be processed so that they do not allow gaps in the face surface, which would provide breeding grounds for insects and vermin.

“Applicable Law” means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, and Processing of Solid Waste, Recyclable Materials, Organic Materials, and C&D, and of street sweeping that are in force on the Effective Date and as may be enacted, issued or amended during the Term of this Agreement.

“Approved C&D Processing Facility” means the Newby Island Resource Recovery Park at 1601 Dixon Landing Road, Milpitas, CA 95035 which is owned and operated by the Browning Ferris Industries of California which may be used for Processing of Source Separated Recyclable C&D.

“Approved Disposal Facility” means the Guadalupe Landfill at 15999 Guadalupe Mines Road, San Jose, CA, which is owned and operated by the Disposal Contractor.

“Approved Facility(ies)” means any one of or any combination of the: Approved C&D Processing Facility; Approved Disposal Facility; Approved Organics Processing Facility; Approved Recyclable Materials Processing Facility; and/or Approved Transfer Facility.

“Approved Organic Materials Processing Facility” means the Newby Island Resource Recovery Park at 1601 Dixon Landing Road, Milpitas CA, which is owned by Browning Ferris Industries of California, which may be used for Processing of Food Scraps and other Organic Materials.

“Approved Recyclable Materials Processing Facility” means the Newby Island Resource Recovery Park at 1601 Dixon Landing Road, Milpitas, CA, which is owned and operated by Browning Ferris Industries of California.

“Approved Solid Waste Processing Facility” means the Newby Island Resource Recovery Park at 1601 Dixon Landing Road, Milpitas, CA, which is owned and operated by Browning Ferris Industries of California.

“Approved Transfer Facility” means the Newby Island Resource Recovery Park at 1601 Dixon Landing Road, Milpitas CA, which is owned by Browning Ferris Industries of California, which may be used for Transferring materials to Alternative Facilities.

“Beneficial Reuse” means use of material for beneficial reuse which shall include, but not be limited to, the following: Alternative Daily Cover, Alternative Intermediate Cover, final cover foundation layer, liner operations layer, leachate and landfill gas collection system, construction fill, road base, wet weather operations pads and access roads, and soil amendments for erosion control and landscaping.

“Bin” means a Container with capacity of approximately one (1) to eight (8) cubic yards, with a hinged lid, and with wheels (where appropriate), that is serviced by a front end-loading Collection vehicle.

“Bulky Item” means discarded appliances, furniture, tires, carpets, mattresses, and similar large items

EXHIBIT A DEFINITIONS

that require special Collection due to their size or nature, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does not include abandoned automobiles, large auto parts, or trees.

“Business Days” mean days during which the City offices are open to do business with the public.

“Cart” means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of 35, 64 or 96 gallons (or similar volumes). **Should Council act to add 20 gallon cart for solid waste, “20,” will be added to this definition.**

“Change in Law” means any of the following events or conditions that has a material and adverse effect on the performance by the Parties of their respective obligations under this Agreement (except for payment obligations):

- a. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or,
- b. The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of City or of the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

“City” means the City of Milpitas, a municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as such boundaries may be modified during the Term.

“City Contract Manager” means the City representative specified in Section 5.8, who is the main point of contact for this Agreement.

“Collect or Collection (or any variation thereof)” means the act of collecting Solid Waste, Recyclable Materials, Organic Materials, C&D, Bulky Items, and other material at the place of generation in City. **Should Council act to retain non-exclusive construction and demolition material (C&D) system, “C&D” will be deleted from this definition.**

“Commencement Date” means the date specified in Section 2.1 when Collection, Transportation, Processing, and Composting services required by this Agreement shall be provided.

“Commercial” shall mean of, from or pertaining to non-Residential Premises where business activity is conducted, including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

“Compactor” means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two (2) to eight (8) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off Collection vehicles.

“Composting or Compost (or any variation thereof)” includes a controlled biological decomposition of

EXHIBIT A DEFINITIONS

Organic Materials yielding a safe and nuisance free compost product.

“Construction and Demolition Debris”, “C&D Debris”, “C&D” includes discarded building materials, packaging, debris, and rubble resulting from construction, alteration, remodeling, repair or demolition operations on any pavements, excavation projects, houses, Commercial buildings, or other structures, excluding Excluded Waste. Source Separated Recyclable C&D and C&D Waste are subsets of C&D.

“Container(s)” mean Bins, Carts, Compactors, and Drop Boxes.

“Contractor” means Allied Waste Services of North America, LLC (dba Republic Services of Santa Clara County) organized and operating under the laws of the State and its officers, directors, employees, agents, companies, related-parties, affiliates, subsidiaries, and Subcontractors.

“Contractor’s Compensation” means the monetary compensation received by Contractor in return for providing services in accordance with this Agreement as described in Article 8.

“Contractor’s Proposal” means the proposal submitted to City by Contractor on October 27th, 2015 and subsequently negotiated for provision of Solid Waste, Recyclables, and Organic Materials services and certain supplemental written materials, which are included as Exhibit I to this Agreement and are incorporated by reference.

“County” means the County of Santa Clara.

“Curb or Curbside (or any variation thereof)” means the location of a Collection Container for pick-up, where such Container is placed on the street or alley against the face of the Curb, or where no Curb exists, the Container is placed not more than five (5) feet from the outside edge of the street or alley nearest the property’s entrance.

“Customer” means the Person whom Contractor submits its billing invoice to and collects payment from for Collection services provided to a Premises. The Customer may be either the Occupant or Owner of the Premises provided that the Owner of the Premises shall be responsible for payment of Collection services if an Occupant of a Premises, which is identified as the Customer of Owner’s Premises, fails to make such payment.

“Customer Type” means the Customer’s sector category including, but not limited to, Single-Family, Multi-Family, Commercial, C&D, Drop Box/Compactor, and City.

“Delivered” or “Delivery” (or other variations thereof) means the action of the Contractor in Delivering Discarded Materials or street sweepings to an Approved Facility.

“Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be Disposed of only in Class II Disposal Facilities or Class III Disposal Facilities pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

“Discarded Materials” means Solid Waste, Recyclable Materials, Organic Materials, and C&D placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Contractor, excluding Excluded Waste.

“Disposal or Dispose” (or any variation thereof) means the final disposition of Solid Waste at a Disposal Facility.

EXHIBIT A DEFINITIONS

“Disposal Contractor” means Waste Management of the South Bay, Inc., the party separately contracted by the City for provision of Disposal services, and compensated by Contractor.

“Disposal Facility” means a facility for ultimate Disposal of Solid Waste.

“Diversion” (or any variation thereof) means activities which reduce or eliminate the amount of Solid Waste to be Disposed including, but not limited to, Recycling and Composting, and to Processing of Solid Waste for recovery of Recyclable or Organic Materials.

“Drop Box” means an open-top Container with a capacity of ten (10) to fifty (50) cubic yards that is serviced by a roll-off Collection vehicle.

“Effective Date” means the date on which the latter of the two Parties signs this Agreement.

“Excluded Waste” means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Contractor reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law, regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills, waste that in Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

“Exclusive Right” is the right and privilege granted by City to Contractor to be the only Franchisee that Collects, Transports, and Processes Solid Waste, Recyclable Materials, Organic Materials, and C&D in the City.

“E-Waste” means discarded electronic equipment including, but not limited to, televisions, computer monitors, central processing units (CPUs), laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous Waste or include Hazardous Substances and thus require special handling, Processing, or Disposal.

“Federal” means belonging to or pertaining to the Federal government of the United States.

“Food Scraps” means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) discarded paper that is contaminated with Food Scraps; (iv) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (v) non-Recyclable paper or contaminated paper. Food Scraps are a subset of Organic Materials.

“Franchise Fee” means the fee paid by Contractor to City for the privilege to hold the rights granted by this Agreement.

“Generator” means any Person whose act or process produces Solid Waste, Recyclable Materials, Organic Materials, or C&D as defined in the Public Resources Code, or whose act first causes Solid Waste to become subject to regulation.

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“Gross Receipts” shall mean total cash receipts collected from Customers by the Contractor for the provision of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues from the sale of Recyclable Materials, Organic Materials, or C&D.

“Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products, and by-products.

“Hazardous Waste” means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

“Holidays” are defined as New Year's Day, Thanksgiving Day and Christmas Day.

“Household Hazardous Waste” or **“HHW”** means Hazardous Waste generated at Residential Premises within the City. HHW includes, but is not limited to: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Used Motor Oil, Used Oil Filter, batteries, household batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

“Infectious Waste” means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments that are identified in Health and Safety Code Section 25117.5 as may be amended from time to time.

“Liquidated Damages” means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 10.6 and Exhibit E.

“Mixed Waste” means materials placed by a Customer in a Solid Waste Container with contents that, if separated, could be accepted as Recyclable Materials and/or Organic Materials. Mixed Waste differs from Solid Waste only to the extent that Mixed Waste is processed for Diversion of those Recyclable Materials and/or Organic Materials prior to delivering such material for Disposal. Under no circumstances should this definition be interpreted to have any relationship to the Contractor's rights or obligations with regard to the delivery of materials under this Agreement.

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“Multi-Family” means any Residential Premises, other than a Single-Family Premises, with five (5) or more dwelling units used for Residential purposes (excluding units used for temporary residential purposes such as hotels) that receive centralized Collection service for all units on the Premises which are billed to one (1) Customer at one (1) address. Multi-Family residences are further defined in terms of relative density and type of service as provided in Section 4.2.

“Occupant” means the Person who occupies a Premises.

“Organic Materials” means those Yard Trimmings and Food Scraps that are specifically accepted at the applicable Approved Facilities. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Solid Waste, Recyclable Material, and C&D.

“Owner” means the Person(s) holding legal title to real property and/or any improvements thereon, and shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor.

“Party or Parties” refers to the City and Contractor, individually or together.

“Permits” means all federal, State, county, City, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to services performed under this Agreement, as renewed or amended from time to time.

“Person(s)” means any individual, firm, association, organization, partnership, corporation, trust, joint venture, or public entity.

“Per-Ton Rate” means the per-unit compensation owed Disposal Contractor by Contractor for each ton of Solid Waste Delivered by Contractor, as initially specified in Exhibit N and as adjusted annually as provided in Article 8.

“Personal Recycling Bin” or **“PRB”** refers to a small easily portable Container with a capacity of at least three (3) gallons to be included by Contractor in the Multi-Family Move-in kit to facilitate convenient accumulation of Recyclable Materials within a Multi-Family dwelling unit.

“Premises” means any land or building in the City where Solid Waste, Recyclable Materials, Organic Materials, or C&D are generated or accumulated.

“Processing” means to prepare, treat, or convert through some special method. Processing of Solid Waste requires prior City-approval as provided in Section 4.8.J of the Agreement.

“Processing Facility” means any plant or site used for the purpose of sorting, cleansing, treating or reconstituting Recyclable Materials, Organic Materials, or Source Separated Recyclable C&D for the purpose of making such material available for Recycling or reuse or the facility for the Processing and/or Composting of Organic Materials.

“Rate” means the maximum amount, expressed as a dollar unit, that the Contractor bills a Customer for providing services under this Agreement. Contractor may, in its sole discretion, charge any amount up to and including the Rate approved by the City, but in no case exceeding the Rate.

“Rate Period” means a twelve (12) month period, commencing January 1 and concluding December 31, with the exception that Rate Period One shall be an approximately sixteen (16) month period, commencing September 6, 2017 and concluding December 31, 2018.

EXHIBIT A DEFINITIONS

“Recyclable Materials” means those Discarded Materials that Generators set out in Recyclables Containers for Collection for the purpose of Recycling by the Contractor, and that are at least ninety percent (90%) Recyclable and that exclude Excluded Waste. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Solid Waste, Organic Materials, and C&D. Recyclable Materials to be Collected from Single-Family and Multi-Family Premises include, at a minimum, magazines, catalogs, phone books, shredded paper (placed in paper bags for collection), envelopes, junk mail, corrugated cardboard, brown paper grocery bags, mixed or colored paper, paperboard, paper egg cartons, office ledger paper, white plastic grocery bags, glass bottles and jars, food (bimetal) and aluminum cans, newspaper, and plastic containers #1-7 excluding #6, polystyrene in all forms. Recyclable Materials to be Collected from Commercial Generators, includes at a minimum, white paper, computer paper, copy paper, fax paper, carbonless forms, envelopes (with or without windows), colored, white, and manila file folders, laser-printed paper, junk mail, newspapers, magazines, phone books, glossy paper, corrugated cardboard, chipboard, shredded paper, bi-metal cans, aluminum, tin, glass bottles and jars, and plastic containers #1 – 7 excluding polystyrene (#6) in all forms.

“Recycle or Recycling” means the process of sorting, cleansing, treating, and reconstituting at a Processing Facility materials that would otherwise be Disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused, or reconstituted products.

“Residential” shall mean of, from, or pertaining to a Single-Family Premises or Multi-Family Premises including Single-Family homes, apartments, condominiums, townhouse complexes, mobile home parks, cooperative apartments, and yacht harbors and marinas where residents live aboard boats.

“Residue” means those materials which, after Processing, are Disposed rather than Recycled due to either the lack of markets for materials or the inability of the Processing Facility to capture and recover the materials.

“Reusable Materials” means items that are capable of being used again with no or minimal Processing.

“SB 1016” means Chapter 343, Statutes of 2008, Wiggins, also commonly referred to as “SB 1016”, as amended, supplemented, superseded, and replaced from time to time.

“SB 1383” or the “Short-Lived Climate Pollutants Act of 2016” as it received final legislative approval during the 2016 legislative session, means an act to add Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and to add Chapter 13.1 [commencing with Section 42652] to Part 3 of Division 30 of the Public Resources Code, relating to methane emissions). The Parties mutually acknowledge it likely that it will be signed into law by the Governor prior to the Commencement Date of this Agreement.

“Senior” means a Person sixty-two (62) years of age or older.

“Service Area” means the physical area encompassed by the jurisdiction of the City, in which the Contractor provides Collection service.

“Service Level” refers to the size of a Customer’s Container and the frequency of Collection service.

“Single-Family” means, notwithstanding any contrary definition in City Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection service

EXHIBIT A DEFINITIONS

feasibly can be provided to such Premises as an independent unit, and the Owner or Occupant of such independent unit is billed directly for the Collection service. Single-Family includes Residential units of a duplex, tri-plex, or four-plex Residential structure provided that each unit is separately billed for their specific service level.

“Solid Waste” means solid waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Excluded Waste, C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste includes Mixed Waste and may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container, or when Solid Waste is directed by City for Processing as provided in Section 4.8.J. Except as provided in Section 4.8., all Collected Solid Waste is intended for Disposal.

“Source Separated” means the segregation, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, or reuse. Solely for the purpose of Section 1.3, Source Separated materials have a Processing residue level of less than 10% by weight and volume

“Source Separated Recyclable C&D” means C&D materials which are Source Separated by the Customer or Generator and which have a Processing residue level of less than ten percent (10%) by weight.

“Specialty Recyclable Material” means material not specified in this Agreement that can be or will be Collected for purposes of Recycling. Such Specialty Recyclable Material may include, but is not limited to, scrap metal, high-grade paper (including office mixed paper), pallets, and plastic film.

“State” means the State of California.

“Subcontractor” means a Party, as approved by the City who has entered into a contract, express or implied, with the Contractor for the performance of an act that is necessary for the Contractor’s fulfillment of its obligations for providing service under this Agreement. Vendors providing materials and supplies, and professional services to Contractor shall not be considered Subcontractors.

“Term” means the Term of this Agreement, including extension periods if granted, as provided for in Article 2.

“Ton” or “Tonnage” means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

“Transfer(ring)” (or other variations thereof) means receipt, Acceptance and reloading of Discarded Materials or street sweepings at an Approved Transfer Facility for Transport for Processing or Disposal.

“Transfer Facility” means a Facility that receives and temporarily stores materials, and then transfers the materials into larger trailers for Transport to a Processing Facility or Disposal Facility.

“Transfer Vehicle” means a tractor and trailer designed to haul Discarded Materials or street sweepings from the Approved Transfer Facility to an Approved Processing Facility or Approved Disposal Facility.

“Transport”, “Transportation” means the act of transporting or state of being transported.

EXHIBIT A DEFINITIONS

“Used Motor Oil and Filter” means motor oil and the subsequent oil filter that has been used in a vehicle and cannot be reused.

“Used Oil Recovery Kit” means a kit containing: one (1) reusable plastic jug of at least one (1) gallon capacity with a watertight screw-on top to contain Used Motor Oil; one (1) plastic disposable resealable bag of sufficient capacity to accommodate one (1) Used Motor Oil Filter; and, a flyer, brochure, or other informational media approved by the City intended to educate Customers about the Used Motor Oil and Filter Collection program and the benefits resulting from the proper handling of Used Motor Oil and Filters. The Used Oil Recovery Kit is to be provided to Customers by Contractor to recover Used Motor Oil and Filters from Single-Family and Multi-Family residents.

“Universal Waste (U-Waste)” means all wastes as defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and E-Waste.

“Yard Trimmings” means those Discarded Materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste. Yard Trimmings are a subset of Organic Materials. Yard Trimmings placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit within the Contractor-provided Container. Yard Trimmings are a subset of Organic Materials.

**EXHIBIT B:
PUBLIC OUTREACH
REQUIREMENTS**

EXHIBIT B

PUBLIC OUTREACH REQUIREMENTS

Contractor understands and recognizes the importance of effective outreach and promotion as the key to helping residents and businesses understand more about source reduction, reuse, Recycling, and Composting. In addition to, and in coordination with the requirements of Section 4.9 of the Agreement, Contractor shall include, at a minimum, the following services as part of its public outreach program.

1. STAFFING PLAN AND STAFF ROLES

Contractor shall at all times maintain the minimum levels of staffing specified below.

To best achieve the highest possible level of public outreach and awareness, Contractor shall designate a Public Outreach Manager to supervise, coordinate and implement all public outreach activities in the City. The Public Outreach Manager shall be assigned to support the City for a minimum of 20 hours per week. The Public Outreach Manager shall perform the following tasks in the following four principal areas of responsibility:

A. Government and Community Relations

1. Serve as a liaison between the City and Contractor
2. Represent Contractor at City Council, City staff, City strategy development meetings and quarterly coordination meetings
3. Work with the City in partnership to develop and incorporate municipal activities into Contractor activities, and vice versa
4. Participate and represent Contractor in community activities
5. Oversee customer satisfaction of all program services
6. Ensure compliance with City and regulatory agencies
7. Support local community service organizations

B. Media Relations

1. Develop relationships with news media outlets, including online services
2. Track media coverage

C. Contract Compliance

1. Coordinate and produce annual outreach plan required by Section 4.9 of the Agreement
2. Coordinate implementation of the annual public outreach plan

The Public Outreach Manager will be assisted in the public outreach efforts by one (1) full-time, or two (2) part-time recycling coordinator(s) assigned to the City for a minimum of 40 hours per week in total. These positions shall be filled by Contractor's personnel.

The Recycling Coordinator(s) shall provide field marketing for the Multi-family and Commercial Recycling Programs.

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PUBLIC OUTREACH REQUIREMENTS

2. SINGLE-FAMILY OUTREACH PROGRAMS

A. Initial Start-Up Public Outreach Activities

1. Lead development, writing and design of an initial mailing to Single-Family Customers explaining the change from the existing hauler to the new Contractor (if applicable); changes from the existing Collection programs to new programs; date of change, etc.
2. Lead development of a “how-to” flyer describing how to prepare Recyclable and Organic Materials for Collection and describe the acceptable materials that can be included in the Recyclable and Organic Materials Containers. The flyer should emphasize any new Recyclable Materials to be included in the Recycling Cart.
3. Lead development of a “how-to” flyer describing the proper set out procedures for Collection Containers.
4. Prepare drafts and distribute public service announcements (PSA) for local radio and cable television broadcast, as well as door-hangers and print advertising including editorial content for local newspapers.
5. Promote the new food scraps program to Single-Family Customers through appropriate methods including, at a minimum, distribution of Kitchen Food Scraps Pails and an introductory flyer describing best practices for effectively participating in the program to all Single-Family customers prior to the Commencement Date.

B. Continuing Programs Throughout Agreement

1. Visit homeowner associations and other groups to promote and explain the program, as requested by the associations or as scheduled by the City.
2. Lead development of annual newsletters that creatively inform residents about topics such as availability of free on-call curbside Bulky Item pick-ups, home Composting, proper handling of Household Hazardous Waste, E-Waste, and U-Waste, and environmental conservation.
3. Lead development of an annual bill insert, brochure, and/or feature quarterly newsletter articles describing how to prepare Recyclable and Organic Materials for Collection. Contractor shall inform residents as to the acceptable materials that can be included in the Recyclable Materials and Organic Materials Containers and any common contaminants to be excluded from Collection to customers.
4. Produce and implement corrective actions notices for use in instances where the Resident sets out inappropriate materials.
5. Two weeks prior to Christmas tree Collection events provide written notification to each Single-Family Customer specifying event details and tree Collection schedule as provided by Sections 4.1.C and 4.2.C of this Agreement. Notifications include preparation of local newspaper advertising, banners for the City web page and information flyers.

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PUBLIC OUTREACH REQUIREMENTS

6. On each bill, Contractor shall include a brief statement to Customers providing service-related announcements such as messages about new services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, Food Scraps Collection, Christmas tree Collection, etc.
7. Prepare and make available through Contractor's website "how-to" information on Recycling, Composting, and proper Container set-outs in Adobe Acrobat PDF and video format, and provide Single-Family Customers with links for additional resources.
8. Enable Single-Family Customers to access information regarding Collection days by address, as well as other Customer- or City-specific information, through its website including access to Adobe Acrobat PDF copies of newsletters and other outreach materials required herein.
9. Regularly promote the Single-Family Organic Materials program to Customers through the methods described in items 1 through 8 above and, at the direction of the City Contract Manager, through direct postcard mailings or door-hangers to targeted Customers on specific routes or route segments that appear to be under-participating or creating excess contamination.

3. MULTI-FAMILY OUTREACH PROGRAMS

A. Initial Start-Up Public Outreach Activities

1. Lead development of an initial mailing to Multi-Family Customers explaining the change from the existing hauler to the new Contractor (if applicable); changes from the existing Collection programs to new programs; date of change, etc.
2. Lead development of a "how-to" flyer describing how to prepare Recyclable and Organic Materials for Collection and describe the acceptable materials that can be included in the Recyclable and Organic Materials Containers. The flyer should emphasize the requirements of AB 341 and AB 1826 and how to comply as well as identify any new Recyclable or Organic Materials to be included in the applicable cart.
3. Lead development of a "how-to" flyer describing the Recyclable and Organic Materials Collection program for distribution to tenants and distribute to Multi-Family property managers for distribution to tenants.
4. Lead development of posters describing Collection programs and distribute to Multi-Family property managers for on-site use.

B. Continuing Programs Throughout Agreement

1. Visit apartment managers and apartment units or home owners' association meetings or other groups to promote and explain the Contractor's Collection programs and the requirements of AB 341, and AB 1826 throughout the Term of the Agreement, as requested by the associations or as scheduled by the City.

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2. Prepare annual public outreach material on Recycling, the requirements of AB 341 and AB 1826, and how to comply, and proper handling of Household Hazardous Waste, E-Waste, and U-Waste and distribute (or arrange for distribution of) materials directly to tenants of Multi-family Premises.
3. Conduct site visits and provide technical assistance as specified in Section 4.10 of this Agreement.
4. Prepare reporting of AB 341 achievements including a list of complexes out of compliance, and actions taken to improve recycling.
5. Offer and respond to requests for on-site meetings and workshops. Contractor will conduct workshops (when requested) that will show property managers and residents, in a hands-on interactive format, how to use the Recyclable and Organic Materials program and will provide resources for additional information and support.
6. Lead development of and distribute “move-in” kits for property managers and owners of Multi-Family complexes to provide new tenants. Move-in kits shall provide Recycling information and Contractor’s Customer service phone number where questions can be answered.
7. Prepare and distribute at least two bill inserts annually for Multi-Family Owners and Property Managers that are each focused on a key subject (e.g. Recycling procedures, AB 341 and AB 1826 compliance, technical assistance, on-call Bulky Item collection, etc.).
8. Two weeks prior to Christmas tree Collection event, provide written notification to each Multi-Family Customer specifying event details and schedule as provided by Section 4.2.F of this Agreement.
9. On each bill, include a brief statement to Customers providing service-related announcements such as messages about new services, complying with the requirements of AB 341 and AB 1826, the on-call Bulky Item pick-up services, proper handling of Household Hazardous Waste, Christmas tree Collection, etc.
10. As part of Contractor’s website, provide tenants and property managers with access to a dedicated multi-family page which will present “how-to” information in Adobe Acrobat PDF and video formats for tenants and property managers as well as links to other resources.
11. Develop and use a corrective actions notice for use in situations where residents set out inappropriate materials.
12. For the Multi-Family Yard Trimmings program implemented as required by AB 1826, conduct the following activities, at a minimum:
 - i. Provide a starter kit to inform Multi-Family property owners and managers of the Multi-Family Yard Trimmings Collection program;
 - ii. Place Yard Trimmings presentation posters in highly trafficked areas of Multi-Family complexes; and,

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- iii. Produce and distribute periodically, but at Contractor's discretion not more than quarterly, newsletters informing Multi-Family property owners and managers about the Multi-Family Yard Trimmings Collection program.
13. At least semi-annually, prepare and distribute notices to Customers that are not compliant with the requirements of AB 341 and/or AB 1826, which identify why the Customer is not compliant and what actions Customer can take to be compliant.

4. COMMERCIAL OUTREACH PROGRAMS

A. Initial Start-Up Public Outreach Activities

1. Lead development of a flyer and/or "how-to" brochure to businesses explaining the services provided to each general business type (restaurants, office/commercial buildings, strip malls, and large commercial businesses). The brochure should emphasize the requirements of AB 341 and AB 1826 and how to comply.
2. Prepare and distribute a flyer and/or "how-to" brochure describing the Organic Materials Collection services available to each business type and how to prepare Organic Materials for Collection.
3. Meet with up to four (4) business associations (Chamber of Commerce, Rotary Club, etc.) in separate venues to inform businesses of the Recyclable and Organic Materials Collection programs, the requirements of AB 341 and AB 1826, answer questions, and provide service and Rate information.

B. Continuing Programs Throughout Agreement

1. Prepare and distribute a quarterly newsletter to all Commercial Customers promoting and explaining Recyclable Materials and Organic Materials Collection programs and the requirements of AB 341 and AB 1826. The newsletter shall be distributed to Commercial Customers at the same time bills are issued.
2. Prepare brochures, flyers, and articles for the quarterly newsletter related to non-franchise-related programs such as source reduction, reuse and non-Contractor Recyclable Materials programs (e.g., the requirements of AB 341 and AB 1826, green business recognition, Hazardous Waste management, buy-recycled policies, etc.). These materials shall be available upon request, and articles shall be published annually in the quarterly newsletter.
3. Conduct site visits and provide technical assistance as specified in Section 4.10 of this Agreement.
4. For the Commercial Food Scraps program implemented as required by AB 1826, conduct the following activities, at a minimum:
 - i. Lead development of a starter kit to inform businesses of the Commercial Food Scraps Collection program;
 - ii. Conduct initial site visits to all schools, institutions, restaurants, bakeries, grocery stores, and other food scrap generators in the City to encourage

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PUBLIC OUTREACH REQUIREMENTS

- participation in the program and customize the program to fit the Customer's needs;
- iii. Place Food Scraps presentation posters in highly trafficked areas in the City; and,
 - iv. Produce and distribute periodically, but at Contractor's discretion not more than quarterly, newsletters or bill inserts that inform customers about the Commercial Food Scrap Collection program.
5. Attend business associations' meetings to promote and explain the Collection programs and the requirements of AB 341 and AB 1826 throughout the Term of the Agreement, as requested by the associations or as scheduled by the City.
 6. Provide employee training to businesses that participate in Recyclable Materials and/or Organic Materials Collection programs, annually upon the Customer's request.
 7. Develop and use a corrective actions notice for use in situations where businesses set out inappropriate materials.
 8. On each bill, Contractor shall include a brief statement to Customers providing service-related announcements such as messages about new services, Recyclable and Organic Materials Collection services, complying with AB 341 and AB 1826, proper handling of Hazardous Waste, etc.
 9. Prepare and make available through Contractor's website "how-to" information for Commercial Generators on Recycling, Composting, and Disposal in Adobe Acrobat PDF and video format.
 10. Distribute outreach materials describing the requirements of AB 341 and AB 1826.
 11. At least semi-annually, prepare and distribute notices to Customers that are not compliant with the requirements of AB 341 and/or AB 1826, which identify why the Customer is not compliant and what actions Customer can take to be compliant.

5. STREET SWEEPING

Contractor shall at all times comply with the minimum outreach provisions specified in Section 4.15.E of the Agreement.

6. SCHOOL OUTREACH

Develop and implement an annual "Mini-Grants" Program to assist teachers with materials needed for instruction of how to Recycle and Compost at school and at home. Educational mini-grants in total of up to \$10,000 per year shall be offered, up to \$5,000 at beginning of fall semesters and up to \$5,000 at beginning of spring semesters, to all elementary and middle school principals and science teachers. City and Contractor shall collaborate to determine mini-grant scope, amount of per classroom to per school awards, notification and award schedule. Contractor shall support a curriculum of City's choosing with a minimum of six (6) presentations to schools in the City or provide on-site tours for classes from schools in the City to promote Recycling and Composting and provide age appropriate materials pertaining to

EXHIBIT B

PUBLIC OUTREACH REQUIREMENTS

Recycling and Composting. In addition, Contractor shall provide visits to schools upon request, including a recycling truck and knowledgeable driver to demonstrate equipment for school children.

7. SPECIAL EVENTS

- A. Arrange for and staff a booth or table at City events to promote source reduction, reuse, Recycling, Composting, and proper handling of E-Waste, U-Waste, and Hazardous Waste and answer questions about Collection services. Contractor will develop a stand-alone and table-top professional display for use at the City events and will provide corresponding informational components that can be used to inform Customers and the general public about Recycling in general, and Milpitas Recyclable and Organic Materials programs. At a minimum, Contractor shall provide this outreach service at up to six (6) events annually to be determined with input from the City.
- B. Inform any event sponsor or venue organizer on the requirements of AB 2176 for large events and venues, which are required to comply with AB 2176, and assist the sponsor or organizer in preparation of a recycling plan, which shall include all information required by AB 2176.

8. ADDITIONAL YARD TRIMMINGS PROGRAMS

Contractor shall, at a minimum provide the following programs:

- A. Compost for vermicomposting activities delivered free to designated school sites.
- B. Planning and implementation for up to two annual special events intended to promote Yard Trimmings programs, including:
 - i. One event targeting the schools.
 - ii. One event targeting Milpitas single family residents for free giveaway of up to two (2) bags of Compost in one (1) cubic foot bags per household, and including an annual “Second Chance Giveaway” with the same offer within two weeks from the scheduled free giveaway event. Contractor shall provide convenient pick-up location within or near Milpitas and shall provide a safe method to line-up and place compost into cars.
- C. Speaking engagements reaching homeowners, community and civic organizations.

9. ALL SECTORS

- A. Produce press releases and advertisements tied to specific community events at intervals determined by the City. Press releases shall be developed and reviewed by the City regarding new or enhanced services as needed. Advertisements shall be developed in conjunction with workshops, training programs, etc.
- B. Conduct informational tours of the Approved Facilities to familiarize residents, businesses, and school children with each facility’s activities.
- C. Provide public outreach materials that address the multi-lingual diversity of the City through use of visual images and/or other techniques.
- D. Attend community workshops as requested by City to explain Collection services and respond to questions from the community.

EXHIBIT B

PUBLIC OUTREACH REQUIREMENTS

- E. Develop and maintain a website describing services provided in the City as required by Section 4.9 of the Agreement and publishing all current Rates approved under this Agreement as required by Section 4.12.A.3 of the Agreement.

**EXHIBIT C:
REPORTING
REQUIREMENTS**

EXHIBIT C

REPORTING REQUIREMENTS

Should Council act to retain non-exclusive construction and demolition material (C&D) system, reference to C&D will be removed from this exhibit.

Report Format

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. City reserves right to review, and to require changes to Contractor reporting formats. At City's request, Contractor shall use standardized reporting forms provided by City. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Determine and set Rates and evaluate the financial efficacy of operations.
2. Evaluate past and expected progress towards achieving the Diversion requirements specified in Section 4.14 and Exhibit E.
3. Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under AB 939, AB 341 AB 1826 and AB 1594.
4. Determine needs for adjustment to programs.
5. Evaluate Customer service and

Monthly City Report Content

The monthly tonnage reports shall be presented by Contractor to show the following information for each month. In addition, each monthly report shall show the monthly data for the past twelve (12) months.

1. Tonnage Report

- Total tonnages collected for the month by route by material type.
- Tonnage delivered to each Approved Facility by Customer and Material Type, subtotalling and clearly identifying those Tons that are Disposed and those that are Diverted.
- Total Units of Used Oil, Used Oil Filters, E-Waste, U-Waste, and Bulky Items Collected by Customer Type and Units Recycled and Disposed.
- Tonnage of Recyclable Materials Marketed (by commodity and including average commodity value for each) and Processing Residue Tonnage Disposed.
- Tonnage of Organic Materials Marketed and Processing Residue Tonnage Disposed.
- Tonnage of C&D Marketed and Processing Residue Tonnage Disposed.

EXHIBIT C

REPORTING REQUIREMENTS

2. Revenue Report

- Provide a statement detailing Gross Receipts from all operations conducted or permitted pursuant to this Agreement as required by Section 8.1.
- Maintain a list of Customers that are forty five (45) or more calendar days past due and include the following information for each delinquent account: name; service address; contact information; number of days the account is delinquent; method(s) the Contractor has used to attempt collection of the bad debt including date of such attempt(s); and, identification, if, and when the Contractor plans to or did stop service to a delinquent account. Provide this list only upon request of the City.

Quarterly City Report Content

Quarterly reports shall be presented by Contractor showing the monthly information requested above plus the following information for each quarter.

1. Customer Report

- Number of Customers by Customer Type.
- Number of Containers at each Service Level by Customer Type and program summarizing the type of material Collected, total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of Drop Box and Compactor service by Customer Type. Report should calculate the average volume of service received per: Single-Family Customer; Multi-Family dwelling unit; Commercial Customer; and, C&D Customer.
- Number of free and for-fee On-Call Bulky Item Collections by Customer Type.
- Participation percentage by program and Customer Type where the participation percentage is calculated as the number of Customers who have subscribed to or requested service under the program relative to the number of Customers of that Customer Type subscribing to Solid Waste service. Contractor shall not be required to submit participant Customer names and addresses as part of the regular reporting; however, such information shall be provided to the City Contract Manager upon request.
- Detailed Customer account data in Microsoft Excel format including, but not limited to: customer name, service location address, Solid Waste, Recyclable Materials, Organic Materials, and C&D Service Level information, contact name, address, and phone number. Such detail shall be sufficient for the City to verify Customers' compliance/non-compliance with the requirements of AB 341 and/or AB 1826. If necessary for compliance purposes, information shall be submitted on a monthly basis at the City's request.
- Other reports required by the State or as may be required in the future related to the requirements of AB 341 and AB 1826. If City necessary for compliance purposes, information shall be submitted on a monthly basis at City request.

EXHIBIT C

REPORTING REQUIREMENTS

2. Customer Service Report

Customer service reporting requirements apply to both Collection and street sweeping services.

- Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for Recycling information, Rate information, etc.) listed separately by month. For complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims, etc.) and provide details regarding complaint resolution.
- Number of new service requests and Service Level changes for each Customer Type and program listed separately by month.
- Number of technical assistance requests and/or onsite services provided, listed by month.
- Number of events of Discarded Materials being tagged for non-Collection summarized by the reason for tagging (e.g., inclusion of non-Recyclable or non-Compostable materials, improper setout, Hazardous Waste, etc.) listed by month.
- Call center and web analytics such as hold times, number of hits and unique visitors to the Contractor's website listed by month.

3. Outreach

Outreach reporting requirements apply to both Collection and street sweeping services.

- Provide a status report of Contractor's actual activities completed compared to the annual public outreach plan. For each completed item, document the results including what date the activity was performed, how many Customers were targeted or participated, and what methods were used to accomplish the task, if different from the plan.
- Summarize the Recycling opportunity assessments/on-site meetings provided to Customers (reporting Multi-Family separately from Commercial) by identifying the number of Recycling opportunity assessments conducted each month in the most-recently completed quarter, and contact information including address, contact names, telephone number of Persons contacted, number of units (for Multi-Family), and the Solid Waste, Recyclable Materials, and Organic Materials Service Level. Include any Service Level changes resulting from such site visits.
- Dates, times, and group names of meetings and events attended.

4. Diversion Compliance

- Contractor's Diversion percentage rate for the quarter, calculated as total tons Delivered for Processing minus Residue tons divided by total tons Collected.
- Contamination and Residue rates.
- Listing of Multi-Family and Commercial Customers that are not in compliance with the requirements of AB 341 and/or AB 1826. Such list shall include, at a minimum, Customer name, service location address, Solid Waste, Recyclable Materials, and Organic Materials Service Level information, contact name, address, and phone number, and the date(s) Contractor provided a

EXHIBIT C

REPORTING REQUIREMENTS

notice of non-compliance, and a complete description of Contractor efforts to inform, and to gain compliance by each listed Customer.

5. Pilot and New Programs (If applicable)

For each pilot and/or new program, provide activity related and narrative reports on goals, milestones, and accomplishments. Describe problems encountered, actions taken and any recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.

6. Public Outreach Plan

Pursuant to Section 4.9, as part of the Contractor's third quarterly report for the Rate Period, Contractor shall submit a plan outlining its public outreach efforts for the coming Rate Period.

Annual City Report Content

The annual report shall include all the monthly and quarterly report information plus the following additional information.

1. Summary Assessment

Provide a summary assessment of the programs performed under this Agreement from Contractor's perspective relative to the financial and physical status of the program. The physical status assessment shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in meeting all the goals and objectives of this Agreement, particularly the Contractor's Diversion goals. Provide recommendations and plans to improve. Highlight significant accomplishments and problems. Results shall be compared to other similar size communities served by the Contractor in the State, if applicable.

2. Vehicle Inventory

Provide a listing of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.

3. Recyclables, Organics, and C&D Markets

Contractor shall include a listing of markets for Recyclable Materials, Organic Materials, and C&D and the end use of these materials. This type of information is intended to help the City gauge the sustainability of Recycling and Organics markets.

4. Cost-Based Rate Adjustment Data

Provide the following information **only if Rates are to be determined for the upcoming Rate Period using a cost-based adjustment process** pursuant to Exhibit D-2. With the exception of the "Financial Information" listed below, all other items listed may be requested by the City Contract Manager at any time during the Term of the Agreement and Contractor shall comply with that request in a timely fashion.

- A. **Financial Information.** Within one hundred twenty (120) calendar days after the close of the Rate Period, Contractor shall deliver to the City two (2) hard copies and one (1) electronic copy of the audited consolidated financial statements and profit and loss statements of

EXHIBIT C

REPORTING REQUIREMENTS

Contractor for the preceding Rate Period. Financial statements shall include a supplemental combining schedule showing Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operation and Contractor's financial condition. Annual financial statements shall be audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a Certified Public Accountant (CPA) licensed (in good standing) to practice public accounting in the State as determined by the State Department of Consumer Affairs Board of Accountancy, and that the CPA's opinion on Contractor's annual financial statements shall be unqualified, and shall contain the CPA's conclusions regarding the Contractor's accounting policies and procedures, internal controls, and operating policies. The CPA shall perform an evaluation and, if necessary, shall cite recommendations for improvement.

- B. **Related Party Entities.** As part of the annual reporting requirement, Contractor shall provide the City with a copy of each related party entity's (whose cost of services are not pre-determined in this Agreement on a unit price basis or by a governmental contractor) audited annual financial statements and management letter for that fiscal year, or within ninety (90) calendar days of each related party entity's fiscal year-end, if timing does not coincide with the annual report date. Financial statements shall be prepared in accordance with GAAP and audited, in accordance with GAAS, by a CPA licensed in the State, and that the CPA's opinion on each related party entity's annual financial statements shall be unqualified, and that the CPA make available to the City (or the City's designated representative) such CPA's working papers related to the audit.

Contractor agrees that all financial transactions with all related party entities shall be approved in advance in writing and disclosed in a separate disclosure letter to the City, upon request. This letter shall include, but not be limited to, the following information:

- A general description of the nature of each related party entity transaction, or type of transaction (if many similar transactions exist) shall be provided, as applicable. Such description shall include for each (or similar) transaction, amounts, specific related party entity, basis of amount (how amount was determined), description of the allocation methodology used to allocate any common costs, and profit amount. Amounts shall be reconciled to the related party entity disclosures made in Contractor's annual audited financial statements referred to in this Exhibit.
- At the City's request, Contractor shall provide the City with copies of working papers or other documentation deemed relevant by the Contractor relating to information shown in the annual disclosure letter.

- C. **Operational Information:** Provide the following operational information:

1. **Routes by Customer Type**

- a. Number of routes per day for each line of business.
- b. Types of vehicles.
- c. Crew size per route.
- d. Number of full time equivalent (FTE) routes.
- e. Number of accounts and cubic yards scheduled per route.

EXHIBIT C

REPORTING REQUIREMENTS

- f. Total route hours per Customer Type per year.
 - g. Average cost per route.
 - h. Percentage of Drop Box routes attributable to C&D Collection
2. **Personnel**
- a. Organizational chart.
 - b. Job classifications and number of employees (e.g., administrative, Customer service representatives, drivers, supervisors, outreach staff).
 - c. Wages by job classification.
 - d. Number of FTE positions for each job classification.
 - e. Number of hours per job classification per year.
3. **Productivity Statistics**
- a. Average number of accounts per route per day by Customer Type.
 - b. Average number of setouts per route per day by Customer Type.
 - c. Average Tons per route per day by vehicle type (i.e. side-loader, front-loader, roll-off).
 - d. Average cubic yards of Collection scheduled per route.
 - e. Analysis of Drop Box Collection service and calculation of the percentage of Drop Box route time attributable to C&D Collection.
4. **Vehicles**
- a. List of collection vehicles including year purchased and mileage.
 - b. Average age of mobile equipment with oldest and newest.
 - c. List of major maintenance and/or replacement events, including costs.
5. **Operational Changes**
- a. Number of routes.
 - b. Staffing.
 - c. Supervision.
 - d. Collection services.
 - e. Other data as applicable related to any programmatic or operational changes implemented within the Agreement.
- D. **Variance Analysis.** Provide the following variance analysis for each Customer Type. For any variances greater than five (5) percent annually, Contractor shall provide sufficient rationale to support variance:
- 1. Variance analysis comparing the current Rate Period to each of the prior Rate Periods of Agreement.
 - 2. Variance analysis comparing the current Rate Period to each of the future projected Rate Periods.
- E. **Allocations.** Provide the following allocation data:
- 1. Provide a concise general explanation of the various allocation methodologies used for each Rate application line item.
 - 2. Provide specific examples of each type of allocation used showing how an entry is reported in the general ledger and ties to the Rate application

EXHIBIT C

REPORTING REQUIREMENTS

3. Provide a statement indicating whether there have been any changes in allocation methods used since the last Rate application. If any allocation methods have changed clearly identify those changes.
- F. **Projections.** Provide the following projection data:
1. Provide support for the basis for projected Gross Receipts and line item expenses, clearly indicate the supporting calculations and assumptions
 2. Provide support for the most-recent twelve (12) months of Tonnage data for the Rate Period. Clearly indicate the supporting calculations and assumptions.

Event-Specific Requirements

- A. **Special Events.** Within fourteen (14) calendar days of the end of a special event, Contractor shall submit a report to the City Contract Manager and event organizer documenting at a minimum: the number of event collection stations deployed at the event, the number of collection station monitors, the Tonnage of each material type (i.e., Solid Waste, Recyclable Materials, and Organic Materials) Collected, and a description of the public outreach conducted at the event.
- B. **Litter/Spillage of Materials.** Pursuant to Sections 5.3.B. and 5.3.C, Contractor shall discuss instances of repeated spillage not caused by it directly with the Generator responsible and report such instances to City.
- C. **Notice of Non-Collection.** Pursuant to Sections 5.3.H Contractor notify the City Contract Manager via email of Premises where materials are tagged by Contractor and not picked up, describing the type of material(s) and reason.

Required State Reporting

Contractor shall be solely responsible for anticipating and understanding State reporting requirements for AB 341 and AB 1826, except that it shall take direction as relates to such reporting if and as provided by the City. Contractor shall develop and submit each report for City review and comment no less than forty five (45) days prior to its required submittal date.

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**EXHIBIT D:
RATE ADJUSTMENT
METHODOLOGY**

EXHIBIT D

RATE ADJUSTMENT METHODOLOGY

Adjustment Process

General

Subject to the terms herein, the City shall adjust all Rates on an annual basis. Contractor shall submit its application for a Rate adjustment to the City Contract Manager on or before September 1 of each Rate Period where Rates shall be adjusted using the index-based methodology described in Exhibit D-1. Contractor shall submit its application on or before July 1 for any Rate Period where Rates shall be adjusted using the cost-based methodology described in Exhibit D-2. Contractor's Rate application shall document all calculations and include all supporting schedules, documentation of per-Ton charges for Approved Facilities, documentation of changes in governmental fees at Approved Facilities (if applicable), and any other documentation or evidence determined by the City Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit D.

The City shall make a good faith effort to approve Rates by December 1 of each year, and such Rates shall be effective on each subsequent January 1. If Rates are not effective by January 1 due to a delay caused solely by City, City shall allow Contractor to retroactively bill Customers for the amount of the Rate increase for any period of said delay that is solely caused by City (subject to the City's approval of how the retroactive adjustment is billed) or the City may compensate the Contractor for lost Gross Rate Revenues. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next billing cycle to recoup the deferred Rate increase. If Rates are not effective by January 1 as a result of Contractor's delay in submitting the Rate application in a complete and accurate form, then prior Rates remain in effect until such adjustment is made and Contractor shall not be entitled to a retroactive adjustment for lost Gross Rate Revenues.

Table 1 - Schedule of Rate Periods

| Rate Period | Dates |
|-------------|---------------------------------------|
| 1 | September 6, 2017 - December 31, 2018 |
| 2 | January 1, 2019 – December 31, 2019 |
| 3 | January 1, 2020 – December 31, 2020 |
| 4 | January 1, 2021 – December 31, 2021 |
| 5 | January 1, 2022 – December 31, 2022 |
| 6 | January 1, 2023 – December 31, 2023 |
| 7 | January 1, 2024 – December 31, 2024 |
| 8 | January 1, 2025 – December 31, 2025 |
| 9 | January 1, 2026 – December 31, 2026 |
| 10 | January 1, 2027 – September 4, 2027 |

EXHIBIT D

RATE ADJUSTMENT METHODOLOGY

Definitions

Certain terms which are specific to this Exhibit (including Exhibits D-1 and D-2) are defined below:

- A. **“Annual Percentage Change”** means the average value of an index for the 12-month period ending June of the then-current Rate Period minus the average index value for the 12-month period ending June of the most-recently completed Rate Period, divided by the average index value for the 12-month period ending June of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (1,000th).

For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period 2, the Annual Percentage Change in CPI shall be calculated as follows: $[(\text{Average CPI for July 2017 through June 2018}) - (\text{Average CPI for July 2016 through June 2017})] / (\text{Average CPI for July 2016 through June 2017})$.

- B. **“Average Index Value”** means the sum of the monthly index values during the 12-month period ending in June divided by 12 (in the case of indices published monthly), the sum of the bi-monthly index values divided by 6 (in the case of indices published bi-monthly), or the sum of the quarterly index values divided by 4 (in the case of indices published based on a 3-month percent change).
- C. **“CPI-U”** means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted San Francisco-Oakland-San Jose Metropolitan Area compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- D. **“ECI”** means the Employment Cost Index, Total Compensation, For Private Industry Workers, in Service-Providing Industries, Service Occupations, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics, Index Series ID: CIU201S0003000001.
- E. **“Fuel Index” or “CNG Fuel Pricing Index”** means the per-therm price for Core Natural Gas Service for Compression on Customer’s Premises, Schedule G-NGV1, compiled and published by the Pacific Gas and Electric Company Analysis and Rate Department and reported monthly in its “Gas RateFinder” publication (<http://www.pge.com/tariffs/GRF.SHTML>). The March 2015 CNG Fuel Pricing Index is \$0.51999 per therm, which reflects the sum of the customer charge, procurement charge, transportation charge, and public purpose program (PPP) charge for natural gas service for compression on customer’s premises as reported by Pacific Gas and Electric Company. {Note to Proposer: this index will be used if the selected proposal utilizes CNG powered Collection vehicles.}
- F. **“Motor Vehicle Maintenance and Repair Index”** means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, not seasonally adjusted U.S. city average,

EXHIBIT D RATE ADJUSTMENT METHODOLOGY

compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

- G. **“Net Organic Materials Processing Cost”** means cost of Processing Organic Materials less revenues earned from sale of Compost Product.
- H. **“Net Recyclable Materials Processing Revenue”** means revenues earned from sale of Processed Recyclable Materials, less the cost of Processing. Contractor has proposed a Net Recyclable Materials Processing Revenue of \$0 per ton for the Term of the Agreement. In doing so, Contractor shall take all risks associated with the commodity markets for Recyclable Materials.
- H. **“Total Calculated Costs”** means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Calculated Costs do not reflect or in any way guarantee the Gross Rate Revenues that are to be generated by Rates or retained by the Contractor. Note that for determining Rates for Rate Period Two, Total Proposal Costs for Rate Period One shall be used for the calculations.

Table 2 provides additional information about the four indices defined above.

TABLE 2*- Detailed Index Information

| | CPI-U | ECI | Fuel | Motor Vehicle Maintenance and Repair Index |
|-------------|--|---|-------------------------------------|--|
| Description | Consumer Price Index - All Urban Consumers | Employment Cost Index | Producer Price Index -- Commodities | Consumer Price Index – All Urban Consumers, Motor Vehicle Maintenance and Repair |
| Series ID | CUURA422SA0 | CIU201S0003000001 | WPS057303 | CUUR0000SETD |
| Adjusted | Not seasonally adjusted | Not seasonally adjusted | Seasonally adjusted | Not seasonally adjusted |
| Area | San Francisco-Oakland-San Jose Metropolitan Area | Service-Providing Industries, United States | N/A | U.S. City average |
| Item | All items | All workers | No. 2 diesel fuel | Motor vehicle maintenance and repair |
| Base Period | 1982-84=100 | N/A | 1982-84=100 | 1982-84=100 |
| Periodicity | Bi-monthly | Monthly | 3-month percent change | Monthly |

* All indices published by the U.S. Bureau of Labor Statistics.

EXHIBIT D

RATE ADJUSTMENT METHODOLOGY

Cost of Rate Adjustment Process

The City may incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and may require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the City's invoice for such costs. The Contractor may recover such costs through the Rates by treating the costs as an allowable Pass-Through Cost. Regardless of Contractor's payment of costs associated with said review, the City shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor's request. The City retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

**EXHIBIT D-1:
MULTIPLE INDEX-
BASED RATE
ADJUSTMENT
METHODOLOGY**

EXHIBIT D-1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

The blanks shown in this exhibit will be completed using the applicable figures for the Council-selected option.

1. GENERAL

The purpose of this attachment is to describe and illustrate the method by which the City will calculate the annual adjustment to Rates to reflect changes in various cost indices and changes to Disposal and Processing costs based on Tonnages of materials Collected and changes in tipping fees. This index-based adjustment process shall be used to determine Rates for all Rate Periods beginning with Rate Period Two (FY January 1, 2019 through December 31, 2019) with the exception that the Rate adjustment process for Rate Periods Four and Eight, and, if the Term is extended, for Rate Period Twelve, shall involve a detailed review of actual costs, pursuant to Section 8.2 of the Agreement and Exhibit D-2.

The index-based adjustment involves application of indices to various costs that comprise the total proposed annual costs for Rate Period One (and to Total Calculated Costs for future Rate Periods) to determine the Total Calculated Costs for the coming Rate Period. In addition, Processing and Disposal costs shall be adjusted to reflect actual Tonnage Collected during the most-recently completed Rate Period. The index-based Rate adjustments may be approved by the City Contract Manager.

The difference (measured as a percentage) between the Total Calculated Costs for the coming Rate Period and the Total Calculated Costs for the then-current Rate Period is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Period.

The Rate Adjustment Factor calculated pursuant to this Exhibit D-1 may not exceed five percent (5%). In the event that the calculation results in a calculated increase exceeding five percent (5%), Contractor may elect to either: i) accept a Customer Rate increase of no more than five percent (5%); or, ii) require that a cost-based Rate adjustment be performed under the procedures described in Exhibit D-2. In the event that Contractor requires a cost-based rate adjustment, Contractor shall pay City's costs of the cost-based rate adjustment review and may not influence or control the City's selection of professional service providers to perform such review. In the event that calculated increase exceeds five percent (5%), and Contractor accepts a Rate increase of no more than five percent (5%), Contractor shall have the ability to include the excess dollar amount as an adjustment to the Total Calculated Costs in Contractor's Rate adjustment application for the following year, as described in more detail in Section F.2 of this Exhibit. However, such adjustment to the following year shall not be granted to the extent that it results in exceeding the five percent (5%) limit in that year. Under no circumstances shall any amount disallowed during the term of the Agreement as a result of the five percent (5%) limit be considered due to the Contractor by the City or Customers upon the expiration or early termination of this Agreement.

In the event that the index-based adjustment as calculated by this Exhibit D-1 results in a negative Rate Adjustment Factor, the City reserves the right to "roll-under" the Rate reduction, such that there is no Rate adjustment in the Rate Period for which the negative Rate Adjustment Factor was calculated, but the calculated Rate reduction may be deferred to the following Rate Period, as a credit against future Rate increases.

EXHIBIT D-1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

2. ADJUSTMENT OF TOTAL CALCULATED COSTS

The cost categories of the main components of Total Calculated Costs are presented in detail in Exhibit N. Adjustments to these components to calculate costs for the coming Rate Period shall be calculated as follows:

A. Total Annual Cost of Operations

1. **Labor-Related Costs.** The Labor-Related Costs component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the ECI.

For example, in Rate Period Two when calculating the Labor-Related Costs for Rate Period Three, the Labor-Related Costs of Rate Period Two shall be multiplied by one plus the Annual Percentage change in the ECI.

2. **Vehicle-Related Costs (excluding Fuel).** The Vehicle-Related Costs component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.
3. **Fuel Costs.** The Fuel Cost component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Fuel Index.
4. **Net Recyclables Processing Revenue.** In exchange for a net processing cost and revenue of \$0 per ton for the term of the Agreement Contractor shall retain all revenue from sale of Recyclable Materials and shall take all risks associated with the commodities markets for Recyclable Materials.
5. **Net Organic Materials Processing Cost.** The Net Organic Materials Processing Costs component of Total Calculated Costs is calculated as follows:

Net Organic Materials Processing Cost = [(Per-Ton Organic Materials Processing Cost for the then-current Rate Period - All regulatory fees identified on Form 5 of Exhibit N, (Contractor's Proposal) and included in the then-current per-Ton cost) x (1 + Annual Percentage Change in the CPI-U) + (Then-current per-Ton regulatory fees)] x (Total Tons of Organic Materials Collected for the most-recently completed 12-month period ending June 30*)

* Note that Tonnage calculations for Rate Period Two will be based on the estimated total Tons for Rate Period One identified in Contractor's proposal, Exhibit __, adjusted to reflect Tons for a single, complete, 12-month period.

6. **Other Costs.** The Other Costs component of the Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.

EXHIBIT D-1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

7. **Direct Depreciation.** Direct Depreciation is \$ [REDACTED] per year for Rate Periods Two through Ten, and is not annually adjusted, with the exception that an adjustment shall be made when calculating Rate Period Two costs if the Contractor received grant monies to offset the capital costs of compressed natural gas (CNG) Collection vehicles. In such case the direct depreciation cost shall be \$ [REDACTED] less one ninth of the grant monies received. This adjusted depreciation amount shall remain fixed for Rate Periods Two through Ten. If the Agreement is extended beyond Rate Period Ten, direct depreciation shall be zero in any subsequent Rate Periods unless Parties mutually agree to a different amount.
8. **Allocated Costs (Labor, Vehicle, Fuel, and Other Costs).** The Allocated Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.
9. **Allocated Depreciation and Start-Up Costs.** The Allocated Depreciation and Start-Up Costs shall be \$ [REDACTED] per year for Rate Period Two through Ten, and are not annually adjusted. These costs shall be zero for all subsequent Rate Periods unless Parties mutually agree to a different amount.
10. **Total Annual Cost of Operations.** The Total Annual Cost of Operations for the coming Rate Period equals the sum of the costs calculated in subsections (1) through (9) above.

B. Profit

Profit for the coming Rate Period shall be calculated by dividing the Total Annual Cost of Operations for the coming Rate Period (the value calculated in Section 2.A.8 above) by an operating ratio ([REDACTED]) and subtracting from the result the Total Annual Cost of Operations for the coming year.

$$\text{Profit} = \frac{\text{Total Annual Cost of Operations for Coming Rate Period}}{\text{Operating Ratio}} - \text{Total Annual Cost of Operations for Coming Rate Period}$$

C. Pass-Through Costs (Excluded from the Calculation of Profit)

1. **Disposal Costs.** The Disposal Costs shall be calculated by multiplying the per-Ton Disposal fee at the Designated Disposal Facility and Designated Transfer Facility (to be specified by the City) for the coming Rate Period by the total Tons of Solid Waste Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall be based on the estimated total Tons for Rate Period One identified in Exhibit N).
2. **Interest Expense.** The Interest Expense amount is \$ [REDACTED] in Rate Period Two through Ten, is not annually adjusted, and shall be zero in any subsequent Rate Period unless Parties mutually agree to a different amount.

EXHIBIT D-1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

3. **Direct Lease Costs.** The Direct Lease Costs amount is \$_____ in Rate Period Two through Ten, is not annually adjusted, and shall be zero in any subsequent Rate Period unless Parties mutually agree to a different amount.
4. **Allocated Lease Costs.** The Allocated Lease Costs amount is \$_____ for Rate Period Two through Ten (including interest costs for Allocated General and Administrative of \$_____, Allocated Vehicle Maintenance costs of \$_____, and Allocated Container Maintenance of \$_____) is not annually adjusted, and shall remain unadjusted in any subsequent Rate Period unless Parties mutually agree to a different amount.
5. **Total Pass-Through Costs.** Total Pass-Through Costs for the coming Rate Period are the sum of the amounts in Sections 2.C.1 through 2.C.4 above.

D. Total Calculated Costs before City Fees

The Total Calculated Costs before City Fees shall be the sum of the Total Annual Cost of Operations, Profit, and Total Pass-Through Costs for the coming Rate Period.

E. City Fees/Payments (Pass-Through Fees)

1. **Franchise Fee.** Franchise Fees for the coming Rate Period shall equal _____ percent (___%) of Contractor's Total Calculated Costs, unless another amount has been approved by the City.
2. **Rate Application Review Costs.** An amount determined by the City to reimburse the Contractor for payment of the City's costs, including consulting and legal fees associated with determination of Rates under this Exhibit. Such Rate application review costs may or may not be one-time costs and shall be included in subsequent Rate Periods if it is not a one-time cost.
3. **Total City Fees.** The Total City Fees for the coming Rate Period shall equal costs calculated in Section 2.E.1 and 2.E.2 above; provided, however, that any adjustment in any such fee shall be pass-through fees (which are excluded from the calculation of profit) and reflected in the Total City Fees/Payments.

F. Other Adjustments

1. **General.** From time to time during the Term of the Agreement, it may be necessary to make other adjustments to the compensation calculations. All such adjustments shall be subject to the approval of the City Contract Manager. For example, if the Contractor obtains grant funds or subsidies, the annual amount of funds Contractor received or is forecasted to receive shall be reflected as an adjustment. In such case, the adjustment would be a reduction to the Total Calculated Costs to reduce the Rates since Contractor has secured funds from other sources to cover a portion of the costs required to provide service to the City.

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INDEX-BASED RATE ADJUSTMENT METHODOLOGY

2. **“Roll-Over” of Dollars Exceeding Rate Cap.** In the event that the calculated Rate increase exceeds five percent (5%) in any Rate Period, and Contractor accepts a Rate increase of no more than five percent (5%), Contractor shall have the ability to include the excess dollar amount as an adjustment to the Total Calculated Costs in Contractor’s Rate adjustment application for the following year. Contractor’s ability to “roll-over” such excess calculated costs shall not expire until the expiration or early termination of the base Term of this Agreement. In the event that there are remaining excess (i.e. “rolled-over”) calculated costs which have not been included in the Rates for any Rate Period upon expiration or early termination of this Agreement, Contractor shall not be compensated for the excess costs.

G. Total Calculated Costs

The Total Calculated Costs for the coming Rate Period shall equal the sum of the Total Annual Cost of Operations, Profit, Total Pass-Through Costs, Total City Fees, and Other Adjustments (if applicable), for the coming Rate Period.

3. RATE ADJUSTMENT FACTOR

The Rate Adjustment Factor shall equal the Total Calculated Costs for the coming Rate Period divided by the Total Calculated Costs for the then-current Rate Period, which shall be rounded to the nearest thousandth. Note that when determining the Rate Adjustment Factor for Rate Period Two, the Rate Adjustment Factor shall equal the Total Calculated Costs for Rate Period Two divided by the Total Proposed Costs of \$ _____ for twelve (12) months of Rate Period One.

4. ADJUSTMENT OF RATES

Each then-current Rate shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. The adjustment to each Rate shall be rounded to the nearest cent.

5. EXAMPLE CALCULATION

The following example illustrates the index-based adjustment method for determining Rates for Rate Period Three (January 1, 2020 through December 31, 2020). The dollar amounts shown are hypothetical amounts for Total Calculated Costs for Rate Period Two (January 1, 2019 through December 31, 2019) and the adjustment factors are based on assumed changes in the various indices between the average index values for the twelve (12) months ending June 2018 and for the twelve (12) months ending June 2019.

EXHIBIT D-1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

A. Assumptions for Example Adjustment to Contractor's Compensation:

Most-Recently Completed Rate Period = Rate Period One (September 6, 2017 through December 31, 2018)

Then-current Rate Period = Rate Period Two (January 1, 2019 through December 31, 2019)

Coming Rate Period = Rate Period Three (January 1, 2020 through December 31, 2020)

32-gallon Single-Family Rate for Rate Period Two = \$19.00

Net Recyclable Materials Processing Revenue per Ton for the then-current Rate Period = \$15.00 per ton

Net Organic Materials Processing Costs per Ton for the then-current Rate Period = \$38.00 per ton

Disposal cost for the coming Rate Period = \$43.00 per Ton

Annual Percentage Change in the CPI-U = 0.040

Annual Percentage Change in the ECI = 0.018

Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index = 0.031

Annual Percentage Change in the Fuel Index = 0.075

Tonnages for the most-recently completed Rate Period:

Solid Waste – 50,000 Tons

Recyclable Materials – 35,000 Tons

Organic Materials – 22,000 Tons

EXHIBIT D-1 INDEX-BASED RATE ADJUSTMENT METHODOLOGY

**Table 2:
Example – Hypothetical Calculation of Total Calculated Costs for Rate Period Two**

The following table will calculate Rate Period Two adjustments based on actual Rate Period One figures for the Council-selected option and sample adjustment factors.

| | Rate Period Two | Adjustment Factor* | Rate Period Three |
|---|---------------------|-----------------------|----------------------|
| Annual Cost of Operations | | | |
| Labor-related costs | \$2,000,000 | 1.018 | \$2,036,000 |
| Vehicle-related costs (excluding fuel) | \$400,000 | 1.031 | \$412,400 |
| Fuel costs | \$800,000 | 1.075 | \$860,000 |
| Net Recyclable Materials Processing Revenue | \$525,000 | 35,000 x \$15.48 | \$541,800 |
| Net Organic Materials Processing Costs | \$836,000 | 22,000 x \$39.40 | \$866,800 |
| Other Costs | \$250,000 | 1.040 | \$260,000 |
| Direct Depreciation | \$700,000 | N.A. | \$700,000 |
| Allocated Costs (Labor, Vehicle, Fuel, and Other Costs)** | \$1,000,000 | 1.040 | \$1,040,000 |
| Allocated Costs (Depreciation and Start- Up) | \$100,000 | N.A. | \$100,000 |
| Total Annual Cost of Operations | \$6,611,000 | N.A. | \$6,817,000 |
| Profit (assuming operating ratio of 0.92) | \$574,870 | N.A. | \$592,782.61 |
| Pass-Through Costs | | | |
| Solid Waste Disposal costs | \$1,720,000 | 50,000 x \$44.60 | \$1,784,000 |
| Interest expense | \$150,000 | N.A. | \$150,000 |
| Direct lease | \$200,000 | N.A. | \$200,000 |
| Allocated lease costs | \$25,000 | N.A. | \$25,000 |
| Total Pass-Through Costs | \$12,166,870 | N.A. | \$12,535,583 |
| Total Calculated Costs before City Fees | \$19,352,739 | N.A. | \$19,945,365 |
| City Fees/Payments* | | | |
| Franchise Fee** | \$2,642,014 | N.A. | \$2,722,859 |
| Rate Application Review Costs | \$35,000 | N.A. | \$35,000 |
| Total City Fees/Payments | \$2,677,014 | N.A. | \$2,757,859 |
| Other Adjustments (as needed from time to time) | N.A. | N.A. | N.A. |
| Total Calculated Costs | \$22,029,754 | | \$22,703,224 |

* Fuel costs included in allocated costs shall be adjusted using the CPI-U not the Fuel Index.

**Assumes current franchise fee of 12%.

EXHIBIT D-1
INDEX-BASED RATE ADJUSTMENT METHODOLOGY

EXHIBIT D-1 INDEX-BASED RATE ADJUSTMENT METHODOLOGY

B. Example Calculation of the Rate Adjustment Factor and Adjusted Rate for Rate Period Three

Rate Adjustment Factor = $\$22,703,224 / \$22,029,754 = 1.031$

35-gallon Single-Family Rate for Rate Period Three = $\$19.00 \times 1.031 = \19.59 , which shall be effective January 1, 2020.

6. OTHER

If an index described in in this Exhibit D is discontinued, the successor index with which it is replaced shall be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics or Pacific Gas and Electric Company, the index published by either organization which is most comparable shall be used.

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**EXHIBIT D-2:
COST-BASED RATE
ADJUSTMENT
METHODOLOGY**

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

The blanks shown in this exhibit will be completed using the applicable figures for the Council-selected option.

1. GENERAL

The City shall use the cost-based Rate adjustment method described in this Exhibit D-2 to determine Rates for Rate Periods Four and Eight, and, if the Term is extended, for Rate Period Twelve. The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to determine the Actual Allowable Total Annual Cost of Operations for the most-recently completed Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. The difference (measured as a percentage) between the Total Contractor's Compensation for the coming Rate Period and the Projected Gross Rate Revenues (which is calculated based on most-recent Customer subscription levels at then-current Rates) is the "Rate Adjustment Factor". The Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation or deflation, the number of Customers, and the Service Level of Customers.

The City Contract Manager may approve Rate adjustments if the Rate Adjustment Factor is equal to or less than five percent (5%), calculated in accordance with this Exhibit D-2. If the Rate Adjustment Factor is greater than five percent (5%), the Rate adjustment shall be presented to the City Council for approval.

In the event that the cost-based adjustment calculated in accordance with this Exhibit D-2 results in a negative Rate Adjustment Factor, the City reserves the right, but shall not be obligated, to "roll-under" the Rate reduction, such that there is no Rate adjustment in the Rate Period for which the negative Rate Adjustment Factor was calculated, but the calculated Rate reduction may be deferred to the following Rate Period, as a credit against future Rate increases.

2. FORECASTING TOTAL CONTRACTOR'S COMPENSATION

The Total Contractor's Compensation for the coming Rate Period shall be forecasted in the manner described in this Section.

A. Forecasting Total Annual Cost of Operations

1. **Determine Actual Allowable Total Annual Cost of Operations.** Contractor's financial statement, books, and records shall be reviewed to determine Contractor's "Actual Allowable Total Annual Cost of Operations" for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:
 - a. Actual labor-related costs
 - b. Actual vehicle-related costs (excluding fuel and depreciation)
 - c. Actual fuel costs

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

- d. Actual Net Recyclable Materials Processing Revenues
 - e. Actual Net Organic Materials Processing Costs
 - f. Actual other costs as specified in Exhibit N)
 - g. Direct depreciation costs (in the amount specified in Exhibit D-1)
 - h. Actual allocated costs (labor, vehicle, general and administrative, and other costs)
 - i. Actual allocated costs (depreciation and start-up) (in the amount stated in Exhibit D-1)
- 2. Non-Allowable Costs.** The following list of non-allowable costs shall be deducted from the Contractor's actual costs when determining the Actual Allowable Total Annual Cost of Operations.
- a. Labor, equipment, fuel, and start-up costs for personnel, vehicles, and facilities that are not specified in the operating statistics, staffing, and capital requirements proposal forms contained in Exhibit N.
 - b. Payments to directors and/or owners of Contractor unless the amount paid is reasonable compensation for services actually rendered and consistent with the corporate overhead allocation used in Exhibit N. Reasonableness shall be determined based on available market pricing for similar services and shall be in the sole discretion of the City.
 - c. Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the City.
 - d. Payments to repair damage to public or private property for which Contractor is legally liable.
 - e. Fines or penalties of any nature.
 - f. Liquidated Damages assessed under this Agreement.
 - g. Federal or State income taxes.
 - h. Cash donations or value of in-kind services provided to charitable, political, youth, civic, or other community organizations unless such donation has been previously approved in writing as an allowable expense by the City Contract Manager.
 - i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices and other facilities if such items are leased as specified in Exhibit N.
 - j. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the City and Contractor are adverse Parties.

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

- k. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
 - l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the City derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.
 - m. Payments to Related-Party Entities for products or services, in excess of the cost to the Related-Party Entities for those products or services.
 - n. Goodwill.
 - o. Unreasonable profit sharing distributions.
 - p. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.
 - q. Administrative costs greater than the administrative costs contained in Exhibit N adjusted annually by one plus the Annual Percentage Change in the CPI-U.
 - r. Bad debt write-offs in excess of one percent (1%) of annual Rate revenues.
 - s. Transfer and Processing costs for Recyclable Materials.
- 3. Forecast Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Actual Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Sections 2.A.1 and 2.A.2 above. The forecasts shall be performed in the following manner:
- a. **Forecasted labor-related costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed labor-related costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in the ECI, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the ECI.
 - b. **Forecasted vehicle-related costs** (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by (i) multiplying the allowed vehicle-related costs, both direct and allocated, for the most-recently completed Rate

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

Period by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.

c. **Forecasted fuel costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed fuel costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in the Fuel Index, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the Fuel Index.

d. **Forecasted Net Recyclables Processing Revenue.** Throughout the term of this Agreement, the Net Recyclables Processing Revenue shall equal zero dollars (\$0) per ton.

e. **Forecasted Net Organic Materials Processing Costs** shall be calculated for the coming Rate Period in the following manner:

Forecasted Net Organic Materials Processing Cost = (Net Organic Materials Processing Cost per Ton for the then-current Rate Period) x (1 + Annual Percentage Change in the CPI-U) x (total Tons of Organic Materials Collected for the most-recently completed 12-month period ending June 30)

f. **Forecasted other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the CPI-U.

g. **Forecasted direct depreciation expense** shall be the amount specified in Exhibit D-1 for vehicles, Containers, and facilities. Direct depreciation expense is a fixed cost and is not subject to inflation.

h. **Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs for most-recently completed Rate Period by one plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in CPI-U.

i. **Forecasted allocated depreciation and start-up expense** shall be the amount specified in Section 2.A.7 of Exhibit D-1 for vehicles, Containers, and facilities.

j. **Forecasted Total Annual Cost of Operations** for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

accordance with the procedures in this Exhibit D-2:

- (1) Forecasted labor-related costs
- (2) Forecasted vehicle-related costs (excluding fuel and depreciation costs)
- (3) Forecasted fuel costs
- (4) Forecasted Net Recyclable Materials Processing Revenues
- (5) Forecasted Net Organic Materials Processing Costs
- (5) Forecasted other costs
- (6) Forecasted direct depreciation expense
- (7) Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs
- (8) Forecasted allocated costs for depreciation and start-up

B. Forecast Profit

Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio of eighty nine and forty nine hundredths percent (89.49%) as proposed by Contractor and specified in Exhibit N. Profit shall be calculated using the following formula:

$$\text{Profit} = (\text{Forecasted Total Annual Cost of Operations} / \text{Operating Ratio}) - \text{Forecasted Total Annual Cost of Operations}$$

For example:

1. Assuming an operating ratio of 92%
2. Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000
3. Profit = $(\$1,000,000 / 0.92) - \$1,000,000 = \$86,956.52$

C. Forecast Pass-Through Costs

Pass-Through Costs for the coming Rate Period shall be forecasted in the following manner:

1. **Disposal Costs.** The Disposal Costs shall be calculated by multiplying the per-Ton Disposal fee at the Designated Disposal Facility and Designated Transfer Facility (to be specified by the City) for the coming Rate Period by the total Tons of Solid Waste Collected for the most-recently completed Rate Period.
2. **Forecasted Interest Expense.** Interest Expense is \$XXX,XXX per year and shall not be adjusted over the Term of the Agreement.
3. **Forecasted Direct Lease Costs.** Direct Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.
4. **Forecasted Allocated Lease Costs.** Allocated Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.

EXHIBIT D-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

5. **Cost of Rate Adjustment Process.** Costs incurred by the City related to the review of the Rate adjustment process, including consulting and legal fees. Such amounts shall be provided by the City.

D. Forecast City Fees

City fees shall be calculated in the manner described in Section 2.E of Exhibit D-1.

E. Other Adjustments

1. **General.** From time to time during the Term of the Agreement, it may be necessary to make other adjustments to the compensation calculations. All such adjustments shall be subject to the approval of the City Contract Manager. For example, if the Contractor obtains grant funds or subsidies, the annual amount of funds Contractor received or is forecasted to receive shall be reflected as an adjustment. In such case, the adjustment would be a reduction to the Total Calculated Costs to reduce the Rates since Contractor has secured funds from other sources to cover a portion of the costs required to provide service to the City.
2. **“Roll-Over” of Dollars Exceeding Rate Cap.** In the event that the calculated Rate increase exceeds five percent (5%) in any Rate Period, and Contractor accepts a Rate increase of no more than five percent (5%), Contractor shall have the ability to include the excess dollar amount as an adjustment to the Total Calculated Costs in Contractor’s Rate adjustment application for the following year. Contractor’s ability to “roll-over” such excess calculated costs shall not expire until the expiration or early termination of the base Term of this Agreement. In the event that there are remaining excess (i.e. “rolled-over”) calculated costs which have not been included in the Rates for any Rate Period upon expiration or early termination of this Agreement, Contractor shall not be compensated for the excess costs.

3. PROJECTED GROSS RATE REVENUE

Projected Gross Rate Revenue at then-current Rates shall reflect projected annual Gross Rate Revenues from all Customers based on then-current Rates and then-current Customer Service Levels.

4. RATE ADJUSTMENT FACTOR

The Rate Adjustment Factor shall equal the Forecasted Total Calculated Costs for the coming Rate Period divided by the Projected Gross Rate Revenues calculated in accordance with Section 2 herein. The Rate Adjustment Factor shall be rounded to the nearest thousandth.

5. ADJUSTMENT OF RATES

Each then-current Rate shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period.

**EXHIBIT E:
PERFORMANCE
STANDARDS AND
LIQUIDATED
DAMAGES**

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

City wishes to establish standards of performance under the Agreement in each of the “Performance Areas” listed below. The City Contract Manager may monitor Contractor’s performance in each of those areas based on the “Overall Performance Indicator” listed below for each area. In the event that Contractor fails to meet the performance standard established for any “Overall Performance Indicator,” City Contract Manager may review Contractor’s performance relative to the “Specific Performance Measures” within that performance area. In the event that the City Contract Manager determines that Contractor has failed to meet the performance standard established for any “Specific Performance Measure,” the City may assess Liquidated Damages pursuant to Section 10.6 of the Agreement. Liquidated Damages, if assessed, shall only be assessed for the number of events, days, or other measure in excess of the acceptable performance level.

Defined Terms

Certain terms that are specific to this Exhibit are defined below:

“Complaint” shall mean each written or orally communicated statement made by any Person, whether to City or Contractor, alleging: (1) non-performance, or deficiencies in Contractor’s performance, of its duties under this Agreement; or, (2) a violation by Contractor of this Agreement.

“Service Opportunity” shall mean each individual scheduled opportunity the Contractor has to Collect from a Container at a Customer’s location. For example, a Multi-Family or Commercial Customer receiving Solid Waste Collection service three (3) times per week from two (2) Containers and Recyclable Materials Collection service two (2) times per week from two (2) Containers would have a total of ten (10) Service Opportunities each week. Service Opportunities shall be calculated based on the subscription levels presented in Contractor’s most recent Quarterly Report to City. For a Single-Family Customer with three Carts for Collection of Solid Waste, Recyclable Materials, and Organic Materials, the Customer would have a total of three (3) Service Opportunities each week.

“Total Service Opportunities” shall mean the sum of all Service Opportunities in a given time period

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area No. 1: Service Quality and Reliability

Overall Performance Indicator: Contractor’s service quality and reliability shall be considered acceptable by the City if the total number of calls and emails (including, without limitation: Complaints, inquiries, billing questions, service requests, and compliments) received by Contractor from Customers served under this Agreement does not exceed twenty (20) per one thousand (1,000) Total Service Opportunities in any calendar quarter. If the number exceeds this level, City may assess Liquidated Damages for the specific performance measures identified in the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|--|--|---|--------------------------|
| Missed Collections | Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection. | Less than ten (10) per one thousand (1,000) Service Opportunities | \$50/Event |
| Failure to Correct Missed Collections | Each “Missed Collection” as defined above which is not Collected by the end of the Business Day following the receipt of the Customer Complaint about the Missed Collection. | Less than one (1) per one hundred (100) Missed Collections | \$50/Event |
| Failure to Clean-Up Spillage | Each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; or, (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location. | Less than five (5) per one thousand (1,000) Service Opportunities | \$100/Event |
| Damage to Property | Each event of damage to either public or private property as a result of Collection activity, including without limitation curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables. | Less than two (2) per one thousand (1,000) Service Opportunities | \$250/Event |
| Excessive Noise or Discourteous Behavior | Each Complaint received that is related to either noise during Collection activity or the behavior of Contractor’s employees. | Less than five (5) per one thousand (1,000) Service Opportunities | \$250/Event |

EXHIBIT E
PERFORMANCE STANDARDS AND
LIQUIDATED DAMAGES

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|--------------------------------------|--|---|---------------------------------|
| Inaccurate Billing | Each Complaint received where the Contractor billed a Customer in error. Inaccurate billing may include, but is not limited to: (i) either over- or under-charging of the Customer relative to the approved Rates for services, (ii) charging the Customer a Rate that is not the same as other Customers with the same Service Level; (iii) charging a Customer for an increased Service Level prior to providing the service; (iv) not charging a Customer for reduced Service Level within seven (7) of the date Customer requested the change regardless of whether or not Contractor delivers the appropriate Containers or modifies the Service Level within that timeframe. | Less than five (5) per one thousand (1,000) bills issued. | \$100/Event |
| Failure to Perform Other Requirement | Each failure to perform any obligation of the Agreement not specifically stated above. | No acceptable failure level | \$100/Event |

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area No. 2: Customer Service

Overall Performance Indicator: The level of Customer service provided by Contractor shall be considered acceptable if the total number of Complaints received by City regarding Contractor does not exceed 10 per one thousand (1,000) Total Service Opportunities in any calendar quarter. If the number exceeds this level, City may assess Liquidated Damages for the specific performance measures identified in the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|---|---|---|--------------------------|
| Failure to Commence Service | Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, at the Service Level requested by said Customer, within seven (7) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing Service Levels. This may also include delivering Used Oil Recovery Kits to Customers upon request. | Less than one (1) per one hundred 100 Service Requests | \$50/Event |
| Failure to Replace Container or Remove Graffiti | Any failure by Contractor to replace or repair a damaged Container within seven (7) calendar days of receiving such a request from a Customer, or any failure by Contractor shall remove graffiti from Containers within forty-eight (48) hours of identification by Contractor or notice by City or Customer if such graffiti includes any written or pictorial obscenities and otherwise within five (5) Business Days. | No acceptable failure level | \$100/Event |
| Failure to Resolve Complaint | Any failure by Contractor to resolve or remedy a Complaint within seven (7) calendar days of receiving such Complaint. | Less than one (1) per one hundred (100) Complaints | \$250/Event |
| Failure to Answer Phones | Any failure by Contractor to answer a telephone call from a Customer during normal business hours. A call is not considered to be answered if the Customer does not speak with a live operator. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes. | Less than five (5) per one thousand (1,000) Calls Received Under this Agreement | \$50/Event |

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|---------------------------------|--|--|--------------------------|
| Excessive Call Center Hold Time | Each occurrence of a call being placed “on hold” for more than two (2) minutes. | Less than two (2) per one thousand (1,000) Calls Received Under this Agreement | \$50/Event |
| Unauthorized Hours of Operation | Each occurrence of Contractor Collecting from Customers during unauthorized hours. | Less than two (2) per one thousand (1,000) Service Opportunities | \$250/Event |

Performance Area No. 3: Outreach

Overall Performance Indicator: Contractor’s street sweeping shall be considered acceptable if service meets the requirements of Section 4.9, Exhibit C and the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|--|--|------------------------------|--------------------------|
| Failure to Perform Public Outreach Activities | Each individual failure by Contractor to develop, produce, and distribute public outreach material or perform community outreach activities in the form and manner required under Exhibit B to this Agreement. | No acceptable failure level | \$500/Activity |
| Failure to Provide Targeted Technical Assistance | Each individual failure to provide targeted technical assistance to a Commercial or Multi-Family Customer in the manner required under Exhibit B to this Agreement. | No acceptable failure level | \$50/Customer |

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area No. 4: Diversion

Overall Performance Indicator: Contractor’s Diversion performance shall be considered acceptable if based on monthly report data, Contractor must Divert the minimum amounts described in Section 4.14.B.1 of the Agreement. If the calculated percentage is less, City may assess Liquidated Damages for the specific performance measures identified in the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|---|--|------------------------------|---|
| Failure to Maintain the Contractor’s Minimum Required Diversion Level | Failure to meet minimum Diversion percentage in any month. | No acceptable failure level | \$100/Ton of material that would have needed to be Diverted to meet the requirement for the given month |

Performance Area No. 5: Facilities

Overall Performance Indicator: Contractor’s performance relative to facilities shall be considered acceptable when one hundred percent (100%) of all material types Collected by Contractor shall be Delivered to the appropriate Approved Facility as required under Sections 4.7 and 4.8 of this Agreement. If Contractor fails to meet this level of performance, City may assess Liquidated Damages for the specific performance measures identified in the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|---|---|------------------------------|--------------------------|
| Delivery to Non-Approved Facility | Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Sections 4.7 and 4.8 of this Agreement. | No acceptable failure level | \$100/Ton |
| Disposal of Material Targeted Diversion | Each individual occurrence of Disposal rather than Processing of Recyclable Materials, Organic Materials, C&D, or Reusable Materials set out for Collection by the Customer. | No acceptable failure level | \$500/Ton |

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|---|--|------------------------------|--------------------------|
| Mixing Material Types During Collection | Each individual Container that is Collected by Contractor in a vehicle intended or designated for the purpose of Collecting a different material type (e.g. Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.) | No acceptable failure level | \$100/Container |

Performance Area No. 6: Reporting

Overall Performance Indicator: Contractor’s reporting shall be considered acceptable if Reports required under Exhibit C and record requests allowed under Article 6 to this Agreement are received, complete, and accurate within seven (7) calendar days after the date due or date of requested. If Contractor fails to meet this level of performance, City may assess Liquidated Damages for the specific performance measures identified in the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|--|---|---|--------------------------|
| Late Report | Each occurrence of a report, as required under Exhibit C to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format. | Less than seven (7) calendar days after report due date | \$250/Day |
| Failure to Maintain or Provide Access to Records | Each occurrence of City Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information. | Less than seven (7) calendar days after report due date | \$500/Event |
| Misleading/ Inaccurate Reporting | Each occurrence of Contractor providing misleading or otherwise inaccurate information or reporting to City under or in regard to this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance. | No acceptable failure level | \$500/Event |

EXHIBIT E PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area No. 7: Street Sweeping

Overall Performance Indicator: Contractor’s street sweeping shall be considered acceptable if service meets the requirements of Section 4.15, Exhibit O and the following table.

| Specific Performance Measure | Definition | Acceptable Performance Level | Liquidated Damage Amount |
|------------------------------|---|--|--------------------------------------|
| Service | Two or more callbacks for substandard service within a thirty (30) day period | One callback for substandard service within a thirty (30) day period | \$500/Each Callback after the Second |
| Complaints | Failure to report action taken on complaints within three (3) working days | No acceptable failure level | \$250/Event |

By placing Designee’s initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was made.

Contractor
Initial Here: _____

City
Initial Here: _____

**EXHIBIT F:
LIST OF FACILITIES
AND CITY
CONTAINERS**

EXHIBIT F

LIST OF CITY FACILITIES AND PUBLIC CONTAINERS

City Facilities

- City Hall complex
- Community Center
- Senior Center
- City Public Works Corporation Yard
- Police stations
- Fire stations
- Sports Center
- Vehicle Maintenance Facility
- Milpitas Public Library
- Santa Clara County Library
- Midtown Parking Garage
- Higuera Adobe Park

Contractor shall provide Collection service to other similar facilities which City may acquire during the term of the Agreement.

Public Containers

{Final list to be inserted prior to execution.}

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**EXHIBIT G:
GUARANTY
AGREEMENT**

EXHIBIT G

GUARANTY AGREEMENT

THIS GUARANTY (the "Guaranty") is given as of the [___] day of [____], 2016, by _____ {Insert Guarantor's name}, ("Guarantor"), to the CITY OF MILPITAS, a California municipal corporation ("City").

THIS GUARANTY is made with reference to the following facts and circumstances:

- A. _____ {Insert contractor name} ("Contractor") is a corporation organized under the laws of the State of California, all of the issued and outstanding stock of which is owned by Guarantor.
- B. Guarantor is a corporation organized under the laws of the State of California.
- C. Contractor and City have negotiated an Agreement for Collection of Solid Waste and Collection and Processing of Recyclable Materials and Organic Materials (such agreement, as it may be amended, modified or waived from time to time, the "Agreement"), under which Contractor is to provide specified services to City. A copy of this Agreement is attached hereto and incorporated herein by this reference.
- D. It is a requirement of the Agreement, and a condition to City's entering into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.
- E. Guarantor is providing this Guaranty to induce City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. Guaranty of the Agreement. Guarantor hereby irrevocably and unconditionally guarantees to City the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantor hereby guarantees prompt payment to City of each and every sum due from Contractor to City under the Agreement, as and when due from time to time, and the prompt performance of every other task and duty required to be performed by the Contractor under the Agreement.

2. Guarantor's Obligations Are Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditioned upon the genuineness, validity, regularity or enforceability of the Agreement.

3. Waivers and Subordination. The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under Section 1 hereof for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver

EXHIBIT G

GUARANTY AGREEMENT

of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of City's rights or remedies against Contractor; or (5) any merger or consolidation of the Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the Contractor.

The Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by Section 2856(a) including, without limitation, the right to require City to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing City's rights and remedies in enforcing this Guarantee.

The Guarantor hereby waives and agrees to waive at any future time at the request of City, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not require City's approval; or (e) any termination or suspension of the Agreement arising by reason of a default by Contractor.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, or (b) payment in full of any obligations then outstanding.

The Guarantor expressly subordinates and waives its rights to subrogation, reimbursement, contribution or indemnity with respect to performance by Guarantor of the obligations of Contractor

EXHIBIT G GUARANTY AGREEMENT

guaranteed hereby, until such time as City receives payment or performance in full of all such obligations.

4. Term. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by City of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by City against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. No Waivers by City. No delay on the part of City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of City to take other or further action without notice or demand. No modification or waiver by City of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by City and by Guarantor, nor shall any waiver by City be effective except in the specific instance or matter for which it is given.

6. Attorney's Fees. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses incurred by City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. Governing Law; Jurisdiction. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agent for service of process in California:

Insert Guarantor's contact person and address

8. Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. Binding on Successors. This Guaranty shall inure to the benefit of City and its successors and shall be binding upon Guarantor and its successors, including a successor entity formed by a merger or consolidation, a transferee of substantially all of its assets, and its shareholders in the event of its dissolution or insolvency.

EXHIBIT G GUARANTY AGREEMENT

10. Authority. Guarantor represents and warrants that it has the corporate power to give this guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and by-laws, and that the person signing this Guaranty on its behalf has authority to do so.

11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To City: City Clerk
 City of Milpitas
 455 East Calaveras Boulevard
 Milpitas, CA 95035

With a copy to City Contract Manager and City Attorney at the same address.

To Guarantor: Insert Guarantor's name, address, and contact person

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

_____ {Insert Guarantor's Name}

By: _____
 {Insert name}
 {Insert title}

By: _____
 {Insert name}
 Corporate Secretary

**EXHIBIT H:
CART
SPECIFICATIONS**

EXHIBIT H

CART SPECIFICATIONS

This exhibit will be revised as needed should Council select an option with a 20 gallon solid waste cart.

The Cart specifications provided in this Exhibit H shall pertain to all Carts provided by the Contractor to Customers on the Commencement Date of this Agreement and during the Term of the Agreement.

1. CART DESIGN REQUIREMENTS

A. General

The Carts shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. Contractor shall purchase Carts that contain a minimum of 30% post-consumer recycled plastic content. Contractor must submit Cart orders (including material and design specifications, colors and identification marks) to City for City's written approval prior to submitting the order to the manufacturer.

B. Materials Identification and Decals

Carts or their lids must be in bright, readily identifiable colors to facilitate Customer's ready recognition of Solid Waste, Recyclable Materials, and Organic Materials, subject to City's written approval as described in this Exhibit. Subject to City approval, Contractor shall display Contractor's name and telephone number using labels, decals, or other acceptable method. Contractor shall provide and attach decals or emboss the Cart number and information describing correct materials and methods for Collection; forbidding disposal therein of Hazardous Waste and describing proper disposal thereof; and forbidding scavenging (through words and international symbols) and describing the penalties therefore under California law or City Municipal Code.

C. Cart Handles

The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles shall provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

D. Cart Lid

Each Cart shall be provided with a lid that continuously overlaps and comes in contact with the Cart body or otherwise causes an interface with the Cart body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;
- Enables the free and complete flow of material from the Cart during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism;
- Permits users of the Cart to conveniently and easily open and shut the lid throughout the

EXHIBIT H CART SPECIFICATIONS

serviceable life of the Cart;

- The lid handle shall be an integrally molded part of the lid;
- The lid (and body) must be of such design and weight that would prevent an empty Cart from tilting backward when flipping the lid open; and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Cart body.

E. Cart Colors

The Solid Waste, Recyclable Materials, and Organic Materials Carts shall be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color of lids and Cart bodies must be uniform for each Cart type (i.e., Solid Waste, Recyclable Materials, and Organic Materials). Solid Waste Cart bodies and lids shall be gray, brown, tan, or black as agreed-upon between the Contractor and City Contract Manager. Recyclable Materials Cart bodies and/or lids shall be blue. Organic Materials Cart bodies or lids shall be green. Contractor may propose other colors for Cart lids or Cart bodies, which are subject to written approval by the City. For all colors including those prescribed in this paragraph, the Contractor shall obtain written approval from the City for the Cart colors before Contractor's purchase of the Carts.

F. Identification Markings

All markings on the Carts shall be approved by the City in advance of ordering Carts. Information specific to the Contractor (e.g., name, phone number, etc) may not be hot stamped or otherwise permanently affixed such that such markings cannot be easily covered by decals. An arrow (at least 3 inches by 5 inches) hot stamped in white color shall be placed on the lid, indicating the direction of Cart placement.

In character size of no less than 3/16 inches, the phrase:

PLACE CART WITH ARROW FACING
STREET FOR COLLECTION

The same phrase shall also be provided in Spanish, Vietnamese and Chinese.

Additionally, the SOLID WASTE, RECYCLABLES or ORGANIC MATERIALS must be hot stamped in white on the top and sides of the Cart in characters no less than one inch tall.

2. CART PERFORMANCE REQUIREMENTS

A. General

All Carts shall be designed and manufactured to meet the minimum performance requirements described below.

EXHIBIT H CART SPECIFICATIONS

B. Cart Load Capacity

Depending on the capacity, the Carts shall have a minimum load capacity as noted on the following table without Cart distortion, damage, or reduction in maneuverability or any other functions as required herein.

| Cart Size (Gallons) | Minimum Load Capacity (Pounds) |
|---------------------|--------------------------------|
| 96 | 200 |
| 64 | 130 |
| 32/35 | 70 |
| 20 | 40 |

C. Cart Durability

Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the Term of this Agreement:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that shall interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt, or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

D. Chemical Resistant

Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

E. Stability and Maneuverability

The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or an open position. The Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction. The Carts shall be capable of being easily moved

EXHIBIT H CART SPECIFICATIONS

and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

F. Lid Performance

Cart lid assemblies shall meet the following minimum requirements:

- Prevent damage to the Cart body, the lid itself or any component parts through repeated opening and closing of the lid by residents or in the dumping process as intended;
- Remain closed in winds up to 25 miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,
- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Cart.

G. Reparability

Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts shall be readily repairable by the contractor personnel. All repairs must restore the Cart to its full functionality to meet the design and performance requirements as set for herein.

EXHIBIT I: CONTRACTOR'S PROPOSAL

- I-1. Contractor's Proposal
- I-2. Contractor's Responses During Clarification

**EXHIBIT I-1:
CONTRACTOR'S
PROPOSAL**

EXHIBIT I-1 CONTRACTOR'S PROPOSAL

This Exhibit shall be prepared to include Contractor's Proposal prior to execution of the Agreement.

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**EXHIBIT I-2:
CONTRACTOR'S
RESPONSES DURING
CLARIFICATION**

EXHIBIT I-2 CONTRACTOR'S RESPONSES DURING CLARIFICATION

City of Milpitas
Evaluation Team – Collection Proposals
Republic Services Interview Questions
May 26, 2016

REPUBLIC WRITTEN RESPONSES TO CITY OF MILPITAS INTERVIEW QUESTIONS INTERVIEW HELD ON MAY 26, 2016

Please address the following questions during the May 26th interview, and provide written responses to them no later than May 31st.

1. Management and Related Functions

- a. **What are the roles of each of your proposed key management and supervisory staff prior to and after commencement of services under the new agreement?**
- b. **What other responsibilities do each of these individuals have?**
- c. **How much time (percent of an FTE) will each individual devote to Milpitas, both prior to and after commencement of services?**

Roles of each manager and supervisor are listed below:

Evan Boyd, General Manager

Provide leadership for the collections operations of a business unit by providing management oversight to route supervisors, dispatchers, operations clerks, drivers and helpers, who are responsible for the route system for commercial, roll-off and residential customers, including prompt and courteous waste removal service and customer service. Manage staff, including hiring, training, coaching, performance management; develop supervisory goals and objectives; and effective resolution of safety issues and claims. Implement and execute plans to complement the business unit's strategic and operating plan; champion the execution of tactical initiatives within the division to maximize the customer experience and ensure full compliance with the Franchise Agreement. Lead all matters related to collections operations to ensure overall operations meet safety and compliance standards. Ensure maximum productivity and route management systems for commercial, roll-off and residential routes and establish productivity goals where needed; ensure adherence to operating standards; and manage labor hours and disposal expenses. Interact with customers and local, state and federal government employees to resolve customer service concerns; ensure regulatory compliance standards are met. Oversee effective safety and accident prevention programs to ensure all reasonable action are taken to prevent accidents and injuries; ensure a safe and productive work environment for all employees; Implement and maintain an effective loss control and safety program. Lead operations to ensure compliance with all standards including environmental, operating, regulatory, safety, accounting and ethics. Develop a best-in-class team and workplace culture and effectively manage performance and talent development; drive best-practice sharing. Build and maintain strong and effective relations with relevant government, community and environmental groups. Evan will devote approximately 50% of his time to the City of Milpitas during commencement of services, which will taper off to approximately 15% of his time once services are successfully implemented. Evan will increase the time he devotes to Milpitas as needed based on constant

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

assessment of the performance of programs and services delivered to Milpitas.

Eugene Suslowicz, Division Manager, Collection

Provide leadership for the collections operations of a business unit by providing management oversight to route supervisors, dispatchers, operations clerks, drivers and helpers, who are responsible for the route system for commercial, roll-off and residential customers, including prompt and courteous waste removal service and customer service. Manage staff, including hiring, training, coaching, performance management; develop supervisory goals and objectives; and effective resolution of safety issues and claims. Implement and execute plans to complement the business unit's strategic and operating plan; champion the execution of tactical initiatives within the division to maximize the customer experience. Drive functional plans within the operations group to execute against the business plan to achieve or exceed customer experience goals and meet or exceed service business objectives. Lead matters related to collections operations to ensure overall operations meet safety and compliance standards. Ensure maximum productivity and route management systems for commercial, roll-off and residential routes and establish productivity goals where needed; ensure adherence to operating standards; and manage labor hours and disposal expenses. Interact with customers and local, state and federal government employees to resolve customer service concerns; ensure regulatory compliance standards are met. Oversee effective safety and accident prevention programs to ensure all reasonable action are taken to prevent accidents and injuries; ensure a safe and productive work environment for all employees; implement and maintain an effective loss control and safety program. Lead operations to ensure compliance with all standards including environmental, operating, regulatory, safety, accounting and ethics. Develop a best-in-class team and workplace culture and effectively manage performance and talent development; drive best-practice sharing. Build and maintain strong and effective relations with relevant government, community and environmental groups. Eugene will devote approximately 80% of his time to the City of Milpitas during commencement of services, which will taper off to approximately 40% of his time once services are successfully implemented. Eugene will increase the time he devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

Connor Vander Zalm, Assistant Division Controller

Performs complex accounting activities to record, analyze and monitor financial information. Responsible for monthly reconciliation of all balance sheet accounts. Prepares and reviews required supporting documentation and financial statements to ensure compliance with Generally Accepted Accounting Principles (GAAP) and Company policies and procedures. Assists the Division Controller in the management of accounting personnel. Provides direction to the different accounting functional areas (invoice processing, billing, cash receipts, work order processing, credit analysis, receivable collections, month-end close, journal entries, statistical data, and payroll). Assists the Division Controller in the management of the accounting workflow across all division departments (sales, customer service, operations, HR, etc.). Ensures there are proper internal controls in place including compliance with Company policies and procedures, Sarbanes Oxley and all other statutory requirements. Ensures that all internal and external reporting deadlines are met. Assists the Division Controller with the training and development of accounting staff at the division. Provides direction and acts as a resource to accounting and general administrative staff to ensure complete, accurate, and timely completion of work. Assists

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

the Division Controller with accounting direction and analytical support for other departments in the division (general management, sales, operations, maintenance, customer service, etc.). Supports the Division Controller during the annual budget and interim forecasting process and assists with analytical review. Supports the accounting aspects of capital expenditures, transfers and retirements. Assists with periodic financial audits including internal audits, external audits and peer reviews. Provides support and responds to information requests from corporate (accounting, tax, treasury, IT, HR, sales, environmental compliance, legal, etc.) as well as region and area field financial management as required. Connor will devote approximately 50% of his time to the City of Milpitas during commencement of services, which will taper off to approximately 40% of his time once services are successfully implemented. Connor will increase the time he devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

Nancy Clement, Operations Manager

Provide leadership for the collections operations by providing management oversight to operations supervisors, route supervisors, dispatchers, operations clerks, drivers and helpers, who are responsible for the route system for commercial, roll-off and residential customers, including prompt and courteous waste removal service and customer service. Manage staff, including hiring, training, coaching, performance management; develop supervisory goals and objectives; and effective resolution of safety issues and claims. Implement and execute plans to complement the business unit's strategic and operating plan; champion the execution of tactical initiatives within the division to maximize the customer experience. Drive functional plans within the operations group to execute against the business plan to achieve or exceed the Business Unit's budget and strategic plan to grow the business, achieve customer experience goals, and meet or exceed service business objectives. Lead all matters related to collections operations to ensure overall operations meet safety and compliance standards. Ensure maximum productivity and route management systems for commercial, roll-off and residential routes and establish productivity goals where needed; ensure adherence to operating standards; and manage labor hours and disposal expenses. Interact with customers and local, state and federal government employees to resolve customer service concerns; ensure regulatory compliance standards are met. Oversee effective safety and accident prevention programs to ensure all reasonable action are taken to prevent accidents and injuries; ensure a safe and productive work environment for all employees; implement and maintain an effective loss control and safety program. Lead operations to ensure compliance with all standards including environmental, operating, regulatory, safety, accounting and ethics. Develop a best-in-class team and workplace culture and effectively manage performance and talent development; drive best-practice sharing. Nancy will devote approximately 80% of her time to the City of Milpitas during commencement of services, which will taper off to approximately 40% of her time once services are successfully implemented. Nancy will increase the time she devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

Jeanne Serpa, Municipal Relationship Manager

Prospects, sells and proactively manages the business relationship within an assigned division for the municipal market. Negotiates contracts, including contract extensions, as appropriate. Ensures that all approved contract terms are met. Develops and implements comprehensive account plans sales,

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marketing and service programs/strategies. Involves the Area President and/or General Manager in government relation's activities as needed. Takes a leadership role in the design and development of outreach materials. Ensures Franchise Agreement compliance, as it relates to outreach, public education and technical assistance. Meets regularly with key decision-makers within assigned municipalities, state and federal agencies to continuously bring value-added services to the relationship. Conducts on-site client reviews continually to ensure that quality service is effectively delivered, documents deficiencies and effectively recommends corrective action to operations team as appropriate. Meets with operations management as appropriate to coordinate surveys, and service efforts for assigned territory. Must be politically astute in daily dealings with client family. May seek out and coordinate development of new solid waste infrastructure projects and manages projects through the development cycle and conclusion. Jeanne will devote approximately 80% of her time to the City of Milpitas during commencement of services, which will taper off to approximately 50% of her time once services are successfully implemented. Jeanne will increase the time she devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

Jennifer Redondo, Customer Service Manager

Performs all responsibilities related to the management of the CSR staff including but not limited to managing, training, hiring, mentoring, developing, scheduling and directing. Manages customer service center processes and procedures to drive operational excellence for all touch points in the customer experience, including handling customer inquiries and problem resolution for all lines of business. Defines expectations for service teams regarding service level goals, individual and team performance goals, quality assurance targets and productivity levels. Leads and motivates the team to meet their service goals. Meets periodically with direct reports to review performance, identify any issues and set expectations of goals. Drives performance results by managing process improvements, team quality and productivity standards and metrics. Monitors, evaluates and analyzes metrics relating to productivity to ensure operating requirements and compliance with Franchise Agreement standards, including quality assurance evaluations, metrics reports and dashboards for the customer service center. Directs actions necessary to achieve service level and performance goals. Forecasts demands utilizing historical information and current industry trends to anticipate internal and external customer requirements and provide guidelines to ensure continuous improvements. Builds strong relationships and provides customer service expertise to support functional counterparts. Works closely with Division, Area or Corporate personnel to evaluate changes in business processes/procedures and implement appropriate action plans. Plans, coordinates and conducts meetings and presentations to discuss operational procedures, reports and interpret information for all levels of the organization. Participates actively in ongoing training to the team as needed. Maintains and delivers accurate, timely and effective reporting and analysis of customer service metrics and activities. Oversees maintenance and timely updates of information for the customer service center's knowledge management tool to ensure accuracy of information. Partners with operations and sales teams after identifying specific customer services issues/trends; implements appropriate action plans to address. Jennifer will devote approximately 70% of her time to the City of Milpitas during commencement of services, which will taper off to approximately 30% of her time once services are successfully implemented. Nancy will increase the time she devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

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Shawn Smith, Maintenance Manager

Provide direction to all technician levels, as well as the lead technicians, in the maintenance shop and may manage a Site Maintenance Supervisor in a satellite maintenance shop or a Maintenance Shift Supervisor, assigned to his or her work group to ensure that all repair and maintenance work is performed in a safe, efficient and timely manner. Oversee the planning and scheduling of all repair work to increase productivity, while effectively managing the department's overtime. Monitor the shop's operational performance and efficiency and take action to redirect activities as appropriate. Report to management on shop performance, and implement procedures for process or programmatic changes for improvement for efficiencies. Manage lead technicians and maintenance supervisor(s) in the maintenance shop, to include such responsibilities as overseeing daily shop huddles; fleet walks; coaching and counseling lead technician and maintenance supervisor(s) on performance and corrective action, when necessary; make hiring and termination decisions, in concert with Human Resources and appropriate management; oversee employee training and performance evaluation. Maintain an on- going preventive maintenance program for assigned locations. Identify trends in road calls, break downs; oversee maintenance of the building and other facilities on site; control maintenance costs relating to personnel, purchasing, inventory control and outsourcing of repairs. Manage outside repair facilities and repairs to ensure all work is properly completed in accordance with the Company's safety and compliance procedures, and federal and state regulations; follow up where appropriate. Identify training opportunities and, as necessary, document issues and constructively discusses corrective action, as needed, with maintenance supervisor. Conduct Quality Control Inspections, track issues and issue resolution to ensure all works is properly completed and is in accordance with the Company's safety and compliance procedures, and federal and state regulations. Maintain advanced knowledge of engine, emission systems, transmission, brake, hydraulic and electrical systems to manage advanced preventive and repair maintenance functions of heavy equipment and vehicles used by the company, on site and on the road, including: knowledge of vehicle body control systems, including hydraulics and electrical systems to manage the maintenance and repair the vehicles in a timely and safe manner; engine chassis repair and maintenance; knowledge of heating and air conditioning systems to manage diagnosis and repair of complex heating and cooling systems in the vehicles in a timely and safe manner; and knowledge of welding tools to fix heavy equipment in a safe and efficient manner to ensure the equipment is back in an operable condition as quickly and as safely as possible. Manage related administrative matters for the team, including payroll, maintain employee records, maintain records of all preventive and corrective maintenance performed, ensure the appropriate recording of all information into Dossier Maintenance Software, set departmental goals to align with the targets and performance objectives established by the division's leadership team. Shawn will devote approximately 50% of his time to the City of Milpitas during commencement of services, which will taper off to approximately 40% of his time once services are successfully implemented. Shawn will increase the time he devotes to Milpitas as needed based on constant assessment of the performance of programs and services delivered to Milpitas.

Hosea Saffold, Operations Supervisor

Understand and provide leadership to achieve and communicate about safety goals and objectives. Work to remove unsafe conditions or situations from drivers' routes. Work with the sales team to identify and eliminate any unsafe conditions on new routes or for new customers. Partner with the maintenance department to ensure all equipment remains in working order and in compliance with safety

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standards. Oversee effective safety and accident prevention programs to ensure all reasonable actions are taken to prevent accidents and injuries; ensure a safe and productive work environment for all employees; implement and maintain an effective loss control and safety program. Engage assigned employees in active participation to instill a culture of safety by demonstration of a personal commitment to safe operations and active personal outreach to operational employees. Provide service to all customers that meets or exceeds customer expectations with regard to the entire customer experience. Understand missed pick-up goals and meet or exceed expectations related to those goals. Resolve unusual service requests, equipment breakdowns and schedule changes with timely communications to all stakeholders. Interact with customers to solve and rectify any issues and improve the overall customer experience. Serves as a positive representative of the Company to drive customer satisfaction and loyalty to the company. Establish productivity goals where needed; ensure adherence to operating standards; and manage labor hours and disposal expenses per established and agreed plans. Lead drivers to exceed productivity goals and expectations for all routes. Create, modify and improve routes to maximize density and improve efficiency. Reduce route hours to the extent possible with techniques such as service conversions and container upsizing. Execute other operational plans to help achieve or exceed goals. Understand, support and execute service delivery while actively supporting maintenance and the operational role in fleet quality and maintenance. Create a collaborative, communicative team environment and drive employee engagement with the Company. Build and develop talent on the team, understand employees' career goals and provide coaching to get employees ready for advancement with the Company. Hosea will devote approximately 100% of his time to the City of Milpitas before, during and after commencement of services.

Jennifer Crozier, Recycling Coordinator

Develops and implements customer specific recycling and diversion programs and assists in the promotion of recycling efforts. She works directly with the customer base and in collaboration with City staff via telephone, onsite visits, events, trade shows and outreach educational programs to identify and educate customers on proper recycling techniques to improve the quality of materials collected. Monitors and evaluates existing commercial and special event recycling programs and makes recommendations for educational and service improvement. Coordinates and provides input and strategic guidance regarding the customer collection schedule with the Operations department. Creates, develops and implements food waste recycling outreach programs and collateral material for use in promoting food waste education, recycling, and diversion to schools and businesses within the service area. Drafts, organizes and conducts classroom presentations and responds to inquiries about recycling and other waste reduction programs. Drafts, compiles and disseminates communications to customers to assist them in eliminating materials that contaminate recycling waste. Creates or assists in the creation of the company newsletter, semi-annual/annual reports, brochures, pamphlets, ads, slide shows, and other related company publications for internal and external use. Performs commercial waste audits/assessments and recommends service levels for waste and recycling. Conducts and participates in waste characterization studies upon request. Provides customers written reports of findings and recommendations. Compiles statistics for contractual food waste recycling tonnage reports, analyzes data for accuracies and trends. Analyzes monthly reports on outreach activities and maintains a calendar of reporting deadlines. Participates in researching the availability of grants and other funding sources for recycle and waste reduction projects and assists in securing applicable funds. Builds relationships and increases company visibility to promote recycling and diversion programs through participation in community events, trade shows, chamber of commerce meetings and other applicable events, as

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necessary as the company's representative. Organizes and completes proactive scheduled phone block activities to establish initial and follow-up appointments with customer decision-makers. Utilizes the company's tracking and customer based tools on a daily basis, schedules and documents all activities, and develops robust information profiles on current customer base to facilitate and ensure proper recycling habits. Schedules and conducts tours of local transfer stations, landfills or other facilities.

2. Routes/Vehicles/Crew Count

a. Describe your process for determining the number and type of routes, number of vehicles, and required number of crew.

With 30 years of experience in providing service in Milpitas, Republic has created an operational framework that allows the integration of collection techniques and service routes to be done in the most efficient and timely manner. The new services required by the RFP will be complementary to our existing service offerings. Therefore, any service transition will be minimal and can benefit from the experience we have gained locally and throughout our Northern California Area.

Republic's experience and use of advanced industry technologies allow us to create efficient routes that can be modified to accommodate any transition requirements. Our team has a proven track record of working in partnership with City staff to ensure customers receive seamless collection on a daily basis.

Through the use of routing software, Route Editor, in tandem with Republic's customer management system, InfoPro, we can ensure a thorough approach to routing to enhance worker/public safety, create efficiencies, reduce carbon emissions and street wear and tear. The integration of Route Editor and InfoPro ensure the best routing plans for all collection systems within Milpitas. Additionally, our choice of collection vehicles (refer to question 2b) only requires one driver per vehicle. Routing software, estimated truck trip, capacity and payload calculations coupled with institutional knowledge and experience in other jurisdictions is how we determined the number of routes, crew and type of routes to be used in Milpitas.

b. Describe how you decided on your proposed approach to cart collection, including choice of truck type, method of collection, and why you believe it will be more effective than other approaches.

Republic took the proactive step of introducing compressed natural gas (CNG) automated front end load (AFL) vehicles, fitted with a Curotto-Can, in Milpitas in 2012. The AFL is the only vehicle that can efficiently and effectively meet the demands of unlimited collection service in Milpitas. Since all our vehicles currently servicing the City of Milpitas have been recently purchased and are essentially new, we propose beginning the new service agreement with the existing fleet of trucks serving the City.

The automated front-end load vehicle, equipped with a Curotto-can attachment is one of the most efficient and safe collection methods available, as it places the point of collection directly in front of the

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driver's field of vision versus other collection vehicles, which are at the rear or side of the vehicle. This truck also incorporates a 42-cubic yard body for increased payloads and far fewer trips than many other residential collection trucks. The Currotto-can attachment provides for the most universal collection, which is a very important feature in a community with a wide-range of set out options and unlimited service.

The AFL vehicle has 42-cubic yard body and a 4.6-cubic yard device – developed by the Curotto-Can Company in Sonoma, CA - that attaches to the fork of a front-end loader when servicing carts. A lift-arm on the device picks up carts and dumps them into the Curotto-Can. It takes five seconds to stop the vehicle, grip and dump a can and start moving down the street again. In addition to carts, the arm can pick up bulky items like refrigerators and sofas eliminating the need for separate bulky item and clean up routes and further reducing the wear and tear on road surfaces and reducing emissions. After 10 to 15 lifts, the front-end loader's fork arm empties the Curotto-Can into the truck's hopper. The AFL is proven to retrieve and return carts in even the most hard-to-reach locations such as narrow streets, courts and alleyways.

3. How many residential accounts will have a change in day of service?

We do not anticipate any changes in day of service for customers.

4. Base Services - Discuss your proposed Base Services in general, with regard to:

a. How they differ from current services.

Republic proposes to supply all residential customers with a trash carts as part of the cost of residential collection service and eliminate the current practice of charging a cart rental fee. Customers will continue to have the option to use a personal trash can rather than a Republic cart. If this option is selected by the customer, Republic will remove its trash cart at no fee. Inclusion of cooking oil collection, used motor oil and used motor oil filters recycling collection, battery recycling collection, two annual compost giveaway events and sharps disposal by mail. Multi-family dwelling (MFD) yard trimmings service. Commercial organics (yard trimmings and food scraps) collection. This service is an expansion of the existing commercial organics food waste pilot program. Use of the Newby Island Recyclery which offers a commercial diversion rate of 80% diversion of recoverable material and 95% diversion of recoverable residential material. Addition of four free curbside bulky collections for residents or bin-for- a-day, on-call MFD and commercial bulky collections. The latter bulky collection services will be complimented by the assistance of Republic's recycling coordinator to determine logistics of these collections in a way that is most convenient to the customer. Enhanced outreach and technical assistance. Searchable residential collection and street sweeping database. Customer use of Republic's My Resource[®] app which allows all customers to request additional services, check their bill, inquire about their account, report a service issue and manage other account activities all via their mobile device.

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b. Whether your proposed Base Services exceed the requirements of the RFP, and if yes, how.

The RFP does not require CNG collection vehicles, a feature Republic implemented several years ago despite it not being mandated by the current franchise agreement. The AFL vehicle proposed provides the most efficient, effective and safest collection services. These vehicles are not required in the base proposal, yet are far superior than any other residential collection vehicle. The RFP offers that residential cart rental fees may be charged, however Republic proposes to provide residential trash carts at no additional fee to customers. Enhanced public outreach includes comprehensive education programs and incorporates several new programs involving residents and businesses in Milpitas. Such programs include:

- Green Family Spotlight
- Senior Citizen Recycling Ambassador program.
- Business Recycling Recognition
- Green Business Ambassador Training and Engagement Program

School outreach beyond the requirements of the future franchise agreement. Significant community support, leadership and participation in the greening of local special events.

5. Single Family Solid Waste – Discuss:

a. The proposed approach to continued use of customer containers, and why you selected it.

As the incumbent contractor, Republic has provided service to both types of receptacles for many years. This service is familiar to Milpitas residents, so Republic takes no issue in offering the same service upon commencement of the new franchise agreement. The only difference is the proposed option of providing Republic trash carts at no additional cost to the customer and elimination of the current monthly rental fee.

b. The proposed approach to a cart-only system, and why you selected it.

Encouraging residents to subscribe to volume-based trash collection services allows the opportunity for residents to choose the service level that best fits their household and provides for additional opportunities to significantly increase single-family diversion in the Milpitas.

c. Whether the City selects to continue or change collection practices, how will you address customers that may not like the decision?

Over the years, many customers have approached Republic to request smaller carts to accommodate storage restrictions as well as amount of waste generated. Therefore, Republic views the option of offering three cart sizes to meet all customer needs as an advantage, including if the Base Proposal is selected. If the City chooses cart-only service, Republic will address the change in a positive manner by communicating to customers that carts can be replaced at no additional charge when damaged or in need of annual cleaning, that cart sizes may be selected to best meet the needs of the household, that

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lids are attached to the carts and include molded-in signage with guidelines for use, which includes a list of acceptable and unacceptable materials for each container. In either scenario, customers shall receive information advertising unlimited collection for all three collection streams.

d. Customer options for overages under each approach.

Base Proposal:

- Customers may set out an unlimited number of 32-gallon trash bags at the curbside next their can or cart.
- Additional recycling carts may be requested at no additional charge. Customers also have the option to place extra recyclables next to the recycling cart, preferably in paper bags, and cardboard should be broken down for easy collection.
- Yard trimmings overages are addressed by allowing customers to set out their own 32-gallon can labeled with an “Extra Yard Trimmings” sticker provided by Republic customer service. Holiday trees are collected at the curbside during a specified period of time.

Alternative Proposal:

- Customers may set out an unlimited number of 32-gallon trash bags at the curbside next to their cart. Additional trash carts may be requested for a fee.
- Additional recyclables should be placed next to the recycling cart, preferably in paper bags, and cardboard should be broken down for easy collection.
- Additional yard trimmings carts may be requested at no additional charge. Yard trimmings overages are also addressed by allowing customers to set out their own 32-gallon can labeled with an “Extra Yard Trimmings” sticker provided by Republic customer service. Holiday trees are collected at the curbside during a specified period of time.

e. Proposed on-call and “bin for a day” options.

Republic proposes to sort all on-call bulky items at our Newby Island C&D processing facility – an effective method which will result in increased diversion for the City.

Residential Bulky Item Clean-Ups

Republic’s goal is to increase household diversion rates while being responsive to customer needs. Both single-family and MFD which receive curbside collection will have the opportunity request four (4) free on-call bulky item clean-ups per year. Customers will have two options for scheduling a bulky item clean-up which include a convenient bulky item collection request form on our website or call customer service to schedule a pick-up, at which time they will be asked for their name, service address and daytime phone number, as well as what types of items they will be setting out for collection.

Bulky item collection will occur on regularly scheduled collection days with tracking managed via our InfoPro system. Once an on-call appointment is scheduled, the customer will receive a mailed brochure

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confirming collection date and detailing reuse options. It will also include set-out guidelines and provide a visual aid to support the guidelines and accepted materials list. To perform bulky item clean-up service, Republic will collect in AFL trucks - as specified in the collection portion of the Technical Proposal for Base Services - and a flatbed truck to collect large appliances and other recyclable materials. Residents will be instructed to leave materials at the curb on their collection day by 6 a.m.

Bin for a Day

In addition to curbside bulky collection, Republic will offer "Bin for a Day" services as specified by the Future Franchise Agreement. Customers will have the option to order a free "Bin for a Day" as a substitute for the free bulky clean-up. 1- to 4-cubic yard containers will be offered for delivery Monday- Friday on the customer's regular collection day. Republic proposes to remove the container 48 hours after initial delivery. Customers may order the service through customer service or via our website.

MFD and Commercial On-Call Bulky Clean-ups

Prior to the start of the new franchise agreement, Republic staff will meet with each MFD property manager/owner to determine collection locations for on-call bulky items collection. The agreed upon collection details will be provided to customer service and communicated to the MFD resident during scheduling. A brochure, triggered by the customer's request of an on-call bulky item collection, will be sent to the customer's unit prior to their on-call bulky item collection and will include set out guidelines, accepted materials, reuse options (as mentioned above) and move in/move out information. Residents will be billed individually for on-call clean-ups.

For MFD locations that cannot accommodate a specific bulky-item collection location, Republic will coordinate with the property owner/manager to schedule community bulky-item clean-up day. Roll-off box(es) will be delivered to a mutually agreed upon location on the MFD site where residents can dispose of bulky material. Each clean-up event handled in this manner will include a site visit and walk-through with a member of Republic's staff. The clean-up cost will be billed to the MFD directly.

Because Republic has been providing service to MFD in Milpitas for many years, we understand the complexities of overloaded containers due to move in/move out situations, something which infrequent on-call bulky item collection may not always resolve. To that end, Republic has already created collateral material specific to this challenge and regularly delivers them to MFD property owners/managers for distribution to residents. These materials will also be made available on Republic's website and in the bulky collection brochure. The on-call bulky collection program will also aid in minimizing abandoned waste. Commercial customers are offered the option to request a bulky item collection for a fee.

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6. Alternative Services – Food Scraps Collection/Processing and “Other” Alternatives - Discuss:

- a. The proposed approach(es) to food scrap collection and processing, including why you have selected the approach(es) and other communities in which you have used it.**

Single-Family Food Scraps with Yard Trimmings

Republic proposes a comprehensive commingled organics program that adds food scraps and food soiled paper to the existing yard trimmings program for single-family customers. Commingled systems, which collect all organics, maximize diversion and efficiently collect these materials using a single container, unified collection infrastructure, and integrated processing. Republic proposes to collect clean green waste, all food scraps, and food soiled papers that are placed in a single 32-, 64- or 96- gallon cart. Cart size selection will be offered through a subscription mailer. All organic materials will be delivered and processed at Republic's owned and operated, fully permitted Newby Island Composting Facility.

Milpitas single-family residents currently divert 5,157 tons of yard trimmings material each year. By adding food scraps collection, it is anticipated that an additional 479 tons of material will be diverted, which would be 3.5 percent decrease in annual residential disposal. This is based on 87 percent of customer participation.

Republic will offer all residential customers weekly automated collection of organic materials including food scraps and will be serviced with the same equipment and manner as residential solid waste and recycling carts. All residents will receive outreach materials describing how to participate in the program, a kitchen food scraps pail to collect their food and food soiled paper, and an organics cart (blue body with a green lid). The carts will have an in-mold label with organic recycling information and instructions. Food scraps pails will be delivered along with organics carts. Food scraps may be placed in approved biodegradable bags that are accepted at the composting facility. Residents can also use the pail to transport food scraps directly to their cart or use biodegradable plastic or paper bags for this purpose.

Implementing this single-family food scraps recycling program will entail an extensive outreach campaign informing residents of the change and when the program will begin. Our educational materials will highlight specific materials accepted in the program, including food scraps and food soiled paper. Republic will also plan three single-family informational meetings located in different parts of the city, to outline the residential organics implementation plan, discuss what is acceptable in the program, outline the importance of food scrap recycling, and answer any questions. Additional information will be placed on the Republic Milpitas website in a "Frequently Asked Questions" section, and will be updated on a regular basis to add any new questions that arise. Residents are also encouraged to call customer service or stop by the Republic offices to ask questions and receive further clarification. Diversion for this program will be tracked and compared to the existing baseline yard trimmings program annually. This will be accomplished by placing a new code on the customers' account that specifies a commingled organics recycling container. Those codes will generate reports that will identify the cubic yards being generated as well as tonnage from the route servicing the containers. An outreach plan and timeline will be agreed upon by the City and Republic. Republic is proposing full implementation of a comprehensive comingled residential organics program on day one of the new Agreement.

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Republic provides residential organics collection in a number of its service cities including Fremont, Newark and Union City. The method proposed, including distribution of food scrap pails and outreach materials, has proven very successful in ease of use and increasing diversion in these cities and we believe the same results be achieved in Milpitas.

Commercial Yard Trimmings and Food Scraps Collection as Mandated by AB1826 – Post 2017

Republic has proven successful in encouraging participation in recycling services through our AB341 efforts (98% compliance as of May 2016) and intends to respond to AB1826 compliance with the same dedication. It is our intention to expand the commercial organics program by January 1, 2019 for businesses that generate 4 cubic yards or more of commercial solid waste a week.

AB1826 also provides that beginning January 1, 2020, generators of 2 cubic yards or more of solid waste per week must divert yard trimmings and food scraps. However, the 2020 requirement is contingent on a State finding that the level of organics disposal has decreased by less than 50 percent compared to 2014 levels. Republic intends to expand the commercial organics program to include all customers regardless of the State's decision regarding the smaller generators.

Commercial recycling and organics collection will be performed with the same equipment (carts and containers) and vehicles as indicated in Section A of our proposal, under Collection. Republic is proposing to add one full route to collect all organic material and will maintain one full route for recycling collection.

The following areas are a priority for Republic in order to meet Milpitas' needs for reporting and compliance with AB 1826 post 2017:

- Outreach and education: Republic will conduct outreach activities to inform the affected commercial generators of the mandatory recycling requirements and educate commercial generators about recycling opportunities available to them.
- Monitoring: Republic will review lists of affected generators to ensure they are subscribing to and participating in the commercial recycling and organics collection programs. We will also identify and notify businesses that are not in compliance, as well as provide the proper technical assistance to ensure they have recycling and comply with the ordinance.
- Reporting: Republic will report on progress implementing the commercial recycling programs, including outreach, education, and monitoring efforts as part of the Cal Recycle annual report process. This reporting will include the activities to educate businesses on the mandatory requirements, as well as efforts to track and monitor compliance on the part of business.
- Enforcement: Republic will actively seek businesses that do not comply with the regulation and provide technical assistance efforts to recycle. If the business chooses not to comply, Republic will work with the City to develop an appropriate solution and potential enforcement follow through.

Republic currently provides commercial food scraps collection to Milpitas customers through a

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successful pilot program by employing similar methods as proposed. We anticipate the expansion of this program will be seamless and increase diversion exponentially. We also provide commercial organics collection in numerous cities around the Bay Area (Daly City, Fremont, Newark, Union City, Contra Costa County cities, etc.) in the same manner and have reported positive diversion results.

b. Any "Other" services you have proposed.

Republic recognizes the importance of providing multi-family customers with the opportunity to participate in a successful recycling program, especially with the advent of State recycling mandates. As an additional alternative Post-2017 proposal, Republic proposes to go beyond the AB 1826 requirements to offer MFD a two-stream collection service, which includes mixed waste processing and single-stream recycling to significantly increase diversion, with no change in behavior required for residents. No other company can offer MFD collection and processing to the extent Republic is able to for the simple reason that our Newby Island Resource Recovery Park (NIRRP) houses the largest and most capable recycling facility in the world.

With the ability to process up to 145 tons of multi-stream material per hour, this system marks a revolutionary shift in how materials are processed by diverting 80 percent of recoverable commercial material processed and 95 percent of recoverable residential material processed. Our exclusive mixed waste collection and processing system is the optimal solution to easily increase MFD diversion across the board for MFD communities of ALL sizes.

Republic has attempted to find a balance between development of a service package that is comprehensive and state of the art while at the same time being cost effective. We believe we have found this balance in terms of utilizing our extensive asset base in Northern California with the centerpiece being the Newby Island Resource Recovery Park. Republic believes this is the best solution for increasing MFD diversion city-wide, for properties of all sizes. There is no other company that can offer a collection and processing program that will significantly increase diversion with little to no inconvenience to the customer.

It is worth noting that the same high level of customer education and outreach described in our Base Proposal will also occur in our Alternative Proposal for MFD. However, we believe that use of the Newby Island Resource Recovery Park for processing of multi-family waste, which has been historically difficult to achieve high levels of diversion from, is unique and game changing.

To assist Milpitas in 100 percent MFD AB 1826 compliance, while at the same time nearly eliminating any program transition challenges, Republic proposes to offer all MFD communities a two-container system allowing for the continued collection of single-stream recyclables and mixed waste/trash.

Because Republic has the most advanced sorting technology at our fingertips, MFD residents won't be required to make any special considerations or engage in significant source separation beyond the process they are accustomed to.

Through this collection system, we anticipate diverting at least 50 percent more from the multi-family sector than what is currently being diverted. Most importantly, implementation of mixed waste processing in this manner to the MFD sector is essentially invisible to the customer. We will perform the

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characterization of the material within their container and simply route the collection of the material to consolidate it with like kind feedstock from other customers.

Other Service Enhancements and Innovations

Republic proposed a number of service enhancements – some already in place – and additional innovations for the City to consider:

- Continuation of Household Dump Day in its current form
- Replacement of carts at the inception of the new contract and replacement of metal containers over a period of five (5) years. This decreases upfront capital investment and delivery costs.
- We're Looking out for You" Neighborhood Watch Program
- Recyclables Theft Prevention Program - installation of gravity locks on all new and replacement commercial containers.
- Stop-And-Swap Community Reuse Event
- Multi-Cultural and Community Faith-Based Outreach
- Republic Services School Recycling Fair: A school to school contest
- High School Summer Internship Program
- Youth Engagement Dumpster Art Contest
- Eco-Diversion Calculator
- Residential Recycling Pledge Campaign

As a part of our proposal, Republic has submitted an additional considerations section, Section 3A, that we believe will provide the City and its residents with the most comprehensive solid waste and recycling services available, while addressing several long standing issues that are of great importance to the City and its residents. We believe that this element of our proposal would be of great value to the City on many fronts and is worth further discussion as part of the planned negotiation process. We strongly encourage you to review this section of our proposal.

c. Proposer's recommendations for phasing-in, or not phasing-in programs.

Single Family Solid Waste Carts (cart-only service)

Republic proposes to deliver residential trash carts by August 31, 2017 in preparation for the September 6, 2017 franchise start date. Program communication and subscription information will be mailed to residents by June 2017.

Single Family Food Scraps with Yard Trimmings

Program will commence September 6, 2017. Customers will receive program communication and subscription information by June 2017. Food scrap pails organics carts (carts as necessary) will be delivered by August 31, 2017. This method means that new single family co-mingled food scraps and yard trimmings service would be provided at the commencement of the new contract.

Commercial Yard Trimmings and Organics Services

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CONTRACTOR'S RESPONSES DURING CLARIFICATION

Program will officially commence September 6, 2017. However, we anticipate a seamless transition to this service due to Republic's current AB1826 practices leading up to the start of the new contract. Program communication, including technical assistance, will already be in place. Any collection day changes will be communicated prior to contract start.

MFD Mixed Waste Collection

Beginning January 1, 2019, Republic is proposing a two stream approach for all MFD. In this collection program, each MFD would receive separate containers for source-separated recyclables and for mixed waste. All materials will be delivered to the NIRRP for processing. It's important to note that this system can work for small or large MFD so it does not matter what the threshold or number of units is. Currently food scraps are not being collected from MFD nor does AB 1826 require this service. However, Republic's proposed post-collection mixed waste processing will recover food scraps and any dry recyclables placed in the trash.

7. "Single-Family Style"

a. What does "Single-Family Style" mean to you in the context of collection in Milpitas?

Republic's definition of "Single-Family Style" services is in line with the City's definition as any detached or attached house or residence designed or used for occupancy by one (1) family, provided that collection service feasibly can be provided to such premises as an independent unit, and the owner or occupant of such independent unit is billed directly for the collection service. Single-Family includes residential units of a duplex, tri-plex, or four-plex residential structure provided that each unit is separately billed for their specific service level.

b. How does the concept influence the selected services and service approaches?

As the incumbent proposer, Republic is an expert at properly routing and providing the correct service type and billing services for single family dwelling residents. Our selected services and approach to single family collection is tailored specifically to the requirements of curbside service. Further, we are the only proposer that fully understands the needs and intricacies of the numerous high-density single family housing developments throughout Milpitas. This knowledge drove our decision in selecting the AFL vehicle previously described because of the flexibility it affords in can type, material type, containerized material or non-containerized material, unlimited set-out, etc.

8. "Multi-Family Style"

a. What does "Multi-Family Style" mean to you in the context of collection in Milpitas?

Republic's definition of "Multi-Family Style" is in line with the City's definition as residential premises, other than a Single-Family Premises, with five (5) or more dwelling units used for residential purposes (excluding units used for temporary residential purposes such as hotels) that receive centralized collection service for all units on the premises which are billed to one (1) Customer at one (1) address.

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

b. How does the concept influence the selected services and service approaches?

As the incumbent proposer, Republic is an expert at properly routing and providing the correct service type and billing services for multi-dwelling residents. Our selected services and approach to this type of collection is tailored specifically to the requirements of MFDs of any size. Further, State recycling mandates are already being met at 100% of MFD locations.

Having interacted with every multi-family location in Milpitas, we are aware of those that can begin yard trimmings service immediately upon commencement of the contract. Additionally, only Republic has the understanding of how mixed waste service (if selected by the City) will easily be implemented at all MFD locations.

9. Hard-to-Serve

a. What does "Hard-to-Serve" mean to you in the context of collection in Milpitas?

Republic identifies hard to serve accounts as those premises in Milpitas which require special service considerations resulting from one or more factors that affect vehicle operations, access, and safety, including narrow streets, steep streets, areas with overhanging plant growth, cul-de-sacs or other terrain or geography that may interfere with regular collection.

Republic intends to service all single-family carts using an automated front-end load (AFL) truck fitted with a Curotto-Can. The AFL is proven to retrieve and return carts in even the most hard-to-reach locations such as narrow streets, courts and alleyways, enabling the industry's most efficient, safe, and environmentally responsible curbside automated collection services. The AFL is currently being used successfully for collection of residential material.

b. How does the concept influence the selected services and service approaches?

As Milpitas' collection provider for 30 years, Republic is the expert at maneuvering hard to service areas with success and safety. We have met the demands of servicing the increasing number of high-density housing developments in Milpitas efficiently and effectively through open communication with city staff, developers and property managers. As proof of our proficiency, city staff shares new development plans with Republic and relies on our comments including estimated waste generation, suggestions for alternate collection plans and approval for interim collection plans during construction.

c. How does the concept inform service implementation initially, and over time?

Republic is the only company who can continue to provide collection to these areas without transition challenges or interruption in regular service.

10. Street Sweeping – Please describe:

a. Your proposed approach to street sweeping.

The following section details Republic's plan to perform collection for residential and commercial street

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

sweeping services within Milpitas. Having served the sweeping needs of the City for over a decade, Republic is the only company that possesses the extensive local expertise and knowledge to meet the objectives of the City.

Our drivers and administrative staff are familiar with every detail and every special circumstance surrounding sweeping in Milpitas – something that can only come from a company with our longevity in the community. Our experience and understanding of the various requirements are of great value in serving the residents and businesses in Milpitas.

We understand the complexities of providing street sweeping service and have established a system, in partnership with City staff, which responds to the requirements to keep the streets as debris-free as possible. Due to extensive outreach efforts, we touch every customer to ensure they understand the importance of moving cars off the street and proper preparation of yard trimmings for collection.

As we have historically done, our approach involves performing street sweeping routes the day following collection in order to ensure that; 1) materials set out on the day of collection do not interfere with the sweeper's ability to get as close as possible to the curb, where debris tends to collect, and; 2) any debris that might exist from the previous collection day is collected and cleaned up by the sweeper. Republic has proposed the use of a brush/vacuum combination sweeper. This sweeper includes two curb (side) brushes and a center rear brush. Republic's proposed sweeper includes a central vacuum designed to vacuum up loose debris that is either left in the curb or on the roadway or that is dislodged by the sweepers rotating brushes. The sweeper also includes a magnet for nails, screws or small metal material that has the potential to puncture tires.

Street Sweeping Vehicle

Republic proposes to provide street sweeping services using a vehicle with specifications similar to the following:

- Freightliner
- M2 chassis with 152" wheel base
- Cummins clean diesel engine (EGR, diesel particulate filter, electronic engine controls.)
- Elgin Crosswinds sweeper body
- John Deere Power Tech Engine (EGR, diesel particulate filter, electronic engine controls)
- 144" sweeping path with recirculating vacuum head
- Dual side broom assembly
- 8 cubic yard capacity

Republic disposes of collected sweeping material through direct haul or through the use of roll-off boxes placed throughout the City. The use of strategically placed boxes allows for the driver to empty the truck and return to the route in a timely manner. Boxes are located at the Milpitas Sports Center and on Redwood Avenue during fall leaf collection. All boxes are delivered and removed from these locations on a daily basis.

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CONTRACTOR'S RESPONSES DURING CLARIFICATION

b. How does your approach meet, or exceed RFP and technical contract requirements?

Republic's approach to street sweeping services meets the requirements of the RFP. We exceed the requirements by providing excellence in service through our approach to routing and outreach. We understand the challenges that come with sweeping services in Milpitas and will continue to support the City by providing outreach services above and beyond contract requirements such as making a searchable sweeping collection day database available on our website.

11. Outreach – Please describe:

a. Your proposed approach to outreach.

Republic is committed to continuing to work in partnership with the City of Milpitas to develop and disseminate effective, targeted public education and promotional materials on a regular basis to all customers as part of a larger effort to achieve the City's sustainability goals. Republic brings a proactive, integrated approach to its customer communications and will use a variety of methods, such as direct mail, posters, media relations, special events, website and other methods as appropriate, to convey service and recycling messages to reach various audiences. As evidenced by our many years of performing outreach in Milpitas, we have extensive experience designing and implementing customized education and outreach programs that effectively promote recycling and increase diversion.

Due to the robust outreach program(s) Republic is proposing, we would like to refer the City to the following sections of our proposal:

- Section 2, E. Public Outreach
- Section 2, F. Multi-Family and Commercial Recycling and Organics Technical Assistance
- Section 2, I. Multi-Family and Commercial and Organics Plan
- Section 3, D. Commercial Yard Trimmings and Food Scraps Collection
Mandated by AB1826 – Post 2017

a. How does your approach meet, or exceed RFP and technical contract requirements?

Republic has succeeded in 100% MFD AB341 compliance and 98% commercial AB341 compliance. Outreach supporting AB1826 will already be in place prior to September 2017. The proposed outreach program is further enhanced than current practices and, upon commencement of the new contract, Milpitas will already be ahead of the curve when it comes to State recycling mandates, as Republic has proposed implementing the proposed programs ahead of the State's schedule. This significantly exceeds expectations of the RFP requirements.

12. Technical Assistance – Please describe:

a. Your proposed approach to technical assistance.

Due to the robust technical assistance Republic is proposing, we would like to refer the City to the following sections of our proposal:

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

- Section 2, E. Public Outreach
- Section 2, F. Multi-Family and Commercial Recycling and Organics Technical Assistance
- Section 2, I. Multi-Family and Commercial and Organics Plan
- Section 3, D. Commercial Yard Trimmings and Food Scraps Collection Mandated by AB1826 – Post 2017

b. How does your approach meet, or exceed RFP and technical contract requirements?

Our proven success in meeting current State recycling requirements is an indicator of how our approaches to technical assistance meet and exceed RFP requirements. We've also proposed innovative technologies, such as the propriety Eco-Diversion Calculator to support technical assistance and diversion practices for MFD and commercial customers. The ease of use and high success rate of our programs offer cannot be surpassed.

13. Summary Diversion Table - Provide a summary table for all collection programs, by material, that addresses:

- a. Initial (1st year) tonnages collected.
- b. Projected increases/decreases in tonnages collected over the term.
- c. The effect of AB 1826 on the multi-family and commercial sectors.
- d. Diversion rates for each processed stream, and in total.
- e. Residue rates for each processed stream.
- f. Estimates of increased diversion over time by program/stream.
- g. Addition of food scrap collection and processing (assumed to be an initial service).
- h. Addition of any "Other" proposed alternatives.
- i. Any other relevant information.

Please see the attached estimated diversion tables labeled Table 1 and Table 2.

14. Billing Services – Please describe:

a. Your proposed approach to contractor-provided single-family billing.

Republic utilizes an industry leading billing software system called Metavante. Billing staff and CSRs have access to the billing system and Republic's corporate office has system administration rights. Any inquiry or support needed is immediate for our local division.

- All customer rates are entered into InfoPro by Republic's billing staff, CSRs and diversion coordinators where appropriate.
- Each month all data files are transmitted via InfoPro to Metavante and a "full-charge" or amount to be invoiced is available for the billing staff to audit to ensure any discrepancies are adjusted before invoices are sent to customers. During month-end close, all approved charges are sent via Metavante and reviewed one more time prior to invoices being released.
- To make bill paying convenient and easy for customers, Republic offers online

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CONTRACTOR'S RESPONSES DURING CLARIFICATION

bill pay service which allows customers to make one-time payments with either a credit card or electronic debit to a checking account. In the interest of conserving paper, customers who select this option will have the ability to have paperless bills, billing inserts, newsletters, and program announcements sent to an email account. As described in Section G, Customer Service, Republic also offers My Resource™ for convenient invoice viewing and payments. Republic's billing department also supports/accepts electronic funds transfers, automated recurring check or credit card payments, payments by mail, payments made at its office at both the customer service center in Fremont and at the NIRRP, and credit card payments by phone.

- Each month, reports are viewed by the billing staff to review stop service accounts as well as reports that show start service. These service changes could be due to past due balances, business closing, moving or opening. All stops/starts are thoroughly reviewed before changes are initiated. When a customer calls the office regarding a billing inquiry, Republic's CSR will first verify the service level on the account and invoice to ensure the customer is being billed correctly. If the service levels and rate are correct, the CSR will go into the AR screen in InfoPro and check the customer's payment history. If the customer claims they are being billed for a service they did not receive or do not subscribe to, a CSR will send out a Route Supervisor to confirm the service level. The account will be credited immediately if Republic has made an error. If the customer has made an error a friendly phone call to the customer will be placed to give them the opportunity to choose the service level that matches their budget and waste generation rate. All options will be reviewed with them.

Republic's system already includes residential addresses and service information to provide the best possible service when interacting with customers. However, an audit will be performed to ensure all addresses are accurate along with service level. Republic currently invoices all commercial and MFD over five (5) units.

Accounts Receivable

The open item Accounts Receivable system is fully integrated with InfoPro and the General Ledger. This module provides invoice tracking/aging, cash application and collection processing. Cash is received electronically from an external lockbox company and is automatically posted to customer accounts/invoices. The system provides a strong query tool to aid in customer collections in addition to monthly and ad-hoc aged trial balances. Accounts receivable invoice history is maintained for a period of 12 months. At any point in time an invoice may be reprinted at the division. Customer collection notices and interruption service takes place automatically but can be overridden by associates at the division.

Invoicing

Invoice amounts for our customers are produced by the system and then transmitted to our printing service provider. Invoicing is integrated with the General Ledger and AR. On average, we generate over 2.5 million invoices per month. Invoice formats can be tailored for specific customer requirements, such as page breaks or total amounts by service location or other the City required inclusions. Included in the

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

invoicing module are features that allow for tax and fee administration such as Franchise, FRF, ERF, Late and SI.

b. How will you ensure a smooth transition in adding single family billing?

Republic is well-versed in providing single family billing services to thousands of residents throughout the Bay Area. Although we do not currently provide this service in Milpitas, we have built a database that is a mirror image of the City of Milpitas' database, including service levels to assist in ensuring the customer receives the best customer service at the first touch point. Having partnered with the City of Milpitas billing staff for 30 years, we anticipate the billing transition to be seamless. Customers will also receive comprehensive communication in the form of mailers, website and social media outreach regarding the change well ahead of the transition.

c. How does your approach meet, or exceed RFP and technical contract requirements?

Republic's approach already exceeds RFP expectations due to the fact that we currently have a residential database in place that will only require an audit to match the City's customer billing list. This reconciliation of account data would happen several months prior to and would lead up to the date of commencement of services. As previously noted, we also offer the My Resource application which allows customers to easily manage their accounts, a feature exclusive to Republic.

15. Customer Service – Please describe:

a. Your proposed approach to customer service.

Delivering exceptional customer experiences is Republic's number one priority and maintaining high customer satisfaction is the cornerstone of our success. We take pride in the efficiency of our local call center and in our friendly, professional and experienced customer service representatives (CSR). Combining the training of our customer service representatives with ongoing development insures that we meet our customer's needs. In fact, placing the customer first in the moment of decision is one of Republic's core priorities and instilled into all of our customer service representatives and staff nationwide at all levels.

Republic has offered a detailed approach to customer service and we'd like to direct the City to the following sections of the proposal for review:

- Section 2, G. Customer Service
- Section 2, K. Management and Customer Service Systems

b. How does your approach meet, or exceed RFP and contract requirements?

Selecting Republic to remain as Milpitas' service provider will avoid the challenges that come with transition. Customers can rest assured that any changes to the collection program upon commencement of the new franchise will be handled expertly. Republic's customer service department is known for its organized and systematic planning and implementation of any new services with particular emphasis on a high degree of communication between us, City staff and our residential and commercial customers

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

prior to, during, and after the start of any adjustments to service. This is emblematic of our commitment to excellence in customer experience. Republic's use of propriety mobile applications to allow customers to access their accounts, request service, report a service issue, etc. also far exceeds any of the RFP requirements around customer service. Republic prepares a comprehensive program plan that details the duties and responsibilities among the various key employees.

16. Materials Processing

a. How will you ensure that each type of collected material meets the necessary specifications for processing?

To achieve the highest and best use, Republic processes recovered recyclables to minimize contaminants shipped to the manufacturers of new products who buy our recovered materials. As the most advanced recycling facility in the world, Newby Island has the ability to sort and recover large amounts of recyclables. The process maximizes both the amount of material diverted from the landfill and the amount of recyclables available for our buyers. Additionally, Republic works with the buyers of our materials to make sure that they are getting only the materials that they want.

Republic has historically been able to effectively move recovered materials to buyers because of the rigorous methodology used to ensure the highest quality. The facility has a dedicated material analysis station where randomly selected loads are inspected before being processed. By carefully sorting these materials, we are able to ensure that our high standards are being met by our staff. This is exemplified by our ongoing use of the sorting station to analyze material received, as well as, our fully processed materials. We also sort materials bound for landfill to ensure that we are not losing valuable recyclables.

17. Temporary Debris Box Service - Please describe:

a. Your proposed approach to exclusive provision of temporary debris box service.

Republic would like to direct the City to Section 3, E. Temporary Debris Box Service for a detailed proposal of our debris box service. We believe this approach is most beneficial to the City as it will ensure the City receives proper and promptly reporting of diverted materials, so that the City can be compliant with State reporting requirements and we believe including temporary debris box service in the City's new Franchise Agreement will yield approximately \$160,000/year in otherwise unrecovered franchise fees.

b. Why do you believe a shift to exclusive service would, or would not be beneficial?

Exclusive debris box service will ensure continuity in pricing, provide for guaranteed franchise payments to the City and customer service. Often, other temporary debris box haulers cannot be counted on to provide consistent collection and reporting. We believe this approach is most beneficial to the City as it will ensure the City receives proper and promptly reporting of diverted materials, so that the City can be compliant with State reporting requirements and we believe including temporary debris box service in the City's new Franchise Agreement will yield approximately \$160,000/year in otherwise unrecovered franchise fees.

EXHIBIT I-2 CONTRACTOR'S RESPONSES DURING CLARIFICATION

18. **Transition** - Should Republic not be selected as the next service provider, what specific steps will you take to coordinate and help ensure a smooth transition to the new service provider? Your response should address, at a minimum sharing current customer lists (with addresses, service levels and billing information), and switching out containers in a manner that ensures uninterrupted service.

Republic is committed to delivering upon the transition requirements indicated in the current franchise agreement with the City of Milpitas. We will provide all current customer lists with the appropriate information in an electronic format (i.e., Excel) including addresses and services levels. We will share all billing information in our system in an electronic format. In the event there is a transition to a new contractor, we will work with that contractor to switch out containers in a manner that ensures uninterrupted service. This will include collaborating on delivery and exchange dates and may also include discussions regarding the purchase of containers already in place.

BASE PROPOSAL - CITY OF MILPITAS ESTIMATED DIVERSION TABLE

TABLE 1

| SERVICE | PROGRAMS | ESTIMATED DIVERSION - BASE | | |
|--------------------|-----------------------------|---|---|--|
| | | BASE Proposal Tons Collected YEAR 1 | BASE Proposal Estimated Diversion (Net of Residue) | Estimated Annual Increase in Diversion after YEAR 1 |
| CARTS | Solid Waste | 13,118 | 0 | N/A |
| | Recyclable Materials | 4,787 | 4,548 | 2%-4% |
| | Yard Trimmings | 5,157 | 5,028 | 2%-4% |
| | On-Call Collections | 1,727 | 831 | 0% |
| BINS | Solid Waste | 24,539 | 0 | N/A |
| | Recyclable Materials | 7,073 | 6,507 | 2%-4% |
| | Multi-Family Yard Trimmings | 742 | 713 | 2%-4% |
| | Commercial Yard Trimmings | 1,040 | 998 | 2%-4% |
| | Commercial Food Scraps | 3,119 | 2,901 | 2%-4% |
| | MF/Comm On-Call Collections | 576 | 271 | 0% |
| DEBRIS BOXES | Solid Waste | 9,739 | 0 | N/A |
| | Recyclable Materials | 3,502 | 3,222 | 2%-4% |
| | Organic Materials | 884 | 862 | 2%-4% |
| | | 76,003 | 25,881 | |
| % DIVERSION | | | 34.1% | 2%-4% |

EXHIBIT I-2 CONTRACTOR'S RESPONSES DURING CLARIFICATION

ALT. SERVICES PROPOSAL - CITY OF MILPITAS ESTIMATED DIVERSION TABLE

TABLE 2

| SERVICE | PROGRAMS | ESTIMATED DIVERSION - ALT. SERVICES | | |
|--------------------|--|--|---|---|
| | | ALT. SERVICES Proposal Tons Collected YEAR 1 | ALT. SERVICES Proposal Estimated Diversion (Net of Residue) | Estimated Annual Increase in Diversion after YEAR 1 |
| CARTS | Solid Waste | 12,639 | 0 | N/A |
| | Recyclable Materials | 4,787 | 4,548 | 2%-4% |
| | Organic Materials | 5,636 | 5,473 | 2%-4% |
| | On-Call Collections | 1,727 | 1,695 | 0% |
| BINS | Solid Waste | 17,368 | 0 | N/A |
| | Multi-Family Mixed Waste ¹ | 3,409 | 2,047 | 2%-4% |
| | Recyclable Materials | 7,073 | 5,274 | 2%-4% |
| | Commercial Yard Trimmings ² | 2,280 | 2,163 | 2%-4% |
| | Commercial Food Scraps | 6,383 | 4,533 | 2%-4% |
| | MF/Comm On-Call Collections | 576 | 271 | 0% |
| DEBRIS BOXES | Solid Waste | 9,739 | 0 | N/A |
| | Recyclable Materials | 3,502 | 3,222 | 2%-4% |
| | Organic Materials | 884 | 765 | 2%-4% |
| | Construction & Demolition ³ | 11,050 | 7,735 | 2%-4% |
| | | 87,053 | 37,726 | |
| % DIVERSION | | | 43.3% | 2%-4% |

¹To keep consistent with cost forms, this diversion table assumes all multi-family mixed waste service will be 'Bin' service. Multi-Family Yard Trimmings will be part of the Multi-Family mixed waste stream.

²To keep consistent with cost forms, this diversion table assumes all Commercial Yard Trimmings will be 'Bin' service.

³Assumes exclusive debris box service for C&D

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CONTRACTOR'S RESPONSES DURING CLARIFICATION

Additional Questions Sent via Email May 31, 2016
with Email Responses from Evan Boyd (Republic)
to Peter Deibler (HF&H) June 2nd, 2016

1. Total Tonnages – Please explain the basis for assumption of a drop in total collected tonnage (as seen in Form 2 of the base cost forms) from figures provided in the RFP.
We removed the self-haul and Household Dump Day tonnages.

2. Accounts – Accounts found in Form 2 of the base cost forms show commercial/MFD SW accounts of 543 (almost half of RFP figures), and SW roll-off accounts of 304 (more than five times RFP figures). Please explain the basis for such a large variance from RFP figures.
You need to add up all of the different service types, MSW, Recycling & Organics. Our proposed containers are what we think will be needed for the start-up, after right sizing and waste audits. The rolloff customer list was a snapshot in time and does not represent the full capacity needed to run the system throughout the entire year. There are seasonal increases that require additional resources. Our numbers ensure that we are able to meet the City's peak demand without any delays.

3. "Stinger"/Other Smaller Trucks – Do you commit to provide stringer trucks, pick-ups with lifts, and/or smaller volume route trucks at no added cost if necessary to meet various hard-to-serve collection needs?
Stingers, flatbeds, smaller collection equipment and boom trucks needed to conduct service in hard-to-serve areas are included in our cost proposal for service initiation under current conditions. As new development occurs in the City of Milpitas, we will evaluate that growth on a case by case basis to determine whether it is classified as a hard-to-serve location. If a substantial amount of hard-to-serve developments are added to the City over time, discussions with the City regarding additional costs may be required. However, we do not anticipate those discussions being required in the first five years of the contract with current planned development in the City of Milpitas.

4. Temporary Debris Box Service in the Base Services – Please confirm that your Base services costs do not include any costs associated with providing temporary debris box services through the non-exclusive system.
That is correct.

5. Organics Processing - During your interview, you verbally described your plans to change the current composting process in use at Newby Island. Please provide a written commitment about the selected technology, its environmental advantages with relation to open windrows, and the timeline for implementation.
The Newby Island composting facility will be converted to the Aerated Static Pile (ASP) processing method by the end of 2017. This method utilizes forced air from a pneumatic piping system through the base of the rectangular compost piles approximately 100' X 75' in dimension with periodic watering to bring organic material to maturity after initial removal of

EXHIBIT I-2

CONTRACTOR'S RESPONSES DURING CLARIFICATION

contaminants and shredding/grinding. A layer of finished compost or ground wood chips is placed over the material while it is composting to reduce emissions and filter any potential odors coming from the piles. The footprint of the compost area will be roughly half the size of the current open windrow system and there is no turning of the piles while the material is curing. Each compost area is separated by concrete blocks that delineate segments of material and assist with tracking and management of inbound and outbound individual lots of material. As discussed in our interview, RSG would be willing to enter into discussions with the City which would reduce the amount of organic material accepted at the facility to roughly half of today's current inbound flow (from 160,000 tons annually to approximately 80,000 tons annually). This would further reduce the footprint of the facility.

6. Commercial Food Scraps Carts – The Base cost forms show no costs or operating statistics for commercial food scraps carts. Is this service included in the commercial bins line of business?
That is correct, the costs are on Form 6B column N and the last table on Form 10.

7. SFD Food Scraps – The Alternative cost forms do not include operating statistics (other than tons) for Single Family food scraps, Commercial expanded food scraps, or multi-family or commercial expanded yard trimmings collection. Is the intent that these will be performed within the operating statistics contained in the Form 2 of the Base proposal?
Yes, that is correct.

8. Capital – Form 4 “Capital” shows 547 Debris Boxes to be purchased for \$3,569,940 for a per unit cost of \$6,526. Please confirm the number of debris boxes and the dollar amounts are correct.
Yes, the numbers are correct. The reason that the average cost per unit seems high is that we own all of the compactors at the Great Mall and they will also need to be replaced.

9. Street Sweeping – Form 4 does not include a cost for the Street Sweeping Vehicle. Please explain.
When we were asked to convert our proposal from used CNG to all new CNG we inadvertently left off the Street Sweeper. The cost forms have a replacement in year#5 but we will replace the Sweeper in year#1 without any added costs to our proposal.

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**EXHIBIT J:
PERFORMANCE
BOND**

EXHIBIT J PERFORMANCE BOND

This Exhibit shall be prepared based on Contractor's Proposal and included with the final Agreement:

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**EXHIBIT K:
LABOR
AGREEMENTS**

COLLECTIVE BARGAINING AGREEMENT

July 1, 2015 to June 30, 2019

BETWEEN

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
DBA REPUBLIC SERVICES OF SANTA CLARA COUNTY

Drivers and Mechanic/Shop Classifications

AND

SANITARY TRUCK DRIVERS AND HELPERS UNION

TEAMSTERS LOCAL NO. 350

| | |
|--|----|
| ARTICLE 1 RECOGNITION | 1 |
| ARTICLE 2 UNION SECURITY AND CHECK OFF | 1 |
| ARTICLE 3 HEALTH AND WELFARE | 2 |
| ARTICLE 4 PENSION | 3 |
| ARTICLE 5 CLASSIFICATION AND WAGE RATES | 5 |
| ARTICLE 6 MANAGEMENT RIGHTS | 6 |
| ARTICLE 7 HOURS OF WORK | 6 |
| ARTICLE 8 SENIORITY AND ASSIGNMENT OF WORK | 8 |
| ARTICLE 9 HOLIDAYS | 11 |
| ARTICLE 10 VACATIONS | 12 |
| ARTICLE 11 LUNCH PERIOD | 13 |
| ARTICLE 12 FUNERAL LEAVE | 14 |
| ARTICLE 13 SICK LEAVE AND BONUS | 14 |
| ARTICLE 14 LEAVE OF ABSENCE | 14 |
| ARTICLE 15 ON-THE-JOB INJURIES | 15 |
| ARTICLE 16 SAFETY AND EQUIPMENT | 15 |
| ARTICLE 17 NO STRIKE - NO LOCKOUT | 17 |
| ARTICLE 18 NON-DISCRIMINATION | 17 |
| ARTICLE 19 GRIEVANCE AND ARBITRATION | 17 |
| ARTICLE 20 DISCHARGE AND SUSPENSIONS | 18 |
| ARTICLE 21 ALCOHOL AND DRUG USE | 19 |
| ARTICLE 22 DRIVER TRAINING | 19 |
| ARTICLE 23 JURY DUTY | 19 |
| ARTICLE 24 SAVINGS CLAUSE | 19 |
| ARTICLE 25 PAYROLL DEDUCTIONS | 20 |
| ARTICLE 26 EMPLOYEE LOYALTY | 20 |
| ARTICLE 27 DRIVER'S LICENSE | 20 |
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GARBAGE SERVICE AGREEMENT

THIS AGREEMENT is made and entered into by and between SANITARY TRUCK DRIVERS AND HELPERS UNION, LOCAL 350, an affiliate of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter referred to as the "UNION", and ALLIED WASTE SERVICES OF NORTH AMERICA, LLC dba REPUBLIC SERVICES OF SANTA CLARA COUNTY ("COMPANY") hereinafter referred to as the EMPLOYER and/or COMPANY".

WITNESSETH:

The parties hereto, acting by their duly authorized agents, in the interest of establishing friendly relations to the mutual benefit of all parties, hereby and herein agree to following:

ARTICLE 1- RECOGNITION

The Employer recognizes the Union as the sole collective bargaining representative for all employees of the employer working in the classifications hereinafter set forth, except and excluding office clericals, guards, and supervisors of said Company as defined in the National Labor Relations Act.

ARTICLE 2 - UNION SECURITY AND CHECK OFF

It shall be a condition of employment that all employees covered by this Agreement shall apply for membership in the Union on or after the thirty-first (31st) day following the beginning of their employment or the effective date of this Agreement, whichever is later, and as a condition of continued employment, shall maintain their membership in the Union in good standing. A member in good standing shall mean any member who pays or tenders payment of regular initiation fees and dues to the Union. Written evidence of loss of good standing will be submitted by the Union to the Employer before severance is made from the payroll.

The Employer agrees to make deductions from employees' wages for Union membership dues (including any past dues owed but unpaid) and assessments only on the following basis:

1. The Union must present the Paymaster with a legal written authorization dated and signed by the employee. Such authorization must be in the form shown on Exhibit "A" attached to this Agreement and by reference made a part hereof
2. The Union agrees to furnish to the Employer written notice of the amount to be deducted for dues and of the identity of the Union official authorized to receipt of such deduction.
3. The deduction will be made once each month on the first payroll in the month. If the employee does not receive a paycheck on that day for any reason, the Employer's obligation is discharged insofar as the deduction for that month is concerned.
4. The Employer's obligation in this Article ceases any time he does not have signed acknowledgment of ninety percent (90%) of the employees.

5. The Union shall save the Employer harmless from any claims, demands, or other proceedings in connection with the deductions or any action taken hereunder and the Union shall be responsible for the adjustment of any claims by the employee involved.

ARTICLE 3- HEALTH AND WELFARE

If an employee is off work due to illness or injury on state disability, any benefit, except health and welfare insurance and vacation (which is covered in Article 10), due him or her under the Collective Bargaining Agreement shall be paid for a maximum of twelve (12) months. Any benefits to employees being paid under workers compensation laws except vacation (which is covered in Article 10) shall terminate after 24 months. Health and welfare benefits shall continue for a maximum of 24 months for any employee who is off due to any illness or injury, workers compensation or on state disability. No employee shall suffer a reduction from his or her hourly wage rate by the implementation of this Agreement. In order to return to work, the employee must have a valid California Driver's license of the proper class needed to perform the employees job duties.

Section 1. Health: The Employer shall provide Teamsters Benefit Trust fund (Plan 1). The cost of the Plan, effective July 1, 2015 will be \$1,982.00 per month per employee. In order to provide all eligible employees with a comprehensive health plan, the Employer agrees to maintain and continue group health coverage under the Teamsters Benefit trust (Plan 1) in effect, August 1, 2014. The Employer shall provide this Plan for the duration of the collective bargaining agreement. The above plan shall provide the following benefits.

Section 2. Vision Care: The Plan (1) shall include a Vision Care Plan for all eligible employees and their dependents.

Section 3. Income Protection: The Plan (1) shall provide a weekly Disability Coverage Plan for all eligible employees in accordance with the Teamster's Benefit trust (Plan 1) in effect July 1, 2015. This Plan, combined with the Supplemental Disability Plan D1-7, will entitle eligible employees to a payment in the amount of \$60.00 per week for the maximum period of twenty-six (26) weeks. In addition, the Employer agrees to increase this benefit with an additional \$20.00 per week (D1-1) at the additional cost of \$4.90 per month per employee.

Section 4. Orthodontic Care: The Plan shall provide Orthodontic Care for all eligible employees and their dependents.

Section 5. Additional Dental Benefits: The Plan shall provide dental benefits under the Teamsters Benefit Trust in effect July 1, 2015 for eligible employees and their dependents, which benefits are at the level of 90% of usual, reasonable and customary dental charges.

Section 6. Eligible Employee: An eligible employee is one who has completed his probation period and receives compensation for eighty (80) or more hours during any month he employed by the Employer. For probationary employees, all premiums for any month the probationary employee had eighty (80) hours or more, the premiums shall be paid upon completion of the probationary period. The Employer will pay into the Health and Welfare Trust Fund the premium for each employee for any such month commencing on the tenth (10th) day of the month following the effective date of this Agreement.

Section 7. Health and Welfare Contributions: Contributions for each eligible employee shall be paid by the Company on the tenth (10th) day of the month for the preceding month.

Section 8. Maintenance of Benefits: Notwithstanding the foregoing specified amounts, the Employer shall pay the premiums set by Trustees of the Trust Fund to maintain the benefits provided under Teamsters Benefits Trust Fund (Plan 1).

Section 9. Retirement Security Plan: In addition to maintaining Teamster Benefit Trust Health and Welfare Plan in effect, as provided above, the Employer shall also make such contributions, subject to the procedures stated below, as are necessary to implement the Trust Fund's Retirement Security (RSP) Plan, which provides for Health and Welfare benefits for retired employees. Additional increases in contributions for RSP as may be established by the Trust Fund's trustees during the term of this Agreement and will be paid by the Employer. The Employer shall provide Teamsters Benefit Trust retirement Security Health Plan (RSP). The cost of the Plan, as of June 30, 2015 is \$571.92 per month per employee. The Employer agrees to pay the monthly premium established by the Trust Fund's Trustees which is in effect as of June 30, 2015.

ARTICLE 4 – PENSION

Section 1. Effective July 1, 2012, the Employer shall pay to the Western Conference of Teamsters Pension Trust Fund on account of each member of the bargaining unit from the first compensable hour Contributions shall be made on all straight time hours worked to a monthly maximum of 184 hours per month.

Time paid for but not worked such as holidays, vacation, and sick leave shall be considered as time worked for the purpose of this section.

1. Effective July 1, 2015, the total contributions to the Western Conference of Teamsters Pension Trust shall be the accrual rate of \$4.60 per compensable hour which includes Peer-84.
2. Effective July 1, 2016, the rate increase shall be as follows, an accrual rate of \$4.75 per compensable hour which includes Peer-84.
3. Effective July 1, 2017, the rate increase shall be as follows, an accrual rate of \$4.95 per compensable hour which includes Peer-84.
4. Effective July 1, 2018, the rate increase shall be as follows, an accrual rate of **\$5.10** per compensable hour which includes Peer-84.

The contribution required to provide the Program for Enhanced Early Retirement will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.

The total amount due for each calendar month shall be remitted in a lump sum not later than ten (10) days after the last business day of each month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the determination of the hours for which contributions are due, the prompt and orderly collection of such amounts and the accurate reporting and recording of such hours and such amounts of each member of the bargaining unit. Failure to make all payments herein provided for within the time specified shall be a breach of this Agreement.

The parties agree to execute a suitable supplemental Letter of Understanding, consistent with the foregoing employer contribution rate obligations and conforming to language acceptable to the Trustees of the Plan, upon request.

Military Service. The Uniformed Service Employment and Reemployment Rights Act (USERRA) became law on December 12, 1994. The Employer has the following obligations regarding an employee who leaves covered employment to enter military service and thereafter returns to the WCTPTF just as if the employee had continued in covered employment without interruption.

First, if the employee is absent from work for no more than thirty (30) consecutive days because of military service, the Employer is obligated under USERRA to continue making pension contributions to the WCTPTF, just as if the employee had continued in covered employment without interruption.

Second, if the employee is absent from covered employment for more than thirty (30) days because of military service and then returns to work for the Employer with his or her USERRA reemployment rights protected, the Employer is obligated under USERRA to do the following.

The Employer must notify the WCTPTF in writing within thirty (30) days after the employee returns to work.

SUPPLEMENTAL INCOME 401(K)

Effective October 1, 2012, the Employer agrees to recognize all written authorizations from the union members covered by this agreement authorizing deductions from their compensation for contributions to a Supplemental Income 401(k). This Plan will be administered by New York Life at no cost to the Employer. The parties recognize that due to the need to make administrative and payroll changes in order to participate in this Plan, actual participation may be delayed for a reasonable period of time to allow the administrative and payroll changes to be made. The participation in the Plan will be on a voluntary basis, without cost to or matching from the Employer.

ARTICLE 5 - CLASSIFICATION AND WAGE RATES

Section 1. The basic rates for employees covered by this Agreement shall be as follows:

| | 7-1-15 | 7-1-16 | 7-1-17 | 7-1-18 |
|-----------------------------|---------|---------|---------|---------|
| Drivers | \$37.80 | \$38.90 | \$40.15 | \$41.35 |
| Truck Mechanic/Truck Welder | \$39.50 | \$40.60 | \$41.85 | \$43.05 |
| P M Techs/Container Utility | \$35.84 | \$37.09 | \$38.34 | \$39.59 |
| Cointainer Utility** | \$37.80 | \$38.90 | \$40.15 | \$41.35 |

(Shop Laborer class and rates shall be in a side letter which is attached to this Agreement)

* All Lead Employees shall receive 5% per hour over the scale of the above classifications which they lead.

With respect to PM Techs, the current PM Techs would be paid the above listed wages. Any newly hired PM Techs would be hired as mechanics and would have to be qualified as mechanics performing mechanic work and preventative maintenance work on a truck. If a current PM Tech(s) becomes qualified as a mechanics, the PM tech would be paid at the Mechanic Rate.

** If the Container Utility employee in that classification drives on Public roads they will be paid at the Driver classification rate of pay.

The Container Utility position encompasses all aspects of container repair including washing, painting and welding of containers.

Should an employee employed in the Container Utility position obtain a CDL, the employees rate will be increased to the Driver rate in place at the time.

Should the company in the future incorporate a helper classification the Union and the Company will negotiate the wages for this classification at that time.

Mechanics Certification.

In addition to the hourly wages listed in section (1) above, the following increases will apply. A.S.E. Certified mechanics will receive a base hourly wage increase based on the level or levels of certification they obtain and maintain. This certification is available to the Assistant Mechanics, and the Mechanics.

- 1st Level: Diesel Engine Certification 5%
- 2nd Level: Certified Master Technician T3, T4, T5, T6, & T8 5%

The maintenance shop personnel who perform the work of Lube Preventive Maintenance Person will receive a maximum base hourly wage increase of 4% if they pass the T8 test.

Employees hired after ratification, shall be hired under the following wage percentages which take precedence over any conflicting wage in the Collective Bargaining Agreement, all others shall be moved to 100% upon ratification.

| | |
|--|---------------------|
| During the first 120 days of employment | 80% of hourly wage |
| During the second 120 days of employment | 90% of hourly wage |
| After completion of second 120 days | 100% of hourly wage |

Employees previously employed under a collective bargaining agreement with the Union in any of the classifications listed in this section, who can perform the job will immediately receive 100% of the full contract hourly rate, regardless of the number of hours worked.

ARTICLE 6 - MANAGEMENT RIGHTS

It is recognized that in addition to other functions and responsibilities, the Employer has and will retain the right and responsibility to direct the operations of the Employer and in this connection to determine the assignment of all work to employees; the scheduling of routes and the methods, processes, and means of operation, to select, hire, promote, demote, and transfer employees, including the right to make and apply rules and regulations for discipline, efficiency, and safety; to determine the number of hours per day or week that operations shall be carried on; to determine and to select the equipment to be used in the Employer's operations and from time to time, to change or to discontinue the use of any equipment and to select new equipment for its operations, including equipment for new operations. Provided that in exercising any of these enumerated functions management will not do anything which conflicts with or is inconsistent with other terms and conditions of the collective bargaining agreement.

ARTICLE 7 - HOURS OF WORK

Section 1. Forty (40) hours of work shall constitute the maximum straight time work week. The normal work- week shall be Monday to Friday. The Employer will be allowed to assign (Driving classification) a limit of one (1) employee to a (1) Tuesday-Saturday five consecutive eight hour days, starting with the first day of each employees assigned regular work week. Present employees should be given the opportunity to remain in the one (1) position concerning the special work- week (Tuesday-Saturday). In the event the present employees in the above shifts decline, then the employer shall post it on the bulletin board for volunteers. In the event there are no volunteers, the Employer shall be allowed to assign the two least senior drivers to the above positions. In addition, the Company may assign one mechanic to a Tuesday through Saturday shift. Any shop employee assigned to a Tuesday through Saturday shift shall receive a \$.50 per hour premium over their base wage rate. This shift shall be posted and bid on in accordance with seniority among the mechanics. If no mechanic bids this shift, it shall be assigned to the lowest senior mechanic.

Section 2. All work performed in excess of eight (8) hours in any work day shall be paid for at the overtime rate of one and one-half (1 1/2) times the straight time rate. All work performed in excess of twelve (1) hours in any work day shall be paid for at the overtime rate of Two (2) times the straight time rate.

Section 3. All work performed on Saturday (or the sixth work day for the one (1) route outlined in section 1 above) shall be paid for at the overtime rate of one and one half (1 1/2) times the straight time rate: all work performed on Sunday (or the seventh day for the two (2) routes outlined in section 1 above) shall be provided for at two (2) times the straight time rate. Employees required to work on Saturday (or the sixth work day as outlined above) shall be guaranteed eight (8) hours pay at the applicable overtime rate. Employees required to work on Sunday (or the seventh work day as outlined above) shall be guaranteed four (4) hours pay at the applicable overtime rate if they actually work fewer than four (4) hours. Should they work more than four (4) hours, they would be guaranteed eight (8) hours pay at the applicable overtime rate.TA

Section 4. It is agreed that overtime may be required from time to time.-Daily overtime shall first be offered on a voluntary basis based upon volunteers who have signed a daily overtime volunteer list for the week. The Company will not assign daily mandatory overtime (i.e., overtime assignments to complete open or delayed routes) unless all available casual employees are working. It is agreed mandatory/call-out overtime shall be offered in a descending seniority order, and the Company retains the right to require junior qualified employees to perform such call-out over-time work, in reverse seniority order.

Section 5. All regular employees who have completed their probationary period shall be guaranteed forty (40) straight-time hours of pay per week provided such employees make themselves fully available for work and report to work at their regular starting times designated by the Employer, provided, however, such guarantee shall not apply to employees who voluntarily quit or who are laid off or who are discharged for cause. In addition, it is understood between the parties, the top ten (10) senior casual employees who have completed their probationary period shall be guaranteed forty (40) straight-time hours of pay per week provided such employees make themselves fully available for work and report to work at their regular starting times designated by the Employer.

Section 6. Every employee assigned a specific route shall be guaranteed eight (8) hours' pay per day for completion of the route regardless of the actual time required to finish the route. If a route is completed in less than eight (8) hours in a day, the employee shall report to the office before going home.

Any employee who completes his assigned route in less than eight (8) hours may agree to accept another available work assignment. If such assignment is offered and accepted, the employee shall be paid at the rate of one-and-one-half times his regular rate of pay beginning at the time of reassignment and ending upon completion of the second assignment. Such pay will be in addition to the eight (8) hours pay given for completion of the route.

Reassignment pay shall not be granted for any work performed on the employees daily assigned route.

Section 7. Any employee scheduled to work a full day and working any part of a day shall receive a full day 's pay if he presents himself at starting time and is available for work during all of the working day. If the employee, after reporting for work, makes himself unavailable for work for

reasons other than an industrial injury, said employee shall be paid for the time he made himself available for the work only.

Section 8. Changing the start time shall be at the discretion of the Employer, with reasonable notice posted on the bulletin board of at least twenty-four (24) hours. If the Employee is requested to report to work before his regularly scheduled start time, the employee shall be compensated at the overtime rate of one and one-half (1 1/2) times the applicable hourly rate for all hours worked before his regularly scheduled start time, except that an employee will be paid at his regular rate of pay if his start time is changed at his request and approved by management.

Section 9. Casual employees shall not be under the weekly guarantee if they are not hired to permanently replace a regular employee, subject to Section 5 above. Casual employees shall be emergency employees hired for temporary replacement of a regular employee who is who is absent.

Section 10. All weekend overtime shall be rotated on a fair and equal rotation among all qualified drivers by seniority based on the posted sign-up sheet for weekend overtime so long as the driver has available hours. Such sign-up sheet will be posted every three (3) months. If overtime work is required beyond the number of employees who have volunteered by signing the sign-up sheet, the Employer may mandate overtime by requiring junior qualified employees to perform such weekend overtime work in reverse seniority order.

ARTICLE 8 - SENIORITY AND ASSIGNMENT OF WORK

Section 1. Seniority for purposes of establishing eligibility for benefits, competitive purposes or lay-offs provided in this Agreement shall be based on the employees most recent date of employment with the Company. Layoffs due to slackness of work shall be made in accordance with seniority. The last employee hired shall be the first employee laid off. In rehiring, the last employee laid off shall be the first rehired within the seniority category involved, until the seniority list is exhausted, unless the employee recalled is unable to perform the work available. Seniority shall be recognized in two categories: (1) Mechanics/Shop Classifications which includes Container/Utility and (b) all other classifications (Drivers). The employees rate of pay shall be that of the job which he is actually performing.

Section 2. Seniority shall not apply to an employee until he shall have been employed by the employer for one hundred twenty (120) calendar days. During such period, an employee may be laid off or terminated in the sole discretion of the Employer. Seniority shall commence upon the completion of such period. Upon attainment of such seniority, an individual shall be considered a seniority employee back to their date of hire.

Section 3. Seniority will be broken and the employment relationship will cease in the event of discharge, resignation, off work for twelve (12) consecutive months for any reason other than disability due to injury sustained in the service of the Employer compensable under the Workers' Compensation laws or off work on State Disability Insurance, absence for two (2) working days without notifying the Employer, transfer out of the bargaining unit, failure to return within three (3) working days following the sending of a notice of recall to an employee's last known address as shown on the Employer's records, retirement, settlement has been made for total and permanent disability or he fails to return to work at the expiration of a leave of absence. The Employer has the right, prior to reinstating to active employment an employee who has been off work due to

injury or illness, to have said employee examined by the Employer's doctor for fitness to return to his job. An employee who is off work due to injury or illness sustained in the service of the Employer compensable under the Workers Compensation laws shall be returned to work when certified by a Company physician as fit to work regardless of the length of time he is off.

Section 4. Notice of recall shall be sent to the employee at their last known address, as filed with Employer, by United Postal Service (UPS), with a copy to the Union. In the event of layoff an employee so laid off shall be restored to duty according to seniority provided he reports to the call of the Employer which shall be communicated to the employee at his last known address, as filed with the Employer by UPS and to the Local Union by fax or UPS and provided the employee reports for duty within seventy-two (72) hours exclusive of Saturday, Sunday or holidays, from the time of said call. The giving of said call shall fulfill the obligation of the Employer under this provision.

Section 5. The Company shall have the ability to make 1 major route change by line of business per year without having to rebid any routes. Thereafter, when a vacancy or major change in routes in any line of business occurs and is the 2nd reroute within a rolling 12 month period for that particular line of business, before being permanently filled, a notice of such vacancy will be posted on the bulletin board for five (5) working days under the following conditions. Any employee desiring to fill a posted vacancy will make application by signing the posted form. When two (2) or more applicants for a single vacancy are equally qualified to fill such vacancy, it shall be filled by the employee among such equally qualified applicants having seniority, but if one of such applicants is better qualified to fill such vacancy, it will be filled by the most qualified applicant, subject to Article 22. If there are no qualified applicants available, a new employee may be employed to fill the vacancy. Upon request of the Union, the Employer will discuss and explain the reason and basis upon which its decision in filling a vacancy was made.

With respect to any such bidding of routes, a route may be posted for bidding only in the following circumstances: It is a new route which results in an additional added net route in any of the lines of business which are: (A) Residential, (B) Front Load and (C) Roll-off and (D) Bin Delivery or; an established route that becomes vacant due to retirement, discharge or quit or major changes and/or realignments of routes (see below). For any of the scenarios the following would occur: The route would be posted and filled by the most senior driver who bids the route. The route the qualified bidder came off of would be posted and filled by the most senior driver who bids and is qualified in that line of business. The route the second qualified bidder came off of would be posted and filled by the most senior driver who bids. The route the third qualified bidder came off of would be posted and filled by the most senior driver who bids. Thereafter, management would fill the remaining vacancy due to the above bidding procedure, to the senior relief/casual employee, any other vacancies that remain due to the initial bid to a qualified employee.

A major changes and/or realignments of routes is defined as a change of 25% of the customer base in a particular line of business being serviced by a new or different route than the previous routing structure required. If there is more than one major change and/or realignments of routes in a rolling 12 month period year the affected routes shall be posted for bid in accordance with the above procedures.

Section 6. All new hires shall be assigned to the casual pool upon completion of the probationary period. Casual pool employees shall be assigned in accordance with their seniority to temporary

assignments in either garbage or recycling operation as needed. The assignment of equipment is the responsibility of the Employer as it deems necessary for operational efficiency.

Section 7. Temporary job vacancies of one (1) week or longer, M-F or T-S as applicable in the operation will be filled in accordance with seniority; so long as the employee is qualified to perform the work. Employees who bid for a temporary assignment shall remain on such assignment until the regular employee returns. Employees on such temporary assignments, shall be eligible to bid on permanent vacancies. The Employer will train casual pool employees for different equipment, by seniority. It is understood the Employer shall not be obligated to train on a third line of business, until all casuals are trained on at least two (2) lines of business. For purposes of this section, lines of business are Front-Load, Roll-Off and Residential. Training on Bin Delivery, Scout Truck and Sweeper shall be offered as needed, but will be offered by seniority.

Permanent job vacancies will be filled by the Employer by assignment in accordance with the following procedure:

If there are no interested senior employees, the position will be assigned to the most senior casual pool employee.

In the event of a permanent layoff, Company seniority will prevail.

It is agreed the Employer shall begin training all relief/casual employees for different equipment as time permits. The Employer agrees to complete this training in a timely manner and will provide the Union with periodic updates concerning the progress of such training. It is agreed that upon request, the Company and Union will meet periodically to discuss the progress of the training and steps needed to complete said training.

Section 8. The employees rate of pay shall be that of the job which he is actually performing. Job seniority in reassignment: Job seniority in a classification shall not begin until after a thirty (30) day trial period. There can be no establishment of job seniority in a classification for vacation or disability relief. Once the employee has established job seniority in a classification and is reassigned to a lower paid classification, he shall be paid at the higher wage scale if job seniority is not observed in his reassignment. However, when an employee at his own request is placed in a lower paid classification, he shall be paid the rate of pay of the lower classification. In the event of a cutback of force, the Employer will offer the employee a lower classification, with the corresponding lower rate of pay if the employee is qualified to perform the work subject to the provisions of Article 22 of this Agreement.

Section 9. It is recognized and agreed that employees shall follow the instructions of the Company. The names of Company supervisors shall be posted on the bulletin board. If an employee has any doubts about any instruction or direction issued to him by a Company supervisor, he may request it in writing no later than the end of his work shift. No employee shall be disciplined or discharged for carrying out the instructions or directions of a Company supervisor whether in writing or not. Any employee who feels that he has received contrary instructions from different supervisors of the Company shall report the matter to the next level of Company supervision for decision.

Section 10. The establishment, abolishment, or realignment of routes and the assignment of equipment is the responsibility of the Employer as it deems it necessary for operational efficiency. The Employer agrees it will not remove an employee who is off work due to illness or injury

from his regularly assigned route, if assigned to one, upon return to duty. Temporary vacancies caused by illness or injury shall be assigned in accordance with seniority to a qualified driver in the casual pool. The employee filling the vacancy shall not attain seniority in the classification and will return to the casual pool once the employee regularly assigned to the position returns to duty.

ARTICLE 9 – HOLIDAYS

Section 1. The holidays set forth in Section 2 shall be paid holidays under the terms of this Contract and all regular employees shall receive eight (8) hours straight time pay for each of such holidays in addition to pay received for work performed during the course of such holiday weeks, The total pay for a holiday received by regular employees shall be eight (8) hours straight time holiday pay plus an additional eight (8) hours pay at the overtime rate of 1 1/2 times the straight time rate of pay for any holiday actually worked: provided such employees work the full regularly scheduled work day immediately preceding the holiday and the full regularly scheduled work day following the holiday, except the employee shall be excused from the requirement of working the day before and/or the day after if, upon either day, such employee is absent on an approved leave of absence approved in writing by the Operations Manager, or his substitute, excused by evidence of a doctors note based on a doctors visit. If the employee works the holiday but does not work both the full regularly scheduled work day immediately preceding the holiday and the full regularly scheduled work day following the holiday, they will receive eight (8) hours straight time holiday pay plus an additional eight (8) hours pay at the straight time rate. Additionally, if the employee is absent and not on an approved leave of absence or has not been excused by evidence of a doctors note based on a doctors visit, the employees absence on the day before or after the holiday or the day of the holiday shall be considered an unexcused absence under the Companys disciplinary procedures.

Section 2. There shall be a total of twelve (12) paid holidays during the working year:

| | |
|------------------------|---|
| New Year's Day | Columbus Day |
| Martin Luther King Day | Veterans Day |
| President 's Day | Thanksgiving Day |
| Memorial Day | Christmas Day |
| Fourth of July | Employees Birthday (at least 7 days notice) |
| Labor day | Employees anniversary |

Section 3. With respect to all employees other than regulars, any employee who is employed for more than 120 calendar days shall be entitled to any paid holiday which occurs during that month if such employee reports to work.

Section 4. If any of the aforementioned holidays falls on a Saturday (Sunday for T-S schedule), the preceding Friday (Saturday for T-S schedule) shall be observed as a holiday. If any of the aforementioned holidays falls on a Sunday (Monday for T-S Schedule), the following Monday (Tuesday for T-S schedule) shall be observed as a holiday. Employees shall be paid holiday pay when off work on vacation, on another

holiday, or off work on an approved leave of absence due to a non-work related disability or any work related illness or injury. No employee shall work Thanksgiving, Christmas Day or New Year's Day. The Employees assigned shall work the Saturday of the work week of the following holidays: Thanksgiving Day, Christmas Day and New Year's Day.

Section 5. If an employees birthday and/or anniversary date falls on a regular working day for that employee, the employee will be allowed to stay home as long as the Employer can cover the work with its existing complement of employees. Any employee who desires to take his birthday and/or anniversary date off shall so notify the dispatcher seven (7) days prior to his birthday and/or anniversary date. In the event that more than one (1) employee desires to take the same day off as his birthday and/or anniversary date and the dispatcher is unable to allow all such employees to take the day off, the employee granted the day off shall be selected on the basis of Company seniority; and if the remaining employees still desire to take a day off in lieu of their birthday and/or anniversary date, the dispatcher and each other such employees will select a mutually acceptable alternative date. In that event, the alternative date shall be deemed takes his anniversary date off he shall be paid a total of eight (8) hours at straight time. If the employee takes his birthday off he shall be paid a total of sixteen (16) hours at straight time. If an employee works on his birthday and/or anniversary date (except in the case where an alternative date has been selected as set forth above, the alternative date shall be considered the birthday and /or anniversary date), he shall be paid in accordance with Section 6 of this Article.

Section 6. All employees reporting to work on a holiday shall receive one and one-half (1 1/2) times their regular rate of pay in addition to the holiday pay.

Section 7. There shall be no pyramiding of overtime.

Section 8. The Employer agrees to make sufficient dates available for all employees to be able to take their Anniversary dates and Birthdays off.

ARTICLE 10 – VACATIONS

Section 1. After one (1) year of continuous employment, an employee shall receive one (1) weeks vacation with pay. After two (2) years of continuous employment, an employee shall receive two (2) weeks vacation with pay. An employee with five (5) years of continuous employment shall receive three (3) weeks' vacation with pay. An employee with ten (10) years at continuous employment shall receive four (4) weeks' vacation with pay. An employee with fifteen (15) years of continuous employment shall receive five (5) weeks' vacation with pay. An employee with twenty (20) years of continuous employment shall receive six (6) weeks' vacation with pay. An employee with twenty-five (25) years of continuous employment shall receive seven (7) weeks' vacation with pay. An employee with thirty (30) years of continuous employment shall receive eight (8) weeks' vacation with pay.

Vacation pay shall be computed from the regular hourly rate of the employee at the time the vacation is due and shall be paid at the time the employee takes his earned vacation, or at the employees option, on the first payroll date following the employees anniversary date, provided however, the employee must advise the Employer of his election two weeks prior to his anniversary date. Vacation pay shall be paid by separate check.

A total lapse of service of thirty (30) days or less per year shall not break continuity of service for the purpose of this provision. Where the lapse of service exceeds thirty (30) days per year, the vacation period shall be prorated on the basis of actual weeks Service, except that the first thirty (30) days of lapse of service shall be counted as time worked for such purpose. Days for which Workers Compensation is paid shall not break continuity of service for the first year (12 months) following date of injury and the above shall not be applicable in such cases.

Section 2. The Company shall post a vacation schedule on the bulletin board as of November 1 of each calendar year. Such schedule shall remain posted through December 15 of each calendar year. Employees shall indicate their preference for vacation dates on this schedule by seniority. Each classification will be divided into groups of 25%. according to seniority. The first 25% of employees shall have ten (10) days to make their vacation selection, beginning November 1. After this time, the second group of employees will be allowed to make their vacation selections, and so forth, until all employees have had an opportunity to indicate their preferences for vacation dates Employees who do not indicate a preference on this schedule or who desire to change their vacation date after December 15 of each year shall be allowed to do so under the conditions set forth below. Employees who have selected vacation preference dates on the vacation schedule shall have priority over any other employees, irrespective of seniority, who desire the same vacation date but did not so indicate on the vacation schedule The Employer, insofar as practicable, will grant employees vacation on the dates selected by them, provided. however, that no more than nine (9) drivers can be off on vacation at any one time. Effective January 1, 2017 No more than Ten (10) drivers can be off on vacation at any one time. One (1) employee in each shop classification may be off on vacation at any one time unless operational needs allow for a second shop person in a classification to be off on vacation at the same time. In the event more than the aforesaid number of employees desires the same vacation date as shown on the vacation schedule, the senior employees shall be given preference. Any employee who indicated a desired date on the, vacation schedule, but, was not given that date because more senior employees also selected that date, shall be given preference in selecting an alternative date for his vacation. The Company shall post the vacation schedule with the names of employees within two (2) weeks after the vacation bid closes. The Company will also post open weeks as they occur. The Company shall keep the vacation schedule posted during the calendar year which shall include changes/updates that have occurred.

After all employees have had the opportunity to sign up for full weeks of vacation in one week increments, by seniority, the employees will have the opportunity to sign up for single days of vacation by seniority.

Section 3. During the vacation period when a holiday falls during the employees vacation, the employee shall be paid an additional day's pay at their regular rate of pay.

Section 4. Except as set forth below in Article 14, Section 5, no employee shall be charged a vacation day during any absence except when approved by the individual employee.

The Employer agrees to make sufficient vacation slots available for all employees to take all of their vacation during the calendar year, if they so desire.

ARTICLE 11 - LUNCH PERIOD

Section 1. Each employee shall take thirty (30) minutes for lunch during each shift which shall be exclusive of paid time.

Section 2. All employees shall take a fifteen (15) minute coffee break at the midpoint in each four (4) hour shift.

Section 3. All employees shall be entitled to an additional fifteen (15) minute coffee break after 10 hours of work.

ARTICLE 12 - FUNERAL LEAVE

There shall be a maximum of five (5) days' pay (or 8 days' pay if the employee is required to travel out of State of California) in the event of death in the immediate family of a regular employee (wife, husband, mother, father, grandmother, grandfather, mother-in-law, father-in-law, sisters, brothers, sister-in-laws, brother-in-laws, daughters, sons, step-children, step-parents, daughter-in-law, son-in-law, grandchildren and domestic partner. The Employer may require certification.

ARTICLE 13 - SICK LEAVE AND BONUS

Section 1. A seniority employee who is off work due to illness or injury shall be eligible for twelve (12) days of paid sick leave per calendar year, said benefit to begin on the first day of illness or injury. In the event an employee does not use all this benefit during the calendar year, he shall receive, as a bonus, a days pay for each of the unused days at classification rate of pay for eight (8) hours. This bonus shall be paid on the last pay date before Christmas. All absences in excess of paid sick days are considered excused absences if a doctor's notice from a medical provider is provided by the employee demonstrating they were ill and/or injured. If an employees attendance becomes excessive the parties shall meet with the employee to work towards a sustainable resolution. For any absence that occurs due to an illness, which lasts four (4) days or longer, the employee must also submit a doctor's certificate upon return to duty. It is understood between the parties, the Company shall not track pattern absences for disciplinary reasons.

In the event of voluntary quit or any other reason, a seniority employee will be eligible to receive eight hours pay for unused sick leave for each month worked, not to exceed twelve (12) days. Probationary employees who attain seniority after January 1st in a contract year shall accumulate sick leave at the rate of one day per month for the balance of the year, starting with the month in which they become a seniority employee.

Except as set forth below in Section 5 of Article 14, no employee shall be charged a sick or vacation day during any absence except when approved by the individual employee.

ARTICLE 14 - LEAVE OF ABSENCE

Section 1. In all cases where a leave of absence is granted by the Employer to an employee, it shall be in writing and the Union shall be notified in writing of the name of the employee, the effective date and the termination date of the leave of absence in cases where such leave of absence exceeds two (2) weeks.

Section 2. In the event the leave of absence is extended such extension shall be made in writing to the employee with a copy to the Union. Any employee who overstays or does not return, will be considered to have quit his employment. If rehired by the Company, such individual shall be considered a new employee.

Section 3. Such leaves of absence as granted by the Employer shall be without pay and Employer shall be under no obligation to the employee except to return him to work at the expiration of such leave in accordance with the employees seniority.

Section 4. Personal Days

Effective January 1, 2015 employees may take up to eight (8) personal days per contract year of unpaid personal days provided the employer has been given twenty four hours notice for each personal day or days off and the employee has received his supervisors approval. It is understood three (3) employees may be absent at any one time while taking personal days. Personal days are considered separate from vacation, sick days, other leaves of absence, etc. for purposes of calculating the number of employees allowed off for this Section.

In addition, the Company shall post the Personal Day schedule with the names of employees scheduled for personal leave. The Company shall keep the personal day schedule posted during the calendar year which shall include changes/updates that have occurred.

The Employer will not restrict employees from using personal days except as noted above, regardless of the day of the week requested.

Section 5. Employees on an unpaid leave of absence such as FMLA, CFRA and State Disability under certain circumstances, shall be required to exhaust 5 accrued paid days off (vacation and/or sick leave) to which they are entitled. Employees on a leave of absence, receiving pay under a disability or other benefit plan, shall be allowed to coordinate their accrued time off (vacation and/or sick leave) with the paid leave up to 100% of their base pay. No employees are required to exhaust any of their paid time off (vacation and/or sick days) when they are off work and being paid in accordance with applicable laws such as State Disability.

ARTICLE 15 - ON-THE-JOB INJURIES

When an employee is injured on-the-job in the course and scope of his employment, and it is necessary that he be excused from work to see a doctor, the employee shall be paid for the balance of the shift on which the injury occurred. When, after the employee returns to work there is a bona fide recurrence of the injury on the job and an authorized representative of management acting on the recommendation of a doctor excuses the employee from work, he shall be paid for the balance of the shift.

All employees shall be required to immediately report a work-related injury to their supervisor or other designated representative of the Company.

ARTICLE 16 - SAFETY AND EQUIPMENT

Section 1. Rain Gear: The Employers shall furnish each contract year, at Company expense, rain gear when required for route employees, not to exceed one set every year. In the event the rain gear is lost or damaged beyond repair before the expiration of the one-year period, the employee must replace it at his own expense. The Employer will supply materials to enable employees to clean truck headlights, taillights, windshield and mirrors.

Section 2. The Employer agrees to furnish one (1) pair of work gloves every month to employees. If an employee requests additional gloves, they must turn in the worn pair. At a minimum, the gloves shall be leather with cloth backs or an all cloth type. During the winter months, employees may request that rubber gloves be substituted for those of leather. The employer shall try to maintain at least two (2) sizes available for employee.

Section 3. The Employer agrees to provide at its cost uniforms if employees are required to wear same as a condition of employment. The Employer reserves the right to determine the source, manner, means by which uniforms will be supplied to the employees and agrees that employees will have at least five (5) clean sets of uniforms each week.

Section 4. Employees are required at all times while working to wear safety/work boots, unless excused for medical reasons, acceptable to the Employer. The condition of an employees boots must also be acceptable to the Employer, or the employee shall not be allowed to work. The Employer shall provide each employee with a voucher valued at \$250.00, payable the first pay period in January of each year of this agreement for safety/work boots. The employer shall provide vouchers from a minimum of two (2) well known boot vendors.

Section 5. Employees shall not be required to operate unsafe equipment provided, however, that any employee who refuses to operate equipment after the Employer has checked and determined in its judgment that it is mechanically sound and properly equipped, shall be subject to disciplinary action by the Employer. Provided, however, that if the employee still feels the equipment is unsafe, the Employer shall inspect the equipment and make a decision (putting it in writing).

Section 6. Drivers shall promptly report to the Employer, in writing, all known defects in equipment when completing their run on the Employer's time, A report on equipment must be turned in daily whether or not there are any defects to report. The Employer will provide necessary forms for the drivers to fill out.

Section 7. The Employer shall provide clean and sanitary facilities for employees' use. It is recognized and agreed that it is the obligation of all employees to maintain these facilities in a clean and orderly fashion.

Section 8. The Employer agrees to bear all costs for any physical or eye examinations it requires of employees.

Section 9. Employees are required to wear their uniforms, company issued Personal Protective Equipment, and work shoes at all times during working hours. Any employee who violates this requirement shall be sent home without pay and shall be subject to discipline.

Section 10. Tool Protection

For Mechanics, based upon a joint inventory of their tools to be furnished the Company by each Mechanic, the Company will underwrite any loss, up to a maximum of \$45,000, if that loss is caused by fire or burglary if the tools are locked in the Mechanics tool box and stored in a Company designated storage area. The mechanic shall be responsible for providing an inventory of tools and such tools stored on site must be necessary for the work performed for the Company.

The Company shall provide all mechanics with a \$350.00 per year voucher for the purchase of tools necessary for work performed for the Company. The Company shall offer at least two

merchants to use the vouchers. The current Preventative Maintenance Techs shall be eligible for the tool voucher.

ARTICLE 17 - NO STRIKE - NO LOCKOUT

It is agreed that there shall not be any stoppage of work either by strike or lockout by the Union or the Employer during the life of this Agreement. It shall not be deemed a violation of this Agreement or cause for discharge for any employee to honor any picket line authorized by the Joint Council of Teamsters having jurisdiction in the territory where the picket line is in effect, and no employee shall be discharged or discriminated against for Union activities or upholding Union principles.

ARTICLE 18 - NON-DISCRIMINATION

It is the agreed policy of the Employer and the Union that the provisions of this Agreement shall apply equally to all employees covered hereby without regard to race, color, religion, sex, national origin, ancestry, medical condition, marital status, veteran status, sexual orientation, age, or physical or mental handicap within the meaning of applicable state and federal laws. The Employer is an equal opportunity Employer and committed to its equal opportunity and affirmative action obligations. The Employers policies related to equal opportunity, non discrimination and anti-harassment will be provided to all employees.

Any employee in Military Service entitled to return to work under the Uniformed Services Employment and Re-Employment Act, as amended, will return to his/her job, retain his/her seniority and be entitled to all other benefits of the Act.

In this agreement, except where the context otherwise requires or where a bona fide occupational qualification or requirement exists, words of masculine or feminine gender also refer to the opposite gender.

ARTICLE 19 - GRIEVANCE AND ARBITRATION

(a) Disputes: In the event that a dispute arises during the term of this Agreement regarding the interpretation or enforcement of any section of this Agreement, or the terms or provisions of written agreements supplementary to this Agreement, the matter in dispute in all its particulars shall be set forth in writing by the complaining party and served upon the other. If the dispute is not settled by the parties within ten (10) working days following the receipt of such written notice, or within such extended time as may be agreed upon, the dispute shall be referred to the Federal Mediation and Conciliation Service. No change in this Agreement, or interpretations resulting from a Federal Mediation and Conciliation Service or arbitration proceeding hereunder, will be recognized unless agreed to by the Employers and the Union.

(b) FMCS: If the dispute is not settled by the parties within ten (10) working days following the receipt of such written notice or within such extended time as may be agreed upon, the dispute may be referred to the Federal Mediation and Conciliation Service (FMCS) in accordance with subsection (b) hereof. Written notices given under this provision may be transmitted by telefacsimile (fax). If the United States Postal Service is used for notice, the postmarked date will be the date upon which service is effective.

(c) Arbitration: In the event that a resolution of a dispute regarding the interpretation or enforcement of any of the sections of this Agreement, or the terms or provisions of written agreements supplementary hereto, is not reached at the FMCS step, the dispute shall, upon the

request either of the Union or the Employers, be submitted to a neutral arbitrator mutually selected and agreed upon, whose decision shall be final and binding.

(d) Selection of Arbitrator: Unless the parties can otherwise agree upon an arbitrator, a list of seven (7) arbitrators shall be requested from the Washington, D.C. Office of the Federal Mediation and Conciliation Service. After a toss of a coin to decide which party shall move first, the Employers representative and the Union representative shall alternatively strike one name from the list until one name remains and such person shall be the arbitrator for the determination of the case. The arbitrator shall have no right, power or authority to add to, subtract from, alter, amend or change any term or provision of this Agreement. Discovery procedures as permitted under California Law are permissible.

(e) Cost of Arbitration: Each party shall bear its own expense in presenting the case to the arbitrator. The expense of the arbitrator and of the reporter, if any, shall be divided between the parties hereto. The Employers agree to pay a sum equal to but not greater than one-half of said expense, and the Union agrees to pay a sum equal to but not greater than one-half of said expense. Each side shall bear its own expense of producing witnesses, experts, interpreters and the like.

No Interruption of Work: There shall be no interruption of work during the settlement of a dispute.

ARTICLE 20 - DISCHARGE AND SUSPENSIONS

Section 1.

(a) Employees shall be subject to discharge for dishonesty, intoxication, willful insubordination, grossly negligent performance of duties, competing with the Employer, without prior warning or notice. Discipline for other matters such as, but not limited to, habitual tardiness, failure to report for work, neglect of duty, and violation of published company rules and regulations shall require a written warning to the employee and any offense occurring after two prior warnings and within six (6) months of the last warning shall be grounds for discharge. Copies of all warnings must be sent to the Union. All warning letters may not be used for disciplinary action if said warning letter is more than six (6) months old. Discipline for habitual tardiness and absenteeism/failure to report for work shall be tracked separately from all other warning letters for purposes of disciplinary action.

(b) Any suspension for more than five (5) days is governed by the same procedure as that required for discharges. A suspension of five (5) days or less may be given without notice but shall not be given without just cause. A notice of suspension of less than five (5) days shall be sent to the Union and shall constitute a written warning within the meaning of subsection (a) hereof. In suspension cases (except where the employee appears for work without a current and valid driver's license as required for duties which the employee is expected to perform), the suspension will be stayed and the employee will be allowed to continue to work, in order to give the grievance process an opportunity to operate. This stay of suspension will continue until the completion of the FMCS grievance mediation process, but not longer than thirty (30) days after referral to the FMCS grievance process, if the process has not been completed.

(c) Probationary employees are subject to discharge for any reason deemed sufficient in the sole discretion of the Employer.

All warning letters and/or disciplinary actions issued prior to the date of ratification of the collective bargaining agreement shall be rescinded.

Section 2. The Employer shall not use its right to transfer or assign work to employees for the purpose of discipline with the exception of transfers and reassignments done as a result of a discrimination or harassment complaint. It is agreed that a full investigation will be conducted by the Employer and consultation with the Union will occur prior to any such transfer or reassignment.

ARTICLE 21 - ALCOHOL AND DRUG USE

The current Substance Abuse Policy is attached hereto as Exhibit B. The parties reserve their right to re-open for negotiations this policy as law and regulations change.

ARTICLE 22 - DRIVER TRAINING

In the event an employee is selected to perform duties that require a higher driver's license (Class A License), the Employer will assist in the training of the selected employee in order to help him obtain the required license. Any employee operating a commercial vehicle as part of his assigned job duties shall be in possession of and shall maintain a valid California Driver's License of such class as required by law. All employees must have a valid driver's license to operate the equipment assigned.

In filling positions under this Agreement, employees working in other classifications under the jurisdiction of this Agreement shall be given reasonable trial on the basis of seniority to demonstrate their ability in which to qualify for such position. A reasonable trial shall be no more than thirty (30) days and the ability and qualification of each employee shall be at the sole discretion of the Employer. Any employee who fails to qualify for such position shall return to the position he vacated.

All training must be by seniority.

ARTICLE 23- JURY DUTY

An employee who is required to report to jury duty shall be entitled to leave with pay for a maximum of ten (10) days as a result of such service. For each day of such leave taken, the employee will be compensated by the company at his straight time regular rate for eight (8) hours pay less the amount received by the employee from the court. An employee who reports for such service and is excused from said service during his regular work shift shall promptly contact the Company and report to work, if the company requests him to do so. In order to be paid by the company for such leave, the employee must submit to the Company a work release executed by the administrator of the Court for each day the employee has served jury duty along with the amount of compensation received for such service.

ARTICLE 24 - SAVINGS CLAUSE

In the event any Article or Section of this Agreement is declared unlawful or invalid by any court or governmental agency of competent jurisdiction, it shall not affect the remaining terms of this Agreement which shall remain in full force and effect for the duration of this Agreement.

ARTICLE 25 - PAYROLL DEDUCTIONS

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to D.R.I.V.E. D.R.I.V.E shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transfer to D.R.I.V.E. National Headquarters on monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employees' social security number and the amount deducted from the employees paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employers actual cost for the expenses incurred in administering the weekly payroll deduction plan. The Employer also agrees to deduct voluntary contributions from the paycheck of all Employees for a Credit Union designated by the Company.

ARTICLE 26 - EMPLOYEE LOYALTY

During the employees employment, the employee shall not engage in competition with the Employer as a sole proprietor, partnership, employee, and agent, or through any other means. Salvaging while on duty or at Employer's facility or customers of Employer's facility is forbidden. Any employee competing with the Employer is subject to immediate discharge. Competition includes collecting recyclables which have been packaged or left for pick-up for the Employer. The employer agrees that during holidays, employees will be allowed to receive and keep gratuities from customers.

ARTICLE 27 - DRIVER'S LICENSE

(a) All employees must be in possession of a valid California Drivers License of the proper class needed to perform the employee's job duties.

(b) All employees who lose their license for a medical reason will use their best efforts to have the license reinstated. The Employer agrees to make all reasonable accommodations, as defined by law, for the employee to continue to work.

(c) If an employee is unable to obtain a license within thirteen (13) months of a license suspension, the employee shall be discharged. The employee shall be responsible for paying the COBRA premium for his/her health benefits and the employer shall not be responsible for the continuation of any benefits contained in the Agreement including, but not limited to vacation, holidays, sick leave, pension and/or health and welfare benefits during such time off.

The employees agree to be in compliance with any and all regulations of the U.S. Department of Transportation, California Highway Patrol, and California Department of Transportation regarding hours of work, medical conditions, and required license

ARTICLE 28 - SHOP STEWARDS

The Union may designate an appropriate number of members from the bargaining unit to be shop stewards. Such persons, so designated, shall be permitted reasonable time to investigate, present, and process grievances on Employer's property within the hours of his/her regular workday provided, such persons, so designated as shop stewards, may investigate, present or process any grievances during his regular working hours even when his assigned duties require that he be on

his/her route, whether as a Driver or a Helper, or in any other capacity for the purpose of collecting customers garbage.

The persons so designated as shop stewards shall investigate, present, and process grievances after the completion of his assigned route duties and within his/her eight (8) hour day. In the event such investigation, presentation, or processing shall not be completed within the above specified limitation, they may be continued on succeeding days, subject, however, to the requirement that assigned route duties be completed first.

Nothing contained in this paragraph, relative to the activities of the shop steward, shall entitle him/her to receive compensation while investigating, presenting, and processing grievances, other than the rates of pay stated in Section 5 of this Agreement. Stewards shall receive copies of all disciplinary notices.

ARTICLE 29 - CASUAL AND EXTRA EMPLOYEES

The parties recognize that the Employer has a need for casual and/or extra employees to replace employees who are sick, on vacation or who for other reasons do not report for work. Accordingly, the Employer shall establish a pool of persons who are available for such work. A list of such individuals shall be maintained by the Employer, arranged sequentially in accordance with their first day of work, and shall be updated as needed for accuracy. Available extra work, including vacation relief shall be assigned by rotation from the list of casuals in the order that such casuals appear on the list. When a casual completes the assignment, he shall be returned to his place on the casual list for further work assignment. The Employer shall have the right to eliminate names from the casual list on the basis of unreliability, poor work performance, or for other legitimate reasons. The grievance procedures of this Agreement shall not be available to casuals because they have been eliminated from the list, except as provided in paragraph (a) below.

(a) New registrants on the casual list shall be considered on probation, and shall not acquire seniority until they have completed one-hundred and twenty (120) calendar days. Upon achieving seniority, a casual shall be entitled to use the grievance procedures of the Agreement. The Guaranteed Hours provision of the Agreement shall not be applicable to casuals or extra employees. It is agreed between the parties, the top ten (10) casuals shall be entitled to the Guaranteed Hours provision, Article 7, Section 5 of the collective bargaining agreement.

(b) Casuals shall not be used in the manner that deprives regular employees of reassignments under Article 7, Section 6 of this Agreement.

(c) Vacancies in regular employment shall be filled from casuals who have achieved seniority, in the order that their names appear on the casual list. In the event of layoff of regular employees, they shall have the right to be included at the top of the casual list, in accordance with their seniority. Their recall rights under the Agreement shall remain intact while performing work as casuals. Such laid off regular employees shall receive the full contractual rate of pay while working off the casual list.

(d) A casual employee who works at least eighty (80) hours or more in a month will be eligible for Health and "Welfare Benefits as called for in Article 3, Section 6 above.

(e) This pro-rata calculation shall not apply to pension payments, which shall be governed by the WCTP Trust Requirements.

ARTICLE 30 - TERM OF AGREEMENT

This Agreement shall become effective on the date of July 1, 2015 and shall remain in full force and effect to and including June 30, 2019, and shall be considered as renewed from year to year thereafter unless either party shall give written notice to the other of a desire to terminate, modify or amend the Agreement for the succeeding year, and such notice must be given at least (60) days prior to the expiration date in each succeeding year. If such notice is not given, then the Agreement shall stand as renewed for the following year.

Effective July 1, 2018, either party to the July 1, 2015 through June 30, 2019 Collective Bargaining Agreement governing Drivers and Mechanic/Shop Classifications ("Agreement") shall have the right to re-open the economic provisions of the Agreement to enter into negotiations regarding the effects of the "Cadillac tax" ("Tax") provision of the Affordable Care Act, subject to the trigger outlined in the ACA Letter of Understanding attached to this 7-1-15 to 6-30-19 collective bargaining agreement.

WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS Agreement this 8th Day of October 2015.

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC dba
REPUBLIC SERVICES
OF SANTA CLARA COUNTY

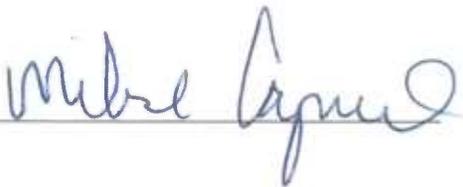
SANITARY TRUCK DRIVERS AND HELPERS
UNION LOCAL NO. 350

BY:

BY:

Mike Caprio, Area President

Larry Daugherty - Secretary-Treasurer



SIDE LETTER ON SHOP LABORER CLASSIFICATION

The Union and Company agree that there currently exists a Shop Laborer position which shall continue so long as the employee who currently performs this job is employed by the Company. The Shop Laborer shall continue to perform the same job duties as in the past. The hourly wage rate for the Shop Laborer shall be as follows:

| | | | | |
|----------------|----------|----------|----------|----------|
| Effective Date | 7/1/2015 | 7/1/2016 | 7/1/2017 | 7/1/2018 |
| | \$29.90 | \$30.90 | \$31.90 | \$32.90 |

Should the Shop Laborer perform work that requires the employee to drive on public roads, the employee shall be paid the drivers rate of pay.

This classification/job duties shall be included in the Container/Utility Classification, at that classifications then rate of pay when the current Shop Laborer employee, Ricky DeLeon is not filling this position.

COMPANY

BY: 
Mike Caprio
Area President
Republic Services

UNION

BY: 
Larry Daugherty
Secretary-Treasurer
Sanitary Truck Drivers and Helpers
Union Teamsters Local No. 350

LETTER OF UNDERSTANDING REGARDING ROUTES, HEADCOUNT AND RELATED

In connection with the negotiation of a successor Collective Bargaining Agreement July 1, 2015 through June 30, 2019 governing Drivers and Mechanic/Shop Classifications ("Agreement"), the parties have agreed to the following terms relative to routes, headcount, weekly guarantee, involuntary assignments and break-in wages.

Employer will add three front load routes to its current number of front load routes on or before Dec. 31, 2015. The current number of routes plus the above-referenced three additional routes are in effect through June 30, 2019 unless there is a significant adverse change to the Employer's business (loss of Milpitas franchise and/or change of Santa Clara open market areas, which result is a loss of business, such losses shall be verified before changes being implemented).

Employer will maintain a minimum pool of casual drivers ("casual pool") as follows:

| <u>On or Before</u> | <u>Minimum Casual Pool</u> |
|---------------------|----------------------------|
| Dec. 31, 2015 | 20 |
| March 31, 2016 | 21 |

The above minimums are in effect through June 30, 2019 unless there is a significant adverse change to the Employer's business (loss of Milpitas franchise and or change of Santa Clara open market areas, which result is a loss of business, such losses shall be verified before changes being implemented). In determining compliance with this provision, reasonable time will be allowed to fill vacancies created by attrition.

Employer will not involuntarily assign additional work unless all available employees who are signed off to operate applicable equipment are working. Involuntary additional work assignments will be made in inverse seniority order among employees who are signed off to operate applicable equipment.

Art. 7, Sec. 5's weekly hours guarantee shall apply to the ten most senior casual pool drivers and shall not apply to drivers less senior than the casual pool's top ten.

Break-In Wage Rates:

| | |
|--|---------------------|
| During first 120 days of employment | 80% of hourly wage |
| During the second 120 days of employment | 90% of hourly wage |
| After completion of 240 days | 100% of hourly wage |

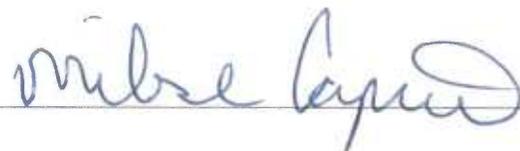
**LETTER OF UNDERSTANDING REGARDING
AFFORDABLE CARE ACT**

Commencing July 1, 2018, either party to the July 1, 2015 through June 30, 2019 Collective Bargaining Agreement governing Drivers and Mechanic/Shop Classifications ("Agreement") shall have the right to re-open the economic provisions of the Agreement to enter into negotiations regarding the effects of the "Cadillac tax" ("Tax") provision of the Affordable Care Act if and only if application of the Tax to Teamsters Benefit Trust Fund Plan I ("Trust") causes: an increase in the Employer's monthly per employee contribution or a direct tax assessment against the Employer in an amount greater than ten percent (10%) of the total per employee monthly contribution. It is understood that a cost increase greater than ten percent (10%) that is attributable to a combination of the Tax plus other medical cost increases will not trigger this re-opener right unless the Tax component by itself — whether in the form of a pass along by the Trust or a direct tax assessment against Employer -- exceeds the above-referenced ten percent (10%) threshold.

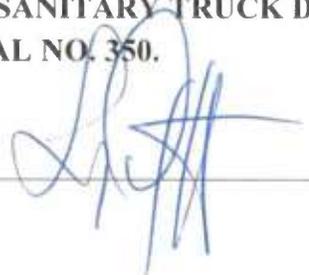
If the re-opener right is triggered, the parties shall commence negotiations within thirty (30) days upon receipt of notice from the other party and continue negotiations for up to sixty (60) days. Should no agreement be reached, both parties reserve their respective rights to take economic action.

This Letter of Agreement shall expire concurrently with the expiration of the July 1, 2015 through June 30, 2019 Agreement and shall not remain in effect past June 30, 2019.

FOR ALLIED WASTE SERVICES OF NORTH AMERICA, LLC dba REPUBLIC SERVICES OF SANTA CLARA COUNTY

By:  Dated: 10/2/, 2015

FOR SANITARY TRUCK DRIVERS AND HELPERS UNION TEAMSTERS LOCAL NO. 350.

By:  Dated: 10/8/15, 2015

**EXHIBIT L:
RATES APPROVED
BY CITY FOR RATE
PERIOD ONE**

EXHIBIT L

RATES APPROVED BY CITY FOR RATE PERIOD ONE

Exhibit L now contains four sets of rates, one each for Options 1-4. The final agreement will include just the rates for the Council-selected option.

Option 1: Exclusive Debris Box Without 20-Gallon Cart

| Single-Family Collection Rates | | | |
|---------------------------------------|-------------|-----------|----------|
| Service Level | Solid Waste | Recycling | Organics |
| 32 Gal | \$31.90 | Included | Included |
| 64 Gal | \$37.52 | Included | Included |
| 96 Gal | \$43.10 | Included | Included |
| 32 Gal Senior | \$15.97 | Included | Included |
| 64 Gal Senior | \$18.78 | Included | Included |
| 32 Gal Mobile Home | \$9.73 | Included | N/A |
| 64 Gal Mobile Home | \$14.44 | Included | N/A |
| SFD No Organics Discount | N/A | N/A | -\$6.37 |
| Senior No Organics Discount | N/A | N/A | -\$3.20 |

| Multi-Family Solid Waste Collection Rates | | | | | | |
|--|-----------|----------|----------|------------|------------|------------|
| Service Level | Frequency | | | | | |
| | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$18.86 | \$33.00 | \$47.15 | \$61.29 | \$75.44 | \$89.58 |
| 64-Gal | \$22.90 | \$40.08 | \$57.25 | \$74.43 | \$91.60 | \$108.78 |
| 96-Gal | \$26.94 | \$47.15 | \$67.35 | \$87.56 | \$107.77 | \$127.97 |
| 1-YD | \$76.80 | \$128.02 | \$175.85 | \$217.30 | \$263.89 | \$310.45 |
| 1.5-YD | \$98.57 | \$175.81 | \$233.56 | \$301.09 | \$368.57 | \$436.07 |
| 2-YD | \$120.31 | \$217.30 | \$310.45 | \$403.58 | \$496.68 | \$589.88 |
| 3-YD | \$172.83 | \$317.69 | \$457.34 | \$597.05 | \$736.78 | \$876.45 |
| 4-YD | \$200.80 | \$368.34 | \$521.73 | \$675.19 | \$828.60 | \$982.04 |
| 6-YD | \$276.46 | \$513.64 | \$752.35 | \$971.57 | \$1,210.29 | \$1,449.00 |
| 8-YD | \$359.86 | \$666.75 | \$963.40 | \$1,260.16 | \$1,556.83 | \$1,853.58 |

| Multi-Family Recycling Collection Rates | | | | | | |
|--|-----------|----------|----------|----------|----------|----------|
| Service Level | Frequency | | | | | |
| | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$4.71 | \$8.25 | \$11.79 | \$15.32 | \$18.86 | \$22.40 |
| 64-Gal | \$5.73 | \$10.02 | \$14.31 | \$18.61 | \$22.90 | \$27.19 |
| 96-Gal | \$6.74 | \$11.79 | \$16.84 | \$21.89 | \$26.94 | \$31.99 |
| 1-YD | \$19.20 | \$32.00 | \$43.96 | \$54.33 | \$65.97 | \$77.61 |
| 1.5-YD | \$24.64 | \$43.95 | \$58.39 | \$75.27 | \$92.14 | \$109.02 |
| 2-YD | \$30.08 | \$54.33 | \$77.61 | \$100.89 | \$124.17 | \$147.47 |
| 3-YD | \$43.21 | \$79.42 | \$114.33 | \$149.26 | \$184.20 | \$219.11 |
| 4-YD | \$50.20 | \$92.09 | \$130.43 | \$168.80 | \$207.15 | \$245.51 |
| 6-YD | \$69.11 | \$128.41 | \$188.09 | \$242.89 | \$302.57 | \$362.25 |
| 8-YD | \$89.97 | \$166.69 | \$240.85 | \$315.04 | \$389.21 | \$463.39 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Multi-Family Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$15.09 | \$26.40 | \$37.72 | \$49.03 | \$60.35 | \$71.66 |
| 64-Gal | \$18.32 | \$32.06 | \$45.80 | \$59.54 | \$73.28 | \$87.02 |
| 96-Gal | \$21.55 | \$37.72 | \$53.88 | \$70.05 | \$86.21 | \$102.38 |
| 1-YD | \$61.44 | \$102.41 | \$140.68 | \$173.84 | \$211.11 | \$248.36 |
| 2-YD | \$96.25 | \$173.84 | \$248.36 | \$322.86 | \$397.34 | \$471.91 |
| 3-YD | \$138.27 | \$254.15 | \$365.87 | \$477.64 | \$589.42 | \$701.16 |

| Commercial Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$23.43 | \$41.00 | \$58.56 | \$76.13 | \$93.70 | \$111.27 |
| 64-Gal | \$27.55 | \$48.21 | \$68.87 | \$89.53 | \$110.20 | \$130.86 |
| 96-Gal | \$31.65 | \$55.38 | \$79.12 | \$102.86 | \$126.59 | \$150.33 |
| 1-YD | \$89.32 | \$159.92 | \$219.95 | \$272.46 | \$330.99 | \$389.55 |
| 1.5-YD | \$115.13 | \$219.81 | \$293.51 | \$378.59 | \$463.62 | \$548.64 |
| 2-YD | \$140.93 | \$272.46 | \$389.55 | \$506.53 | \$623.57 | \$740.67 |
| 3-YD | \$202.84 | \$398.65 | \$574.22 | \$749.80 | \$925.36 | \$1,100.93 |
| 4-YD | \$238.05 | \$466.39 | \$662.07 | \$857.81 | \$1,053.48 | \$1,249.19 |
| 6-YD | \$329.36 | \$652.91 | \$956.51 | \$1,237.33 | \$1,540.91 | \$1,844.48 |
| 8-YD | \$429.00 | \$848.63 | \$1,228.09 | \$1,607.70 | \$1,987.20 | \$2,366.76 |

| Commercial Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$5.86 | \$10.25 | \$14.64 | \$19.03 | \$23.43 | \$27.82 |
| 64-Gal | \$6.89 | \$12.05 | \$17.22 | \$22.38 | \$27.55 | \$32.71 |
| 96-Gal | \$7.91 | \$13.85 | \$19.78 | \$25.71 | \$31.65 | \$37.58 |
| 1-YD | \$22.33 | \$39.98 | \$54.99 | \$68.11 | \$82.75 | \$97.39 |
| 1.5-YD | \$28.78 | \$54.95 | \$73.38 | \$94.65 | \$115.90 | \$137.16 |
| 2-YD | \$35.23 | \$68.11 | \$97.39 | \$126.63 | \$155.89 | \$185.17 |
| 3-YD | \$50.71 | \$99.66 | \$143.55 | \$187.45 | \$231.34 | \$275.23 |
| 4-YD | \$59.51 | \$116.60 | \$165.52 | \$214.45 | \$263.37 | \$312.30 |
| 6-YD | \$82.34 | \$163.23 | \$239.13 | \$309.33 | \$385.23 | \$461.12 |
| 8-YD | \$107.25 | \$212.16 | \$307.02 | \$401.92 | \$496.80 | \$591.69 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Commercial Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$18.74 | \$32.80 | \$46.85 | \$60.91 | \$74.96 | \$89.02 |
| 64-Gal | \$22.04 | \$38.57 | \$55.10 | \$71.63 | \$88.16 | \$104.69 |
| 96-Gal | \$25.32 | \$44.31 | \$63.30 | \$82.29 | \$101.27 | \$120.26 |
| 1-YD | \$71.45 | \$127.93 | \$175.96 | \$217.97 | \$264.79 | \$311.64 |
| 2-YD | \$112.74 | \$217.97 | \$311.64 | \$405.23 | \$498.86 | \$592.53 |
| 3-YD | \$162.27 | \$318.92 | \$459.37 | \$599.84 | \$740.29 | \$880.74 |

| Roll-off/Compactor Collection Rates | | | | |
|--|--------------------|------------------|-----------------|----------------|
| Service Level | Solid Waste | Recycling | Organics | C&D |
| Roll-off up to 15 CY (per pull) | \$396.50 | \$198.25 | \$317.20 | \$356.85 |
| Roll-off 16-24 CY (per pull) | \$554.60 | \$277.30 | \$443.68 | \$499.14 |
| Roll-off 26-34 CY (per pull) | \$697.46 | \$348.73 | \$557.97 | \$627.71 |
| Roll-off over 34 CY (per pull) | \$851.37 | \$425.68 | \$681.09 | \$766.23 |
| Compactor up to 15 CY (per pull) | \$455.97 | \$227.99 | \$364.78 | N/A |
| Compactor 16-24 CY (per pull) | \$637.80 | \$318.90 | \$510.24 | N/A |
| Compactor 26-34 CY (per pull) | \$802.08 | \$401.04 | \$641.66 | N/A |
| Compactor over 34 CY (per pull) | \$979.07 | \$489.54 | \$783.26 | N/A |
| Roll-off/Compactor (per ton) | \$42.78 | \$0.00 | \$60.00 | \$66.50 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

Option 2: Exclusive Debris Box With 20-Gallon Cart

| Single-Family Collection Rates | | | |
|---------------------------------------|--------------------|------------------|-----------------|
| Service Level | Solid Waste | Recycling | Organics |
| 20 Gal | \$29.48 | Included | Included |
| 32 Gal | \$32.04 | Included | Included |
| 64 Gal | \$37.68 | Included | Included |
| 96 Gal | \$43.29 | Included | Included |
| 20 Gal Senior | \$14.74 | Included | Included |
| 32 Gal Senior | \$16.04 | Included | Included |
| 64 Gal Senior | \$18.86 | Included | Included |
| 20 Gal Mobile Home | \$8.99 | Included | N/A |
| 32 Gal Mobile Home | \$9.78 | Included | N/A |
| 64 Gal Mobile Home | \$14.50 | Included | N/A |
| SFD No Organics Discount | N/A | N/A | -\$6.40 |
| Senior No Organics Discount | N/A | N/A | -\$3.21 |

| Multi-Family Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$18.94 | \$33.15 | \$47.36 | \$61.56 | \$75.77 | \$89.98 |
| 64-Gal | \$23.00 | \$40.25 | \$57.50 | \$74.76 | \$92.01 | \$109.26 |
| 96-Gal | \$27.06 | \$47.36 | \$67.65 | \$87.95 | \$108.24 | \$128.54 |
| 1-YD | \$77.14 | \$128.58 | \$176.62 | \$218.26 | \$265.06 | \$311.82 |
| 1.5-YD | \$99.01 | \$176.59 | \$234.59 | \$302.43 | \$370.20 | \$438.00 |
| 2-YD | \$120.85 | \$218.26 | \$311.82 | \$405.36 | \$498.88 | \$592.49 |
| 3-YD | \$173.60 | \$319.09 | \$459.36 | \$599.69 | \$740.04 | \$880.33 |
| 4-YD | \$201.69 | \$369.97 | \$524.04 | \$678.18 | \$832.27 | \$986.39 |
| 6-YD | \$277.68 | \$515.91 | \$755.68 | \$975.87 | \$1,215.65 | \$1,455.41 |
| 8-YD | \$361.45 | \$669.70 | \$967.67 | \$1,265.73 | \$1,563.72 | \$1,861.78 |

| Multi-Family Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$4.74 | \$8.29 | \$11.84 | \$15.39 | \$18.94 | \$22.49 |
| 64-Gal | \$5.75 | \$10.06 | \$14.38 | \$18.69 | \$23.00 | \$27.31 |
| 96-Gal | \$6.77 | \$11.84 | \$16.91 | \$21.99 | \$27.06 | \$32.13 |
| 1-YD | \$19.28 | \$32.15 | \$44.16 | \$54.57 | \$66.26 | \$77.96 |
| 1.5-YD | \$24.75 | \$44.15 | \$58.65 | \$75.61 | \$92.55 | \$109.50 |
| 2-YD | \$30.21 | \$54.57 | \$77.96 | \$101.34 | \$124.72 | \$148.12 |
| 3-YD | \$43.40 | \$79.77 | \$114.84 | \$149.92 | \$185.01 | \$220.08 |
| 4-YD | \$50.42 | \$92.49 | \$131.01 | \$169.54 | \$208.07 | \$246.60 |
| 6-YD | \$69.42 | \$128.98 | \$188.92 | \$243.97 | \$303.91 | \$363.85 |
| 8-YD | \$90.36 | \$167.43 | \$241.92 | \$316.43 | \$390.93 | \$465.45 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Multi-Family Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$15.15 | \$26.52 | \$37.89 | \$49.25 | \$60.62 | \$71.98 |
| 64-Gal | \$18.40 | \$32.20 | \$46.00 | \$59.80 | \$73.61 | \$87.41 |
| 96-Gal | \$21.65 | \$37.89 | \$54.12 | \$70.36 | \$86.59 | \$102.83 |
| 1-YD | \$61.71 | \$102.87 | \$141.30 | \$174.61 | \$212.05 | \$249.46 |
| 2-YD | \$96.68 | \$174.61 | \$249.46 | \$324.29 | \$399.10 | \$473.99 |
| 3-YD | \$138.88 | \$255.28 | \$367.49 | \$479.75 | \$592.03 | \$704.26 |

| Commercial Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$23.53 | \$41.18 | \$58.82 | \$76.47 | \$94.12 | \$111.77 |
| 64-Gal | \$27.67 | \$48.42 | \$69.18 | \$89.93 | \$110.68 | \$131.44 |
| 96-Gal | \$31.79 | \$55.63 | \$79.47 | \$103.31 | \$127.15 | \$151.00 |
| 1-YD | \$89.71 | \$160.63 | \$220.92 | \$273.66 | \$332.46 | \$391.28 |
| 1.5-YD | \$115.64 | \$220.78 | \$294.81 | \$380.26 | \$465.67 | \$551.07 |
| 2-YD | \$141.55 | \$273.66 | \$391.28 | \$508.78 | \$626.33 | \$743.95 |
| 3-YD | \$203.74 | \$400.41 | \$576.76 | \$753.12 | \$929.46 | \$1,105.80 |
| 4-YD | \$239.10 | \$468.45 | \$665.00 | \$861.61 | \$1,058.14 | \$1,254.72 |
| 6-YD | \$330.82 | \$655.80 | \$960.75 | \$1,242.80 | \$1,547.73 | \$1,852.65 |
| 8-YD | \$430.90 | \$852.39 | \$1,233.53 | \$1,614.81 | \$1,996.00 | \$2,377.23 |

| Commercial Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$5.88 | \$10.29 | \$14.71 | \$19.12 | \$23.53 | \$27.94 |
| 64-Gal | \$6.92 | \$12.11 | \$17.29 | \$22.48 | \$27.67 | \$32.86 |
| 96-Gal | \$7.95 | \$13.91 | \$19.87 | \$25.83 | \$31.79 | \$37.75 |
| 1-YD | \$22.43 | \$40.16 | \$55.23 | \$68.42 | \$83.11 | \$97.82 |
| 1.5-YD | \$28.91 | \$55.19 | \$73.70 | \$95.07 | \$116.42 | \$137.77 |
| 2-YD | \$35.39 | \$68.42 | \$97.82 | \$127.19 | \$156.58 | \$185.99 |
| 3-YD | \$50.94 | \$100.10 | \$144.19 | \$188.28 | \$232.36 | \$276.45 |
| 4-YD | \$59.78 | \$117.11 | \$166.25 | \$215.40 | \$264.54 | \$313.68 |
| 6-YD | \$82.70 | \$163.95 | \$240.19 | \$310.70 | \$386.93 | \$463.16 |
| 8-YD | \$107.73 | \$213.10 | \$308.38 | \$403.70 | \$499.00 | \$594.31 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Commercial Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$18.82 | \$32.94 | \$47.06 | \$61.18 | \$75.29 | \$89.41 |
| 64-Gal | \$22.14 | \$38.74 | \$55.34 | \$71.94 | \$88.55 | \$105.15 |
| 96-Gal | \$25.43 | \$44.50 | \$63.58 | \$82.65 | \$101.72 | \$120.80 |
| 1-YD | \$71.77 | \$128.50 | \$176.74 | \$218.93 | \$265.96 | \$313.02 |
| 2-YD | \$113.24 | \$218.93 | \$313.02 | \$407.02 | \$501.07 | \$595.16 |
| 3-YD | \$162.99 | \$320.33 | \$461.41 | \$602.49 | \$743.57 | \$884.64 |

| Roll-off/Compactor Collection Rates | | | | |
|--|--------------------|------------------|-----------------|----------------|
| Service Level | Solid Waste | Recycling | Organics | C&D |
| Roll-off up to 15 CY (per pull) | \$398.63 | \$199.32 | \$318.91 | \$358.77 |
| Roll-off 16-24 CY (per pull) | \$557.63 | \$278.81 | \$446.10 | \$501.86 |
| Roll-off 26-34 CY (per pull) | \$701.30 | \$350.65 | \$561.04 | \$631.17 |
| Roll-off over 34 CY (per pull) | \$856.08 | \$428.04 | \$684.87 | \$770.47 |
| Compactor up to 15 CY (per pull) | \$458.43 | \$229.21 | \$366.74 | N/A |
| Compactor 16-24 CY (per pull) | \$641.27 | \$320.64 | \$513.02 | N/A |
| Compactor 26-34 CY (per pull) | \$806.50 | \$403.25 | \$645.20 | N/A |
| Compactor over 34 CY (per pull) | \$984.49 | \$492.25 | \$787.59 | N/A |
| Roll-off/Compactor (per ton) | \$42.78 | \$0.00 | \$60.00 | \$66.50 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

Option 3: Non-Exclusive Debris Box Without 20-Gallon Cart

| Single-Family Collection Rates | | | |
|---------------------------------------|--------------------|------------------|-----------------|
| Service Level | Solid Waste | Recycling | Organics |
| 32 Gal | \$34.36 | Included | Included |
| 64 Gal | \$40.40 | Included | Included |
| 96 Gal | \$46.42 | Included | Included |
| 32 Gal Senior | \$17.19 | Included | Included |
| 64 Gal Senior | \$20.22 | Included | Included |
| 32 Gal Mobile Home | \$10.48 | Included | N/A |
| 64 Gal Mobile Home | \$15.55 | Included | N/A |
| SFD No Organics Discount | N/A | N/A | -\$6.86 |
| Senior No Organics Discount | N/A | N/A | -\$3.45 |

| Multi-Family Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| Service Level | Frequency | | | | | |
| | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$20.31 | \$35.54 | \$50.77 | \$66.01 | \$81.24 | \$96.47 |
| 64-Gal | \$24.66 | \$43.16 | \$61.65 | \$80.15 | \$98.65 | \$117.14 |
| 96-Gal | \$29.01 | \$50.77 | \$72.53 | \$94.30 | \$116.06 | \$137.82 |
| 1-YD | \$82.70 | \$137.86 | \$189.37 | \$234.02 | \$284.19 | \$334.33 |
| 1.5-YD | \$106.15 | \$189.33 | \$251.52 | \$324.25 | \$396.92 | \$469.62 |
| 2-YD | \$129.57 | \$234.02 | \$334.33 | \$434.62 | \$534.88 | \$635.25 |
| 3-YD | \$186.13 | \$342.12 | \$492.52 | \$642.97 | \$793.45 | \$943.86 |
| 4-YD | \$216.25 | \$396.68 | \$561.86 | \$727.12 | \$892.34 | \$1,057.58 |
| 6-YD | \$297.72 | \$553.15 | \$810.22 | \$1,046.31 | \$1,303.39 | \$1,560.46 |
| 8-YD | \$387.54 | \$718.04 | \$1,037.51 | \$1,357.08 | \$1,676.58 | \$1,996.15 |

| Multi-Family Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| Service Level | Frequency | | | | | |
| | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$5.08 | \$8.89 | \$12.69 | \$16.50 | \$20.31 | \$24.12 |
| 64-Gal | \$6.17 | \$10.79 | \$15.41 | \$20.04 | \$24.66 | \$29.29 |
| 96-Gal | \$7.25 | \$12.69 | \$18.13 | \$23.57 | \$29.01 | \$34.45 |
| 1-YD | \$20.68 | \$34.47 | \$47.34 | \$58.50 | \$71.05 | \$83.58 |
| 1.5-YD | \$26.54 | \$47.33 | \$62.88 | \$81.06 | \$99.23 | \$117.40 |
| 2-YD | \$32.39 | \$58.50 | \$83.58 | \$108.66 | \$133.72 | \$158.81 |
| 3-YD | \$46.53 | \$85.53 | \$123.13 | \$160.74 | \$198.36 | \$235.97 |
| 4-YD | \$54.06 | \$99.17 | \$140.46 | \$181.78 | \$223.08 | \$264.39 |
| 6-YD | \$74.43 | \$138.29 | \$202.56 | \$261.58 | \$325.85 | \$390.11 |
| 8-YD | \$96.89 | \$179.51 | \$259.38 | \$339.27 | \$419.15 | \$499.04 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Multi-Family Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$16.25 | \$28.43 | \$40.62 | \$52.81 | \$64.99 | \$77.18 |
| 64-Gal | \$19.73 | \$34.53 | \$49.32 | \$64.12 | \$78.92 | \$93.71 |
| 96-Gal | \$23.21 | \$40.62 | \$58.03 | \$75.44 | \$92.84 | \$110.25 |
| 1-YD | \$66.16 | \$110.29 | \$151.50 | \$187.21 | \$227.35 | \$267.46 |
| 2-YD | \$103.66 | \$187.21 | \$267.46 | \$347.70 | \$427.91 | \$508.20 |
| 3-YD | \$148.90 | \$273.70 | \$394.01 | \$514.38 | \$634.76 | \$755.09 |

| Commercial Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$25.23 | \$44.15 | \$63.07 | \$81.99 | \$100.91 | \$119.83 |
| 64-Gal | \$29.67 | \$51.92 | \$74.17 | \$96.42 | \$118.67 | \$140.92 |
| 96-Gal | \$34.08 | \$59.64 | \$85.21 | \$110.77 | \$136.33 | \$161.89 |
| 1-YD | \$96.19 | \$172.22 | \$236.87 | \$293.41 | \$356.45 | \$419.52 |
| 1.5-YD | \$123.98 | \$236.71 | \$316.09 | \$407.71 | \$499.28 | \$590.84 |
| 2-YD | \$151.77 | \$293.41 | \$419.52 | \$545.50 | \$671.54 | \$797.64 |
| 3-YD | \$218.45 | \$429.31 | \$618.39 | \$807.47 | \$996.54 | \$1,185.61 |
| 4-YD | \$256.36 | \$502.26 | \$713.00 | \$923.79 | \$1,134.51 | \$1,345.27 |
| 6-YD | \$354.70 | \$703.13 | \$1,030.09 | \$1,332.50 | \$1,659.43 | \$1,986.36 |
| 8-YD | \$462.00 | \$913.91 | \$1,322.56 | \$1,731.36 | \$2,140.06 | \$2,548.80 |

| Commercial Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$6.31 | \$11.04 | \$15.77 | \$20.50 | \$25.23 | \$29.96 |
| 64-Gal | \$7.42 | \$12.98 | \$18.54 | \$24.11 | \$29.67 | \$35.23 |
| 96-Gal | \$8.52 | \$14.91 | \$21.30 | \$27.69 | \$34.08 | \$40.47 |
| 1-YD | \$24.05 | \$43.05 | \$59.22 | \$73.35 | \$89.11 | \$104.88 |
| 1.5-YD | \$31.00 | \$59.18 | \$79.02 | \$101.93 | \$124.82 | \$147.71 |
| 2-YD | \$37.94 | \$73.35 | \$104.88 | \$136.37 | \$167.88 | \$199.41 |
| 3-YD | \$54.61 | \$107.33 | \$154.60 | \$201.87 | \$249.13 | \$296.40 |
| 4-YD | \$64.09 | \$125.56 | \$178.25 | \$230.95 | \$283.63 | \$336.32 |
| 6-YD | \$88.67 | \$175.78 | \$257.52 | \$333.13 | \$414.86 | \$496.59 |
| 8-YD | \$115.50 | \$228.48 | \$330.64 | \$432.84 | \$535.01 | \$637.20 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Commercial Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$20.18 | \$35.32 | \$50.46 | \$65.59 | \$80.73 | \$95.87 |
| 64-Gal | \$23.73 | \$41.54 | \$59.34 | \$77.14 | \$94.94 | \$112.74 |
| 96-Gal | \$27.27 | \$47.72 | \$68.17 | \$88.62 | \$109.06 | \$129.51 |
| 1-YD | \$76.95 | \$137.77 | \$189.49 | \$234.73 | \$285.16 | \$335.61 |
| 2-YD | \$121.42 | \$234.73 | \$335.61 | \$436.40 | \$537.23 | \$638.11 |
| 3-YD | \$174.76 | \$343.45 | \$494.71 | \$645.98 | \$797.23 | \$948.49 |

| Roll-off/Compactor Collection Rates | | | |
|--|--------------------|------------------|-----------------|
| Service Level | Solid Waste | Recycling | Organics |
| Roll-off up to 15 CY (per pull) | \$433.58 | \$216.79 | \$346.86 |
| Roll-off 16-24 CY (per pull) | \$607.14 | \$303.57 | \$485.71 |
| Roll-off 26-34 CY (per pull) | \$764.27 | \$382.13 | \$611.42 |
| Roll-off over 34 CY (per pull) | \$933.31 | \$466.65 | \$746.64 |
| Compactor up to 15 CY (per pull) | \$498.62 | \$249.31 | \$398.89 |
| Compactor 16-24 CY (per pull) | \$698.21 | \$349.10 | \$558.56 |
| Compactor 26-34 CY (per pull) | \$878.91 | \$439.46 | \$703.13 |
| Compactor over 34 CY (per pull) | \$1,073.30 | \$536.65 | \$858.64 |
| Roll-off/Compactor (per ton) | \$42.78 | \$0.00 | \$60.00 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

Option 4: Non-Exclusive Debris Box With 20-Gallon Cart

| Single-Family Collection Rates | | | |
|---------------------------------------|--------------------|------------------|-----------------|
| Service Level | Solid Waste | Recycling | Organics |
| 20 Gal | \$31.76 | Included | Included |
| 32 Gal | \$34.53 | Included | Included |
| 64 Gal | \$40.60 | Included | Included |
| 96 Gal | \$46.65 | Included | Included |
| 20 Gal Senior | \$15.88 | Included | Included |
| 32 Gal Senior | \$17.28 | Included | Included |
| 64 Gal Senior | \$20.32 | Included | Included |
| 20 Gal Mobile Home | \$9.69 | Included | N/A |
| 32 Gal Mobile Home | \$10.53 | Included | N/A |
| 64 Gal Mobile Home | \$15.63 | Included | N/A |
| SFD No Organics Discount | N/A | N/A | -\$6.90 |
| Senior No Organics Discount | N/A | N/A | -\$3.46 |

| Multi-Family Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$20.41 | \$35.72 | \$51.03 | \$66.33 | \$81.64 | \$96.95 |
| 64-Gal | \$24.78 | \$43.37 | \$61.96 | \$80.55 | \$99.14 | \$117.72 |
| 96-Gal | \$29.16 | \$51.03 | \$72.89 | \$94.76 | \$116.63 | \$138.50 |
| 1-YD | \$83.11 | \$138.55 | \$190.31 | \$235.18 | \$285.60 | \$335.99 |
| 1.5-YD | \$106.68 | \$190.27 | \$252.77 | \$325.86 | \$398.89 | \$471.94 |
| 2-YD | \$130.21 | \$235.18 | \$335.99 | \$436.78 | \$537.53 | \$638.40 |
| 3-YD | \$187.05 | \$343.82 | \$494.96 | \$646.16 | \$797.39 | \$948.54 |
| 4-YD | \$217.32 | \$398.64 | \$564.64 | \$730.73 | \$896.76 | \$1,062.82 |
| 6-YD | \$299.20 | \$555.89 | \$814.24 | \$1,051.49 | \$1,309.85 | \$1,568.19 |
| 8-YD | \$389.46 | \$721.60 | \$1,042.65 | \$1,363.81 | \$1,684.90 | \$2,006.05 |

| Multi-Family Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$5.10 | \$8.93 | \$12.76 | \$16.58 | \$20.41 | \$24.24 |
| 64-Gal | \$6.20 | \$10.84 | \$15.49 | \$20.14 | \$24.78 | \$29.43 |
| 96-Gal | \$7.29 | \$12.76 | \$18.22 | \$23.69 | \$29.16 | \$34.62 |
| 1-YD | \$20.78 | \$34.64 | \$47.58 | \$58.79 | \$71.40 | \$84.00 |
| 1.5-YD | \$26.67 | \$47.57 | \$63.19 | \$81.47 | \$99.72 | \$117.99 |
| 2-YD | \$32.55 | \$58.79 | \$84.00 | \$109.19 | \$134.38 | \$159.60 |
| 3-YD | \$46.76 | \$85.96 | \$123.74 | \$161.54 | \$199.35 | \$237.14 |
| 4-YD | \$54.33 | \$99.66 | \$141.16 | \$182.68 | \$224.19 | \$265.71 |
| 6-YD | \$74.80 | \$138.97 | \$203.56 | \$262.87 | \$327.46 | \$392.05 |
| 8-YD | \$97.37 | \$180.40 | \$260.66 | \$340.95 | \$421.22 | \$501.51 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Multi-Family Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$16.33 | \$28.57 | \$40.82 | \$53.07 | \$65.31 | \$77.56 |
| 64-Gal | \$19.83 | \$34.70 | \$49.57 | \$64.44 | \$79.31 | \$94.18 |
| 96-Gal | \$23.33 | \$40.82 | \$58.32 | \$75.81 | \$93.30 | \$110.80 |
| 1-YD | \$66.49 | \$110.84 | \$152.25 | \$188.14 | \$228.48 | \$268.79 |
| 2-YD | \$104.17 | \$188.14 | \$268.79 | \$349.42 | \$430.03 | \$510.72 |
| 3-YD | \$149.64 | \$275.06 | \$395.97 | \$516.93 | \$637.91 | \$758.84 |

| Commercial Solid Waste Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$25.35 | \$44.37 | \$63.38 | \$82.40 | \$101.41 | \$120.43 |
| 64-Gal | \$29.81 | \$52.18 | \$74.54 | \$96.90 | \$119.26 | \$141.62 |
| 96-Gal | \$34.25 | \$59.94 | \$85.63 | \$111.32 | \$137.01 | \$162.70 |
| 1-YD | \$96.66 | \$173.07 | \$238.04 | \$294.87 | \$358.22 | \$421.60 |
| 1.5-YD | \$124.60 | \$237.89 | \$317.66 | \$409.73 | \$501.75 | \$593.77 |
| 2-YD | \$152.52 | \$294.87 | \$421.60 | \$548.20 | \$674.87 | \$801.59 |
| 3-YD | \$219.53 | \$431.44 | \$621.45 | \$811.48 | \$1,001.48 | \$1,191.49 |
| 4-YD | \$257.63 | \$504.75 | \$716.54 | \$928.37 | \$1,140.14 | \$1,351.95 |
| 6-YD | \$356.45 | \$706.61 | \$1,035.19 | \$1,339.11 | \$1,667.66 | \$1,996.21 |
| 8-YD | \$464.29 | \$918.44 | \$1,329.11 | \$1,739.94 | \$2,150.67 | \$2,561.44 |

| Commercial Recycling Collection Rates | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$6.34 | \$11.09 | \$15.85 | \$20.60 | \$25.35 | \$30.11 |
| 64-Gal | \$7.45 | \$13.04 | \$18.63 | \$24.22 | \$29.81 | \$35.41 |
| 96-Gal | \$8.56 | \$14.99 | \$21.41 | \$27.83 | \$34.25 | \$40.67 |
| 1-YD | \$24.17 | \$43.27 | \$59.51 | \$73.72 | \$89.55 | \$105.40 |
| 1.5-YD | \$31.15 | \$59.47 | \$79.41 | \$102.43 | \$125.44 | \$148.44 |
| 2-YD | \$38.13 | \$73.72 | \$105.40 | \$137.05 | \$168.72 | \$200.40 |
| 3-YD | \$54.88 | \$107.86 | \$155.36 | \$202.87 | \$250.37 | \$297.87 |
| 4-YD | \$64.41 | \$126.19 | \$179.13 | \$232.09 | \$285.03 | \$337.99 |
| 6-YD | \$89.11 | \$176.65 | \$258.80 | \$334.78 | \$416.91 | \$499.05 |
| 8-YD | \$116.07 | \$229.61 | \$332.28 | \$434.99 | \$537.67 | \$640.36 |

EXHIBIT L
RATES APPROVED BY CITY FOR RATE PERIOD ONE

| Commercial Organics Collection Rates | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | Frequency | | | | | |
| Service Level | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week |
| 32-Gal | \$20.28 | \$35.49 | \$50.71 | \$65.92 | \$81.13 | \$96.34 |
| 64-Gal | \$23.85 | \$41.74 | \$59.63 | \$77.52 | \$95.41 | \$113.30 |
| 96-Gal | \$27.40 | \$47.95 | \$68.50 | \$89.05 | \$109.61 | \$130.16 |
| 1-YD | \$77.33 | \$138.46 | \$190.43 | \$235.89 | \$286.57 | \$337.28 |
| 2-YD | \$122.02 | \$235.89 | \$337.28 | \$438.56 | \$539.89 | \$641.28 |
| 3-YD | \$175.62 | \$345.15 | \$497.16 | \$649.18 | \$801.18 | \$953.19 |

| Roll-off/Compactor Collection Rates | | | |
|--|--------------------|------------------|-----------------|
| Service Level | Solid Waste | Recycling | Organics |
| Roll-off up to 15 CY (per pull) | \$436.15 | \$218.08 | \$348.92 |
| Roll-off 16-24 CY (per pull) | \$610.78 | \$305.39 | \$488.63 |
| Roll-off 26-34 CY (per pull) | \$768.91 | \$384.45 | \$615.13 |
| Roll-off over 34 CY (per pull) | \$938.99 | \$469.50 | \$751.20 |
| Compactor up to 15 CY (per pull) | \$501.58 | \$250.79 | \$401.26 |
| Compactor 16-24 CY (per pull) | \$702.40 | \$351.20 | \$561.92 |
| Compactor 26-34 CY (per pull) | \$884.24 | \$442.12 | \$707.40 |
| Compactor over 34 CY (per pull) | \$1,079.84 | \$539.92 | \$863.87 |
| Roll-off/Compactor (per ton) | \$42.78 | \$0.00 | \$60.00 |

**EXHIBIT M:
APPROVED
SUBCONTRACTORS**

EXHIBIT M

APPROVED SUBCONTRACTORS

This Exhibit shall be prepared based on Contractor's Proposal and included with the final Agreement:

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**EXHIBIT N:
OPERATING
ASSUMPTIONS AND
COST BASIS FOR
RATE PERIOD ONE
RATES**

EXHIBIT N
OPERATING ASSUMPTIONS AND COST BASIS FOR
RATE PERIOD ONE RATES

Final cost forms shall be inserted reflecting the Council-selected option.

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EXHIBIT 0

STREET SWEEPING

- O-1. Monthly Record Keeping Form
- O-2. Abandoned Car Parking Control Program
- O-3. Tree Control Program Maintenance Activity
- O-4. Daily Report of Motor Street Sweeper

EXHIBIT O-1 STREET SWEEPING MONTHLY RECORD KEEPING FORM



**Santa Clara Valley
Urban Runoff
Pollution Prevention**

EXHIBIT O

Exhibit O-1

FY Monthly Record Keeping Form

MONTH AND YEAR: _____

Agency: _____ T

Completed By: _____ Date: _____

| STREET SWEEPING | Volume of material collected (cubic yards) | | Miles swept* (Curb miles) | |
|-----------------|--|--|---------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**EXHIBIT O-1
STREET SWEEPING
MONTHLY RECORD KEEPING FORM**

1. Sweeping

Residential Area:

Broom

Regenerative Air

Vacuum

Commercial Areas:

Broom

Regenerative Air

Vacuum

Industrial Areas

Broom

Regenerative Air

Vacuum

Other Areas Swept:

(e.g., parking lots, major arterials)

Broom

Regenerative Air

Vacuum

2) Have there been any changes in your street sweeping program?

(efforts to have parked cars removed, changes sweeping frequency, new equipment, significant downtimes, etc)

**EXHIBIT O-1
STREET SWEEPING
MONTHLY RECORD KEEPING FORM**

| |
|---|
| <input type="checkbox"/> |
| <p>LEAF REMOVAL</p> <p>Volume of leaves removed by City/Town crews: _____ cubic yards.</p> <p>Leaves bagged by residents and picked up by your City/Town: _____ bags</p> <p>Check box if you do not have a leaf removal program other than routine street sweeping:</p> |

**EXHIBIT O-2
STREET SWEEPING
ABANDONED CAR PARKING CONTROL PROGRAM**

**Street Sweeping Abandoned Car Parking Control Program
Maintenance Activity**

| | | |
|------------------|--------|------------|
| Reporting Agency | | Month of |
| Completed By: | | Date |
| Address | Street | Deficiency |
| 1. | _____ | _____ |
| 2. | _____ | _____ |
| 3. | _____ | _____ |
| 4. | _____ | _____ |
| 5. | _____ | _____ |
| 6. | _____ | _____ |
| 7. | _____ | _____ |
| 8. | _____ | _____ |
| 9. | _____ | _____ |
| 10. | _____ | _____ |
| 11. | _____ | _____ |
| 12. | _____ | _____ |
| 13. | _____ | _____ |
| 14. | _____ | _____ |
| 15. | _____ | _____ |
| 16. | _____ | _____ |
| 17. | _____ | _____ |
| 18. | _____ | _____ |

**EXHIBIT O-3
STREET SWEEPING
TREE CONTROL PROGRAM MAINTENANCE ACTIVITY**

**Street Sweeping Tree Control Program
Maintenance Activity**

Reporting Agency

Month of

Completed By:

Date

Address

Street

Deficiency

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

**EXHIBIT O-4
STREET SWEEPING
DAILY REPORT OF MOTOR STREET SWEEPER**

Daily Report of Motor Street Sweeper

Date: _____

| | | |
|--------------|---------------|--------------|
| Route: | Equip No. | Operator: |
| Time Start: | Time Finish: | Total Hours: |
| Miles Start: | Miles Finish: | Total Miles: |
| Cu. Yards: | Water Use: | |

Streets in addition to those listed on Routes: _____

From: _____ To: _____ Mileage: _____

Total to be added to Route: _____

Streets Listed on Route which were not cleaned: _____

Total to be deducted from Route: _____

| Curb Miles in Route | Additional Miles | Deducted Miles | Net Miles |
|---------------------|------------------|----------------|-----------|
| | | | |