

# **Collection Service Agreement**

**Executed Between  
Castro Valley Sanitary District  
and  
Waste Management of Alameda  
County, Inc.**

May 1, 2009





# Collection Service Agreement

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# Collection Service Agreement

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## CASTRO VALLEY SANITARY DISTRICT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into as of this first day of May, 2009, by and between the Castro Valley Sanitary District, a municipal corporation ("DISTRICT") and Waste Management of Alameda County, Inc., a California corporation ("CONTRACTOR").

### RECITALS

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

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

**WHEREAS;** the DISTRICT finds that the voters of Alameda County, through the Alameda County Source Reduction and Recycling Plan required by the Waste Reduction and Recycling Act of 1990 (Measure D), have adopted a policy goal to reduce the total quantity of Solid Waste landfilled in Alameda County by diverting seventy five percent (75%) of the materials generated in Alameda County from landfills by 2010; and

**WHEREAS;** pursuant to California Public Resources Code Section 40059(a) as may be amended from time to time, the DISTRICT has determined that the public health, safety, and well-being require that an exclusive right be awarded to a qualified CONTRACTOR to provide for the Collection of Municipal Solid Waste, Recyclable Materials, and Compostable Materials, except for Collection of materials excluded herein, and other services related to meeting the Act's 50% Diversion goal and other requirements of the Act; and,

**WHEREAS;** the DISTRICT further declares its intent to regulate CONTRACTOR'S compensation and set the rates CONTRACTOR will charge customers for the Collection, transportation, processing, recycling, composting, and/or disposal of Municipal Solid Waste, Recyclable Materials, Compostable Materials; and

**WHEREAS;** the DISTRICT Board has determined through a competitive procurement process for Collection Services that CONTRACTOR, by demonstrated experience, reputation and capacity, is qualified to provide for the Collection of MSW, Recyclable Materials, and Compostable Materials within the corporate limits of the DISTRICT, the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and the DISTRICT Board desires that CONTRACTOR be engaged to perform such services on the basis set forth in this Agreement; and



42 **WHEREAS;** the CONTRACTOR, through its proposal to the DISTRICT, has proposed and  
43 represented that it has the experience, the ability and capacity to provide for the Collection of  
44 Municipal Solid Waste, Recyclable Materials, and Compostable Materials within the corporate  
45 limits of the DISTRICT; the transportation of such material to appropriate places for processing,  
46 recycling, composting and/or disposal; and the processing of materials at the rates provided for  
47 herein; and

48 **WHEREAS,** this Agreement has been developed by and is satisfactory to the DISTRICT and  
49 the CONTRACTOR.

50 Now, therefore, in consideration of the mutual covenants, conditions and consideration  
51 contained herein, the DISTRICT and CONTRACTOR hereby agree as hereinafter set forth:

## 52 **ARTICLE 1. Definitions**

53 For the purpose of this Collection Service Agreement, hereinafter referred to as "Agreement",  
54 the definitions contained in this Article shall apply unless otherwise specifically stated. When  
55 not inconsistent with the context, words used in the present tense include the future, words in  
56 the plural include the singular, and words in the singular include the plural. Use of the  
57 masculine gender shall include the feminine gender.

58 1.01 AB 939. The California Integrated Waste Management Act of 1989 (California  
59 Public Resources Code Sections 40000 et seq.), as it may be amended from time to time.

60 1.02 Agreement. The written document and all amendment thereto between  
61 DISTRICT and CONTRACTOR governing the provision of Collection Services as provided  
62 herein, including all exhibits hereto, as it may be amended from time to time.

63 1.03 Alternative Daily Cover (ADC). Disposal Facility cover material, other than  
64 Compostable Material and at least six (6) inches of earthen material, placed on the surface of  
65 the active face of the refuse fill area at the end of each operating day to control vectors, fires,  
66 odor, blowing litter and scavenging, as defined in Section 20164 of the California Code of  
67 Regulations.

68 1.04 Backyard. Any physical location on the Customer's property for the Collection of  
69 Discarded Material from the Customer's property that is not "Curbside."

70 1.05 Bag-it Bags. A plastic bag approved by DISTRICT and provided by the  
71 CONTRACTOR which may be purchased by Residents for the Collection of MSW overages.

72 1.06 Bin. A container, with a capacity of at least one (1) cubic yard designed or  
73 intended to be mechanically dumped into a loader packer type truck. Bins may also include  
74 Compactors that are owned by the MFD or Business Customer wherein the MFD or Business  
75 Collection Service occurs.

76 1.07 BMP Guidelines for Non-Point Source Pollutants. The Storm Water Best  
77 Management Practices Handbook for Industrial Commercial.

78 1.08 Brown Goods. Discarded electronic equipment such as portable televisions,  
79 computers, microwave ovens, and similar items produced at Residential Dwelling Units and  
80 accepted by the DISTRICT as MSW.

81           1.09 Bulky Goods. Discarded Materials, such as large and small household  
82 appliances (including refrigerators), furniture, carpets, mattresses, White Goods, Brown Goods,  
83 clothing, un-mounted tires, and oversized Compostable Materials such as tree trimmings and  
84 large branches, and similar large items which can be handled by two (2) people; or some  
85 combination of such items in a container the dimensions of which container does not exceed  
86 four feet by four feet by two feet (4'x4'x2') and weighing no more than seventy-five (75) pounds,  
87 which are attributed to the normal activities of a SFD, MFD, or DISTRICT service unit. Bulky  
88 Goods must be generated by the Customer and at the service address wherein the Bulky  
89 Goods are Collected. Bulky Goods do not include items herein defined as Unacceptable Waste  
90 or Construction and Demolition Debris.

91           1.10 Business. A commercial establishment and/or industrial facility including, but not  
92 limited to, governmental, religious, and educational facilities. Construction and Demolition  
93 contractors shall be considered Business Generators regardless of the zoning of the property  
94 where Construction and Demolition is undertaken.

95           1.11 Business Collection Service. Business MSW Collection Service, Business  
96 Recycling Collection Service and Business Compostable Collection Service.

97           1.12 Business Compostable Collection Service. The Collection of Compostable  
98 Materials from Business Customers in the Service Area, the delivery of the Compostable  
99 Materials to a Composting Facility and the processing and marketing of the Compostable  
100 Material.

101           1.13 Business MSW Collection Service. The Collection of MSW from Business  
102 Customers in the Service Area and the delivery of the MSW to the Disposal Facility.

103           1.14 Business Recyclable Collection Service. The Collection of Recyclables from  
104 Business Customers in the Service Area participating in the recycling program, the delivery of  
105 the Recyclable Materials to a Processing Facility, and the processing and marketing of the  
106 Recyclable Material.

107           1.15 California Integrated Waste Management Act of 1989. Public Resources Code,  
108 Section 40000, et seq.

109           1.16 Change in Law. The adoption, promulgation, or modification of any enforceable  
110 federal, state or local rule, law, regulation, ordinance, permit or administrative agency guidelines  
111 duly adopted and promulgated officially in writing for uniform application occurring after the  
112 effective date of this Agreement, if such Change in Law has a material adverse effect on the  
113 rights or obligations of any party to this Agreement and could not be reasonably predicted or  
114 provided for. Change in Law does not include changes initiated by CONTRACTOR. Change in  
115 Law does not include any change relating to:

116                   1.16.1 taxation of income of CONTRACTOR or

117                   1.16.2 the failure of CONTRACTOR to comply with any legal requirement  
118 imposed by any governmental agency having or contending to have jurisdiction . In no event  
119 shall any Change in Law relieve CONTRACTOR, its insurance company and/or its guarantor



120 from its liability to indemnify DISTRICT from any and/or all expenses of any nature whatsoever  
121 for CLOSURE/POST CLOSURE. Notwithstanding the foregoing and for purposes of  
122 clarification, CONTRACTOR or DISTRICT may apply for rate increases or decreases based on  
123 a Change in Law as defined herein effecting any costs including but not limited to those directly  
124 related to CLOSURE/POST CLOSURE activities concerning Solid Waste of DISTRICT placed  
125 in landfill of CONTRACTOR after the effective date of such Change in Law. As a result of either  
126 prior agreements between CONTRACTOR and DISTRICT, and/or as a result of this Agreement  
127 or the Disposal Agreement signed in conjunction with this Agreement, provided that DISTRICT  
128 has fully performed, DISTRICT cannot be required or obligated to contribute additional funds to  
129 CLOSURE/POST-CLOSURE activities concerning Municipal Solid Waste of DISTRICT or the  
130 solid waste of any other agency or entity or individual placed in the landfill of CONTRACTOR  
131 prior to the Effective Date of a change in law, except that the Effective Date shall be replaced by  
132 the date DISTRICT is advised in writing by CONTRACTOR of such change in law in the event  
133 such written notification is received by DISTRICT more than ninety (90) calendar days after the  
134 Effective Date of the change in law . It is understood that CLOSURE/POST CLOSURE is a  
135 series of events which are required, or otherwise performed, either during the operation or after  
136 closure of a landfill, or portion of a landfill, to comply with the terms of an approved  
137 CLOSURE/POST CLOSURE plan, or amendments thereto, as the result of legislation, rule,  
138 regulation, court decision or good engineering practices. Notwithstanding any other provisions  
139 of this definition, Change in Law shall not include such changes enacted or adopted prior to the  
140 effective date of this Agreement but which do not take effect until after the date of this  
141 Agreement.

142           1.17 Collect/Collection. To pick up, transport, and remove MSW, Recyclables,  
143 Compostable Materials, Bulky Goods, and/or Construction and Demolition Debris.

144           1.18 Collection Services. SFD Collection Services, MFD Collection Services,  
145 Business Collection Services, DISTRICT Collection Services and Construction and Demolition  
146 Collection Service.

147           1.19 Compactor. Any container which has compaction mechanisms whether  
148 stationary or mobile, used or unused, operable or inoperable, all inclusive.

149           1.20 Compostable Materials. Food Waste, Green Waste, soiled paper and those  
150 materials designated from time to time in DISTRICT Legislation for Collection and Recycling  
151 under this Agreement which are segregated from MSW at the source of generation by the  
152 Customer and set out for Collection.

153           1.21 Composting. The purposeful or engineered physical, chemical, and biological  
154 degradation of biodegradable Compostable Materials into mature compost as determined by  
155 standard laboratory analysis.

156           1.22 Composting Facility. Any facility designated by CONTRACTOR and approved by  
157 the DISTRICT for the receipt, processing and Composting of Compostable Materials Collected  
158 under this Agreement. The Grover composting facility located at 3401 Gaffery Road, Venalis,  
159 California has been designated by the CONTRACTOR as a Composting Facility and approved  
160 by the DISTRICT pursuant to this Agreement.

161           1.23 Construction and Demolition Debris. Used or discarded materials removed from  
162 premises during construction or renovation of a structure resulting from construction,

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163 remodeling, repair or demolition operations on any house, or residential property, commercial  
164 building, pavement, or other structure. Construction and Demolition Debris includes rocks, soils,  
165 tree remains and other Green Waste which results from land clearing or land development  
166 operations in preparation for construction.

167           1.24 Construction and Demolition Debris Processing Facility. Any facility designated  
168 by CONTRACTOR and approved by the DISTRICT for the receipt, storage, and processing of  
169 Construction and Demolition Debris.

170           1.25 Contract Administrator. The DISTRICT General Manager or his/her designee.

171           1.26 CONTRACTOR. Waste Management of Alameda County, Inc., a California  
172 Corporation.

173           1.27 CONTRACTOR'S Job Truck. A wheeled vehicle used by CONTRACTOR to  
174 Collect Bulky Goods or Construction and Demolition Debris, the aggregate weight of which  
175 material is not more than one thousand (1,000) pounds.

176           1.28 Customer. A Generator of MSW, Recyclables, Compostable Materials, or  
177 Construction and Demolition Debris within the DISTRICT'S jurisdiction including homeowners,  
178 managers or owners or occupants of rental single-family or multi-family dwellings, and Business  
179 representatives, excluding DISTRICT residents who obtain an exemption from the DISTRICT  
180 based on the resident's demonstration that he/she generates no MSW.

181           1.29 Discarded Materials. Anything a Person, Business, industry, or institution has  
182 determined to discard by delivery to a licensed facility, by placement in or next to a receptacle  
183 regularly emptied by CONTRACTOR by abandonment in a public place, or by otherwise giving  
184 up ownership after use, except Unacceptable Waste or items that must be handled as  
185 hazardous, biohazardous, biological, toxic or infectious waste in accordance with rules and  
186 regulations of the Alameda County Environmental Health Department.

187           1.30 Disposal. The final processing and disposition of materials Collected by  
188 CONTRACTOR under the terms of this Agreement.

189           1.31 Disposal Contractor. The entity who has obtained from the DISTRICT an  
190 Agreement to provide Disposal Services.

191           1.32 Disposal Facility. The Transfer Station and materials recovery facility (MRF)  
192 owned by CONTRACTOR located at Davis Street or facilities utilized for the Disposal,  
193 processing or transfer of Collected Material received by the CONTRACTOR or places approved  
194 by DISTRICT for such Disposal, processing or transfer.

195           1.33 DISTRICT. The Castro Valley Sanitary District and all the territory lying within its  
196 boundaries as presently existing or as such boundaries may be modified during the term of this  
197 Agreement.

198           1.34 DISTRICT Board. The Board of Directors for the Castro Valley Sanitary District.

199           1.35 DISTRICT Offices. The DISTRICT offices on Marshall Street and any  
200 subsequent administration or corporation sites created during the term of this Agreement.



201           1.36 DISTRICT Collection Services. DISTRICT MSW Collection Service, DISTRICT  
202 Recycling Collection Service, DISTRICT Compostable Materials Collection Service, DISTRICT  
203 Bulky Goods Service, DISTRICT Clean-up Services, DISTRICT Container Services, and  
204 DISTRICT Special Event Services.

205           1.37 DISTRICT Bulky Goods Service. The Collection of Bulky Goods from DISTRICT  
206 offices in the Service Area, the delivery of the Bulky Goods to a Processing Facility and the  
207 processing, and marketing of the Bulky Goods.

208           1.38 DISTRICT Clean-up Service. The Collection of MSW, Compostable Material,  
209 Recyclable Materials, or Bulky Goods by the CONTRACTOR resulting from written or verbal  
210 requests from the DISTRICT for temporary clean-up of MSW, Compostable Material,  
211 Recyclable Materials, or Bulky Goods and the transport and delivery of the Collected materials  
212 to the appropriate facilities. Such service shall include the provision of Roll-off Containers by  
213 the CONTRACTOR and shall be limited to the equivalent of nine hundred sixty (960) cubic  
214 yards in any full or partial calendar year.

215           1.39 DISTRICT Container Service. The Collection of MSW and Recyclables from  
216 public containers distributed and maintained by the DISTRICT and the transport and delivery of  
217 the Collected materials to the appropriate facility.

218           1.40 DISTRICT Compostable Materials Collection Service. The Collection of  
219 Compostable Materials from DISTRICT offices in the Service Area, the delivery of the  
220 Compostable Material to a Composting Facility and the processing, and marketing of the  
221 Compostable Material.

222           1.41 DISTRICT MSW Collection Service. The Collection of MSW from DISTRICT  
223 offices in the Service Area and the delivery of the MSW to the Disposal Facility.

224           1.42 DISTRICT Recyclable Collection Service. The Collection of Recyclables from  
225 DISTRICT offices in the Service Area, the delivery of the Recyclable Materials to a Processing  
226 Facility, and the processing and marketing of the Recyclable Material.

227           1.43 DISTRICT Legislation. Any ordinances or resolutions duly promulgated or  
228 adopted by the DISTRICT Board, as such ordinances or resolutions may be amended from time  
229 to time.

230           1.44 Divert. To make use of Discarded Materials for any purpose and, therefore, to  
231 avoid Disposal of such material at the Disposal Facility.

232           1.45 Dwelling Unit. Any individual living unit in a; single family dwelling (SFD) or multi-  
233 family dwelling (MFD) structure or building, a mobile home, or a motor home located on a  
234 permanent site intended for, or capable of being utilized for, residential living other than a Hotel  
235 or Motel.

236           1.46 Fixed Body Vehicle. Any wheeled vehicle that does not rely on a Roll-Off or other  
237 detachable container to Collect, contain and transport material. Dump trucks shall be  
238 considered Fixed Body Vehicles.

239           1.47 Food Waste. All organic materials of plant or animal origin which are or were  
240 components of human foodstuffs that may be specified in DISTRICT Legislation for Collection  
241 and processing. It shall also include non-recyclable and soiled paper, vegetable trimmings,

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242 houseplant trimmings and other compostable organic waste common to the occupancy of  
243 Residential dwellings.

244 1.48 Force Majeure. Any acts of God, such as landslides, lightning, fires, storms,  
245 floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a  
246 public enemy, wars, blockades, riots, or other industrial disturbances, eminent domain,  
247 condemnation or other taking, or other events of a similar nature, not caused or maintained by  
248 the DISTRICT or CONTRACTOR, which event is not reasonably within the control of the party  
249 claiming the excuse from its obligations due to such event, to the extent such event has a  
250 significant and material adverse effect on the ability of a party to perform its obligations  
251 thereunder. Force Majeure shall not include power outages, fuel shortages, strikes, work  
252 stoppage or slowdown, sickout, lockout picketing or other concerted job action conducted by  
253 the CONTRACTOR'S employees or directed at the CONTRACTOR or subcontractor. Force  
254 Majeure shall include a Change in Law if such Change in Law prohibits a party's performance  
255 hereunder. Notwithstanding the foregoing, (i) no event relating to the Disposal Facility or the  
256 delivery of MSW and/or materials to that facility shall constitute a Force Majeure under this  
257 Agreement unless (and then only to the extent) that such event prevents the delivery of or  
258 acceptance of MSW to or by that facility; (ii) no failure of performance by any subcontractor of  
259 the CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force  
260 Majeure; (iii) except as provided herein, no event which merely increases CONTRACTOR'S  
261 cost of performance shall be a Force Majeure; and (iv) no event, the effects of which could have  
262 been prevented by reasonable precautions, including compliance with agreements and  
263 applicable laws, shall be a Force Majeure.

264 1.49 Generator. A Person, Business or any other entity that produces MSW,  
265 Compostables, Bulky Goods, Construction and Demolition Debris and/or Recyclable Material.

266 1.50 Green Waste. Untreated and unpainted wood, pruning, brush, leaves, or grass  
267 clippings and such other types of yard waste resulting from normal yard and landscaping  
268 maintenance that may be specified in DISTRICT Legislation for Collection and processing as  
269 Compostable Materials under this Agreement. Green Waste must be generated by the  
270 Customer and at the service address wherein the Green Waste is Collected, segregated from  
271 MSW at the source of generation and set out by the Customer for Collection. Green Waste does  
272 not include items herein defined as Unacceptable Waste.

273 1.51 Hazardous Waste. Any material, substance, waste or component thereof which  
274 poses an actual or potential risk to public health and safety or the environment by virtue of being  
275 actually or potentially toxic, corrosive, bioaccumulative, reactive, ignitable, radioactive, infectious  
276 or otherwise harmful to public health and safety or the environment, and which requires special  
277 handling under any present or future federal, state or local law, excluding de minimis quantities  
278 of waste of a type and amount normally found in Residential MSW after implementation of  
279 programs for the safe Collection, Recycling, treatment and Disposal of household hazardous  
280 waste in compliance with Sections 41500 and 41802 of the California Public Resources Code.

281 1.52 Multi-family Dwelling or MFD. Any residence with five (5) or more units, including  
282 any flat, apartment, condominium, town home or other premises, other than a hotel or motel,



283 used for housing persons including such premises when combined in the same building with  
284 Business establishments and serviced with one or more common containers.

285 1.53 MFD Collection Service. MFD MSW Collection Service, MFD Recycling  
286 Collection Service, MFD Bulky Goods Service and MFD Waste Oil Service.

287 1.54 MFD Bulky Goods Service. The Collection of Bulky Goods from MFD Customers  
288 in the Service Area, the delivery of the Bulky Goods to a Processing Facility and the processing,  
289 and marketing of the Bulky Goods.

290 1.55 MFD MSW Collection Service. The Collection of MSW from MFD Customers in  
291 the Service Area and the delivery of the MSW to the Disposal Facility.

292 1.56 MFD Recyclable Collection Service. The Collection of Recyclables from MFD  
293 Customers in the Service Area, the delivery of the Recyclable Materials to a Processing Facility,  
294 and the processing and marketing of the Recyclable Material.

295 1.57 MFD Waste Oil Service. The Collection of Waste Oil in Waste Oil Containers  
296 and Waste Oil Filters in Waste Oil Filter Containers, by the CONTRACTOR, from Customers in  
297 the Service Area utilizing Waste Oil and Filter Containers for the accumulation and set-out of  
298 Waste Oil and Waste Oil Filters and the appropriate disposition of the Waste Oil and Waste Oil  
299 Filters in accordance with the requirements of this Agreement.

300 1.58 Municipal Solid Waste or MSW. Except as provided below, all "Solid Waste" as  
301 defined in California Public Resources Code Section 40191, as that section may be amended  
302 from time to time, which is generated within the District. MSW means all putrescible and non-  
303 putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish,  
304 ashes, industrial wastes, Bulky Goods, Brown Goods, dewatered, treated, or chemically fixed  
305 sewage sludge which is not Hazardous Waste, manure, vegetable or animal solid and semisolid  
306 wastes, and other discarded wastes, but does not include abandoned vehicles, Hazardous  
307 Waste or other Unacceptable Waste. MSW may include Recyclables, Compostable Materials,  
308 and Construction and Demolition Debris if such materials are not source separated from MSW  
309 at the site of generation or Collected for Recycling, Composting, processing and marketing.

310 1.59 Non-Collection Notice. A form developed by CONTRACTOR and provided at  
311 CONTRACTOR'S cost at least 2" by 6" in size, on which CONTRACTOR has provided  
312 CONTRACTOR'S phone number and indicated the reasons for CONTRACTOR'S refusal to  
313 Collect material, giving reference to the section of DISTRICT Legislation or to the section of this  
314 Agreement which has been violated, and which gives grounds for CONTRACTOR'S refusal  
315 either in writing or by means of a check system.

316 1.60 Paper Garden Bags. A paper bag approved by DISTRICT and provided by the  
317 CONTRACTOR which may be purchased by Residents for the Collection of Compostable  
318 Materials overages.

319 1.61 Person. An individual, firm, corporation, association, partnership, consortium,  
320 joint venture, commercial entity, governmental entity, or any other legal person.

321 1.62 Processing Facility. Any facility designated by CONTRACTOR and approved by  
322 the DISTRICT for the temporary or permanent receipt, storage, and/or processing of some or all  
323 of the Discarded Material Collected under this Agreement. The Davis Street Recycling Facility

324 has been designated by the CONTRACTOR as a Processing Facility and approved by the  
325 DISTRICT pursuant to this Agreement.

326 1.63 Processing Residues. Materials remaining after the processing of Recyclables,  
327 Compostable Materials, and Construction and Demolition Debris, which cannot reasonably be  
328 diverted from the landfill.

329 1.64 Recyclables. Those materials designed in this Agreement or DISTRICT  
330 Legislation for Collection and Recycling under this Agreement which are segregated from MSW  
331 by the Customer at the source of generation and set out for Collection. Recyclable Materials  
332 include those materials defined by the DISTRICT, including newsprint (including inserts,  
333 coupons and store advertisements); mixed paper (including magazines, catalogs, envelopes,  
334 junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg cartons, office  
335 ledger paper, legal pad backing, shoeboxes and telephone books); glass containers, (including  
336 brown, clear and green glass bottles and jars) ; aluminum, (including beverage containers and  
337 foil products); small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two  
338 (2) feet in any dimension for any single item); steel including "tin" cans, aerosol cans (empty,  
339 non-toxic products) and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet  
340 in any dimension for any single item); bimetal containers; all plastics (#1-7), except expanded  
341 Polystyrene (EPS); dry cell household batteries when placed on the Recycling Cart in a sealed  
342 heavy-duty plastic bag; and those materials added by the CONTRACTOR from time to time.

343 1.65 Recyclables Processing and Marketing. Recycling, including, but not limited to  
344 the receipt, storage, sorting, cleansing, treating, bailing, shipping, and/or reconstituting of  
345 Recyclables including Recyclables recovered from the MSW stream, at a facility which has  
346 adequate capacity to process the Recyclables Collected pursuant to this Agreement, and to  
347 return those Recyclables to the economic mainstream in a form that meets the requirements for  
348 greatest marketability. Without limiting the foregoing, Recyclables Processing and Marketing  
349 includes the pursuit and/or creation of markets for processed Recyclables in accordance with  
350 the provisions of this Agreement and plans submitted hereunder.

351 1.66 Residential Dwelling Unit. A Dwelling Unit occupied as a residence.

352 1.67 Roll-Off Container. A metal container of between 6 and 50 cubic yards that is  
353 normally loaded onto a motor vehicle and transported to an appropriate facility. A Roll-Off  
354 Container may be open topped or enclosed with or without a compaction unit.

355 1.68 Roll-Off Collection Services. The service provided to Customers for the  
356 Collection of Discarded Material using a Roll-Off Container.

357 1.69 Rollout Cart or Cart. A heavy plastic receptacle with a rated capacity of at least  
358 twenty (20) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid,  
359 and two (2) wheels, that is approved by the DISTRICT and is labeled as designated by the  
360 DISTRICT.

361 1.70 SFD Collection Service. SFD MSW Collection Service, SFD Recycling Collection  
362 Service, SFD Compostable Materials Collection Service, SFD Bulky Goods Service and SFD  
363 Waste Oil Service.



364           1.71   SFD Bulky Goods Service. The Collection of Bulky Goods from SFD Customers  
365 in the Service Area, the delivery of the Bulky Goods to a Processing Facility and the processing,  
366 and marketing of the Bulky Goods.

367           1.72   SFD Compostable Materials Service. The Collection of Compostable Materials  
368 from SFD Customers in the Service Area, the delivery of the Compostable Material to a  
369 Composting Facility and the processing, and marketing of the Compostable Material.

370           1.73   SFD MSW Collection Service. The Collection of MSW from SFD Customers in  
371 the Service Area and the delivery of the MSW to the Disposal Facility.

372           1.74   SFD Recyclable Collection Service. The Collection of Recyclables from SFD  
373 Customers in the Service Area, the delivery of the Recyclable Materials to a Processing Facility,  
374 and the processing and marketing of the Recyclable Material.

375           1.75   SFD Waste Oil Service. The Collection of Waste Oil in Waste Oil Containers and  
376 Waste Oil Filters in Waste Oil Filter Containers, by the CONTRACTOR, from SFD Customers in  
377 the Service Area utilizing Waste Oil and Filter Containers for the accumulation and set-out of  
378 Waste Oil and Waste Oil Filters and the appropriate disposition of the Waste Oil and Waste Oil  
379 Filters in accordance with the requirements of this Agreement.

380           1.76   Self-Haul Customer. A Generator of MSW, Recyclables, Compostable Materials,  
381 and/or Construction and Demolition Debris within the DISTRICT'S jurisdiction who delivers  
382 materials to a permitted facility rather than to the CONTRACTOR.

383           1.77   Single Family Dwelling or SFD. A detached or attached Residence containing  
384 four (4) or fewer units when each unit is designed or used for occupancy by one family.

385           1.78   Special Event Collection Service. The Collection of MSW, Recyclable Materials  
386 and other materials as appropriate at DISTRICT-sponsored special events.

387           1.79   Transfer Station. The facility designated by CONTRACTOR and approved by the  
388 DISTRICT for the transfer of some or all of the Discarded Material Collected under this  
389 Agreement. The Davis Street Transfer Station has been designated by CONTRACTOR as a  
390 Transfer Station and approved by the DISTRICT pursuant to this Agreement.

391           1.80   Unacceptable Waste. Any and all waste, including but not limited to, Hazardous  
392 Waste, the acceptance or handling of which would cause a violation of any permit condition or  
393 legal or regulatory requirement, damage or threatened damage to CONTRACTOR'S equipment  
394 or facilities, or present a substantial endangerment to the health or safety of the public or  
395 CONTRACTOR'S employees; provided, that de minimis quantities or waste of a type and  
396 amount normally found in Residential MSW after implementation of programs for the safe  
397 Collection, Recycling, treatment, and Disposal of household hazardous waste in compliance  
398 with Sections 41500 and 41802 of the California Public Resources Code shall not constitute  
399 Unacceptable Waste. Unacceptable Waste does not include Waste Oil, Waste Oil Filters, or  
400 household batteries when placed for Collection as set forth in this Agreement or as otherwise  
401 directed by the DISTRICT.

402           1.81   Waste Oil. Used oil fluids for vehicles including motor oil, brake, transmission and  
403 hydraulic fluids, crankcase and differential oils, lubricating oils for vehicles and oil filters from

404 automobile and light trucks. Waste Oil must be generated by and at the SFD or MFD residence  
405 wherein the Waste Oil is Collected.

406 1.82 Waste Oil Container. A plain copoly container provided by the CONTRACTOR  
407 for the accumulation of Waste Oil that is at least four (4) quarts in capacity, leak-proof, has a  
408 screw-on lid and has a label designating it for use as a Waste Oil Container, or such container  
409 as may be provided by the DISTRICT at their discretion.

410 1.83 Waste Oil Filter. Any oil filter that is no longer useful to the SFD or MFD  
411 Customer because of extended storage, spillage or contamination with non-hazardous  
412 impurities such as dirt or water; or has been used and as a result of such use has been  
413 contaminated with physical or chemical impurities. Waste Oil Filters must be generated by and  
414 at the SFD or MFD residence wherein the Waste Oil Filter is Collected.

415 1.84 Waste Oil Filter Container. A six (6) mil poly bag with double track seal with  
416 dimensions of at least fourteen and one-half (14.5) inches by eight (8) inches with a one and  
417 one-quarter (1¼) inch diameter hole above the seal provided by the CONTRACTOR for the  
418 accumulation of Waste Oil Filters that has a label designating it for use as a Waste Oil Filter  
419 Container, or such container as may be provided by the DISTRICT at their discretion.

420 1.85 White Goods. Discarded household appliances such as washers, dryers,  
421 refrigerators, stoves, water heaters, freezers, small air conditioning units, and other similar  
422 items.

423 1.86 Work Day. Any day, Monday through Saturday that is not a holiday as set forth  
424 in Section 6.08 of this Agreement.

425 **ARTICLE 2. Representations and Warranties of CONTRACTOR**

426 CONTRACTOR hereby makes the following representations and warranties for the benefit of  
427 the DISTRICT as of the date of this Agreement.

428 2.01 Corporate Status. CONTRACTOR is a corporation duly organized, validly  
429 existing and in good standing under the laws of the State of California. It is qualified to transact  
430 business in the State of California and has the corporate power to own its properties and to  
431 carry on its business as now owned and operated and as required by this Agreement.

432 2.02 Corporate Authorization. CONTRACTOR has full legal right, power, and authority  
433 to execute, deliver, and perform its obligations under this Agreement. The Board of Directors of  
434 CONTRACTOR (or the shareholders if necessary) has taken all actions required by law, its  
435 articles of incorporation, its bylaws or otherwise to authorize the execution and delivery of this  
436 Agreement. The persons signing this Agreement on behalf of CONTRACTOR have authority to  
437 do so.

438 2.03 Agreement Duly Executed. The persons signing this Agreement on behalf of  
439 CONTRACTOR have been authorized by CONTRACTOR to do so, and this Agreement has  
440 been duly executed and delivered by CONTRACTOR in accordance with the authorization of its



441 Board of Directors or shareholders, if necessary, and constitutes a legal, valid, and binding  
442 obligation of CONTRACTOR enforceable against CONTRACTOR in accordance with its terms.

443         2.04 No Conflict With Applicable Law or Other Documents. Neither the execution and  
444 delivery by CONTRACTOR of this Agreement nor the performance by CONTRACTOR of its  
445 obligations hereunder:

446                 2.04.1 Conflicts with, violates or will result in a violation of any existing applicable  
447 law; or

448                 2.04.2 Conflicts with, violates or will result in a breach or default under any term  
449 or condition of any existing judgment, order or decree of any court, administrative agency or  
450 other governmental authority, or of any existing agreement or instrument to which  
451 CONTRACTOR is a party, or by which CONTRACTOR or any of Contractor's properties or  
452 assets is bound; or

453                 2.04.3 Will result in the creation or imposition of any lien, charge, or  
454 encumbrance of any nature whatsoever upon any of the properties or assets of CONTRACTOR  
455 which will interfere materially with CONTRACTOR'S performance hereunder.

456         2.05 No Litigation. There is no action, suit, proceeding or action at law or equity, or to  
457 the best of CONTRACTOR'S knowledge, any investigation before or by any court or  
458 governmental entity, pending or threatened against CONTRACTOR or otherwise affecting  
459 CONTRACTOR, wherein an unfavorable decision, ruling or finding, in any single case or in the  
460 aggregate, would materially adversely affect CONTRACTOR'S performance hereunder, or  
461 which in any way would adversely affect the validity or enforceability of this Agreement, or which  
462 would have a material adverse effect on the financial condition of CONTRACTOR or its parent  
463 company.

464         2.06 Financial Ability, Disclosures, No Material Change. CONTRACTOR has sufficient  
465 financial resources to perform all aspects of its obligations hereunder. CONTRACTOR has  
466 provided the DISTRICT with audited financial statements which present fairly, in accordance  
467 with generally accepted accounting principles, the financial resources of CONTRACTOR. There  
468 has been no material adverse change in CONTRACTOR'S or CONTRACTOR'S parent  
469 company's financial circumstances since the date of the most recent financial statements.

470         2.07 Expertise. CONTRACTOR has the expert, professional, and technical capability  
471 to perform all of its obligations under this Agreement.

472         2.08 CONTRACTOR'S Investigation. CONTRACTOR has made an independent  
473 investigation (satisfactory to it) of the conditions and circumstances surrounding this Agreement  
474 and the work to be performed by CONTRACTOR under the Agreement, and enters into this  
475 Agreement on the basis of that independent investigation.

476         2.09 Guarantee of CONTRACTOR'S Performance. Pursuant to a guaranty in  
477 substantially the form attached as Exhibit 3, which is attached to and included in Agreement,  
478 USA Waste of California, Inc. has agreed to guarantee CONTRACTOR'S performance of this  
479 Agreement.

**ARTICLE 3. Representations and Warranties of the DISTRICT**

480  
481           3.01 Representations and Warranties of the DISTRICT. The DISTRICT hereby makes  
482 the following representations and warranties to and for the benefit of CONTRACTOR as of the  
483 date of this Agreement.

484           3.02 Duly Organized. The DISTRICT is a government entity, duly organized and  
485 validly existing under the laws of the State of California, with full legal right, power, and authority  
486 to enter into and perform its obligations under this Agreement.

487           3.03 Execution Authorized. The parties executing this Agreement on behalf of the  
488 DISTRICT are duly authorized by the DISTRICT Board to do so. This Agreement constitutes the  
489 legal, valid, and binding agreement of the DISTRICT and is enforceable against the DISTRICT  
490 in accordance with its terms.

491           3.04 No Conflict with Applicable Law or Other Documents. Neither the execution and  
492 delivery by the DISTRICT of this Agreement, nor the performance by the DISTRICT of its  
493 obligations hereunder:

494                   3.04.1 Conflicts with, violates or will result in a violation of any existing applicable  
495 law; or

496                   3.04.2 Conflicts with, violates or will result in a breach or default under any term  
497 or condition of any existing judgment, order or decree of any court, administrative agency or  
498 other governmental authority, or of any existing agreement or instrument to which the DISTRICT  
499 is a party.

500           3.05 No Litigation. There is no action, suit, proceeding or, to the best of DISTRICT'S  
501 knowledge, investigation at law or equity, before or by any court or governmental entity, pending  
502 or threatened against the DISTRICT or otherwise affecting the DISTRICT, wherein an  
503 unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially  
504 adversely affect the performance by the DISTRICT of its obligations hereunder or which, in any  
505 way, would adversely affect the validity or enforceability of this Agreement.

**ARTICLE 4. CONTRACTOR'S Covenants; DISTRICT Option to Terminate**

506  
507  
508           4.01 General. CONTRACTOR covenants that it shall obtain and deliver to DISTRICT  
509 the documents set forth in Sections 4.02 through 4.03 below and use its best efforts to deliver  
510 them on or before April 15, 2009. If such documents are not delivered to DISTRICT in  
511 satisfactory form by May 15, 2009, DISTRICT may terminate this Agreement with absolutely no  
512 continuing obligations to CONTRACTOR and may resort to the rights and remedies provided for  
513 in Article 26 hereof.

514           4.02 Receipt of Performance Bond. CONTRACTOR shall provide the DISTRICT with,  
515 and the DISTRICT shall accept if it complies with Section 27.07, the Performance Bond  
516 described in Section 27.07 of this Agreement.



517           4.03 Parent Corporation Guaranty. CONTRACTOR shall provide the DISTRICT with a  
518 guaranty executed by CONTRACTOR'S parent corporation, USA Waste of California, Inc., in a  
519 form substantially identical to Exhibit 3 in this Agreement.

520           4.04 Assignment.

521                   4.04.1 DISTRICT Right to Terminate in Event of Assignment. CONTRACTOR  
522 acknowledges that this Agreement involves rendering a vital service to DISTRICT'S residents  
523 and businesses, and that DISTRICT has selected CONTRACTOR to perform the services  
524 specified herein based on (1) CONTRACTOR'S experience, skill and reputation for conducting  
525 its operations in a safe, effective and responsible fashion, at all times in keeping with applicable  
526 Environmental Laws, regulations and best management practices for MSW, Recyclable  
527 Materials, Compostables and Construction and Demolition Debris, and (2) CONTRACTOR'S  
528 financial resources to maintain the required equipment and to support its indemnity obligations  
529 to DISTRICT under this Agreement. DISTRICT has relied on each of these factors, among  
530 others, in choosing CONTRACTOR to perform the services to be rendered by CONTRACTOR  
531 under this Agreement. Any Assignment by CONTRACTOR, either directly or indirectly, in whole  
532 or in part, of its rights or any interest it may have in this Agreement including any transfer of its  
533 stock or assets to a third party shall give the DISTRICT, in its sole discretion, the basis for  
534 terminating this Agreement in whole or in part upon the giving of a thirty (30) day written notice  
535 to CONTRACTOR. In the event such notice of termination is given as authorized by this Article,  
536 the CONTRACTOR shall continue, for up to twelve (12) months following notice of termination,  
537 to provide any or all of the services it is obligated to perform under this Agreement if requested  
538 by the DISTRICT in writing. The DISTRICT'S right to terminate the Agreement in whole or in  
539 part shall expire unless exercised within sixty (60) days of receiving written notice from  
540 CONTRACTOR as provided herein of an Assignment by CONTRACTOR. "Assignment" or  
541 "Assign" as used in this Agreement shall include, but not be limited to, (i) a sale, exchange or  
542 other transfer of substantially all of CONTRACTOR'S assets dedicated to any or all of the  
543 services to be provided under this Agreement to a third party (ii) a sale, exchange or other  
544 transfer of outstanding common stock of CONTRACTOR to a third party provided said sale,  
545 exchange or transfer results in a change of control of CONTRACTOR or any sale, exchange or  
546 transfer of the common stock of CONTRACTOR which results in the effective transfer of control  
547 of substantially all of the CONTRACTOR'S assets dedicated to any or all of the services to be  
548 provided under this Agreement to a third party; (iii) any dissolution, reorganization,  
549 consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling  
550 agreement, escrow arrangement, liquidation or other transaction to which results in a change of  
551 ownership or control of CONTRACTOR; (iv) any assignment by operation of law, including  
552 insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for  
553 an execution being levied against this Agreement, appointment of a receiver taking possession  
554 of CONTRACTOR'S property, or transfer occurring in the event of a probate proceeding; and (v)  
555 any combination of the foregoing (whether or not in related or contemporaneous transactions)  
556 which has the effect of any such transfer or change of ownership, or change of control of  
557 CONTRACTOR, or substantially all of the assets used for providing any of the services under  
558 this Agreement to a third party.

559                   4.04.2 Procedure for DISTRICT Evaluation of Proposed Assignment. If  
560 CONTRACTOR requests DISTRICT'S consideration of and consent to an Assignment,  
561 CONTRACTOR shall meet the following preliminary requirements:

562                   4.04.2.1       CONTRACTOR shall pay DISTRICT its reasonable  
563 expenses for attorney's fees and investigation costs necessary to investigate the suitability of  
564 any proposed Assignee, and to review and finalize any documentation required as a condition  
565 for approving any such Assignment;

566                   4.04.2.2       CONTRACTOR shall furnish DISTRICT with audited  
567 financial statements of the proposed Assignee's operations for the immediately preceding three  
568 (3) operating years;

569                   4.04.2.3       CONTRACTOR shall furnish DISTRICT with satisfactory  
570 proof that: (1) the proposed Assignee has at least ten (10) years of solid waste management  
571 experience on a scale equal to or exceeding the scale of operations conducted by  
572 CONTRACTOR under this Agreement; (2) in the last five (5) years, the proposed Assignee has  
573 not suffered any significant citations or other censure from any federal, state or local agency  
574 having jurisdiction over its solid waste operations due to any significant failure to comply with  
575 state, federal or local environmental laws and the Assignee has provided DISTRICT with a  
576 complete list of such citations and censures; (3) the proposed Assignee has at all times  
577 conducted its operations in an environmentally safe and conscientious fashion; (4) the proposed  
578 Assignee conducts its solid waste practices in accordance with sound management practices in  
579 full compliance with all federal, state and local laws regulating the collection and disposal of  
580 solid waste including hazardous substances; and, (5) of any other information required by  
581 DISTRICT to ensure the proposed Assignee can fulfill the terms of this Agreement in a timely,  
582 safe and effective manner.

583                   4.04.2.4       CONTRACTOR Default. Under no circumstances shall  
584 DISTRICT be obliged to consider any proposed Assignment if CONTRACTOR is in default at  
585 any time during the period of consideration.

586                   4.04.3 DISTRICT Discretion to Accept or Reject Assignment. The DISTRICT, in  
587 its sole discretion, may accept, reject or conditionally accept the proposed Assignment. If  
588 DISTRICT accepts a partial Assignment, the corporate guaranty provided in Section 2.09 and  
589 the Performance Bond provided in Section 27.07 shall remain in effect unless the DISTRICT in  
590 its sole discretion consents to adequate substitutes by the Assignee or to a novation, and  
591 absent a novation CONTRACTOR shall not be released from liability under this Agreement.

592                   4.04.4 Subcontractor. The use of a subcontractor to perform services under this  
593 Agreement shall not constitute delegation of CONTRACTOR'S duties provided that  
594 CONTRACTOR has received prior written authorization from the Contract Administrator to  
595 subcontract such services and the Contract Administrator has approved a subcontractor who  
596 will perform such services. CONTRACTOR shall be responsible for directing the work of  
597 CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S  
598 subcontractor shall be the sole responsibility of CONTRACTOR. The Contract Administrator



599 shall have the right to require the removal of any approved subcontractor for reasonable cause.  
600 No subcontractors have been approved by the DISTRICT.

601         4.05 Conditions of Effectiveness of Agreement. The obligation of DISTRICT to permit  
602 this Agreement to become effective and to perform its undertakings provided for in this  
603 Agreement is subject to the satisfaction of each and all of the conditions set out below, each of  
604 which may be waived in whole or in part by DISTRICT.

605         4.06 Accuracy of Representations. Representations and warranties made by  
606 CONTRACTOR prior to the effective date of this Agreement and throughout this Agreement are  
607 accurate, true, and correct and DISTRICT shall be entitled to rely on such representations and  
608 warranties.

609         4.07 Absence of Litigation. There is no litigation pending in any court challenging the  
610 award of this Agreement to CONTRACTOR or the execution of this Agreement or seeking to  
611 restrain or enjoin its performance.

612         4.08 Furnishing of Insurance and Bonds. CONTRACTOR will furnish evidence of all  
613 insurance and the Performance Bond required by Article 27 within thirty (30) days of the  
614 effective date of this Agreement.

615         4.09 Effectiveness of DISTRICT Action. DISTRICT'S approval of this Agreement, shall  
616 have become effective pursuant to California law prior to May 1, 2009.

617         4.10 Continuation of Service. CONTRACTOR shall either submit to DISTRICT  
618 annually a general plan and assurance that it will continue its operations in the event of strikes,  
619 fuel shortages, loss of a Transfer Station, loss of a Processing Facility, or loss of a Disposal  
620 Facility or renew its then current plan.

621         4.11 Termination. This Agreement may be terminated prior to the expiration of its term  
622 in accordance with the provisions of this Agreement. At the expiration of the term provided for  
623 hereunder, or in the event of a termination as allowed under this Agreement, CONTRACTOR, at  
624 its own expense, shall cooperate fully with DISTRICT, as necessary, to ensure an orderly  
625 transition to any and all new service providers, and the DISTRICT shall have no continuing  
626 obligations to CONTRACTOR other than those expressly provided for under this Agreement.  
627 CONTRACTOR shall transfer and dispose of all MSW and process all materials that have been  
628 Collected or are in process under this Agreement as of the date of expiration or termination.

629         4.12 AB 939 Commitment. CONTRACTOR will use its best efforts in good faith in  
630 performing services under this Agreement to achieve and maintain the DISTRICT'S obligations  
631 under AB 939 to Divert at least 50% of its waste stream from landfill or transformation facilities.  
632 If data indicates that CONTRACTOR'S combined services under this Agreement are not  
633 resulting in at least a 40% diversion rate, and if such failure is not demonstrably beyond  
634 CONTRACTOR'S ability to control or affect, CONTRACTOR shall propose and implement  
635 additional services at its own expense to achieve at least a 40% diversion rate. CONTRACTOR  
636 agrees further that, should the DISTRICT fail to meet the AB 939 50% diversion obligation,  
637 CONTRACTOR shall indemnify the DISTRICT against all claims (in the same manner as  
638 specified in Section 27.01 hereof) arising out of such failure, unless the reasons for the failure  
639 were demonstrably beyond CONTRACTOR'S control.

640 4.13 Alameda County Diversion Goal. In addition to the AB 939 commitment, the  
641 parties acknowledge that the County of Alameda has set a goal of diversion of 75% of the  
642 DISTRICT'S waste stream from landfill by December 2010 (Alameda County Waste Reduction,  
643 etc. Initiative Charter Amendment at Section 64.040 A.2). To this end, CONTRACTOR agrees  
644 to use its best efforts in good faith to work with DISTRICT toward the achievement of this 75%  
645 diversion rate. CONTRACTOR agrees to submit proposals to the DISTRICT by August 31, 2009  
646 and annually thereafter during the term of this Agreement for programs to assist the DISTRICT  
647 in achieving the County's goal of Diverting 75% of its waste stream from landfill or  
648 transformational facilities by the date specified by the County. Such proposals shall include  
649 services and technologies appropriate to the DISTRICT'S needs at costs comparable to then  
650 current industry averages.

651 **ARTICLE 5. Term and Scope of Franchise**

652 5.01 Initial Term of Agreement. The initial term of this Agreement shall be for a ten  
653 (10) year period commencing on May 1, 2009 and terminating at midnight on April 30, 2019.

654 5.02 Other Provisions. The DISTRICT may, at the end of the Agreement term,  
655 either renegotiate the terms and conditions of the Agreement with the current CONTRACTOR or  
656 request proposals from qualified contractors to provide Collection Services.

657 5.03 Grant of Exclusive Franchise. Subject to the requirements, conditions and  
658 exceptions of this Agreement, including those in Section 5.06, the DISTRICT hereby grants to  
659 the CONTRACTOR the exclusive franchise, right, privilege, and duty during the term of this  
660 Agreement and any extension thereof to Collect and transport the following materials to the  
661 facilities designated in this Agreement:

662 5.03.1 MSW that is accumulated and set out for Collection by Residential and  
663 Business Customers in accordance with DISTRICT Legislation, or which is otherwise legally set  
664 out for Collection by Residential and Business Customers.

665 5.03.2 Recyclables, Compostable Materials, Bulky Goods and Construction and  
666 Demolition Debris set out for Collection by Residential Customers.

667 5.03.3 Recyclables, Compostable Materials, Bulky Goods and Construction and  
668 Demolition Debris set out for Collection by Business Customers.

669 5.04 Limitations to Scope of Exclusive Franchise. Subject to the requirements and  
670 conditions of this Agreement, the DISTRICT hereby grants to the CONTRACTOR the non-  
671 exclusive franchise, right, privilege, and duty during the term of this Agreement and any  
672 extension thereof to Collect and transport Compostable Materials set out for Collection by  
673 Business Customers to the facilities designated in this Agreement:

674 5.04.1 Nothing in this Agreement shall limit the right of any Person to donate or  
675 sell his or her Recyclables, Compostable Materials and/or Construction and Demolition Debris.  
676 Persons other than CONTRACTOR may pay to collect or collect at no charge such Recyclables,  
677 Compostable Materials and/or Construction and Demolition Debris. Similarly, nothing in this  
678 Agreement shall limit the right of any Person to haul the MSW, Recyclables, Compostable



679 Materials, Bulky Goods, and/or Construction and Demolition Debris he or she generates to a  
680 facility that holds all applicable permits;

681           5.04.2 Notwithstanding CONTRACTOR'S rights under this Agreement as  
682 described above, the following materials may be Collected by Persons other than  
683 CONTRACTOR:

684           5.04.3 Construction and Demolition Debris that is:

685                   5.04.3.1 removed from a premises by a licensed Contractor as an  
686 incidental part of a total construction, remodeling, or demolition service offered by that  
687 contractor, rather than as a separately contracted or subcontracted hauling service; or

688                   5.04.3.2 collected by a Fixed Body Vehicle and hauled directly to a  
689 facility that holds all applicable permits;

690           5.04.4 Green Waste that is:

691                   5.04.4.1 removed from Residential or Business premises by a  
692 CONTRACTOR as an incidental part of a total gardening or landscaping service offered by that  
693 contractor, rather than as a separately contracted or subcontracted hauling service; or

694                   5.04.4.2 loaded onto a Fixed Body Vehicle and hauled directly to a  
695 facility that holds all applicable permits;

696           5.04.5 Bulky Goods removed from a premises by a property cleanup or  
697 maintenance company as an incidental part of the total cleanup or maintenance service offered  
698 by the company rather than as a hauling service;

699           5.04.6 Compostable Materials Composted at the site where it is generated (e.g.,  
700 backyard composting);

701           5.04.7 Animal remains and grease waste Collected for use as tallow;

702           5.04.8 Animal waste Collected for use as a soil amendment;

703           5.04.9 Recyclables which the CONTRACTOR is not required to Collect and  
704 process under this Agreement as of the effective date of this Agreement which subsequently, in  
705 the DISTRICT'S reasonable judgment, become economically feasible to recycle. In such event,  
706 CONTRACTOR shall have the exclusive right to Collect and process such new Recyclables if  
707 CONTRACTOR agrees to do so without any change in rates. If CONTRACTOR is unwilling to  
708 provide service for such new Recyclables at existing rates, the DISTRICT may provide for  
709 Collection and processing of new Recyclables in any manner it deems appropriate.

710           5.04.10 Containers delivered for Recycling under the California Beverage  
711 Container Recycling Litter Reduction Act, Section 14500, et seq., California Public Resources  
712 Code, as such statute may be amended from time to time;

713           5.04.11 Hazardous Waste regardless of its source;

714           5.04.12 By-products of sewage treatment, including sludge, grit, and  
715 screenings;

716                    5.04.13            Exemptions as listed and detailed from time to time in DISTRICT  
717 Legislation subject to Section 21.02 of this Agreement;

718                    5.04.14            The provisions allowing the DISTRICT to provide for Collection,  
719 processing and Disposal as specified in Section 17.08.

720                    5.05    In furtherance of CONTRACTOR’S rights under this Agreement, any Person  
721 other than CONTRACTOR who engages in the business of charging any direct or indirect fee  
722 for the Collection or processing of Compostable Materials set out for Collection by Business  
723 Customers shall:

724                    5.05.1 Obtain all necessary authorizations under DISTRICT Legislation to  
725 engage in such business; and

726                    5.05.2 Not engage in the Collection of MSW, which shall, for purposes of this  
727 Agreement, be understood to include the Collection of loads of commingled paper containing  
728 more than ten percent (10%) by weight of MSW and loads of commingled Recyclables other  
729 than commingled paper containing more than five percent (5%) by weight of MSW.

730                    5.06    Legal Limitations. This grant to CONTRACTOR of rights, privileges, and duties  
731 shall be interpreted to be consistent with federal and state statutes and case law in effect now  
732 and during the term of this Agreement. The scope of this grant of rights, privileges, and duties  
733 shall be limited by current and developing state and federal laws with regard to the handling,  
734 processing, and marketing of MSW, exclusive franchise control of MSW, flow control, and  
735 related doctrines except as otherwise provided herein. In the event future interpretations of  
736 current law, or enactment of new laws limit the ability of the DISTRICT to lawfully provide for the  
737 scope of franchise, rights, privileges, and duties specifically set forth herein, CONTRACTOR  
738 agrees the scope will be limited to that scope which may be lawfully provided for under this  
739 Agreement, and the DISTRICT shall not be responsible for any lost profits claimed by  
740 CONTRACTOR to arise out of further limitations of the scope as set forth herein. In such event,  
741 it shall be the responsibility of CONTRACTOR to minimize the financial impact to other services  
742 being provided as much as commercially feasible.

743                    5.07    Acceptance of Franchise. CONTRACTOR hereby accepts the franchise on the  
744 terms and conditions set forth in this Agreement.

745                    5.08    DISTRICT’S Cooperation in Franchise Enforcement. The DISTRICT agrees to  
746 cooperate with CONTRACTOR in enforcement of the CONTRACTOR’S franchise as provided  
747 for under this Agreement.

748                    5.09    DISTRICT Not Liable. The DISTRICT shall not be liable for any of the activities to  
749 be undertaken by CONTRACTOR pursuant to this Agreement.

750                    5.10    Compliance with State, Federal, and Municipal Law. The CONTRACTOR shall  
751 comply with all applicable DISTRICT, local, state and federal laws now or hereafter in effect,  
752 relating to the services provided under this Agreement including, but not limited to, all  
753 Environmental Laws and all laws related to the employment or protection of employees.



754

## ARTICLE 6. Service Standards

755           6.01 Service Standards. CONTRACTOR shall perform all Collection Services under  
756 this Agreement in a thorough and professional manner. Collection Services described in this  
757 Agreement shall be performed regardless of weather conditions or difficulty of Collection.

758           6.02 Hours and Days of Collection.

759           6.02.1 SFD and MFD Collection Services shall be provided, commencing no  
760 earlier than 6:00 a.m. and terminating no later than 6:00 p.m. Monday through Friday with no  
761 service on Saturday (except for holiday service as set forth in Article 6.08 of this Agreement in  
762 which case normal Collection hours may be utilized) or Sunday. The hours, days, or both of  
763 Collection may be extended due to extraordinary circumstances or conditions with the prior  
764 written consent of the Contract Administrator.

765           6.02.2 Business and DISTRICT Collection Service shall be provided,  
766 commencing no earlier than 4:00 a.m., and terminating no later than 10:00 p.m., Monday  
767 through Saturday' except Collection shall begin no earlier than 6:00 A.M. or end later than 6:00  
768 P.M. within two hundred (200) feet of Residential properties. The hours, days, or both of  
769 Collection may be extended due to extraordinary circumstances or conditions with the prior  
770 written consent of the Contract Administrator.

771           6.03 Manner of Collection. The CONTRACTOR shall provide Collection Service with  
772 as little disturbance as possible and shall leave any Cart or Bin in an upright position at the  
773 same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail  
774 boxes.

775           6.03.1 Dangerous Animals. Employees of the CONTRACTOR shall not be  
776 required to expose themselves to the danger of being bitten by vicious animals in order to  
777 accomplish Collection. In any case, where the Customer or tenants have such animals at large,  
778 the CONTRACTOR shall immediately notify the Contract Administrator of such condition and of  
779 his/her inability to make Collection because of such conditions.

780           6.03.2 Transfer of Loads. CONTRACTOR shall not transfer loads from one  
781 vehicle body to another on any public street within the DISTRICT, unless it is necessary to do  
782 so because of mechanical failure or accidental damage to a vehicle. Specialized vehicles  
783 designed to transfer containerized material from one truck chassis to another are not covered by  
784 this Section.

785           6.04 Record of Non-Collection. When any MSW, Recyclables, Compostable Materials,  
786 Bulky Goods or other materials set out for regular or special Collection are not Collected by the  
787 CONTRACTOR for sufficient reason, CONTRACTOR shall leave a Non-Collection Notice. At  
788 the DISTRICT'S request, a copy of any Non-Collection Notice, along with the name and address  
789 of the party noticed, shall be delivered to the Contract Administrator within twenty-four (24)  
790 hours of the DISTRICT'S request.

791           6.04.1 In addition thereto, CONTRACTOR shall maintain, at CONTRACTOR'S  
792 place of business, a log, computerized or written, listing all complaints and notices. Said log  
793 shall contain the names and addresses of parties involved, date of such complaint or noticing,

794 nature of same, and the date and manner of disposition of each case. Such log shall be kept so  
795 that it may conveniently be inspected by representatives of the DISTRICT upon request.

796 6.05 Containers.

797 6.05.1 Purchase and Distribution of Carts, Bins and Roll-off Containers. The  
798 CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and  
799 functional Carts, Bins, (and Roll-off Containers as required) to Customers in the Service Area.  
800 CONTRACTOR shall also distribute Carts, Bins (and Roll-off Containers as required) to new  
801 Customers that are added to CONTRACTOR'S Service Area during the term of this Agreement.  
802 The distribution shall be completed within three (3) Work Days of receipt of notification from the  
803 DISTRICT or the Customer.

804 6.05.2 Replacement of Carts and Bins. CONTRACTOR'S employees shall take  
805 care to prevent damage to Carts or Bins by unnecessary rough treatment. However, any Cart  
806 or Bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the  
807 CONTRACTOR'S expense, within three (3) Work Days at no cost or inconvenience to the  
808 Customer.

809 6.05.2.1 Upon notification to the CONTRACTOR by the DISTRICT  
810 or a Customer that the Customer's Cart(s) or Bin(s) have been stolen or damaged beyond  
811 repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement  
812 Cart(s) or Bin(s) to such Customer no later than the next regularly scheduled Collection service  
813 day, or if requested by the DISTRICT or a Customer, within three (3) Work Days. The  
814 CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on  
815 a monthly basis.

816 6.05.2.2 Where such Cart is lost, stolen or damaged beyond repair  
817 through no fault of the CONTRACTOR, each SFD Customer shall be entitled to the replacement  
818 of one (1) lost, destroyed, or stolen MSW Cart, one (1) lost, destroyed, or stolen Recycling Cart,  
819 and one (1), lost, destroyed, or stolen Compostable Cart during the life of this Agreement at no  
820 cost to the Customer.

821 6.05.2.3 Where such Cart or Bin is lost, stolen or damaged beyond  
822 repair through no fault of the CONTRACTOR, each MFD, Business and DISTRICT Customer  
823 shall be entitled to the replacement of lost, destroyed, or stolen MSW Bin(s) and lost, destroyed,  
824 or stolen Recycling Cart(s) or Bin(s) during the life of this Agreement at no cost to the Customer.  
825 Such replacement shall be limited to a number equal to the number of Bins and Carts  
826 representing the normal service level of the customer.

827 6.05.2.4 Where such Bin or Cart replacement occurs through no  
828 fault of the CONTRACTOR, CONTRACTOR shall be compensated by the Customer for the cost  
829 of those replacements in excess of the requirements set forth above in accordance with the  
830 "Cart or Bin Exchange" service rate, as appropriate, as set forth in Exhibit 1 which is attached to  
831 and included in this Agreement or as may be adjusted under the terms of this Agreement.

832 6.05.3 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair  
833 of Carts in the areas to include but not be limited to, hinged lids, wheels and axles. No later



834 than the next regularly scheduled Collection service day, or if requested by the DISTRICT or a  
835 Customer, within three (3) Work Days of notification of the need for such repairs, the  
836 CONTRACTOR shall repair the Cart or Bin or if necessary, remove the Cart or Bin for repairs  
837 and deliver a replacement Cart or Bin to the Customer.

838           6.05.4 Cart or Bin Exchange. Upon notification to the CONTRACTOR by the  
839 DISTRICT, or a Customer, that a change in the size or number of Carts or Bins is required, the  
840 CONTRACTOR shall deliver such Carts or Bins to such Customer within ten (10) Work Days.  
841 Each SFD Customer shall be entitled to receive one (1) free MSW Cart exchange, one (1) free  
842 Recycling Cart exchange and one (1) free Compostable Material Cart exchange per Agreement  
843 Year during the term of this Agreement. Each MFD or Business Customer shall be entitled to  
844 receive two (2) free service exchanges, per Agreement Year during the term of this Agreement.  
845 For the purposes of this Section, a service exchange represents the exchange of as few as one  
846 (1) and as many as the total number of Bins and Carts provided by the CONTRACTOR and  
847 utilized by the Customer. Accordingly CONTRACTOR shall be compensated for the cost of  
848 those exchanges in excess of the limitations set forth herein per Agreement Year, in accordance  
849 with the "Cart or Bin Exchange" service rate as set forth in Exhibit 1 of this Agreement.

850           6.05.5 Additional Recycling Capacity. Upon request, CONTRACTOR shall  
851 provide a Recycling Cart of up to 96 gallons of capacity to any SFD Customer for the provision  
852 of Recycling Collection Service. This service shall be provided by CONTRACTOR at no  
853 additional charge to the Customer or to the DISTRICT. CONTRACTOR shall be compensated  
854 for the delivery or exchange of additional Recycling Carts in accordance with Section 6.05.4  
855 above.

856           6.05.6 Ownership of Carts. Ownership of Carts shall rest with the  
857 CONTRACTOR, except that ownership of Carts in the possession of a Customer at the end of  
858 this Agreement shall rest with the DISTRICT. At its sole discretion, DISTRICT may elect not to  
859 exercise its rights with regards to this Section and in such case the Carts shall remain the  
860 property of the CONTRACTOR upon termination of this Agreement. In this event,  
861 CONTRACTOR shall be responsible for removing all Carts in service from the Service Area and  
862 reusing or Recycling such Carts. In addition, in the case of the termination of this Agreement  
863 prior to the expiration of the initial term or optional extension term due to the default of the  
864 CONTRACTOR as set forth in Article 26 of this Agreement the DISTRICT shall have the right to  
865 take possession of the Carts and shall retain such possession until satisfactory arrangements  
866 can be made to provide Collection Services using other equipment. Such time of possession  
867 shall not be limited and regardless of the time of possession there shall be no monies owing to  
868 the CONTRACTOR from the DISTRICT for the use of the equipment. Upon the receipt of  
869 written notice from the DISTRICT, CONTRACTOR shall submit to the Contract Administrator an  
870 inventory of Carts, including their locations.

871           6.05.7 Ownership of Bins. Ownership of Bins distributed by the CONTRACTOR  
872 shall rest with the CONTRACTOR except in the case of the termination of the Agreement prior  
873 to the expiration of the initial term or optional extension term due to the default of the  
874 CONTRACTOR as set forth in Article 26 of this Agreement. Under such circumstances, the  
875 DISTRICT shall have the right to take possession of the Bins and shall retain such possession  
876 until satisfactory arrangements can be made to provide Collection Services using other  
877 equipment. Such time of possession shall not be limited and regardless of the time of

878 possession there shall be no monies owing to the CONTRACTOR from the DISTRICT for the  
879 use of the equipment. Upon the receipt of written notice from the DISTRICT, CONTRACTOR  
880 shall submit to the Contract Administrator an inventory of Bins, including their locations.

881 6.05.8 Ownership of Roll-off Containers. Ownership of Roll-off Containers  
882 distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the  
883 termination of the Agreement prior to the expiration of the initial term or optional extension term  
884 due to the default of the CONTRACTOR. Under such circumstances, the DISTRICT shall have  
885 the right to take possession of the containers and shall retain such possession until satisfactory  
886 arrangements can be made to provide Collection Services using other equipment. Such time of  
887 possession shall not be limited and regardless of the time of possession there shall be no  
888 monies owing to the CONTRACTOR from the DISTRICT for the use of the equipment. Upon  
889 the receipt of written notice from the DISTRICT, CONTRACTOR shall submit to the Contract  
890 Administrator an inventory of containers, including their locations.

891 6.05.8.1 Compactor equipment may be owned by the Customer or  
892 leased from the CONTRACTOR or any other source provided the Compactor/ container is  
893 compatible with the Contractor's Collection vehicles.

894 6.05.9 Compostable Material Containers. If requested by the Business  
895 Customer, CONTRACTOR shall provide Business Customers receiving Business Compostable  
896 Collection Service with a watertight container for indoor storage of Compostable Materials prior  
897 to placing the waste in the Compostable Materials Cart or Bin. The size of the container shall  
898 be determined by the Customer and the CONTRACTOR. CONTRACTOR shall be responsible  
899 for the repair and maintenance of the containers. At the request of the Customer,  
900 CONTRACTOR shall allow the use of plastic bags by the Customer for the containment of the  
901 Compostable Materials and shall Collect both the Compostable Materials and the plastic bags  
902 as part of the Commercial Compostable Collection Service provided under the terms of this  
903 Agreement.

904 6.06 Overage Bags. CONTRACTOR shall make Bag-It Bags and Garden Paper Bags  
905 readily available to SFD Customers (and MFD Customers with individually billed Rollout Cart  
906 service), through the mail, at CONTRACTOR'S office at 172 98<sup>th</sup> Avenue, Oakland, CA 94603  
907 or at the DISTRICT office at 21040 Marshall Street, Castro Valley. The CONTRACTOR shall  
908 maintain a sufficient inventory of Bag-It Bags and Garden Paper Bags to accommodate  
909 Collection of Overages.

910 6.07 Labor and Equipment. CONTRACTOR shall provide and maintain all labor,  
911 equipment, tools, facilities, and personnel supervision required for the performance of  
912 CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have  
913 sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this  
914 Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of  
915 labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by  
916 DISTRICT or by any Customer except as expressly provided by this Agreement.

917 6.08 Holiday Service. CONTRACTOR shall not be required to provide Collection  
918 Services or maintain office hours on the following designated holidays; Thanksgiving Day,



919 December 25<sup>th</sup>, and January 1<sup>st</sup>. In any week in which one of these holidays falls on a Work  
920 Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed one  
921 Work Day for the remainder of the week with normally scheduled Friday Collection Services  
922 being performed on Saturday. MFD, Business and DISTRICT Collection Services shall be  
923 adjusted as agreed between the CONTRACTOR and the Customer but must meet the minimum  
924 frequency requirement of one (1) time per week.

925           6.09   Disposal and Processing.

926                   6.09.1 Disposal Facility. Except as set forth below, all MSW Collected as a  
927 result of performing Collection Services shall be transported to the Disposal Facility and  
928 disposed of, at the landfill. In the event the Disposal Facility or landfill is closed on a Work Day,  
929 the CONTRACTOR shall transport and dispose of the MSW at such other legally permitted  
930 disposal facility as is approved by DISTRICT. Failure to comply with this provision shall result in  
931 the levy of liquidated damages as specified in Article 23 of this Agreement and may result in the  
932 CONTRACTOR being in default under this Agreement.

933                   6.09.2 Material Recovery Facility. All Recyclable Materials Collected as a result  
934 of performing Recycling Services shall be delivered to the Transfer Station. In the event the  
935 Transfer Station is closed on a Work Day, the CONTRACTOR shall transport and deliver the  
936 Recyclable Material to such other legally permitted facility as is approved by DISTRICT. Failure  
937 to comply with this provision shall result in the levy of liquidated damages as specified in Article  
938 23 of this Agreement and may result in the CONTRACTOR being in default under this  
939 Agreement.

940                   6.09.3 Compostable Material Processing Facility. CONTRACTOR shall deliver  
941 all Collected Compostable Material to a fully permitted Compostable Waste Processing Facility.  
942 In the event the facility is closed on a Work Day, the CONTRACTOR shall transport and deliver  
943 the Compostable Material to such other legally permitted facility as is approved by DISTRICT.  
944 CONTRACTOR shall ensure that all Compostable Material Collected pursuant to this  
945 Agreement, except residue resulting from processing, is diverted from the landfill in accordance  
946 with AB 939 and subsequent legislation and regulations. Failure to comply with this provision  
947 shall result in the levy of liquidated damages as specified in Article 23 of this Agreement and  
948 may result in the CONTRACTOR being in default under this Agreement.

949                   6.09.4 Bulky Goods Processing and Disposal. CONTRACTOR shall process  
950 and dispose of Bulky Goods Collected from Customers pursuant to Sections 7.09, 8.02 and  
951 other appropriate sections of this Agreement in accordance with the following hierarchy:

- 952                           6.09.4.1       Reuse as is (where energy efficiency is not compromised);
- 953                           6.09.4.2       Disassemble for reuse or recycling;
- 954                           6.09.4.3       Recycle; or
- 955                           6.09.4.4       Disposal.

956                   6.09.5 CONTRACTOR shall not landfill such Bulky Goods unless the Bulky  
957 Goods cannot be reused or recycled.

958                   6.09.6 Bulky Goods Containing Freon. In the event CONTRACTOR Collects  
959 Bulky Goods that contain Freon, CONTRACTOR shall handle such Bulky Goods in a manner

960 such that the Bulky Goods are not subject to regulation as Hazardous Waste under applicable  
961 state and federal laws or regulations.

962           6.09.7 Waste Oil Processing. CONTRACTOR shall recycle all Waste Oil  
963 Collected pursuant to this Agreement to the extent feasible and shall properly dispose of all  
964 Waste Oil and Waste Oil Filters that are contaminated or otherwise cannot be recycled.

965           6.09.7.1       CONTRACTOR shall recycle the Waste Oil only with  
966 persons who are authorized by the State of California to recycle oil. In the event the Waste Oil  
967 or Waste Oil Filters Collected pursuant to this Agreement is contaminated to the extent that the  
968 Waste Oil or Waste Oil Filters require disposal as a Hazardous Waste, CONTRACTOR shall  
969 dispose of such Waste Oil or Waste Oil Filters, at CONTRACTOR'S own cost and expense in  
970 accordance with applicable state and federal law.

971           6.09.7.2       CONTRACTOR shall notify the Contract Administrator,  
972 either by Fax or e-mail, of any contamination which renders the Waste Oil unacceptable for  
973 recycling or which requires disposal of the Waste Oil or Waste Oil Filters as a Hazardous  
974 Waste.

975           6.09.8 Segregation of Waste Oil. CONTRACTOR shall keep all Waste Oil and  
976 Waste Oil Filters Collected pursuant to this Agreement segregated from other materials.

977           6.10 Recycling - Improper Procedure. Except as set forth below, the CONTRACTOR  
978 shall not be required to Collect Recyclable Materials if the Customer does not segregate the  
979 Recyclable Materials from MSW. If Recyclable Materials are contaminated through  
980 commingling with MSW, the CONTRACTOR shall, if practical, separate the MSW from the  
981 Recyclable Materials. The Recyclable Materials shall then be Collected and the MSW shall be  
982 left in the Recycling Cart or Bin along with a Non-Collection Notice explaining why the MSW is  
983 not considered a Recyclable Material. However, in the event the Recyclable Materials and  
984 MSW are commingled to the extent that they cannot easily be separated by the CONTRACTOR  
985 or the nature of the MSW renders the entire Recycling Cart or Bin contaminated, the  
986 CONTRACTOR will leave the Recycling Cart or Bin un-emptied along with a Non-Collection  
987 Notice that contains instructions on the proper procedures for setting out Recyclable Materials.

988           6.11 Recycling - Changes to Work. Should changes in law arise that necessitate any  
989 additions or deletions to the work described herein including the type of items included as  
990 Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter  
991 into an Agreement amendment covering such modifications to the work to be performed and the  
992 compensation to be paid before undertaking any changes or revisions to such work in  
993 accordance with Section 21.01.

994           6.12 Inspections. The DISTRICT shall have the right to inspect the CONTRACTOR'S  
995 facilities or collection vehicles used in the provision of Collection Services under this Agreement  
996 and their contents at any time while operating inside or outside the DISTRICT.

997           6.13 Commingling of Materials.



998                   6.13.1 MSW and Recyclable Material. CONTRACTOR shall not commingle  
999 Residential, Business, or DISTRICT MSW, Collected pursuant to this Agreement, with any  
1000 Recyclable Material separated for Collection pursuant to this Agreement prior to deliver to the  
1001 Transfer Facility, without the express prior written authorization of the Contract Administrator.

1002                   6.13.2 MSW Collected in DISTRICT. CONTRACTOR shall not commingle any  
1003 Residential, Business or DISTRICT MSW, Collected pursuant to this Agreement, with any other  
1004 material Collected by CONTRACTOR inside or outside the DISTRICT prior to deliver to the  
1005 Transfer Facility without the express prior written authorization of the Contract Administrator.

1006                   6.13.3 Recyclable Materials. CONTRACTOR shall not commingle Recyclable  
1007 Materials Collected pursuant to this Agreement, with any other material Collected by  
1008 CONTRACTOR inside or outside the DISTRICT prior to delivery to the Processing Facility  
1009 without the express prior written authorization of the Contract Administrator.

1010                   6.13.4 Material Separation. MSW, Compostable Materials, Recyclables, Bulky  
1011 Goods, and Construction and Demolition Debris shall not be mixed together in  
1012 CONTRACTOR'S Collection equipment. Each category of material Collected shall be kept  
1013 separated according to type or classification.

1014                   6.14 Spillage and Litter. The CONTRACTOR shall not litter premises in the process  
1015 of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall  
1016 transport all materials Collected under the terms of this Agreement in such a manner as to  
1017 prevent the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The  
1018 CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services  
1019 so as to prevent spilling or dropping of MSW, Recyclable Materials Compostable Materials,  
1020 Bulky Goods, or Construction and Demolition Debris and shall immediately, at the time of  
1021 occurrence, clean up such spilled or dropped materials.

1022                   6.14.1 CONTRACTOR is required to clean up litter whether or not  
1023 CONTRACTOR has caused the litter on a one-time basis and shall discuss the spillage directly  
1024 with the Customer responsible and shall report such instances to the DISTRICT. The  
1025 CONTRACTOR shall work with the Customer to resolve the spillage problem.

1026                   6.14.2 The above paragraphs notwithstanding, CONTRACTOR shall clean up  
1027 any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the  
1028 DISTRICT.

1029                   6.14.3 In the event where damage to public streets within the DISTRICT is  
1030 caused by a hydraulic oil spill, CONTRACTOR shall be responsible for all repairs to return the  
1031 street to the same condition it was in prior to the spill. CONTRACTOR shall also be responsible  
1032 for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a  
1033 manner satisfactory to the Contract Administrator and at no cost to the DISTRICT.

1034                   6.14.4 Oil or Other Vehicle Fluid Spills. CONTRACTOR is responsible for  
1035 cleaning-up all oil or vehicle fluid spills immediately and must notify DISTRICT within twenty-four  
1036 (24) hours of each spill of more than one-half gallon of vehicle fluids. Such notification shall be  
1037 by Email and shall contain at least the following information:

1038                                 6.14.4.1         Location of Spill;

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- 1039                            6.14.4.2            What vehicle fluid was spilled;
- 1040                            6.14.4.3            How much vehicle fluid was spilled;
- 1041                            6.14.4.4            What clean-up measures were taken; and
- 1042                            6.14.4.5            Date and time of the spill and the completion of the clean-
- 1043 up.

1044                            6.14.5 All vehicles must carry an acceptable absorbent material to use in the  
 1045 event of spills. Repair for damages caused by oil or other vehicle fluid spills shall be at the  
 1046 CONTRACTOR’S expense. The CONTRACTOR will follow the spill procedures below:

- 1047                            6.14.5.1            Driver will determine the cause and source of spill;
- 1048                            6.14.5.2            Each driver or shop employee is responsible for having  
 1049 enough absorbent in their vehicle to contain or prevent any hydraulic fluid or oil from entering a  
 1050 storm drain or sewer and to clean up small spills as they occur;
- 1051                            6.14.5.3            Driver will contain or stop the leak and clean it up without  
 1052 endangering self;
- 1053                            6.14.5.4            Driver will immediately notify dispatch or supervisor;
- 1054                            6.14.5.5            Driver will not leave the spill until either a supervisor or spill  
 1055 response personnel arrive at the scene;
- 1056                            6.14.5.6            Driver will keep all people, cars, or other vehicles from  
 1057 walking or driving through the spill; and
- 1058                            6.14.5.7            Driver or spill response personnel shall use any measures  
 1059 necessary to ensure that no runoff from the debris ends up in the storm water system in  
 1060 accordance with BMP Guidelines for Non-Point Source Pollutants.

1061                            6.15 Ownership of Materials. Title to MSW, Recyclables, Compostable Materials,  
 1062 Bulky Goods or Construction and Demolition Debris shall pass to CONTRACTOR at such time  
 1063 as said materials are placed in the CONTRACTOR’S Collection container. Title to material  
 1064 Collected as part of the DISTRICT requested Clean-up Service or Special Collection Service  
 1065 shall pass to CONTRACTOR at the time the material is placed in the Roll-off Container or other  
 1066 Collection vehicle or container approved for use at the event.

1067                            6.16 Hazardous Waste. Under no circumstances shall CONTRACTOR’S employees  
 1068 knowingly Collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous  
 1069 Waste, from a Collection container. If CONTRACTOR determines that material placed in any  
 1070 container for Collection is Hazardous Waste, or other material that may not legally be accepted  
 1071 at the Disposal Facility or one of the processing facilities, or presents a hazard to  
 1072 CONTRACTOR'S employees, the CONTRACTOR shall have the right to refuse to accept such  
 1073 material. The generator shall be contacted by the CONTRACTOR and requested to arrange for  
 1074 proper Disposal Service. If the generator cannot be reached immediately, the CONTRACTOR





1116 Materials, and Compostable Material to a SFD Customer if all adult Customers residing therein  
1117 are unable to place their MSW, Recyclable Materials, and Compostable Material Carts at the  
1118 curb for Collection and if a request for Backyard Service has been made to, and approved by,  
1119 the CONTRACTOR in the manner required by the DISTRICT. No additional monies shall be  
1120 due to the CONTRACTOR for the provision of Backyard Service.

1121       7.03 Subscription Backyard Service. CONTRACTOR shall provide Backyard  
1122 Collection of MSW, Recyclable Materials, and Compostable Material to a SFD Customer if  
1123 requested by the Customer for their convenience. CONTRACTOR shall be compensated for  
1124 such services at the rates set forth in Exhibit 1 for Subscription Backyard Collection Service.

1125       7.03.1 Collection Day. CONTRACTOR shall provide Backyard Collection  
1126 Service on the same Work Day that curbside Collection would otherwise be provided to the SFD  
1127 Customer.

1128       7.04 Frequency and Scheduling of Service. Except as set forth in Section 7.09, SFD  
1129 Collection Services shall be provided one (1) time per week on a scheduled route basis. SFD  
1130 Collection Services shall be scheduled so that a SFD Customer receives MSW Collection  
1131 Service, Recyclable Collection Service, Compostable Material Collection Service, and Waste Oil  
1132 Collection Service on the same Work Day.

1133       7.05 Non-Collection. Except as set forth in Sections 7.06, 7.07 and 7.08  
1134 CONTRACTOR shall not be required to Collect any MSW, Recyclable Material, or Compostable  
1135 Material that is not placed in a Roll-out Cart. In the event of non-collection, CONTRACTOR  
1136 shall affix to the cart a Non-Collection Notice explaining why Collection was not made.  
1137 CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

1138       7.06 MSW Overages. CONTRACTOR shall Collect MSW overage to the extent the  
1139 overage is set out by the Customer using a Bag-it Bag.

1140       7.07 Recycling Overages. In the event the Recycling Cart is full, flattened corrugated  
1141 cardboard of a size not exceeding four feet by four feet (4' x 4') may be placed beside the  
1142 Recycling Cart for Collection.

1143       7.08 Holiday Tree Collection. CONTRACTOR shall Collect holiday trees, or similar  
1144 holiday bushes from Residential Customers and schools within the DISTRICT during the two (2)  
1145 week period beginning with the first Monday in January 2010 and annually thereafter during the  
1146 term of this Agreement as part of the Compostable Materials services provided under this  
1147 Agreement. Holiday trees shall be Collected at the curb or in the case of schools at such  
1148 collection point as is agreed to between the CONTRACTOR and the school. To the extent they  
1149 are properly set out, holiday trees shall be Collected on the regular Collection day for each SFD  
1150 Customer during the two (2) week period. At the end of the two (2) week period during the  
1151 month of January, holiday tree Disposal by Residential Customers and schools in the DISTRICT  
1152 must be made in the Roll-Out Carts provided to such Customers for the Collection of  
1153 Compostable Materials under this Agreement. Holiday Tree Collection services shall be  
1154 provided at no additional cost to the DISTRICT or the Customer.



1155                   7.08.1 Contaminated Holiday Trees. Holiday trees that are flocked shall be  
1156 Collected but may be delivered to the Disposal Facility at the discretion of the CONTRACTOR.  
1157 Holiday Trees that contain tinsel or other decorations, or are attached to a tree stand are not  
1158 required to be Collected. In the event of non-collection CONTRACTOR shall affix to the holiday  
1159 tree a Non-Collection Notice explaining why Collection was not made and how the tree may be  
1160 properly disposed of and shall maintain a copy of such notice during the term of this Agreement.

1161                   7.09 Bulky Goods Collection Service. This service will be governed by the following  
1162 terms and conditions:

1163                   7.09.1 Conditions of Service. The CONTRACTOR shall provide Bulky Goods  
1164 Collection Service to all SFD Customers in the Service Area whose Bulky Goods have been  
1165 placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest  
1166 accessible roadway, or other such location agreed to by the CONTRACTOR and Customer, that  
1167 will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.  
1168 The Customer shall be limited to seven (7) cubic yards per Collection. Accordingly  
1169 CONTRACTOR shall be compensated for the cost of Collecting Bulky Goods in excess of this  
1170 limitation in accordance with the "Additional Bulky Goods Collection" service rate as set by the  
1171 DISTRICT and as may be adjusted under the terms of this Agreement.

1172                   7.09.2 Scheduling Bulky Goods Service. CONTRACTOR, when requested by  
1173 Customer or Contract Administrator, shall provide services to each Residential Customer for  
1174 one (1) on-call Bulky Goods cleanup each full or partial calendar year of the Agreement by  
1175 arrangement between CONTRACTOR and the Customer. Collection of Bulky Goods shall be  
1176 scheduled within one (1) week of the request for service.

1177                   7.09.3 Non-Collection. In the event of non-collection CONTRACTOR shall affix  
1178 to the item a Non-Collection Notice explaining why Collection was not made and how the item  
1179 may be properly disposed of and shall maintain a copy of such notice during the term of this  
1180 Agreement. CONTRACTOR shall not be required to Collect the following items as part of Bulky  
1181 Goods Collection service:

1182                   7.09.3.1           Any single item that cannot be handled by two (2) people  
1183 or weighs in excess of seventy-five (75) pounds (except for the purposes of this section 7.09.3 a  
1184 box springs and mattress will not be considered as a single item);

1185                   7.09.3.2           Hazardous Waste, including anti-freeze;

1186                   7.09.3.3           concrete,

1187                   7.09.3.4           dirt; or

1188                   7.09.3.5           more than four (4) tires from any SFD Customer per  
1189 Collection.

1190                   7.10 Waste Oil Collection Service. This service will be governed by the following  
1191 terms and conditions:

1192                   7.10.1 Conditions of Service. The CONTRACTOR shall provide Waste Oil  
1193 Collection Service to all SFD Customers in the Service Area utilizing Waste Oil Containers for  
1194 the accumulation and set-out of their Waste Oil, and Waste Oil Filter Containers for the  
1195 accumulation and set out of their Waste Oil Filters where the Waste Oil Containers and Waste

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1196 Oil Filter Containers have been placed within three (3) feet of the curb, swale, paved surface of  
1197 the public roadway, closest accessible roadway, or other such location agreed to by the  
1198 CONTRACTOR and Customer, that will provide safe and efficient accessibility to the  
1199 CONTRACTOR'S Collection crew and vehicle.

1200 7.10.2 Non-Collection. CONTRACTOR shall not be required to Collect material  
1201 placed in Waste Oil or Waste Oil Filter Containers unless the material is Waste Oil or Waste Oil  
1202 Filters, as appropriate, and is free of contamination other than contamination normally expected  
1203 to be present as a result of the use, storage or spillage of the oil or filter. In the event of non-  
1204 collection, CONTRACTOR shall affix to the Waste Oil or Waste Oil Filter Container a Non-  
1205 Collection Notice explaining why Collection was not made and maintain a copy of such notice  
1206 during the term of this Agreement. Prior to the end of each Work Day, CONTRACTOR shall  
1207 notify the City Representative, either by Fax or e-mail, of any non-collection occurrences. If  
1208 non-collection is because the Waste Oil or Filter was placed in an improper container,  
1209 CONTRACTOR shall also leave Waste Oil or Waste Oil Filter Containers in a number sufficient  
1210 to contain the Waste Oil or Waste Oil Filters set out, but not exceeding sixteen (16) quarts, or  
1211 two (2) Waste Oil Filters along with the Non-Collection Notice.

1212 7.10.3 Spillage. CONTRACTOR shall carry oil absorbent material on all Waste  
1213 Oil Collection vehicles and shall cleanup any Waste Oil that spills during Collection, which has  
1214 leaked from the Waste Oil or Waste Oil Filter Container, or which spills or leaks during the time  
1215 the Waste Oil or Waste Oil Filter is in the Collection vehicle.

1216 7.10.4 Waste Oil and Waste Oil Filter Containers. Within three (3) Work Days of  
1217 receipt of a verbal request of DISTRICT or a Customer, CONTRACTOR shall, at  
1218 CONTRACTOR'S sole cost and expense, provide the SFD Customer at their Residence with  
1219 Waste Oil Containers and Waste Oil Filter Containers in the number requested by the  
1220 DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16)  
1221 quarts of Waste and two (2) Waste Oil Filters.

1222 7.10.4.1 At the time CONTRACTOR Collects Waste Oil from a SFD  
1223 Customer, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the  
1224 premises one (1) Waste Oil Container for each Waste Oil Container Collected and one (1)  
1225 Waste Oil Filter Container for each Waste Oil Filter Container Collected. CONTRACTOR shall  
1226 keep the outside of all Waste Oil and Waste Oil Filter Containers clean and may re-use the  
1227 containers until the condition of the container makes it inappropriate for re-use.

1228 **ARTICLE 8. MFD Collection Services**

1229 8.01 MFD Collection Services. These services will be governed by the following  
1230 terms and conditions:

1231 8.01.1 Conditions of Service. The CONTRACTOR shall provide MFD MSW  
1232 Collection Service, and MFD Recyclable Collection Service to all MFD Customers in the Service  
1233 Area whose MSW and Recyclable Material are properly containerized in Bins or Carts as  
1234 appropriate where the bins and carts are accessible as set forth in Section 8.01.3.



1235                   8.01.2 Frequency of Service. Each service shall be provided at least once every  
1236 week on a scheduled route basis. However, in those instances where the scheduled Collection  
1237 day falls on a holiday as set forth in Section 6.08 herein, the Collection day may be adjusted in a  
1238 manner agreed to between the Customer and the CONTRACTOR as long as service is received  
1239 a minimum of one (1) time per week. The size of the Bin or Cart and the frequency (above the  
1240 minimum) of Collection shall be determined between the Customer and the CONTRACTOR.  
1241 However, size and frequency shall be sufficient to provide that no MSW or Recyclable Material  
1242 need be placed outside the Bin or Cart on a regular basis.

1243                   8.01.3 Accessibility. CONTRACTOR shall Collect all MSW Bins and Recycling  
1244 Bins or Carts that are readily accessible to the CONTRACTOR'S crew and vehicles and not  
1245 blocked. However, CONTRACTOR shall provide "push services" as necessary during the  
1246 provision of MFD Collection Services. Push services shall include, but not be limited to,  
1247 dismounting from the Collection vehicle, moving the MSW Bins or Recycling Bins or Carts from  
1248 their storage location for Collection and returning the MSW Bins or Recycling Bins or Carts to  
1249 their storage location.

1250                   8.01.3.1           The CONTRACTOR may notify the Contract Administrator  
1251 daily, either by Fax or e-mail, of all situations that prevent or hinder Collection from any MFD  
1252 Customer.

1253                   8.01.4 Non-Collection. CONTRACTOR shall not be required to Collect any  
1254 MSW or Recyclable Materials that are not placed in a Bin or Cart unless such MSW or  
1255 Recyclable Material is outside the Bin or Cart as a result of overflow. In the event of non-  
1256 collection, CONTRACTOR shall affix to the Bin or Cart a Non-Collection Notice explaining why  
1257 Collection was not made. CONTRACTOR shall maintain copies of the Non-Collection Notice  
1258 during the term of this Agreement.

1259                   8.01.5 Overflow. In the case of more than one (1) overflow in any one (1) month  
1260 for two (2) consecutive months of MSW or Recyclable Material CONTRACTOR shall contact the  
1261 MFD Customer management to arrange for an appropriate change in Bin or Cart size,  
1262 Collection frequency or both. In the event, CONTRACTOR cannot successfully contact the  
1263 MFD Customer management after three (3) attempts, or cannot reach an agreement with such  
1264 management regarding the change in service, CONTRACTOR shall advise the Contract  
1265 Administrator, either by Fax or e-mail, of the details of the overages, and the attempts at  
1266 communication with the MFD Customer management. The Contract Administrator shall  
1267 respond to CONTRACTOR'S report and make a final written determination. Within five (5)  
1268 Work Days of receipt of the Contract Administrator's written determination, CONTRACTOR shall  
1269 change the Collection Service in accordance with such written determination.

1270                   8.02 Bulky Goods Collection Service. This service will be governed by the following  
1271 terms and conditions:

1272                   8.02.1 Conditions of Service. The CONTRACTOR shall provide Bulky Goods  
1273 Collection Service to all MFD Customers in the Service Area in a manner agreed to between the  
1274 CONTRACTOR and the MFD Customer management. The service shall be limited to the  
1275 Collection of a maximum number of cubic yards of material calculated by multiplying the number  
1276 of Dwelling Units in the MFD Complex by three (3) cubic yards. Accordingly CONTRACTOR  
1277 shall be compensated for the cost of Collecting Bulky Goods in excess of this limitation in

1278 accordance with the "Additional Bulky Goods Collection" service rate as set by the DISTRICT  
1279 and as may be adjusted under the terms of this Agreement.

1280 8.02.2 Scheduling Bulky Goods Service. CONTRACTOR, when requested by  
1281 the MFD management or Contract Administrator, shall provide services to each MFD complex  
1282 for one (1) on-call Bulky Goods cleanup for each year or partial year of the Agreement by  
1283 arrangement between CONTRACTOR and the MFD management. Collection of Bulky Goods  
1284 shall be scheduled within one (1) week of the request for service.

1285 8.02.3 Non-Collection. In the event of non-collection CONTRACTOR shall affix  
1286 to the item a Non-Collection Notice explaining why Collection was not made and how the item  
1287 may be properly disposed of and shall maintain a copy of such notice during the term of this  
1288 Agreement. CONTRACTOR, shall not be required to Collect the following items as part of MFD  
1289 Bulky Goods Collection service:

1290 8.02.3.1 Any single item that cannot be handled by two people  
1291 (except for the purposes of this section 8.02.3 a box springs and mattress will not be considered  
1292 as a single item);

1293 8.02.3.2 Hazardous Waste, including anti-freeze;

1294 8.02.3.3 concrete,

1295 8.02.3.4 dirt; or

1296 8.02.3.5 more than a total of four (4) tires from each MFD Dwelling  
1297 Unit per Collection.

1298 8.03 Waste Oil and Filter Collection Service. This service will be governed by the  
1299 following terms and conditions:

1300 8.03.1 Conditions of Service. The CONTRACTOR shall provide Waste Oil  
1301 Collection Service to all participating MFD Complexes in the Service Area utilizing Waste Oil  
1302 Containers for the accumulation and set out of their Waste Oil, and Waste Oil Filter Containers  
1303 for the accumulation and set out of their Waste Oil Filters. Waste Oil Containers and Waste Oil  
1304 Filter Containers shall be placed in a collection box at a location that has been agreed to by the  
1305 CONTRACTOR, and management of the MFD complex that will provide safe and efficient  
1306 accessibility to the CONTRACTOR'S Collection crew and vehicle.

1307 8.03.2 Frequency of Service. This service shall be provided once every week on  
1308 a scheduled route basis on the same Work Day as MFD MSW or Recycling Collection Service.  
1309 However, in those instances where the scheduled Collection day falls on a holiday as set forth  
1310 in Section 6.08 herein, the Collection day may be adjusted in a manner agreed to between the  
1311 MFD Complex management and the CONTRACTOR as long as service is received a minimum  
1312 of one (1) time per week.

1313 8.03.3 Non-Collection. CONTRACTOR shall not be required to Collect material  
1314 placed in Waste Oil or Waste Oil Filter Containers unless the material is Waste Oil or Waste Oil  
1315 Filters, as appropriate, and is free of contamination other than contamination normally expected



1316 to be present as a result of the use, storage or spillage of the oil or filter. In the event of non-  
1317 collection, CONTRACTOR shall affix to the Waste Oil or Waste Oil Filter Container a Non-  
1318 Collection Notice explaining why Collection was not made. Prior to the end of the Work Day,  
1319 CONTRACTOR shall notify the Contract Administrator, either by Fax or e-mail, of any non-  
1320 collection occurrences. If non-collection is because the Waste Oil or Filter was placed in an  
1321 improper container, CONTRACTOR shall also leave Waste Oil or Waste Oil Filter Containers in  
1322 a number sufficient to contain the Waste Oil or Waste Oil Filters set out, but not exceeding  
1323 sixteen (16) quarts, or two (2) Waste Oil Filters per Dwelling Unit, along with the Non-Collection  
1324 Notice.

1325           8.03.4 Spillage. CONTRACTOR shall carry oil absorbent material on all Waste  
1326 Oil Collection vehicles and shall cleanup any Waste Oil that spills during Collection, which has  
1327 leaked from the Waste Oil or Waste Oil Filter Container, or which spills or leaks during the time  
1328 the Waste Oil or Waste Oil Filter is in the Collection vehicle.

1329           8.03.5 Waste Oil and Waste Oil Filter Containers. Within three (3) Work Days of  
1330 receipt of request for Waste Oil Collection Services, CONTRACTOR shall, at CONTRACTOR'S  
1331 sole cost and expense, provide the Service Recipient or management of the MFD Service Unit  
1332 with a sufficient number of collection boxes for the storage of Waste Oil and Waste Oil Filters.  
1333 Each collection box shall contain six (6) Waste Oil Containers, six (6) Waste Oil Filter  
1334 Containers, and six (6) oil funnels. If requested by the DISTRICT, the CONTRACTOR shall  
1335 distribute oil funnels provided by the DISTRICT.

1336           8.03.5.1           At the time CONTRACTOR Collects Waste Oil from a MFD  
1337 complex, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the  
1338 complex one (1) Waste Oil Container for each Waste Oil Container Collected and one (1) Waste  
1339 Oil Filter Container for each Waste Oil Filter Container Collected. CONTRACTOR shall keep  
1340 the outside of all Waste Oil and Waste Oil filter Containers clean and may re-use the containers  
1341 until the condition of the container makes it inappropriate for re-use.

1342           8.03.6 Bi-Annual Visit. CONTRACTOR shall visit each MFD complex at least  
1343 once every two (2) years to perform a recycling site assessment. As part of the assessment,  
1344 CONTRACTOR shall meet with the property manager to review level of service and to discuss  
1345 recycling opportunities. The results of each visit shall be documented and reported in the  
1346 annual report to the DISTRICT.

## 1347           **ARTICLE 9. Business Collection Services**

1348           9.01 Business Collection Services.           These services will be governed by the  
1349 following terms and conditions:

1350           9.01.1 Business MSW Collection Service.           CONTRACTOR shall provide  
1351 Business MSW Collection Service to all Business Customers in the Service Area whose MSW,  
1352 is properly containerized in Bins, Carts or Roll-off Containers and where the Bins, Carts or Roll-  
1353 off Containers are accessible as set forth in Section 9.03.

1354           9.01.2 Business Organic Collection Service.           CONTRACTOR shall provide  
1355 Business Organic Collection Service to all Business Customers in the Service Area subscribing  
1356 to such service whose Organic Material is properly containerized in Bins or Carts as appropriate  
1357 and where the Bins and Carts are accessible as set forth in Section 9.03.

1358 9.01.3 Business Recyclable Collection Service. CONTRACTOR shall provide  
1359 Business Recyclable Collection Service to all Business Customers in the Service Area  
1360 subscribing to such service whose Recyclable Material is properly containerized in Bins or Carts  
1361 as appropriate and where the Bins and Carts are accessible as set forth in Section 9.03.

1362 9.02 Frequency of Service. Each service shall be provided at least once every week  
1363 on a scheduled route basis. However, in those instances where the scheduled Collection day  
1364 falls on a holiday as set forth in Article 6.08 herein, the Collection day may be adjusted in a  
1365 manner agreed to between the Customer and the CONTRACTOR as long as service is received  
1366 a minimum of one (1) time per week. The size of the Bin, Cart or Roll-off Container and the  
1367 frequency (above the minimum) of Collection shall be determined between the Customer and  
1368 the CONTRACTOR. However, size and frequency shall be sufficient to provide that no MSW or  
1369 Recyclables need be placed outside the Bin or Cart on a regular basis and that no Commercial  
1370 Organic Waste be placed outside the Bin or Cart at any time.

1371 9.03 Accessibility. CONTRACTOR shall Collect all Bins and Carts that are readily  
1372 accessible to the CONTRACTOR'S crew and vehicles and not blocked. However,  
1373 CONTRACTOR shall provide "push services" as necessary during the provision of Business  
1374 Collection Services. Push services shall include, but not be limited to, dismounting from the  
1375 Collection vehicle, moving the Bins or Carts from their storage location for Collection and  
1376 returning the Bins or Carts to their storage location.

1377 9.03.1 The CONTRACTOR may notify the Contract Administrator daily, by Fax  
1378 and e-mail, of all situations that prevent or hinder Collection from any Business Customer,  
1379 unless otherwise directed by the DISTRICT.

1380 9.04 Non-Collection. CONTRACTOR shall not be required to Collect any MSW,  
1381 Recyclable Material or Commercial Organic Waste that are not placed in a Bin or Cart unless  
1382 such MSW or Recyclable Material is outside the Bin or Cart as a result of overflow. In the event  
1383 of non-collection, CONTRACTOR shall affix to the Bin or Cart a Non-Collection Notice  
1384 explaining why Collection was not made. CONTRACTOR shall maintain copies of the Non-  
1385 Collection Notice during the term of this Agreement.

1386 9.05 Overflow. In the case of more than one (1) overflow in any one (1) month for two  
1387 (2) consecutive months of MSW or Recyclable Material CONTRACTOR shall contact the  
1388 Business Customer to arrange for an appropriate change in Bin or Cart size, Collection  
1389 frequency or both. In the event, CONTRACTOR cannot successfully contact the Business  
1390 Customer after three (3) attempts, or cannot reach an agreement with such Customer regarding  
1391 the change in service, CONTRACTOR shall advise the Contract Administrator, either by Fax or  
1392 e-mail, of the details of the overages, and the attempts at communication with the Business  
1393 customer. The Contract Administrator shall respond to CONTRACTOR'S report and make a  
1394 final written determination. Within five (5) Work Days of receipt of the Contract Administrator's  
1395 written determination, CONTRACTOR shall change the Collection Service in accordance with  
1396 such written determination.



1397

## ARTICLE 10. DISTRICT Collection Services

1398           10.01 DISTRICT Collection Services.           These services will be governed by the  
1399 following terms and conditions:

1400                   10.01.1           Conditions of Service. The CONTRACTOR shall provide  
1401 DISTRICT Collection Services to all DISTRICT owned and DISTRICT operated sites. Except as  
1402 set forth below in Section 10.03.1 and Section 11.02.2, DISTRICT Collection Services shall be  
1403 provided at no cost to the DISTRICT.

1404                   10.01.2           Frequency of Service. DISTRICT MSW Collection Service,  
1405 DISTRICT Recycling Collection Service, and DISTRICT Compostable Material Collection  
1406 Service, shall be provided at least once every week on a scheduled route basis. However, in  
1407 those instances where the scheduled Collection day falls on a holiday as set forth in Section  
1408 6.08 herein, the Collection day may be adjusted in a manner agreed to between the Customer  
1409 and the CONTRACTOR as long as service is received a minimum of one (1) time per week. The  
1410 size of the Bin or Cart and the frequency (above the minimum) of Collection shall be determined  
1411 between the DISTRICT and the CONTRACTOR. DISTRICT Bulky Goods Collection Service,  
1412 and Construction and Demolition Debris Collection Service shall be provided on an on-call basis  
1413 as requested by the DISTRICT.

1414                   10.01.3           Accessibility. CONTRACTOR shall Collect all Bins and Carts that  
1415 are readily accessible to the CONTRACTOR'S crew and vehicles and not blocked. However,  
1416 CONTRACTOR shall provide "push services" as necessary during the provision of DISTRICT  
1417 Collection Services. Push services shall include, but not be limited to, dismounting from the  
1418 Collection vehicle, moving the Bins or Carts from their storage location for Collection and  
1419 returning the Bins or Carts to their storage location.

1420                   10.01.3.1           The CONTRACTOR may notify the Contract Administrator  
1421 daily, either by Fax or e-mail, of all situations that prevent or hinder Collection from any  
1422 DISTRICT site.

1423           10.02 DISTRICT Bulky Goods Collection Service. This service will be governed by the  
1424 following terms and conditions:

1425                   10.02.1           Conditions of Service. The CONTRACTOR shall provide Bulky  
1426 Goods Collection Service to the DISTRICT in a manner agreed to between the CONTRACTOR  
1427 and the DISTRICT. The service shall be limited to the Collection of a maximum number of  
1428 seven (7) cubic yards of material per DISTRICT facility. Accordingly CONTRACTOR shall be  
1429 compensated for the cost of Collecting Bulky Goods in excess of this limitation in accordance  
1430 with the "Additional Bulky Goods Collection" service rate as set by the DISTRICT and as may be  
1431 adjusted under the terms of this Agreement.

1432                   10.02.2           Scheduling Bulky Goods Service. CONTRACTOR, when  
1433 requested by the DISTRICT or Contract Administrator, shall provide services to each DISTRICT  
1434 facility for one (1) on-call Bulky Goods cleanup for each year or partial year of the Agreement by  
1435 arrangement between CONTRACTOR and the DISTRICT. Collection of Bulky Goods shall be  
1436 scheduled within one (1) week of the request for service.

1437 10.02.3 Non-Collection. In the event of non-collection CONTRACTOR  
1438 shall affix to the item a Non-Collection Notice explaining why Collection was not made and how  
1439 the item may be properly disposed of and shall maintain a copy of such notice during the term of  
1440 this Agreement. CONTRACTOR, shall not be required to Collect the following items as part of  
1441 DISTRICT Bulky Goods Collection service:

- 1442 10.02.3.1 Any single item that cannot be handled by two people;
- 1443 10.02.3.2 Hazardous Waste, including anti-freeze;
- 1444 10.02.3.3 concrete,
- 1445 10.02.3.4 dirt; or
- 1446 10.02.3.5 more than a total of four (4) tires from each DISTRICT  
1447 Facility per Collection.

1448 10.03 DISTRICT Clean-Up Services.

1449 10.03.1 Each full or partial calendar year during the term of this  
1450 Agreement year CONTRACTOR shall, at no charge to the DISTRICT, provide for a maximum of  
1451 nine hundred sixty (960) cubic yards of DISTRICT Clean-up Service capacity. CONTRACTOR  
1452 shall be entitled to charge the DISTRICT for amounts that exceed 960 cubic yards per full or  
1453 partial calendar year in accordance with the rates specified in Exhibit 1.

1454 10.03.2 CONTRACTOR shall, in response to the written request of the  
1455 Contract Administrator, deliver and collect Roll-Off Containers for use in DISTRICT clean-up  
1456 programs. Each clean-up event shall consist of a single Collection day beginning at 6:00 a.m.  
1457 and ending at 6:00 p.m. The Contract Administrator shall notify CONTRACTOR in writing not  
1458 less than five (5) calendar days prior to the date of the service. The notice to CONTRACTOR  
1459 shall specify the date of delivery and Collection of the Roll-Off Containers, the location(s) for  
1460 delivery, and the number of and size of the Roll-Off Containers to be delivered. As part of this  
1461 service, CONTRACTOR shall provide on-site supervision at all times the Roll-Off Containers are  
1462 available for DISTRICT Clean-Up Services. At such time as the Roll-Off Container is full, but  
1463 not later than the end of the DISTRICT Clean-Up Service day, CONTRACTOR shall transport  
1464 and deliver the Collected materials to the Disposal Facility, the Materials Recovery Facility, or  
1465 such other facility as is appropriate for the disposition of the materials and approved by the  
1466 Contract Administrator.

1467 10.03.3 With the prior written consent of the Contract Administrator,  
1468 CONTRACTOR may provide for the Collection of materials at a DISTRICT Clean-up Service  
1469 event in a vehicle or container other than a Roll-Off Container. However, in the event the  
1470 CONTRACTOR elects to utilize this alternative Collection process, CONTRACTOR is  
1471 responsible for obtaining documentation of the weight of the materials Collected, diverted and  
1472 disposed in a manner that is acceptable to the DISTRICT.

1473 10.04 Collection of DISTRICT Containers. CONTRACTOR shall provide Collection,  
1474 transporting and disposal or processing service to up to one hundred forty (140) public MSW or  
1475 Recycling containers placed and maintained by the DISTRICT on sidewalks, along main



1476 thoroughfares in the DISTRICT during the term of this Agreement. Such Collection services  
1477 shall include monitoring containers and emptying them on an as-needed basis, provided that no  
1478 Collection will take place on weekends or holidays.

1479           10.05 DISTRICT Sponsored Events. CONTRACTOR shall provide MSW and,  
1480 Recycling Collection and processing services at up to three (3) DISTRICT sponsored events per  
1481 full or partial calendar year as requested by DISTRICT. Such services shall be provided in such  
1482 a manner that all MSW and Recycling needs of the event are adequately and properly provided  
1483 for by CONTRACTOR at no cost of any kind to the DISTRICT.

1484           10.06 HHW/ E-Waste/ U-Waste/ or Other Material Collection Events. CONTRACTOR  
1485 shall be responsible for promoting, managing, staffing, and operating two (2) annual collection  
1486 events to accept Household Hazardous Waste (HHW), Electronic Waste (E-Waste), Universal  
1487 Waste (U-Waste) or other materials to be determined by the DISTRICT from residents of the  
1488 DISTRICT. Materials to be collected at the events shall include at a minimum items such as:  
1489 paint, stain, varnish, thinner and adhesives; auto products such as old fuel, motor oil, oil filters  
1490 and batteries; household batteries; cleaners and sprays; garden products, including pesticides  
1491 and fertilizers; cell phones, computers, monitors and other items containing cathode ray tubes,  
1492 (CRT's).

1493           10.06.1 Collection Events. CONTRACTOR shall provide Collection Event  
1494 Service in a manner consistent with the Collection Event Plan discussed below. Six (6) months  
1495 prior to each Collection Event, unless less time is designated by the Contract Administrator,  
1496 CONTRACTOR shall prepare and submit a Collection Event Plan to the Contract Administrator  
1497 to account for the specific type of event to be held. The plan shall specifically include the level  
1498 of effort to be incurred in the areas of public education and advertising for the event.

1499           10.06.1.1 Except as set forth in Section 10.06.1.4 below, all costs,  
1500 including but not limited to transportation, management, administration, site selection,  
1501 processing and disposal, related to these events shall be the responsibility of the  
1502 CONTRACTOR and no additional compensation will be provided by the DISTRICT.

1503           10.06.1.2 CONTRACTOR shall prepare and pay for publication of all  
1504 advertisements and public announcements regarding the Collection event in accordance with  
1505 the updated Collection Event Plan. All promotional material shall be approved by the DISTRICT  
1506 prior to release to the public. CONTRACTOR shall arrange for an appointment system to be in  
1507 place to allow residents call in to make appointments to drop-off material at the Collection event.  
1508 The appointment system shall be designed to minimize waiting time for residents and to  
1509 encourage participation.

1510           10.06.1.3 The dates and sites of the Collection event shall be  
1511 selected by the CONTRACTOR and approved by the DISTRICT. The DISTRICT shall assist  
1512 the CONTRACTOR in locating a site as requested, however such site shall always be within the  
1513 jurisdictional limits of the DISTRICT. At such events, the CONTRACTOR shall accept material  
1514 delivered by DISTRICT residents during a seven (7) hour period. CONTRACTOR shall provide  
1515 personnel that will assist with directing traffic; verifying residency of persons delivering material;  
1516 documenting the number of residents delivering materials; and directing residents where to  
1517 unload materials. In addition, CONTRACTOR shall be responsible for managing the Collection  
1518 event; supervising and directing event personnel; inspecting materials delivered to the event;

1519 separating and packaging HHW/ E-Waste/ U-Waste and other material; documenting the  
1520 quantity of each material type; transporting HHW/ E-Waste/ U-Waste and other material to  
1521 reuse, Recycling, and/or processing locations; and cleaning-up the location at the end of the  
1522 event.

1523                               10.06.1.4       CONTRACTOR shall be responsible for twenty thousand  
1524 dollars (\$20,000) per event of net costs incurred for the transportation and disposal of materials  
1525 collected at each Collection Event. Costs shall be netted against any revenue received by  
1526 CONTRACTOR from federal, state or local programs, grants, etc. for the collection or disposal  
1527 of the items. At any Collection Event where the net costs do not exceed twenty thousand dollars  
1528 (\$20,000) the difference between the net cost incurred and twenty thousand dollars (\$20,000)  
1529 shall be accumulated for use at the next Collection Event. In the event the net costs exceed  
1530 twenty thousand dollars (\$20,000) plus any accumulated unexpended funds from prior  
1531 Collection Events, the DISTRICT will reimburse the CONTRACTOR as set forth in Section  
1532 10.06.1.6 below.

1533                               10.06.1.5       CONTRACTOR shall provide properly trained and qualified  
1534 personnel to handle, unload, package and transport HHW/ E-Waste/ U-Waste/Other Material to  
1535 proper vendors for Recycling and Disposal. CONTRACTOR shall provide appropriate  
1536 containers for the HHW/ E-Waste/ U-Waste/Other Material.

1537                               10.06.1.6       CONTRACTOR shall provide DISTRICT with a report  
1538 within thirty (30) days of the event summarizing the number of participants and the total  
1539 Tonnage collected by material type. In addition, the report shall provide detailed financial data  
1540 regarding the cost of the event including but not limited to non-reimbursable costs such as  
1541 administrative, training, setup and cleanup costs and reimbursable costs such as transportation,  
1542 disposal and processing. The report shall include an accounting that provides the balance, if  
1543 any, of unspent accumulated funds from prior Collection Events, reimbursable costs incurred,  
1544 any revenues received or to be received that are netted against the reimbursable costs, and the  
1545 amount due to the CONTRACTOR or to be added to the unspent accumulated funds balance.  
1546 DISTRICT may request additional information as needed but shall pay all unchallenged  
1547 amounts due the CONTRACTOR within thirty (30) days of receipt of the report.

1548                               10.06.2       Abandoned Waste. CONTRACTOR shall direct its Collection  
1549 vehicle drivers to note (i) the addresses of any premises at which the driver observes that MSW,  
1550 Recyclable Material, and/or Compostable Material is accumulating; and (ii) the address, or other  
1551 location description, at which MSW, Recyclable Material, and/or Compostable Material has  
1552 been dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address  
1553 or description to DISTRICT within three (3) Work Days of such observation.

1554                               10.07 School Services. Unless directed by DISTRICT in writing, CONTRACTOR will,  
1555 during the term of this Agreement, provide DISTRICT public and private schools (K-12) within  
1556 the jurisdictional limits of the DISTRICT, and such other public schools as may be agreed to in  
1557 writing between CONTRACTOR and DISTRICT, receiving Business MSW Collection Service  
1558 under the terms and conditions of this Agreement and at the rates set forth in Exhibit 1 or as  
1559 may have been amended and approved by the DISTRICT from time to time in accordance with



1560 Article 12 of this Agreement, with Recyclable and Compostable Materials Collection processing,  
1561 Composting and marketing services at no additional cost to the school or DISTRICT. DISTRICT  
1562 and CONTRACTOR have agreed that the Palomares Elementary School is eligible to receive  
1563 the services set forth in this section.

1564 **ARTICLE 11. Construction and Demolition Debris Services**

1565 11.01 General. CONTRACTOR shall perform Construction and Demolition Debris  
1566 Services as described in this Agreement as set forth below. CONTRACTOR shall provide all  
1567 labor, insurance, supervision, machinery, and equipment, plant building, tipping fees, permits,  
1568 licenses, materials, supervision and other items necessary for the performance of the services  
1569 under this Agreement.

1570 11.02 Construction and Demolition Debris Collection. The Construction and Demolition  
1571 Debris Collection Services to be performed by CONTRACTOR shall include the following:

1572 11.02.1 Collection of Construction and Demolition Debris (recyclables,  
1573 commingled recyclables, and non-recyclables) from Construction contractors and other  
1574 Construction and Demolition Debris Generators from Construction sites. CONTRACTOR shall  
1575 respond within twenty-four (24) hours to requests by Residential or Business Customers for  
1576 Construction and Demolition Debris Collection and shall provide the appropriate container for  
1577 such Collection according to the circumstances;

1578 11.02.2 Collection, without charge, of up to four hundred (400) cubic yards  
1579 per full or partial calendar year of Construction and Demolition Debris from DISTRICT-owned or  
1580 DISTRICT-operated sites and facilities. CONTRACTOR shall be entitled to charge the  
1581 DISTRICT for amounts that exceed four hundred (400) cubic yards per full or partial calendar  
1582 year in accordance with the rates specified in Exhibit 1;

1583 11.02.3 Provision, maintenance, and replacement of all containers and  
1584 receptacles required for the provision of all Construction and Demolition Debris Collection  
1585 Services;

1586 11.02.4 Transfer of Construction and Demolition Debris to the Processing  
1587 Facility designated under this Agreement for separation and processing; and

1588 11.02.5 Provision of a Contractor's Job Truck on an on-call basis for SFD  
1589 and MFD to use for Collection of uncontained materials that do not qualify for the Bulky Goods  
1590 program. Examples of such uncontained material are Residential Construction and Demolition  
1591 Debris, painted wood, trees and tree branches, rock and dirt, and other material to be landfilled  
1592 as MSW or Recycled as Construction and Demolition Debris depending upon the materials'  
1593 level of contamination. Individual pieces of material cannot exceed seventy-five (75) pounds or  
1594 one thousand (1,000) pounds in the aggregate for the Individual Customer, cannot be of  
1595 unreasonably large sizes, and no liquid flammables banned for the landfill shall be taken by the  
1596 Contractor's Job Truck.

1597 11.03 Processing of Construction and Demolition Debris.

1598 11.03.1 All Construction and Demolition Debris Collected shall be visually  
1599 inspected by CONTRACTOR to estimate if the load contains 50% or more of Recyclable  
1600 materials. If so, the material shall be processed at a MRF for the purpose of maximizing the rate

1601 of diversion from the landfill. CONTRACTOR and DISTRICT contemplate that the Davis Street  
1602 Transfer Station will be used for this purpose. This processing must, on a calendar year basis  
1603 beginning May 1, 2009 and each calendar year thereafter during the term of this Agreement,  
1604 Divert a minimum of ninety (90) percent of all asphalt and concrete and a minimum of fifty (50)  
1605 percent of all other Construction and Demolition Debris Collected under the terms of this  
1606 Agreement by weight from being landfilled. If CONTRACTOR does not maintain these minimum  
1607 percentages and defaults in accord with Article 26, then, in addition to the other remedies  
1608 provided by this Agreement, the DISTRICT may provide for such service by any other means  
1609 notwithstanding the terms of this Agreement.

1610 11.04 Rates. The rates for Construction and Demolition Debris Collection and  
1611 processing shall be as specified in Exhibit 1.

1612 11.05 Records. CONTRACTOR will conduct proper record keeping to be sure that the  
1613 Construction and Demolition Debris materials are Recycled to the extent possible and the  
1614 amount disposed and amount Diverted are properly recorded and reported.

1615 11.06 Processed Material. In the event grinding occurs at the Transfer Station or  
1616 another CONTRACTOR controlled facility, at the DISTRICT'S request, up to fifty (50) tons per  
1617 year of construction or fill processed from Construction and Demolition Debris under this  
1618 Agreement shall be delivered to a location within the DISTRICT as specified by the DISTRICT  
1619 at no charge to the DISTRICT.

1620 11.07 Designated Construction and Demolition Debris Processing Facility. The  
1621 CONTRACTOR and DISTRICT agree that the Davis Street Transfer Station, shall be the  
1622 designated Processing Facility for Construction and Demolition Debris. The CONTRACTOR  
1623 may propose use of an alternate Processing Facility for Construction and Demolition Debris  
1624 which must be approved by the DISTRICT. Approval by the DISTRICT may not be  
1625 unreasonably withheld, except that the DISTRICT may withhold consent if use of another facility  
1626 would result in an increase in rates.

1627 11.08 Revenues Generated from Construction and Demolition Debris. Any revenues  
1628 generated from the sale of Construction and Demolition Debris shall be retained by  
1629 CONTRACTOR.

1630 **ARTICLE 12. Billing and Payment**

1631 12.01 Generally. CONTRACTOR shall (i) bill Customers for MSW, Recyclables,  
1632 Compostable Materials, and/or Construction and Demolition Debris Collection, processing, and  
1633 marketing services; (ii) collect payment for those services; (iii) maintain billing and payment  
1634 records; (iv) provide for the collection of delinquent payments and bad debts; and (v) remit  
1635 franchise and regulatory fees to the DISTRICT monthly in accordance with Section 12.14.  
1636 Residential MSW, Recyclables, Compostable Materials, and/or Construction and Demolition  
1637 Debris Collection, processing and marketing services shall be billed quarterly in advance of  
1638 services provided or as otherwise scheduled by CONTRACTOR and approved by the  
1639 DISTRICT. Business MSW, Recyclables, Compostable Materials, and/or Construction and  
1640 Demolition Debris bin services shall be billed monthly and may be in advance of services



1641 provided. Business MSW, Recyclables, Compostable Materials, and/or Construction and  
1642 Demolition Debris Roll-Off services shall be billed monthly for services provided the previous  
1643 month or as agreed between CONTRACTOR and Customer. DISTRICT also may direct  
1644 CONTRACTOR to insert mailers with customer invoices relating to integrated waste  
1645 management or the DISTRICT activities.

1646         12.02 CONTRACTOR Obligation. CONTRACTOR shall provide services efficiently and  
1647 effectively, and in accordance with its fixed unit rates, as adjusted in accordance with this  
1648 Agreement, and CONTRACTOR'S failure to provide services in accordance with this Agreement  
1649 shall not be excused by virtue of any claimed inadequacy in CONTRACTOR'S fixed unit rates or  
1650 by virtue of any claimed inadequacy in the labor force, productivity levels, or technology and  
1651 equipment assumed in CONTRACTOR'S fixed unit rates.

1652         12.03 Partial Month Service. If, during a month, a Customer is added to or deleted from  
1653 CONTRACTOR'S Service Area, the CONTRACTOR'S billing shall be pro-rated based on the  
1654 weekly service rate (the weekly service rate shall be the service rate established in Exhibit 1  
1655 divided by four (4)) times the number of actual weeks in the month that service was provided to  
1656 the Customer.

1657         12.04 Full Compensation. Rates and ancillary fees charged and collected by  
1658 CONTRACTOR as provided for in this Article and as set forth in Exhibit 1 shall be the full, entire,  
1659 and complete compensation due to CONTRACTOR pursuant to this Agreement for all costs  
1660 necessary to perform all the services required by this Agreement in the manner and at the times  
1661 prescribed.

1662         12.05 Methods of Payment. CONTRACTOR shall provide the means for customers to  
1663 pay bills through the following methods: cash, checks, credit cards, internet payment service or  
1664 automatic withdrawal from bank account.

1665         12.06 Delinquent Service Accounts. The CONTRACTOR may report to the Contract  
1666 Administrator, on a quarterly basis, all customers who have received Collection Service and  
1667 whose account is over one-hundred and twenty (120) days past due. CONTRACTOR may take  
1668 such action as is legally available to collect or cause collection of such past due amounts.  
1669 However, in no event, except upon notice in writing by the Contract Administrator, shall the  
1670 CONTRACTOR cease provision of SFD or MFD Collection Services to any SFD or MFD  
1671 Customer due to non-payment.

1672         12.07 Service Rate Elements. Collection Service Rates shall consist of some  
1673 combination of the following elements: a Collection Element, a Disposal Element, a Franchise  
1674 Fee Element, and such other elements as may be added by the DISTRICT during the term of  
1675 this Agreement.

1676         12.08 Adjustments to Collection Service Rates and Ancillary Fees.

1677                 12.08.1 Adjustments to Collection Elements, Push Rates, Container  
1678 Handling Fees, Ancillary Fees and Hourly Emergency Service Rates. Beginning on July 1,  
1679 2010 and annually thereafter, CONTRACTOR shall, subject to compliance with all provisions of  
1680 this Article, receive an annual adjustment in the *Collection Elements* Push Rates, Container  
1681 Handling Fees and Hourly Emergency Service Rates of the following service rates as set forth  
1682 in Exhibit 1 to this Agreement:

- 1683 12.08.1.1 SFD Collection Service. *Collection Elements* on Lines A6,
- 1684 B2, and C2 – C6 of Form 1;
- 1685 12.08.1.2 MFD Collection Service. *Collection Elements* in Section A,
- 1686 Push Rates, and Container Handling Fees in Section B of Form 2;
- 1687 12.08.1.3 Business Collection Service. *Collection Elements* in
- 1688 Section A, Push Rates and Container Handling Fees in Section B of Form 3;
- 1689 12.08.1.4 Business Recycling Collection Service. *Collection*
- 1690 *Elements* in Section A, Push Rates and Container Handling Fees in Section B of Form 4;
- 1691 12.08.1.5 Business Organic Collection Service. *Collection Elements*
- 1692 in Section A, Push Rates and Container Handling Fees in Section B of Form 5;
- 1693 12.08.1.6 Construction and Demolition Debris Collection Service.
- 1694 *Collection Elements* in Section A of Form 6;
- 1695 12.08.1.7 Emergency Service Rates. Hourly rates set forth on Forms
- 1696 7 and 8; and
- 1697 12.08.1.8 Ancillary Fees as set forth on Form 9.

1698 12.08.2 Fixed Adjustment. On July 1, 2010, and July 1, 2011, the

1699 *Collection Elements* Push Rates, Container Handling Fees, Ancillary Fees and Hourly

1700 Emergency Service Rates of the service rates set forth in Article 12.08.1 above shall be

1701 adjusted by a nine and thirty five one hundredths (9.35) percent increase as set forth in the

1702 sample rate calculation in Exhibit 2.

1703 12.08.3 RRI Adjustment. Beginning on July 1, 2012, and annually

1704 thereafter during the term of this Agreement, the *Collection Elements* Push Rates, Container

1705 Handling Fees, Ancillary Fees and Hourly Emergency Service Rates of the service rates set

1706 forth in Article 12.08.1 above shall be adjusted by the RRI adjustment set forth below, except

1707 that the adjustment shall never be less than two point nine (2.9) percent, nor more than eight (8)

1708 percent in any year regardless of the calculated RRI adjustment.

1709 12.08.3.1 The RRI adjustment shall be the sum of the weighted

1710 percentage change in the Annual Average of each RRI index number between the base fiscal

1711 year, which shall be the prior preceding Calendar year ending December 31<sup>st</sup> and the preceding

1712 Calendar year ending December 31<sup>st</sup> as contained in the most recent release of the source

1713 documents listed in Exhibit 2, which is attached to and included in this Agreement. Therefore,

1714 the first *Collection Element* Push Rates, Container Handling Fees, Ancillary Fees and Hourly

1715 Emergency Service Rates rate adjustment will be based on the percentage changes between

1716 the Annual Average of the RRI indices for the calendar year 2010 and the Annual Average of

1717 the RRI indices for the calendar year 2011. The RRI shall be calculated using the RRI

1718 methodology included in Exhibit 2.

1719 12.09 Financial Information. On or before February 15, 2012, and annually thereafter

1720 during the term of this Agreement, CONTRACTOR shall deliver to DISTRICT financial



1721 information for the specific services performed under this Agreement for the preceding calendar  
1722 year. Such financial information shall be in the format as set forth in Exhibit 2, or as may be  
1723 further revised by DISTRICT from time to time. If CONTRACTOR fails to submit the financial  
1724 information in the required format by February 15<sup>th</sup>, it is agreed that CONTRACTOR shall be  
1725 deemed to have waived the RRI adjustment for that year and the minimum adjustment of two  
1726 point nine (2.9) percent shall apply.

1727                   12.09.1           Annual adjustments shall be made only in units of one cent  
1728 (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments.  
1729 The indices shall be truncated at four (4) decimal places for the adjustment calculations.

1730                   12.09.2           If CONTRACTOR'S failure to submit the financial information  
1731 required under Article 12.09 is the result of extraordinary or unusual circumstances as  
1732 demonstrated by CONTRACTOR to the satisfaction of the Contract Administrator, DISTRICT, at  
1733 its sole discretion, may consider the request for the annual RRI rate adjustment.

1734                   12.09.3           As of June 1, 2012, and annually thereafter during the term of this  
1735 Agreement, the Contract Administrator shall notify CONTRACTOR of the RRI adjustment to the  
1736 affected service rates to take place on the subsequent July 1<sup>st</sup>.

1737                   12.10 Adjustments to Disposal Elements. Beginning on July 1, 2010 and annually  
1738 thereafter during the term of this Agreement, the *Disposal Element* will be changed based on  
1739 changes in the Disposal Contractors approved Disposal Rate.

1740                   12.10.1           Fixed Adjustment. On July 1, 2010, and July 1 2011, the *Disposal*  
1741 *Elements* of the service rates set forth on Exhibit 1 Forms 1, 2, 3 and 5 shall be adjusted by a  
1742 nine and thirty five one hundredths (9.35) percent increase as set forth in the sample rate  
1743 calculation in Exhibit 2.

1744                   12.10.2           SFD Collection Service. The SFD MSW Collection Service  
1745 Disposal Element submitted by the CONTRACTOR and selected by the DISTRICT as set forth  
1746 on Line A-3 of Exhibit 1 is based on the "Monthly Unit SFD MSW Generation Factor" and the  
1747 tipping fee per ton set forth on Lines A-2 and D-1. The SFD Compostable Material Collection  
1748 Service Disposal Element set forth on Line A-5 of Exhibit 1 is based on the tipping fee per ton  
1749 and the "Monthly Unit Compostable Material Generation Factor" set forth on Lines A-4 and D-2.

1750                   12.10.2.1       Tip Fee Changes. Beginning July 1, 2012, any approved  
1751 change in the per ton tipping fees, as set forth below, will result in a corresponding change in  
1752 the appropriate Disposal Element based on the following formula:

1753                   (The new tipping fee x the "Monthly Unit SFD MSW Generation Factor", or  
1754 "Monthly Unit Compostable Material Generation Factor" as appropriate)

1755                   Will equal: the SFD MSW Collection Service, or SFD Compostable Material  
1756 Collection Service "*Disposal Element Rate*", as appropriate.

1757                   12.10.3           MFD Collection Service. The MFD MSW or Compostable  
1758 Material Collection Service "*Disposal Element Rate*" is based on the tipping fee per ton, the size  
1759 of the Cart or Bin, the frequency of Collection and the "Cubic Yard Conversion Factors" set forth  
1760 on Exhibit 1.

1761 12.10.3.1 Tip Fee Changes. Beginning July 1, 2012, any approved  
1762 change in the per ton tipping fees, as set forth below, will result in a corresponding change in  
1763 the "Disposal Rate" based on the following formula:

1764 ((The appropriate "Cubic Yard Conversion Factor"/2,000 pounds) x the new  
1765 tipping fee x the Bin (or Cart) size x the frequency of Collection).

1766 Will equal: the MFD Solid Waste Collection Service "*Disposal Element Rate*" for  
1767 that specific Bin or Cart size and Collection frequency.

1768 12.10.4 Business Collection Service. The Business Solid Waste  
1769 Collection Service "*Disposal Element Rate*" is based on the tipping fee per ton and the  
1770 appropriate Conversion Factor set forth on Exhibit 1.

1771 12.10.4.1 Tip Fee Changes. Beginning July 1, 2012, any approved  
1772 change in the per ton tipping fees will result in a corresponding change in the "*Disposal*  
1773 *Element Rate*" for Business Collection Services as set forth on Exhibit 1, based on the following  
1774 formulas:

1775 12.10.4.2 Business Bin Rates.  
1776 ((The appropriate "Conversion Factor"/2,000 pounds) x the new tipping fee x the  
1777 Bin size x the frequency of Collection).

1778 Will equal: the Business Solid Waste Bin Collection Service "*Disposal Element*  
1779 *Rate*" for the appropriate Bin size and Collection frequency.

1780 12.10.4.3 Business Cart Rates.  
1781 ((The appropriate Cart "Conversion Factor"/2,000 pounds) x the new tipping fee x  
1782 the Cart size x the frequency of Collection).

1783 Will equal: The new Business Solid Waste Cart Collection Service "*Disposal*  
1784 *Element Rate*" for the appropriate Collection frequency.

1785 12.10.5 Business Organic Collection Service. The Business Organic  
1786 Collection Service "*Disposal Element Rate*" is based on the tipping fee per ton and the  
1787 appropriate Conversion Factor set forth on Exhibit 1.

1788 12.10.5.1 Tip Fee Changes. Beginning July 1, 2012, approved  
1789 change in the per ton tipping fees will result in a corresponding change in the "*Disposal*  
1790 *Element Rate*" for Business Organic Collection Services as set forth on Exhibit 1, based on the  
1791 following formulas:

1792 12.10.5.2 Business Bin Rates.  
1793 ((The appropriate "Conversion Factor"/2,000 pounds) x the new tipping fee x the  
1794 Bin size x the frequency of Collection).

1795 Will equal: the Commercial Organic Bin Collection Service "*Disposal Element*  
1796 *Rate*" for the appropriate Bin size and Collection frequency.



1797                                    12.10.5.3        Business Cart Rates.  
1798                                    ((The appropriate Cart “Conversion Factor”/2,000 pounds) x the new tipping fee x  
1799                                    the Cart size x the frequency of Collection).  
1800                                    Will equal: The new Commercial Organic Cart Collection Service “*Disposal*  
1801                                    *Element Rate*” for the appropriate Collection frequency.  
1802                                    12.10.5.4        Construction and Demolition Debris Disposal Rates. The  
1803                                    Construction and Demolition Debris “*Disposal Element Rate*” is based on the cost paid by the  
1804                                    CONTRACTOR at the Disposal or processing facility.  
1805                                    12.10.6            Retroactive Adjustments. In the event of a change in a  
1806                                    governmental, quasi-governmental, franchise, or regulatory fee which becomes effective at  
1807                                    some time other than July 1 of any year, CONTRACTOR shall be compensated for such  
1808                                    increase through the inclusion of a “Retro Element” in the next rate adjustment. DISTRICT and  
1809                                    CONTRACTOR agree that the “Retro Element” shall be an amount needed to compensate the  
1810                                    CONTRACTOR for increases in fees paid during the period from the inception of the fee  
1811                                    increase through the subsequent June 30<sup>th</sup> and shall not include interest, overhead, or any other  
1812                                    costs of any type. The “Retro Element” shall only be included in the rate structure for twelve  
1813                                    (12) months or that period necessary to allow CONTRACTOR to recover all retroactive  
1814                                    amounts, if less than twelve (12) months, and shall be removed prior to calculating the rates to  
1815                                    be set as of the subsequent July 1<sup>st</sup>.  
1816                                    12.11    Adjustments to Generation Factors. In the event of a Change in Law or solid  
1817                                    waste or recycling program that has the potential to materially affect the “Monthly Unit  
1818                                    Generation Factors” the “Cubic Yard Conversion Factors”, or the “Cart Service Conversion  
1819                                    Factors” as set forth by the CONTRACTOR in Exhibit 1, the DISTRICT and the CONTRACTOR  
1820                                    agree that a generation study will be performed at the request of the DISTRICT with the  
1821                                    cooperation of the CONTRACTOR. The study will be funded equally by the DISTRICT and the  
1822                                    CONTRACTOR. The generation study will be designed to establish an updated “Monthly Unit  
1823                                    SFD MSW Generation Factor”, “Monthly Unit Compostable Material Generation Factor”,  
1824                                    “Monthly Unit Bulky Goods Generation Factor”, “Cubic Yard Conversion Factors”, or “Cart  
1825                                    Service Conversion Factors”. The CONTRACTOR shall cooperate fully with the DISTRICT  
1826                                    related to the performance and completion of the generation study.  
1827                                    12.12    Adjustments to Franchise Fee Elements. The “*Franchise Fee Element*” shall be  
1828                                    adjusted as needed so that it always equals  
1829                                    12.12.1            the sum of all other rate components except the “*Franchise Fee*  
1830                                    *Element*”  
1831                                    12.12.2            *divided by*  
1832                                    12.12.3            *1 minus the authorized franchise fee percentage*  
1833                                    12.12.4            *multiplied by*  
1834                                    12.12.5            *the authorized franchise fee percentage.*  
1835                                    12.13    Sample Rate Adjustment Calculation. CONTRACTOR and DISTRICT recognize  
1836                                    and agree that the service rates as proposed and agreed upon by CONTRACTOR and

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1837 DISTRICT and as are set forth in Exhibit 1 herein will require modification prior to the inception  
1838 of this Agreement on May 1, 2009 as the result of changes in Governmental fees which are  
1839 beyond the control of CONTRACTOR or DISTRICT and which cannot be estimated or projected  
1840 at the time this Agreement is executed. CONTRACTOR and DISTRICT further recognize and  
1841 agree that the requirement of this Agreement that the DISTRICT apply fixed percentage  
1842 adjustments in fiscal years beginning 7/1/10 and 7/1/11 as described in Sections 12.08.2 and  
1843 12.10.1 above to all rate elements, including Governmental Fee Elements requires a  
1844 modification in the rate adjustment methodology set forth above. Accordingly CONTRACTOR  
1845 and DISTRICT have developed the methodology set forth in the sample rate adjustment  
1846 calculation in Exhibit 2 and agree that such methodology accurately reflects the manner in  
1847 which the Collection Service rates are to be adjusted.

1848 12.14 CONTRACTOR'S Payments to DISTRICT. CONTRACTOR shall make payment  
1849 to the DISTRICT of a franchise fee, such other fees as may be specified in this Section 12.14 or  
1850 as provided for in Section 12.15 below. Payment to the DISTRICT shall be due, on the fifteenth  
1851 (15<sup>th</sup>) day of the month following the month the revenues are collected. Each such payment  
1852 shall be accompanied by an accounting, which sets forth CONTRACTOR'S gross revenues  
1853 collected during the preceding month.

1854 12.14.1 Franchise Fee. The franchise fee shall be a percentage of  
1855 CONTRACTOR'S gross revenue collected each month under the terms of this Agreement.  
1856 Except as set forth below, gross revenue shall specifically include revenue received by the  
1857 CONTRACTOR from any entity, including Federal, State, County or other local facilities within  
1858 the Service Area for the provision of Collection Services by the CONTRACTOR. However,  
1859 revenue received by the CONTRACTOR from the sale of recyclable materials and from related  
1860 California Redemption Value (CRV) payments shall not be considered as gross revenues for  
1861 purpose of the calculation of franchise fees. The franchise fee percentage shall be ten percent  
1862 (10%) during the term of this Agreement unless adjusted by the DISTRICT.

1863 12.14.1.1 Revenues derived from Collection Services provided to  
1864 Federal, State or County local agencies at the rates set forth under the terms of this Collection  
1865 Service Agreement shall be considered "gross revenues" for purposes of calculating Franchise  
1866 Fees. Notwithstanding the foregoing, if the Federal, State or County local agency receives  
1867 Collection and/or disposal services outside the scope of this Collection Agreement, or otherwise  
1868 invokes its legal rights to pay fees for services excluding any portion of Franchise Fees, then  
1869 such revenues shall not be considered "gross revenues" hereunder for purpose of payment of  
1870 Franchise Fees to the DISTRICT.

1871 12.14.2 Proposal Development Fee. No later July 1 2009,  
1872 CONTRACTOR shall submit proposal development fees to the DISTRICT in the amount of  
1873 **Forty Thousand Dollars (\$40,000.00).**

1874 12.15 Other Fees. DISTRICT may set such other fees as it deems necessary.

1875 12.16 Acceptance of Payment. No acceptance by DISTRICT of any payment shall be  
1876 construed as an accord that the amount is in-fact the correct amount, nor shall such acceptance  
1877 of payment be construed as a release of any claim DISTRICT may have against



1878 CONTRACTOR for any additional sums payable under the provisions of this Agreement. All  
1879 amounts paid shall be subject to independent audit and recompilation by DISTRICT. If, after the  
1880 audit, such recompilation indicates an underpayment CONTRACTOR shall pay to CITY the  
1881 amount of the underpayment and shall reimburse DISTRICT for all reasonable costs and  
1882 expenses incurred in connection with the audit and recompilation within ten (10) Work Days of  
1883 receipt of written notice from DISTRICT that such is the case. If, after audit, such recompilation  
1884 indicates an overpayment, DISTRICT shall notify the CONTRACTOR in writing of the amount of  
1885 the overpayment, less costs and expenses incurred in connection with the audit and  
1886 recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice  
1887 by the amount specified therein.

1888           12.17 Billing Records. CONTRACTOR shall keep records, electronically or paper, of all  
1889 billing documents and Customer account records, including but not limited to, invoices, receipts,  
1890 and collection notices, each in chronological order, for a period of three (3) years after the date  
1891 of receipt or issuance.

1892           12.18 DISTRICT Computer-Link Access to Billing Information. If CONTRACTOR  
1893 makes its records available by computer-link to third parties with whom it contracts,  
1894 CONTRACTOR shall provide DISTRICT with a computer link to CONTRACTOR'S billing  
1895 system. CONTRACTOR shall provide both hardware and software which meet DISTRICT'S  
1896 requirements, including a dedicated phone line for communication with the DISTRICT computer  
1897 systems, if necessary, and shall provide the DISTRICT with training to access and sort data on  
1898 the system. The DISTRICT shall have access to review, sort, and download all data in the billing  
1899 system, but shall not modify or input data on line. If a computer-link becomes available, the  
1900 DISTRICT shall be able to access via the CONTRACTOR'S computer system, at a minimum,  
1901 the following information: (i) all routing information from route audits to include name and  
1902 address of Customer and route number; (ii) records of daily Collection, Disposal, and  
1903 processing figures; (iii) names and addresses of Customers and account classification (i.e.,  
1904 SFD, MFD, commercial, drop box), and service level (i.e., number and size of containers,  
1905 frequency of pickup); (iv) notes on location of bins on premises; (v) record of missed pickups;  
1906 and (vi) log of praises and complaints. Upon expiration or termination of this Agreement,  
1907 DISTRICT shall have the immediate and permanent right to access and copy all such  
1908 information contained in CONTRACTOR'S database relevant to this Agreement.

1909           12.19 Collection Service Census Data. On or before February 15, 2010 and annually  
1910 thereafter during the term of this Agreement, CONTRACTOR shall deliver to DISTRICT,  
1911 Collection Service census data for all Customers Units as of the preceding December 31<sup>st</sup>.

1912                   12.19.1           Census data for SFD Customers shall consist of the number of  
1913 SFD Customers receiving, SFD Collection Service during the previous month. The census data  
1914 shall be segregated by type of service and as appropriate, container size, number of containers  
1915 and frequency of Collection.

1916                   12.19.2           Census data for MFD, Business and DISTRICT Customers shall  
1917 consist of the number of Customers receiving MFD, Business or DISTRICT Collection Service  
1918 during the preceding month. The census data shall be segregated by type of service and as  
1919 appropriate, container size, number of containers and frequency of Collection.

1920 12.20 Tonnage Data. On or before June 20, 2009 and monthly thereafter during the  
1921 term of this Agreement, CONTRACTOR shall deliver to DISTRICT a listing of the actual  
1922 tonnage disposed by the CONTRACTOR at the Disposal Facility for the preceding month sorted  
1923 between SFD, MFD Business and DISTRICT Customers and between Roll-off Containers and  
1924 all other containers to the extent practical.

1925 12.21 Extraordinary Rate Review. DISTRICT may initiate or CONTRACTOR may  
1926 request an Extraordinary Rate Review and rate adjustment outside the established annual rate  
1927 adjustment process to account for increased or decreased costs resulting from costs incurred as  
1928 a result of an extraordinary condition or the cessation of an extraordinary condition; provided,  
1929 however, that CONTRACTOR shall exercise its best business efforts to avoid the incurrence of  
1930 and mitigate such extraordinary costs.

1931 12.22 Extraordinary Events Eligible for Extraordinary Rate Review and Adjustment.  
1932 The Extraordinary Rate Review and rate adjustment process is provided solely for the costs  
1933 resulting from the specific events set forth below in Sections 12.21.1 through 12.21.7. Only  
1934 those costs reasonably and prudently incurred in responding to the following types of events  
1935 under the Agreement shall be considered as a basis for an Extraordinary Rate Review and  
1936 adjustment:

- 1937 12.22.1 Force Majeure;
- 1938 12.22.2 Material Change in Law;
- 1939 12.22.3 Material changes in the scope of work requested by the  
1940 DISTRICT;
- 1941 12.22.4 Recoupment of CONTRACTOR'S investment in the event of early  
1942 termination by the DISTRICT due to a Material Change in Law;
- 1943 12.22.5 A change in the location of the transfer or disposal site or transfer  
1944 or disposal method, if the new location or method is projected to reduce the costs of transfer,  
1945 processing or disposal;
- 1946 12.22.6 Changes in the amount of insurance, Performance Bond, or  
1947 Alternative Performance Security required under the Agreement; or
- 1948 12.22.7 Changes in fuel costs which could not have been anticipated.

1949 12.23 Procedures.  
1950 12.23.1 In the event of an extraordinary event, as set forth in Section  
1951 12.21 above, causing CONTRACTOR to incur a cost which is not adequately covered through  
1952 the annual rate adjustment process, the CONTRACTOR may petition the DISTRICT  
1953 representative in writing for an Extraordinary Rate Review and adjustment provided that the  
1954 CONTRACTOR'S projection for the requested rate adjustment will result in an increase of five  
1955 (5) percent or more to the Business and/or residential rates. In addition, the DISTRICT may  
1956 notify CONTRACTOR and convene an Extraordinary Rate Review when the savings of an  
1957 extraordinary event, as set forth in Section 12.21 above, is projected to cause a decrease in



1958 CONTRACTOR'S costs which would cause a reduction of five (5) percent or more to the  
1959 Business and/or residential rate. An extraordinary rate review may also be conducted in the  
1960 case of early termination of the Agreement. In the event of early termination, the  
1961 CONTRACTOR shall petition for Extraordinary Rate Review within ninety (90) days of  
1962 termination, and rate review shall proceed thereafter as provided below.

1963           12.23.2       The CONTRACTOR shall submit a detailed explanation  
1964 satisfactory to the DISTRICT of each extraordinary event supported by financial data justifying  
1965 its petition for rate adjustment, including pre and post event costs for the services affected and  
1966 incremental adjustments to itemized costs needed to determine the magnitude of the  
1967 extraordinary event. Similar data shall be provided upon the DISTRICT'S request to evaluate a  
1968 possible extraordinary rate decrease. All financial data submitted in the petition shall be  
1969 prepared in accordance with generally accepted accounting principles and subject to the  
1970 provisions of Section 12.25 below. The CONTRACTOR shall use best business efforts to  
1971 minimize DISTRICT'S extraordinary costs.

1972           12.23.3       Within thirty (30) Working days of receipt of a complete written  
1973 petition or DISTRICT'S notification to CONTRACTOR, the DISTRICT shall review the petition  
1974 and, if necessary, contact CONTRACTOR for additional data or clarification of materials  
1975 submitted. At the conclusion of the review the DISTRICT shall draft a memorandum to the  
1976 DISTRICT Board with a copy to the CONTRACTOR with the results of the review. If the results  
1977 of the review are in agreement with the petition of the CONTRACTOR, the Extraordinary Rate  
1978 Review and the results of the DISTRICT review shall be placed on the agenda for acceptance at  
1979 the next meeting of the DISTRICT Board. If the petition is not accepted by the Board then a  
1980 meeting shall be scheduled with the DISTRICT Board Solid Waste Committee, the DISTRICT  
1981 Representative and the CONTRACTOR. The petition may be accepted or modified by the  
1982 Committee and then brought back to the DISTRICT Board for acceptance at the next regular or  
1983 special meeting of the Board. If the results of the DISTRICT review are not in agreement with  
1984 the petition then DISTRICT and CONTRACTOR shall meet until they are in agreement and then  
1985 the petition shall be placed on the agenda for the next meeting of the DISTRICT Board. In cases  
1986 where agreement cannot be reached the matter shall be submitted for dispute resolution as  
1987 provided in Section 26.05. The rate adjustment will be implemented with the next regular annual  
1988 rate adjustment as set forth in Article 12. Extraordinary costs shall be amortized for a  
1989 reasonable period as provided in Section 12.24 below.

1990           12.23.4       The DISTRICT reserves the right to use an independent engineer,  
1991 CPA or other person or persons to assist in reviewing the reasonableness of the petition  
1992 submitted by the CONTRACTOR. The independent party may participate in meetings held  
1993 between the DISTRICT and CONTRACTOR to discuss the Extraordinary Rate Review.

1994           12.24 Implementation of Rate Adjustments. CONTRACTOR'S extraordinary costs  
1995 incurred from events set forth in Sections 12.21.1 through 12.21.7 shall be compensated  
1996 through a rate adjustment as follows:

1997           12.25 Rate Enactment and Amortization.

1998                   12.25.1.1       For extraordinary costs associated with conditions set forth  
1999 in Sections 12.21.1 through 12.21.7 above which occur on a one-time basis, the DISTRICT shall

2000 accept a rate adjustment as appropriate providing for amortization of the extraordinary costs  
2001 including interest at the then current prime rate over the remainder of the Agreement.

2002 12.25.1.2 For extraordinary costs associated with conditions set forth  
2003 in Sections 12.21.1 through 12.21.7 above which are continuous in nature, the DISTRICT shall  
2004 accept rate adjustments as appropriate which compensate the CONTRACTOR for such  
2005 increased costs over the duration of the extraordinary event up to termination of the Agreement.  
2006 CONTRACTOR shall notify the DISTRICT whenever an extraordinary condition assumed to be  
2007 continuous ceases prior to termination of the Agreement, and the DISTRICT shall readjust the  
2008 rates accordingly.

2009 12.25.1.3 For extraordinary costs associated with early termination of  
2010 the Agreement, the DISTRICT shall compensate the CONTRACTOR by immediate payment or  
2011 by imposing a surcharge or other appropriate mechanism on subsequent waste management  
2012 services in accordance with the policies and practices then existing after termination of the  
2013 Agreement. The DISTRICT shall amortize the CONTRACTOR'S extraordinary costs including  
2014 interest on such costs at the then current prime rate over a period coincidental with the  
2015 remaining term of the Agreement had early termination not occurred.

2016 12.25.1.4 For extraordinary costs incurred during the last annual  
2017 period prior to normal expiration of the Agreement (including any extensions thereof), the  
2018 DISTRICT shall compensate CONTRACTOR by immediate payment or by imposing a  
2019 surcharge or other mechanism as in Section 12.25.1.3 above, amortized over a reasonable  
2020 period following expiration.

2021 12.26 Additional Information. In the event of a dispute, CONTRACTOR shall make  
2022 available annual financial statements and reports to the DISTRICT which shall be audited and  
2023 certified, at a cost shared equally by CONTRACTOR and DISTRICT, by a certified public  
2024 accountant mutually approved by DISTRICT and CONTRACTOR. Such audits shall be  
2025 conducted initially as limited scope, screening audits which examine the validity of the financial  
2026 data and analysis presented to support the Extraordinary Rate Review request by  
2027 CONTRACTOR. If the results of the screening audit do not support the Extraordinary Rate  
2028 Review request by CONTRACTOR, a more comprehensive, complete audit shall be conducted  
2029 of the services included in this Agreement. If the DISTRICT and CONTRACTOR fail to agree on  
2030 the selection of a certified public accountant, the DISTRICT shall submit to CONTRACTOR a  
2031 list of five (5) certified public accountants, developed through a competitive process and  
2032 acceptable to the DISTRICT, from which CONTRACTOR will select one. CONTRACTOR shall  
2033 notify the DISTRICT of its choice not later than fifteen (15) calendar days from the date of  
2034 receipt of the DISTRICT'S list. Any new methods or technologies employed by CONTRACTOR  
2035 which have been shown to increase diversion and/or reduce costs shall be made available to  
2036 DISTRICT.

2037 **ARTICLE 13. Diversion Requirements**

2038 13.01 Minimum Requirements. The DISTRICT requires the CONTRACTOR to use  
2039 its best efforts to achieve a minimum annual diversion rate of forty percent (40%), for the



2040 combination of SFD Collection Services, MFD Collection Services, Business Collection  
2041 Services, and DISTRICT Collection Services and ninety percent (90%) for all asphalt and  
2042 concrete and fifty percent (50%) for all other Construction and Demolition Debris Collection  
2043 Services, or such other amount as may be set in accordance with the provisions of Article 21 of  
2044 this Agreement, over each full or partial calendar year beginning May 1, 2009. The annual  
2045 diversion rate will be calculated as “the tons of materials Collected by CONTRACTOR from the  
2046 provision of Collection Services that are sold or delivered to a recycler or reuser, as required by  
2047 this Agreement, divided by the total tons of materials Collected by CONTRACTOR in each full  
2048 or partial calendar year.”

2049 13.02 Failure to Meet Minimum Requirements. CONTRACTOR’S failure to meet the  
2050 minimum diversion requirements set forth above in Section 13.01 may result in the termination  
2051 of this Agreement or the imposition of liquidated damages. In determining whether or not to  
2052 assess liquidated damages or terminate the Agreement, the DISTRICT will consider the good  
2053 faith efforts put forth by the CONTRACTOR to meet the minimum diversion requirements. This  
2054 consideration will include the methods and level of effort of the CONTRACTOR to meet the  
2055 diversion requirements.

## 2056 **ARTICLE 14. Collection Routes**

2057 14.01 Collection Routes. Ninety (90) days prior to commencement of Collection  
2058 Services, the CONTRACTOR shall provide the DISTRICT with maps precisely defining  
2059 Collection routes, by number, together with the days and the times at which Collection shall  
2060 regularly commence, start and end points, number of accounts and collection vehicle type. To  
2061 the extent possible, CONTRACTOR will provide the map data in a GIS format that is compatible  
2062 with the format used by the DISTRICT.

2063 14.02 Subsequent Collection Route Changes. The CONTRACTOR shall submit to the  
2064 DISTRICT, in writing, any proposed route change (including maps thereof) not less than sixty  
2065 (60) calendar days prior to the proposed date of implementation. To the extent possible,  
2066 CONTRACTOR will provide the map data in a GIS format that is compatible with the format  
2067 used by the DISTRICT. The CONTRACTOR shall not implement any route changes without the  
2068 prior review of the Contract Administrator. If the route change will change the Collection day for  
2069 a Customer, the CONTRACTOR shall notify those Customers in writing of route changes not  
2070 less than thirty (30) days before the proposed date of implementation.

2071 14.03 CONTRACTOR Audit of Routes. In addition to any other auditing requirements  
2072 under this Agreement, CONTRACTOR shall perform a comprehensive audit of Residential and  
2073 Business Customer Routes every full or partial two (2) calendar years, and submit to the  
2074 DISTRICT a written report on the results of that audit, no later than the 30<sup>th</sup> day of April of the  
2075 subsequent year, commencing on April 30, 2011. The purpose of this audit is to ensure that  
2076 each Customer is receiving the service for which the Customer is being billed. CONTRACTOR  
2077 shall submit a description of the scope of the audit and the audit work plan for DISTRICT  
2078 approval no later than October 1, 2010, and October 1<sup>st</sup> of each succeeding two (2) year period.  
2079 If the DISTRICT requests, CONTRACTOR shall cooperate fully with the DISTRICT to allow the  
2080 DISTRICT to verify the accuracy of CONTRACTOR’S route audit report.

2081 **ARTICLE 15. Collection Equipment**

2082 15.01 General Provisions. All equipment used by CONTRACTOR in the performance  
2083 of services under this Agreement shall be of a high quality. The vehicles shall be designed and  
2084 operated so as to prevent Collected materials from escaping from the vehicles. Hoppers shall  
2085 be closed on top and on all sides with screening material to prevent Collected materials from  
2086 leaking, blowing or falling from the vehicles. All trucks and containers shall be watertight and  
2087 shall be operated so that liquids do not spill during Collection or in transit.

2088 15.02 Clean Air Vehicles. During the term of this Agreement, to the extent required by  
2089 law, CONTRACTOR shall provide its Collection vehicles to be in full compliance with local,  
2090 State and federal clean air requirements that were adopted or proposed to be adopted,  
2091 including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards  
2092 as currently proposed to be contained in CCR Title 13, Section 2020 et seq; the Federal EPA's  
2093 Highway Diesel Fuel Sulfur regulations and any other applicable air pollution control laws.  
2094 Changes in regulations adopted or enacted after the effective date of this Agreement shall be  
2095 subject to the Change in Law provisions set forth in Section 12.22.2 of this Agreement.

2096 15.03 Bulky Goods. Vehicles used for Collection of Bulky Goods containing Freon or  
2097 other gases shall not use compactor mechanisms or mechanical handling equipment that may  
2098 release Freon or other gases from pressurized appliances.

2099 15.04 Safety Markings. All Collection equipment used by CONTRACTOR shall have  
2100 appropriate safety markings including, but not limited to, highway lighting, flashing and warning  
2101 lights, clearance lights, and warning flags. All such safety markings shall be subject to the  
2102 approval of the DISTRICT shall be in accordance with the requirements of the California Vehicle  
2103 Code, as may be amended from time to time.

2104 15.05 Vehicle Signage and Painting. Collection vehicles shall be painted and  
2105 numbered consecutively without repetition and shall have the CONTRACTOR'S name,  
2106 CONTRACTOR'S customer service telephone number, and the number of the vehicle painted in  
2107 letters of contrasting color, at least six (6) inches high, on each side and the rear of each  
2108 vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except  
2109 promotional advertisement of the Recyclable Materials and Compostable Materials programs or  
2110 such other signage as may be approved by the Contract Administrator in writing.  
2111 CONTRACTOR shall repaint all vehicles (including vehicles striping if appropriate) during the  
2112 term of this Agreement on a frequency as necessary to maintain a positive public image as  
2113 reasonably determined by the Contract Administrator.

2114 15.05.1 Bin and Container Signage, Painting, and Cleaning. All metal  
2115 Bins and containers of any service type furnished by the CONTRACTOR shall be either painted  
2116 or galvanized. All Bins and containers shall display the CONTRACTOR'S name,  
2117 CONTRACTOR'S toll free customer service telephone number, and the number of the bin and  
2118 shall be kept in a clean and sanitary condition. Such bins and containers as are provided by  
2119 the CONTRACTOR shall be steam cleaned by the CONTRACTOR as frequently as necessary  
2120 so as to maintain them in a sanitary condition. However, upon receipt of notification by



2121 CONTRACTOR of graffiti on a Bin or container, CONTRACTOR shall clean or replace such Bin  
2122 or container within two (2) work days. Bins and containers will be subject to periodic,  
2123 unscheduled inspections by the DISTRICT and determination as to sanitary condition shall be  
2124 made by the DISTRICT.

2125           15.06 Collection Vehicle Noise Level. All Collection operations shall be conducted as  
2126 quietly as possible and shall conform to applicable Federal, State, County, and DISTRICT noise  
2127 level regulations, including the requirement that the noise level during the stationary compaction  
2128 process not exceed sixty (60) decibels with the exception of sixty-five (65) decibels for one-  
2129 minute duration. The DISTRICT may request CONTRACTOR to check any piece of equipment  
2130 for conformance with the noise limits when reasonable to do so.

2131           15.07 Vehicle Registration, Licensing and Inspection. CONTRACTOR shall maintain  
2132 documentation to verify that each of the CONTRACTOR'S Collection vehicles are in compliance  
2133 with all registration, licensing and inspection requirements of the California Highway Patrol, the  
2134 California Department of Motor Vehicles, and any other applicable laws or regulations. Upon  
2135 written request by the Contract Administrator copies of such documentation shall be provided to  
2136 the DISTRICT within two (2) Work Days of the request. CONTRACTOR shall not use any  
2137 vehicle to perform Collection Services that is not in compliance with applicable registration,  
2138 licensing and inspection requirements.

2139           15.08 Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in  
2140 a clean condition and in good repair at all times. All parts and systems of the Collection  
2141 equipment shall operate properly and be maintained in a condition satisfactory to DISTRICT.  
2142 CONTRACTOR shall wash all Collection vehicles at least once a week. All washings shall be  
2143 conducted in a manner that conforms to the BMP Guidelines for Non-Point Source Pollutants in  
2144 the publication entitled Storm Water Best Management Practices Handbook for Industrial  
2145 Commercial.

2146           15.08.1 Maintenance Log. CONTRACTOR shall maintain a maintenance  
2147 log for all Collection vehicles. The log shall at all times be accessible to DISTRICT by physical  
2148 inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicles'  
2149 CONTRACTOR assigned identification number, date purchased or initial lease, dates of  
2150 performance of routine maintenance, dates of performance of any additional maintenance, and  
2151 description of additional maintenance performed.

2152           15.09 Equipment Inventory. On or before April 1, 2009, CONTRACTOR shall provide  
2153 to DISTRICT an inventory of Collection vehicles and major equipment used by CONTRACTOR  
2154 for Collection or transportation and performance of services under this Agreement. The  
2155 inventory shall indicate each Collection vehicle by CONTRACTOR assigned identification  
2156 number, DMV license number, the age of the chassis and body, type of fuel used, the type and  
2157 capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel  
2158 rating and the maintenance status. CONTRACTOR shall submit to the Contract Administrator,  
2159 either by Fax or e-mail, an updated inventory annually to the DISTRICT.

2160           15.10 Reserve Equipment. The CONTRACTOR shall have available to it, at all times,  
2161 reserve Collection equipment which can be put into service and operation within one (1) hour of  
2162 any breakdown. Such reserve equipment shall correspond in size and capacity to the  
2163 equipment used by the CONTRACTOR to perform the contractual duties.

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2164 15.11 Covering of Loads. All loads not in covered body trucks shall be tarped or  
2165 restrained to prevent spilling.

2166 15.12 Weight Restrictions. CONTRACTOR shall not load vehicles in excess of the  
2167 manufacturer's recommendations or limitations imposed by state or local weight restrictions on  
2168 vehicles. CONTRACTOR acknowledges that DISTRICT may document compliance with this  
2169 provision of the Agreement through review of scale tickets and records of the Disposal and  
2170 Processing Facilities.

2171 **ARTICLE 16. CONTRACTOR'S Personnel**

2172 16.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified  
2173 personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for  
2174 ensuring that its employees comply with all applicable laws and regulations and meet all federal,  
2175 state and local requirements related to their employment and position.

2176 16.02 Transfer of Personnel. The DISTRICT may request the transfer of any employee  
2177 of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent,  
2178 or discourteous in the performance of their duties.

2179 16.03 Identification Badge. CONTRACTOR shall require its drivers, and all other  
2180 employees who come into contact with the public, to wear a uniform or an identification badge  
2181 clearly identifying the employee as an employee of CONTRACTOR. Employees shall also have  
2182 embroidered on the uniform or prominently displayed on the badge, their name for identification  
2183 by the Customer.

2184 16.04 Employee Appearance and Conduct. All employees, while engaged in Collecting  
2185 or gathering MSW, Recyclables, Compostable Materials, Bulky Goods, Construction and  
2186 Demolition Debris or other materials within the DISTRICT, shall be attired in suitable and  
2187 acceptable uniforms of a type standard in the industry. CONTRACTOR shall use its best efforts  
2188 to assure that all employees present a neat appearance and conduct themselves in a courteous  
2189 manner. CONTRACTOR shall regularly train its employees in Customer courtesy, shall prohibit  
2190 the use of loud or profane language, and shall instruct Collection crews to perform the work as  
2191 quietly as possible. If any employee is found not to be courteous or not to be performing  
2192 services in the manner required by this Agreement, CONTRACTOR shall take all appropriate  
2193 corrective measures.

2194 16.05 Valid License. Each driver of a Collection vehicle shall at all times carry a valid  
2195 California driver's license and all other required licenses for the type of vehicle that is being  
2196 operated.

2197 16.06 Applicable Laws. Each driver of a Collection vehicle shall at all times comply  
2198 with all applicable state and federal laws, regulations and requirements.

2199 16.07 Representation. CONTRACTOR'S employees, officers, and agents shall at no  
2200 time be allowed to identify themselves or in any way represent themselves as being employees  
2201 of the DISTRICT.



2202

## ARTICLE 17. Other Services

2203           17.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire,  
2204 natural disaster, or other such event, the Contract Administrator may grant the CONTRACTOR  
2205 a variance from regular routes and schedules. As soon as practicable after such event, the  
2206 CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes  
2207 and schedules can be resumed. The Contract Administrator shall make an effort through the  
2208 local news media to inform the public when regular services may be resumed.

2209           17.01.1 Emergency Service Compensation. CONTRACTOR shall provide  
2210 emergency services (i.e., special collections, transport, processing and disposal) at DISTRICT'S  
2211 request in the event of major accidents, disruptions, or natural calamities. CONTRACTOR shall  
2212 be capable of providing emergency services within twenty-four (24) hours of notification by the  
2213 DISTRICT or as soon thereafter as is reasonably practical in light of the circumstances.  
2214 Emergency services which exceed the scope of work under this Agreement and which are not  
2215 compensated as special services in accordance with Exhibit 1 shall be compensated through  
2216 Extraordinary Rate Review procedures as set forth in this Agreement.

2217           17.02 Recycling Coordinator. CONTRACTOR shall provide a Recycling Coordinator  
2218 whose time is dedicated at least fifty percent (50%) to the DISTRICT during the term of the  
2219 Agreement whose function during normal business hours of each Work Day shall be to provide  
2220 services related to the Collection Service Agreement.

2221           17.03 Compost Give-Back. CONTRACTOR shall make available up to five percent  
2222 (5%) of the compost product (based on the weight of Compostable Material Collected) to the  
2223 DISTRICT in the following categories: (i) bulk compost for use in DISTRICT parks and  
2224 DISTRICT facilities; (ii) bagged compost for distribution to DISTRICT residents; and (iii) bulk  
2225 compost for use as directed by DISTRICT.

2226           17.03.1 Bulk Compost for DISTRICT. CONTRACTOR shall make available  
2227 to DISTRICT bulk compost for use in DISTRICT parks and facilities or such other places as may  
2228 be directed by DISTRICT. DISTRICT will notify CONTRACTOR as to the DISTRICT'S needs  
2229 for delivery of finished compost throughout the calendar year. CONTRACTOR shall deliver  
2230 compost upon request of DISTRICT at no additional cost to DISTRICT. If DISTRICT does not  
2231 take delivery of compost made available by CONTRACTOR within thirty (30) days of the end of  
2232 the calendar year, CONTRACTOR'S obligation to deliver compost for said calendar year shall  
2233 be deemed to be satisfied.

2234           17.03.2 Compost for DISTRICT Residents. CONTRACTOR shall make  
2235 available pre-bagged compost for distribution at one (1) recurring annual compost give-back  
2236 event within the jurisdictional limits of the DISTRICT. CONTRACTOR shall work with the  
2237 Contract Administrator to determine the date and location of the give-back event.

2238           17.04 Additional Programs and Services. CONTRACTOR shall provide additional  
2239 services and programs as requested by DISTRICT at a price to be mutually agreed upon  
2240 between the CONTRACTOR and the Contract Administrator. In the event the CONTRACTOR  
2241 and the Contract Administrator cannot reach a mutually agreed upon price for the requested  
2242 service or program, DISTRICT shall have the right to procure the service of other vendors or  
2243 contractors to provide the requested service.

2244           17.05 News Media Relations. CONTRACTOR shall notify the Contract Administrator by  
2245 Fax, e-mail or phone of all requests for news media interviews related to the Collection Services  
2246 program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before  
2247 responding to any inquiries involving controversial issues or any issues likely to affect  
2248 participation or Customer perception of services, CONTRACTOR will discuss CONTRACTOR'S  
2249 proposed response with the Contract Administrator.

2250           17.05.1       Copies of draft news releases or proposed trade journal articles  
2251 related to the provision of Collection Services under this Agreement shall be submitted to  
2252 DISTRICT for prior review and approval at least five (5) Work Days in advance of release,  
2253 except where CONTRACTOR is required by any law or regulation to submit materials to any  
2254 regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such  
2255 materials to DISTRICT simultaneously with CONTRACTOR'S submittal to such regulatory  
2256 agency.

2257           17.05.2       Copies of articles resulting from media interviews or news  
2258 releases shall be provided to the DISTRICT within five (5) Work Days after publication.

2259           17.06 Waste Generation and Characterization Studies. CONTRACTOR acknowledges  
2260 that DISTRICT may need to perform MSW generation and characterization studies periodically  
2261 to comply with AB 939 requirements. CONTRACTOR agrees to participate and cooperate with  
2262 DISTRICT and its agents and to perform studies and data collection exercises, as needed, to  
2263 determine weights, volumes and composition of Municipal Solid Waste generated, disposed,  
2264 transformed, diverted or otherwise processed to comply with AB 939. If DISTRICT requires  
2265 CONTRACTOR to participate in such a study, CONTRACTOR and DISTRICT shall mutually  
2266 agree on the scope of services to be provided by CONTRACTOR and the amount of  
2267 compensation, if any, that the DISTRICT will pay to CONTRACTOR for such participation.

2268           17.07 Performance Review. At the DISTRICT'S sole discretion, within thirty (30) days  
2269 after written notification to CONTRACTOR, the DISTRICT may conduct a performance review,  
2270 which may include a public hearing at which CONTRACTOR shall be present and participate, to  
2271 review CONTRACTOR'S performance and quality of service and to provide for evaluation of  
2272 technological and regulatory changes and their effect on the services provided under this  
2273 Agreement. The reports required by this Agreement, including but not limited to those regarding  
2274 Customer complaints, may be utilized as a basis for review. Such reviews and/or hearings may  
2275 be scheduled by the DISTRICT at its discretion throughout the term of this Agreement. Within  
2276 thirty (30) days after conclusion of any such review and/or hearing, the DISTRICT will issue a  
2277 report on the adequacy and quality of CONTRACTOR'S performance. If a review not involving a  
2278 public hearing is conducted, CONTRACTOR shall be provided an opportunity to meet and  
2279 confer with DISTRICT staff prior to issuance of the report. The provisions of this section are  
2280 complementary and supplemental to, and in no way limit, the provisions of Article 26 hereof.

2281           17.08 Special Services. In addition to the services described in this Agreement,  
2282 CONTRACTOR shall provide to Customers in the DISTRICT such special services as may be  
2283 agreed upon between DISTRICT and CONTRACTOR from time to time. The additional charge  
2284 to the Customer for provision of such services shall be determined between CONTRACTOR





2326 to adequately explain the goals and operation of the Davis Street Facility and provide for the  
2327 general safety of the students, teachers and staff.

2328           18.01.5       Public Education Budget. DISTRICT and CONTRACTOR  
2329 acknowledge the start-up public education/outreach budget is at least Twenty-five Thousand  
2330 dollars (\$25,000) and that DISTRICT will apply to the Alameda County Waste Management  
2331 Authority and Recycling Board for grant funds to supplement that amount. Thereafter, the  
2332 annual budget will be at least Twenty-five Thousand dollars (\$25,000) which will be provided by  
2333 the CONTRACTOR. In subsequent years, this amount will be increased by 80% of the change  
2334 in the annual average of the Consumer Price Index (CPI), All Urban Consumers, for the San  
2335 Francisco/Oakland Metropolitan Area as published by the U.S. Department of Labor, Bureau of  
2336 Labor Statistics for the twelve (12) month period ending in October of each year and effective  
2337 beginning the first day of January. Any unexpended amounts from a given year shall  
2338 accumulate for DISTRICT'S future public education use. Partial years shall be prorated.  
2339 CONTRACTOR shall inform DISTRICT of funds expended on public education by quarter.

2340           18.02 Public Education Materials.

2341           18.02.1       CONTRACTOR shall not perform or produce public education  
2342 materials without the prior written approval from the DISTRICT. DISTRICT may, at its option,  
2343 cause to be produced or produce any or all written public information materials. In the event  
2344 DISTRICT elects to produce such material, any and all expenses shall be paid by  
2345 CONTRACTOR from its designated DISTRICT public education/outreach budget. DISTRICT  
2346 will seek input from CONTRACTOR prior to finalizing production and method of distribution of  
2347 said materials produced. All materials produced by CONTRACTOR, including art work, shall be  
2348 submitted in writing for DISTRICT review and approval. DISTRICT shall have seven (7) Work  
2349 Days to review and approve or amend said materials. If CONTRACTOR is not advised of  
2350 changes within said seven (7) day period, the materials shall be deemed approved by the  
2351 DISTRICT. Written authorization by the DISTRICT is required prior to final production of any  
2352 public educational materials. Such authorization shall not be unreasonably withheld.

2353           18.02.2       All public education materials must be printed on 100% recyclable  
2354 paper, with at least 50% post-consumer recycled content with soy-based (or other non-toxic) ink  
2355 unless otherwise approved by the DISTRICT. All public education materials must include the  
2356 CONTRACTOR'S refuse and recycling telephone number.

2357           18.02.3       DISTRICT may insert information in the Residential and Business  
2358 bills provided there are no more than two (2) inserts for each billing cycle. The format of such  
2359 inserts will be mutually agreed upon by CONTRACTOR and the DISTRICT and shall relate to  
2360 DISTRICT-sponsored events and activities.

2361           18.03 Minimum Public Outreach and Education Services. CONTRACTOR, at their own  
2362 expense, shall prepare, submit and implement an annual (full or partial) calendar year Public  
2363 Education and Outreach Program. The initial proposed action plan must be submitted for  
2364 DISTRICT approval no later than February 1, 2009 and annually thereafter by September 1<sup>st</sup> for  
2365 the next calendar year. The program must include a minimum of:



- 2366                    18.03.1            Prior to program implementation, a direct mailer will be produced  
2367 and mailed to residents eligible for this program and will describe the program, its components,  
2368 and what size Rollout Carts Customer will receive based on current refuse service level. Service  
2369 Collection procedures and schedules will also be included.
- 2370                    18.03.2            A minimum of four (4) press releases announcing or relating to  
2371 new and expanded MSW Collection, Recyclables and Compostable Materials programs in the  
2372 DISTRICT will be produced annually in cooperation with the DISTRICT.
- 2373                    18.03.3            A comprehensive “how to” brochure describing the program and  
2374 its components will be produced and distributed with Rollout Carts to be provided by  
2375 CONTRACTOR.
- 2376                    18.03.4            Up to two (2) informational handouts will be produced and  
2377 provided annually.
- 2378                    18.03.5            Two (2) MSW bill inserts describing the program and its  
2379 components, including service Collection procedures and schedules will be produced and  
2380 distributed annually. The DISTRICT shall have the option of providing two (2) additional bill  
2381 inserts annually to be included in the billing provided that the inserts relate to the improvement  
2382 or efficiency of the solid waste program.
- 2383                    18.03.6            MSW, Recyclables, Compostable Materials and any other  
2384 appropriate special event schedules, based on a calendar year, shall be produced and direct  
2385 mailed to Residential Customers annually. This schedule may substitute for one of the inserts  
2386 described in Section 18.03.5 above.
- 2387                    18.03.7            CONTRACTOR shall develop and implement a comprehensive  
2388 Multi-Family Dwelling public education program.
- 2389                    18.03.8            CONTRACTOR shall develop a comprehensive Business  
2390 Collection public education program which includes a Business awards program for DISTRICT  
2391 recognition.
- 2392                    18.03.9            New resident packets will be produced and provided to new  
2393 DISTRICT Customers and will be available for distribution through the DISTRICT’S office.
- 2394                    18.03.10           CONTRACTOR will provide promotional type give-aways to  
2395 Residential and Business customers on an as-needed basis.
- 2396                    18.03.11           CONTRACTOR will co-sponsor DISTRICT events upon request.
- 2397                    18.03.12           Program incentives to encourage source reduction, recycling,  
2398 home composting efforts and program participation will be developed, produced and  
2399 implemented by CONTRACTOR as requested by DISTRICT.
- 2400                    18.04 Annual Collection Service Notice. Each calendar year during the term of this  
2401 Agreement, the CONTRACTOR shall publish and distribute separate notices to all SFD  
2402 Customers regarding the SFD Collection Service programs, to all MFD Customers regarding  
2403 MFD Service programs and to all Business Customers regarding Business Service programs.  
2404 To the extent appropriate, based on the category of Customer receiving the notice, said notice  
2405 shall contain at a minimum; definitions of the materials to be Collected, procedures for setting
-

2406 out the materials, maps of the Service Area indicating the day that MSW Collection Services,  
 2407 Recyclable Collection Service, including Waste Oil Collection Service, and Compostable  
 2408 Materials Collection Service will be provided, the availability of Bulky Goods Collection Service  
 2409 and Construction and Demolition Debris Collection Service and the CONTRACTOR customer  
 2410 service phone number. The notice shall be provided in English, and Spanish, and shall be  
 2411 distributed by the CONTRACTOR no later than May 1, 2009 during the first year of the  
 2412 Agreement, and January 1<sup>st</sup> annually thereafter.

2413

## ARTICLE 19. CONTRACTOR'S Office

2414 19.01 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that  
 2415 provides toll-free telephone access to residents of the DISTRICT and is staffed by trained and  
 2416 experienced Customer Service Representatives (CSR's). Such office shall be equipped with  
 2417 sufficient telephones that all Collection Service related calls received during normal business  
 2418 hours are answered by an employee within five (5) rings, and shall have responsible persons in  
 2419 charge during Collection hours and shall be open during such normal business hours, 8:00 a.m.  
 2420 to 5:00 p.m. on all Work Days. The CONTRACTOR shall provide either a telephone answering  
 2421 service or mechanical device to receive Customer inquiries during those times when the office is  
 2422 closed. Calls received after normal business hours shall be addressed the morning of the next  
 2423 Work Day.

2424 19.02 Emergency Contact. The CONTRACTOR shall provide the Contract  
 2425 Administrator with an emergency phone number where the CONTRACTOR can be reached  
 2426 outside of the required office hours.

2427 19.03 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the  
 2428 capability of responding to telephone calls in English and Spanish. CONTRACTOR shall at all  
 2429 times maintain the capability or responding to telephone calls through Telecommunications  
 2430 Device for the Deaf (TDD) Services.

2431 19.04 Customer Calls. During office hours, CONTRACTOR shall maintain a  
 2432 telephone answering system capable of accepting at least fifteen (15) incoming calls at one (1)  
 2433 time. CONTRACTOR shall record all calls including any inquiries, service requests and  
 2434 complaints into a customer service log.

2435 19.04.1 All incoming calls will be answered within five (5) rings. Any call  
 2436 "on-hold" in excess of one and one half (1.5) minutes shall have the option to remain "on-hold"  
 2437 or to be switched to a message center where Customer can leave a message. Customers  
 2438 electing to remain on-line shall not wait longer than two (2) minutes on the average from the  
 2439 time their call was originally answered, but in no case longer than ten (10) minutes from the time  
 2440 their call was originally answered to speak to a CSR. CONTRACTOR'S customer service  
 2441 representative shall return Customer calls. For all messages left before 3:00 p.m., all "call  
 2442 backs" shall be attempted a minimum of one time prior to 5:00 p.m. on the day of the call. For  
 2443 messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to  
 2444 noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within  
 2445 twenty-four (24) hours of the receipt of the call. If CONTRACTOR is unable to reach the



2446 Customer on the next Work Day, the CONTRACTOR shall send a postcard to the Customer on  
2447 the second Work Day after the call was received, indicating that the CONTRACTOR has  
2448 attempted to return the call.

2449                   19.04.2       The CONTRACTOR will utilize the Customer Service Log to  
2450 maintain a record of all inquiries and complaints in a manner approved by the DISTRICT.

2451                   19.05 Direct Transfer. CONTRACTOR shall provide the DISTRICT, at no cost to the  
2452 DISTRICT, with the ability to transfer customer calls directly to the CONTRACTORS customer  
2453 service line.

2454                   19.06 Web Site. CONTRACTOR shall develop and maintain a web site describing  
2455 services provided in the DISTRICT that is accessible by the public. The site shall include  
2456 answers to frequently asked questions, rates for all Collection Services, specifications for  
2457 Recyclable Materials and Compostable Materials, Collection Service schedules and maps, and  
2458 other related topics. CONTRACTOR shall arrange for the DISTRICT'S web site to include an e-  
2459 mail link to CONTRACTOR and a link to CONTRACTOR'S web site. The CONTRACTOR'S web  
2460 site shall provide the public the ability to e-mail complaints to CONTRACTOR.

## 2461                   **ARTICLE 20. Service Inquiries and Complaints**

2462                   20.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall  
2463 be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to  
2464 receive the complaints during normal business hours. All service complaints will be handled by  
2465 the CONTRACTOR in a prompt and efficient manner. In the case of a dispute between the  
2466 CONTRACTOR and a Customer, the matter will be reviewed and a decision made by the  
2467 Contract Administrator.

2468                   20.02 Response Requirements. For those complaints related to missed Collections  
2469 that are received by 3:00 p.m. on a Work Day, the CONTRACTOR will return to the Customer  
2470 address and Collect the missed materials before leaving the Service Area for the day. For  
2471 those complaints related to missed Collections that are received after 3:00 p.m. on a Work Day,  
2472 the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint.  
2473 For those complaints related to repair or replacement of carts or bins, the appropriate Articles of  
2474 this Agreement shall apply.

2475                   20.03 Missed Collections. CONTRACTOR agrees that it is in the best interest of the  
2476 DISTRICT that all MSW, Recyclable Materials and Compostable Materials be Collected on the  
2477 scheduled Collection day. Accordingly, missed Collections will normally be Collected as set  
2478 forth above regardless of the reason that the Collection was missed. However, in the event a  
2479 Customer requests missed Collection service more than two (2) times in any consecutive two  
2480 (2) month period the Contract Administrator will work with the CONTRACTOR to determine an  
2481 appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint  
2482 to be without merit, CONTRACTOR shall notify the Contract Administrator, either by Fax or e-  
2483 mail. The Contract Administrator will investigate all disputed complaints and render a decision.

## 2484                   **ARTICLE 21. Modifications to the Agreement**

2485                   21.01 Agreement Modifications and Changes in Law. The DISTRICT and the  
2486 CONTRACTOR understand and agree that the California Legislature has the authority to make

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2487 comprehensive changes in Solid Waste Management legislation and that these and other  
2488 changes in law in the future which mandate certain actions or programs for counties or  
2489 municipalities may require changes or modifications in some of the terms, conditions or  
2490 obligations under this Agreement. The CONTRACTOR agrees that the terms and provisions of  
2491 the DISTRICT Legislation, as it now exists or as it may be amended in the future, shall apply to  
2492 all of the provisions of this Agreement and the Customers of the CONTRACTOR located within  
2493 the Service Area. In the event any future Change in Law, modifications to the DISTRICT  
2494 Legislation, or directed changes by the DISTRICT materially alters the obligations of the  
2495 CONTRACTOR, then the affected compensation as established under this Agreement shall be  
2496 adjusted. Nothing contained in this Agreement shall require any party to perform any act or  
2497 function contrary to law. The DISTRICT and CONTRACTOR agree to enter into good faith  
2498 negotiations regarding modifications to this Agreement which may be required in order to  
2499 implement changes in the interest of the public welfare or due to Change in Law. When such  
2500 modifications are made to this Agreement, the DISTRICT and the CONTRACTOR shall  
2501 negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase  
2502 or decrease in the services or other obligations required of the CONTRACTOR due to any  
2503 modification in the Agreement under this Article. The DISTRICT and the CONTRACTOR shall  
2504 not unreasonably withhold agreement to such compensation adjustment.

2505           21.02 DISTRICT-Directed Changes. DISTRICT may direct CONTRACTOR to perform  
2506 additional services (including new diversion programs, additional public education activities,  
2507 etc.), eliminate programs, or modify the manner in which it performs existing services. Changes  
2508 in the minimum diversion requirement set forth in Article 13 of this Agreement, pilot programs  
2509 and innovative services, which may entail new Collection methods, targeted routing, different  
2510 kinds of services, different types of Collection vehicles, and/or new requirements for Customers  
2511 are included among the kinds of changes which DISTRICT may direct. CONTRACTOR shall be  
2512 entitled to an adjustment in its compensation for providing such additional or modified services  
2513 but not for the preparation of its proposal to perform such services.

2514           21.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a  
2515 service change from the DISTRICT, CONTRACTOR shall submit a proposal to provide such  
2516 service. At a minimum, the proposal shall contain a complete description of the following:

- 2517                   21.03.1           Program objectives and goals to be used in measuring the  
2518 success of the program as discussed in Section 21.07 below;
- 2519                   21.03.2           Collection methodology to be employed (equipment, manpower,  
2520 etc.);
- 2521                   21.03.3           Equipment to be utilized (vehicle number, types, capacity, age,  
2522 etc.);
- 2523                   21.03.4           Labor requirements (number of employees by classification);
- 2524                   21.03.5           Type of Carts or Bins to be utilized;
- 2525                   21.03.6           Provision for program publicity, education, and marketing; and



2526                    21.03.7            Five (5) year projection of the financial results of the program's  
2527 operations in an operating statement format including documentation of the key assumptions  
2528 underlying the projections and the support for those assumptions, giving full effect to the  
2529 savings or costs to existing services.

2530                    21.04 Incremental Costs.    In the event the change(s) in service results in an  
2531 incremental cost increase over the life of the Agreement, CONTRACTOR will be responsible for  
2532 the first Ten Thousand dollars (\$10,000) of such increase in the aggregate. To the extent costs  
2533 are projected to exceed Ten Thousand dollars (\$10,000), DISTRICT and CONTRACTOR shall  
2534 agree on the amount of additional costs to be reimbursed to the CONTRACTOR prior to the  
2535 initiation of the service change.

2536                    21.05 Other Contractors.    CONTRACTOR acknowledges and agrees that DISTRICT  
2537 may permit other contractors or companies besides CONTRACTOR to provide additional  
2538 Collection Services and such other services not otherwise contemplated by this Agreement if  
2539 CONTRACTOR and DISTRICT cannot agree on terms and conditions, including compensation  
2540 adjustments, of such services in one hundred twenty (120) calendar days from the date when  
2541 DISTRICT first requests a proposal from CONTRACTOR to perform such services.

2542                    21.06 Monitoring and Evaluation.    At the DISTRICT'S request, CONTRACTOR shall  
2543 meet with the DISTRICT to describe the progress of each new program and other service  
2544 issues. At each meeting, the DISTRICT and CONTRACTOR shall have the opportunity to  
2545 discuss revisions to the program. If applicable, CONTRACTOR shall document the results of the  
2546 new programs on a monthly basis, including at a minimum the tonnage diverted by material  
2547 type, the end use or processor of the diverted materials and the cost per ton for transporting and  
2548 processing each type of material and other such information requested by the CONTRACTOR  
2549 and/or DISTRICT necessary to evaluate the performance of each program.

2550                    21.07 Termination for Cause.    The DISTRICT shall have the right to terminate a  
2551 program or assign the program to a third party for cause at no cost to the DISTRICT or the  
2552 DISTRICT'S ratepayers if the CONTRACTOR is not achieving the program's agreed to and  
2553 defined goals and objectives. Prior to such termination or assignment, DISTRICT shall meet  
2554 and confer with CONTRACTOR for a period of up to ninety (90) calendar days to resolve  
2555 DISTRICT'S concerns. Thereafter, DISTRICT may terminate the program or utilize a third party  
2556 to perform these services if DISTRICT reasonably believes CONTRACTOR cannot meet or is  
2557 not meeting the agreed to and defined project goals and objectives. Notwithstanding these  
2558 changes, CONTRACTOR shall continue the program during the ninety (90) day period and, in  
2559 the event DISTRICT elects to utilize a third party to continue the program, thereafter until the  
2560 third party takes over the program.

2561                    21.08 Termination without Cause.    DISTRICT shall also have the right to terminate a  
2562 program without cause. As a condition of the termination, DISTRICT shall reimburse  
2563 CONTRACTOR for all costs incurred for implementation and performance of the program that  
2564 were identified in the program proposal prepared and submitted by CONTRACTOR and agreed  
2565 to by DISTRICT which will have not been funded or otherwise recovered through program  
2566 compensation at the time the program is terminated.

2567 **ARTICLE 22. Recordkeeping, Inspections, and Reporting**

2568 22.01 Record Keeping.

2569 22.01.1 Accounting Records. CONTRACTOR shall maintain full,  
2570 complete and separate financial, statistical and accounting records, pertaining to cash, billing,  
2571 and provisions of all Collection Services provided under this Agreement, prepared on an accrual  
2572 basis in accordance with generally accepted accounting principles. Such records shall be  
2573 subject to audit, copy, and inspection. Gross revenues derived from provision of the Collection  
2574 Services, including revenues from the sale of Recyclable Materials, including CRV revenue or  
2575 revenue from the sale of Composted Material, whether such services are performed by the  
2576 CONTRACTOR or by a subcontractor or subcontractors, shall be recorded as revenues in the  
2577 accounts of the CONTRACTOR. These records shall be separate and segregated from other  
2578 records maintained by CONTRACTOR for the provision of other services outside the scope of  
2579 this Agreement as may be provided by CONTRACTOR. CONTRACTOR shall maintain and  
2580 preserve all cash, billing and disposal records for a period of not less than five (5) years  
2581 following the close of each of the CONTRACTOR'S fiscal years.

2582 22.01.2 Agreement Materials Records. CONTRACTOR shall maintain  
2583 records of the quantities of MSW, Recyclable Materials, Compostable Materials. Bulky Goods,  
2584 and Construction and Demolition Debris Collected, processed, sold, donated or given for no  
2585 compensation, and disposed, including residue, under the terms of this Agreement.

2586 22.01.3 Other Records. CONTRACTOR shall maintain all other records  
2587 reasonably related to provision of Collection Services, whether or not specified in this Article 22  
2588 or elsewhere in the Agreement.

2589 22.02 Reporting Requirements. Monthly reports shall be submitted no later than twenty  
2590 (20) calendar days after the end of the reporting month. Quarterly reports shall be submitted no  
2591 later than twenty (20) calendar days after the end of each full or partial calendar based quarter,  
2592 and annual reports shall be submitted no later than forty-five (45) calendar days after the end of  
2593 each calendar year. Monthly, quarterly and annual reports shall be submitted in hard copy, and  
2594 shall be provided electronically via e-mail, or a compact disc using software acceptable to the  
2595 DISTRICT.

2596 22.03 Monthly Reports. Monthly reports to the DISTRICT shall include:

2597 22.03.1 MSW Data. The number of SFD, MFD, DISTRICT and Business  
2598 Customers and the number of MSW Bins and Carts distributed by size and Customer type. A  
2599 listing of the actual tonnage from all Collection Services, including Bulky Goods Collection  
2600 Service, Collected, diverted and disposed by the CONTRACTOR at the Disposal Facility for the  
2601 preceding month sorted between SFD, MFD, DISTRICT and Business Customers and between  
2602 Roll-off Containers and all other containers to extent practical. All tonnage data should be  
2603 compared to the corresponding tonnage data from the prior year comparable period.

2604 22.03.2 Recycling Data. The number of gross tons Collected monthly on  
2605 average by material type by route for SFD, MFD, DISTRICT and Business Customers, including



2606 Recyclable Materials Collected as part of Bulky Goods Collection Service, for the preceding  
2607 month. The average participation rates for each month relative to the total number of  
2608 Customers by Customer type. All tonnage data should be compared to the corresponding  
2609 tonnage data from the prior year comparable period.

2610                   22.03.3       Compostable Material Data. The average daily gross tons  
2611 Collected and average daily number of set-outs. Indicate average participation rates relative to  
2612 the total number of Customers in terms of weekly set-out counts. Indicate number of  
2613 Compostable Bins and Carts distributed by size and Customer type. All tonnage data should be  
2614 compared to the corresponding tonnage data from the prior year comparable period.

2615                   22.03.4       Bulky Goods Collection Data. The number of gross tons  
2616 Collected monthly, along with the number of tires and appliances Collected.

2617                   22.03.5       Customer Service Log. A copy of the customer service log,  
2618 including a summary of the type and number of complaints and their resolution. Copies of a  
2619 written record of all calls related to missed pickups and responses to such calls.

2620                   22.04   Quarterly Reports. Quarterly reports to the DISTRICT shall include:

2621                   22.04.1       Monthly Data. All monthly reports in Section 22.03 summarized  
2622 by month and averaged for the quarter. All tonnage data should be compared to the  
2623 corresponding tonnage data from the prior year comparable period.

2624                   22.04.2       Public Education and Information Activities. CONTRACTOR shall  
2625 report on all public education and information activities undertaken during the period, including  
2626 distribution of bill inserts, collection notification tags, community information and events, school  
2627 visits, tours and other activities related to the provision of Collection Services. This report shall  
2628 discuss the impact of these activities on Recycling and Compostable program participation and  
2629 provide details of events and activities planned for the next period.

2630                   22.04.3       Recycling and Compostable Material Programs. An analysis of  
2631 any Recycling and Compostable Material Collection, processing and marketing issues or  
2632 conditions occurring during the previous quarter (such as participation, setouts, contamination,  
2633 etc.) and possible solutions, discussed separately for SFD, MFD, DISTRICT and Business  
2634 programs. This data shall contain the percentage of total commercial service volume that is  
2635 MSW, Recyclable Materials, and Compostable Materials and other materials as appropriate so  
2636 that the total equals one hundred percent (100%) of the total volume Collected during the  
2637 quarter.

2638                   22.04.4       Customer Service Data. A summary narrative of problems  
2639 encountered with Collection and processing activities and actions taken. Indicate type and  
2640 number of Non-Collection Notices left at Customer locations. Indicate instances of property  
2641 damage or injury, significant changes in operation, market factors, publicity conducted, needs  
2642 for publicity. Include description of processed material loads rejected for sale, reason for  
2643 rejection and disposition of load after rejection.

2644                   22.04.5       Customer Base Data. CONTRACTOR shall provide, customer  
2645 base data consisting of the number of SFD, MFD and Business Customers billed, sorted by  
2646 Customer type, container size, number of containers and frequency of Collection. This data

2647 shall contain the percentage and number of MFD and Business Customers that have recycling  
2648 service reported separately for Business and MFD Customers.

2649 22.04.6 Special Events. Summary of each special event activity,  
2650 (DISTRICT-sponsored or drop-off) including; the name and date of the event, the tonnage  
2651 Collected, diverted and disposed by material type, and other services provided.  
2652 CONTRACTOR shall also provide information regarding the logistics of the event and  
2653 suggestions for improving future events.

2654 22.04.7 Summary of Historical and Proposed Activities. CONTRACTOR  
2655 shall provide a narrative of activities undertaken during the quarter and those planned or  
2656 proposed for the upcoming quarter.

2657 22.05 Annual Reports. The annual report to the DISTRICT shall include:

2658 22.05.1 Quarterly Data. All quarterly reports in Section 22.04 summarized  
2659 by quarter and averaged for the year. For all annual reports beginning with the report for the  
2660 second calendar year, the CONTRACTOR shall include a historical comparison of the last  
2661 calendar year and the average of all calendar years.

2662 22.05.2 Recycling Data. Indicate, by material type (and grade where  
2663 appropriate), the monthly totals of Recyclable Materials processed and sold including facility  
2664 name and location, average price received per ton and total recycling revenue received.  
2665 Indicate any quantities, by material type, donated or otherwise disbursed without compensation.  
2666 Indicate number of Recycling Bins and Carts distributed by size and Customer type. Also  
2667 provide the total and location for residue Disposed.

2668 22.05.3 Waste Oil Program. CONTRACTOR shall provide detailed  
2669 financial data regarding the cost of providing Waste Oil Collection Service. To the extent  
2670 practical segregate the program costs between the SFD and MFD programs. Financial data  
2671 should include but not be limited to costs in the following four categories, administration,  
2672 collection, transportation and disposal.

2673 22.05.4 Compostable Materials. Indicate the monthly totals of  
2674 Compostable Materials Collected, processed and sold including facility name and location,  
2675 average price received per ton and total Compostable Materials revenue received. Indicate  
2676 total tons provided to DISTRICT, to DISTRICT residents or otherwise disbursed without  
2677 compensation. Indicate number of Compostable Material Bins and Carts distributed by size and  
2678 Service Unit type. Indicate number of commercial indoor organic containers distributed. Also  
2679 provide the total and location for residue Disposed.

2680 22.05.5 Customer Base Data. CONTRACTOR shall provide, customer  
2681 base data, segregated by Customer class into SFD, MFD, Business and DISTRICT Customers,  
2682 consisting of name, service address, billing address service received, service level for each  
2683 service received including cart or bin size and frequency of service, days of Collection and for  
2684 MFD and Business Customers, the Customer contact information.



2685                    22.05.6        Special Events. Provide a summary of each special event activity,  
2686 including; the name and date of the event, the tonnage Collected, diverted and disposed by  
2687 material type, and other services provided. CONTRACTOR shall also provide information  
2688 regarding the logistics of the event and suggestions for improving future events. For all annual  
2689 reports beginning with the report for the second Agreement Year, the CONTRACTOR shall  
2690 include a historical comparison of the last Agreement Year and the average of all Agreement  
2691 Years.

2692                    22.05.7        Bi- Annual Visits. Provide a summary of each visit, including; the  
2693 name of the complex, the date of the visit, and the results of the assessment.

2694                    22.05.8        Summary of Historical and Proposed Activities. CONTRACTOR  
2695 shall provide a narrative of activities undertaken during the year and those planned or proposed  
2696 for the upcoming year. CONTRACTOR shall provide information describing if the activity was  
2697 undertaken in the previous Agreement Year or not and if not why it was added. For those  
2698 activities that are not being continued, CONTRACTOR shall describe the reason the activity has  
2699 been discontinued and the activity that is replacing it.

2700                    22.06 Additional Reporting. The CONTRACTOR shall furnish the DISTRICT with any  
2701 additional reports as may reasonably be required, such reports to be prepared within a  
2702 reasonable time following the reporting period.

2703                    22.07 Computerized Records. All records shall be maintained on a computerized  
2704 database formatted and accessible to the DISTRICT via the internet or other web-based  
2705 connection in the event such a system is made available by CONTRACTOR to third parties with  
2706 whom it contracts. CONTRACTOR shall provide a backup system as a precaution against  
2707 primary system failure. The DISTRICT may require in its reasonable discretion the maintenance  
2708 of additional records.

2709                    22.08 Inspection. The DISTRICT shall be granted access upon two (2) Work Days  
2710 notice to all records and reports maintained or submitted by CONTRACTOR under this  
2711 Agreement, including all computerized records maintained by CONTRACTOR, and shall be  
2712 granted access upon reasonable notice to hard copies of such records at CONTRACTOR'S  
2713 facilities. The DISTRICT shall be granted access upon one (1) Work Days notice to inspect  
2714 CONTRACTOR'S facilities. The DISTRICT shall have the right to accompany Collection  
2715 vehicles on routes with one week prior notice to CONTRACTOR. Expense information  
2716 submitted by CONTRACTOR under the terms of this Agreement shall be held in strict  
2717 confidence by the DISTRICT to the extent permitted by law; provided, however, that  
2718 CONTRACTOR shall indemnify the DISTRICT (in the manner specified in Article 27) and, with  
2719 counsel reasonably acceptable to the DISTRICT, assume the defense of (including all fees and  
2720 costs of defense) any suit or other action challenging the DISTRICT'S confidential treatment of  
2721 such information.

2722                    22.09 Records Security. Adequate record security shall be maintained to preserve  
2723 records from events that can be reasonably anticipated such as fire, theft, and earthquake.  
2724 Electronically maintained data/records shall be protected and backed up at least monthly.  
2725 Where DISTRICT has reason to believe that such records or documents may be lost or  
2726 discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business,  
2727 DISTRICT may, by written request or demand of the Contract Administrator, require that

2728 custody of the records be given to DISTRICT and that the records and documents be  
2729 maintained at DISTRICT offices. Access to such records and documents shall be granted to  
2730 any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or  
2731 CONTRACTOR'S successor-in-interest.

2732 22.10 Financial Records. In addition to all other reports required under this Agreement,  
2733 CONTRACTOR shall submit annually to the DISTRICT, quarterly and year-end financial  
2734 statements for its parent corporation.

2735 **ARTICLE 23. Quality of Performance of Contractor**

2736 23.01 Intent. CONTRACTOR acknowledges and agrees that one of DISTRICT'S  
2737 primary goals in entering into this Agreement is to ensure that the Collection Services are of the  
2738 highest caliber, that Customer satisfaction remains at the highest level, that maximum diversion  
2739 levels are achieved, and that materials Collected are put to the highest and best use to the  
2740 extent feasible.

2741 23.02 Service Supervisor. CONTRACTOR will provide the name of the supervisor to  
2742 be in charge of the Collection Service within the Service Area to the DISTRICT no later than  
2743 September 1, 2008. At least thirty (30) calendar days prior to replacing the supervisor,  
2744 CONTRACTOR shall notify DISTRICT in writing of the name and qualifications of the new  
2745 service supervisor. CONTRACTOR shall insure that such replacement is an individual with like  
2746 qualifications and experience. The supervisor shall be physically located in the Service Area, at  
2747 least seventy-five percent of the time that CONTRACTOR is providing Collection Services. In  
2748 addition the supervisor shall be available to the Contract Administrator through the use of  
2749 telecommunication equipment, and be able to respond to voice messages within thirty (30)  
2750 minutes at all times that CONTRACTOR is providing Collection Services. In the event the  
2751 supervisor is unavailable due to illness or vacation, CONTRACTOR shall designate an  
2752 acceptable substitute who shall be available and who has the authority to act in the same  
2753 capacity as the supervisor. The service supervisor shall provide the DISTRICT with an  
2754 emergency phone number where the supervisor can be reached outside of normal business  
2755 hours.

2756 23.03 Liquidated Damages. The parties further acknowledge that consistent and  
2757 reliable Collection Service is of utmost importance to DISTRICT and that DISTRICT has  
2758 considered and relied on CONTRACTOR'S representations as to its quality of service  
2759 commitment in awarding the Agreement to it. The parties further recognize that some quantified  
2760 standards of performance are necessary and appropriate to ensure consistent and reliable  
2761 service and performance. The parties further recognize that if CONTRACTOR fails to achieve  
2762 the performance standards or fails to submit required documents in a timely manner DISTRICT,  
2763 and residents and businesses of the DISTRICT will suffer damages and that it is and will be  
2764 impractical and extremely difficult to ascertain and determine the exact amount of damages.  
2765 Therefore, without prejudice to DISTRICT'S right to treat such non-performance as an event of  
2766 default under Article 26, the parties agree that the liquidated damage amounts defined in this  
2767 Article represent reasonable estimates of the amount of such damages considering all of the  
2768 circumstances existing on the effective date of this Agreement, including the relationship of the



2769 sums to the range of harm to DISTRICT, Customers and the community as a whole that  
 2770 reasonably could be anticipated and the anticipation that proof of actual damages would be  
 2771 costly or impractical. In placing their initials at the places provided, each party specifically  
 2772 confirms the accuracy of the statements made above and the fact that each party has had  
 2773 ample opportunity to consult with legal council and obtain an explanation of the liquidated  
 2774 damage provisions at the time that the Agreement was made.

2775 DISTRICT Initial Here \_\_\_\_\_ CONTRACTOR Initial Here \_\_\_\_\_

2776 CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following  
 2777 amounts:

LIQUIDATED DAMAGES		
Item		Amount
a.	Failure or neglect to resolve each complaint within the time set forth in this Agreement.	\$100.00 per incident per Customer.
b.	Failure to clean up litter or spillage of material, or vehicle fluids caused by CONTRACTOR.	\$300.00 per incident per location.
c.	Failure to repair damage to Customer property caused by CONTRACTOR or its personnel.	\$500.00 per incident per location.
d.	Failure to repair damage to DISTRICT property caused by CONTRACTOR or its personnel.	\$500.00 per incident per location.
e.	Damage to public streets within the DISTRICT caused by CONTRACTOR.	Actual cost of repair to DISTRICT'S satisfaction at no cost to DISTRICT.
f.	Failure to maintain equipment, vehicles, Carts, Bins and other containers in a clean, safe, and sanitary manner.	\$100.00 per incident per day.
g.	Failure to have a vehicle operator properly licensed.	\$500.00 per incident per day.
h.	Failure to maintain office hours as required by this Agreement.	\$100.00 per incident per day.
i.	Failure to provide accurate documents and reports required under the provisions of this Agreement as noted by the DISTRICT.	\$250.00 per incident.
j.	Failure to provide documents and reports required under the provisions of this Agreement in a timely manner.	\$250.00 per incident per day.
k.	Failure to display CONTRACTOR'S name and customer service phone number on Collection vehicles, Bins and other containers.	\$100.00 per incident per day.

LIQUIDATED DAMAGES		
Item		Amount
l.	Failure to comply with the hours of operation as required by this Agreement.	\$100.00 per incident per day.
m.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day.	\$1,000.00 for each route not completed.
n.	Changing routes without proper notification to the Contract Administrator.	\$500.00 per incident per day.
o.	Commingling MSW with Recyclable Materials during Collection and transportation to the Transfer Facility.	\$1,000.00 per incident.
p.	Commingling of materials Collected inside and outside the DISTRICT during Collection and transportation to the Transfer Facility.	\$1,000.00 per incident.
q.	Failure to repair or replace damaged Carts, Bins, or other containers within the time required by this Agreement.	\$100.00 per incident per day.
r.	Failure to deliver or exchange Carts, Bins, or other containers within the time required by this Agreement.	\$100.00 per incident per day.
s.	Failure to provide adequate primary and alternate capacity to accept and process Recyclable Materials, or Compostable Materials.	\$1,000.00 per day.
t.	Failure to have CONTRACTOR personnel in proper uniform.	\$100.00 per incident per day.
u.	Disposal of Recyclable Materials or Compostable Materials in the Disposal Facility without first obtaining the required permission of the DISTRICT.	\$1,000.00 per load.
v.	Failure to provide and utilize required vehicles, and communications equipment as specified in this Agreement.	\$100.00 per incident per day.
w.	Failure to deliver any Collected materials to the DISTRICT approved Disposal Facility, Materials Recovery Facility, Green Waste Facility or Compostable Materials Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement.	\$5,000.00 first failure. \$25,000.00 each subsequent failure.



LIQUIDATED DAMAGES		
Item		Amount
x.	Delivery to the Disposal Facility of any MSW Collected outside of the DISTRICT boundaries commingled with that Collected as part of this Agreement except for material delivered in transfer trailers.	\$5,000.00 first delivery. \$25,000.00 each subsequent delivery.
y.	Failure to meet the minimum diversion requirements of this Agreement. (Calculated per Calendar Year.)	Shortfall of 0.001% - 2%: \$10,000.00 per calendar year.  Shortfall of 2.001% or greater: \$25,000.00 per calendar year.
z.	Failure to meet vehicle noise requirements.	\$100.00 per incident per day.
aa.	Unapproved routing changes.	\$1,000.00 for each unapproved route change.
bb.	Failure to commence service to a new Customer account within seven (7) Work Days after initial order.	\$150.00 per incident per day.
cc.	Failure to properly return empty Carts or Bins to avoid pedestrian or vehicular traffic impediments or to place Carts upright in excess of five (5) occurrences per quarter.	\$150.00 per incident per day.
dd.	For each proven occurrence of obvious uncourtly behavior to a Customer.	\$150.00 per incident.
ee.	Failure to have a Customer service representative answer a phone call within a two (2) minute average for any month and or for each single caller having to wait more than ten (10) minutes.	\$150.00 per incident.
ff.	Failure to correct submittal of inaccurate data within three days (or such other time period as may be agreed to in writing between DISTRICT and CONTRACTOR) of notification by DISTRICT.	\$500.00 per incident per day.
gg.	Failure to provide New Customer Welcome Kits within two (2) business days of notification to begin service.	\$150.00 per incident per day.
hh.	Failure to replace Waste Oil Container and Waste Oil Filter Bag within two (2) business days of notification of need for replacement in excess of five (5) occurrences per quarter.	\$150.00 per incident per day.

LIQUIDATED DAMAGES		
Item		Amount
ii.	Failure to conduct Route Audits as required by this Agreement.	\$150.00 per incident per day.
jj.	Failure to provide a Spanish speaking Customer Service Representative as required by this Agreement.	\$150.00 per incident per day.
kk.	Failure to cure non-compliance with the provisions of this Agreement in the manner and time set forth in Section 26.01.1.	\$150.00 per incident per day.
ll.	Loading Collection vehicles in excess of state or local weight restrictions.	\$150.00 per incident.
mm.	Failure to properly cover materials in Collection vehicles.	\$500.00 per incident.

2778

2779           23.04 Procedure for Assessing Liquidated Damages.

2780                   23.04.1       DISTRICT may determine the occurrence of events giving rise to  
2781 liquidated damages through the observation of its own employees or representative or  
2782 investigation of Customer complaints.

2783                   23.04.2       Prior to assessing liquidated damages, DISTRICT shall give  
2784 CONTRACTOR notice of its intention to do so. The notice will include a brief description of the  
2785 incident(s)/non-performance. CONTRACTOR may review (and make copies at its own expense)  
2786 all information in the possession of DISTRICT relating to incident(s)/non-performance.  
2787 CONTRACTOR may, within ten (10) working days after receiving notice, request a meeting with  
2788 DISTRICT to present evidence regarding the accuracy of the facts related to the incident. If a  
2789 meeting is requested, it shall be held by the General Manager or his/her designee.  
2790 CONTRACTOR may present evidence in writing and through testimony of its employees and  
2791 others relevant to the incident(s)/nonperformance. The General Manager or designee will  
2792 provide CONTRACTOR with a written explanation of his or her determination on each  
2793 incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The  
2794 decision of the General Manager or designee may be appealed to the DISTRICT Board. The  
2795 decision of the DISTRICT Board shall be final and CONTRACTOR shall have been deemed to  
2796 have exhausted its administrative remedies and can thereafter challenge such ruling in court or  
2797 through procedures established herein.

2798                   23.04.3       DISTRICT may assess liquidated damages for each calendar day  
2799 or event, as appropriate, CONTRACTOR is determined to be liable in accordance with this  
2800 Agreement.



2801                    23.04.4            CONTRACTOR shall pay any liquidated damages assessed by  
2802 DISTRICT within ten (10) days after they are assessed. If they are not paid within the ten (10)  
2803 day period, DISTRICT may proceed against the Performance Bond required by the Agreement  
2804 or terminate the franchise granted by this Agreement, or both.

2805                    23.04.5            DISTRICT reserves the right to assign its rights to liquidated  
2806 damages, or portions of liquidated damages, to individual customers who have been damaged  
2807 and/or have been affected by the failure of the operating company to provide services in  
2808 accordance with the Franchise Agreement.

## 2809                    **ARTICLE 24. Compliance with Laws and Permits**

2810                    24.01 Compliance with Law. CONTRACTOR shall comply, at its expense, fully and  
2811 faithfully with all local, state, and federal laws, ordinances, regulations and permit requirements,  
2812 including DISTRICT Legislation, as they may be amended from time to time, applicable to its  
2813 performance under this Agreement, or in any way related to CONTRACTOR'S performance of  
2814 the services required under this Agreement; including, but not limited to, local, state, and federal  
2815 laws, ordinances, and regulations relating to Collection, Disposal, and processing of MSW; and  
2816 laws, ordinances, and regulations relating to protection or contamination of the environment.  
2817 Without limiting the generality of the foregoing, CONTRACTOR shall, at its sole expense,  
2818 prepare and complete, or arrange for the preparation and completion of, any environmental  
2819 impact report or other environmental review required under applicable local, state and federal  
2820 law for the construction, modification, or operation of physical plants it owns and/or operates  
2821 independent of this Agreement, if any, necessary to perform the services described in this  
2822 Agreement.

2823                    24.02 Permits, Authorizations, and Licenses. CONTRACTOR shall obtain, and shall  
2824 maintain throughout the term of this Agreement, at CONTRACTOR'S sole expense, all  
2825 necessary permits, licenses, inspections, and approvals required for CONTRACTOR to perform  
2826 all the work and services agreed to be performed by CONTRACTOR pursuant to this  
2827 Agreement. CONTRACTOR shall show proof of such permits, licenses, or approval and shall  
2828 demonstrate compliance with the terms and conditions of such permits, license, or approvals  
2829 upon the request of the DISTRICT.

## 2830                    **ARTICLE 25. Independent Contractor**

2831                    25.01 CONTRACTOR an Independent Contractor. CONTRACTOR shall perform all  
2832 work under this Agreement as an independent contractor. Neither CONTRACTOR nor its  
2833 officers, employees, agents, consultants, contractors, or subcontractors shall be considered an  
2834 officer, employee, agent, consultant, or servant of the DISTRICT. No approval or review by the  
2835 DISTRICT of a subcontract or other agreement between CONTRACTOR and a third party shall  
2836 affect the status of CONTRACTOR as an independent contractor.

2837                    25.02 CONTRACTOR Solely Responsible for its Acts and Omissions. CONTRACTOR  
2838 shall have exclusive control over the details of the services and work performed pursuant to this  
2839 Agreement, and over all Persons performing such services and work. CONTRACTOR shall be  
2840 solely responsible for the acts and omissions of its officers, agents, consultants, employees, and  
2841 contractors or subcontractors, and shall indemnify the DISTRICT therefore as provided in Article  
2842 27.

2843 25.03 No Partnership or Joint Venture Created. Nothing in this Agreement shall be  
2844 construed as creating a partnership or joint venture between DISTRICT and CONTRACTOR, or  
2845 as giving the DISTRICT a duty to supervise or control the acts or omissions of any Person  
2846 performing services or work under the Agreement.

2847 25.04 No Entitlement to Benefits. Neither CONTRACTOR nor its officers, employees,  
2848 agents, consultants, contractors, or subcontractors shall be entitled to any retirement benefits,  
2849 Workers' Compensation benefits, or any other benefits which accrue to any DISTRICT  
2850 employees, and CONTRACTOR expressly waives any claim it may have or acquire to such  
2851 benefits.

2852 **ARTICLE 26. Defaults And Remedies**

2853 26.01 Events of Default. Each of the following shall constitute an event of default  
2854 hereunder:

2855 26.01.1 CONTRACTOR fails to perform its obligations under this  
2856 Agreement or future modifications of this Agreement and the breach continues for more than  
2857 thirty (30) calendar days after written notice from the DISTRICT requesting the correction  
2858 thereof, provided that where CONTRACTOR demonstrates to DISTRICT'S reasonable  
2859 satisfaction that such breach cannot be cured within such thirty (30) day period, CONTRACTOR  
2860 shall not be in default of this Agreement if CONTRACTOR shall have commenced action  
2861 required to cure the particular breach promptly in light of the circumstances, but in any event  
2862 within thirty (30) days after such notice and it continues such corrective action diligently until  
2863 completed;

2864 26.01.2 Any representation or disclosure made to the DISTRICT by  
2865 CONTRACTOR in connection with or as an inducement to entering into this Agreement or any  
2866 modification to this Agreement proves to be false or misleading in any material respect as of the  
2867 time such representation or disclosure is made, whether or not any such representation or  
2868 disclosure appears as part of this Agreement;

2869 26.01.3 There is a seizure or attachment (other than a pre-judgment  
2870 attachment) of, or levy affecting possession of the operating equipment of CONTRACTOR,  
2871 including without limitation its vehicles, maintenance, or office facilities, or processing facilities  
2872 or any part thereof, of such proportion as to substantially impair CONTRACTOR'S ability to  
2873 perform under this Agreement, and which cannot be released, bonded, or otherwise lifted within  
2874 forty-eight (48) hours excluding weekends and holidays;

2875 26.01.4 CONTRACTOR files a voluntary petition for debt relief under any  
2876 applicable bankruptcy and solvency debtor relief or other similar law now or hereafter in effect,  
2877 or consents to the appointment or taking of possession by a receiver, liquidator, assignee (other  
2878 than as part of a transfer of equipment no longer useful to CONTRACTOR or necessary for this  
2879 Agreement), trustee (other than as security for an obligation under a deed of trust), custodian,  
2880 sequestrator, or similar official for any part of CONTRACTOR'S operating assets or any  
2881 substantial part of CONTRACTOR'S property, or shall make any general assignment for the



2882 benefit of CONTRACTOR'S creditors, or shall fail generally to pay CONTRACTOR'S debts as  
2883 they become due, or shall take any action in furtherance of any of the foregoing;

2884                   26.01.5       A court having jurisdiction enters a decree or order for relief in  
2885 respect of the CONTRACTOR in any involuntary case brought under any bankruptcy,  
2886 insolvency, debtor relief or similar law now or hereafter in effect, or CONTRACTOR consents to  
2887 or fails to oppose any such proceeding, or any such court enters a decree or order appointing a  
2888 receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for any part of  
2889 the CONTRACTOR'S operating equipment or assets, or orders the winding up or liquidation of  
2890 the affairs of the CONTRACTOR; or

2891                   26.01.6       CONTRACTOR fails to provide reasonable assurances of  
2892 performance of this Agreement.

2893                   26.02 Remedies.

2894                   26.02.1       Termination. Upon default by CONTRACTOR, the DISTRICT  
2895 shall have the right to terminate this Agreement upon five (5) days written notice, provided such  
2896 termination shall be authorized by the DISTRICT Board or a designee authorized by the  
2897 DISTRICT Board. Upon termination, all payments due the CONTRACTOR shall be retained by  
2898 the DISTRICT and applied to the completion of this Agreement and to damages suffered and  
2899 expenses incurred by the DISTRICT by reason of such default. Subject to the approval of the  
2900 DISTRICT, the surety on the Performance Bond may assume this Agreement, in which event all  
2901 payments remaining due to the CONTRACTOR at the time of default, less amounts due the  
2902 DISTRICT from the CONTRACTOR and less all sums due the DISTRICT for damages suffered  
2903 and expense incurred by reason of such default, shall be due and payable to such surety.  
2904 Thereafter, such surety shall receive monthly payments due to the CONTRACTOR under this  
2905 Agreement. In the event the DISTRICT completes this Agreement at a lesser cost than would  
2906 have been payable to the CONTRACTOR under this Agreement if the same had been fulfilled  
2907 by said Contractor, then the DISTRICT shall retain such difference. Should such cost to the  
2908 DISTRICT be greater, the CONTRACTOR shall be liable for and pay the amount for such  
2909 excess to the DISTRICT.

2910                   26.02.2       Direct and Consequential Damages. CONTRACTOR shall be  
2911 liable to DISTRICT for all direct and consequential damages arising out of CONTRACTOR'S  
2912 default.

2913                   26.02.3       DISTRICT'S Right to Set Off. The DISTRICT shall have the right  
2914 to set off, during annual or extraordinary rate adjustment, any amounts due or damages it  
2915 reasonably believes it has suffered as a result of any event of default; provided, however, that  
2916 the DISTRICT shall have the burden of proof as to the appropriateness of its actions.

2917                   26.02.4       Cure. CONTRACTOR shall be responsible for curing all events of  
2918 default and all consequences thereof at its own expense without any right of reimbursement  
2919 under this Agreement whether through rates or otherwise. Nothing in the foregoing shall be  
2920 construed to prevent use by the CONTRACTOR of insurance proceeds to cure default.

2921                   26.02.5       Specific Performance. By virtue of the nature of this Agreement,  
2922 the urgency of timely, continuous and high quality service, and the lead time required to effect  
2923 alternative service, the remedy of damages for a breach hereof by CONTRACTOR is

2924 inadequate and the DISTRICT shall be entitled to injunctive relief compelling the specific  
2925 performance of CONTRACTOR'S obligation hereunder.

2926                   26.02.6       DISTRICT'S Remedies Cumulative. The DISTRICT'S right to  
2927 terminate this Agreement and all other remedies of this Agreement are cumulative, not  
2928 exclusive, and the DISTRICT'S termination of the Agreement shall not constitute an election of  
2929 remedies. All remedies provided in this Agreement shall be in addition to any and all other legal  
2930 and equitable rights and remedies which the DISTRICT may have under this Agreement or by  
2931 law.

2932                   26.03   Excuse from Performance.

2933                   26.03.1       Force Majeure. Neither CONTRACTOR nor the DISTRICT shall  
2934 be excused from the performance of its obligation under this Agreement except where a party's  
2935 failure to perform is due to an event of Force Majeure, as defined in this Agreement.

2936                   26.03.2       Obligation to Mitigate Damages. Any suspension of performance  
2937 by a party pursuant to this Agreement shall be only to the extent and for a period of no longer  
2938 duration than required by the nature of the event, and the party claiming excuse from obligation  
2939 shall use its best efforts in an expeditious and commercially reasonable manner to remedy its  
2940 inability to perform, and mitigate damages that may occur as result of the event.

2941                   26.03.3       Recovery of Cost. Subject to Section 26.03.5 below,  
2942 CONTRACTOR shall be entitled to recover through Extraordinary Rate Review the incremental  
2943 costs reasonably necessary and prudently incurred by it in responding to an event of Force  
2944 Majeure; provided, however, that CONTRACTOR shall have complied fully with all of the other  
2945 provisions of this Agreement.

2946                   26.03.4       Notice Requirement. CONTRACTOR shall file with the DISTRICT  
2947 a written notice of intent to claim excuse from performance under this Agreement by reason of  
2948 an event of Force Majeure if, at any time after execution of this Agreement, CONTRACTOR  
2949 reasonably believes that such an event has occurred and will materially prevent  
2950 CONTRACTOR'S performance of one or more of its obligations hereunder. Notice required by  
2951 this Section shall be filed with the DISTRICT promptly in light of the circumstances but in any  
2952 event not later than thirty (30) calendar days after CONTRACTOR learned or should have  
2953 learned of the event of Force Majeure. Such notice shall describe in detail the event of Force  
2954 Majeure claimed, the services impacted by the claimed event of Force Majeure; a description of  
2955 any remedial work required to be undertaken to enable CONTRACTOR to resume full  
2956 operations under this Agreement; an itemized breakdown of the projected incremental costs for  
2957 such remedial work; an itemized description of the changes to then current rate which would be  
2958 needed to recover costs for the implementation of the remedial work; and such other information  
2959 as the DISTRICT reasonably requests.

2960                   26.03.5       DISTRICT'S Right in the Event of Force Majeure. The partial or  
2961 complete interruption or discontinuance of CONTRACTOR'S service caused by an event of  
2962 Force Majeure shall not constitute an event of default under this Agreement. Notwithstanding  
2963 the foregoing if CONTRACTOR'S excuse from performance for reason of Force Majeure





3005 claims, suits, allegations, actions, damages, interest, penalties, fines, forfeitures, demands  
3006 and/or causes of action (collectively "claims") arising from or in connection with  
3007 CONTRACTOR'S performance hereunder, except to the extent such claims arise out of the  
3008 negligence or willful misconduct of DISTRICT, in which case CONTRACTOR'S indemnification  
3009 shall be reduced in proportion to the DISTRICT'S degree of comparative fault. CONTRACTOR  
3010 shall indemnify and hold harmless the Indemnitees from and against all costs of investigation,  
3011 litigation, negotiation or alternative dispute resolution; counsel fees; expenses incurred in  
3012 obtaining expert testimony and the attendance of witnesses; and all other expenses and  
3013 liabilities incurred in connection with the defense of any action or proceedings brought thereon,  
3014 and from and against any orders, judgments, or decrees which may be entered therein. The  
3015 DISTRICT shall provide CONTRACTOR with prompt notice of any claims, and CONTRACTOR  
3016 may assume the defense of any claim, with counsel reasonably acceptable to the Indemnitees,  
3017 and CONTRACTOR shall have authority to settle any claim, with the DISTRICT'S consent  
3018 which may not be unreasonably withheld and provided such settlement fully releases and  
3019 extinguishes Indemnitees' alleged liability under the claim. Where a conflict of interest exists  
3020 between the Indemnitees and CONTRACTOR with respect to a claim, CONTRACTOR shall  
3021 provide the Indemnitees with independent legal counsel of the Indemnitees' choice, at  
3022 CONTRACTOR'S expense. Without limiting the generality of the foregoing, CONTRACTOR'S  
3023 indemnification shall include: personal injury, death or damage to property (including  
3024 contamination); product liability, violation of federal, state, or local law; or any other claim  
3025 whatsoever connected with the activities of CONTRACTOR, its subcontractors, agents, and/or  
3026 employees under this Agreement or on account of the performance of character of the work  
3027 performed hereunder, including unforeseen difficulties, accidents, occurrence, or omissions,  
3028 including but not limited to, any failure to exclude Hazardous Waste from Collection or  
3029 processing; any claim that CONTRACTOR, or its agents, subcontractors, directors, officers,  
3030 employees or representatives, has breached an express or implied warranty of merchantability  
3031 or fitness for particular use or any other warranty relating to any materials marketed pursuant to  
3032 this Agreement; or any claim that any of them has violated any license, copyright, or other  
3033 limitation on CONTRACTOR'S use of computer software in connection with CONTRACTOR'S  
3034 performance of services under this Agreement; any claim that the Indemnitees have provided  
3035 CONTRACTOR a franchise for the Collection of MSW, Recyclables, Compostable Materials,  
3036 Bulky Goods and Construction and Demolition Debris which allegedly violates state or federal  
3037 law under then current judicial precedent; and any claim arising from DISTRICT'S performance  
3038 under this Agreement. Notwithstanding the foregoing, CONTRACTOR shall not be required to  
3039 indemnify the Indemnitees for: (i) claims resulting entirely from the acts or omissions of  
3040 independent (not affiliated with Contractor) third party owners or operators of facilities approved  
3041 by DISTRICT under this Agreement, where such third party acts or omissions are beyond  
3042 CONTRACTOR'S control; and (ii) third party claims based solely on CONTRACTOR'S delivery  
3043 of the de minimis amounts of materials excluded from the definition of Hazardous Waste under  
3044 this Agreement to a facility approved by the DISTRICT under this Agreement. Approval of  
3045 insurance coverage, or acceptance of work or services by the DISTRICT under this Agreement  
3046 does not relieve CONTRACTOR or its agents, subcontractors, directors, officers, employees, or  
3047 representatives of liability under this Section. Notwithstanding anything to the contrary in the



3048 foregoing provisions, the indemnity obligations of CONTRACTOR herein shall not in any way  
3049 extend to indemnifying and/or defending the DISTRICT or any other Indemnitees for any claim,  
3050 liability, damages, liens, penalties, or any costs or obligations whatsoever arising from, or  
3051 related to, the DISTRICT'S setting of rates or fees under this Agreement or in connection with  
3052 Proposition 218, Article XIIC and Article XIID of the California Constitution.

3053           27.02 Insurance. CONTRACTOR shall secure and maintain throughout the course of  
3054 the Agreement insurance against claims for injuries to persons or damages to property which  
3055 may arise from or in connection with the performance of the work hereunder by the  
3056 CONTRACTOR, its agents, representatives, employees or subcontractors.

3057           27.02.1           Comprehensive General Liability Insurance. CONTRACTOR, at its  
3058 own expense, shall maintain liability and property damage insurance for the period covered by  
3059 this Agreement in the amount of Five Million Dollars (\$5,000,000) per occurrence combined  
3060 single limit coverage. The scope of such coverage shall be at least as broad as Insurance  
3061 Services Office Commercial General Liability Coverage (occurrence form CG0001). The  
3062 DISTRICT may require increases in the amount of coverage on an annual basis proportionate to  
3063 inflation in the regional Consumer Price Index referenced in Exhibit 2 hereof. Such coverage  
3064 shall include, but not be limited to, protection against claims arising from: bodily and personal  
3065 injury, including death resulting therefrom; damage to property resulting from activities  
3066 contemplated under this Agreement; product liability; and claims relating to completed  
3067 operations. Any failure to comply with reporting or other provisions of the policies including  
3068 breaches of warranties, shall not affect coverage provided to the Insured Parties. The policy  
3069 shall stipulate that this insurance is primary insurance and that no other insurance carried by the  
3070 DISTRICT will be called upon to contribute to a loss suffered by CONTRACTOR hereunder. The  
3071 policy shall stipulate that this insurance shall apply separately to each of the Insured Parties  
3072 against whom a claim is made, except with respect to the limits of the insurer's liability. Such  
3073 insurance shall be with insurers and under forms of policies reasonably satisfactory in all  
3074 respects to the DISTRICT and shall provide that written notice must be given to the DISTRICT  
3075 thirty (30) days prior to policy cancellation by certified mail, return receipt requested.  
3076 CONTRACTOR shall notify the DISTRICT within ten (10) days of its knowledge of any material  
3077 change in coverage.

3078           27.02.2           Motor Vehicle Liability Insurance. CONTRACTOR, at its own  
3079 expense, shall maintain motor vehicle liability insurance for the period covered by this  
3080 Agreement in the amount of Five Million Dollars (\$5,000,000) per occurrence combined single  
3081 limit coverage for personal and bodily injury and property damage. The scope of such coverage  
3082 shall be at least as broad as Insurance Services Office form number CA 0001 Covering  
3083 Automobile Liability, Code (any auto). The DISTRICT may require increases in the amount of  
3084 coverage on an annual basis proportionate to inflation in the regional Consumer Price Index  
3085 referenced in Exhibit 2 hereof. Such insurance shall be with insurers and under forms of policies  
3086 reasonably satisfactory in all respects to the DISTRICT and shall provide that written notice  
3087 must be given to the DISTRICT thirty (30) days prior to policy cancellation by certified mail,  
3088 return receipt requested. CONTRACTOR shall notify the DISTRICT within ten (10) days of its  
3089 knowledge or any material change in coverage.

3090           27.02.3           Worker Compensation Insurance. CONTRACTOR at its own  
3091 expense, shall carry and maintain full Worker Compensation Insurance, as required by the

3092 California Labor Code and Employer’s Liability insurance with limits not less than Five Million  
3093 Dollars (\$5,000,000) for each employee per accident or disease. The scope of such coverage  
3094 shall be at least as broad as the Worker’s Compensation insurance required by the State of  
3095 California and Employer’s liability insurance. Such insurance shall be with insurers and under  
3096 forms of policies reasonably satisfactory in all respects to the DISTRICT, unless  
3097 CONTRACTOR is self-insured and complies with the requirements of Section 27.02.5. Such  
3098 policies shall provide that written notice must be given to the DISTRICT thirty (30) days prior to  
3099 cancellation by certified mail, return receipt requested. CONTRACTOR shall notify the  
3100 DISTRICT within ten (10) days of its knowledge of any actual or impending material change in  
3101 coverage under insurance policies or self-insurance programs.

3102                   27.02.4       Environmental Impairment Liability. CONTRACTOR, at its own  
3103 expense, shall carry and maintain environmental impairment liability insurance for the term,  
3104 including any extensions thereto, in the amount of Ten Million Dollars (\$10,000,000) per loss  
3105 and in annual aggregate, covering liability arising from the release of waste materials and/or  
3106 irritants, contaminants or pollutants. Such coverage shall, if commercially available, without  
3107 involvement of the DISTRICT, automatically broaden in its form of coverage to include  
3108 legislative changes in the definition of waste materials and/or irritants, contaminants or  
3109 pollutants. The policy shall stipulate this insurance is primary insurance and no other insurance  
3110 carried by the DISTRICT will be called upon to contribute to a loss suffered by CONTRACTOR  
3111 hereunder and waive subrogation against the DISTRICT and other additional insureds.

3112                   27.02.5       Other Insurance Provisions. The liability policies are to contain, or  
3113 be endorsed to contain, the following provisions:

3114                   27.02.5.1       The DISTRICT, its officers, officials, employees, agents  
3115 and volunteers are to be covered as respects: liability arising out of activities performed by or on  
3116 behalf of the CONTRACTOR, products and completed operations of the CONTRACTOR;  
3117 premises owned, occupied or used by the CONTRACTOR; or vehicles owned, leased, hired, or  
3118 borrowed by the CONTRACTOR. The coverage shall contain no special limitations on the scope  
3119 of protection afforded to the DISTRICT, its officers, officials, employee’s agents (including  
3120 attorneys and consultants) or volunteers.

3121                   27.02.5.2       For any claims related to this Agreement, the  
3122 CONTRACTOR’S insurance coverage shall be primary insurance as respects the DISTRICT, its  
3123 officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the  
3124 DISTRICT, its officers, officials, employees, agents, or volunteers shall be excess of the  
3125 CONTRACTOR’S insurance and shall not contribute with it.

3126                   27.02.5.3       Any failure to comply with reporting or other provisions of  
3127 the policies including breaches of warranties shall not affect coverage provided to the  
3128 DISTRICT, its officers, officials, employees, agents, or volunteers.

3129                   27.02.5.4       The CONTRACTOR’S insurance shall apply separately to  
3130 each insured against whom claim is made or suit is brought, except with respect to the limits of  
3131 the insurer’s liability. The CONTRACTOR shall monitor its insurance contracts and coverage at  
3132 all times to provide the minimum coverage specified by this Article.



3133                   27.02.5.5     Each insurance policy required by this Article shall be  
3134 occurrence based (except as provided in Section 27.02.5.10), shall be endorsed to state  
3135 coverage, and shall not be suspended, voided, canceled by either party, reduced in coverage or  
3136 in limits except after thirty (30) days' prior written notice by certified mail, return receipt  
3137 requested, has been given to the DISTRICT.

3138                   27.02.5.6     The DISTRICT, its officers, agents, and employees shall  
3139 be named as additional insured on all policies. In the event of cancellation, suspension, or  
3140 reduction of any coverage, thirty (30) days prior written notice thereof shall be given to the  
3141 DISTRICT. Notice shall be sent by certified mail to:

3142 General Manager  
3143 Castro Valley Sanitary District  
3144 21040 Marshall Street  
3145 Castro Valley, CA 94546

3146                   27.02.5.7     CONTRACTOR shall furnish the DISTRICT with original  
3147 certificates affecting coverage required by this clause. The certificates are to be signed by a  
3148 person authorized by that insurer to bind coverage on its behalf. All certificates are to be  
3149 received and approved by the DISTRICT before work commences. The insurance information  
3150 required by this provision shall be provided to the DISTRICT by April 15, 2009.

3151                   27.02.5.8     Insurance is to be placed with insurers with a current A.M.  
3152 Best's rating of no less than A:VII or a rating which is acceptable to the DISTRICT.

3153                   27.02.5.9     The CONTRACTOR and insurer agree to waive all rights  
3154 of subrogation against the DISTRICT for losses arising from work performed by CONTRACTOR  
3155 for DISTRICT. CONTRACTOR shall deliver the insurer's consent to such waiver within thirty  
3156 (30) days of the effective date of this Agreement.

3157                   27.02.5.10    The Comprehensive General Liability Insurance and  
3158 Automobile Liability insurance shall be written on an occurrence basis and kept in force during  
3159 the entire term of this Agreement; Environmental Impairment Liability is written on a claims-  
3160 made basis and shall be maintained through continuous renewals so as to provide the same  
3161 levels of coverage after the expiration of this Agreement as might be necessary to protect  
3162 DISTRICT from any and all liability during all applicable statutes of limitation which might apply  
3163 to claims of third parties arising out of the activities of CONTRACTOR during the term of this  
3164 Agreement. The deductibles or self-insured retention with respect to any Environmental  
3165 Impairment Liability Insurance, including any renewals as set forth herein, shall not exceed \$5  
3166 million.

3167                   27.02.5.11    CONTRACTOR shall comply with all requirements of the  
3168 insurers issuing policies. The carrying of insurance shall not relieve CONTRACTOR from any  
3169 obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-  
3170 insured reserves is made by any third person against CONTRACTOR or any subcontractor on  
3171 account of any occurrence related to this Agreement, CONTRACTOR shall promptly report the  
3172 facts in writing to the insurance carrier and to DISTRICT.

3173 27.03 Subcontractors. CONTRACTOR shall include subcontractors as insureds under  
3174 its policies or shall furnish separate certificates and endorsements for each subcontractor.  
3175 Coverage for subcontractors shall be subject to all requirements stated herein.

3176 27.04 Non-renewal or Cancellation. Upon notification of receipt by the DISTRICT of a  
3177 notice of cancellation, material change in coverage, or expiration of policy(ies), CONTRACTOR  
3178 shall file with the DISTRICT certificates for any policy(ies), satisfactory to the DISTRICT.

3179 27.05 Failure to Comply. If at any time during the term of the Agreement,  
3180 CONTRACTOR fails to comply with the provisions of Section 27.02, the DISTRICT may, in  
3181 addition to any other remedy available to DISTRICT, take out and maintain, at  
3182 CONTRACTOR'S expense, such insurance as the DISTRICT may deem proper and charge the  
3183 cost thereof to the CONTRACTOR.

3184 27.06 Deductibles and Self-Insured Retentions. Except as set forth in Section  
3185 27.02.5.10 above, any deductibles or self-insured retentions shall be for the account of the  
3186 CONTRACTOR and shall be the sole responsibility of CONTRACTOR.

3187 27.07 Performance Bond. The CONTRACTOR shall furnish a Performance Bond to  
3188 ensure performance of this Agreement and each and every condition of this Agreement in a  
3189 form acceptable to the DISTRICT no more than thirty (30) days after execution of this  
3190 Agreement. The Performance Bond shall be equal to Five Million Dollars (\$5,000,000) and  
3191 remain in force for the duration of this Agreement. The premium for the bond described above  
3192 shall be paid by the CONTRACTOR. The Surety or Sureties shall be a company or companies  
3193 satisfactory to the DISTRICT and shall be duly authorized to conduct business in the State of  
3194 California.

3195 **ARTICLE 28. DISTRICT Obligations**

3196 28.01 Adjustments and Approval of Rates. DISTRICT shall approve and authorize  
3197 CONTRACTOR to collect from Customers the service rates, in accordance with the provisions  
3198 of Article 12. DISTRICT shall approve adjustments to the service rates, as may be appropriate  
3199 from time to time, in accordance with the provisions of Article 12 of this Agreement.

3200 28.02 Defense of Franchise Rights. If necessary, the DISTRICT will exercise its powers  
3201 to prevent scavenging or other infringement by third parties of the rights granted to  
3202 CONTRACTOR under this Agreement that CONTRACTOR brings to the attention of DISTRICT;  
3203 provided, however, that CONTRACTOR shall, with counsel reasonably acceptable to the  
3204 DISTRICT, assume the prosecution (including all related costs) of any lawsuit necessary to  
3205 enforce such rights, and, if necessary, defend and indemnify the DISTRICT as specified in  
3206 Article 26 against any lawsuit or other action arising out of DISTRICT'S performance under this  
3207 Section. Any costs incurred shall not be eligible for extraordinary rate review.

3208 **ARTICLE 29. DISTRICT Right to Perform Service**

3209 29.01 Right to Perform. In the event CONTRACTOR, for any reason whatsoever, fails,  
3210 refuses, or is unable to Collect, transport, process, market or Dispose of any or all MSW,



3211 Recyclables, Compostable Materials, Bulky Goods and/or Construction and Demolition Debris  
3212 which is required by this Agreement, at the time and in the manner provided in this Agreement,  
3213 for a period of more than forty-eight (48) hours, and if, as a result thereof, MSW, Recyclables,  
3214 Compostable Materials, Bulky Goods and/or Construction and Demolition Debris should  
3215 accumulate in DISTRICT to such an extent, in such a manner, or for such a time that DISTRICT  
3216 should find that such accumulation endangers or menaces the public health, safety, or welfare  
3217 or upon CONTRACTOR default as set forth in Article 26, then DISTRICT shall have the right,  
3218 even if CONTRACTOR is not in breach of this Agreement, but not the obligation, upon twenty-  
3219 four (24) hours prior written notice to CONTRACTOR during the period of such emergency as  
3220 determined by DISTRICT, (i) to perform, or cause to be performed, such services itself with its  
3221 own or other personnel and equipment without liability to CONTRACTOR; and/or (ii) to take  
3222 possession of any or all of CONTRACTOR owned equipment or licensed equipment and utilize  
3223 other property owned by the CONTRACTOR used or useful in the Collection, transportation,  
3224 and Disposal of MSW, Recyclables, Compostable Materials, Bulky Goods and/or Construction  
3225 and Demolition Debris, and to use such property to Collect, transport, and dispose any MSW,  
3226 Recyclables, Compostable Materials, Bulky Goods and/or Construction and Demolition Debris  
3227 generated within DISTRICT which CONTRACTOR would otherwise be obligated to Collect,  
3228 transport, and properly dispose or process pursuant to this Agreement. In such an event,  
3229 CONTRACTOR shall immediately make available to DISTRICT a listing and description,  
3230 including street names, of Residential and Business service Collection routes.

3231           29.02 CONTRACTOR'S Notice. Notice of CONTRACTOR'S failure, refusal, or neglect  
3232 to Collect, transport, and properly dispose of process MSW, Recyclables, Compostable  
3233 Materials, Bulky Goods and/or Construction and Demolition Debris may be given orally by  
3234 telephone to CONTRACTOR at its principal office and shall be effective immediately. Written  
3235 confirmation of such oral notification shall be sent to CONTRACTOR within twenty-four (24)  
3236 hours of the oral notification.

3237           29.03 CONTRACTOR further agrees in such event:

3238                   29.03.1           It will take direction from DISTRICT to effect the transfer of  
3239 possession of equipment and property to DISTRICT for DISTRICT'S use.

3240                   29.03.2           It will, if DISTRICT so requests, keep in good repair and condition  
3241 all of such equipment, provide all MSW, Recyclables, Compostable Materials, Bulky Goods  
3242 and/or Construction and Demolition Debris with fuel, oil, and other service, and provide such  
3243 other service as may be necessary to maintain said property in operational condition.

3244                   29.03.3           Subject to any labor agreements then in effect, DISTRICT may  
3245 immediately engage all or any personnel necessary or useful for the Collection and  
3246 transportation of MSW, Recyclables, Compostable Materials, Bulky Goods and/or Construction  
3247 and Demolition Debris, including, if DISTRICT so desires, employees previously or then  
3248 employed by CONTRACTOR. CONTRACTOR further agrees, if DISTRICT so requests, to  
3249 furnish DISTRICT the services of any or all management or office personnel employed by  
3250 CONTRACTOR whose services are necessary or useful for MSW, Recyclables, Compostable  
3251 Materials, Bulky Goods and/or Construction and Demolition Debris Collection, transportation,  
3252 processing, and Disposal operations and for the billing and Collection of fees for these services.

3253                   29.03.4       DISTRICT agrees it assumes complete responsibility for the  
3254 proper and normal use of such equipment and facilities while in its possession.

3255                   29.03.5       If the interruption or discontinuance in service is caused by reason  
3256 of Force Majeure as described herein, DISTRICT shall pay to CONTRACTOR the reasonable  
3257 rental value of equipment, possession of which is taken by DISTRICT, for the period of  
3258 DISTRICT'S possession, if any, which extends beyond the period of time for which  
3259 CONTRACTOR has rendered bills in advance of service, for the class of service involved. In  
3260 any other circumstance where the DISTRICT provides service under this Article, the DISTRICT  
3261 shall have no liability to CONTRACTOR and DISTRICT will have all of the other remedies  
3262 available to it under this Agreement or by law.

3263                   29.04 Temporary Possession of CONTRACTOR'S Equipment and Personnel. If  
3264 DISTRICT suffers an interruption or discontinuance of service, DISTRICT may take possession  
3265 of and use all of CONTRACTOR'S equipment and personnel described above until other  
3266 suitable arrangements can be made for the provision of MSW, Recyclables, Compostable  
3267 Materials, Bulky Goods and/or Construction and Demolition Debris Collection services which  
3268 may include the grant of a franchise to another company.

3269                   29.05 Billing and Compensation to DISTRICT During DISTRICT'S Possession. During  
3270 such time DISTRICT is providing MSW, Recyclables, Compostable Materials, Bulky Goods  
3271 and/or Construction and Demolition Debris Collection services, as above provided,  
3272 CONTRACTOR shall bill and collect payment from all users of the above-mentioned services.  
3273 CONTRACTOR further agrees that, in such event, it shall reimburse DISTRICT for any and all  
3274 costs and expenses incurred by DISTRICT in taking over possession of the above-mentioned  
3275 equipment and property for MSW, Recyclables, Compostable Materials, Bulky Goods and/or  
3276 Construction and Demolition Debris Collection service in such manner and to an extent as  
3277 would otherwise be required of CONTRACTOR under the terms of this Agreement. Such  
3278 reimbursement shall be made from time to time after submission by DISTRICT to  
3279 CONTRACTOR of each statement listing such costs and expenses, but in no event later than  
3280 five (5) working days from and after each such submission.

3281                   29.06 DISTRICT'S Right to Relinquish Possession. It is further mutually agreed  
3282 DISTRICT may, at any time, at its discretion, relinquish possession of any or all of the above-  
3283 mentioned equipment or personnel to CONTRACTOR and thereupon demand CONTRACTOR  
3284 resume MSW, Recyclables, Compostable Materials, Bulky Goods and/or Construction and  
3285 Demolition Debris Collection services as provided in this Agreement, whereupon  
3286 CONTRACTOR shall be bound to resume the same.

3287                   29.07 DISTRICT'S Possession Not a Taking. DISTRICT'S exercise of its rights under  
3288 this Article (i) does not constitute a taking of private property for which compensation must be  
3289 paid; (ii) will not create any liability on the part of DISTRICT to CONTRACTOR; and (iii) does  
3290 not exempt CONTRACTOR from the indemnity provisions of this Agreement, which are meant  
3291 to extend to circumstances arising under this Section, provided CONTRACTOR is not required  
3292 to indemnify DISTRICT against claims and damages arising from the sole negligence of  
3293 DISTRICT, its elective and appointive boards, commissions, officers, employees, agents and



3294 volunteers in the operation of MSW, Recyclables, Compostable Materials, Bulky Goods and/or  
3295 Construction and Demolition Debris Collection vehicles during the time DISTRICT has taken  
3296 possession of such MSW, Recyclables, Compostable Materials, Bulky Goods and/or  
3297 Construction and Demolition Debris Collection vehicles.

3298           29.08 Duration of DISTRICT'S Possession. DISTRICT'S right pursuant to this Article to  
3299 retain temporary possession of CONTRACTOR'S facilities and equipment and to render  
3300 Collection services shall terminate when DISTRICT determines such services can be resumed  
3301 by CONTRACTOR, or when DISTRICT no longer reasonably requires such property or  
3302 equipment. In any case, DISTRICT has no obligation to maintain possession of  
3303 CONTRACTOR'S property or equipment and/or continue its use for any period of time and may  
3304 at any time, in its sole discretion, relinquish possession to CONTRACTOR.

3305                           **ARTICLE 30. Strikes and Similar Labor Actions**

3306           30.01 Strikes. In the event of a strike or similar labor action, but not including a lockout  
3307 as set forth in Section 30.02 below, whereby employees of CONTRACTOR refuse to perform  
3308 work for CONTRACTOR at normally anticipated levels or efficiency (a "Strike") which affects the  
3309 ability of the CONTRACTOR to provide Collection Services within the jurisdictional limits of  
3310 DISTRICT in accordance with this Agreement, the following guidelines shall apply:

3311                   30.01.1           In conjunction with the execution of this Agreement,  
3312 CONTRACTOR has discussed with DISTRICT a general contingency plan. From time to time  
3313 during the term of this Agreement, CONTRACTOR and DISTRICT shall meet to discuss  
3314 changes to the general contingency plan.

3315                   30.01.2           Within twelve (12) hours of notification to CONTRACTOR by labor  
3316 that it has authorized a strike, CONTRACTOR shall notify DISTRICT General Manager, by  
3317 phone and email.

3318                   30.01.3           Within three (3) Work days of a Strike, if CONTRACTOR is not  
3319 providing Collection Services in accordance with normal scheduled pick ups, CONTRACTOR  
3320 shall meet with DISTRICT and to develop a strike implementation plan.

3321                   30.01.4           Within five (5) Work Days of a strike, if CONTRACTOR is not  
3322 providing Collection Services in accordance with the normal schedules and volumes set forth in  
3323 this Agreement, or the schedules and volumes in the agreed-upon strike implementation plan, if  
3324 such plan has been agreed to by the DISTRICT, DISTRICT shall have the right, but not the  
3325 obligation, to bring in outside forces to provide Collection Services which are not being provided  
3326 by CONTRACTOR and charge CONTRACTOR for the reasonable direct and indirect expenses  
3327 (including administrative and overhead) incurred by DISTRICT in this regard.

3328                   30.01.5           Within ten (10) Work Days of a Strike, CONTRACTOR is to use  
3329 commercially reasonable efforts to bring in alternate work forces and provide Collection  
3330 Services in accordance with the normal schedules and volumes set forth in this Agreement, or  
3331 the schedules and volumes in the agreed-upon strike implementation plan, if such plan has  
3332 been agreed to by the DISTRICT. In this regard, DISTRICT is not to receive priority over other  
3333 governmental jurisdictions receiving services from CONTRACTOR and likewise affected by  
3334 such Strike, but other such jurisdictional limits are not to receive priority over DISTRICT with  
3335 regard to the promptness and/or quality of service provided to DISTRICT.

3336 30.01.5.1 In the event CONTRACTOR'S alternate work force is  
3337 unable to provide Collection Services in accordance with the normal schedules, volumes and  
3338 routing set forth in this Agreement, or the schedules, volumes and routing in the agreed-upon  
3339 strike implementation plan, if such plan has been agreed to by the DISTRICT, DISTRICT shall  
3340 have the right, but not the obligation, to bring in outside forces to provide Collection Services  
3341 which are not being provided by CONTRACTOR and charge CONTRACTOR for the reasonable  
3342 direct and indirect expenses (including administrative and overhead) incurred by DISTRICT in  
3343 this regard.

3344 30.01.6 In the event DISTRICT elects to retain its own work force as set  
3345 forth in Sections 30.01.4 and 30.01.5 above, DISTRICT shall discuss the alternatives with  
3346 CONTRACTOR before retaining such work force. Once the DISTRICT retains its own work  
3347 force, DISTRICT shall periodically, but not more often than weekly, invoice CONTRACTOR for  
3348 the reasonable direct and indirect expenses of retaining such outside services and  
3349 CONTRACTOR shall reimburse DISTRICT for such expenses within ten (10) calendar days of  
3350 invoice. DISTRICT shall have the right to charge CONTRACTOR interest on invoices which are  
3351 unpaid after ten (10) calendar days at the rate of one and one half (1.5%) percent per month.

3352 30.01.7 In the event of a strike, regardless of when and what level a  
3353 replacement work force is deployed by CONTRACTOR, CONTRACTOR shall not be subject to  
3354 liquidated damages for the first ten (10) Working Days following the actual strike. Thereafter,  
3355 liquidated damages shall be applied using a factor of eighty percent (80%) which shall be  
3356 applied as follows:

3357 30.01.7.1 In the event the application of the liquidated damage is  
3358 conditioned upon CONTRACTORS failure to complete a certain percentage of a task, that  
3359 percentage shall be multiplied by eighty percent (80%). (e.g. liquidated damage item m. in  
3360 Section 23.03, reads "failure or neglect to complete at least ninety percent (90%) of each route  
3361 on the regular scheduled Collection service work day." and results in a liquidated damage of  
3362 One Thousand dollars (\$1,000.00) for each route not completed. Application of the 80% factor  
3363 would result in a liquidated damage of One Thousand dollars (\$1,000.00) for "failure or neglect  
3364 to complete at least seventy-two percent (72%) of each route on a regular scheduled collection  
3365 service work day."

3366 30.01.7.2 In the event the application of the liquidated damage is  
3367 conditioned upon the number of times CONTRACTOR fails to perform or incorrectly performs a  
3368 task, that number shall be divided by eighty percent (80%) and rounded up to the nearest whole  
3369 number. (e.g. liquidated damage item cc. in Section 23.03, reads "failure to properly return  
3370 empty Carts or Bins to avoid pedestrian or vehicular traffic impediments or to place Carts  
3371 upright in excess of five (5) occurrences per quarter." and results in a liquidated damages of  
3372 One Hundred Fifty dollars (\$150.00) per incident per day. Application of the 80% factor would  
3373 result in a liquidated damage of One Hundred Fifty dollars (\$150.00) for "failure to properly  
3374 return empty Carts or Bins to avoid pedestrian or vehicular traffic impediments or to place Carts  
3375 upright in excess of seven (7) occurrences per quarter."



3376                           30.01.7.3       In the event the application of the liquidated damage is  
3377                           conditioned upon a single occurrence, the amount of the liquidated damage shall be multiplied  
3378                           by eighty percent (80%) and rounded up to the nearest whole number. (e.g. liquidated damage  
3379                           item a. in Section 23.03, reads "failure or neglect to resolve each complaint within the time set  
3380                           forth in this Agreement." and results in a liquidated damages of One Hundred (\$100.00) per  
3381                           incident per customer. Application of the 80% factor would result in a liquidated damage of  
3382                           Eighty dollars (\$80.00) for "failure or neglect to resolve each complaint within the time set forth  
3383                           in this Agreement."

3384                           30.01.8           In the event DISTRICT retains its own forces to provide full or  
3385                           partial Collection Service in accordance Sections 30.01.4 or 30.01.5 above, CONTRACTOR  
3386                           agrees that the materials Collected by those forces can be taken directly from DISTRICT to the  
3387                           landfill of CONTRACTOR at Altamont, California in the event the Davis Street Transfer Station  
3388                           owned by CONTRACTOR is not operational. In the event neither the CONTRACTOR'S Davis  
3389                           Street Transfer Station nor Altamont landfill are operational during the period of such strike  
3390                           CONTRACTOR agrees that the materials Collected by those forces retained by DISTRICT can  
3391                           be taken directly from DISTRICT to such other landfill and/or transfer station as selected by  
3392                           DISTRICT.

3393                           30.01.9           After thirty (30) days, if there is a continuing failure to perform  
3394                           Collection Services, such failure to perform shall be considered a default under Section 26.01  
3395                           and DISTRICT can cancel the existing Collection Agreement between DISTRICT and  
3396                           CONTRACTOR. In such an event, DISTRICT shall not waive its right to seek damages from  
3397                           CONTRACTOR for any increase in cost of Collection incurred by DISTRICT as a result of the  
3398                           breach of this Agreement by CONTRACTOR and the consequential election by DISTRICT to  
3399                           cancel such Agreement and move forward with alternate collection alternatives.

3400                           30.02 Lockout. The provisions of Section 30.01 shall not apply in the event of a lockout  
3401                           by CONTRACTOR. During such lockout period, CONTRACTOR shall be required to comply  
3402                           with all requirements of this Agreement and shall be subject to all provisions of this Agreement  
3403                           for non-compliance without exception and specifically including liquidated damages and default.

3404                           **ARTICLE 31. Transition to Next Contractor**

3405                           31.01 Transition. In the event CONTRACTOR is not awarded an Agreement to  
3406                           continue to provide Collection Services following the expiration or early termination of this  
3407                           Agreement, CONTRACTOR shall cooperate fully with DISTRICT and any subsequent  
3408                           contractors to assure a smooth transition of services described in this Agreement. Such  
3409                           cooperation shall include but not be limited to transfer of computer data, files and tapes;  
3410                           providing routing information, route maps, vehicle fleet information, and list of Residential and  
3411                           Business Customers; providing a complete inventory of all Carts and Bins; providing adequate  
3412                           labor and equipment to complete performance of all Collection Services required under this  
3413                           Agreement; taking all actions necessary to remove or, to the extent required under the terms of  
3414                           this Agreement, transfer ownership of Carts and Bins, as appropriate to DISTRICT; including  
3415                           transporting such containers to a location designated by the Contract Administrator;  
3416                           coordinating Collection of materials set out in new containers if new containers are provided for  
3417                           a subsequent Agreement and providing other reports and data required by this Agreement.

3418 **ARTICLE 32. General Requirements**

3419 32.01 Permits and Licenses. The CONTRACTOR shall obtain, at its own expense, all  
3420 applicable permits and licenses required by law or ordinance and maintain the same in full force  
3421 and effect.

3422 32.02 Successors and Assigns. This Agreement shall be binding upon the successors  
3423 and Assigns of the parties hereto, subject to the ability of the DISTRICT, in its sole discretion, to  
3424 terminate the Agreement as prescribed in Section 4.04 in the event of an Assignment by the  
3425 CONTRACTOR. CONTRACTOR may Assign its duties which are defined in this Agreement  
3426 only in accordance with procedures prescribed by DISTRICT in its sole discretion. Any attempt  
3427 by CONTRACTOR to Assign or delegate its duties in any other manner shall be void and have  
3428 no effect. The DISTRICT must provide written notice and a true copy of the Assignment to  
3429 CONTRACTOR in order to Assign or delegate the DISTRICT'S duties as defined in this  
3430 Agreement.

3431 32.03 Subcontractors.

3432 32.03.1 General. CONTRACTOR shall indemnify and hold harmless the  
3433 DISTRICT, its officers, employees, agents (including attorneys and consultants) and volunteers  
3434 for the acts and omissions of its subcontractors, and its subcontractors' officers, employees, and  
3435 agents in the same manner as the indemnification provided by CONTRACTOR in Article 27. No  
3436 provision of this Agreement, or of any subcontract, shall be construed as creating a contractual  
3437 relationship between the DISTRICT and a subcontractor, unless the DISTRICT accepts  
3438 Assignment of a subcontract pursuant to this Agreement.

3439 32.03.2 Approval. During the term of this Agreement, the DISTRICT shall  
3440 have the right to object to any or all subcontracts of all or part of CONTRACTOR'S duties as  
3441 defined in this Agreement. CONTRACTOR shall notify the DISTRICT of a proposed subcontract  
3442 no later than ninety (90) days prior to the date on which the proposed subcontract is to become  
3443 effective. Under no circumstances shall a subcontract to provide services under this Agreement  
3444 take effect without the express written consent of the DISTRICT, provided that the DISTRICT'S  
3445 consent shall not be withheld unreasonably, except that DISTRICT may withhold consent if such  
3446 subcontract would result in an increase in rates. In no way shall a subcontract, or the  
3447 DISTRICT'S approval of a subcontract, relieve CONTRACTOR of its duty to perform pursuant to  
3448 this Agreement.

3449 32.03.3 Subcontractor's Representations and Warranties. No less than  
3450 thirty (30) days before a subcontract entered to provide services under this Agreement becomes  
3451 effective, CONTRACTOR shall provide the DISTRICT a certificate, in a form acceptable to the  
3452 DISTRICT, bearing warranties and representations from that subcontractor that are substantially  
3453 similar to those warranties and representations made by CONTRACTOR under Article 2 of this  
3454 Agreement. Each subcontractor's activities must be covered fully by the Performance Bond  
3455 pursuant to the provisions of Article 27. Each subcontractor's activities must be covered  
3456 expressly and fully by CONTRACTOR'S insurance provided and maintained under Article 27 of  
3457 this Agreement.



3458                    32.03.4        Subcontractor's Duty to Comply with this Agreement and Other  
3459 Laws. Any subcontract entered to provide services under this Agreement shall be subject to the  
3460 provisions of this Agreement. Any such subcontract shall also be subject to any applicable  
3461 federal, state, and local laws.

3462                    32.04    Assignment of Subcontracts. Any subcontract entered into to provide services  
3463 under this Agreement shall contain a clause providing that if CONTRACTOR defaults on its  
3464 performance of the Agreement and the DISTRICT accepts assignment of the subcontract  
3465 pursuant to this Agreement, the subcontractor shall recognize the DISTRICT as Contractor. In  
3466 such event, the DISTRICT shall have all of the rights, remedies, and responsibilities of  
3467 CONTRACTOR under that subcontract. Upon DISTRICT'S determination that CONTRACTOR  
3468 has defaulted on its performance under this Agreement and written notice from the DISTRICT,  
3469 CONTRACTOR agrees to assign all of its rights in that subcontract to the DISTRICT.

3470                    32.05    Compliance with Laws and Regulations. CONTRACTOR hereby agrees to abide  
3471 with all applicable federal, state, and local laws, ordinances, and regulations. It is understood  
3472 the DISTRICT has ordinances for affecting a refuse control program. It is the responsibility of  
3473 the CONTRACTOR to become familiar with such ordinances, and it is understood, if any  
3474 provision of said ordinances are in conflict with the conditions of this Agreement, the ordinances  
3475 shall be the governing factor in regard to performance of the Agreement.

3476                    32.06    Nondiscrimination. CONTRACTOR hereby agrees to abide by all local, state and  
3477 federal laws and regulations pertaining to discrimination in employment including that no person  
3478 shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age  
3479 religion, political affiliations or any other non-merit based factors, be subject to discrimination  
3480 under this Agreement. Failure to abide by this provision shall be a breach of this Agreement  
3481 subject to the provisions of Article 26.

3482                    32.06.1        Treatment of Customers. In performing this Agreement,  
3483 CONTRACTOR shall be attentive to Customer needs, and shall not discriminate against  
3484 Customers or potential Customers because of age, ancestry, color, mental or physical disability,  
3485 marital status, national origin, race, religion, sex, sexual preference, HIV status, AIDS or AIDS-  
3486 related condition or medical condition.

3487                    32.06.2        Access to Records. CONTRACTOR shall permit access to its  
3488 records of employment, employment advertisements, application forms, and other pertinent data  
3489 or records relating to CONTRACTOR'S obligation under this Agreement, by the Fair  
3490 Employment Practices Commission, the DISTRICT or any appropriate employee, department,  
3491 or agent designated by the Fair Employment Practices Commission or by the DISTRICT  
3492 respectively, for the purpose of investigating Contractor's compliance with the California Fair  
3493 Employment Practices Act this Agreement.

3494                    32.07    Notices. Any and all notices to be given under this Agreement, or which any  
3495 party may desire to give to another, shall be in writing. Said notices shall be deemed to have  
3496 been duly given on the date of personal delivery to the other party's place of business as  
3497 designated below, as may be changed from time to time by written notice, or during regular  
3498 business hours on the date of facsimile to the parties specified below, or on the third day  
3499 following deposit in the mail in the County of Alameda, California, said deposit to be by  
3500 registered or certified mail, return receipt requested, postage prepaid, and addressed as set

3501 forth below. In the case of a notice of communication by facsimile, the facsimile shall be sent to  
3502 the number specified below and a written copy shall be mailed or personally delivered within  
3503 three (3) days of the transmittal of the facsimile.

3504                   32.07.1           If to CONTRACTOR, notices required to be given by DISTRICT to  
3505 CONTRACTOR will be deemed received by CONTRACTOR upon being deemed "delivered"  
3506 according to the provisions of this Section. Notice of Breach by DISTRICT to CONTRACTOR  
3507 arising out of the alleged failure, refusal, or neglect by CONTRACTOR to accept or dispose of  
3508 Franchised MSW, Recyclables, Compostable Materials, Bulky goods, and Construction and  
3509 Demolition Debris, may be given to CONTRACTOR orally or by telephone at the principal office  
3510 if confirmed in writing and delivered in person or by facsimile by noon the following day.

3511                   32.07.2           Notice to CONTRACTOR shall be addressed to the following  
3512 addresses, as indicated:

3513 District Manager  
3514 Waste Management of Alameda County Inc.  
3515 172 98<sup>th</sup> Street  
3516 Oakland, CA 54603  
3517 Telephone: (510) 613-2833  
3518 Facsimile: (510) 633-0106

3519 and

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3521 Vice President and Group General Council  
3522 Waste Management  
3523 7025 N. Scottsdale Road, #200  
3524 Scottsdale, AZ 85253  
3525 Telephone: (480) 624-8473  
3526 Facsimile: (832) 668-3141

3527                   32.07.3           If to DISTRICT, to the name and address shown in the space  
3528 provided at the end of this Agreement, with a copy to the person whose name and address also  
3529 so appears. A copy shall also be provided to:

3530 General Manager  
3531 Castro Valley Sanitary District  
3532 21040 Marshall Street  
3533 Castro Valley, CA 94546  
3534 Telephone: (510) 537-0757  
3535 Facsimile: (510) 537-1312

3536                   32.07.4           Either party may designate a different mailing address or a  
3537 different facsimile number or telephone number by providing written notice to the other party as  
3538 provided in this Section.



3539                    32.07.5            Notice by DISTRICT to CONTRACTOR of a missed pick-up or a  
3540 Customer problem or complaint may be given to CONTRACTOR orally, by telephone at  
3541 CONTRACTOR'S local office with written confirmation sent by facsimile or U.S. mail within  
3542 twenty-four (24) hours of the oral notification.

3543                    32.08 Severability. Should any article(s) or section(s), or any part thereof, later be  
3544 deemed unenforceable by a court of competent jurisdiction, the remainder of this Agreement  
3545 shall remain in full force and effect.

3546                    32.09 Conflicts of Interest. The CONTRACTOR covenants and declares it has no  
3547 conflicts of interest that would in any manner impair or affect CONTRACTOR'S ability to perform  
3548 under this Agreement.

3549                    32.10 Entire Agreement, Exhibits Included. This document incorporates and includes all  
3550 prior negotiations, correspondence, conversations, agreements, and understandings applicable  
3551 to the matters contained in this Agreement; and the parties agree that there are no  
3552 commitments, agreements, or understandings concerning the subject matter of this Agreement  
3553 that are not contained in this document or in the Disposal Service Agreement which is being  
3554 executed in conjunction with this document. Accordingly, it is agreed that no deviation from the  
3555 terms of this Agreement shall be predicated upon any prior representations or agreements,  
3556 whether oral or written. This Agreement and the exhibits attached, which are incorporated  
3557 herein and have the same effect as if they were part of the text hereof, represent the entire  
3558 agreement of DISTRICT and CONTRACTOR with respect to the services to be provided under  
3559 this Agreement. No prior written or oral statement or proposal shall alter any term or provision of  
3560 this Agreement. Except as provided in Article 21 no party shall be bound to any obligations,  
3561 conditions, or representations except as contained herein or as provided for above in this  
3562 paragraph unless agreed to by the parties in a written amendment of this Agreement.

3563                    32.11 Amendment or Rescission. Except as provided in Article 21 this Agreement may  
3564 be amended, modified, or rescinded only by a writing duly authorized by CONTRACTOR and  
3565 the DISTRICT and executed by their authorized representatives.

3566                    32.12 Applicable Law, Jurisdiction, and Attorney's Fees. This Agreement shall be  
3567 governed by, and construed in accordance with, the laws of the State of California, including  
3568 any regulation, ordinance, or other requirements of any governmental agency having jurisdiction  
3569 over the subject matter of this Agreement. The parties agree that any state court action relating  
3570 to this Agreement shall be instituted and prosecuted in the courts of Alameda County, State of  
3571 California. With respect to venue, the parties agree that this Agreement is made in and shall be  
3572 performed in Alameda County, California, and depositions of DISTRICT employees shall be  
3573 taken in Alameda County, unless another location is selected by consent of both parties. Each  
3574 party shall bear its own costs and attorneys' fees in connection with any formal or informal  
3575 proceeding concerning this Agreement.

3576                    32.13 CONTRACTOR Representative. CONTRACTOR shall, by the effective date of  
3577 this Agreement, designate in writing a responsible operations supervisor who shall have direct  
3578 operational authority and who shall serve as the representative of CONTRACTOR in all matters  
3579 related to the Agreement and shall inform DISTRICT in writing of such designation and of any  
3580 limitations upon his or her authority to bind CONTRACTOR. DISTRICT may rely upon action  
3581 taken by such designated representative as actions of CONTRACTOR unless they are outside

3582 the scope of the authority delegated to him/her by CONTRACTOR as communicated to  
3583 DISTRICT.

3584 32.14 Privacy. CONTRACTOR shall strictly observe and protect the rights of privacy of  
3585 Customers. Information identifying individual Customers or the composition or contents of a  
3586 Customer’s waste stream shall not be revealed to any Person, governmental unit, private  
3587 agency, or company, unless upon the authority of a court of law, by statute, or upon valid  
3588 authorization of the Customer. This provision shall not be construed to preclude CONTRACTOR  
3589 from preparing, participating in, or assisting in the preparation of waste characterization studies  
3590 or waste stream analyses which may be required by AB 939.

3591 32.15 Parties in Interest. Nothing in this Agreement, whether express or implied, is  
3592 intended to confer any rights on any persons other than the parties and their representatives,  
3593 successors, and permitted assigns.

3594 32.16 Advice of Counsel/Negotiated Agreement. Each of the parties has received the  
3595 advice of legal counsel prior to signing this Agreement. The parties agree no provision or  
3596 provisions may be subject to any rule of construction based upon any party being considered  
3597 the party “drafting” this Agreement.

3598 32.17 Interpretation. This Agreement shall be interpreted and construed reasonably in  
3599 light of the whole Agreement, and shall not be construed either strictly for or against either party,  
3600 regardless of the degree to which either party participated in its drafting.

3601 32.18 Headings. The section headings used in this Agreement are intended for  
3602 convenience and shall not be considered in determining the rights and obligations of the parties  
3603 to this Agreement.

3604 32.19 Waiver. Waiver of any term or condition contained in this Agreement by any party  
3605 to this Agreement shall be in writing and shall not be construed as a waiver of a subsequent  
3606 breach or failure of the same term or condition or a waiver of any other term or condition  
3607 contained in the Agreement. The subsequent acceptance by DISTRICT of any fee, tax, or any  
3608 other monies which become due from CONTRACTOR to DISTRICT shall not be deemed to be  
3609 a waiver by DISTRICT of any breach or violation of any term, covenant, or condition of this  
3610 Agreement.

3611 32.20 Provisions Which Survive Termination or Expiration of Agreement. The following  
3612 provisions of this Agreement shall survive the termination or expiration of the Agreement:

- 3613 32.20.1 Article 22 provisions regarding record keeping;
- 3614 32.20.2 Article 27 provisions dealing with insurance requirements which  
3615 extend beyond the termination or expiration of the Agreement and the Indemnification provision  
3616 of Article 27;
- 3617 32.20.3 Section 32.08; and
- 3618 32.20.4 Section 32.11.



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### **ARTICLE 33. Prevailing Wage**

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33.01 Pursuant to Section 1770, et seq., of the California Labor Code, the successful CONTRACTOR shall pay, and shall require all subcontractors to pay, not less than the prevailing rate of per diem wages as determined by the Director of California Department of Industrial Relations. To obtain information regarding the prevailing rate of per diem wages, the CONTRACTOR may contact the California Department of Industrial Relations. The DISTRICT does not have this information available.

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33.02 CONTRACTOR shall forfeit to the DISTRICT, as a penalty, Fifty Dollars (\$50.00) for each calendar day or portion thereof for each employee paid (either by the CONTRACTOR or any subcontractor retained by the CONTRACTOR) less than the prevailing rate set forth herein on the project, as provided for in this agreement, all in accordance with Section 1775 of the Labor Code.

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33.03 In the performance of this contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder, except as provided in the Labor Code or Collective Bargaining Agreement as applicable. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (Sections 1810 et seq.) of the Labor Code and the CONTRACTOR shall forfeit to the DISTRICT as penalty the sum of Twenty-Five Dollars (\$25.00) for each employee employed in the execution of this Agreement by the CONTRACTOR or any subcontractor retained by the CONTRACTOR for each calendar day during which any employee is required or permitted to labor more than eight (8) hours in violation of said Article.

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### **ARTICLE 34. Effective Date**

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This Agreement shall become effective at such time as it is properly executed by the DISTRICT and the CONTRACTOR and the CONTRACTOR shall begin Collection Services, as covered herein, as of May 1, 2009.



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# EXHIBITS

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**Exhibit 1 Approved Rates and Charges**  
**Castro Valley Sanitary District**  
(Disposal elements will change prior to 5/1/09)

<b>Form 1 MAXIMUM RATES SFD CART COLLECTION</b>					
<b>A. SFD CART COLLECTION SERVICE -- CURBSIDE</b>					
1	MSW Cart Sizes (gallons)	<b>20</b>	<b>32</b>	<b>64</b>	<b>96</b>
2	Monthly Per Unit Disposal Generation Factor	<u>.045</u>	<u>.072</u>	<u>.144</u>	<u>.216</u>
3	MSW Disposal Element (per ton disposal rate X the monthly disposal generation factor)	<u>3.27</u>	<u>5.23</u>	<u>10.47</u>	<u>15.70</u>
4	Monthly Per Unit Compostables Generation Factor	<u>.037</u>	<u>.037</u>	<u>.037</u>	<u>.037</u>
5	Compost Disposal Element (per ton composting rate X the monthly compost generation factor)	<u>2.02</u>	<u>2.02</u>	<u>2.02</u>	<u>2.02</u>
6	Collection Element	<u>11.07</u>	<u>18.11</u>	<u>31.56</u>	<u>45.03</u>
7	Franchise Fee Element (10%)	<u>1.82</u>	<u>2.82</u>	<u>4.89</u>	<u>6.97</u>
<b>8</b>	<b>MONTHLY SFD CURBSIDE COLLECTION RATE (Lines A3 + A5 + A6 + A7)</b>	<b><u>18.18</u></b>	<b><u>28.18</u></b>	<b><u>48.94</u></b>	<b><u>69.72</u></b>

<b>Form 1 MAXIMUM RATES SFD CART COLLECTION</b>					
<b>B. SFD CART COLLECTION SERVICE – BACKYARD SUBSCRIPTION</b>					
1	MSW Cart Sizes (gallons)	<b>20</b>	<b>32</b>	<b>64</b>	<b>96</b>
2	Backyard Collection Component (to be added to Collection Element on Line A6)	<u>15.00</u>	<u>15.00</u>	<u>24.00</u>	<u>35.00</u>
3	Franchise Fee Element (10%) (to be added to Franchise Fee Element on Line A7)	<u>1.67</u>	<u>1.67</u>	<u>2.67</u>	<u>3.89</u>
<b>8</b>	<b>ADDITIONAL RATE FOR MONTHLY SFD BACKYARD COLLECTION SERVICE (Lines B2 + B3 )</b>	<b><u>16.67</u></b>	<b><u>16.67</u></b>	<b><u>26.67</u></b>	<b><u>38.89</u></b>
<b>C. ADDITIONAL SERVICES (Note – for purposes of this proposal these additional service rates on lines C2 – C8 should not include franchise fees.)</b>					
1	MSW Cart Sizes (gallons)	<b>20</b>	<b>32</b>	<b>64</b>	<b>96</b>
2	Additional <b>Backyard</b> MSW Cart (added to Line A6)	<u>18.09</u>	<u>25.33</u>	<u>43.65</u>	<u>61.99</u>
3	Additional <b>Curbside</b> MSW Cart (added to Line A6)	<u>13.09</u>	<u>20.33</u>	<u>35.65</u>	<u>50.99</u>
4	Additional Cart Exchange	<u>\$50.00</u> Each additional cart/occurrence			



<b>Form 1 MAXIMUM RATES SFD CART COLLECTION</b>		
5	Additional Cart Replacement	<u>\$95.00</u> Each additional cart/occurrence
6	Additional Bulky Goods Collection	<u>\$50.00</u> Each cubic yard/occurrence
7	Bag-it-Bags	<u>\$5.25</u> Each bag
8	Paper Garden Bags	<u>\$5.25</u> Each bag
<b>D. TIP FEES AND FACILITIES</b>		
1	<u>\$72.72</u> /Ton MSW Disposal	<u>Davis Street Transfer Station</u>
2	<u>\$54.49</u> /Ton Composting	<u>Davis Street Transfer Station</u>

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<b>Form 2 MAXIMUM RATES MFD COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>A. COLLECTION RATES. Collection service rates for all container sizes up to and including 3 cubic yards include an equal amount of recycling service.</b>						
<b>20 Gallon</b>						
Collection	<u>11.07</u>	<u>22.14</u>	<u>33.21</u>	<u>44.28</u>	<u>55.35</u>	<u>66.42</u>
Disposal	<u>5.29</u>	<u>10.60</u>	<u>15.90</u>	<u>21.20</u>	<u>26.50</u>	<u>31.80</u>
Franchise Fee)	<u>1.82</u>	<u>3.64</u>	<u>5.46</u>	<u>7.28</u>	<u>9.10</u>	<u>10.92</u>
<b>TOTAL</b>	<b><u>18.18</u></b>	<b><u>36.36</u></b>	<b><u>54.54</u></b>	<b><u>72.72</u></b>	<b><u>90.90</u></b>	<b><u>109.08</u></b>
<b>32 Gallon</b>						
Collection	<u>18.11</u>	<u>36.22</u>	<u>54.33</u>	<u>72.44</u>	<u>90.55</u>	<u>108.66</u>
Disposal	<u>7.25</u>	<u>14.52</u>	<u>21.78</u>	<u>29.04</u>	<u>36.30</u>	<u>43.56</u>
Franchise Fee	<u>2.82</u>	<u>5.64</u>	<u>8.46</u>	<u>11.28</u>	<u>14.10</u>	<u>16.92</u>
<b>TOTAL</b>	<b><u>28.18</u></b>	<b><u>56.36</u></b>	<b><u>84.54</u></b>	<b><u>112.72</u></b>	<b><u>140.90</u></b>	<b><u>169.08</u></b>
<b>64 Gallon</b>						
Collection	<u>31.56</u>	<u>63.12</u>	<u>94.68</u>	<u>126.24</u>	<u>157.80</u>	<u>189.36</u>
Disposal	<u>12.49</u>	<u>25.02</u>	<u>37.53</u>	<u>50.04</u>	<u>62.55</u>	<u>75.06</u>
Franchise Fee	<u>4.89</u>	<u>9.78</u>	<u>14.67</u>	<u>19.56</u>	<u>24.45</u>	<u>29.34</u>
<b>TOTAL</b>	<b><u>48.94</u></b>	<b><u>97.88</u></b>	<b><u>146.82</u></b>	<b><u>195.76</u></b>	<b><u>244.70</u></b>	<b><u>293.64</u></b>

<b>Form 2</b> <b>MAXIMUM RATES</b> <b>MFD COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>96 Gallon</b>						
Collection	<u>45.03</u>	<u>90.06</u>	<u>135.09</u>	<u>180.12</u>	<u>225.15</u>	<u>270.18</u>
Disposal	<u>17.72</u>	<u>35.50</u>	<u>53.25</u>	<u>71.00</u>	<u>88.75</u>	<u>106.50</u>
Franchise Fee	<u>6.97</u>	<u>13.94</u>	<u>20.91</u>	<u>27.88</u>	<u>34.85</u>	<u>41.82</u>
<b>TOTAL</b>	<b><u>69.72</u></b>	<b><u>139.44</u></b>	<b><u>209.16</u></b>	<b><u>278.88</u></b>	<b><u>348.60</u></b>	<b><u>418.32</u></b>
<b>1 CY</b>						
Collection	<u>160.50</u>	<u>320.93</u>	<u>481.51</u>	<u>642.01</u>	<u>694.29</u>	<u>833.12</u>
Disposal	<u>19.18</u>	<u>38.37</u>	<u>57.55</u>	<u>76.75</u>	<u>95.93</u>	<u>115.12</u>
Franchise Fee	<u>19.97</u>	<u>39.93</u>	<u>59.90</u>	<u>79.86</u>	<u>87.80</u>	<u>105.36</u>
<b>TOTAL</b>	<b><u>199.65</u></b>	<b><u>399.23</u></b>	<b><u>598.96</u></b>	<b><u>798.62</u></b>	<b><u>878.02</u></b>	<b><u>1053.60</u></b>
<b>1.5 CY</b>						
Collection	<u>227.46</u>	<u>432.12</u>	<u>636.86</u>	<u>841.56</u>	<u>991.99</u>	<u>1186.00</u>
Disposal	<u>28.78</u>	<u>59.56</u>	<u>86.34</u>	<u>115.12</u>	<u>143.90</u>	<u>172.68</u>
Franchise Fee	<u>28.47</u>	<u>54.41</u>	<u>80.36</u>	<u>106.30</u>	<u>126.21</u>	<u>150.96</u>
<b>TOTAL</b>	<b><u>284.71</u></b>	<b><u>544.09</u></b>	<b><u>803.56</u></b>	<b><u>1062.98</u></b>	<b><u>1262.10</u></b>	<b><u>1509.64</u></b>
<b>2 CY</b>						
Collection	<u>294.42</u>	<u>543.30</u>	<u>792.22</u>	<u>1041.11</u>	<u>1289.70</u>	<u>1538.88</u>



<b>Form 2 MAXIMUM RATES MFD COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
Disposal	<u>38.37</u>	<u>76.75</u>	<u>115.11</u>	<u>153.49</u>	<u>191.86</u>	<u>230.23</u>
Franchise Fee	<u>36.98</u>	<u>68.90</u>	<u>100.82</u>	<u>132.73</u>	<u>164.62</u>	<u>196.57</u>
<b>TOTAL</b>	<b><u>369.77</u></b>	<b><u>688.95</u></b>	<b><u>1008.15</u></b>	<b><u>1327.33</u></b>	<b><u>1646.18</u></b>	<b><u>1965.68</u></b>
<b>3 CY</b>						
Collection	<u>420.92</u>	<u>794.25</u>	<u>1167.60</u>	<u>1540.91</u>	<u>1912.55</u>	<u>2287.59</u>
Disposal	<u>57.56</u>	<u>115.12</u>	<u>172.68</u>	<u>230.24</u>	<u>287.79</u>	<u>345.35</u>
Franchise Fee	<u>53.16</u>	<u>101.04</u>	<u>148.92</u>	<u>196.79</u>	<u>244.48</u>	<u>292.55</u>
<b>TOTAL</b>	<b><u>531.64</u></b>	<b><u>1010.41</u></b>	<b><u>1489.20</u></b>	<b><u>1967.94</u></b>	<b><u>2444.82</u></b>	<b><u>2925.49</u></b>
<b>4 CY</b>						
Collection	<u>325.38</u>	<u>614.01</u>	<u>902.62</u>	<u>1191.26</u>	<u>1479.80</u>	<u>1767.12</u>
Disposal	<u>76.75</u>	<u>153.49</u>	<u>230.24</u>	<u>306.98</u>	<u>383.72</u>	<u>461.36</u>
Franchise Fee	<u>44.68</u>	<u>85.28</u>	<u>125.87</u>	<u>166.47</u>	<u>207.06</u>	<u>247.61</u>
<b>TOTAL</b>	<b><u>446.81</u></b>	<b><u>852.78</u></b>	<b><u>1258.73</u></b>	<b><u>1664.71</u></b>	<b><u>2070.58</u></b>	<b><u>2476.09</u></b>
<b>6 CY</b>						
Collection	<u>476.02</u>	<u>908.93</u>	<u>1341.76</u>	<u>1774.74</u>	<u>2201.21</u>	<u>2632.67</u>
Disposal	<u>115.12</u>	<u>230.24</u>	<u>345.35</u>	<u>460.47</u>	<u>575.59</u>	<u>690.71</u>
Franchise Fee	<u>65.68</u>	<u>126.58</u>	<u>187.46</u>	<u>248.36</u>	<u>308.53</u>	<u>369.26</u>
<b>TOTAL</b>	<b><u>656.82</u></b>	<b><u>1265.75</u></b>	<b><u>1874.57</u></b>	<b><u>2483.57</u></b>	<b><u>3085.33</u></b>	<b><u>3692.64</u></b>

<b>Form 2</b> <b>MAXIMUM RATES</b> <b>MFD COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>10 CY Box</b>						
Collection	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>20 CY Box</b>						
Collection	<u>247.01</u>	<u>494.02</u>	<u>741.03</u>	<u>988.04</u>	<u>1235.05</u>	<u>1482.06</u>
<b>30 CY Box</b>						
Collection	<u>421.41</u>	<u>842.82</u>	<u>1264.23</u>	<u>1685.64</u>	<u>2107.05</u>	<u>2528.46</u>
<b>40 CY Box</b>						
Collection	<u>561.79</u>	<u>1123.58</u>	<u>1685.37</u>	<u>2247.16</u>	<u>2808.95</u>	<u>3370.74</u>
<b>Compactor 20 CY</b>						
Collection	<u>493.92</u>	<u>987.84</u>	<u>1481.76</u>	<u>1975.68</u>	<u>2469.60</u>	<u>2963.52</u>
<b>B. ADDITIONAL SERVICES (Note –these additional service rates on lines B1 – B8 do not include franchise fees.)</b>						
1. Push Rates	0-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	N/C	<u>285.00</u>	<u>430.00</u>	<u>575.00</u>	<u>720.00</u>	<u>900.00</u>
2. Cart or	<b>Each Occurrence</b>					



<b>Form 2 MAXIMUM RATES</b>						
<b>MFD COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>Bin Cleaning</b>	Cart	<u>50.00</u>	1 – 4 CY Bin Size	<u>100.00</u>	5+ CY Bin Size	<u>100.00</u>
<b>3. Additional Bin Exchange</b>			<u>\$100.00</u>		each additional cart/occurrence	
<b>4. Additional Bin Replacement</b>			<u>\$600.00</u>			
<b>5. Additional Cart Exchange</b>			<u>\$50.00</u>			
<b>6. Additional Cart Replacement</b>			<u>\$50.00</u>			
<b>7. Additional Bulky Goods Collection</b>			<u>\$50.00</u>		per cubic yard	
<b>8. Bin Overage Rate (over the “water line”)</b>			<u>\$50.00</u>		Each bin/occurrence	
<b>C. TIP FEES AND GENERATION FACTORS</b>						
MFD Disposal Charge Per Ton	<u>\$72.72</u>		MFD Disposal Site		<u>Davis St. Transfer Station</u>	
MFD Cart Weight Per Cubic Yard Conversion Factor	<u>431.8</u>		MFD Bin Weight Per Cubic Yard Conversion Factor		<u>527.8</u>	
MFD Composting Charge Per Ton	<u>\$54.49</u>		MFD Composting Site		<u>Davis St. Transfer Station</u>	
MFD Cart Composting Weight Per Cubic Yard Conversion Factor	<u>433.1</u>		MFD Bin Weight Per Cubic Yard Conversion Factor		<u>527.6</u>	
<b>Notes:</b>						

<b>Form 2 MAXIMUM RATES</b>						
<b>MFD COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<p><sup>1</sup> All 10, 20, 30, 40 CY boxes and compactors are pull rates only; disposal will be based on actual disposal costs, and the Franchise Fee will be 10% of the gross revenue per box (including collection and disposal). The total customer rate will be the total cost for the collection, disposal and the franchise fee.</p>						

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<b>Form 3 MAXIMUM RATES BUSINESS COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. COLLECTION RATES</b> collection service rates for all container sizes up to and including 3 Cu. Yd. include an equal amount of recycling service.						
<b>20 Gallon</b>	Collection Service rates include up to 20 Gallons of Recycling Services.					
Collection	<u>12.19</u>	<u>24.38</u>	<u>36.57</u>	<u>48.76</u>	<u>60.95</u>	<u>73.14</u>
Disposal	<u>3.27</u>	<u>6.54</u>	<u>9.81</u>	<u>13.08</u>	<u>16.35</u>	<u>19.62</u>
Franchise Fee	<u>1.72</u>	<u>3.44</u>	<u>5.16</u>	<u>6.88</u>	<u>8.60</u>	<u>10.32</u>
<b>TOTAL</b>	<b><u>17.18</u></b>	<b><u>34.36</u></b>	<b><u>51.54</u></b>	<b><u>68.72</u></b>	<b><u>85.90</u></b>	<b><u>103.08</u></b>
<b>32 Gallon</b>	Collection Service rates include up to 32 Gallons of Recycling Services.					
Collection	<u>20.55</u>	<u>41.10</u>	<u>61.65</u>	<u>82.20</u>	<u>102.75</u>	<u>123.30</u>
Disposal	<u>5.23</u>	<u>10.46</u>	<u>15.69</u>	<u>20.92</u>	<u>26.15</u>	<u>31.38</u>
Franchise Fee	<u>2.86</u>	<u>5.72</u>	<u>8.58</u>	<u>11.44</u>	<u>14.30</u>	<u>17.16</u>
<b>TOTAL</b>	<b><u>28.64</u></b>	<b><u>57.28</u></b>	<b><u>85.92</u></b>	<b><u>114.56</u></b>	<b><u>143.20</u></b>	<b><u>171.84</u></b>
<b>64 Gallon</b>	Collection Service rates include up to 64 Gallons of Recycling Services.					
Collection	<u>33.08</u>	<u>66.16</u>	<u>99.24</u>	<u>132.32</u>	<u>165.40</u>	<u>198.48</u>
Disposal	<u>10.47</u>	<u>20.94</u>	<u>31.41</u>	<u>41.88</u>	<u>52.35</u>	<u>62.82</u>
Franchise Fee	<u>4.84</u>	<u>9.68</u>	<u>14.52</u>	<u>19.36</u>	<u>24.20</u>	<u>29.04</u>
<b>TOTAL</b>	<b><u>48.39</u></b>	<b><u>96.78</u></b>	<b><u>145.17</u></b>	<b><u>193.56</u></b>	<b><u>241.95</u></b>	<b><u>290.34</u></b>



<b>Form 3 MAXIMUM RATES BUSINESS COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>96 Gallon</b>	<b>Collection Service rates include up to 96 Gallons of Recycling Services.</b>					
Collection	<u>48.11</u>	<u>96.22</u>	<u>144.33</u>	<u>192.44</u>	<u>240.55</u>	<u>288.66</u>
Disposal	<u>15.70</u>	<u>31.40</u>	<u>47.10</u>	<u>62.80</u>	<u>78.50</u>	<u>94.20</u>
Franchise Fee	<u>7.09</u>	<u>14.18</u>	<u>21.27</u>	<u>28.36</u>	<u>35.45</u>	<u>42.54</u>
<b>TOTAL</b>	<b><u>70.90</u></b>	<b><u>141.80</u></b>	<b><u>212.70</u></b>	<b><u>283.60</u></b>	<b><u>354.50</u></b>	<b><u>425.40</u></b>
<b>1 CY</b>	<b>Collection Service rates include up to 1 Cu. Yd. of Recycling Services.</b>					
Collection	<u>160.46</u>	<u>320.86</u>	<u>481.39</u>	<u>641.87</u>	<u>694.10</u>	<u>832.90</u>
Disposal	<u>19.22</u>	<u>38.45</u>	<u>57.67</u>	<u>76.89</u>	<u>96.12</u>	<u>115.34</u>
Franchise Fee	<u>19.97</u>	<u>39.92</u>	<u>59.90</u>	<u>79.86</u>	<u>87.80</u>	<u>105.36</u>
<b>TOTAL</b>	<b><u>199.65</u></b>	<b><u>399.23</u></b>	<b><u>598.96</u></b>	<b><u>798.62</u></b>	<b><u>878.02</u></b>	<b><u>1053.60</u></b>
<b>1.5 CY</b>	<b>Collection Service rates include up to 1.5 Cu. Yd. of Recycling Services.</b>					
Collection	<u>227.46</u>	<u>432.12</u>	<u>636.86</u>	<u>841.56</u>	<u>991.99</u>	<u>1186.00</u>
Disposal	<u>28.78</u>	<u>57.56</u>	<u>86.34</u>	<u>115.12</u>	<u>143.90</u>	<u>172.68</u>
Franchise Fee	<u>28.47</u>	<u>54.41</u>	<u>80.36</u>	<u>106.30</u>	<u>126.21</u>	<u>150.96</u>
<b>TOTAL</b>	<b><u>284.71</u></b>	<b><u>544.09</u></b>	<b><u>803.56</u></b>	<b><u>1062.98</u></b>	<b><u>1262.10</u></b>	<b><u>1509.64</u></b>
<b>2 CY</b>	<b>Collection Service rates include up to 2 Cu. Yd. of Recycling Services.</b>					
Collection	<u>294.44</u>	<u>543.16</u>	<u>792.00</u>	<u>1040.81</u>	<u>1289.33</u>	<u>1538.43</u>
Disposal	<u>38.45</u>	<u>76.89</u>	<u>115.33</u>	<u>153.79</u>	<u>192.23</u>	<u>230.68</u>

<b>Form 3 MAXIMUM RATES BUSINESS COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
Franchise Fee	<u>36.98</u>	<u>68.90</u>	<u>100.82</u>	<u>132.73</u>	<u>164.62</u>	<u>196.57</u>
<b>TOTAL</b>	<b><u>369.87</u></b>	<b><u>688.95</u></b>	<b><u>1008.15</u></b>	<b><u>1327.33</u></b>	<b><u>1646.18</u></b>	<b><u>1965.68</u></b>
<b>3 CY</b>	<b>Collection Service rates include up to 3 Cu. Yd. of Recycling Services.</b>					
Collection	<u>420.51</u>	<u>794.03</u>	<u>1167.27</u>	<u>1540.49</u>	<u>1911.99</u>	<u>2286.92</u>
Disposal	<u>57.67</u>	<u>115.34</u>	<u>173.01</u>	<u>230.66</u>	<u>288.35</u>	<u>346.02</u>
Franchise Fee	<u>53.16</u>	<u>101.04</u>	<u>148.92</u>	<u>196.79</u>	<u>244.48</u>	<u>292.55</u>
<b>TOTAL</b>	<b><u>531.34</u></b>	<b><u>1010.41</u></b>	<b><u>1489.20</u></b>	<b><u>1967.94</u></b>	<b><u>2444.82</u></b>	<b><u>2925.49</u></b>
<b>4 CY</b>	<b>4 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>325.24</u>	<u>613.71</u>	<u>902.18</u>	<u>1190.67</u>	<u>1479.06</u>	<u>1767.12</u>
Disposal	<u>76.89</u>	<u>153.79</u>	<u>230.68</u>	<u>307.57</u>	<u>384.46</u>	<u>461.36</u>
Franchise Fee	<u>44.68</u>	<u>85.28</u>	<u>125.87</u>	<u>166.47</u>	<u>207.06</u>	<u>247.61</u>
<b>TOTAL</b>	<b><u>446.81</u></b>	<b><u>852.78</u></b>	<b><u>1258.73</u></b>	<b><u>1664.71</u></b>	<b><u>2070.58</u></b>	<b><u>2476.09</u></b>
<b>6 CY</b>	<b>6 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>475.80</u>	<u>908.49</u>	<u>1341.21</u>	<u>1773.85</u>	<u>2200.10</u>	<u>2631.34</u>
Disposal	<u>115.34</u>	<u>230.68</u>	<u>346.02</u>	<u>461.36</u>	<u>576.70</u>	<u>692.04</u>
Franchise Fee	<u>65.68</u>	<u>126.58</u>	<u>187.47</u>	<u>248.36</u>	<u>308.53</u>	<u>369.26</u>
<b>TOTAL</b>	<b><u>656.82</u></b>	<b><u>1265.75</u></b>	<b><u>1874.70</u></b>	<b><u>2483.57</u></b>	<b><u>3085.33</u></b>	<b><u>3692.64</u></b>



<b>Form 3 MAXIMUM RATES</b>						
<b>BUSINESS COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>10 CY Box</b>	<b>10 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>20 CY Box</b>	<b>20 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>247.01</u>	<u>494.02</u>	<u>741.03</u>	<u>988.04</u>	<u>1235.05</u>	<u>1482.06</u>
<b>30 CY Box</b>	<b>30 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>421.41</u>	<u>842.82</u>	<u>1264.23</u>	<u>1685.64</u>	<u>2107.05</u>	<u>2528.46</u>
<b>40 CY Box</b>	<b>40 CY Collection Service rates do not include Recycling Services.</b>					
Collection	<u>561.79</u>	<u>1123.58</u>	<u>1685.37</u>	<u>2247.16</u>	<u>2808.95</u>	<u>3370.74</u>
<b>Compactor 20 CY</b>	<b>Compactor Collection Service rates do not include Recycling Services.</b>					
Collection	<u>493.92</u>	<u>987.84</u>	<u>1481.76</u>	<u>1975.68</u>	<u>2469.60</u>	<u>2963.52</u>
<b>B. ADDITIONAL SERVICES (Note –the additional service rates on lines B1 – B7 do not include franchise fees.)</b>						
<b>1. Push Rates</b>	0-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	N/C	<u>285.00</u>	<u>430.00</u>	<u>575.00</u>	<u>720.00</u>	<u>900.00</u>
<b>2. Cart or</b>	<b>Each Occurrence</b>					

<b>Form 3 MAXIMUM RATES</b>						
<b>BUSINESS COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>Bin Cleaning</b>	Cart	<u>50.00</u>	1 – 4 CY Bin Size	<u>100.00</u>	5+ CY Bin Size	<u>100.00</u>
<b>3. Additional Bin Exchange</b>				<u>\$100.00</u>	each additional cart/occurrence	
<b>4. Additional Bin Replacement</b>				<u>\$600.00</u>		
<b>5. Additional Cart Exchange</b>				<u>\$50.00</u>		
<b>6. Additional Cart Replacement</b>				<u>\$95.00</u>		
<b>7. Bin Overage Rate (over the “water line”)</b>				<u>\$50.00</u>	Each bin/occurrence	
<b>8. Excess District Clean-up Service Collection (Disposal to be based on actual cost.)</b>				<u>\$50.00</u>	Per Cubic Yard	
<b>C. TIP FEES AND GENERATION FACTORS</b>						
Commercial Disposal Charge Per Ton		<u>\$72.72</u>	Commercial Disposal Site		<u>Davis St. Transfer Station</u>	
Commercial Cart Weight Per Cubic Yard Conversion Factor		<u>431.8</u>	Commercial Bin Weight Per Cubic Yard Conversion Factor		<u>527.8</u>	
<b>Notes:</b>						
<sup>1</sup> All 10, 20, 30, 40 CY boxes and compactors are pull rates only; disposal will be based on actual disposal costs, and the Franchise Fee will be 10% of the gross revenue per box (including collection and disposal). The total customer rate will be the total cost for the collection, disposal and the franchise fee.						

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<b>Form 4 MAXIMUM RATES</b>						
<b>BUSINESS RECYCLING COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>A. COLLECTION RATES</b>						
<b>4 CY</b>						
<b>Collection</b>	<u>279.84</u>	<u>521.40</u>	<u>762.98</u>	<u>1004.54</u>	<u>1247.92</u>	<u>1487.66</u>
<b>Franchise Fee</b>	<u>31.10</u>	<u>57.94</u>	<u>84.78</u>	<u>111.62</u>	<u>138.66</u>	<u>165.30</u>
<b>TOTAL</b>	<u><b>310.94</b></u>	<u><b>579.34</b></u>	<u><b>847.76</b></u>	<u><b>1116.16</b></u>	<u><b>1386.62</b></u>	<u><b>1652.96</b></u>
<b>6 CY</b>						
<b>Collection</b>	<u>402.36</u>	<u>764.70</u>	<u>1127.06</u>	<u>1489.38</u>	<u>1854.10</u>	<u>2214.08</u>
<b>Franchise Fee</b>	<u>44.70</u>	<u>84.96</u>	<u>125.22</u>	<u>165.48</u>	<u>206.02</u>	<u>246.00</u>
<b>TOTAL</b>	<u><b>447.06</b></u>	<u><b>849.66</b></u>	<u><b>1252.28</b></u>	<u><b>1654.86</b></u>	<u><b>2060.12</b></u>	<u><b>2460.08</b></u>
<b>10 CY Box</b>						
<b>Collection</b>	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>Franchise Fee</b>	<u>19.86</u>	<u>39.72</u>	<u>59.58</u>	<u>79.44</u>	<u>99.30</u>	<u>119.16</u>
<b>TOTAL</b>	<u><b>198.58</b></u>	<u><b>397.16</b></u>	<u><b>595.74</b></u>	<u><b>794.32</b></u>	<u><b>992.90</b></u>	<u><b>1191.48</b></u>
<b>20 CY Box</b>						
<b>Collection</b>	<u>247.01</u>	<u>494.02</u>	<u>741.03</u>	<u>988.04</u>	<u>1235.05</u>	<u>1482.06</u>



<b>Form 4 MAXIMUM RATES BUSINESS RECYCLING COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
Franchise Fee	<u>27.45</u>	<u>54.90</u>	<u>82.35</u>	<u>109.80</u>	<u>137.25</u>	<u>164.70</u>
<b>TOTAL</b>	<b><u>274.46</u></b>	<b><u>548.92</u></b>	<b><u>823.38</u></b>	<b><u>1097.84</u></b>	<b><u>1372.30</u></b>	<b><u>1646.76</u></b>
<b>30 CY Box</b>						
Collection	<u>421.41</u>	<u>842.82</u>	<u>1264.23</u>	<u>1685.64</u>	<u>2107.05</u>	<u>2528.46</u>
Franchise Fee	<u>46.82</u>	<u>93.64</u>	<u>140.46</u>	<u>187.28</u>	<u>234.10</u>	<u>280.92</u>
<b>TOTAL</b>	<b><u>468.23</u></b>	<b><u>936.46</u></b>	<b><u>1404.46</u></b>	<b><u>1872.69</u></b>	<b><u>2341.15</u></b>	<b><u>2809.38</u></b>
<b>40 CY Box</b>						
Collection	<u>561.79</u>	<u>1123.58</u>	<u>1685.37</u>	<u>2247.16</u>	<u>2808.95</u>	<u>3370.74</u>
Franchise Fee	<u>62.42</u>	<u>124.84</u>	<u>187.26</u>	<u>249.68</u>	<u>312.10</u>	<u>374.52</u>
<b>TOTAL</b>	<b><u>624.21</u></b>	<b><u>1248.42</u></b>	<b><u>1872.63</u></b>	<b><u>2496.84</u></b>	<b><u>3121.05</u></b>	<b><u>3745.26</u></b>
<b>Compactor 20 CY</b>						
Collection	<u>493.92</u>	<u>987.84</u>	<u>1481.76</u>	<u>1975.68</u>	<u>2469.60</u>	<u>2963.52</u>
Franchise Fee	<u>54.80</u>	<u>109.60</u>	<u>164.40</u>	<u>219.20</u>	<u>274.00</u>	<u>328.80</u>
<b>TOTAL</b>	<b><u>548.72</u></b>	<b><u>1097.44</u></b>	<b><u>1646.16</u></b>	<b><u>2194.16</u></b>	<b><u>2743.60</u></b>	<b><u>3292.32</u></b>
<b>B. ADDITIONAL SERVICES (Note –additional service rates on lines B1 – B7 do not include franchise fees.)</b>						

<b>Form 4 MAXIMUM RATES BUSINESS RECYCLING COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>1. Push Rates</b>	0-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	N/C	<u>285.00</u>	<u>430.00</u>	<u>575.00</u>	<u>720.00</u>	<u>900.00</u>
<b>2. Cart or Bin Cleaning</b>	<b>Each Occurrence</b>					
	Cart	<u>50.00</u>	1 – 4 CY Bin Size	<u>100.00</u>	5+ CY Bin Size	<u>100.00</u>
<b>3. Additional Bin Exchange</b>			<u>\$100.00</u>		each additional cart/occurrence	
<b>4. Additional Bin Replacement</b>			<u>\$600.00</u>			
<b>5. Bin Overage Rate (over the “water line”)</b>			<u>\$50.00</u>		Each bin/occurrence	

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<b>Form 5</b> <b>MAXIMUM RATES</b> <b>BUSINESS ORGANIC COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. COLLECTION RATES</b>						
<b>20 Gallon</b>						
Collection	<u>7.67</u>	<u>15.34</u>	<u>23.01</u>	<u>30.68</u>	<u>38.35</u>	<u>46.02</u>
Composting	<u>3.93</u>	<u>7.86</u>	<u>11.79</u>	<u>15.72</u>	<u>19.65</u>	<u>23.58</u>
Franchise Fee	<u>1.29</u>	<u>2.58</u>	<u>3.87</u>	<u>5.16</u>	<u>6.45</u>	<u>7.74</u>
<b>TOTAL</b>	<b><u>12.89</u></b>	<b><u>25.78</u></b>	<b><u>38.67</u></b>	<b><u>51.56</u></b>	<b><u>64.45</u></b>	<b><u>77.34</u></b>
<b>32 Gallon</b>						
Collection	<u>13.04</u>	<u>26.08</u>	<u>39.12</u>	<u>52.16</u>	<u>65.20</u>	<u>78.24</u>
Composting	<u>6.29</u>	<u>12.58</u>	<u>18.87</u>	<u>25.16</u>	<u>31.45</u>	<u>37.74</u>
Franchise Fee	<u>2.15</u>	<u>4.30</u>	<u>6.45</u>	<u>8.60</u>	<u>10.75</u>	<u>12.90</u>
<b>TOTAL</b>	<b><u>21.48</u></b>	<b><u>42.96</u></b>	<b><u>64.44</u></b>	<b><u>85.92</u></b>	<b><u>107.40</u></b>	<b><u>128.88</u></b>
<b>64 Gallon</b>						
Collection	<u>20.08</u>	<u>40.16</u>	<u>60.24</u>	<u>80.32</u>	<u>100.40</u>	<u>120.48</u>
Composting	<u>12.58</u>	<u>25.16</u>	<u>37.74</u>	<u>50.32</u>	<u>62.90</u>	<u>75.48</u>
Franchise Fee	<u>3.63</u>	<u>7.26</u>	<u>10.89</u>	<u>14.52</u>	<u>18.15</u>	<u>21.78</u>
<b>TOTAL</b>	<b><u>36.29</u></b>	<b><u>72.58</u></b>	<b><u>108.87</u></b>	<b><u>145.16</u></b>	<b><u>181.45</u></b>	<b><u>217.74</u></b>



<b>Form 5 MAXIMUM RATES BUSINESS ORGANIC COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>96 Gallon</b>						
Collection	<u>28.98</u>	<u>57.96</u>	<u>86.94</u>	<u>115.92</u>	<u>144.90</u>	<u>173.88</u>
Composting	<u>18.88</u>	<u>37.76</u>	<u>56.64</u>	<u>75.52</u>	<u>94.40</u>	<u>113.28</u>
Franchise Fee	<u>5.32</u>	<u>10.64</u>	<u>15.96</u>	<u>21.28</u>	<u>26.60</u>	<u>31.92</u>
<b>TOTAL</b>	<b><u>53.18</u></b>	<b><u>106.36</u></b>	<b><u>159.54</u></b>	<b><u>212.72</u></b>	<b><u>265.90</u></b>	<b><u>319.08</u></b>
<b>1 CY</b>						
Collection	<u>111.77</u>	<u>223.47</u>	<u>335.29</u>	<u>447.05</u>	<u>477.65</u>	<u>573.16</u>
Composting	<u>23.00</u>	<u>46.01</u>	<u>69.01</u>	<u>92.02</u>	<u>115.02</u>	<u>138.02</u>
Franchise Fee	<u>14.97</u>	<u>29.94</u>	<u>44.92</u>	<u>59.90</u>	<u>65.85</u>	<u>79.02</u>
<b>TOTAL</b>	<b><u>149.74</u></b>	<b><u>299.42</u></b>	<b><u>449.22</u></b>	<b><u>598.97</u></b>	<b><u>658.52</u></b>	<b><u>790.20</u></b>
<b>1.5 CY</b>						
Collection	<u>157.67</u>	<u>298.25</u>	<u>438.88</u>	<u>579.48</u>	<u>679.39</u>	<u>811.97</u>
Composting	<u>34.51</u>	<u>69.01</u>	<u>103.52</u>	<u>138.03</u>	<u>172.53</u>	<u>2007.04</u>
Franchise Fee	<u>21.35</u>	<u>40.81</u>	<u>60.27</u>	<u>79.72</u>	<u>94.66</u>	<u>113.22</u>
<b>TOTAL</b>	<b><u>213.53</u></b>	<b><u>408.07</u></b>	<b><u>602.67</u></b>	<b><u>797.23</u></b>	<b><u>946.58</u></b>	<b><u>1132.23</u></b>

<b>Form 5 MAXIMUM RATES BUSINESS ORGANIC COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>2 CY</b>						
<b>Collection</b>	<u>203.59</u>	<u>373.02</u>	<u>542.48</u>	<u>711.92</u>	<u>881.14</u>	<u>1050.78</u>
<b>Composting</b>	<u>46.01</u>	<u>92.02</u>	<u>138.02</u>	<u>184.03</u>	<u>230.04</u>	<u>276.05</u>
<b>Franchise Fee</b>	<u>27.73</u>	<u>51.67</u>	<u>75.61</u>	<u>99.55</u>	<u>123.46</u>	<u>147.43</u>
<b>TOTAL</b>	<b><u>277.33</u></b>	<b><u>516.71</u></b>	<b><u>756.11</u></b>	<b><u>995.50</u></b>	<b><u>1234.64</u></b>	<b><u>1474.26</u></b>
<b>3 CY</b>						
<b>Collection</b>	<u>289.85</u>	<u>544.00</u>	<u>798.17</u>	<u>1052.11</u>	<u>1305.20</u>	<u>1560.64</u>
<b>Composting</b>	<u>69.01</u>	<u>138.03</u>	<u>207.04</u>	<u>276.05</u>	<u>345.06</u>	<u>414.07</u>
<b>Franchise Fee</b>	<u>39.87</u>	<u>75.78</u>	<u>111.69</u>	<u>147.80</u>	<u>183.36</u>	<u>219.41</u>
<b>TOTAL</b>	<b><u>398.73</u></b>	<b><u>757.81</u></b>	<b><u>1116.90</u></b>	<b><u>1475.96</u></b>	<b><u>1833.62</u></b>	<b><u>2194.12</u></b>
<b>4 CY</b>						
<b>Collection</b>	<u>325.00</u>	<u>614.00</u>	<u>902.00</u>	<u>1161.00</u>	<u>1480.00</u>	<u>1768.00</u>
<b>Composting</b>	<u>92.02</u>	<u>184.03</u>	<u>276.05</u>	<u>368.06</u>	<u>460.08</u>	<u>552.10</u>
<b>Franchise Fee</b>	<u>46.34</u>	<u>88.67</u>	<u>130.89</u>	<u>169.90</u>	<u>215.56</u>	<u>257.79</u>
<b>TOTAL</b>	<b><u>463.36</u></b>	<b><u>886.70</u></b>	<b><u>1308.94</u></b>	<b><u>1698.96</u></b>	<b><u>2155.64</u></b>	<b><u>2577.89</u></b>



<b>Form 5 MAXIMUM RATES BUSINESS ORGANIC COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>6 CY</b>						
Collection	<u>476.00</u>	<u>909.00</u>	<u>1342.00</u>	<u>1775.00</u>	<u>2201.00</u>	<u>2633.00</u>
Composting	<u>138.02</u>	<u>276.05</u>	<u>414.07</u>	<u>552.10</u>	<u>690.12</u>	<u>828.15</u>
Franchise Fee	<u>68.22</u>	<u>131.67</u>	<u>195.12</u>	<u>258.57</u>	<u>321.24</u>	<u>384.57</u>
<b>TOTAL</b>	<b><u>682.24</u></b>	<b><u>1316.72</u></b>	<b><u>1951.19</u></b>	<b><u>2585.67</u></b>	<b><u>3212.36</u></b>	<b><u>3845.72</u></b>
<b>10 CY Box</b>						
Collection	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>20 CY Box</b>						
Collection	<u>247.01</u>	<u>494.02</u>	<u>741.03</u>	<u>988.04</u>	<u>1235.05</u>	<u>1482.06</u>
<b>30 CY Box</b>						
Collection	<u>421.41</u>	<u>842.82</u>	<u>1264.23</u>	<u>1685.64</u>	<u>2107.05</u>	<u>2528.46</u>
<b>40 CY Box</b>						
Collection	<u>561.79</u>	<u>1123.58</u>	<u>1685.37</u>	<u>2247.16</u>	<u>2808.95</u>	<u>3370.74</u>
<b>Compactor 20 CY</b>						
Collection 20-Yd.	<u>493.92</u>	<u>987.84</u>	<u>1481.76</u>	<u>1975.68</u>	<u>2469.60</u>	<u>2963.52</u>
<b>B. ADDITIONAL SERVICES (Note –the additional service rates on lines B1 – B7 do not include franchise fees.)</b>						

Form 5 MAXIMUM RATES						
BUSINESS ORGANIC COLLECTION SERVICE						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
1. Push Rates	0-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	N/C	<u>285.00</u>	<u>430.00</u>	<u>575.00</u>	<u>720.33</u>	<u>900.00</u>
2. Cart or Bin Cleaning	Each Occurrence					
	Cart	<u>50.00</u>	1 – 4 CY Bin Size	<u>100.00</u>	5+ CY Bin Size	<u>100.00</u>
3. Additional Bin Exchange			<u>\$100.00</u>		each additional cart/occurrence	
4. Additional Bin Replacement			<u>\$600.00</u>			
5. Additional Cart Exchange			<u>\$50.00</u>			
6. Additional Cart Replacement			<u>\$50.00</u>			
7. Bin Overage Rate (over the “water line”)			<u>\$50.00</u>		Each bin/occurrence	
C. TIP FEES AND GENERATION FACTORS						
Commercial Composting Charge Per Ton		<u>\$87.19</u>	Commercial Composting Site		<u>Davis St. Transfer Station</u>	
Commercial Composting Cart Weight Per Cubic Yard Conversion Factor		<u>433.1</u>	Commercial Composting Bin Weight Per Cubic Yard Conversion Factor		<u>527.6</u>	
<b>Notes:</b>						



<b>Form 5 MAXIMUM RATES</b>						
<b>BUSINESS ORGANIC COLLECTION SERVICE</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<p><sup>1</sup> All 10, 20, 30, 40 CY boxes and compactors are pull rates only; composting will be based on actual composting costs, and the Franchise Fee will be 10% of the gross revenue per box (including collection and composting). The total customer rate will be the total cost for the collection, composting and the franchise fee.</p>						

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<b>Form 6 MAXIMUM RATES</b>						
<b>CONSTRUCTION AND DEMOLITION DEBRIS COLLECTION SERVICE</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. CONSTRUCTION AND DEMOLITION DEBRIS COLLECTION (Note –the service rates below do not include franchise fees or disposal)</b>						
<b>10 CY Box Lowboy</b>						
Collection	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>10 CY Box</b>						
Collection	<u>178.72</u>	<u>357.44</u>	<u>536.16</u>	<u>714.88</u>	<u>893.60</u>	<u>1072.32</u>
<b>20 CY Box</b>						
Collection	<u>247.01</u>	<u>494.02</u>	<u>741.03</u>	<u>988.04</u>	<u>1235.05</u>	<u>1482.06</u>
<b>30 CY Box</b>						
Collection	<u>421.41</u>	<u>842.82</u>	<u>1264.23</u>	<u>1685.64</u>	<u>2107.05</u>	<u>2528.46</u>
<b>40 CY Box</b>						
Collection	<u>561.79</u>	<u>1123.58</u>	<u>1685.37</u>	<u>2247.16</u>	<u>2808.95</u>	<u>3370.74</u>
<b>Compactor 20 CY</b>						
Collection	<u>493.92</u>	<u>987.84</u>	<u>1481.76</u>	<u>1975.68</u>	<u>2469.60</u>	<u>2963.52</u>

**Form 6  
MAXIMUM RATES  
CONSTRUCTION AND DEMOLITION DEBRIS COLLECTION SERVICE**

<b>B. TIP FEES, DISPOSAL AND PROCESSING SITES</b>	
C&D Disposal Charge Per Ton <u>\$52.38</u>	C&D Disposal Site <u>Davis St. Transfer Station</u>
Commercial Composting Charge Per Ton <u>\$87.19</u>	Processing Site <u>Davis St. Transfer Station</u>
<b>Notes:</b>	
<p><sup>1</sup> All 10, 20, 30, 40 CY boxes and compactors are pull rates only; disposal will be based on actual disposal costs, and the Franchise Fee will be 10% of the gross revenue per box (including collection and disposal). The total customer rate will be the total cost for the collection, disposal and the franchise fee.</p>	

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3696 The following cost proposal forms are to be utilized by the Proposer to provide the DISTRICT  
 3697 with the hourly service rates to be charged for the provision of emergency services as set forth  
 3698 in the Agreement.  
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<b>Form 7 MAXIMUM RATES EMERGENCY SERVICE RATES - EMPLOYEES</b>	
<b>Labor Position</b>	<b>Hourly Rate</b>
<b>Driver</b>	<u><b>195.00</b></u>
<b>Supervisor</b>	<u><b>220.00</b></u>
<b>Helper</b>	<u><b>175.00</b></u>
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<b>Form 8 MAXIMUM RATES EMERGENCY SERVICE RATES - EQUIPMENT</b>		
<b>Labor Position or Equipment Type</b>	<b>Make &amp; Model</b>	<b>Hourly Rate</b>
<u><b>Rear End Loader</b></u>	<u><b>Autocar</b></u>	<u><b>100.00</b></u>
<u><b>Commercial Front End Loader</b></u>	<u><b>Autocar</b></u>	<u><b>100.00</b></u>
<u><b>Roll Off</b></u>	<u><b>Autocar</b></u>	<u><b>100.00</b></u>
<u><b>Flat Bed Truck</b></u>	<u><b>Autocar</b></u>	<u><b>75.00</b></u>
<u><b>Rear End Loader LNG</b></u>	<u><b>Autocar</b></u>	<u><b>110.00</b></u>
<u><b>Commercial Front End Loader LNG</b></u>	<u><b>Autocar</b></u>	<u><b>110.00</b></u>
<u><b>Roll Off LNG</b></u>	<u><b>Autocar</b></u>	<u><b>110.00</b></u>

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<b>Form 9 MAXIMUM RATES ANCILLARY FEES</b>	
<b>FEE TYPE</b>	<b>FEE</b>
<b>Residential Reactivation Fee after Involuntary Suspension of Service</b>	<b>\$15.00</b>
<b>Lock Fee Bin or Enclosure</b>	<b>Greater of \$25.00 per Month per Enclosure or \$10.00 per month per Bin</b>
<b>Roll Off Relocation Fee</b>	<b>\$50.00</b>
<b>Roll Off Dry Run Fee</b>	<b>\$150.00</b>
<b>Roll Off Demurrage Fee (After 7 Days)</b>	<b>\$10.00 per Day</b>
<b>NSF Fee</b>	<b>\$25.00</b>
<b>Commercial Finance Charge (on accounts over 30 days past due)</b>	<b>1.5% per Month</b>
<b>Residential Finance Charge (on accounts over 45 days past due)</b>	<b>1.5% per Month</b>

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3706 **Exhibit 2 Refuse Rate Index**

3707 **Castro Valley Sanitary District**

3708 The "Refuse Rate Index" adjustment shall be calculated in the following manner:

3709 The expenses of the collection services for the designated fiscal period shall be prepared in the  
3710 format set forth in the Operating Cost Statement - Description on the following page of this  
3711 Exhibit.

3712 2. The expenses of the collection services shall be broken down into the following five cost  
3713 categories: Labor; Diesel Fuel; Vehicle Replacement; Vehicle Maintenance and All Other. Each  
3714 cost category is assigned a weighted percentage factor on that cost category's proportionate  
3715 share of the total of the costs shown for all cost categories.

3716 3. The following indices published by the United States Department of Labor, Bureau of  
3717 Labor Statistics (BLS), are used to calculate the adjustment for each cost category. The change  
3718 in each index is calculated on a twelve-month fiscal period in accordance with the terms of the  
3719 Agreement. In the event any index is discontinued, a successor index shall be selected by  
3720 DISTRICT. Successor indices shall be those indices that are most closely equivalent to the  
3721 discontinued indices as recommended by the BLS.

<u>Cost Category</u>	<u>Index</u>
3722 Labor	Series ID: ceu6056210008 Service-Producing Industries
3723 Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel
3724 Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle
3725	bodies, for sale separately
3726 Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for
3727	industrial work trucks
3728 All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban
3729	Consumers, All Items – Bay Area
3730	

3731 4. The percentage weight for each cost category is multiplied by the change in each  
3732 appropriate index to calculate a weighted percentage for each cost category. The weighted  
3733 percentage changes for each cost category are added together to calculate the Refuse Rate  
3734 Index (see Example).

3735 Operating Cost Statement - Description

- 3736 **Labor:** List all administrative, officer, operation and maintenance salary accounts.
- 3737 List payroll tax accounts directly related to the above salary accounts.
- 3738 List employee group medical and life accounts directly related to the above
- 3739 salary accounts.



3740 List employee retirement or profit sharing contributions accounts directly related  
3741 to the above salary accounts.

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3743 **Diesel Fuel:** List all diesel fuel accounts.

3744 **Vehicle Replacement:**

3745 List all collection and collection related vehicle depreciation accounts.

3746 List all vehicle lease or rental accounts related to collection or collection related  
3747 vehicles.

3748 **Vehicle Maintenance:**

3749 List all collection or collection related vehicle parts accounts.

3750 **All Other:** List all other expense accounts related to the services provided under this  
3751 Agreement. This category includes all insurance including general liability, fire,  
3752 truck damage, and extended coverage; rent on property, truck licenses and  
3753 permits; real and personal property taxes; telephone and other utilities; employee  
3754 uniforms; safety equipment; general yard repairs and maintenance; non-diesel  
3755 fuel; office supplies; postage; trade association dues and subscription;  
3756 advertising; and miscellaneous other expenses.

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3758 RRI Example

Item #	Category	Data Source	Percentage Change <sup>(1)</sup>	Item Weight <sup>(2)</sup>	Weighted Percentage Change <sup>(3)</sup>
1	Average Hourly Earnings	Series ID: ceu6056210008 Service-Producing Industries	2.19%	49.05%	1.07%
2	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	4.74%	13.15%	0.62%
3	Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle bodies, for sale separately	6.79%	2.57%	0.17%
4	Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for industrial work trucks	0.16%	13.46%	0.02%
5	CPI All Items	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items Bay Area (limited to 75%)	1.70%	21.77%	0.28%
Total				100.00%.	<b>2.16%</b>

- 3759     ▪ Assume these are the percentage changes in the indices from year to year.
- 3760     ▪ Assume the categories represent these percentages as a total of CONTRACTOR'S
- 3761     operating costs.
- 3762     ▪ Represents the product of Percentage Change x Item Weight

3763 In this example, the Refuse Rate Index is 2.16%.

3764 Note that in accordance with Section 12.08.3 of the Agreement the RRI shall never be less than  
 3765 2.9% nor more than 8% during the term of the Agreement. Therefore the RRI adjustment in this  
 3766 instance would be 2.9%.

3767





3772 **Exhibit 3 Guaranty Agreement**

3773 **Castro Valley Sanitary District**

3774 THIS GUARANTY (the "Guaranty") is given as of the 1st day of May, 2009.

3775

3776 THIS GUARANTY is made with reference to the following facts and circumstances:

3777 A. Waste management of Alameda County, Inc, hereinafter ("CONTRACTOR") is a corporation

3778 organized under the laws of the State of California, all of the issued and outstanding stock of

3779 which is owned by USA Waste of California, Inc., (Guarantor).

3780 B. CONTRACTOR and the Castro Valley Sanitation District ("DISTRICT") have negotiated an

3781 Agreement for Collection Services dated as of May 1, 2009, (hereinafter "Agreement"). This

3782 Guaranty is attached to this Agreement as Exhibit 3 and is incorporated therein.

3783 C. It is a requirement of the Agreement, and a condition to the DISTRICT entering into the

3784 Agreement, that Guarantor cause to perform all of the obligations and duties of the Contractor

3785 under the Agreement.

3786 D. Guarantor is providing this Guaranty to induce the DISTRICT to enter into the Agreement.

3787 NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

3788 1. Guaranty of the Agreement. Guarantor hereby irrevocably and unconditionally guarantees to

3789 the DISTRICT that it will cause the full and prompt fulfillment of each and every term and

3790 condition of the Agreement which CONTRACTOR is required to perform, satisfy or observe. In

3791 the event that CONTRACTOR fails to perform, satisfy or observe any of the terms and

3792 conditions of the Agreement, Guarantor will promptly and fully cause to be performed, cause

3793 them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the

3794 DISTRICT of any damages, costs or expenses which might become recoverable by the

3795 DISTRICT from CONTRACTOR due to its breach of the Agreement.

3796 2. Guarantor's Obligations Absolute. The obligations of the Guarantor hereunder are direct,

3797 immediate, absolute, continuing, unconditional, and unlimited, and with respect to any payment

3798 obligation of CONTRACTOR under the Agreement, shall constitute a guarantee of payment and

3799 not of collection, and are not conditional upon the genuineness, validity, regularity, or

3800 enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for

3801 damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses,

3802 if any, that would be available to CONTRACTOR in an action to enforce, or for damages for

3803 breach of, the Agreement (other than discharge of, or stay of proceedings to enforce,

3804 obligations under the Agreement under bankruptcy law).

3805 3. Waivers. Except as provided herein the Guarantor shall have no right to terminate this

3806 Guaranty or to be released, relieved, exonerated or discharged from its obligations under this

3807 Guaranty for any reason whatsoever, including, without limitation: (1) the insolvency,

3808 bankruptcy, reorganization or cessation of existence of CONTRACTOR; (2) the actual or



3809 purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in  
3810 bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver  
3811 with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment  
3812 or suspension of any of the DISTRICT'S rights or remedies against CONTRACTOR; or (4) any  
3813 merger or consolidation of CONTRACTOR with any other corporation, or any sale, lease or  
3814 transfer of any or all the assets of CONTRACTOR. Without limiting the generality of the  
3815 foregoing, Guarantor hereby waives the rights and benefits under California Civil Code §2819.

3816 The Guarantor hereby waives any and all benefits and defenses under California Civil Code  
3817 §2846, 2849, and 2850 as may be amended from time to time, including without limitation, the  
3818 right to require the DISTRICT to (a) proceed against CONTRACTOR, (b) proceed against or  
3819 exhaust any security or collateral the DISTRICT may hold now or hereafter hold, or (c) pursue  
3820 any other right or remedy for Guarantor's benefit, and agrees that DISTRICT may proceed  
3821 against Guarantor for the obligations guaranteed herein without taking any action against  
3822 CONTRACTOR or any other guarantor or pledgor and without proceeding against or exhausting  
3823 any security or collateral the DISTRICT may hold now or hereafter hold. The DISTRICT may  
3824 unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against  
3825 CONTRACTOR or any other guarantor or pledgor without impairing the DISTRICT'S rights and  
3826 remedies in enforcing this Guaranty.

3827 The Guarantor hereby waives and agrees to waive at any future time at the request of the  
3828 DISTRICT to the extent now or then permitted by applicable law, any and all rights which the  
3829 Guarantor may have or which at any time hereafter may be conferred upon it, by statute,  
3830 regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or  
3831 surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the  
3832 occurrence of any one or more of the following shall not affect the liability of the Guarantor  
3833 hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or  
3834 compliance herewith is waived; (b) any other of any provision of its Agreement indemnification  
3835 with respect to CONTRACTOR'S obligations under the Agreement or any security therefore is  
3836 released or exchanged in whole or in part or otherwise dealt with; or (c) any assignment of the  
3837 Agreement is effected which does not require the DISTRICT'S approval.

3838 If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's  
3839 obligations hereunder shall continue and remain in full force and effect in the event that all or  
3840 any part of such payment or performance is avoided or recovered directly or indirectly from the  
3841 DISTRICT as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of  
3842 revocation given by Guarantor or CONTRACTOR prior to such avoidance or recovery, and (b)  
3843 payment in full of any obligations then outstanding.

3844 4. Term. This Guaranty is not limited to any period of time, but shall continue in full force and  
3845 effect until all of the terms and conditions of the Agreement have been fully performed or  
3846 otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without  
3847 regard to the acceptance by the DISTRICT of any performance bond or other collateral to  
3848 assure the performance of CONTRACTOR'S obligations under the Agreement. Guarantor shall  
3849 not be released of its obligations hereunder so long as there is any claim by the DISTRICT  
3850 against CONTRACTOR arising out of the Agreement based on CONTRACTOR'S failure to  
3851 perform which has not been settled or discharged.

3852 5. No Waivers. No delay on the part of the DISTRICT in exercising any rights under this  
3853 Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to  
3854 or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the  
3855 DISTRICT to take other or further action without notice or demand. No modification or waiver of  
3856 any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the  
3857 DISTRICT and by Guarantor, nor shall any waiver be effective except in the specific instance or  
3858 matter for which it is given.

3859 6. Attorney's Fees. In addition to the amounts guaranteed under this Guaranty, Guarantor  
3860 agrees in the event of Guaranty's breach of its obligations including to pay reasonable  
3861 attorney's fees and all other reasonable costs and expenses incurred by the DISTRICT in  
3862 enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty,  
3863 including any action instituted to determine the respective rights and obligations of the parties  
3864 hereunder except in that case which Guarantor is determined to be the prevailing party, in which  
3865 case DISTRICT shall be liable for all of Guarantor's reasonable attorney's fees and costs..

3866 7. Governing Law: This Guaranty is and shall be deemed to be a contract entered into in and  
3867 pursuant to the laws of the State of California and shall be governed and construed in  
3868 accordance with the laws of California without regard to its conflicts of laws, rules for all  
3869 purposes including, but not limited to, matters of construction, validity and performance.  
3870 Guarantor agrees that any suit, action, and other proceeding brought by the DISTRICT or other  
3871 party to enforce this Guaranty may be brought and concluded in the courts of the State of  
3872 California and Guarantor consents to personal jurisdiction over it by such courts Guarantor  
3873 appoints the following person as its agents for service of process in California:

3874 *CT Corporation System*  
3875 *818 W. 7<sup>th</sup> St., Los Angeles, CA 90017*

3876 8. Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such  
3877 invalidity will have not effect upon the remaining portions of this Guaranty, which shall be  
3878 severable and continue in full force and effect.

3879 9. Binding on Successors. This Guaranty shall inure to the benefit of the DISTRICT and its  
3880 successors and shall be binding upon Guarantor and its successors, including transferee(s) of  
3881 substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

3882 10. Authority. Guarantor represents and warrants that it has the corporate power and the  
3883 authority to give this Guaranty, that its execution of this Guaranty has been authorized by all  
3884 necessary action under its Article of Incorporation and By-Laws, and that the person signing this  
3885 Guaranty on its behalf has the authority to do so.

3886 11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified,  
3887 first class postage prepaid, addressed as follows:



3888        To the DISTRICT:  
3889        General Manager  
3890        Castro Valley Sanitary District  
3891        21040 Marshall Street  
3892        Castro Valley, CA 94546  
3893  
3894        With a copy to the DISTRICT Board at the same address.

3895        As to the GUARANTOR:  
3896        Waste Management of Alameda County, Inc.  
3897        Market Area General Manager  
3898        172 98<sup>th</sup> Ave., Oakland, CA 94603  
3899

3900        With a copy to:  
3901

3902        USA Waste of California, Inc.  
3903        Group General Counsel  
3904        7025 N. Scottsdale Rd. #200  
3905        Scottsdale, AZ 85253  
3906  
3907



3922 **Exhibit 4 Transition Program**

3923 **Castro Valley Sanitary District**

3924 **Transition Plan**

3925 Waste Management of Alameda County has extensive experience in the successful  
3926 implementation of new services for both residential and commercial accounts. While price and  
3927 service are extremely important, we recognize the confidence the District has in its contractor to  
3928 execute a new program plays a significant role in the contractor selection process. We  
3929 recognize our responsibility in that process and this plan is meant to provide the Castro Valley  
3930 Sanitary District with those assurances.

3931 We take the challenge of completing a smooth implementation very seriously. Based on the  
3932 depth of experience and the skilled expertise of our team, our first task will be to ensure a  
3933 problem-free transition for both customers and the District. Waste Management of Alameda  
3934 County will work with the District to develop an extensive public information campaign to  
3935 communicate new and changing programs.

3936 To implement the start of services, we've selected a team of specialists with an in-depth  
3937 knowledge of launching and servicing comprehensive contracts such as the Castro Valley  
3938 Sanitary District's. Their leadership in administration, operations, maintenance, personnel  
3939 training, and public education will ensure that the new program launches without any disruption  
3940 of service to customers or inconvenience to District staff. This proposal will demonstrate our  
3941 understanding and appreciation for these elements.

3942 Much of the planning and preparation for the transition tasks detailed will be completed "behind  
3943 the scenes", far in advance of the May 1, 2009 start date. Most key transition steps will be  
3944 initiated immediately following the award of the contract to ensure that all steps are in place for  
3945 the transition of services.

3946 Waste Management of Alameda County is already providing excellent service and has the  
3947 knowledge and expertise to make significant improvements to the District's already successful  
3948 recycling programs. As the current service provider for the Castro Valley Sanitary District, there  
3949 is no need for Waste Management of Alameda County to hire new personnel or to otherwise  
3950 learn how to provide services in the District.

3951 **Implementation of Plan Goal**

---

3952 Waste Management of Alameda County has developed extensive programs and systems to  
3953 ensure consistently excellent customer service and to comply with all AB 939 requirements in all  
3954 the jurisdictions we service in Alameda County. Our implementation plan will focus on  
3955 enhancing and improving diversion programs and public education in the community while  
3956 focusing on the following goals.

- 3957 1. Minimizing contamination in the recycling and organics residential waste streams.
  - 3958 • Utilization of the contaminated tagging system.
  - 3959 • Mailers distributed to residents with information about contamination.
- 3960 2. Increasing diversion rates in commercial and multi-family dwelling waste stream  
3961 sectors.
  - 3962 • Visits to commercial and multi-family accounts will be available on an ongoing  
3963 basis.
  - 3964 • Develop outreach materials regarding the District's many recycling programs.
  - 3965 • Provide recycling seminars to the Castro Valley Chamber of Commerce and  
3966 other business groups to increase the awareness of programs that will be  
3967 offered under the new franchise agreement.
- 3968 3. Increase School facility recycling.
  - 3969 • Work with School staff to increase the school facility recycling efforts  
3970 though education.
- 3971 4. Meet with the District to establish recycling goals for the upcoming year.
- 3972 5. Meet with the District to review and discuss the Annual Public Outreach Plan.

3973 **Prior to Start of Collection Services/Transition Services**

3974 Waste Management of Alameda County believes a well organized and well-orchestrated  
3975 approach is the key to success. As soon as we are awarded the contract we will begin working  
3976 with District staff to plan all the steps required to ensure a transparent transition.

- 3977 1. Establish weekly implementation meetings with key Waste Management of Alameda  
3978 County and District personnel through May 2009 and beyond as needed.

3979 **Public Education Plan and Outreach Activities**

3980 We look forward to working closely with the District on the design and implementation of new  
3981 outreach materials. Waste Management of Alameda County knows that effective public  
3982 education and promotion are crucial components to increasing resident and business  
3983 participation in new services.

3984 Our public outreach and education efforts will go well beyond the requirements listed in the new  
3985 collection services contract. Our approach is designed to "jump-start" additional diversion and to  
3986 diligently pursue ongoing awareness activities.



3987 Waste Management of Alameda County will work with District staff to ensure all customers will  
3988 receive advanced information on all the District's services through a special mailing prior to the  
3989 transition. Our comprehensive outreach efforts about the District's programs will be carefully  
3990 analyzed and updated to guarantee successful long-term diversion.

3991

3992 **Public Education Activities During Implementation**

3993 • Waste Management of Alameda County will work with the District to include an article in  
3994 the District's "Pipeline" newsletter outlining the new program, alerting customers to  
3995 watch for additional information.

3996 • Waste Management of Alameda County will work with the District to prepare press  
3997 releases for the local press and community organizations outlining the new program,  
3998 alerting customers to watch for additional information.

3999 • Waste Management of Alameda County will mail each single-family residence a new  
4000 single-family program announcement brochure introducing the new services available, along  
4001 with rates.

4002 • Waste Management of Alameda County will mail to each single-family residence a new  
4003 single-family program postcard announcing the delivery of their new containers and  
4004 reminding single-family residences of the new services under the contract.

4005 • A packet of information will be attached to each new trash cart upon delivery. This  
4006 packet will include information on program guidelines, proper materials preparation,  
4007 container set out information, collection schedules and customer service information.

4008 • Waste Management of Alameda County will mail each multi-family complex customer a new  
4009 multi-family program announcement brochure introducing the new services available and  
4010 options for service levels and container sizes, along with rates, sample resident recycling  
4011 guidelines, and a telephone number to call for customers to change service levels and order  
4012 new containers.

4013 • Waste Management of Alameda County will mail to all commercial customers in the  
4014 service area a new commercial program announcement brochure introducing the new  
4015 services available and options for service levels and container sizes, along with rates,  
4016 and a telephone number to call for customers to change service levels, and order new  
4017 containers.

4018 • During the transition phase, Waste Management of Alameda County will provide

4019 additional customer service representatives to accommodate customer questions,  
4020 service level change requests, container requests, and other service inquiries.

4021 • On an ongoing basis, reminder tags will be used to remind customers about garbage  
4022 and recycling guidelines.

4023 • During the week before collection service begins, Waste Management of Alameda  
4024 County will use our outbound dialing system to notify customers of the start of the  
4025 District’s program changes.

4026

4027

4028 **EZ Pay On-line**

4029 We know that Castro Valley Sanitary District’s customer base is very experienced on the  
4030 Internet. Waste Management of Alameda County will encourage District residents to utilize our  
4031 new website which will be designed to enhance our ability to communicate service and billing  
4032 issues. The site will also allow customers to pay their bill. We anticipate that over the life of the  
4033 contract the customer base will become very reliant on this website as the primary resource for  
4034 information.

4035 **Customer Notification System**

4036 When there is a problem with the performance of regular service (i.e. the cart is too heavy or  
4037 contaminated), friendly reminder tags will be attached to the cart to help inform and educate our  
4038 customers at the same time.

4039 **Highlights of Waste Management’s Transition Proposal**

- 4040 • **A Public Education Program design with Castro Valley residents in mind.**  
4041 Waste Management is very proud of its ability to provide clear and concise  
4042 information to its customer base. We have vast experience in putting together  
4043 these kinds of programs. We recognize that good communication is the key to a  
4044 successful transition and we will work hand in hand with District staff to ensure that  
4045 happens.
- 4046 • **Driver training will begin one month before the contract begins.** This will  
4047 ensure that all drivers are properly trained in the trucks and routes before they are  
4048 transitioned onto the streets of Castro Valley. We intend to use employees  
4049 experienced in Castro Valley. In addition, these employees will spend extra time  
4050 prior to the implementation of services, driving through the neighborhoods they will



4051 be servicing and further familiarizing themselves with streets and special collection  
4052 needs.  
4053 • **Waste Management will use a third party company to deliver carts.** We will  
4054 be delivering new carts as part of the implementation of this contract. We have  
4055 found that it is better for us to focus on the collection aspects of the  
4056 implementation and hire a reliable third party to deliver the carts. Our contractors  
4057 will coordinate the manufacturing, shipment and neighborhood delivery program  
4058 with our oversight, to all residential customers. Delivery should take place over a  
4059 3-4 week period.

## 4060 **Implementation Team**

4061 Waste Management is fortunate to employ a team of experienced managers, all of whom have  
4062 extensive knowledge with implementing new programs.

4063 The Implementation Team will meet weekly from the time the contract is awarded until a month  
4064 past the actual contract start date to address any and all issues that arise. It should be noted  
4065 that District staff would be encouraged to attend these meetings.

4066

## 4067 **Timeline for Implementation**

4068 The District's transition process allows Waste Management ample time to procure new vehicles,  
4069 train all the employees needed for the project, deliver the carts and containers and carry out an  
4070 effective public education program. The sample timeline will provide you with a general idea of  
4071 the tasks to be completed with the anticipated start and end date of each task.

4072 In addition to the timeline, Waste Management conducts an extensive and very detailed review  
4073 of the contract. Individuals are assigned associated tasks and meet weekly to report on their  
4074 progress.

4075 The implementation plan will also address each customer group individually because their  
4076 service and container needs are very different. Below you are given more detail on how these  
4077 customer groups would be handled.

## 4078 **Residential Carts**

4079 New carts will be purchased from an approved Waste Management of Alameda County  
4080 supplier, such as Rehrig Pacific. These carts are considered by many to be some of the finest  
4081 carts manufactured today. Waste Management purchases these carts for the following reasons:

- 4082       • Rehrig carts are one of the most durable carts in the industry; and unlike many cross-link  
4083       plastic carts; Rehrig carts are **fully recyclable** when their useful life is done.  
4084       • Rehrig uses post consumer recycled plastic in their manufacturing process.

## 4085   **Residential, Commercial and Multifamily Routing**

4086   Waste Management of Alameda County will work closely with the DISTRICT to limit the number  
4087   of possible route changes.

## 4088   **Truck ordering/delivery**

4089   Waste Management will order the required trucks from its manufacturer once the contract is  
4090   awarded to provide these services. These trucks generally take approximately twelve months to  
4091   arrive. Upon arrival, we will conduct testing, installation of signs, radios, etc. and train our  
4092   employees before they are used on the road.

## 4093   **Public Education Resources**

4094   Waste Management will work with District staff to ensure all customers will receive information  
4095   on all services available to them through a special mailing prior to the start-up of the program.  
4096   Our comprehensive outreach efforts about the District's programs will be carefully analyzed and  
4097   updated to ensure successful long-term diversion programs.

## 4098   **Public Education Timeline**

4099   **The following is the list of public education milestones that will be addressed upon**  
4100   **award of the contract.**

- 4101       • During the month of March 2009, Waste Management of Alameda County will directly  
4102       mail to all Single-family Residences an enhanced service Program Announcement  
4103       introducing the delivery of new carts, along with information on our Internet web address  
4104       and our telephone number for customers.
- 4105       • During delivery of Single-family Residence Carts, Waste Management will place a new  
4106       program packet of materials, including a new program booklet.
- 4107       • During the month of March 2009, Waste Management will mail to all Multifamily Complex  
4108       accounts an enhanced service Program Announcement introducing the new services,  
4109       along with information on our Internet web address and our telephone number for  
4110       customers.
- 4111       • During the month of March 2009, Waste Management will mail to all Commercial  
4112       Customers in the District Service Area a New Commercial Program Announcement  
4113       introducing the new recycling services, along with information on our Internet web  
4114       address and telephone number for customers.



- 4115 • From April 1, 2009 through May 31, 2009, Waste Management will provide additional
- 4116 customer service staff to accommodate customer questions, service level change
- 4117 requests, container requests and other service inquiries.

**4118 Container Labeling**

4119 Containers for commercial customers will be clearly marked with easy-to-read-text and graphics  
 4120 for visual impact to promote customer participation. These labels explain which materials are  
 4121 acceptable in each container and those materials which are not to be discarded or recycled  
 4122 depending on the use for the container.

**4123 Procedures for submitting public information material to the District for approval**

4124 Good communication and accountability is key to the success of any contractual relationship.  
 4125 To ensure a high level of communication between Waste Management of Alameda County and  
 4126 the Castro Valley Sanitary District, Waste Management of Alameda County will establish clear  
 4127 communication procedures and will work with the district to develop public education pieces.

**4128 Transition Timeline**

4129 Waste Management of Alameda County understands there will be many steps, as shown  
 4130 above, in order to achieve a successful transition plan. It will be necessary to work with District  
 4131 staff to finalize an Implementation Plan. Following is an overview of the Transition  
 4132 Implementation Calendar for the Castro Valley Sanitary District.

4133

*Transition Implementation Calendar*

	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
<b><i>RFP Process</i></b>												
Castro Valley Selects Contractor												
<b><i>Transition Plan</i></b>												
Collection Vehicle Order Placed												
Cart Order Placed												
New Route Maps Developed												
Develop "New Program" Letter & Brochure/Bill Insert												
Mail "New Program" Letter & Brochure/Bill Insert												
Newspaper Ad / PSA												
Customer Service Training on New Program												
Operations Training (drivers, supervisors)												
New Vehicles Received												
New Vehicles processed and deployed												
New Carts Received												
Residential, Commercial & MFD Public Education												
On-Site Commercial & MFD Visits												
Commercial & MFD "Right-Sizing"												
Residential, Commercial & MFD Cart Delivery												
New Residential, Commercial & MFD Programs Start												

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