SECOND AMENDMENT TO
AGREEMENT FOR DISPOSAL OF SOLID WASTE
BETWEEN THE CITY OF SAN RAMON AND
REPUBLIC SERVICES, INC.

This Amendment No. 2 is entered into between Republic Services, Inc., ("Contractor"), and the City of San Ramon ("City").

RECITALS

On November 14, 1995, the parties entered into the *Agreement for Disposal of Solid Waste*, a full and complete copy of which is on file with the City Clerk (the "Agreement").

The parties now wish to amend the Agreement. The purpose of this amendment is to extend the term and modify compensation. Except as expressly modified by this Second Amendment, all provisions of the aforementioned original Agreement and the First Amendment shall remain in full force and effect.

NOW, THEREFORE, the parties agree as follows:

1. Article 1.26 of the original Agreement is amended to read:

1.26 Term of Agreement

The "Term" or "Term of this Agreement" shall be from November 14, 1995 through December 31st, 2029, and after that, with three mutual options for extensions of one year per extension. Should all three options for extension be exercised, the Term would end on December 31st, 2032.

2. Article 2.3 of the original Agreement is amended to read:

2.3 Option Periods

Options to Extend for Three Additional One Year Periods. Upon mutual agreement, The City and Contractor may extend the Term of the Agreement on the same terms and conditions for three additional periods of one year each. Notice of such intent to extend the term shall be given in writing not less than nine (9) months prior to the then-current expiration date of this Agreement. If the City does not exercise an option to extend this Agreement, it will otherwise expire at the end of the then-current expiration date.

3. Article 12 of the amended Agreement is amended to read:

ARTICLE 12. ORGANIC MATERIALS COMPOSTING SERVICES

12.1 Definition of Organic Materials

Organic Materials means: 1) Green Waste or Yard Waste (per Article 1.17); 2) food scraps including meat, fish, shellfish, fowl, bones, fruit, vegetables, legumes, tubers, seeds, nuts, dairy products, grains, baked goods, pasta, etc.; 3) soiled paper products, including paper plates, bowls, cups, cup holders, towels, napkins, bags, food wrappers, food boxes, take-out containers, ice cream/milk/juice cartons, pizza boxes, waxed cardboard, coffee filters, tea bags, etc.; and 3) clean wood waste that is free of stain, paint, or coatings, including lumber, sawdust, pallets, crates, chop sticks, skewers, toothpicks, etc.; 4) compostable, biodegradable "plastic" products made from raw materials of agricultural origin, which meet ASTM D6400 specifications or equivalent.

12.2 Acceptance, Storage, Transfer, and Transport of Organic Materials

City shall direct its Designated Hauler to deliver all residential Organic Materials to Contractor's Landfill Facility or directly to the Approved Compost Facility (per amended Article 12.7) for the Term of this Agreement as extended. City may allow its Designated Hauler to transfer the Organic Materials through a City approved transfer facility to Contractor's Landfill Facility or Approved Compost Facility, subject to the restrictions specified below.

Contractor shall accept franchised residential Organic Materials at Contractor's Landfill Facility (Vasco Road Sanitary Landfill) from the City's Designated Hauler. Contractor shall weigh inbound loads of Organic Materials. Contractor shall store Organic Materials at Contractor's Landfill Facility, and keep them separated from other materials that will not be transferred to a compost facility. Contractor shall load the Organic Materials into transfer trailers and transport them to Approved Composting facilities. Except as provided in Article 12.3, none of the City's franchised Organic Materials may remain at Contractor's Landfill Facility. Contractor shall weigh outbound transfer loads of Organic Materials, either at Contractor's Landfill Facility and/or the Approved Composting Facilities.

Contractor is not required to accept Organic Materials that contain more than 1% by weight of non-compostable contaminants (e.g. painted/treated wood, palm, cactus, and inorganic materials such as plastic, glass, and stone/rock/concrete that are not accepted in San Ramon's Organic Materials collection programs.)

In the event that Contractor rejects a load of Organic Materials delivered by the City's Designated Hauler, Contractor shall: 1) Notify the City and the City's Designed Hauler within 48 hours of receipt of the load; 2) Load the rejected Organic Material into a vehicle provided by the Designated Hauler, who shall remove the rejected materials from Contractor's property. Contractor must reject the load at the location where the load was received from the City's Designated Hauler (e.g. at Contractor's Landfill Facility.)

In the event of repeated contaminated loads as defined above, Contractor has the discretion, upon 30 days notice to the City and Designated Hauler, to require that delivery of Organic Materials from the City of San Ramon be directly from route collection vehicles performing work within the City. Upon this request, City agrees to direct the Designated Hauler to deliver material

directly in route collection vehicles and no longer allow the Designated Hauler to transfer material through a transfer facility owned by the Designated Hauler or a third party.

12.3 Approved Composting Facilities

Contractor shall deliver Organic Materials to composting facilities approved in advance in writing by the City. As of January 1, 2010 the following facilities are Approved Composting Facilities:

Forward Resource Recovery Facility

9999 N. Austin Road

Manteca, CA 95336

SWIS # 39-AA-0020

Newby Island Compost Facility

1601 Dixon Landing Rd.

San Jose, CA 95035

SWIS# 43-AN-0017

12.4 Organic Materials Composting

Contractor shall ensure that all Organic Materials accepted pursuant to this Agreement are diverted from Disposal in accordance with AB 939 (the California Integrated Waste Management Act, Public Resources Code § 40000 et seq.,) AB 1594, and subsequent legislation and regulations, and are recycled into compost products and returned to the economic mainstream for use in landscaping or agriculture. Excepted as provided below, Organic Materials accepted by Contractor pursuant to this agreement may not be disposed of in a landfill nor utilized as alternative daily cover (ADC) at a landfill or for any other application or "beneficial use" at a landfill site without prior written consent from the CITY.

Contractor shall ensure, and document to the satisfaction of the City, that all Organic Materials collected pursuant to this Agreement are composted, and are composted such that the resulting compost has undergone the Process to Further Reduce Pathogens (PFRP) as outlined in "Standards for the Use and Disposal of Sewage Sludge", 40 Code of Federal Regulations Part 503 dated August 4, 1999 Appendix B to Part 503-Pathogen Treatment process, item B page 9404.

Contractor may market the residuals from the composting process (e.g. the "overs" from screening the finished compost) as biomass fuel, to the extent that biomass fuel is considered diversion from disposal in accordance with AB 939. CONTRACTOR may utilize residuals from the composting process (e.g. "overs") as Alternative Daily Cover (ADC) provided that the percentage utilized as ADC does not exceed 10% by weight of inbound Organic Materials. CONTRACTOR may dispose of residual contaminants (e.g. painted/treated wood, palm, cactus,

and inorganic materials such as plastic, glass, and stone/rock/concrete that are not accepted in San Ramon's Organic Materials collection programs) and shall coordinate efforts with the City's Designated Hauler to ensure that such contamination is incidental (less than 1% by weight of inbound Organic Materials.)

12.2 Term of Composting Services

The services described in Article 12 shall commence on January 1, 2010 and shall continue pursuant to the Term of the Agreement as specified in Articles 1.26 and 2.3 of this Agreement.

12.5 Gate Rate for Organic Materials

Contractor shall bill the City's Designated Hauler directly for acceptance of franchised residential Organic Materials, per the same billing procedures specified for disposal billing in Article 4.3. The Gate Rate for Organic Materials shall be the entire compensation for the Organic Materials transfer, transport, and composting services specified in Article 12. Unlike the Gate Rate for Disposal of franchised Solid Waste, The Gate Rate for Organic Materials does not have a separate Fee Component.

Contractor shall not bill the City's Designated Hauler for rejected Organic Materials loads provided they are removed in a timely manner (one business day following notification of rejection) by the City's Designated Hauler. In the event that the City's Designated Hauler does not remove the rejected loads within the specified time period, Contractor shall be allowed to dispose of this material and bill the City's Designated Hauler the then current Gate Rate for Franchised Solid Waste.

The Gate Rate for franchised residential Organic Materials shall be $52.95 per ton (2,000 lbs.) commencing on January 1, 2010.

On January 1, 2011, the $52.95 per ton 2010 Gate Rate for Organic Materials shall be automatically adjusted proportionate to the percentage change in the Annual Average CPI (All Urban Consumers) for the San Francisco/Oakland/San Jose Area (index CUURA422SA0). This CPI adjustment shall be the percentage change between the Annual Average of the CPI index for the fiscal year September 1st, 2008 through August 31st, 2009 and the Annual Average of the CPI index for the fiscal year September 1st 2009 through August 31st, 2010.

Each subsequent January 1st thereafter (starting with January 1, 2012) the Gate Rate shall be automatically increased by 3%.

12.6 Fuel Surcharge

Beginning January 1, 2016 fuel costs above $5.00 per gallon of diesel fuel will be recovered by Contractor through a Fuel Surcharge computed annually using the following formula:

Fuel Cost = Average price per gallon for on-highway diesel fuel
for the preceding twelve months (November through October)
in California per the U.S. Energy Information Administration Index

(Fuel Cost - $5.00) / 5.0 MPG = Fuel Surcharge per Mile

(Fuel Surcharge per Mile x Round Trip Miles) = Fuel Surcharge per Load

Fuel Surcharge per Load / 22 Tons per Load = Fuel Surcharge per Ton

The following example is provided for illustration purposes only:

Fuel Cost for preceding November through October = $6.00 per gallon

($6.00 - $5.00) / 5.0 MPG = $0.20 per mile

Round Trip Vasco Rd. Landfill to Forward Composting Facility = 84 miles

$0.20 per mile x 84 miles = $16.80 per load

$16.80 per load / 22 tons per load = $0.76 per ton

Fuel Surcharge = $0.76 per ton

The Fuel Surcharge is calculated each November to be assessed on a per ton basis during the subsequent calendar year (January through December.) The Fuel Surcharge is assessed in addition to the Organic Materials Gate rate, which is increased by 3% each year. The following example is provided for illustration purposes only:

Current Year's Organic Materials Gate Rate= $60 per ton

Current Year's Organic Materials Gate Rate Increased by 3% = $61.80 per ton

$61.80 per ton Gate Rate + $0.76 per ton Fuel Surcharge = $62.56 per ton total rate
For the next calendar year

The Fuel Surcharge does not become integrated into the base Organic Materials Gate Rate. It is not subject to the 3% annual increase: If, after the example above, for the following year's rate adjustment, the Fuel Cost was less than $5.00 per gallon, then the following year's total rate would be $61.80 increased by 3% = $63.65, with no fuel surcharge. Calculation of a Fuel Cost less than $5.00 per gallon shall not be cause for a downward adjustment to the Organic Materials Gate Rate.

12.7 Gate Rate for Organic Materials Delivered Directly to Composting Facility

Upon mutual agreement of the City and Contractor, and subject to the revised provisions of Article 12.2 above, the City or City's Designated Hauler may deliver franchised residential Organic Materials directly to Contractor's Approved Composting Facility. In this instance, all

other provisions of Article 12 would apply except for the Gate Rate specified in Article 12.5 and the Fuel Surcharge described in Article 12.6.

The Gate Rate for franchised residential Organic Materials delivered directly to the Approved Composting Facility shall be $49.75 per ton (2,000 lbs.) commencing on January 1, 2015.

Each subsequent January 1st thereafter (starting with January 1, 2016) the Gate Rate shall be automatically increased by 3%.

The Fuel Surcharge described in Article 12.6 will not be assessed on tons of Organic Materials delivered directly to the Approved Composting Facility.

*****SIGNATURES ON NEXT PAGE*****

IN WITNESS WHEREOF the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed the effective date of this Agreement.

City of San Ramon
A Municipal Corporation "CITY"

_____
Bill Clarkson, Mayor Date

_____
Greg Rogers, City Manager Date

Republic Services, Inc.
"CONTRACTOR"

_____
Signature Date

_____
Print Name of Signatory

_____
Title of Signatory

The Foregoing Agreement Has Been Reviewed and Approval Is Recommended:

_____
Karen McNamara, Director Date
Public Services

APPROVED AS TO FORM:

_____
Bob Saxe Date
Interim City Attorney

ATTEST:

_____
Renée Beck Date
City Clerk

Resolution Number 2014-124
Approved by City Council