Exhibit A:
Definitions

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

**“AB 1826”** means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

**“AB 341”** means the Assembly Bill approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

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(Division 30 of the California Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented, superseded, and replaced from time to time.

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

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

**“Alternative Daily Cover**” or **“ADC”** means Disposal Facility cover material, other than Compostable material and at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging, as defined in 20690 of Title 27 of the California Code of Regulations.

**“Alternative Intermediate Cover”** or **“AIC”** has the same meaning as in 27 CCR Section 20700 of Title 27 of the California Code of Regulations.

**“Appliances”** means discarded household appliances such as refrigerators, stoves, clothing washers and dryers, water heaters, dishwashers, and similar items discarded by Residential Generators.

**“Applicable Law”** means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, and Processing of Recyclable Materials, Organic Materials, and Solid Waste that are in force on the Effective Date and as may be enacted, issued, or amended during the Term of this Agreement. Applicable Law includes, but is in no way limited to, AB 939, AB 341, AB 1826, and SB 1383.

**“Approved Construction and Demolition Debris Processing Facility”** means a CALGreen-compliant facility used to process C&Dthat guarantees a higher Diversion Rate than the Designated C&D Processing Facility. This includes *[Insert facilities]*, which were selected by Company and approved by the Authority in writing. *{Note to Proposers: Proposer is encouraged to provide multiple facility options.}*

**“Approved E-Waste Drop-Off Facility”** means \_\_\_\_\_\_\_\_\_\_\_\_\_\_. {Note to Proposers: Propose a drop-off location for the Authority to approve. The location should be in close proximity to the current location (575 Charles Street, San Jose).}

**“Approved Facility(ies)”** means any one (1) of or any combination of the Approved Recyclable Materials Processing Facility, Approved Organic Materials Processing Facility, Approved E-Waste Drop-off Facility, and Approved Construction and Demolition Debris Processing Facility, each of which are defined in this Exhibit A.

**“Approved Organic Materials Processing Facility”** means the facility designated and approved by the Authority for the receipt, Processing, and Transfer of the Organic Materials Collected under the terms of this Agreement. As of the Effective Date, the *[Insert facility]*, owned and operated by *[Insert facility owner]* is the Approved Organic Materials Processing Facility.

**“Approved Processing Facility(ies)”** means any one of or any combination of the: Approved Recyclable Materials Processing Facility, Approved Construction and Demolition Debris Processing Facility, or Approved Organic Materials Processing Facility.

**“Approved Recyclable Materials Processing Facility”** means the facility designated and approved by the Authority for the receipt, Processing, and Transfer of the Recyclable Materials Collected under the terms of this Agreement. As of the Effective Date, the *[Insert facility]*, owned and operated by *[Insert facility owner]* is the Approved Recyclable Materials Processing Facility.

**“Approved Transfer Facility”** means the facility designated and approved by the Authority for the receipt and Transfer of the Recyclable Materials Collected under the terms of this Agreement. As of the Effective Date, the *[Insert facility]*, owned and operated by *[Insert facility owner]* is the Approved Transfer Facility.

**"Authority"** means the West Valley Solid Waste Management Authority and the geographic area of the Member Agencies.

**“Authority Contract Manager”** means the Authority Executive Director, or their designee, who is responsible for the administrative management of this Agreement.

**“Back-Haul”** means generating and transporting Organic Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

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

"**Bulky Item**" means discarded Appliances (including refrigerators), furniture, tires, carpets, mattresses, E-Waste, and similar large items that can be handled by two (2) people, weigh no more than one hundred fifty (150) pounds, and require special Collection due to their size or nature, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky Items must be generated by the Customer and at the service address wherein the Bulky Items are Collected. Bulky Items do not include abandoned automobiles, large auto parts, trees, Construction and Demolition Debris, or items herein defined as Excluded Materials.

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

**“California Code of Regulations” or “CCR”** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

**“Cardboard”** means corrugated fiberboard consisting of a fluted corrugated sheet and one (1) or two (2) flat linerboards, as is often used in the manufacture of shipping containers and corrugated boxes. Cardboard is a subset of Recyclable Materials.

**“Cart”** means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of ten (10), twenty (20), thirty-two (32), sixty-four (64), or ninety-six (96) gallons (or similar volumes).

**“Change in Law”** means any of the following events or conditions that has a material and adverse effect on the performance by either Party or any Subcontractor of its respective obligations under this Agreement (except for payment obligations), as defined monetarily in Section 5.9, or on the activities of any Approved Facility in connection with this Agreement:

A. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or

B. The order or judgment of any Federal, State, or local governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission, or lack of reasonable diligence of Authority or of Contractor (or Subcontractor), whichever is asserting the occurrence of a Change in Law; provided however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission, or lack of reasonable diligence.

**“Clean Alternative Fuel Vehicle**” means a vehicle that runs on any fuel used as the certification fuel in a low-emission vehicle, other than the primary gasoline or diesel fuel used in exhaust emission certification testing pursuant to the California Air Resources Board’s "California Exhaust Emission Standards and Test Procedures for 1988 through 2000 Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" as incorporated by reference in Title 13, California Code of Regulations, Section 1960.1, or "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" as incorporated by reference in Title 13, California Code of Regulations, Section 1961; where low-emission vehicle means any vehicle certified to the transitional low-emission vehicle, low-emission vehicle, ultra-low emission vehicle, super ultra-low emission vehicle, or zero-emission vehicle standards established by the California Air Resources Board as described in Title 13, California Code of Regulations.

**“Clean Wood”** means wood that is not painted, stained, coated, pressure treated, or chemical treated. Clean Wood may include dimensional lumber, pallets, crates, chop sticks, toothpicks, stir sticks, and wooden utensils. Clean Wood excludes creosote, lumber treated with chromated copper arsenate (CCA), melamine-coated furniture, and manufactured wood products such as plywood, particle board, oriented strand board, and medium-density fiberboard.The Parties agree that materials may be added to or subtracted from this list from time to time by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Clean Wood is a subset of Organic Materials.

**“Collect or Collection** (or any variation thereof)**”** means the act of collecting Recyclable Materials, Organic Materials, Solid Waste, Bulky Items, and other material at the place of generation in the Authority.

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

**“Commercial or Commercial Business”** means a non-Residential Premises including a firm, partnership, proprietorship, joint- stock company, corporation, or association where business activity is conducted including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property that are permitted under applicable zoning regulations and are not the primary use of the property, whether for-profit or nonprofit, strip mall, or industrial facility, or as otherwise defined in 14 CCR Section 18982(a)(6), with the exception that Multi-Family is excluded from the definition of Commercial Business for the purposes of this Agreement.

**“Commercial Edible Food Generators”** has the same meaning as in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators.

**“Community Composting”** means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed one hundred (100) cubic yards and seven hundred fifty (750) square feet, as specified in 14 CCR Section 6 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

**“Compactor”** means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include one (1) to seven (7) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and six (6) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off Collection vehicles. Contractor shall support Customers in locating options for purchase or lease of Compactors through an outside vendor(s).

**“Complaint”** shall mean each written or orally communicated statement made by any Person, whether to Authority, Member Agencies, or Contractor, alleging: (i) non-performance or deficiencies in Contractor’s performance of its duties under this Agreement; or, (ii) a violation by Contractor of this Agreement.

**“Compost Product”** means the product resulting from the controlled biological decomposition of Organic Materials that are Source Separated from the municipal Solid Waste stream, or that are separated at a centralized facility and meets the Compost procurement requirements described in 14 CCR Section 18993.1(f).

**“Compostable Plastics” or “Compostable Plastic”** means plastic materials that meet the ASTM D6400 standard for Compostability. Compostable Plastic shall be a subset of Organic Materials, if directed by the Authority.

**“Composting or Compost** (or any variation thereof)**”** has the same meaning as in 14 CCR Section 17896.2(a)(4) that stated, as of the Effective Date of this Agreement, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or that are separated at a centralized facility.

**“Construction and Demolition Debris (C&D)”** includes discarded building materials, packaging, debris, and rubble resulting from construction, alteration, remodeling, repair or demolition operations on any pavements, excavation projects, houses, Commercial buildings, or other structures, excluding Excluded Materials. Construction and Demolition Debris includes rocks, soils, tree remains, and other Yard Trimmings that result from land clearing or land development operations in preparation for construction.

**“Container(s)”** mean Bins, Carts, Compactors, and Drop Boxes, provided however, that Contractor shall not be required to provide Compactors to Customers, but shall be required to provide Collection service to Customer-provided Compactors, provided that such Customer-provided Compactors are compatible with Contractor’s existing Collection equipment and processes.

**“Contamination Processing Fee Notice”** means a form developed by Contractor and approved by the Authority Contract Manager to be provided to Customers at Contractor’s cost in accordance with Section 4.16.G.

**“Contractor”** means *[Insert proposer name]* organized and operating under the laws of the State through its officers, directors, employees, agents, companies, Affiliates, subsidiaries, and Subcontractors.

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

**“Contractor’s Proposal”** means the proposal submitted to Authority by Contractor on *[Insert date]* for provision of Solid Waste, Recyclable Materials, Organic Materials, and C&D Collection services and certain supplemental written materials, which are included as Exhibit G to this Agreement and are incorporated by reference.

**“Corrective Action Plan”** means the document described in Exhibit F2, Section 4 specifying the roles of the Authority and the Contractor in resolving Contractor noncompliance issues with any provision(s) of this Agreement.

**“County”** means the County of Santa Clara, California.

**“Courtesy Collection Notice”** means a form developed by Contractor and approved by the Authority Contract Manager to be provided at Contractor’s cost to Generators in accordance with Section 4.16 as applicable to the cause of the courtesy Collection.

**“Criminal Activity”** means the approval of a plea of nolo contendere or the entry against Contractor or any of its employees of a criminal conviction or a permanent mandatory or prohibitory injunction from a court, municipality, or regulatory agency of competent jurisdiction, based, in the case of any of Contractor’s employees, on acts taken in his or her official capacity on behalf of Contractor with respect to:

A. Fraud or criminal offense in connection with obtaining, attempting to obtain, procuring, or performing a public or private agreement; or

B. Bribery or attempting to bribe a public officer or employee of a local, State, or Federal agency; or

C. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony; or

D. Unlawful Disposal of Hazardous Waste or Designated Waste the occurrence of which Contractor knew or should have known; or

E. Violation of antitrust laws, including laws relating to price-fixing, bid-rigging, and sales and market allocation, and of unfair and anti-competitive trade practices laws, including with respect to inflation of Solid Waste Collection, Transportation, Processing fees, or Disposal Fees; or

F. Violation of securities laws; or

G. Felonies or misdemeanors involving moral turpitude.

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

**“Customer”** means the Person whom Contractor submits its billing invoice to and collects payment from for Collection services provided to a Premises. The Customer may be either the Occupant or Owner of the Premises. For purposes of Contractor’s requirement to provide services (other than billing services), “Customer” shall mean an occupied Residential or Commercial Premises.

**“Customer Notice”** means a Courtney Notice, Non-Collection Notice, or Contamination Fee Notice provided to a Customer.

**“Customer Type**” means the Customer’s sector category including, but not limited to, Single-Family, Multi-Family, Commercial, Drop Box, and Member Agency.

**"Designated C&D Processing Facility”** means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose, which is owned and operated by Waste Management of the South Bay, Incorporated, unless the Authority designates, in writing, a different Processing Facility.

**“Designated Disposal Facility”** means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose, which is owned and operated by Waste Management of the South Bay, Incorporated, unless the Authority designates, in writing, a different Disposal Facility.

**“Designated Facility(ies)”** means any one of or any combination of the Designated Disposal Facility, Designated Organic Materials Processing Facility, and Designated C&D Processing Facility, each of which are defined in this Exhibit A.

**“Designated** **Organic Materials Processing Facility”** means the Altamont Covered Aerated Static Pile (CASP) Composting Facility, which is owned and operated by Waste Management of Alameda County, Incorporated, unless the Authority designates, in writing, a different Disposal Facility. For the purposes of delivery location, the Contractor shall deliver material to the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose where it shall be transferred to the Altamont Covered Aerated Static Pile Composting Facility.

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

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

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

**“Disposal Facility”** means a landfill or other facility for ultimate Disposal of Solid Waste.

**“Divert or Diversion (or any variation thereof)”** means to prevent Discarded Materials from Disposal at landfill or transformation facilities (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through Source Reduction, reuse, Recycling, Composting, anaerobic digestion, or other method of Processing, in accordance with the provisions of AB 939 and SB 1383. Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs, and/or are for other reasons deemed desirable by the Authority.

**“Drop Box”** means an open-top Container with a capacity of ten (10) to forty (40) cubic yards that is serviced by a roll-off Collection vehicle.

**“Dwelling Unit”** means any individual living unit in a Single-Family dwelling, Multi-Family dwelling, structure or building, mobile home, or motor home located on a permanent site intended for, or capable of being utilized for, Residential living other than a hotel or motel.

**“Edible Food”** means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes Food Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

**“Effective Date”** means the date on which the latter of the two Parties signs this Agreement, subject to the provisions of Section 2.2.

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

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

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

**“Food Recovery”** means actions to collect and distribute food for human consumption that otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“Food Recovery Organization”** means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery, either directly or through other entities, including, but not limited to:

1. A food bank as defined in Section 113783 of the Health and Safety Code;

2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

3. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

**“Food Recovery Service”** means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).

**“Food Scraps**" means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking, or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings, flowers, and other Compostable Organic Waste common to the occupancy of Residential Dwelling Units or Commercial Businesses involved in food production, preparation, or sales. The Parties agree that materials may be added to or subtracted from this list from time to time, by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Food Scraps are a subset of Food Waste.

**“Food-Soiled Paper”** means pre- and post-consumer Compostable paper material that has come in contact with food or liquid such as, but not limited to, Compostable paper plates, paper coffee cups, coffee filters, napkins, pizza boxes, and milk cartons. Food-Soiled Paper is a subset of Food Waste.

**“Food Waste”** means Source Separated Food Scraps and Food-Soiled Paper. Food Waste is a subset of Organic Materials.

**“Franchise Fee”** means the fee paid by Contractor to the Authority as described in Section 7.1.

**“Generator”** means any Person whose act or process produces Discarded Materials as defined in the Public Resources Code, or whose act first causes Discarded Materials to become subject to regulation.

**“Gross Rate Revenues”** means total Customer billings by the Contractor for the provision of services pursuant to this Agreement, without any deductions.

**“Gross Receipts”** means total cash receipts collected from Customers by the Contractor for the provision of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues from the sale of Recyclable Materials.

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

**“Hazardous Waste”** means any waste that meets the definitions set forth in 22 CCR Section 66261.3, et seq. and is required to be managed; or as otherwise defined in 14 CCR Section 17402(a)(7). Hazardous Waste includes hazardous wood waste.

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

**“Household Battery(ies)”** means disposable or rechargeable dry cells (e.g., A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, lithium, lithium ion, magnesium, manganese, and carbon-zinc batteries, but excluding automotive lead acid batteries or other batteries Contractor is prohibited from carrying by Applicable Law. This excludes cell phone batteries and laptop batteries.

**“Household Hazardous Waste”** or **“HHW”** means Hazardous Waste generated at Residential Premises within the Member Agencies. HHW includes: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Used Motor Oil and Filter, batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and [lancets](http://www.mrwmd.org/pdf/MWSHARPSINFO0908.pdf).

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

**“In-Home Recycling Container”** refers to a small, easily portable tote bag with a capacity of at least three (3) gallons to be included by Contractor in the Multi-Family Move-in Kit to facilitate convenient accumulation of Recyclable Materials within a Multi-Family Dwelling Unit.

**“Large Event”** means an event including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than two thousand (2,000) individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

**“Large Multi-Family”** means a Multi-Family Premise, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with sixteen (16) or more Dwelling Units, including such Premises when combined in the same building with Commercial Businesses.

**“Large Venue”** means a permanent venue facility that annually seats or serves an average of more than two thousand (2,000) individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common Ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

**“Late Container Delivery Rebate”** means the rebate payment to be provided by Contractor to a Customer in accordance with Section 5.12 for failure to deliver one or more Container(s) to a Customer Premises.

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

**“Member Agency(ies)”** means the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos, collectively, and includes all of the territory lying within their boundaries as presently existing or as such boundaries may be modified during the Term of this Agreement.

**“Member Agency Reimbursements”** means all payments payable to the Member Agencies identified and referenced in Article 7 of this Agreement, excluding Franchise Fees.

**“Missed Collection Rebate”** means the rebate payment to be provided by Contractor to a Customer in accordance with Section 5.12 for failure to Collect materials from a Customer Premises.

**“Move-in Kit”** refers to a pre-prepared and standardized collection of useful items to be given by property managers or Owners of Multi-Family Premises to new Multi-Family tenants upon move-in to a Multi-Family Dwelling Unit. At a minimum, Move-in Kits shall include a Multi-Family Recycling guide and stickers or refrigerator-magnets that clearly define the accepted and prohibited materials in the Recycling program. Contractor shall make In-Home Recycling Containers and kitchen pails available to Multi-Family property managers and Owners upon request at Contractor’s office.

**"Move-out Kit"** means apre-prepared and standardized collection of useful items to be given by property managers or Owners of Multi-Family Premises to existing tenants upon move-out from a Multi-Family Dwelling Unit. At a minimum, Move-out Kits shall include a move-out reuse guide to promote donating and reusing slightly used items (e.g., furniture, clothing), as well as other helpful information for Multi-Family residents that are moving out of the complex.

**“Mulch”** means a layer of material applied on top of soil, and, for the purposes of the Agreement, Mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

A. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

B. Was produced at one or more of the following types of Facilities:

1 A Compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under Division 7 of Title 14 of the CCR, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);

2. A Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7, Chapter 12; or,

3. A Solid Waste landfill as defined in PRC Section 40195.1 that is permitted under 27 CCR, Division 2.

**“Multi-Family”** means any Residential Premises, other than a Single-Family Premises, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with five (5) or more units, including such Premises when combined in the same building with Commercial Businesses. Multi-Family includes Large Multi-Family Premises and Small Multi-Family Premises that receive centralized, shared, Collection service for all units on the Premises. Customers residing in townhouses, mobile homes, condominiums, or other structures who receive individual service shall not be considered Multi-Family.

**“Multi-Family Dwelling Unit”** means an individual Residential unit of a Multi-Family complex.

**“Non-Collection Notice”** means a form developed by Contractor and provided to Customers at Contractor’s cost.

**“Occupant”** means the Person who occupies a Premises.

**“Organic Materials”** means Yard Trimmings, Food Waste, and Clean Wood, individually or collectively. As of the Effective Date, Organic Materials do not include Compostable Plastic products; however, if requested by the Authority during the Term of the Agreement, Contractor shall Collect Compostable Plastics with the Organic Materials. No Discarded Material shall be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste.The Parties agree that materials may be added to or subtracted from the list of Organic Materials from time to time by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Organic Materials are a subset of Organic Waste.

**"Organic Waste"** means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**“Overage”** means Discarded Materials exceeding the Container's intended capacity such that the Container’s lid is lifted by at least one (1) inch (or would be lifted by at least one (1) inch if there was a lid); or, (ii) Discarded Materials placed on top of or in the immediate vicinity of the Container, excluding allowed Cardboard as permitted in Exhibit B.

**“Owner”** means the Person(s) holding legal title to real property and/or any improvements thereon and shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor, or as otherwise defined in 14 CCR Section 18982(a)(57).

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

**“Person(s)”** means any individual, firm, association, organization, partnership, consortium, corporation, trust, joint venture, Commercial entity, governmental entity, public entity, or any other legal Person.

**“Post-Collection Services Agreement”** means the “Processing, Transfer, and Disposal Service Agreement” between the Authority and Waste Management of South Bay, Incorporated effective January 1, 2022 through December 31, 2036, unless extended or earlier terminated.

**“Post-Collection Services Contractor”** means Waste Management of South Bay, Incorporated who is under contract to the Authority as provided in the Processing and Disposal Agreement.

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

**“Processing”** means the controlled separation, recovery, volume reduction, conversion, or Recycling of Discarded Materials including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

**“Processing Facility” or “Processing Site”** means any plant or site used for the purpose of sorting, cleansing, treating, or reconstituting Recyclable Materials or Reusable Materials for the purpose of making such material available for Recycling or reuse; or the facility for the Processing and/or Composting of Organic Materials.

**“Prohibited Container Contaminants”** means: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the Recyclable Materials Container; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the Organic Materials Container; (iii) Discarded Materials placed in the Solid Waste Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in Organic Materials Container and/or Recyclable Materials Container; and, (iv) Excluded Materials placed in any Container.

**“Projected Gross Rate Revenues”** means projected Gross Rate Revenues calculated by multiplying the most-recent Customer subscription levels by then-current Rates.

**“Public Street”** means all Member Agency-owned and maintained paved areas between the normal Curb line of a roadway, including public parking lots, roadway dividers, and medians.

**“Push/Pull Charges”** means Authority-approved charges associated with the Contractor bringing and/or returning a Commercial Cart or Bin from a location on the Customer’s Premises to the public right-of-way (Push Charge) and/or returning the Container to said Premise (Pull Charge) so that the Container may be serviced.

**“Rate”** means the maximum amount, expressed as a dollar unit, approved by the Authority that the Contractor may bill a Customer for providing services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Exhibit G2. The Rates approved by Authority are the maximum Rates that Contractor may charge a Customer and Contractor may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the Authority or ratified by the Authority Contract Manager.

**“Rate Adjustment Factor”** means the amount determined under Exhibit E1 Section 3 or Exhibit E2 Section 4, whichever applies for a particular Rate Period.

**“Rate Period”** means a twelve (12) month period, commencing July and concluding June 30, with the exception that Rate Period Zero shall begin on the Commencement Date, and end June 30, 2024 (i.e., four-month period).

**“Recyclable Materials”** means those Discarded Materials that the Generators set out in Recyclable Materials Containers for Collection for the purpose of Recycling by the Contractor and that exclude Excluded Materials. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials and Solid Waste. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager. Recyclable Materials shall include, at a minimum, the following:

A Metals: aerosol cans, aluminum foil, aluminum pans, beverage cans, can lids, car parts, doors and screens, electrical motors, food and soup cans, furniture, hangers, keys, lids andcaps, nuts and bolts, paint cans, pet food cans, pipes, plumbing fixtures, pots and pans, propane tanks, scrap metal, screws and nuts, tools, toys, umbrellas, and utensils.

B. E-Waste: appliances, calculators, cameras, cell phones, computer mice, computer tower, cords, DVD players, DVRs, fax machines, inkjet toner cartridges, keyboards, microwaves, pagers, PDAs, printers, radios, scanners, stereos, telephones, and VCRs, but not including any E-Waste items with embedded batteries.

C. Paper: aseptic packaging, books, carbonless paper, cardboard, catalogs, cereal boxes, coffee cups, colored paper, computer paper, construction paper, coupons, egg cartons, envelopes, frozen food boxes, gift wrap, juice boxes, junk mail, magazines, mailers, milk cartons, newspapers (including inserts), office paper, paper bags, paper cups and plates, pizza boxes, shoe boxes, shredded paper, and telephone books.

D. Plastic: auto parts, baby wipe containers, baskets, beverage bottles, bleach/ detergent bottles, buckets, coffee cup lids, coolers, crates, flowerpots, food containers, furniture, hangers, household cleaner bottles, mouthwash bottles, pet carriers, HDPE pipes, plastics (numbers one (1) through seven (7)), prescription bottles, shampoo bottles, shelving, squeeze bottles, swimming pools, take-out containers, and toys.

E. Film Plastics: bread bags, bubble wrap, cellophane bags, dry cleaning bags, frozen food bags, newspaper bags, pallet wrap, plastic liners, plastic wrap, produce bags, and shrink wrap.

F. Glass: beverage bottles, broken glass, food jars, and wine bottles.

G. Miscellaneous: textiles.

**“Recycle or Recycling (or any variation thereof)**” means the process of sorting, cleansing, treating, and reconstituting, at a Recyclable Materials Processing Facility, materials that would otherwise be Disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused, or reconstituted products. Recycling includes Processes deemed to constitute a reduction of landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

**“Related-Party Entity”** (whether capitalized or not) means any Affiliate that has financial transactions with Contractor pertaining to this Agreement. For the purposes of this Agreement, Related-Party Entities shall include, but are not limited to \_\_\_\_\_\_\_\_\_\_\_\_\_. *{Proposers: Specify as applicable.}*

**“Renewable Natural Gas”** or **“RNG”** means gas derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

**“Residential”** shall mean of, from, or pertaining to a Single-Family Premises or Multi-Family Premises including Single-Family homes, apartments, condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

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

**“Reusable Materials”** means items that are capable of being used again after minimal Processing. Reusable Materials may be Collected Source Separated or recovered through a Processing Facility and using reuse markets developed by Contractor. Reusable Materials may include, but are not limited to, textiles, furniture, and/or sporting equipment.

**“Route”** means the designated itinerary or sequence of stops for each segment of the Authority’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

**“SB 1383”** means Short-Lived Climate Pollutants Act of 2016 (an act to add Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

**“SB 1383 Regulations or SB 1383 Regulatory”** means to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR., as they may be amended.

**“Self-Haul(er)”** means a Person who hauls Discarded Materials, recovered material, or any other material they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste.

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

**“Service Opportunity”** shall mean each individual scheduled opportunity the Contractor has to Collect from a Container at a Customer’s location. For example, a Commercial Customer receiving Recyclable Materials Collection service two (2) times per week from two (2) Containers, Organic Materials Collection service two (2) times per week from (2) Containers, and Solid Waste Collection service two (2) times per week from two (2) Containers would have a total of twelve (12) Service Opportunities each week. Service Opportunities shall be calculated based on the subscription levels presented in Contractor’s most recent monthly report to Authority and Member Agencies.

**“Single-Family**” means of, from, or pertaining to any Residential Premises with one (1) to four (4) units; notwithstanding any contrary definition in the Member Agencies’ Municipal Code, and any detached or attached house or residence designed or used for occupancy by one (1) or two (2) families, provided that Collection service can feasibly be and is provided to such Premises as an independent unit. Customers residing in townhouses, mobile homes, condominiums, or other structures who receive individual service shall be considered Single-Family.

**“Small Multi-Family”** means a Multi-Family Premise, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with five (5) to fifteen (15) Dwelling Units, including such Premises when combined in the same building with Commercial Businesses.

**“Solid Waste”** means solid waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Excluded Materials, C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code, as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container, not Source Separated from Solid Waste at the site of generation.

**“Source Reduction”** means and refers to the reduction in overall volume of Discarded Materials generated.

**“Source Separated”** means the segregation, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, or reuse.

**“State”** means the State of California.

**“Subcontractor”** means a Person other than the Contractor, who has been engaged to perform an act that is necessary for, and directly related to, Contractor’s fulfillment of a substantial portion of its obligations for providing service under this Agreement. Notwithstanding any other provision in this Agreement, Vendors providing materials, supplies, or professional services to Contractor shall be considered Subcontractors for any purpose under this Agreement (except as explicitly provided in Section 3.3 of this Agreement). Subcontracted activities would include, but are not limited to, Collection, Processing, Container delivery, and any activity that involves direct contact with Customers or operation of vehicles within the Authority. As of Effective Date, Subcontractors are listed in Exhibit G4.

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

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

**“Total Service Opportunities”** shall mean the sum of all Service Opportunities in a given time period.

**“Transfer”** means the act of transferring the materials Collected by Contractor in its Route vehicles into larger vehicles for Transport to other facilities for the purpose of Recycling, Processing, or Disposing of such materials.

**“Transportation”** or **“Transport”** means the act of conveying Collected materials from one location to another.

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

**“Used Motor Oil and Filter”** means used oil fluids for vehicles including motor and engine oil, transmission and hydraulic oil, crankcase and differential oils, lubricating oils for vehicles, and oil filters from automobiles, boats, motorcycles, and light trucks.

**“Used Oil Recovery Kit”** means a kit containing one (1) reusable plastic jug of at least one (1) gallon capacity with a leak-proof watertight screw-on top to contain used cooking oil and a flyer, brochure, or other informational media approved by the Authority Contract Manager intended to educate Customers about the used cooking oil Collection program and the benefits resulting from the proper handling of used cooking oil. The Used Oil Recovery Kit is to be provided to Single-Family residents. *{Note to Proposers: Container sizes and/or type may be modified based on the program proposed by the selected Contractor.}*

**“Vendor”**means a person who has entered into a contract with Contractor for performance of an act that is necessary for Contractor’s fulfillment of an unsubstantial portion of its obligations for providing service under this agreement. Vendors include, but are not limited to, printers of public education and outreach materials, document translators, material and supply providers, and professional service providers.

**“Working Days”** means days on which the Contractor is required to provide regularly scheduled Collection services under this Agreement.

**“Yard Trimmings”** means those Discarded Materials that will decompose and/or putrefy including, but not limited to, green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in Member Agency legislation for Collection and Processing as Organic Materials under this Agreement. The Parties agree that materials may be added to or subtracted from this list from time to time by mutual consent. Contractor shall not add or subtract materials from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Yard Trimmings does not include items herein defined as Excluded Materials. Yard Trimmings are a subset of Organic Materials. Yard Trimmings placed for Collection must fit within the Contractor-provided Container.

Exhibit B:
Direct Services

The following Exhibits (B1 through B6) describe the programs that, in aggregate, represent the direct services to be performed under this Agreement by the Contractor.

Each of the following Exhibits (B1 through B6) present the programs to be provided to each Customer Type by Contractor. Within each program description are specific requirements for the:

* Type and size of Containers or Service Level to be offered by Contractor under each program;
* Frequency of service to be offered by Contractor to Customers;
* Location of service, including an indication of whether or not additional charges may apply if a Customer selects a location that is more costly to serve (e.g., back-yard service);
* Materials that are acceptable or prohibited within the program;
* Provision of additional services to the Customer if the standard Service Levels are inadequate, either on a regular or periodic basis, and an indication of whether or not additional charges may apply; and/or,
* Other requirements and considerations of the program.

Contractor shall provide the services for each program described in accordance with the specific program requirements detailed in Exhibits B1 through B6 and Contractor shall promote such programs using the public education and outreach methods described in Exhibit C.

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Exhibit B1:
Single-Family Residential Service

### 1. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility.

**Containers:** Carts.

**Container Sizes:** 20, 35-, 65-, and 95-gallons (or comparable sizes approved by the Authority Contract Manager).

**Service Frequency:** One (1) time per week on the same day as Organic Materials and Solid Waste Collection services.

**Service Location:** Curbside. Non-curbside Collection available for free for those physically unable to use curbside service, or at an additional charge as described in Section 4.13.C of the Agreement.

**Acceptable Materials:** Recyclable Materials.

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

**Additional Service:** For Single-Family Customers requesting Recyclable Materials Containers beyond one (1), Contractor shall provide the additional Recyclable Materials Carts at Rates approved by the Authority.

 Contractor shall allow Single-Family Customers to place flattened Cardboard (pieces no larger than 4’ x 4’) adjacent to the Recyclable Materials Cart on their regularly scheduled Collection day at no additional charge to the Customer.

**Other Requirements:** None.

### 2. Organic Materials Collection

Contractor shall Collect Organic Materials placed in Contractor-provided Carts (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and Transport all Organic Materials to the Designated Organic Materials Processing Facility.

**Containers:** Carts.

**Container Sizes:** 20-, 35-, 65-, and 95-gallons (or comparable size approved by the Authority Contract Manager).

**Service Frequency:** One (1) time per week on the same day as Recyclable Materials and Solid Waste Collection service.

**Service Location:** Curbside Non-curbside Collection available for free for those physically unable to use curbside service, or at an additional charge as described in Section 4.13.C of the Agreement.

**Acceptable Materials:** Organic Materials (including Yard Trimmings, Food Scraps, and Compostable Paper). Contractor shall accept Compostable Plastic unless otherwise directed by Authority Contract Manager.

Single-Family Customers may place Organic Materials in Compostable Plastic bags and then place the bagged Organic Materials into their Organic Materials Carts for Collection.

Organic Materials placed for Collection in Carts may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart.

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

**Additional Service:** Up to one (1) additional Cart shall be made available for no additional charge upon Customer request for Customers residing in the City of Campbell, the City of Saratoga, or the Town of Los Gatos. Up to two (2) additional Carts shall be made available for no additional charge upon Customer request for Customers residing in the City of Monte Sereno. For Single-Family Customers requesting Organic Materials Containers beyond three (3), Contractor shall provide the additional Organic Materials Carts to Single-Family Customers upon request and may charge at Rates approved by the Authority.

 Contractor shall allow Single-Family Customers to place bundled and tied Yard Trimmings of up to thirty-two (32) gallons in volume adjacent to the Organic Materials Cart on their regularly scheduled Collection day at no additional charge to the Customer up to six (6) times per calendar year.

**Other Requirements:** Contractor shall purchase and distribute one (1) small kitchen pail designed to contain Food Scraps prior to placement in the Customer’s Organic Materials Cart to each new Single-Family Customer at no additional charge. Contractor shall also purchase and provide each Single-Family Customer no more than one (1) small kitchen pail annually at no additional charge upon request by Customer and as directed by the Authority Contract Manager.

### 3. Solid Waste Collection

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

**Containers:** Carts.

**Container Sizes:** 20-, 35-, 65-, and 95-gallons (or comparable sizes approved by the Authority Contract Manager) as requested by Customer, or Customer purchased additional Solid Waste Collection bags.

**Service Frequency:** One (1) time per week on the same day as Recyclable Materials and Organic Materials Collection service.

**Service Location:** Curbside. Non-curbside Collection available for free for those physically unable to use curbside service, or at an additional charge as described in Section 4.13.C of the Agreement.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, and Excluded Materials.

**Additional Service:** Contractor shall provide additional Solid Waste Carts to Single-Family Customers upon request and may charge the appropriate Rate approved by the Authority.

 Contractor shall accept Household Batteries in the Collection program provided that those batteries have been separately packaged in a sealed fluorescent bag, provided by the Contractor and placed on top of the Solid Waste Cart.

**Other Requirements:** Contractor shall provide every Single-Family Customer with at least two (2) fluorescent bags per calendar year. Contractor shall deliver fluorescent bags in conjunction with educational mailers as part of Contractor’s annual public education and outreach plan approved in accordance with Exhibit C, or other method approved by the Authority Contract Manager.

### 4. Used Cooking Oil Collection

{Note to Proposers: This Section will be removed if Authority elects not to retain Contractor for this alternative service.}

Contractor shall Collect used cooking oil generated through Residential use placed in a Contractor-provided Used Oil Recovery Kit from Single-Family Customers and shall Recycle all used cooking oil Collected pursuant to this Agreement. Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

**Containers:** Used Oil Recovery Kit.

*{Note to Proposers: Kit Container sizes and/or types may be modified based on the selected Contractor’s proposal.}*

**Container Sizes:** One (1)-gallon translucent plastic containers with screw-on top jugs, and six- (6) mil plastic sealable bags.

**Service Frequency:** Up to one (1) time per week and up to three (3) gallons per Single-Family Customer per week of used cooking oil on the same day as Solid Waste Collection service.

**Service Location:** Curbside.

**Acceptable Materials:** Used cooking oil.

**Prohibited Materials:** Recyclable Materials, Organic Materials, Solid Waste, C&D, and Excluded Materials.

**Additional Service:** Not applicable.

**Other Requirements:** Contractor shall provide a Used Oil Recovery Kit to a Customer upon Customer’s request within three (3) Business Days of such request. Upon Collection of used cooking oil from a Customer, Contractor shall leave a clean and empty Used Oil Recovery Kit adjacent to the Recyclable Materials Cart.

Contractor shall Recycle the used cooking oil only with Persons who are authorized by the State of California to Recycle such materials. In the event the used cooking oil Collected pursuant to this Agreement is contaminated to the extent that the materials require Disposal as a Hazardous Waste, Contractor shall Dispose of such materials at Contractor’s own cost and expense in accordance with Applicable Law.

 Contractor shall notify the Authority Contract Manager of any contamination that renders the used cooking oil unacceptable for Recycling or that requires Disposal as a Hazardous Waste.

 Contractor shall keep all used cooking oil Collected pursuant to this Agreement segregated from other materials.

 Contractor may refuse to Collect used cooking oil if it is not contained in an approved Used Oil Recovery Kit, provided that Contractor leaves a Non-Collection Notice that explains the reason for non-Collection, and also leaves a clean and empty Used Oil Recovery Kit adjacent to the refused used cooking oil set out. Contractor may refuse to Collect a Used Oil Recovery Kit that contains liquid other than used cooking oil, provided that Contractor leaves a Non-Collection Notice that explains the reason for non-Collection.

### 5. Bulky Item Collection

Contractor shall Collect Bulky Items, Reusable Materials, and other materials described herein from Single-Family Customers and Transport all Bulky Items and Reusable Materials to the applicable Designated Facility, Approved Facility, or reuse vendor(s). Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

During the first two (2) complete calendar weeks of January each year, Contractor may offer limited Collection of Bulky Items, Reusable Materials, and other materials while offering holiday tree Collection service in accordance with Exhibit B1 Section 6, if needed. Under no circumstances shall the Contractor cease Collection service for Abandoned Waste in accordance with Section 4.5 and Exhibit B4.

**Containers:** Not applicable.

**Service Level:** For each Collection event, up to three (3) cubic yards of Reusable Materials, Recyclable Materials, and Solid Waste; and, up to three (3) Bulky Items of which up to one (1) may be an E-Waste item, and two(2) may be an Appliance.

**Service Frequency:** Upon Customer or Occupant request, up to three (3) times per calendar year per Single-Family Customer at no additional cost to the Customer.

Additional on-call service upon Customer or Occupant request at Rates approved by the Authority.

**Service Location:** Curbside, in front of each individual Premises, or other location on or adjacent to Customer’s Premises, as arranged by Customer and Contractor, to reduce safety concerns of Collecting Bulky Items along busy streets.

**Acceptable Materials:** Reusable Materials, Bulky Items, Source Separated Recyclable Materials, Source Separated Yard Trimmings, clean unfinished wood, Solid Waste, and E-Waste.

**Prohibited Materials:** Food Scraps, Hazardous Materials, liquids, sludge, rocks, cement, dirt, bundled wood exceeding five (5) feet in length or wood that is painted or stained, abandoned automobiles, automobile batteries, commercial tires, Excluded Materials, Infectious Waste, or any single item (e.g., large auto parts) that exceeds one hundred fifty (150) pounds in weight, excluding Appliances (unless Customer has paid an additional fee for service).

**Additional Service:** Contractor shall Collect additional acceptable materials (as described herein) that exceed the required Service Level (as requested by Customer) and may charge the appropriate Rate approved by the Authority for such additional material Collected.

**Other Requirements:** Contractor shall design the Bulky Item Collection program to include the participation of reuse vendor(s) to accept donated clothes or other reusable items and to Recycle or Divert as much of the material as possible. Mattresses shall be delivered to a recycler. Contractor shall not Dispose of materials Collected through the Bulky Item Collection program unless the materials cannot be Diverted. Contractor shall Process and Dispose of Bulky Items and Reusable Materials Collected from Customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or Recycling; (3) Recycle; and if none of the other options are practicable, (4) Dispose.

Appliances and E-Waste items shall be reused, Recycled, or Disposed by Contractor in accordance with requirements of Applicable Law and in accordance with the State Department of Toxic Substance Controls regulations. In the event Contractor Collects Appliances that contain freon, Contractor shall handle such Appliances in a manner that the Appliances are not subject to regulation as Hazardous Waste under applicable State and Federal laws or regulations.

If Contractor determines that material placed for Collection is Hazardous Waste, Designated Waste, or other material that may not legally be Disposed of at the Designated Disposal Facility, handled at the Processing Sites, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material, provided that Contractor leaves a Non-Collection Notice in accordance with Section 4.14 of this Agreement.

### 6. Holiday Tree Collection

Contractor shall Collect holiday trees from all Single-Family Customers annually to supplement but not replace the Collection program offered by youth programs (including by not limited to the Boy Scouts) in the Authority. Contractor’s Collection of holiday trees shall begin at the Customer’s Curbside during the first Monday in January and end on the first regularly scheduled Organic Materials Collection day of February for each specific Route. Contractor shall publicize to Customers that the holiday tree collection service is available from the first Monday in January until the first regularly scheduled Organic Materials Collection day of the last week of February for each specific Route. On the first regularly scheduled Organic Materials Collection day of February for each specific Route, Contractor shall offer a courtesy Collection of holiday trees for Customers who did not receive a holiday tree Collection in January. Holiday trees shall be routed consistent with Organic Materials Collection routes and shall be Collected on the Customer’s regular Collection day.

Holiday trees shall be delivered to the Approved Facility(ies) where they will be used to produce Mulch or Diverted from landfill Disposal in an alternative manner to count as Diversion in accordance with the AB 939 and SB 1383, with the exception that holiday trees may not be used as ADC, AIC, or for transformation fuel without prior written approval from the Authority Contract Manager. Trees that are flocked and contain tinsel and/or other decorations may not be Collected for Diversion purposes but shall be Collected and Disposed by Contractor.

Holiday tree Collection services shall be provided at no additional cost to the Authority or the Customer. Contractor may require that holiday trees be cut into sections no greater than six (6) feet.

### 7. Drop Boxes and Compactors

Contractor shall allow for a Single-Family Customer to use a Drop Box for temporary Collection to meet the Customer’s needs. In such case, Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards with lids and covers. Contractor shall provide Drop Box Containers. Contractor shall ensure that Drop Boxes containing putrescible materials are Collected at least one (1) time per week. Contractor shall ensure the designated pick-up area shall be in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

Exhibit B2:
Multi-Family Residential Services

### 1. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers from Multi-Family Customers and shall Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 5-, and 6-cubic yard Bins. As requested by Customer.

 Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to five (5) times per week, as scheduled by Customer, but not less than one (1) time per week.

**Service Location:** Curbside, enclosure, or other location agreed upon by Customer and Contractor. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Recyclable Materials.

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

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to five (5) days per week total service.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and service Containers and may charge Authority-approved Rates for such service.

 Contractor shall provide no less than twenty (20) gallons for each Dwelling Unit.

### 2. Organic Materials Collection

Contractor shall Collect Organic Materials in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Organic Materials to the Approved Organic Materials Processing Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

*{Note to Proposers: Proposer has the option to deliver Multi-Family Organic Materials to the Designated Organic Materials Processing Facility with Single-Family Organic Materials, provided that the Multi-Family Organic Materials meet the contamination standards of the Designated Organic Materials Processing Facility. Authority reservices the right to direct the Contractor to deliver Multi-Family Organics to the Approved Organic Materials Processing Facility.}*

**Containers:** Carts, Bins.

**Container Sizes:** 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,

 1-, 1.5-, 2-, 3-, 4-, 5-, and 6-cubic yard Bins, as requested by Customer.

 Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to five (5) times per week but not less than one (1) time per week (as requested by Customer).

**Service Location:** Curbside, enclosure, or other location agreed upon by Contractor and Customer. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface. Containers shall be shared by Occupants and centralized.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Organic Materials (including Yard Trimmings, Food Scraps, and Compostable Paper). Compostable Plastics are acceptable materials unless otherwise directed by Authority Contract Manager.

Multi-Family Customers may place Organic Materials in Compostable Plastic bags and then place the bagged Organic Materials into their Organic Materials Containers for Collection.

 Organic Materials placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart or Bin.

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

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to five (5) days per week total service.

**Other Requirements:** Contractor shall purchase and distribute one (1) small kitchen pail designed to contain Food Scraps prior to placement in the Customer’s Organic Materials Cart to each new Multi-Family Dwelling Unit Customer or Occupant at no additional charge.

 Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers and may charge Authority-approved Rates for such service.

 Contractor shall provide no less than ten (10) gallons of Container capacity for every Dwelling Unit.

### 3. Solid Waste Collection

Contractor shall Collect Solid Waste placed in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Solid Waste to the Designated Disposal Facility. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 5-, and 6-cubic yard Bins, as requested by Customer.

 Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

 Contractor to provide no less than ninety-five (95) gallons of Container capacity for every five (5) Dwelling Units.

**Service Frequency:** Up to five (5) times per week, but not less than one (1) time per week (as requested by Customer).

**Service Location:** Curbside, enclosure, or other location agreed up by Contractor and Customer. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, and Excluded Materials.

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks ups can be scheduled equating to up to five (5) days per week total service.

 Contractor shall accept Household Batteries in the Collection program from Small Multi-Family Premises provided that tenants of Small Multi-Family Premises place Household Batteries in a sealed fluorescent bag, provided by the Contractor, and place on top of a centrally located Solid Waste Container.

 Contractor shall accept Household Batteries in the Collection program from Large Multi-Family Premises provided that the Household Batteries are placed in a Contractor-provided Collection container and placed in a mutually-determined location for Collection.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, and/or perform other services as reasonably necessary to access and service Bins, and may charge the Authority-approved Rates for such services.

Contractor shall provide every Multi-Family Customer with at least two (2) fluorescent bags per Multi-Family Dwelling Unit per calendar year. Contractor shall deliver fluorescent bags in conjunction with Diversion opportunity assessments as part of Contractor’s annual public education and outreach plan, approved in accordance with Exhibit C, or other method approved by the Authority Contract Manager.

### 4. Bulky Item Collection

Contractor shall Collect Bulky Items, Reusable Materials, and other materials described herein from Multi-Family Customers and shall Transport all Bulky Items and Reusable Materials to the applicable Designated Facility, Approved Facility, or reuse Vendor(s). Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

**Containers:** Not applicable.

**Service Level:** Per Multi-Family Dwelling Unit: Up to three (3) cubic yards of Reusable Materials, Recyclable Materials, Yard Trimmings, and Solid Waste; and, up to three (3) Bulky Items of which one (1) may be an E-Waste item.

**Service Frequency:** Collection provided one (1) time per calendar year per Dwelling Unit on an on-call basis (e.g., a Multi-Family Premises with ten (10) Dwelling Units is entitled to a total of ten (10) total Collection requests per calendar year for the Premises at no charge, regardless of which Dwelling Unit receives the service).

 Additional on-call service upon Customer or Occupant request at Rates approved by the Authority.

**Service Location:** For Small Multi-Family Customers, Contractor shall Collect from a designated location at the Multi-Family Premises mutually agreed upon between Contractor and the Occupant requesting service.

 For Large Multi-Family Customers, Contractor shall Collect from a designated location at the Multi-Family Premises mutually agreed upon between Contractor and the property Owner or manager.

**Acceptable Materials:** Appliances (maximum of two (2) per Dwelling Unit), Reusable Materials, Bulky Items, Source Separated Recyclable Materials, clean unfinished wood, Solid Waste, tires (four (4) per Dwelling Unit; removed from rims) and E-Waste.

**Prohibited Materials:** Food Scraps, Hazardous Materials, liquids, sludge, rocks, cement, dirt, bundled wood exceeding five (5) feet in length or wood that is painted or stained, abandoned automobiles, automobile batteries, commercial tires, Excluded Materials, Infectious Waste, or any single item (e.g., large auto parts,) that exceeds one hundred fifty (150) pounds in weight, excluding Appliances (unless Customer has paid an additional fee for service).

**Additional Service:** Contractor shall Collect additional Acceptable Materials (as described herein) that exceed the required Service Level (as requested by Customer) and may charge the appropriate Rate, approved by the Authority, for such additional material Collected.

**Other Requirements:** Contractor shall design the Bulky Item Collection program to include the participation of reuse Vendor(s) to accept donated clothes or other reusable items and to Recycle or Divert as much of the material as possible. Mattresses shall be delivered to a recycler. Contractor shall not Dispose of materials Collected through the Bulky Item Collection program unless the materials cannot be Diverted. Contractor shall Process and Dispose of Bulky Items and Reusable Materials Collected from Customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or Recycling; (3) Recycle; and if none of the other options are practicable, (4) Dispose.

Appliances and E-Waste items shall be reused, Recycled, or Disposed by Contractor in accordance with requirements of Applicable Law and in accordance with the State Department of Toxic Substance Controls regulations. In the event Contractor Collects Appliances that contain freon, Contractor shall handle such Appliances in a manner that the Appliances are not subject to regulation as Hazardous Waste under applicable State and Federal laws or regulations.

If Contractor determines that material placed for Collection is Hazardous Waste, Designated Waste, or other material that may not legally be Disposed of at the Designated Disposal Facility, handled at the Processing Sites, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material, provided that Contractor leaves a Non-Collection Notice in accordance with Section 4.14 of this Agreement.

### 5. Holiday Tree Collection

Contractor shall Collect holiday trees from all Multi-Family Customers annually to supplement, but not replace, the Collection program offered by youth programs (including by not limited to the Boy Scouts) in the Authority.

For Small Multi-Family Customers, Contractor’s Collection of holiday trees shall occur at the Customer’s Curbside. For Large Multi-Family Customers, Contractor shall contact the property manager or Owner to arrange for a Collection location. Contractor shall offer to provide Large Multi-Family Customers a Drop Box at no additional cost for holiday tree Collection.

Contractor shall publicize to Customers that the holiday tree collection service is available from the first Monday in January until the first regularly scheduled Organic Materials Collection day of the last week of February for each specific Route. On the first regularly scheduled Organic Materials Collection day of February for each specific Route, Contractor shall offer a courtesy Collection of holiday trees for Customers who did not receive a holiday tree Collection in January. Holiday trees shall be routed consistent with Organic Materials Collection routes and shall be Collected on the Customer’s regular Collection day.

Holiday trees shall be delivered to the Approved Facility(ies) where they will be used to produce Mulch or Diverted from landfill Disposal in an alternative manner to count as Diversion in accordance with AB 939 and SB 1383, with the exception that holiday trees may not be used as ADC, AIC, or for transformation fuel without prior written approval from the Authority Contract Manager. Trees that are flocked and contain tinsel and/or other decorations may not be Collected for Diversion purposes but shall be Collected and Disposed by Contractor.

Holiday tree Collection services shall be provided at no additional cost to the Authority or the Customer. Contractor may require that Christmas trees be cut into sections no greater than six (6) feet.

### 6. Move In and Move Out Kits

{Note to Proposers: This Section will be removed if the Authority does not elect for Contractor to provide this service.}

Contractor shall provide Move-in Kits and Move-out Kits to Multi-Family Customers.

For Large Multi-Family Customers, Contractor shall provide Move-in Kits and Move-out Kits to the property manager or Owner, upon request, for the property manager or Owner to provide to tenants. Contractor shall provide additional Move-in Kits and Move-out Kits annually during Diversion opportunity assessments described in Exhibit C, Section 4.

For Small Multi-Family Customers, Contractor shall provide Move-in Kits upon request of a new tenant, property manager, or Owner. In addition, Contractor shall contact each tenant once per calendar year to notify them of the availability of the Move-out Kits and encourage tenants to contact the Contractor when they would like to receive a Move-out Kit.

### 7. Multi-Family Container Sharing

Upon approval by the Authority Contract Manager and the Contractor, the Contractor shall permit Multi-Family Customers to share Discarded Materials service with other geographically proximate Multi-Family Customers. Such shared service shall be performed and billed as if it were being provided to a single Customer, with the exception that Contractor shall require all Customers sharing a single service account to identify a “Primary Responsible Party” that will serve as the singular point of contact for communication and billing from Contractor and the Authority, along with a list of all addresses with which the Primary Responsible Party will share service.

Exhibit B3:
Commercial Services

### 1. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers from Commercial Customers and Transport all Recyclable Materials to the Approved Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 5-, and 6-, 7, and 8-cubic yard Bins, as requested by Customer.

 Contractor shall provide Customer with a choice of Drop Box and Compactor capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer).

**Service Location:** Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Recyclable Materials.

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

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers, and may charge the Authority-approved Rate for such service.

Contractor to provide no less than sixty-four (64) gallons of Container capacity per week per Commercial Generator with shared service at the Commercial Premises.

### 2. Organic Materials Collection

Contractor shall Collect Organic Materials placed in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Organic Materials to the Approved Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65, and 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 5-, and 6-cubic yard Bins, as requested by Customer.

 Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer). Saturday service requires three (3) service days during the week (Monday through Friday).

**Service Location:** Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Organic Materials (including Yard Trimmings, Food Scraps, Compostable Paper, and Compostable Plastics).

 Commercial Customers may place Organic Materials in Compostable Plastic bags and then place the bagged Organic Materials into their Organic Materials Containers for Collection.

Organic Materials placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart or Bin.

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

**Additional Service:** Contractor shall provide additional Organic Materials Collection capacity to Commercial Customers upon request and may charge the appropriate Rate approved by the Authority. Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers, and may charge the Authority-approved Rate for such service.

Contractor to provide no less than ten (10) gallons of Container capacity per week per Commercial Generator with shared service at the Commercial Premises.

### 3. Solid Waste Collection

Contractor shall Collect Solid Waste placed in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Solid Waste to the Designated Disposal Facility. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 5-, and 6-, 7, and 8-cubic yard Bins, as requested by Customer.

 Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer). Saturday service requires three (3) service days during the week (Monday through Friday).

**Service Location:** Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

 Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, Excluded Materials.

**Additional Service:** Contractor shall provide additional Solid Waste Collection capacity to Commercial Customers upon request and may charge the appropriate Rate approved by the Authority. Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

 Contractor shall make contact with each and every Commercial Customer in advance of the Commencement Date to determine appropriate Container sizes and service frequency.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers, and may charge the Authority-approved Rate for such service.

 Contractor to provide no less than twenty (20) gallons of Container capacity per week per Commercial Generator with shared service at the Commercial Premises.

### 4. Commercial Container Sharing

Upon approval by the Authority Contract Manager and the Contractor, the Contractor shall permit Commercial Customers to share Discarded Materials service with other geographically-proximate Commercial Customers. Such shared service shall be performed and billed as if it were being provided to a single Customer, with the exception that Contractor shall require all Customers sharing a single service account to identify a “Primary Responsible Party” that will serve as the singular point of contact for communication and billing from Contractor and the Authority, along with a list of all addresses with which the Primary Responsible Party will share service.

Exhibit B4:
Member Agency Services

### 1. Commercial Customer Services to Member Agency Facilities

Contractor shall Collect Organic Materials, Recyclable Materials, and Solid Waste from Member Agency facilities in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all existing Member Agency facilities identified in Exhibit B4, as well as any future Member Agency facilities established after the Commencement Date, in the Container sizes and at the frequency requested by the Member Agencies The cost of providing such service shall be an allowable cost of business, included in the adjustment of Rates as described in Exhibit E.

Contractor shall work with the Member Agencies to ensure that each Member Agency facility (including but not limited to public spaces such as parks) receives service that adequately meets the generation needs of that facility. Contractor shall ensure that all Member Agency facility Service Levels are reviewed and updated every three (3) years during the Term.

### 2. List of Member Agency Facilities

Contractor will Collect Recyclable Materials, Organic Materials, and Solid Waste from Member Agency facilities (including parks) in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all Member Agency facilities, present and future, at no additional cost to the Member Agency. However, such costs shall be allowable during cost-based Rate adjustments pursuant to Exhibit E2. Contractor shall provide special event services pursuant to Section 4.6 of the Agreement. Listed below are the current and planned Member Agency facilities to receive Collection services.

Contractor shall provide Solid Waste, Recyclable Materials, and Organic Materials Collection services to the Member Agencies’ public facilities, parks, public litter cans, and public Recycling and Organics cans as listed below. The Member Agency may, at any time, modify the service requirements to increase the volume Collected or the frequency of Collection, and add locations serviced.



### 3. Public Litter Module Service

Contractor shall provide Collection, Transportation, and Processing or Disposal service to all public litter modules in place or placed by the Member Agencies on sidewalks, at bus stops, in parks, and other Member Agency properties as set forth in Exhibit B4 during the Term of this Agreement. Frequency of Collection may be designated by the Member Agency, not to exceed five (5) times per week per public litter module. *{Note to Proposers: Frequency of Collection will be updated to seven (7) times per week if the Authority elects for Contractor to provide weekend service.}*

In the event that public litter modules are designed and able to separately contain Source Separated Recyclable Materials and/or Source Separated Organic Materials, Contractor shall Process such materials in accordance with Sections 4.1 and 4.2 of the Agreement and shall not commingle such materials with Solid Waste.

Listed below are the current and planned Member Agency public litter modules to receive Collection services.









### 4. On-Call Clean Up Service

Contractor shall provide Collection and Transportation service for on-call clean-up service requests upon Member Agency request. At each Member Agency’s sole option, the Member Agency may direct the Contractor to provide such clean-up capacity in the form of temporary Drop Box service for community events, creek vegetation removal, large clean-up events at locations throughout the Member Agencies, Member Agency Facility Bulky Item Collection, Abandoned Waste Collection, or any other arrangement deemed appropriate. Contractor will provide and collect a maximum of twenty (20) Drop Box hauls per calendar year at no charge to each Member Agency. The Parties acknowledge that the intent of this program is not to support the ongoing, regular Collection needs associated with new developments in the Member Agencies, but rather to support the Member Agencies through targeted, short-term, clean-up events or Collection service.

Contractor shall, in response to a written request from a Member Agency, deliver to and Collect Drop Boxes from locations not designated as City facilities. The request to Contractor shall specify the date of delivery and Collection of the Drop Box Containers, the location(s) for delivery, and the number of and size of the Drop Box Containers to be delivered. Contractor shall deliver Drop Boxes by the next Working Day following Member Agency request. Contractor shall Collect, empty, and return Drop Boxes by the next Working Day following Member Agency request. Contractor shall remove and not return Drop-Boxes by the next Working Day following Member Agency request.

### 5. Emergency Services

Contractor shall provide emergency services (i.e., special Collections, Transport, Processing, and Disposal) at the request of the Member Agency in the event of major accidents, disruptions, or natural calamities. Contractor shall be capable of providing emergency services within twenty-four (24) hours of notification by the Member Agency or as soon thereafter as is reasonably practical in light of the circumstances. For any services that exceed the scope of services under this Agreement, Contractor shall be entitled to compensation at the emergency service Rates approved under this Agreement. The Member Agency shall have discretion in the method of such compensation between direct payments by the Member Agency and allowing such costs to be considered in the adjustment of Rates for the following Rate Period.

### 6. Provision of Compost Product

{Note to Proposers: This Section will be updated based on services the Authority elects to have the Contractor provide. It is the Authority’s strong preference that SB 1383 organic waste product procurement requirements are met through the use of RNG in Collection vehicles.}

**A. Bulk Compost and/or Mulch for Member Agency Use.** Contractor shall provide to the Authority and its Member Agencies bulk Compost, Mulch, or both each calendar year in an amount needed to fully achieve each Member Agency’s recovered organic waste product purchasing requirements of SB 1383, as they may be determined and adjusted throughout the Term. The production, acquisition, advertising, storage, transportation, distribution, and/or any other costs needed to achieve this requirement shall be performed by Contractor at no additional cost to the Authority, its Member Agencies, or Customers. Member Agencies will notify Contractor as to the Member Agency’s needs for delivery of finished Compost, Mulch, or both throughout each Calendar Year. Contractor shall deliver Compost, Mulch, or both within five (5) Business Days of a request of the Member Agency to any accessible location within the Member Agency’s limits at no additional cost to the Member Agency. Contractor shall work actively with the Member Agency and appropriate Member Agency departments to educate, develop, test, and support expanded uses of qualified Compost and Mulch in the Member Agency. The Member Agency will specify the material type (i.e., Compost, Mulch, or both) to be provided and the quality specifications of the selected material type for any given application.

**B.** **Compost Give-Away Events**. Contractor shall distribute an annual total of at least one thousand (1,000) cubic feet of Compost per Member Agency to Member Agency residents at no additional cost to the Member Agencies, Authority, or Customers at two (2) public Compost give-away events per Rate Period (such that Contractor shall provide at least five hundred (500) cubic feet of Compost per event). The location, date, and time of such events shall be mutually agreed upon by Contractor and the Member Agency and may be held in conjunction with other Member Agency approved events. Contractor shall deliver the un-bagged Compost to the agreed-upon event location at no cost to Member Agency. Contractor shall provide at least one (1) attendant for at least six (6) hours per event; however, Contractor shall have no obligation to assist Customers with loading the un-bagged Compost into Customer-provided bags. Contractor shall provide no fewer than one hundred (100) empty bags for Customers to fill with Compost at no additional charge to Member Agency or Customers. Any Compost given away to the community through this program shall count towards the Contractor’s obligations to provide the Member Agency with the amount of organic waste products required under SB 1383.

**C. SB 1383 Procurement.** Contractor agrees that all Compost, Mulch, or both provided through this Agreement shall comply with the municipal procurement requirements of SB 1383, including being generated from “California Organic Waste Products,” as defined by SB 1383 for each applicable material type.

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Exhibit B5:
Special Events

### 1. Special Events

Contractor shall provide Recyclable Materials, Organic Materials, and Solid Waste services for up to twelve (12) special event days per Member Agency per calendar year. Examples of special event days are listed on the following page. Special event services will be provided at no cost to the event, Authority, or Member Agency. Special event services include:

**A. Event Collection Stations.** Contractor shall provide and set-up an adequate number and type of event Collection stations for Collection of Recyclable Materials, Organic Materials, and Solid Waste at Member Agency-sponsored special events. Contractor shall cooperate with the recovery of Edible Food from special events in accordance with Section 4.6 and 14 CCR Chapter 12 Section 18991.3. Contractor acknowledges that efforts to recover Edible Food at special events may be conducted by others; and, Contractor agrees not to interfere with such activities.

**B. Collection Station Monitors.** Upon request, Contractor shall provide up to six (6) Collection station monitors who shall be present for the duration of each special event. Contractor shall require Collection station monitors to monitor event Collection stations and educate event attendees and vendors about the materials that are acceptable in each Collection station Cart. The Member Agency shall be responsible for Transporting materials contained in event Collection stations to Drop Boxes, which will subsequently be Collected by the Contractor. Station monitors will also sort materials, both at the Collection stations and at the Drop Boxes, to ensure that they are properly separated.

**C. Consolidation Containers.** Upon request, Contractor shall provide Containers for the aggregation of material removed from event Collection stations during the course of the event. Contractor shall provide Containers in sufficient number of appropriate type(s) for the needs of the event (which shall include consideration of needs of the vendors for discarded packing materials) as determined by Contractor in cooperation with the event organizer. Contractor shall service Containers, as agreed-upon with the event organizer, and deliver Collected materials to the appropriate Approved Facility for Processing and/or Disposal.

**D. Public Education Booth.** Upon request of either the Member Agency or the event organizer, Contractor shall staff a booth or exhibit at the event for the purpose of educating the public about the services and programs provided by Contractor under this Agreement and the benefits of Source Reduction, reuse, Recycling, and Composting.

**E. Reporting.** Within ten (10) Business Days following the end of the event (unless otherwise requested by Member Agency on an event-by-event basis), Contractor shall submit a report to the Member Agency, event organizer, and Authority Contract Manager. The report shall include, at a minimum: the number of event Collection stations deployed at the event; the number of Collection station monitors; the Tonnage of each material type (i.e., Recyclable Materials, Organic Materials, and Solid Waste) Collected; a description of the public education provided at the event; and, any suggestions Contractor proposes for the next event.

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

For special events that are not identified in this Exhibit B5 or otherwise hosted or sponsored by the Member Agency, Contractor shall provide the above-described special event services at the request of the event organizer and may negotiate the charges for such services with the event organizer based on the specific needs of the event.



Exhibit B6:
Construction & Demolition Material Collection

### 1. General

Contractor shall Collect C&D from Customers that directly subscribe to its Collection services. Contractor shall charge Customers for C&D Collection services at Authority Contract Manager approved Rates.

In providing such services, Contractor shall:

A. Comply with the Member Agency’s Construction and Demolition Debris ordinances and regulations.

B. Educate C&D Customers on the requirement to Source Separate Organic Materials generated during construction and demolition projects. Organic Materials shall be Collected separately from other C&D and Transported for Processing to the Approved Organic Materials Processing Facility, unless C&D is delivered to an Approved C&D Processing Facility, upon request by the Customer.

C. Cause any C&D Processor that is a Subcontractor (including Affiliates) of Contractor to comply with CalRecycle and California Building Standards Code, including Part 11 California Green Building Standards Code (CALGreen) requirements for the Processing and Recycling of C&D including Organic Waste.

D. Provide in-person site visits at large C&D Collection Sites within the Authority to train staff on proper sorting for C&D Containers to assist them in achieving Diversion targets as required by California Building Standards Code Part 11 California Green Building Standards Code (CALGreen) requirements.

### 2. Acceptable Material

Contractor may Collect C&D from construction, remodeling, repair, or demolition operations. C&D may be Source-Separated mixed materials or Source Separated individual materials (e.g., wood-only or metal-only loads). C&D may contain only de minimis amounts of Solid Waste generated at the C&D Collection Sites.

### 3. Transport and Processing

Contractor shall Deliver C&D to the Designated C&D Processing Facility, or an Approved C&D Processing Facility, as agreed upon by the Customer and the Contractor, in order to achieve higher levels of Diversion than the Designated C&D Processing Facility. Contractor shall work with the Customer to determine the best approach to reach CALGreen compliance.

### 4. Container Types and Collection Frequency

Contractor shall offer Customers various size Drop Boxes for Collection of C&D, subject to review and approval by the Authority Contract Manager. C&D Containers shall conform to all requirements of Section 5.7 of this Agreement. After the Drop Box has been delivered, Contractor shall provide requested Collection of C&D materials within two (2) Working Days of a Customer request.

### 5. Education Information

Contractor shall provide Customers with Authority Contract Manager approved educational information on best practices for C&D Recycling and reuse and proper separation of materials for Collection as described in Section 4.8. As directed by the Authority Contract Manager, Contractor shall label or install signs on Bins and Drop Boxes identifying allowable and non-allowable materials for Collection in the C&D Containers. Signs shall be a minimum size of one (1) foot by two (2) feet and lettering on signs shall be a minimum of three (3) inches high. Signs shall be affixed to the front and both sides of each Bin and Drop Box.

### 6. Record Keeping and Reporting

Contractor shall submit C&D Tonnage information and other data pursuant to Exhibit D of the Agreement.

Exhibit C:
Public Education and Outreach Requirements

### 1. General Administration

**A. Program Objectives.** The public education and outreach strategy shall focus on improving Generator understanding of the benefits of and opportunities for Source Reduction, reuse, and landfill Disposal reduction and supporting compliance with Applicable Laws and regulations. Contractor acknowledges that they are part of a multi-Party effort to operate and educate the public about the regional integrated waste management system. Contractor shall cooperate and coordinate with the Authority Contract Manager on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

**B. Transition Outreach Plan.** Within thirty (30) days of the Effective Date, Contractor shall host a meeting with the Authority Contract Manager to discuss and present options for a transition outreach plan. Such transition outreach plan options shall indicate strategies for providing targeted Customer education and outreach and highlight any changes from the services provided under the previous franchise agreement. Such transition outreach plan shall also ensure that Contractor makes contact with each and every Multi-Family Customer and Commercial Customer in advance of the Commencement Date to determine appropriate Container sizes and service frequency. Within ninety (90) days of the Effective Date, Contractor shall provide a finalized transition outreach plan for Authority Contract Manager review and approval. Contractor shall distribute instructional information, public education, and promotion materials in advance of, and following, commencement of services in accordance with the transition outreach plan approved by the Authority Contract Manager. {Note to Proposers: If the Proposers suggests revisions to the current acceptable materials lists, the education and outreach program will need to directly reflect the additional outreach efforts that will be performed to ensure a smooth transition to the updated list.}

**C. Status Meetings.** Upon request from the Authority Contract Manager, Authority Contract Manager and Contractor’s contract manager (or their respective designees) shall meet up to one (1) time per month to discuss services, outreach, and educational campaigns and request changes or adaptations to the annual public education and outreach plan.

**D. Website.** Contractor shall post all public education and outreach materials on the Authority’s website, pursuant to Section 4.11 of the Agreement.

**E. Social Media.** Contractor shall create social media accounts specific to its operations in the Authority. Social media accounts shall be used to post educational materials once per month. Contractor shall use paid, targeted social media advertisements to promote the Collection program. Social media account posts and targeted social media advertisements shall be reviewed and approved by the Authority Contract Manager pursuant to the procedures in this Exhibit.

**F. Additional Materials Request.** A Commercial Business or Multi-Family Premise Owner may request that materials are provided more than once per year to educate new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Premise Owner may request delivery of materials by contacting the Contractor’s Customer service department.

### 2. Annual Public Education and Outreach Plan

**A. General.** Each public education and outreach plan shall comply with the requirements set forth in this Exhibit C. This shall entail, at a minimum, distributing program literature to all Customers at the commencement of the Agreement as well as to any new Customer during the Agreement Term. Contractor shall use multiple media sources including, but not limited to, print, radio, television, electronic and social media, workshops, events, and technical assistance. Transition and ongoing sector-specific collateral materials shall be developed and distributed.

**B. Submission of Annual Public Education and Outreach Plan.** At least ninety (90) days prior to the Commencement Date and by October 1 of each year during the Term of this Agreement, Contractor shall develop and submit an annual public education and outreach plan for review by the Authority Contract Manager. The annual public education and outreach plan shall meet the requirements set forth in Exhibit C, Section 2. Prior to the submission of the annual public education and outreach plan, Contractor shall meet with the Authority Contract Manager to present and discuss the plan, review the prior year’s activities (including sponsorships and services provided to Member Agency-sponsored events) and determine appropriate campaign areas for the upcoming plan. The Authority Contract Manager shall be permitted to provide input on each annual public education and outreach plan, and the plan shall not be finalized or implemented without approval of the Authority Contract Manager. Authority Contract Manager shall be allowed up to thirty (30) calendar days after receipt of the public education plan to review and request modifications. At the direction of the Authority Contract Manager, Contractor shall revise the public education and outreach plan and submit a revised plan for final review and approval by the Authority Contract Manager at least thirty (30) days prior to the Commencement Date and by December 1 of each year during the Term of this Agreement. Any further delays may result in Liquidated Damages for failure to perform education and outreach activities as identified in Exhibit C.

**C. Campaigns**. Each annual public education and outreach plan shall include campaign(s) designed to address Authority-specific problem areas in the Collection program. Campaign descriptions shall:

1. Identify the problem that the Contractor plans to address, including the target audience for the campaign.

2. List the activities that the Contractor will use to address the identified problem. This may include, but is not limited to, technical assistance, workshops, distribution materials, and partnerships.

3. Provide a timeline for implementation of the campaign with specific milestones identified.

4. Establish metrics to determine the campaign’s effectiveness.

5. Provide an estimated cost for each activity outlined in the campaign in relation to the Contractor’s total annual public education and outreach budget.

An example campaign description is provided below for illustrative purposes only.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Problem** | **Activity** | **Metrics for Success** | **Implementation Timeline** | **Estimated Cost** |
| Complaints regarding kitchen pail program and resulting limited Organic Materials program participation | Distribute kitchen pails to each Occupant living in a Small Multi-Family or Large Multi-Family Premise with instructions on how to use, clean, and care for the kitchen pail. | Conduct a waste characterization study before and after the campaign to determine if tenants in Multi-Family Premises have increased their participation in the Organic Materials program.  | Complete distribution by the end of Quarter 2.  | {Note to Proposers: estimated costs to be included}  |
| Provide in-person, technical assistance to tenants. Identify barriers for lack of pail usage through in-Person conversations. | 3-4 weeks after the Occupant receives the pail.  | {Note to Proposers: estimated costs to be included}  |

**D. Minimum Content Standards.** The Contractor shall execute the activities of each campaign in the annual public education and outreach plan to ensure compliance with Applicable Law. The minimum content standards for the information distributed through the annual public education plan include:

1. **Collection Programs.** Information on the Collection programs described in this Agreement and the Generator’s requirements to properly separate Discarded Materials and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Laws.

2. **Edible Food Recovery.** Information about the County’s Edible Food Recovery Collection program; Commercial Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; and where a list of Food Recovery Organizations and Food Recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

3. **Tenant and Business Outreach**. Contractor’s approach to providing public education and outreach materials to property Owners and Commercial Business Owners to distribute to all employees, contractors, tenants, and Customers of the properties and businesses.

4. **School Outreach**. Contractor’s approach to providing public education and outreach materials to schools and youth groups.

5. **Large Venues and Events.** Contractor’s approach to providing education and outreach through the public events and venues served under Exhibits B4 and B5 and as required under AB 2176.

6. **Internal Commercial Business Containers.** Signage for internal Recyclable Materials and Organic Materials containers for applicable Commercial Businesses under AB 827.

7. **Applicable Law.** Any Federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including Applicable Law and corresponding regulations, and requirements of the Member Agencies’ municipal codes.

**E. Design, Approval, Production, and Distribution of Materials.** Requirements for production and distribution of public education and outreach materials are as follows:

1. **Material Design and Production.** The Contractor shall be responsible for the design and production of all materials under this program in accordance with this Agreement. Contractor agrees to print, produce, and distribute education materials and conduct outreach, as required by the Authority, as detailed in the Contractor’s annual public education plan described in this Exhibit. All outreach and educational materials shall be: thematically branded with consistent color, graphics, font, look, and feel; produced in English and up to three (3) additional languages as the Authority may direct throughout the Term of the Agreement in response to shifting demographics in the Authority); and, photo-oriented to appeal to varied language and literacy levels. Nothing in this Agreement precludes the Authority from designing, producing, and distributing its own education and outreach materials. Prior to finalizing any collateral materials, and no fewer than four (4) weeks prior to the deadline for distribution, the draft shall be provided to the Authority for a final review. The draft shall then be sent for printing and distribution. All materials shall be printed double-sided on one hundred percent (100%) post-consumer Recycled and Recyclable paper.

2. **Approval of Materials.** Contractor shall obtain approval from the Authority Contract Manager on all Contractor-provided, service-related advertising and promotional materials used within the Authority before publication, production, distribution, and/or release. The Authority Contract Manager, in their sole discretion, shall have the right to deny the use of any materials or content or may request that Contractor include Authority identification and contact information on all distributed education materials. If requested, Contractor shall review and comment on the materials within two (2) weeks of request from the Authority.

3. **Material Distribution.** In addition to the material distribution requirements of the approved transition outreach plan, in accordance with Exhibit C, Section 1.B, Contractor shall distribute program literature to all Customers annually as well as targeted materials to any new Customer throughout the Term of the Agreement. Contractor shall use multiple distribution methods including, but not limited to, print, radio, television, electronic and social media, and public event participation, if applicable. All printed materials shall also be made available in digital form. Contractor shall differentiate between transition materials for new services, and ongoing collateral materials, to be distributed at the start and throughout the Term of the Agreement.

4. **Member Agency Facilities.** All Member Agency facilities and the Authority shall receive any and all public education and outreach materials and services provided to the Commercial sector. Contractor shall provide all printed public education materials to Member Agency offices, facilities, and the Authority to have available for the public that visits those facilities and shall replenish the materials as requested by the Authority Contract Manager. Contractor shall mail all printed public education materials to the Authority and Member Agency public works departments at the locations specified by the Authority Contract Manager.

**F. Metrics.** Each campaign’s implementation success shall be measured based on the metrics agreed-upon in the annual public education and outreach plan (e.g., changes in Diversion, contamination, social media engagement rates, and click-through rates resulting from the education and/or outreach efforts). Metrics shall be reported in the monthly report, pursuant to Exhibit D.

**G. Bill inserts**. Bill inserts shall be designed and produced by the Contractor; and the Contractor shall be responsible for printing and distributing the billing inserts to all Customers up to four (4) times per calendar year. Bill inserts shall be a sheet of paper no larger than eight and one half (8.5) inches by eleven (11) inches. The mailers shall be printed on double-sided, one hundred percent (100%) post-consumer Recycled content and Recyclable paper and shall fit in standard envelopes. Contractor shall provide electronic bill inserts (or separate email attachments) to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. For Customers receiving electronic bills, Contractor agrees to distribute brochures, newsletters, or other information developed by the Authority as attachments to Customer invoices. Electronic bill inserts and attachments must be readily available for the Customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon Authority request, Contractor agrees to insert additional information describing Authority activities with the bill inserts. Authority will provide not less than thirty (30) calendar days’ notice to Contractor before the mailing date of any proposed additional mailing to permit Contractor to make appropriate arrangements for inclusion of the Authority’s additional materials. Authority will provide Contractor the additional materials least fifteen (15) calendar days before the mailing date. Contractor shall perform this service with no additional requirement for compensation.

**H. Annual Budget.** In addition to staffing expenses, Contractor shall spend, for the public education and outreach services described in this Exhibit C, no less than one hundred fifty thousand dollars ($150,000) in Rate Period One. The Rate Period One budget shall be adjusted annually thereafter by the same percentage used to adjust Rates pursuant to Exhibit E. Annually, Contractor shall provide to the Authority Contract Manager, for review and approval, a detailed description of how such budget will be spent as part of the annual public education plan to be developed in accordance with Section 2 of this Exhibit C. At the conclusion of each Rate Period, any unused funds shall be transferred to the Authority. Contractor shall be prohibited from expending such funds without the prior written approval of the Authority Contract Manager. Any expenditures not approved by the Authority in advance shall neither be counted in Contractor’s annual public education and outreach budget, nor be recovered through Rates.

### 3. Public Education and Outreach Team

To best achieve the highest possible level of public education and awareness, Contractor shall employ no less than \_\_\_ (\_) full-time equivalent staff member(s) to coordinate and implement all public education and outreach activities required by this Agreement throughout the Agreement Term. The public education and outreach staff shall, at a minimum, perform the following tasks:

A. Work collaboratively with the Authority to support, supplement, or incorporate Authority programs and educational activities into Contractor activities, and vice versa;

B. Educate Authority entities and schools on Collection and Diversion programs through presentations or events, upon request;

C. Participate and represent Contractor in community activities;

D. Educate Customers on all program services, as described in Exhibit B to the Agreement;

E. Handle escalated Customer service issues related to Diversion issues that are not operational in nature;

F. Prepare and present the annual public education and outreach plan required by Section 2 of this Exhibit C;

G. Coordinate implementation of the annual public education and outreach plan;

H. Perform Diversion opportunity assessments as outlined in Section 4 of this Exhibit;

I. Educate Customers on how to make informed, environmentally-forward decisions relative to waste reduction, reuse, repair, Recycling, and Diversion activities.

J. Monitor social media accounts and respond to comments and direct messages that are of a Customer service nature.

K. Maximize the opportunity for initial and sustained program success by seeking to identify a "champion" (ideally a senior manager) at each Commercial Business and Multi-Family Premise who will serve as a primary contact and advocate for Diversion programs within the Customer’s organization;

L. Assist in planning service needs for special events and Large Venues with a focus on reducing the Disposal of materials resulting from such events or venues; and,

M. Create and distribute reports as required under this Agreement and/or requested by Authority Contract Manager.

### 4. Diversion Opportunity Assessments

Contractor shall provide Diversion opportunity assessments to Commercial and Multi-Family Customers. Diversion opportunity assessments shall be implemented by the public education and outreach staff. Contractor shall include, in the annual public education and outreach plan, details on how Contractor will meet the below requirements for providing Diversion opportunity assessments for the coming year.

A. Annually notify every Multi-Family and Commercial Customer of the opportunity to have a Diversion opportunity assessment performed, the benefits of such an assessment, and how to schedule the assessment.

B. Provide assessments to every Muti-Family and Commercial Customer at least once per year over the Term of the Agreement. Contractor shall specify, in the annual public education and outreach plan, the criteria for prioritizing and/or selecting the Customers that will receive Diversion opportunity assessments. Customers who have not been documented as having on-going contamination issues do not need to be prioritized for Diversion opportunity assessments but must still receive all other forms of education and outreach materials. Each Multi-Family and Commercial Customer shall have an assessment within eighteen (18) months of their prior assessment.

C. Provide assessments that include, at minimum:

1. A meeting with the property manager, Owner, or other management personnel to discuss strategies to increase Diversion.

2. A complete walkthrough of each facility, complex, or business to evaluate the Collection infrastructure, signage, placement of containers, and capacity.

3. An evaluation of the waste stream to identify special wastes and major contaminants.

4. Recommendations for waste reduction, contamination prevention, staff training, and Service Level or frequency modification.

5. Identification of a "champion" (ideally a senior manager) at each Commercial Business and Multi-Family Premise who can serve as a primary contact and advocate for Diversion programs within the Customer’s organization.

6. Distribution of educational materials including posters, recycling guides, signage, and other collateral to promote Diversion activities, educate Generators, and meet the education requirements of AB 827, SB 1383, and other Applicable Laws.

7. Confirmation that the property is in compliance with all Applicable Laws.

D. Compile monthly reports to submit to the Authority as outlined in Exhibit D.

### 5. News Media Relations

Contractor shall notify the Authority Contract Manager by e-mail of all requests for news media interviews related to the Collection services program within twenty-four (24) hours of Contractor’s receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Customer perception of services, Contractor will discuss Contractor’s proposed response with the Contract Administrator.

Copies of draft news releases or proposed trade journal articles related to the provision of Collection services under this Agreement shall be submitted to Authority Contract Manager for prior review and approval at least five (5) Business Days in advance of provision to such Persons, except where Contractor is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Contractor shall submit such materials to Authority Contract Manager simultaneously with Contractor’s submittal to such regulatory agency.

Copies of articles resulting from media interviews or news releases shall be provided to the Authority Contract Manger within five (5) Business Days after publication.

Exhibit D:
 Reporting Requirements

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

* Determine and approve Rates and evaluate the financial efficacy of operations.
* Evaluate past and expected progress towards achieving the Contractor’s Diversion goals and objectives.
* Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law.
* Determine needs for adjustment to programs.
* Evaluate Customer service and Complaints.
* Determine Customer compliance with State-mandated Recycling requirements.

### 1. Monthly Report Content

Monthly reports shall be presented by Contractor to show the following information for each month in the reporting period. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Contractor shall report the information included in the following subsections.

**A. Tonnage Report**

1. Tonnage delivered to the Approved Facility or Designated Facility by Customer Type and material type, subtotaling and clearly identifying those Tons that are Diverted and those that are Disposed.

2. Units of Used Motor Oil and Filters, used cooking oil, E-Waste, U-Waste, and Bulky Items Collected by Customer Type.

3. Bulky Items and Reusable Materials Tonnage reused, Tonnage Recycled, and Tonnage Disposed from non-Divertible materials and Processing Residue.

4. Monthly Diversion rate by Customer Type and in aggregate for all Customer Types under this Agreement, based on the calculation methodology described in Section 5.10.

5. The Tons of Discarded Materials removed from illegal Disposal sites.

**B. Diversion Report**

1. The Diversion level for each month and the cumulative year-to-date Diversion level, where Diversion level shall be calculated as: (Discarded Materials Collected – Solid Waste Collected – Processing Residue Disposed) / Discarded Materials Collection.

2. All information required of in Section 5.10.

**C. Contamination Monitoring Report**

1. The number of Contractor route reviews conducted in the reporting month, if any, pursuant to Section 4.14.2 of this Agreement.

2. Description of the Contractor’s process for determining contamination.

3. A record of each inspection and contamination incident that occurred in the month, if any, which shall include, at a minimum: name of Customer; address of Customer; date the contaminated Container was observed; staff who conducted the inspection; total number of violations found and a description of the action that was taken for each; copies of all notices and enforcement orders issued or taken against Generator with Prohibited Container Contaminants; any photographic documentation or supporting evidence; and, documentation of the total number of Containers with contents Disposed of due to observation of Prohibited Container Contaminants.

4. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants.

5. A list of all Customers assessed contamination Processing fees, pursuant to Section 4.14 of this Agreement, reported separately by Single-Family, Multi-Family, and Commercial Customers and including the Customer name, Customer address, and reason for the assessment of the contamination Processing fee, and the total number of instances that contamination fees were assessed in the month, the total dollar amount of fees collected in the month; and, any other information reasonably requested by the Authority Contract Manager or specified in contamination monitoring provisions of this Agreement.

6. A list of Customers with chronic contamination, defined as four (4) or more instances of observed Prohibited Container Contaminants within a calendar year. The list shall include: the Generator’s name and address; the total number of contamination instances observed year-to-date; and, the actions taken by the Contractor to address the situation, reduce contamination, and improve Customer compliance.

7. Any other information reasonably requested by the Authority Contract Manager or specified in any contamination monitoring provisions of this Agreement.

**D. General Non-Collection and Courtesy Collection**

1. Number of events where Discarded Materials were tagged for non-Collection in accordance with Section 4.16, summarized by the reason for tagging (e.g., improper set-out, Hazardous Waste). Each event shall include the date of issuance of the Non-Collection Notice, Customer name, and service address.

2. List of courtesy Collections including the Customer address, material type for which the courtesy Collection was performed, and the reason for leaving a Courtesy Collection Notice in accordance with Section 4.16 (e.g., improper set-out, Hazardous Waste). Courtesy Collection Notices related to Prohibited Container Contaminants shall be reported as specified in Exhibit D.1.C.

3. List of Customers for which Contractor has performed a courtesy Collection, including the Customer address and material type for which the courtesy Collection was performed.

**E. Education Program**

1. Status report of Contractor’s actual activities completed and budget expended compared to the approved annual public education and outreach plan and budget. Include content of posted social media posts, e-mail communications, or other electronic messages. For each completed item, document the results including what methods were used to accomplish the task, if different from the plan, and the agreed-upon metrics for each campaign in the annual public education and outreach plan.

2. For any mass distribution through mailings or bill inserts that occurred in the month, the Contractor shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

3. A copy of all printed education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Exhibit C of the Agreement, including, but not limited to: flyers, brochures, and newsletters. A record of the date and to whom each material was disseminated shall be included in the report, including the Generator’s name or account name, the type of education or outreach received, the distribution date, and the method of distribution.

4. A copy of all electronic media, including the dates posted or sent for social media posts, e-mail communications, website banners, or other electronic messages. A summary report shall be provided for electronic marketing that itemizes each communication.

5. Summary of the public education materials and activities provided to schools in the month.

6. Dates, times, and group or event names of any site visits, meetings, and events attended in the month.

7. Diversion opportunity assessment reports, including the following:

a. Contact information including address, name, and telephone number of Person(s) contacted.

b. The total number of Diversion opportunity assessments performed for Multi-Family and Commercial Customers in accordance with Exhibit C, Section 4.

c. A list of each Customer provided a Diversion opportunity assessment, their Service Levels before and after the assessment, recommendations made, and any other outcomes of the assistance provided. For Multi-Family Customers, include the number of Dwelling Units.

d. The number of engagements per Customer (phone calls, site visits, notices, etc.)

e. A list of Multi-Family and Commercial Customers who have not received a Diversion opportunity assessment in the past eighteen (18) months and an explanation as to why the Customer was missed, and a plan to contact the Customer.

f. The total number of non-compliant Multi-Family and Commercial Customers, the number of non-compliant Customers directly targeted for technical assistance, the number of Customers brought into compliance in the reported month, and the number of non-compliant Customers escalated to Authority staff.

g. Any other metrics or measurements of success the Contractor deems appropriate to share, or as requested by the Authority

**F. Customer Subscription Report**

1. List of all Customers with associated service addresses, contact information, Customer Type, Service Level, Bulky Item and Reusable Materials Collections for the month, Rates charged, Missed Collection Rebates remitted, Late Container Delivery Rebates remitted, and any new notes added to each Customer account since the prior month.

2. Number of Containers at each Service Level by Customer Type and material type. Summarize the total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of Drop Box and Compactor service by Customer Type. The report should calculate the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; Commercial Customer; and, Drop-Box Customer.

3. Number of Bulky Item, Reusable Materials Collection, and holiday tree Collection events by Customer Type.

**G. Service Exemptions**

1. Number of Customers subscribing to each Member Agency approved service exemption by Customer Type.

2. The number of Generator waiver reverifications performed by the Contractor pursuant to Section 4.13 of this Agreement in the month, if any, including a copy of documentation for each reverification inspection, which shall include, at a minimum: Customer’s name, address, and Generator type; the type of waiver being verified; any photographic or other evidence collected during the inspection; and, the resulting recommended conclusion by the Contractor regarding the validity of the waiver. The Contractor shall provide a summary of recommendations to the Authority of all waivers that the Contractor concludes to no longer be warranted.

**H. Revenue Report**

1. Statement detailing Gross Receipts by Member Agency, Sector, and material type from all operations conducted or permitted pursuant to this Agreement as required by Article 8.

2. List of Customers that are forty-five (45) or more calendar days past due and include the following information for each delinquent account: name; service address; contact information; number of days the account is delinquent; and method(s) the Contractor has used to attempt collection of the bad debt, including date of such attempt(s).

**I. Member Agency Service Report**

1. Member Agency facility Diversion rate report (i.e., volume of service by Service Type received by each Member Agency facility and the percentage of the total Service Levels that are for Diversion services relative to the total).

2. Summary report on the programs offered to Member Agency as described in Exhibit B4, focused on when each service was provided, summary report of tonnage collected as applicable, and any issues or concerns identified.

**J. Customer Service Report**

1. Number of Customer calls listed separately by Complaints and inquiries. Inquiries should include requests for Recycling information, Rate information, etc. Complaints should list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These Complaints and inquiries shall be documented and reported separately from SB 1383 non-compliance Complaints or other regulatory non-compliance Complaints.

2. Total Customer calls handled by the operator, average time to answer, average hold time after operator has answered, and average time for Customer abandoned calls. *{Note to Proposers: This will be revised to align with the Proposer’s available data from the call system.}*

2. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the Member Agency, presented in a graph format, that compares total missed Collections in the Authority to total missed Collections in the other agencies served by Contractor’s {General Manager/Regional Manager}.

3. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the Member Agency, presented in a graph format, that compares total missed Collections in the Authority during the current report period to total missed Collections in the Authority in past reporting periods.

4. Number of new service requests for each Customer Type and program.

5. Number of events of Discarded Materials being tagged for non-Collection summarized by the reason for tagging (e.g., inclusion of non-Recyclable or non-Compostable materials, improper set-out, Hazardous Waste).

6. Number of hits and unique visitors to the Contractor’s website.

7. Record of SB 1383 non-compliance Complaints received, including the following information:

a. Total number of Complaints received, and total number of complaints investigated.

b. Copies of documentation recorded for each Complaint received, which shall at a minimum include the following information: (i) the Complaint as received; (ii) the name and contact information of the complainant, if the Complaint is not submitted anonymously; (iii) the identity of the alleged violator, if known; (iv) a description of the alleged violation, including location(s) and all other relevant facts known to the complainant; (v) any relevant photographic or documentary evidence submitted to support the allegations in the Complaint; and, (vi) the identity of any witnesses, if known.

c. Copies of all SB 1383 non-compliance Complaint reports submitted to the Authority, pursuant to Section 4.11.2 of this Agreement.

d. Documentation of any follow-up inspections and/or outreach, if any, conducted upon Member Agency or Authority Contract Manager request pursuant to Section 4.11.2 of this Agreement, which shall include at a minimum: (i) the date the Contractor investigated the Complaint; (ii) documentation of the findings of the investigation; and (iii) any photographic or other evidence collected during the investigation.

**K. C&D Report**

Contractor shall separately document the following information for each construction and demolition project:

1. Tonnage of C&D Collected.

2. Tonnage of C&D delivered to the Designated C&D Processing Facility or an Approved C&D Processing Facility, specialty Recyclers, and/or reuse or salvage operations, or locations where C&D Debris was delivered for Processing or reuse.

3. Calculation of the project-specific Diversion level (tons of C&D Recycled, reused, or salvaged divided by total tons of C&D Collected).

**L. Special Event Reporting.** Contractor shall include a compilation of the special event reports provided for the month in accordance with Exhibit B5.

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

### 2. Annual Report Content

The annual report shall be the final monthly report, including annual totals, summary pages, and a compilation of any materials required by the monthly reports, plus the following additional information.

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

**B. Collection Report.** Contractor shall provide a summary of Collection and Transportation operations, including:

1. The total Tonnage of Discarded Materials, listed separately by Discarded Material type, removed by Contractor from illegal Disposal sites as part of an abatement activity, listing each Collection event separately by date, location, and Tonnage Collected.

3. A record of all compliance agreements for quarantined Organic Waste that is Disposed, including the name of Generator, date issued, location of final Disposition, and the amount of quarantined Organic Waste that was required to be Disposed at a landfill.

4. If the Contractor Transports Collected materials to an alternative Processing Facility in the event of an unforeseen closure or emergency, in accordance with Sections 4.1.E and 4.2.H of the Agreement, Contractor shall include the following documents and information:

a. The number of days the Processing Facility emergency was in effect;

b. Copies of any notifications sent to the Authority pursuant to Sections 4.1 and 4.2 of the Agreement;

c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and,

d. A record of the Tons of Recyclable Materials and/or Organic Materials redirected to an alternative Facility or Disposed as a result of the waiver, recorded by Collection vehicle or Transfer vehicle number or load, date, and weight.

**C. Vehicle Inventory**

1. Provide a listing of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, fuel type, capacity, decibel rating, engine overhaul/rebuild date (if applicable), and mileage on June 30.

2. The total amount of RNG procured by the Contractor for use in Contractor vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Contractor shall include the total amount actually used in Contractor vehicles in the calendar year, if these values are different.

3. The name, physical location, and contact information of each entity, operation, or facility from whom the Contractor procured RNG for Collection vehicles.

**D. Regulatory Compliance.** Provide a narrative description of the status of the Contractor’s programs related to compliance with SB 1383 Regulations or other relevant regulations specified by the Authority Contract Manager. Describe any challenges or opportunities for program improvement identified in the calendar year.

### 3. Other Reports

**A. AB 901 Reports.** The Authority Contract Manager reserves the right to require that Contractor provide the Authority copies of the Contractor’s, or their Approved Facility Subcontractor’s, AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within five (5) Business Days of Authority request. If a Contractor has an agreement with an Approved Facility, the Contractor shall be required to provide AB 901 reports for those facilities**.**

**B. Upon Incident Reporting.** The Authority Contract Manager reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the Member Agencies and/or Authority. Contractor shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the Authority Contract Manager, which shall not to exceed ten (10) days.

**C. Customized Reports.** The Authority Contract Manager reserves the right to request Contractor to prepare and provide customized reports from records Contractor is required to maintain; or require a specified format or submission system, such as the use of a web-based software platform.

Exhibit E:
Rate Adjustment Methodology

### 1. General

Subject to the terms herein, the Authority Contract Manager shall ratify all Rates on an annual basis. Contractor shall submit its application for a Rate adjustment to the Authority Contract Manager on or before February 1 of each Rate Period where Rates shall be adjusted using the index-based methodology described in Exhibit E1. Contractor shall submit its application on or before January 1 for any Rate Period where Rates shall be adjusted using the cost-based methodology described in Exhibit E2. Contractor’s Rate application shall document all calculations and include all supporting schedules, documentation of City provided per-Ton charge for Disposal and Processing at the Approved Facility(ies), and any other documentation or evidence determined by the Authority Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit E. The Contractor’s Processing and Disposal Costs shall be paid to the Post Collections Services Contractor, as calculated using the Authority-provided per-Ton rates for the Approved Facilities for each material type and the total Tons of material provided by the Contractor, as further detailed in Exhibit E1 and E2.

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

### 2. Definitions

Certain terms that are specific to this Exhibit (including Exhibits E1 and E2) are defined below:

A. “**Annual Percentage Change**” means the annual percentage change in any of the indices defined above, calculated as described in the following paragraph.

The Annual Percentage Change for a cost index shall be calculated as the Average Index Value for the most recently available twelve- (12) month period of the then-current Rate Period minus the Average Index Value for the corresponding twelve- (12) month period of the most-recently completed Rate Period and the result of which shall be divided by the Average Index Value for the same twelve- (12) month period of the most recently completed Rate Period.

For example, if the Contractor is calculating the Total Calculated Costs in January 2026 to be effective for Rate Period Three (July 2026 through June 2027), the Annual Percentage Change for the CPI-U would be calculated as follows:

[ (Average CPI-U for January 2025 through December 2025) minus (Average CPI-U for January 2024 through December 2024) ] divided by (Average CPI-U for January 2024 through December 2025)

The calculated Annual Percentage Change shall be carried to three (3) places to the right of the decimal and rounded to the nearest thousandth.

B. “**Average Index Value**” means the sum of the monthly index values during the most recently available twelve- (12) month period divided by twelve (12) (in the case of indices published monthly) or the sum of the bi-monthly index values divided by six (6) (in the case of indices published bi-monthly).

C. “**CPI-U**” means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted San Francisco-Oakland-Hayward Metropolitan Area compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

D. “**Processing and** **Disposal Costs**” means the separate, and in combination, costs of Processing and Disposing of Discarded Materials at the Designated Facility or the Approved Facility, calculated as the per-Ton fee multiplied by the total Tons of material.

E. “**ECI**” means the Employment Cost Index, Total Compensation, Private Industry, Service-Providing Industries, seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

F. “**Fuel Index**” means the per-therm price for Core Natural Gas Service for Compression on Customer’s Premises, Schedule G-NGV1, compiled and published by the Pacific Gas and Electric Company Analysis and Rate Department and reported monthly in its “*Gas RateFinder*” publication (<http://www.pge.com/tariffs/GRF.SHTML>). The January 2018 Fuel Index is $0.70874 per therm, which reflects the sum of the Customer charge, procurement charge, Transportation charge, and public purpose program (PPP) charge for natural gas service for compression on Customer’s Premises as reported by Pacific Gas and Electric Company.

G. “**Recyclables Rebate Index”** or “RRI” means {Note to Proposers: The Authority requests your proposal for a calculation methodology that uses publicly-available or third-party indices (OBM, RecyclingMarkets.net, etc.) and Recycling characterization data, specific to the Authority, to develop an index to track the value of Recyclable Materials during the Term of the Agreement}.

H. “**Motor Vehicle Maintenance and Repair Index**” or **“MVI”** means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, not seasonally adjusted U.S. city average, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

I. “**Total Calculated Costs**” means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Calculated Costs do not reflect or in any way guarantee the Gross Rate Revenues that are to be generated by Rates or retained by the Contractor. Note that for determining Rates for Rate Period Two, the annual proposed costs for Rate Period One (July 1 2024 to June 30, 2025) shall be used for the calculations.

J. “**Total Calculated Costs Before Member Agency Reimbursements**” means the sum of the Total Annual Cost of Operations, Profit, and Costs Excluded from the Calculation of Profit for the coming Rate Period.

K. “**Projected Gross Rate Revenues Before Member Agency Reimbursements**” means the Projected Gross Rate Revenues for the then-current Rate Period minus the Member Agency Reimbursements for all Member Agencies for the current Rate Period as ratified by the Authority Contract Manager.

Table 1 provides additional information about the four indices defined above.

TABLE 1\*

|  | CPI-U | Fuel Index | Motor Vehicle Maintenance and Repair | ECI | RRI |
| --- | --- | --- | --- | --- | --- |
| Description | Consumer Price Index - All Urban Consumers | Core Natural Gas for Compression at Customer’s Premises for Motor Vehicles | Consumer Price Index – All Urban Consumers, Motor Vehicle Maintenance and Repair | Employment Cost Index - Total Compensation for Private Industry Workers in Service-Providing Industries. | {Note to Proposers: The RRI will be updated to reflect the proposer’s proposed methodology.}  |
| Series ID | CUURS49BSA0 | G-NGV1 | CUUR0000SETD | CIS201S000000000I |  |
| Adjusted | Not seasonally adjusted | N/A  | Not seasonally adjusted | Seasonally adjusted |  |
| Area | San Francisco-Oakland-Hayward | N/A  | U.S. City average | N/A |  |
| Item | All items | N/A | Motor vehicle maintenance and repair | Total Compensation |  |
| Base Period | 1982-84=100 | N/A | 1982-84=100 | Dec 2005 = 100 |  |
| Periodicity | Bi-monthly | Monthly | Monthly | Quarterly |  |

\* All indices published by the U.S. Bureau of Labor Statistics with the exception of the Fuel Index, which is published by Pacific Gas and Electric Company Analysis and Rate Department.

### 3. Cost of Rate Adjustment process

The Authority may incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and may require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the Authority’s invoice for such costs. The Contractor may recover such costs through the Rates by treating the costs as an allowable cost of business, not subject to profit mark-up. Regardless of Contractor’s payment of costs associated with said review, the Authority shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor’s request. The Authority retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

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Exhibit E1:
Index-Based Rate Adjustment Methodology

### 1. General

The purpose of this attachment is to describe and illustrate the method by which the Authority will calculate the annual adjustment to Rates to reflect changes in various cost indices and changes to Processing and Disposal Costs based on Tonnages of materials Collected and changes in tipping fees. This index-based adjustment process shall be used to determine Rates for Rate Periods Two, Three, Five, Six, Seven, Nine, and Ten. If the Term is extended, subsequent Rate Periods shall be adjusted pursuant to Section 8.2.C.

The index-based adjustment involves application of indices to various costs that comprise the Total Proposed Annual Costs for Rate Period One (and to Total Calculated Costs for future Rate Periods) to determine the Total Calculated Costs for the coming Rate Period. In addition, Processing and Disposal Costs shall be adjusted to reflect actual Tonnage Collected during the most-recently completed Rate Period. A Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Period.

The Total Calculated Costs Before Member Agency Reimbursements Rate Adjustment Factor, calculated pursuant to this Exhibit E1, may not exceed five percent (5%). In the event that the calculation results in a calculated increase exceeding five percent (5%), the calculated dollar amount exceeding five percent (5%) shall be reflected as an “Other Adjustment” in the next scheduled Rate adjustment (“roll-over”). The Authority shall not be required to compensate Contractor for any cumulative “rolled-over” amounts remaining at the end of the Agreement Term.

In the event the Total Calculated Costs Before Member Agency Reimbursements, calculated pursuant to this Exhibit E2, results in a negative Total Costs before Member Agency Reimbursements Rate Adjustment Factor, the Authority reserves the right to “roll-under” the reduction to the Total Calculated Costs Before Member Agency Reimbursements, but the calculated reduction to the Total Calculated Costs Before Member Agency Reimbursements shall then be deferred to the following Rate Period as a credit against future rate increases.

### 2. Adjustment of Total Calculated Costs

The cost categories of the main components of Total Calculated Costs are presented in detail in Exhibit G1. Adjustments to these components to calculate costs for the coming Rate Period shall be calculated as follows:

**A. Total Annual Cost of Operations**

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

2. **Vehicle-Related Costs (excluding Fuel)**. The Vehicle-Related Costs component of Total Annual Cost of Operations for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the MVI.

3. **Fuel Costs**. The Fuel Cost component of Total Annual Cost of Operation for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the Fuel Index.

4. **Other Costs**. The Other Costs component of the Total Annual Cost of Operations for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the CPI-U.

5. **Direct Depreciation**. Direct Depreciation is \_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_) per year for Rate Periods Two through Ten and is not annually adjusted. This adjusted depreciation amount shall remain fixed for Rate Periods Two through Ten. If the Agreement is extended beyond Rate Period Ten, direct depreciation shall be zero dollars ($0) in any subsequent Rate Periods, unless Parties mutually agree to a different amount. *{Note to Proposers: Amount of direct depreciation shall be entered during contract negotiations to reflect the final scope of services, which may include some or all of the alternative services.}*

6. **Allocated Costs (Labor, Vehicle, Fuel, and Other Costs)**. The Allocated Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the CPI-U.

7. **Allocated Depreciation and Start-Up Costs**. The Allocated Depreciation and Start-Up Costs shall be \_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_) per year for Rate Period Two through Ten, and are not annually adjusted. These costs shall be zero dollars ($0) for all subsequent Rate Periods unless Parties mutually agree to a different amount. *{Note to Proposers: Amount of direct depreciation shall be entered during contract negotiations to reflect the final scope of services, which may include some or all of the alternative services.}*

8**. Total Annual Cost of Operations**. The Total Annual Cost of Operations for the coming Rate Period equals the sum of the costs calculated in subsections (1) through (7) above.

**B. Profit.** {Note to Proposers: Fill in your proposed operating ratio. This ratio may be negotiated with the Authority.}Profit for the coming Rate Period shall be calculated by dividing the Total Annual Cost of Operations for the coming Rate Period (the value calculated in Section 2.A.8 above) by an operating ratio (\_\_%) and subtracting from the result the Total Annual Cost of Operations for the coming year.

|  |  |  |  |
| --- | --- | --- | --- |
| Profit = | Total Annual Cost of Operations        for Coming Rate Period         Operating Ratio | − | Total Annual Cost of Operations for Coming Rate Period |

**C. Costs Excluded from the Calculation of Profit**

1. **Recyclable Materials Processing Costs.** The Recyclable Materials Processing Costs shall be calculated as follows:

Recyclable Materials Processing Costs = Per-Ton Recyclable Materials Processing fee at the Approved Facility for the coming Rate Period x Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period, excluding Recyclable Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Recyclable Materials included in Contractor’s Proposal shall be used in place of the Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period.

2. **Recyclable Materials Processing Rebate.** The Recyclable Materials Processing Rebate shall be calculated as follows:

Recyclable Materials Processing Rebate = [(Per-Ton Recyclable Materials Processing Rebate for the then-current Rate Period) x (1 + Annual Percentage Change in the Recyclables Rebate Index)] x (Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period, excluding Recyclable Materials Tonnage Collected through Drop Box).

(Note: this value should be reflected as a negative number)

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Recyclable Materials included in Contractor’s Proposal shall be used in place of the Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period.

3. **Residential** **Organic Materials Processing Costs**. The Residential Organic Materials Processing Costs shall be calculated as follows:

Residential Organic Materials Processing Costs = Per-Ton Organic Materials Processing fee at the Designated Facility for the coming Rate Period x Total Tons of Residential Organic Materials Collected for the most-recently completed twelve- (12) month period, excluding Residential Organic Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Organic Materials included in Contractor’s Proposal shall be used in place of the Total Tons of Organic Materials Collected for the most-recently completed twelve- (12) month period.

4. **Commercial Organic Materials Processing Costs**. The Commercial Organic Materials Processing Costs shall be calculated as follows:

Commercial Organic Materials Processing Costs = Per-Ton Organic Materials Processing fee at the Approved Facility for the coming Rate Period x Total Tons of Commercial Organic Materials Collected for the most-recently completed twelve- (12) month period, excluding Commercial Organic Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Organic Materials included in Contractor’s Proposal shall be used in place of the Total Tons of Organic Materials Collected for the most-recently completed twelve- (12) month period.

5. **Disposal Costs**. The Disposal Costs shall be calculated as follows:

Disposal Costs = Per-Ton Disposal fee at the Designated Facility for the coming Rate Period x Total Tons of Solid Waste Collected for the most-recently completed twelve- (12) month period, excluding Solid Waste Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Solid Waste included in Contractor’s Proposal shall be used in place of the Total Tons of Solid Waste Collected for the most-recently completed twelve- (12) month period.

6. **Interest Expense**. The Interest Expense amount is \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_) in Rate Period Two through Ten, is not annually adjusted, and shall be zero dollars ($0) in any subsequent Rate Period unless Parties mutually agree to a different amount.

7. **Direct Lease Costs**. The Direct Lease Costs amount is \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_) in Rate Period Two through Ten, is not annually adjusted, and shall be zero dollars ($0) in any subsequent Rate Period unless Parties mutually agree to a different amount.

8. **Allocated Lease Costs**. The Allocated Lease Costs amount is \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_) for Rate Period Two through Ten (including interest costs for Allocated General and Administrative of \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_) , Allocated Vehicle Maintenance costs of \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_), and Allocated Container Maintenance of \_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_)) is not annually adjusted and shall remain unadjusted in any subsequent Rate Period unless Parties mutually agree to a different amount.

9. **Total Costs Excluded from the Calculation of Profit**. Total Costs Excluded from the Calculation of Profit for the coming Rate Period are the sum of the amounts in subsections (1) through (8) above.

**D. Total Calculated Costs before Member Agency Reimbursements.** The Total Calculated Costs before Member Agency Reimbursements shall be the sum of the Total Annual Cost of Operations, Profit, and Costs Excluded from the Calculation of Profit for the coming Rate Period.

**E. Member Agency Reimbursements.** Reimbursements shall be calculated separately for each Member Agency.

1. **Administrative Reimbursement.** The Administrative reimbursement for the coming Rate Period shall equal the amount approved by the Authority for each fiscal year ended June 30.

2. **Vehicle Impact Mitigation Reimbursement.** The Vehicle Impact Mitigation Reimbursement for the coming Rate Period shall equal the total Vehicle Impact Mitigation Reimbursement paid to the Member Agencies in the most-recently completed twelve- (12) month period multiplied by one (1) plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agencies.

3. **Street Sweeping Reimbursement.** The Street Sweeping Reimbursement for the coming Rate Period shall equal the total Street Sweeping Reimbursement paid to the Member Agencies in the most-recently completed twelve- (12) month period multiplied by one (1) plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agencies.

4. **HHW Reimbursement.** The HHW Reimbursement for the coming Rate Period shall equal the total HHW Reimbursement paid to the Member Agencies in the most-recently completed twelve- (12) month period multiplied by one (1) plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agencies.

5. **Total Member Agency Reimbursements.** The Total Member Agency Reimbursements for the coming Rate Period shall equal costs calculated in subsection (1) through (4) above; provided, however, that any adjustment in any such fee, whether pursuant to the relevant index or as the result of the decision of Member Agencies, shall be an allowable cost of business, excluded from the calculation of profit, and reflected in the Total Member Agency Reimbursements.

**F. Other Adjustments.** From time to time during the Term of the Agreement, it may be necessary to make other adjustments to thecompensation calculations. For example, if the Authority Contract Manager elects to roll-under a negative Rate adjustment to a future year, the dollar value of that negative adjustment shall be reflected as an adjustment. In such case, the adjustment would be a reduction to the Total Calculated Costs.

**G. Total Calculated Costs.** The Total Calculated Costs for the coming Rate Period shall equal the sum of the Total Annual Cost of Operations, Profit, Total Costs Excluded from the Calculation of Profit, Total Member Agency Reimbursements, and Other Adjustments (if applicable), for the coming Rate Period.

### 3. Rate Adjustment Factor

A Rate Adjustment Factor shall be calculated for each Member Agency. The Rate Adjustment Factor shall be a blend of a Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor and a Member Agency Reimbursements Adjustment Factor and shall be calculated as follows:

The Total Costs Before Member Agency Reimbursements Adjustment Factor shall be the Total Calculated Costs for the coming Rate Period divided by the Total Calculated Costs for the then-current Rate Period.

The Member Agency Reimbursements Adjustment Factor shall be the Total Member Agency Reimbursements for each Member Agency for the coming Rate Period divided by the Member Agency Reimbursements for each Member Agency for the then-current Rate Period.

The Rate Adjustment Factor for each Member Agency shall be calculated as follows and shall be rounded to the nearest thousandth:

Rate Adjustment Factor = [ Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor x ( Total Costs before Reimbursements for the coming Rate Period / Total Calculated Costs for the coming Rate Period ) ] + [ Member Agency Reimbursements Adjustment Factor x ( Total Member Agency Reimbursements for all Member Agencies for the coming Rate Period / Total Calculated Costs for the coming Rate Period ) ]

### 4. Adjustment of Rates

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

### 5. Examples

The following examples illustrates the index-based adjustment method for determining Rates for Rate Period Three. The dollar amounts shown are hypothetical amounts for Total Calculated Costs for Rate Period Two (July 1, 2025 through June 30, 2026) and the Rate Adjustment Factors are based on assumed changes in the various indices between the Average Index Values for the twelve (12) months ending December 2025 and for the twelve (12) months ending December 2024. Example A depicts a standard index-based adjustment, wherein the calculated Total Calculated Costs Before Member Agency Reimbursements increased greater than zero percent (0%) and less than five percent (5%) over the prior Rate Period. Example B depicts an index-based adjustment wherein the calculated Total Calculated Costs Before Member Agency Reimbursements resulted in a decrease from the prior Rate Period.

**A. EXAMPLE A**

1. Assumptions for Example Adjustment to Contractor’s Compensation:

a. Most-Recently Completed Rate Period = Rate Period One (July 1 ,2024 through June 30, 2025)

b. Then-current Rate Period = Rate Period Two (July 1 ,2025 through June 30, 2026)

c. Coming Rate Period = Rate Period Three (July 1 ,2026 through June 30, 2027)

d. Recyclable Materials Processing Costs per Ton for the coming Rate Period = $62.00 per Ton

e. Recyclable Materials Processing Rebate per Ton for the coming Rate Period = ($30.63) per Ton

f. Residential Organic Materials Processing Costs per Ton for the coming Rate Period = $97.00 per Ton

g. Commercial Organic Materials Processing Cost per Ton for the coming Rate Period = $103.00

h. Disposal cost for the coming Rate Period = $104.00 per Ton

i. Annual Percentage Change in the ECI = 0.045

j. Annual Percentage Change in the CPI-U = 0.040

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

l. Annual Percentage Change in the Fuel Index = 0.075

m. Annual Percentage Change in the Recyclables Rebate Index = 0.021

n. Tonnages for the most-recently completed 12-month period:

* Recyclable Materials – 17,400 Tons (900 Tons attributable to Drop Box)
* Residential Organic Materials – 20,600 Tons (1,500 Tons attributable to Drop Box)
* Commercial Organic Materials – 2,150 Tons (150 Tons attributable to Drop Box)
* Solid Waste – 25,300 Tons (1,800 Tons attributable to Drop Box)

Note: All values presented in the following table are hypothetical and used for illustrative purposes only.

Example A Calculation of Total Calculated Costs for Rate Period Three

Table 1. Disposal and Processing Tip Fee Adjustments



Table 2. Total Calculated Costs before Member Agency Reimbursements



Table 3. Member Agency Reimbursements

Table 4. Rate Adjustment Factors

2. Example Calculation of the Rate Adjustment Factors and Adjusted Rates for Rate Period Three

a. Rate Period Three Costs

 Total Calculated Costs Before Member Agency Reimbursements = $29,694,055

 Total Member Agency Reimbursements = $3,322,000

 Total Calculated Costs = $29,694,055 + $3,322,000 = $33,016,055

Total Calculated Costs Before Member Agency Reimbursements Percentage = $29,694,055 / $3,016,055 = 89.94%

Total Member Agency Reimbursements Percentage = $3,322,000 / $33,016,055 = 10.06%

b. Rate Adjustment Factors

Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor = $29,694,055 / $28,675,000 = 1.036

Campbell Total Member Agency Reimbursements Adjustment Factor = $1,083,600 / $1,040,000 = 1.042

Los Gatos Total Member Agency Reimbursements Adjustment Factor = $1,535,400 / $1,475,00 = 1.041

Monte Sereno Total Member Agency Reimbursements Adjustment Factor = $31,400 / $30,000 = 1.047

Saratoga Total Member Agency Reimbursements Adjustment Factor = $671,600 / $640,000 = 1.049

c. Member Agency Rate Adjustment Factors

Campbell = (1.036 x 89.94%) + (1.042 x 10.06%) = 1.036

Los Gatos = (1.036 x 89.94%) + (1.041 x 10.06%) = 1.036

Monte Sereno = (1.036 x 89.94%) + (1.047 x 10.06%) = 1.037

Saratoga = (1.036 x 89.94%) + (1.049 x 10.06%) = 1.037

d. 20-gallon Single-Family Rate for Rate Period Three (effective July 1, 2026)

Campbell = $31.25 x 1.036 = $32.38

Los Gatos = $33.23 x 1.036 = $34.43

Monte Sereno = $34.76 x 1.037 = $36.03

Saratoga = $33.48 x 1.037 = $34.72

**B. EXAMPLE B**

1. Assumptions for Example Adjustment to Contractor’s Compensation:

a. Most-Recently Completed Rate Period = Rate Period One (July 1 ,2024 through June 30, 2025)

b. Then-current Rate Period = Rate Period Two (July 1 ,2025 through June 30, 2026)

c. Coming Rate Period = Rate Period Three (July 1 ,2026 through June 30, 2027)

d. Recyclable Materials Processing Costs per Ton for the coming Rate Period = $62.00 per Ton

e. Recyclable Materials Processing Rebate per Ton for the coming Rate Period = ($30.63) per Ton

f. Residential Organic Materials Processing Costs per Ton for the coming Rate Period = $97.00 per Ton

g. Commercial Organic Materials Processing Cost per Ton for the coming Rate Period = $103.00

h. Disposal cost for the coming Rate Period = $104.00 per Ton

i. Annual Percentage Change in the ECI = - 0.045

j. Annual Percentage Change in the CPI-U = - 0.040

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

l. Annual Percentage Change in the Fuel Index = 0.075

m. Annual Percentage Change in the Recyclables Rebate Index = 0.021

n. Tonnages for the most-recently completed 12-month period:

* Recyclable Materials – 17,400 Tons (900 Tons attributable to Drop Box)
* Residential Organic Materials – 20,600 Tons (1,500 Tons attributable to Drop Box)
* Commercial Organic Materials – 2,150 Tons (150 Tons attributable to Drop Box)
* Solid Waste – 25,300 Tons (1,800 Tons attributable to Drop Box)

Note: All values presented in the following table are hypothetical and used for illustrative purposes only.

Example B Calculation of Total Calculated Costs for Rate Period Three

Table 1. Disposal and Processing Tip Fee Adjustments



Table 2. Total Calculated Costs before Member Agency Reimbursements



Table 3. Member Agency Reimbursements

Table 4. Rate Adjustment Factors

2. Example Calculation of the Rate Adjustment Factors and Adjusted Rate for Rate Period Three

a. Rate Period Three Costs

Total Calculated Costs Before Member Agency Reimbursements = $28,069,055

 Total Member Agency Reimbursements = $3,322,000

 Total Calculated Costs = $28,069,055 + $3,322,000 = $31,391,055

Total Calculated Costs Before Member Agency Reimbursements Percentage = $28,069,055 / $31,391,055 = 89.42%

Total Member Agency Reimbursements Percentage = $3,322,000 / $31,391,055= 10.58%

b. Rate Adjustment Factors

Rate Period Three Total Calculated Costs Before Member Agency Reimbursements $28,069,055 < Rate Period Two Total Calculated Costs Before Member Agency Reimbursements $28,675,000, therefore Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor = 1.00

Campbell Total Member Agency Reimbursements Adjustment Factor = $1,083,600 / $1,040,000 = 1.042

Los Gatos Total Member Agency Reimbursements Adjustment Factor = $1,535,400 / $1,475,00 = 1.041

Monte Sereno Total Member Agency Reimbursements Adjustment Factor = $31,400 / $30,000 = 1.047

Saratoga Total Member Agency Reimbursements Adjustment Factor = $671,600 / $640,000 = 1.049

c. Member Agency Rate Adjustment Factors

Campbell = (1.00 x 89.42%) + (1.042 x 10.58%) = 1.004

Los Gatos = (1.00 x 89.42%) + (1.041 x 10.58%) = 1.004

Monte Sereno = (1.00 x 89.42%) + (1.047 x 10.58%) = 1.005

Saratoga = (1.00 x 89.42%) + (1.049 x 10.58%) = 1.005

d. 20-gallon Single-Family Rate for Rate Period Three (effective July 1, 2026) NO RATE ADJUSTMENT

Campbell = $31.25 x 1.004 = $31.39

Los Gatos = $33.23 x 1.004 = $33.37

Monte Sereno = $34.76 x 1.005 = $34.93

Saratoga = $33.48 x 1.005 = $33.65

e. Subsequent Rate Period Adjustments

Cost savings to be applied as an “Other Adjustments” in the subsequent Rate Period adjustment calculations as an offset to Total Calculated Costs Before Member Agency Reimbursements = $28,069,055 - $28,675,000 = $605,945

### 6. Other

If an index described in Section 2 is discontinued, the successor index with which it is replaced shall be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics or Pacific Gas and Electric Company (if applicable), the index published by the organization that is most comparable shall be used.

Exhibit E2:
Cost-Based Rate Adjustment Methodology

### 1. General

The Authority and Contractor shall use the cost-based Rate adjustment method described in this Exhibit to determine Rates for Rate Periods Four and Eight, and if the Contractor requests an extraordinary Rate adjustment in accordance with Agreement Section 8.3. If the Term is extended, subsequent Rate Periods shall be adjusted pursuant to Section 8.2.C. The cost-based adjustment involves review of the Contractor’s actual cost of operations and operational statistics (staffing levels, Routes, Route hours, Customers, and their Service Levels, etc.) to determine the Actual Allowable Total Annual Cost of Operations for the most-recently completed Rate Period and to forecast the Total Contractor’s Compensation for the coming Rate Period. A Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

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

The Total Calculated Costs Before Member Agency Reimbursements Rate Adjustment Factor calculated pursuant to this Exhibit E2 may not exceed ten percent (10%), the calculated dollar amount exceeding ten percent (10%) shall be reflected as an “Other Adjustment” in the next scheduled Rate adjustment (“roll-over”). The Authority shall not be required to compensate Contractor for any cumulative “roll-over” amounts remaining at the end of the Agreement Term.

In the event the Total Calculated Costs Before Member Agency Reimbursements calculated pursuant to this Exhibit E2 results in a negative Total Costs before Member Agency Reimbursements Adjustment Factor, the Authority reserves the right to “roll-under” the reduction to the Total Calculated Costs Before Member Agency Reimbursements, but the calculated reduction to the Total Calculated Costs Before Member Agency Reimbursements shall then be deferred to the following Rate Period as a credit against future rate increases.

**A. Contractor’s Rate Application.** Contractor’s Rate application for any Rate Period where Rates shall be adjusted using the cost-based methodology described in this Exhibit E2, shall include the information described in this Section 1.A. With the exception of the information identified in Subsections 1 and 2 below, all other items listed may be requested by the Authority Contract Manager at any time during the Term of the Agreement and Contractor shall comply with that request in a timely fashion.

**1. Financial Statements.**  Within one hundred twenty (120) calendar days after the close of the Contractor’s fiscal year (June 30), Contractor shall deliver to the Authority one (1) hard copy of the reviewed (or audited) consolidated financial statements of Contractor for the preceding fiscal year. Financial statements shall include a supplemental combining schedule showing Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement separate from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operations and Contractor’s financial condition. Annual financial statements shall be reviewed (or audited), in accordance with Generally Accepted Auditing Standards (GAAS) by a Certified Public Accountant (CPA) licensed (in good standing) to practice public accounting in the State as determined by the State Department of Consumer Affairs Board of Accountancy. The CPA’s opinion on Contractor's annual financial statements shall be unqualified and shall contain the CPA’s conclusions regarding the Contractor’s accounting policies and procedures, internal controls, and operating policies. The CPA shall perform an evaluation and, if necessary, shall cite recommendations for improvement.

**2. Financial Statement Reconciliation.** Contractor shall provide a schedule that clearly and accurately ties the amounts shown in Contractor’s Rate application to Contractor’s financial statements.Such schedule shall include any and all allocation factors and methodologies used to report cost and operating information for services provided to the Authority under this Agreement separately from Contractor obligations related to other public or private entities. Such statement of reconciliation shall include:

a. General explanation of the various allocation methodologies used for each Rate application lineitem.

b. Specific examples of each type of allocation used showing how an entry is reported in the general ledger and ties to the Rateapplication.

c. Statement indicating whether there have been any changes in allocation methods used since the last Rate application. If any allocation methods have changed clearly identify thosechanges.

**3. Operational Information.**

a. Routes by Line of Business:

i. Number of Routes per day.

ii. Types of vehicles.

iii. Crew size per Route.

iv. Number of full time equivalent (FTE) Routes.

v. Number of accounts and cubic yards scheduled per Route.

vi. Total Route hours per Line of Business per year.

vii. Average cost per Route.

b. Personnel:

i. Organizational chart.

ii. Job classifications and number of employees (e.g., administrative, Customer service representatives, drivers, supervisors, educational staff).

iii. Wages by job classification.

iv. Number of FTE positions for each job classification.

v. Number of hours per job classification per year.

c. Productivity Statistics:

i. Average Number of accounts per Route per day by Line of Business.

ii. Average number of setouts per Route per day by Line of Business.

iii. Average Tons per Route per day by vehicle type (i.e., side-loader, front-loader, roll-off).

iv. Average cubic yards of Collection scheduled per Route.

d. Vehicles:

i. List of Collection vehicles including year purchased and mileage.

ii. Average age of mobile equipment with oldest and newest.

e. Operational Changes:

i. Number of Routes.

ii. Staffing.

iii. Supervision.

iv. Collection services.

**4. Variance Analysis.** Provide the following variance analysis for each Line of Business. For any variances greater than five percent (5%) annually, Contractor shall provide sufficient rationale to support variance:

a. Variance analysis comparing current Rate Period to each of the prior Rate Periods of Agreement.

b. Variance analysis comparing current Rate Period to each of the future projected Rate Periods.

**5. Projections.** Provide the following projection data:

a. Provide support for the basis for projected Gross Receipts and line-item expenses, clearly indicate the supporting calculations and assumptions.

b. Provide support for the most-recent twelve (12) months of Tonnage data for Rate Period ending June 30. Clearly indicate the supporting calculations and assumptions.

### 2. Forecasting Total Contractor’s Compensation

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

**A. Forecasting Total Annual Cost of Operations**

**1. Determine Actual Allowable Total Annual Cost of Operations.** Contractor's financial statements, books, and records shall be reviewed to determine Contractor's “Actual Allowable Total Annual Cost of Operations” for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:

a. Actual labor-related costs.

b. Actual vehicle-related costs (excluding fuel and depreciation).

c. Actual fuel costs.

d. Actual other costs (as defined on Form 6E of Exhibit G1).

e. Direct depreciation costs (in the amount specified in Exhibit E1).

f. Actual allocated costs (labor, vehicle, general and administrative, and other costs).

g. Actual allocated costs (depreciation and start-up) (in the amount stated in Exhibit E1).

**2. Non-Allowable Costs.** The following list of non-allowable costs shall be deducted from the Contractor’s actual costs when determining the Actual Allowable Total Annual Cost of Operations.

a. Labor, equipment, fuel, and start-up costs for personnel, vehicles, and facilities that are not specified in the proposal forms contained in Exhibit G1 and/or that cannot be demonstrated to have been incurred as part of the performance of services under this Agreement including, without limitation, as the result of growth in the number of Customers and/or the levels and/or types of services provided.

b. Payments to directors and/or Owners of Contractor, unless the amount paid is reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the reasonable discretion of the Authority Contract Manager.

c. Travel expenses and entertainment (above five thousand dollars ($5,000) annually in total) expenses, unless authorized in advance by the Authority Contract Manager.

d. Payments to repair damage to public or private property for which Contractor is legally liable.

e. Fines or penalties of any nature.

f. Liquidated Damages assessed under this Agreement.

g. Federal or State income taxes.

h. Cash donations or value of in-kind services provided to charitable, political, youth, civic, or other community organizations unless such donation has been previously approved in writing as an allowable expense by the Authority Contract Manager.

i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices, and other facilities if such items are leased as specified in Exhibit G1.

j. Attorneys’ fees and other expenses incurred by Contractor in any court proceeding in which the Authority and/or Member Agencies and Contractor are adverse Parties.

k. Attorneys’ fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.

l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the Authority and/or Member Agencies derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.

m. Payments to Related-Party Entities for products or services, in excess of the market value for those products or services, provided that the Authority may use information available to it to verify market pricing for similar products and services.

n. Goodwill.

o. Unreasonable profit-sharing distributions.

p. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.

q. Administrative costs greater than the administrative costs presented in Contractor’s Proposal (Exhibit G1) adjusted annually by one (1) plus the Annual Percentage Change in the CPI-U.

r. Bad debt write-offs in excess of \_\_\_\_ percent (\_%) of annual Rate revenues. *{Note to Proposers: This percentage will be determined based on the Contractor’s proposed cost forms.}*

**3. Forecasted Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Actual Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Sections 2.A.1 and 2.A.2 above. The forecasts shall be performed in the following manner:

**a. Forecasted labor-related costs** shall be calculated for the coming Rate Period by the lesser of:

(i) multiplying the allowed labor-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the ECI; and,

(ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the ECI; OR,

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

**b. Forecasted vehicle-related costs** (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by:

(i) multiplying the allowed vehicle-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index; and,

(ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.

**c. Forecasted fuel costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed fuel costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the Fuel Index, and (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the Fuel Index.

**d. Forecasted other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the CPI-U.

**e. Forecasted direct depreciation expense** shall be the amount specified in in Section 2.A.5 of Exhibit E1. Direct depreciation expense is a fixed cost and is not subject to inflation.

**f.** **Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs** shall be calculated for the coming Rate Period by:

(i) multiplying the allowed other-related costs for most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U; and,

(ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in CPI-U (except in each case as provided in 3.a. above).

**g. Forecasted allocated depreciation and start-up expense** shall be the amount specified in Section 2.A.7 of Exhibit E1.

**h. Forecasted Total Annual Cost of Operations** for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in accordance with the procedures in this Exhibit E2:

i. Forecasted labor-related costs.

ii. Forecasted vehicle-related costs (excluding fuel and depreciation costs).

iii. Forecasted fuel costs.

iv. Forecasted other costs.

v. Forecasted direct depreciation expense.

vi. Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs.

vii. Forecasted allocated costs for depreciation and start-up.

**B. Forecast Profit.** Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio as described in Exhibit E, Section 4. Profit shall be calculated using the following formula:

Profit = (Forecasted Total Annual Cost of Operations / Operating Ratio) – Forecasted Total Annual Cost of Operations

For example:

1. Assuming an operating ratio of 92%

2. Assuming a Forecasted Total Annual Cost of Operations of $1,000,000

3. Profit = ($1,000,000 / 0.92) – $1,000,000 = $86,956.52

**C. Forecast Costs Excluded from the Calculation of Profit.** Costs Excluded from the Calculation of Profit for the coming Rate Period shall be forecasted in the following manner:

**1. Forecasted Recyclable Materials Processing Costs** shall be calculated in the manner described in Section 2.C.1 of Exhibit E1.

**2. Forecasted Recyclable Materials Processing Rebate** shall be calculated in the manner described in Section 2.C.2 of Exhibit E1.

**3. Forecasted Residential Organic Materials Processing Costs** shall be calculated in the manner described in Section 2.C.3 of Exhibit E1.

**4. Forecasted Commercial Organic Materials Processing Costs** shall be calculated in the manner described in Section 2.C.4 of Exhibit E1.

**5. Forecasted Disposal Costs** shall be calculated in the manner described in Section 2.C.5 of Exhibit E1.

**6. Forecasted Interest Expense** shall be calculated in the manner described in Section 2.C.6 of Exhibit E1.

**7. Forecasted Direct Lease Costs** shall be calculated in the manner described in Section 2.C.7 of Exhibit E1.

**8. Forecasted Allocated Lease Costs** shall be calculated in the manner described in Section 2.C.8 of Exhibit E1.

**9.** **Total Costs Excluded from Calculation of Profit** shall be the sum of the amounts in subsections (1) through (8) above.

**D. Forecast Member Agency Reimbursements.** Member Agency Reimbursements shall be calculated in the manner described in Section 2.E of Exhibit E1.

### 3. Projected Gross Rate Revenue

Projected Gross Rate Revenue at then-current Rates shall reflect projected annual Gross Rate Revenues from all Customers based on then-current Rates and then-current Customer Service Levels, inclusive of all Rates and special charges authorized and exclusive of Gross Rate Revenue from Drop Box Collection under this Agreement. For the purposes of determining Customer Service Levels for on-call services (e.g., Drop-Box service provided less than weekly, Bin rentals) and special charges (e.g., Push/Pull Charges, lock/unlock charges), the prior twelve (12) months of billing activity for such services and special charges shall be used.

Projected Gross Rate Revenues Before Member Agency Reimbursements shall be calculated as the Projected Gross Rate Revenues for the then-current Rate Period minus the Member Agency Reimbursements for all Member Agencies for the current Rate Period as ratified by the Authority Contract Manager.

### 4. Rate Adjustment Factor

A Rate Adjustment Factor shall be calculated for each Member Agency. The Rate Adjustment Factor shall be a weighted average of a Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor and a Member Agency Reimbursements Adjustment Factor and shall be calculated as follows:

The Total Costs before Member Agency Reimbursements Adjustment Factor shall equal the Forecasted Total Calculated Costs for the coming Rate Period divided by the Project Gross Rate Revenues Before Member Agency Reimbursements.

The Member Agency Reimbursements Adjustment Factor shall be the Total Member Agency Reimbursements for a Member Agency for the coming Rate Period divided by the Member Agency Reimbursements for a Member Agency for the then-current Rate Period.

The Rate Adjustment Factor for each Member Agency shall be calculated in the manner described in Section 3 of Exhibit E1. The Rate Adjustment Factor shall be rounded to the nearest thousandth.

### 5. Adjustment of Rates

Each then-current Rate shall be multiplied by the Member Agencies’ Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period.

Exhibit F:
PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

{Note to Proposers: The Authority is interested in exploring new approaches to performance management. The Authority will work with Proposers during the negotiations process to develop a successful approach to performance standards and Liquidated Damages that maintains accountability while focusing on performance management. Exhibit F1 reflects a historical approach to performance management and Liquidated Damages, while Exhibit F2 reflects an alternative potential approach. The final Agreement will consist of Exhibit F rather than contain an Exhibit F1 and F2.}

Exhibit F1:
 Performance Standards and Liquidated Damages Approach A

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

**B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards** The parties further acknowledge that consistent, reliable Solid Waste, Recyclable Material, and Organic Materials Collection service is of utmost importance to Authority and that Authority has considered and relied on Contractor's representations as to its quality of service commitment in awarding the franchise to it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, Authority and its Member Agencies will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which Authority will suffer. Therefore, without prejudice to Authority's right to treat such non-performance as an event of default under Article 10 and this Exhibit, the parties agree that the following Liquidated Damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to Authority that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the Liquidated Damage provisions at the time that the Agreement was made.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contractor Initials\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authority Initials\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The amount of Liquidated Damages specified below shall be adjusted annually on the first day of the Rate Year. The adjustment shall be rounded to the nearest cent. Liquidated Damage amounts shall be adjusted to reflect changes in the All Urban Consumers Index (CPI-U), all items, for the San Francisco-Oakland-San Jose, Base Period 1982-1984 = 100, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor agency.

### 1. Performance Area: Provision of Universal Three-Container Service

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Failure to provide Discarded Materials Collection services to every Customer | For each occurrence of failing to provide Customers with the three- Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4 and Exhibit B.  | No acceptable failure level | $500/Customer |

The Authority shall not assess Liquidated Damages item 1, above, under the following circumstances:

A. Authority has granted the Customer a waiver pursuant to Section 4.13 of this Agreement;

B. Contractor documents that Customer is compliant with Recycling and Organic Waste Self-Hauling requirements pursuant to Member Agency municipal code and 14 CCR Division 7, Article 12, Article 7; or,

C. Contractor documents that Customer is sharing Recyclable Materials and/or Organic Materials Collection services with another Customer in a manner approved by the Authority.

### 2. Performance Area: Service Quality and Reliability

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Missed Collections | Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection, unless Contractor leaves a Non-Collection Notice specifying the reasons for non-Collection and available remedies.  | Less than ten (10) per one thousand (1,000) Service Opportunities | $50/Event |
| 2. | Failure to Correct Missed Collections | Each “Missed Collection” as defined above which is not Collected by the end of the Working Day following the receipt of the Customer Complaint about the Missed Collection if the Complaint is received by 3:00 p.m. on a Working Day and by the end of the following Working Day for such Complaints received after 3:00 p.m. on a Working Day. | Less than one (1) per one hundred (100) Missed Collections | $50/Event |
| 3. | Failure to Issue Customer Rebate | Each failure to provide a Customer the Missed Collection Rebate or Late Container Delivery Rebate in accordance with Section 5.12 of the Agreement. | No acceptable failure level | $50/Event |
| 4. | Failure to Return Empty Container | Failure to properly return empty Containers to the Collection location, or to place Carts upright. | Less than ten (10) per one thousand (1,000) Service Opportunities | $20/Event |
| 5. | Failure to Clean-Up Spillage | Each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; or, (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location. | Less than five (5) per one thousand (1,000) Service Opportunities | $100/Event |
| 6. | Damage to Property | Each event of damage to either public or private property as a result of Collection activity, including without limitation Curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables. | Less than two (2) per one thousand (1,000) Service Opportunities | $200/Event |
| 7. | Damage to Public Streets | Each event of damage to public streets within the Authority caused by Contractor. | No acceptable failure level | Actual cost of repair to Authority’s satisfaction. |
| 8. | Failure to Maintain Equipment | Each event of failure to maintain equipment, vehicles, Carts, Bins and other Containers in a clean, safe, and sanitary manner. | No acceptable failure level | $100/Item/Day |
| 9. | Failure to Comply with Container Standards | Failure to comply with Container labeling and colors as specified in this Agreement. | No acceptable failure level | $200/Container/ Occurrence |
| 10. | Failure to Provide/ Utilize Required Vehicles/Equipment | Failure to provide and utilize required vehicles, and communications equipment as specified in this Agreement. | No acceptable failure level | $100/Item/Day |
| 11. | Unlicensed Vehicle Operator | Failure to have a vehicle operator properly licensed. | No acceptable failure level | $500/Operator/Day |
| 12. | Failure to Display Contractor’s Name | Failure to display and maintain visibility of Contractor’s name and Customer service phone number on Collection vehicles, and Containers. | No acceptable failure level | $100/Instance/Day |
| 13. | Failure to Wear Uniform | Failure to have Contractor personnel in proper uniform. | No acceptable failure level | $100/Person/Day |
| 14. | Discourteous Behavior | For each occurrence of uncustomary discourteous behavior of Contractor’s employees to a Customer. | Less than five (5) per one thousand (1,000) Service Opportunities | $250/Event |
| 15. | Failure to Complete Route | Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection service Working Day. | No acceptable failure level | $1,000/Route |
| 16. | Changing Routes | Changing routes without proper notification and approval by the Authority Contract Manager. | No acceptable failure level | $500/Route/Day |
| 17. | Overweight Vehicles | Loading Collection vehicles in excess of State or local weight restrictions. | No acceptable failure level | $150/Event |
| 18. | Uncovered Loads | Failure to properly cover materials in Collection vehicles. | No acceptable failure level | $500/Event |
| 19. | Failure to Cure in Timely manner | Failure to cure non-compliance with the provisions of this Agreement in the manner and time set forth in Section 10.2. | No acceptable failure level | $150/Incident/Day |
| 20. | Failure to Perform Other Requirement | Each failure to perform any obligation of the Agreement not specifically stated above. | No acceptable failure level | $100/Event |

### 3. Performance Area: Customer Service

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Failure to commence Service and/or Provide Move-in Kits | Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, at the level of service requested by said Customer, within three (3) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing Service Levels. This may also include delivering Used Oil Recovery Kits, Move-in Kits, and other items required upon Customer’s request. | Less than one (1) per one hundred (100) Service Requests | $50/Event |
| 2. | Failure to Exchange Container | Any failure by Contractor to exchange Container within ten (10) Working Days of notification that a change in the size or number of Carts or Bins is required. | No acceptable failure level | $100/Container/Day |
| 3. | Failure to Replace Container | Any failure by Contractor to replace a damaged or defaced Container within the timeline required in Section 5.7. | No acceptable failure level | $100/Container/Day |
| 4. | Failure to Resolve Complaint | Any failure or neglect by Contractor to resolve each Complaint within the time set forth in this Agreement. | Less than one (1) per one hundred (100) Complaints | $100/Event |
| 5. | Failure to Answer Phones | Any failure by Contractor to answer a telephone call from a Customer during normal business hours. A call is not deemed answered if the Customer does not speak with a live operator. (A call is deemed answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes.) Any 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.  | Less than five (5) per one thousand (1,000) Calls Received Under this Agreement | $50/Event |
| 6. | Failure to Maintain Office Hours | Failure to maintain office hours as required by this Agreement. | No acceptable failure level | $100/Event |
| 7. | Provision of Inaccurate Information | Each event of a Customer Service Representative providing inaccurate information in response to a Customer question or Complaint. | No acceptable failure level | $50/Event |
| 8. | Unauthorized Hours of Operation | Each occurrence of Contractor Collecting from Customers during unauthorized hours. | Less than two (2) per one thousand (1,000) Service Opportunities | $50/Event |
| 9. | Failure to conduct Route Audits and Contamination Monitoring | Failure to conduct route audits and contamination monitoring as required by this Agreement. | No acceptable failure level | $150/Audit/Day |
| 10 | Failure to issue Customer Notices | Failure to issue Customer Notices as required by this Agreement.  | No acceptable failure level | $500/Route/Day |
| 11. | Failure to maintain website | Failure for Contractor to maintain an updated website with Authority specific information | No acceptable failure | $250/day |
| 12. | Failure to provide multi-lingual Customer service | Failure for Contractor to provide multi-lingual Customer service as required by the Agreement  | No acceptable failure | $500/day or part thereof |
| 13. | Failure to provide e-billing | Failure for Contractor to provide electronic ways for Customers to pay their bills (e.g., phone, website, phone app, etc.) | No acceptable failure | $500/day |

### 4. Performance Area: Diversion

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Failure to meet the minimum Diversion requirements | Failure to meet the minimum Diversion requirements of this Agreement as specified in Section 5.10. | Less than 0.001% | Shortfall of 0.001% - 2%: $10,000.00 per calendar year.Shortfall of 2.001% or greater: $25,000.00 per calendar year. |
| 2. | Failure to perform public education and outreach activities | Each individual failure by Contractor to develop, produce, and distribute public education material or perform community outreach activities in the form and manner required under Exhibit C to this Agreement. | No acceptable failure level | $500/Activity |
| 3. | Failure to provide targeted technical assistance | Each individual failure to provide targeted technical assistance to a Commercial or Multi-Family Customer in the manner required under Exhibit C to this Agreement. | No acceptable failure level | $2,000/Customer |
| 4 | Failure of Diversion coordinator to specifically perform | Every occurrence of a Diversion coordinator being used for purposes other than those specified in this Agreement.  | No acceptable failure level | $1,000/day |

### 5. Performance Area: Facilities

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Delivery to Non-Approved Facility | Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Article 4 of this Agreement. | No acceptable failure level | $5,000 first failure.$25,000 each subsequent failure. |
| 2. | Disposal of targeted Diversion materials | Each individual occurrence of delivering Recyclable Materials, Organic Materials, or Reusable Materials set out for Collection by the Customer for Disposal rather than Processing. | No acceptable failure level | $1,000/Load |
| 3. | Mixing materials during collection | Each individual Container that is Collected by Contractor in a vehicle intended or designated for the purpose of Collecting a different material type (e.g., Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.). | No acceptable failure level | $1,000/Container |
| 4. | Commingling with non-authority materials | Commingling of materials Collected inside and outside the Authority during Collection. | No acceptable failure level | $1,000/Event |
| 5. | Delivery to Approved Disposal Facility of Non-Authority Materials commingled with Authority Materials | Delivery to the Approved Disposal Facility of any Solid Waste Collected outside of the Authority boundaries commingled with that Collected as part of this Agreement except for material delivered in Transfer trailers. | No acceptable failure level | $5,000 first delivery.$25,000 each subsequent delivery. |
| 6. | Failure to provide adequate capacity | Failure to provide adequate primary and alternate capacity to accept and Process Recyclable Materials, or Organic Materials. | No acceptable failure level | $1,000/Day |
| 7 | Failure to conduct Route Audits and Contamination Monitoring | Failure to conduct route audits and contamination monitoring as required by this Agreement. | No acceptable failure level | $150/Audit/Day |
| 8 | Failure to issue Customer Notices | Failure to issue contamination notices as required by this Agreement.  | No acceptable failure level | $50/occurrence/Day |

### 6. Performance Area: Reporting & Records

| **Item** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1. | Late report | Each occurrence of a report, as required under Exhibit D to this Agreement, or as otherwise agreed to by the Parties, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format. | No acceptable failure level | $250/Report/ Day |
| 2. | Failure to maintain or provide access to records | Each occurrence of Authority Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information within the time window specified in this Agreement. | No acceptable failure level  | $500/Event |
| 3. | Misleading/inaccurate reporting | Each occurrence of Contractor providing misleading or otherwise inaccurate information or reporting to Authority under or regarding this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance be excused. | No acceptable failure level | $250/Event |
| 4. | Failure to correct submittal of inaccurate data in a timely manner | Failure to correct submittal of inaccurate data within three (3) Business Days (or such other time period as may be agreed to in writing between Authority and Contractor) of notification by Authority. | No acceptable failure level | $500/Day |
| 5. | Failure to maintain and/or provide access to information systems | Each day that Contractor fails to provide access to Contractor’s information systems as required in Section 4.12 to the Authority Contract Manager. | No acceptable failure level | $500/Day |

Exhibit F2:
 Performance Standards and Liquidated Damages Approach B

### 1. General

A. **Defined Terms**. Exhibit F relies on the terms “Complaint,” “Corrective Action Plan”, “Service Opportunity,” and “Total Service Opportunities,” as defined in Exhibit A.

B. **Total Service Opportunities - Example Calculation**. Figure 1 specifies how “Total Service Opportunities” will be calculated for use in Section 3 Compliance Assessment.

Figure 1 - Total Service Opportunities Example Calculation - Weekly, All Materials

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Container Size** | **Containers** | **Collection Frequency per Week** | **Service Opportunities Calculation** | **Service Opportunities** |
| **Single Family** |   |   |   |   |   |
|  |  20 Gallon  | 1997 | 1 | 1997 x 1 | 1997 |
|  |  35 Gallon  | 22621 | 1 | 22621 x 1 | 22621 |
|  |  65 Gallon  | 4486 | 1 | 4486 x 1 | 4486 |
|  |  95 Gallon  | 59222 | 1 | 59222 x 1 | 59222 |
|  |   |   |   |   |   |
| **Multi-Family/Commercial** |   |   |   |   |   |
|  |  35 Gallon  | 487 | 1 | 487 x 1 | 487 |
|  |  65 Gallon  | 429 | 1 | 429 x 1 | 429 |
|  |  95 Gallon  | 1720 | 1 | 1720 x 1 | 1720 |
|  |  1 Yard  | 6 | 1 | 6 x 1 | 6 |
|  |  1 Yard  | 0 | 5 | 0 x 5 | 0 |
|  |  2 Yard  | 398 | 1 | 398 x 1 | 398 |
|  |  2 Yard  | 8 | 5 | 8 x 5 | 40 |
|  |  3 Yard  | 458 | 1 | 458 x 1 | 458 |
|  |  3 Yard  | 23 | 4 | 23 x 4 | 92 |
|  |  4 Yard  | 77 | 1 | 77 x 1 | 77 |
|  |  4 Yard  | 37 | 2 | 37 x 2 | 74 |
|  |  6 Yard  | 4 | 4 | 4 x 4 | 16 |
|  |  6 Yard  | 8 | 5 | 8 x 5 | 40 |
|  |   |   |   |   |   |
| **Total Service Opportunities** |   |   |   |  | **3837** |

### 2. Liquidated Damages

The Authority hereby establishes specific standards of performance under the Agreement that: 1) measure compliance with varied and important aspects of contractor performance; 2) can be easily verified with regularly collected data or observation; and, 3) have no threshold for noncompliance. The Authority Contract Manager shall review the following performance standards on a quarterly basis. In the event the Authority Contract Manager determines that Contractor has failed to meet a performance standard established for any of the following, the Authority Contract Manager may in its sole discretion assess Liquidated Damages as specified below, pursuant to Section 10.6 of the Agreement. To the extent the noncompliance continues in successive quarters, the Authority Contract Manager may continue to assess Liquidated Damages. The Authority may furthermore exercise its right to terminate this Agreement in accordance with Section 10.2 of this Agreement.

| **Performance Area** | **Specific Performance Measure** | **Definition** | **Acceptable Performance Level** | **Liquidated Damage Amount** |
| --- | --- | --- | --- | --- |
| 1 Service Quality and Reliability | Double Missed Collection | Each occurrence where Contractor fails to Collect Discarded Materials, which have been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickups.  | No acceptable failure level | $200/Event |
| 2 Customer Service  | Resolve Missed Collection | Each occurrence where Contractor fails to resolve Customer compliant of a missed pickup within two business days of receipt of complaint.  | No acceptable failure level | $200/Event |
| 2 Customer Service | Failure to Commence Service | Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, at the Service Level requested by said Customer, within seven (7) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing Service Levels. This may also include delivering kitchen pails and/or Used Oil Recovery Kits to Customers upon request.  | No acceptable failure level | $200/Container/ Week |
| 2 Customer Service | Failure to Replace Container  | Any failure by Contractor to replace or repair a damaged Container within seven (7) calendar days of receiving such a request from a Customer. | No acceptable failure level | $100/Event |
| 2 Customer Service | Remove Graffiti | Any failure by Contractor to remove graffiti from Containers within two (2) Working Days following identification by Contractor or notice by the Authority or Customer if such graffiti includes any written or pictorial obscenities, or if such graffiti does not include any written or pictorial obscenities, within five (5) Business Days. |  |  |
| 2 Customer Service | Unauthorized Hours of Operation | Each occurrence of Contractor Collecting from Customers during unauthorized hours. | No acceptable failure level.  | $500/Event |
| 5 Facilities | Non-approved facilities | Each occurrence of Delivering materials to a Facility other than the applicable Designated Facility or Approved Facility. | No acceptable failure level | $250/Ton |
| 6 Reporting | Late Report | Each occurrence of a report or other plan, as required under Exhibit C and Exhibit D to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format, except that liquidated damages shall be waived if Contractor self-identifies the inaccuracy(ies) and submits a correction(s).  | No acceptable failure level | $250/Day |
| 6 Reporting | Access to Records | Each occurrence of the Authority Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information within five (5) business days. | No acceptable failure level | $1,000/Event |

By placing designee’s initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions at the time that the Agreement was made.

**Contractor Authority**

Initial Here: \_\_\_\_\_\_\_\_\_ Initial Here: \_\_\_\_\_\_\_\_\_

### 3. Compliance Monitoring and Assessment

The Authority has established standards of performance under the seven “Performance Areas” listed below. The Authority Contract Manager may at any time and with any frequency during the Term, monitor Contractor’s performance in each Performance Area based on the applicable “Performance Indicators” identified below for each Performance Area. In monitoring compliance with the performance standards specified in this subsection 3, the Authority Contract Manager may assess compliance through a range of activities which may include, but not be limited to, an information request(s) to Contractor, or conduct of performance review and/or auditing activities as provided in Section 6.3 of this Agreement.

In the event the Authority Contract Manager determines that Contractor has failed to meet any performance standard established in this subsection 3 and remains in noncompliance, or has otherwise exhibited a pattern of ongoing or intermittent noncompliance with provisions of the Agreement specified for each performance area, the Authority Contract Manager may initiate the corrective action process specified in subsection 4 of this Exhibit F. To the extent any aspect of the noncompliance constitutes or may constitute an event of default under Section 10.1, the Authority Contract Manager shall initiate the cure process defined in Section 10.2.

#### A. Performance Area No. 1: Service Quality and Reliability

Overall Performance Indicator: Contractor’s service quality and reliability shall be considered acceptable if the total number of calls and emails related to the performance measures in the following table received by Contractor or the Authority from Customers served under this Agreement does not exceed one (1) per one thousand (1,000) Total Service Opportunities in any calendar quarter.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Missed Collections | Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection.  |
| Failure to Correct Missed Collections | Each “Missed Collection” as defined above that is not Collected pursuant to Section 4.10.3.B. |
| Failure to Return Container to Location of Setout  | Failure to properly return empty Carts or Bins to the Collection location, or to place Carts upright. |
| Failure to Clean-Up Spillage | Pursuant to Section 5.3.C, each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location; or, failure by Contractor to notify the Authority within two (2) hours of an observed spill. |
| Damage to Property | Each event of damage to either public or private property as a result of Collection activity, including without limitation Curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables. |
| Discourteous Behavior | Each Complaint received that is related to the discourteous behavior of Contractor’s employees. |
| Inaccurate Billing | Each Complaint received where Contractor billed a Customer in error. Inaccurate billing may include, but is not limited to: (i) either over- or under-charging of the Customer relative to the approved maximum Rates for services; (ii) charging the Customer a Rate that is not the same as other Customers with the same Service Level; (iii) charging a Customer for an increased Service Level prior to providing the service; and, (iv) not charging a Customer for reduced Service Level within seven (7) days of the date Customer requested the change, regardless of whether or not Contractor delivers the appropriate Containers or modifies the Service Level within that timeframe. |
| Unauthorized Hours of Operation | Each occurrence of Contractor Collecting from Customers during unauthorized hours. |

#### B. Performance Area No. 2: Customer Service

Performance Indicator: The level of Customer service provided by Contractor shall be considered acceptable if the total number of Complaints regarding the performance measures specified in the following table received by the Contractor or the Authority does not exceed one (1) per one thousand (1,000) Total Service Opportunities in any calendar quarter.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Failure to Resolve Complaint | Any failure by Contractor to resolve or remedy a Complaint to Customer’s satisfaction within seven (7) calendar days of receiving such Complaint. |
| Failure to Answer Phones; Respond to Emails | Any failure by Contractor during normal business hours to answer a Customer telephone call within three (3) minutes, or to respond to a Customer email in the timeframe specified in Section 4.11.1.C. A call is not considered to be answered if the Customer does not speak with a live operator. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes. |

#### C. Performance Area No. 3: Outreach

Performance Indicator: Contractor’s outreach performance shall be considered acceptable if service meets the requirements of Section 4.7 and Exhibit C. The following table specifies performance measures indicating unacceptable performance.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Failure to Perform Public Outreach Activities | Each failure by Contractor to develop, produce, and distribute a public outreach document or perform a community outreach activity in the form and manner required under Exhibit C to this Agreement. |
| Failure to Provide Targeted Technical Assistance | Each individual failure to provide targeted technical assistance to a Commercial or Multi-Family Customer, or to a Member Agency facility in the manner required under Exhibit C to this Agreement.  |
| Delay in Annual Outreach Plan | Failure to submit the initial annual outreach plan by the Commencement Date or November 1, or to submit a revised plan within 15 Business Days after receiving the Authority Contract Manager’s comments, as required by Exhibit C, Section 1.A.  |

#### D. Performance Area No. 4: Diversion

Performance Indicator: Contractor’s Diversion performance, as provided in Section 5.10, shall be considered unacceptable if Contractor does not meet minimum Diversion Rates as described below.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
|  |  |
| Failure to Maintain Contractor’s Minimum Required Diversion Rates by Weight | Failure to meet minimum Diversion Rates specified in Section 5.10.B in any calendar year after 2024. |

#### E. Performance Area No. 5: Facilities

Performance Indicator: Contractor’s performance relative to facility use shall be considered acceptable when one hundred percent (100%) of all tons for all material types Collected by Contractor are Delivered to the appropriate Approved Facility (including Designated Facility(ies) consistent with Sections 4.1, 4.2 and 4.3 of this Agreement. The following table specifies performance measures indicating unacceptable performance.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Delivery to Non-Approved Facility | Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Sections 4.1, 4.2, and 4.3 of this Agreement. |
| Disposal of Material Targeted for Diversion | Each individual occurrence of Disposal rather than Processing of Recyclable Materials, Organic Materials, or C&D set out for Collection by the Customer, unless the contamination level in the Container exceeds the acceptable contamination level specified in this Agreement. |
| Mixing Material Types During Collection | Each individual Container that is Collected by Contractor in a vehicle intended or designated for the purpose of Collecting a different material type (e.g., Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.). This item does not apply to collection in a Solid Waste vehicle of Containers with a contamination level that exceeds the acceptable contamination level specified in this Agreement.  |

#### F. Performance Area No. 6: Reporting

Performance Indicator: Contractor’s reporting shall be considered acceptable if Contractor meets the performance measures specified in the following table.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Late Report | Submittal of a report or other information:1. Required under Exhibit D to this Agreement after the specified due date.
2. Requested by the Authority Contract Manager more than seven (7) calendar days after the date requested.
 |
| Failure to Maintain or Provide Access to Records | Each occurrence of the Authority Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information. |
| Misleading/ Inaccurate Reporting | Each occurrence of Contractor providing materially or intentionally misleading or inaccurate information or reporting to the Authority under or in regard to this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance. |

#### G. Performance Area No. 7: SB 1383

Performance Indicator: Contractor’s compliance with the SB 1383 requirements of the Agreement shall be acceptable if Contractor meets the performance measures specified in the following table and with the other SB 1383-related requirements of Article 4 of this Agreement.

| **Specific Performance Measure** | **Definition** |
| --- | --- |
| Failure to Provide Recyclable Material and Organic Material Collection Services to every Customer | For each occurrence of failing to provide Customers with the three- Container system, including Recyclable Material and Organic Materials. This item shall not apply to missed pickups, which is covered under Performance Area No. 1. |
| Failure to Conduct Route reviews | Failure to conduct Route reviews as required by Section 4.13.1 of this Agreement. |
| Failure to Conduct contamination monitoring | Failure to conduct contamination monitoring as required by Section 4.13.1 of this Agreement. |
| Failure to Issue contamination notices, if permitted by Authority | Failure to issue contamination notices as required by Section 4.13.1 of this Agreement.  |
| Commingling with Non-Authority Materials | Commingling of materials Collected inside and outside the Authority Service Area during Collection. |
| Failure to Comply with Container Labeling and Colors | For each occurrence of Contractor’s failure to comply with Container labeling and color requirements pursuant to Section 5.6 of this Agreement, and not corrected within two (2) Business Days of notice by Authority. |
| Failure to Conduct Compliance Tasks | For each failure to conduct any compliance review, or cooperate in conducting waste evaluations pursuant to Sections 4.13 and 4.14, and/or failure to conduct any other SB 1383-related inspection required by this Agreement. |
| Failure to Conduct Follow-Up Inspections  | For each failure to conduct an SB 1383 noncompliance complaint investigation as required by Section 4.14.C of this Agreement. |

### 4. Corrective Action Process

Should the Authority Contract Manager determine that Contractor is noncompliant with or has a pattern of noncompliance with provision(s) of this Agreement as provided in subsection 3 of this Exhibit F, the Authority Contract Manager may initiate the corrective action process specified in this subsection 4. The Authority Contract Manager shall provide notice to the Contractor in writing of the specific area(s) or pattern(s) of ongoing or intermittent noncompliance and may suggest corrective actions required to achieve, and to remain in compliance. Within fifteen (15) calendar days of provision of the notice, Contractor will submit a payment of twenty-five hundred dollars ($2,500.00) to the Authority Contract Manager to reimburse the Authority for costs incurred during the corrective action process.

The Authority Contract Manager may develop a Corrective Action Plan, or may require Contractor development of a Corrective Action Plan for Authority Contract Manager approval. The Corrective Action Plan shall fully identify the specific performance area(s) requiring correction, and shall specify at a minimum the specific tasks, schedule, milestone steps, budget, and Contractor and Subcontractor responsibilities by function and position in such detail as is necessary to provide for clear and unambiguous resolution of the issue(s). If the Authority Contract Manager develops a Corrective Action Plan, the Contractor shall provide any comments to a draft Corrective Action Plan developed by the Authority Contract Manager within fifteen (15) calendar days of receipt. Should the Authority Contract Manager require Contractor develop a Corrective Action Plan, Contractor shall submit the draft Plan within thirty (30) calendar days of such notice and shall submit a final Plan within fifteen (15) calendar days of receipt of Authority comments to the draft Plan.

The Authority Contract Manager shall inform the Board upon notifying Contractor of its intention to initiate a corrective action process and shall keep the Board apprised of progress in resolving the issue(s) identified in the Corrective Action Plan. Failure to meet the Plan development or review timelines specified in the previous paragraph, to meet the Corrective Action Plan schedule or to demonstrate good faith effort to do so, or failure to demonstrate achievement of compliance within the specified schedule will result in an Authority Contract Manager recommendation to the Board to assess a penalty of up to one thousand ($1,000) per day until compliance is achieved. Continued failure to fully mitigate the area(s) of noncompliance as provided in the Corrective Action Plan shall constitute an event of default as provided in Section 10.1, subject to the cure provisions of Section 10.2.

Contractor is solely responsible for all costs it incurs during the corrective action process described in this subsection 4, and such costs are not allowable or recoverable in any way from the Authority, the Member Agencies, or Customers.

### 5. Failure to Fund Required Services, Personnel, or Equipment

Should Contractor fail to meet the following specific requirements contained in this Agreement, the Authority Contract Manager shall provide notice to the Contractor of such failure, and Contractor shall within fifteen (15) calendar days submit payment equal to the direct compensation costs identified below for unfilled positions or capital or other costs not incurred by Contractor, or to reimburse the Authority’s direct and indirect costs for conducting Contractor’s activities or for causing them to be conducted, at the Authority Contract Manager’s sole discretion.

{Note to Proposers: This Section will be updated to reflect specific costs provided in the selected Contractor’s cost proposal.}

1. Fill or keep specified positions filled in accordance with Section 5.8.F.
2. Make capital purchases required for compliance with Collection vehicle requirements of Section 5.6 and/or container requirements of Section 5.7.
3. Develop required facilities and/or specific facility capabilities to meet the requirements of Section 5.5.

Exhibit G:
Contractor’s Proposal

Exhibit G1:
Cost Basis for Proposal

Exhibit G2:
Initial Rates for Collection Services

Exhibit G3:
Implementation Plan and Schedule

Exhibit G4:
Approved Subcontractors

In accordance with Section 3.3 of the Agreement, the Authority has approved the following Subcontractors to manage the specified services and otherwise assist the Contractor in the performance of the requirements of this Agreement.

|  |  |  |
| --- | --- | --- |
| **Approved Facility or Subcontractor Definition** | **Approved Facility or Subcontractor** | **Services** |
| Approved Recyclable Materials Processing Site | *{Note to Proposers: Hauler to propose facility.}* | Recyclable Materials Processing |
| Approved Organic Materials Processing Site | *{Note to Proposers: Hauler to propose facility. }* | Organic Materials Processing |
| Approved E-Waste Drop-Off Facility | *{Note to Proposers: Hauler to propose facility. }* | E-Waste, Universal Waste, Used Motor Oil, and Used Oil Filters drop off |
| Approved Construction and Demolition Debris Processing Facility | *{Note to Proposers: Hauler to propose facility.}* | C&D Processing |
| Approved Construction and Demolition Debris Processing Facility | *{Note to Proposers: Hauler to propose facility.}* | C&D Processing |
| Approved Construction and Demolition Debris Processing Facility | *{Note to Proposers: Hauler to propose facility.}* | C&D Processing |

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Exhibit H:
Performance Bond

Exhibit I:
Waiver Approval Process Flowchart