

**AGREEMENT BETWEEN
THE CITY OF LOS BANOS
AND
ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
FOR
COLLECTION AND TRANSPORTATION OF
SOLID WASTE, RECYCLABLE MATERIALS, AND GREEN WASTE**

September 12, 2007

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE 1 DEFINITIONS.....	3
ARTICLE 2 GRANT AND ACCEPTANCE OF AGREEMENT.....	17
2.1 Grant and Acceptance.....	17
2.2 Effective Date and Commencement Date	17
2.3 Term of Agreement	17
2.4 Option to Extend Term	17
2.5 Contractor Warranties.....	17
2.6 Conditions to Effectiveness of Agreement.....	19
2.7 Scope of Agreement	19
2.8 Limitations to Scope	20
2.9 City Right to Direct Changes	21
2.9.1 General	21
2.9.2 Procedure for Making Changes in Scope	21
2.9.3 Adjusting Compensation Due to City-Directed Change in Scope.....	22
2.9.4 City's Right to Acquire Services.....	22
2.9.5 Monitoring and Evaluation of Changes in Scope.....	22
2.10 Ownership of Materials	23
2.11 Voluntary Use of Facilities	23
2.12 City Annexations or De-annexations.....	23
ARTICLE 3 DIRECT SERVICES.....	24
3.1 Solid Waste Collection	24
3.1.1 General	24
3.1.2 Single-Family Premises	24
3.1.3 Multi-Family Premises	24
3.1.4 Commercial Premises.....	24
3.2 Recyclable Materials Collection.....	25
3.2.1 General	25
3.2.2 Single-Family Premises	26
3.2.3 Multi-Family Premises.....	26
3.2.4 Commercial Premises.....	26
3.2.5 Recyclable Materials Collected	27
3.3 Green Waste Collection	27
3.3.1 General	27
3.3.2 Single-Family Premises	27
3.3.3 Multi-Family Premises	28
3.3.4 Commercial Premises.....	28
3.3.5 Green Waste Collected	28
3.4 Collection from City Facilities.....	28
3.5 Collection from City-sponsored events and Special Community Events	29
3.6 Bulky Item Collection and Drop-Off Events.....	29

3.7	Accumulated or Abandoned Waste.....	32
3.8	Emergency Services, Contingency Planning, and Disaster Debris Diversion	32
3.9	Crime Prevention.....	33
3.10	Collection of Hazardous, Infectious, or Contaminated Materials	33
3.11	Processing, Marketing, and Sale of Recyclable Materials and Green Waste.....	34
3.12	Operations	35
3.12.1	Operating Hours and Schedules	35
3.12.2	Vehicle Requirements	36
3.12.3	Container Requirements	38
3.12.4	Personnel.....	39
3.12.5	Identification Required	40
3.12.6	Fees and Gratuities	40
3.13	Implementation Plan.....	40
3.14	Transport, Processing, and Disposal.....	41
3.14.1	General	41
3.15	City's Materials Weighed Separately.....	41
3.16	Scavenging.....	41
ARTICLE 4 OTHER SERVICES.....		42
4.1	Timing of Payments and Invoices	42
4.2	Customer Service	42
4.2.1	Office.....	42
4.2.2	Complaint Documentation	42
4.2.3	Resolution of Customer Complaints	43
4.2.4	Government Liaison	43
4.3	Public Education and Outreach.....	43
4.3.1	General	43
4.3.2	Annual Public Education Plan	44
4.4	Waste Generation/Characterization Studies.....	44
4.5	Biennial Customer Satisfaction Survey	45
4.6	Service Review	45
4.7	Performance Review	45
ARTICLE 5 CONTRACTOR'S COMPENSATION, RATES, AND FEES		47
5.1	General.....	47
5.2	Contractor's Initial Compensation	47
5.3	Contractor's Compensation for Subsequent Rate Years	47
5.4	City-Directed Changes in Rates or Percentage Compensation.....	48
5.5	CONTRACTOR Application for Special Compensation Adjustment	48
5.6	Fees	49
5.6.1	General	49
5.6.2	Administrative Fee	49
5.6.3	AB 939 Fee.....	49
5.6.4	Vehicle Impact Fee.....	50
5.6.5	Other Fees	50
5.6.6	Adjustment to Fees	50

ARTICLE 6 RECORDS, REPORTS AND INFORMATION REQUIREMENTS.....	51
6.1 General.....	51
6.2 Records.....	51
6.2.1 General	51
6.2.2 Financial Records	51
6.2.3 General Records	52
6.3 Reports	53
6.3.1 Report Formats.....	53
6.3.2 Quarterly Reports	53
6.3.3 Annual Report.....	54
6.4 Right to Inspect Records	55
ARTICLE 7 INDEMNIFICATION, INSURANCE AND BOND.....	56
7.1 Indemnification.....	56
7.2 Act Indemnification.....	56
7.3 Proposition 218 Indemnification	56
7.4 Low Emission Vehicle Requirement Indemnification.....	57
7.5 Insurance.....	57
7.6 Instrument for Securing Performance	60
ARTICLE 8 CITY 'S RIGHT TO PERFORM SERVICE.....	61
ARTICLE 9 DEFAULT, REMEDIES AND LIQUIDATED DAMAGES	63
9.1 Events of Default	63
9.2 Right to Terminate Upon Default.....	64
9.3 Possession of Property Upon Termination	65
9.4 City's Remedies Cumulative; Specific Performance.....	65
9.5 Liquidated Damages	65
9.6 Excuse from Performance.....	67
9.7 Assurance of Performance.....	67
9.8 Liquidated Damage for Late Commencement	68
ARTICLE 10 OTHER AGREEMENTS OF THE PARTIES	69
10.1 Relationship of Parties	69
10.2 Compliance with Law	69
10.3 Governing Law	69
10.4 Jurisdiction.....	69
10.5 Assignment.....	69
10.6 Affiliated Companies	71
10.7 Subcontracting	72
10.8 Binding on Assigns.....	72
10.9 Transition to Next Contractor	72
10.10 Parties in Interest	72
10.11 Waiver	72
10.12 Contractor's Investigation	73
10.13 Condemnation.....	73
10.14 Notice	73

10.15	Representatives of the Parties	73
10.16	City Free to Negotiate with Third Parties	74
10.17	Compliance with Local Public Agency Codes.....	74
10.18	Privacy.....	74
10.19	Time is of the Essence	74
10.20	Immigration Reform and Control Act (IRCA).....	74
10.21	Non-Discrimination.....	75
ARTICLE 11 MISCELLANEOUS AGREEMENTS		76
11.1	Entire Agreement.....	76
11.2	Section Headings	76
11.3	References to Laws and Other Agreements.....	76
11.4	Interpretation	76
11.5	Agreement	76
11.6	Waiver of Renewal Statute	76
11.7	Severability	76
11.8	Exhibits.....	77
11.9	Cost of Litigation	77
11.10	Integrated Contract	77
11.11	Inserted Provisions.....	77

EXHIBITS

- 1 CONTRACTOR'S PROPOSAL
- 2 PROPOSED CONTRACTOR'S COMPENSATION RATES
- 3 NOTARY CERTIFICATION
- 4 CORPORATE GUARANTY
- 5 CITY FACILITY SERVICE LOCATIONS & CITY-SPONSORED EVENTS
- 6 WARNING NOTICE AND NOTICE OF VIOLATION
- 7 PUBLIC EDUCATION AND COMMUNITY OUTREACH PROGRAMS
- 8 EXAMPLE OF CUSTOMER COMPLAINT LOG
- 9 SECRETARY'S CERTIFICATE

48 WHEREAS, the City has entered into negotiations with the Contractor at the direction of the
49 Council, and the City is satisfied with the results of the negotiations which are documented
50 herein; and,

51
52 WHEREAS, the City has competitively solicited and received proposals for the services
53 described in this Agreement and the City Council has selected Contractor to provide these
54 services based on that competitive process; and,

55
56 WHEREAS, this Agreement has been developed by and is satisfactory to the Parties; and,

57
58 WHEREAS, this Agreement rescinds and replaces the franchise agreement titled " " and
59 dated with Contractor in effect prior to the Commencement Date of this Agreement.

60
61 NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

62
63
64

65 **1.1 Act**

66 "Act" means the California Integrated Waste Management Act of 1989 (Section 40000 et.
67 seq. of the California Public Resources Code), as amended, supplemented, superseded,
68 and replaced from time to time.

69 **1.2 Affiliate**

70 "Affiliate" means all businesses (including, but not limited to, corporations, limited and
71 general partnerships, and sole proprietorships) which are directly or indirectly related to
72 Contractor by virtue of any percentage of direct or indirect Ownership interest or
73 common management. An Affiliate shall include a business in which Contractor has a
74 direct or indirect Ownership interest; a business which has a direct or indirect Ownership
75 interest in Contractor; and/or a business which is also Owned, controlled or managed by
76 any business or individual which has a direct or indirect Ownership interest in
77 Contractor. For the purposes of this definition, "Ownership" means ownership as
78 defined in the constructive ownership provisions of Section 318(a) of the Internal
79 Revenue Code of 1986, as in effect on the date here, provided that 10 percent shall be
80 substituted for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and
81 Section 318(a)(5)(C) shall be disregarded.

82 **1.3 Agreement**

83 "Agreement" means this Agreement (including all exhibits and attachments, and any
84 amendments thereto) between City and Contractor for Collection and Transportation of
85 Solid Waste, Recyclable Materials, and Green Waste, including all exhibits, and any
86 future amendments hereto.

87 **1.4 Alternative Daily Cover (ADC)**

88 "Alternative Daily Cover" or "ADC" means cover material used to cover compacted
89 Solid Wastes in a Disposal Site. ADC includes at least six (6) inches of earthen material,
90 placed on the surface of the active face of the refuse fill area at the end of each operating
91 day to control vectors, fires, odors, blowing litter, and scavenging, as defined in Section
92 20164, Title 29 of the California Code of Regulations as may be amended from time to
93 time.

94 **1.5 Applicable Law**

95 "Applicable Law" means all Federal, State, and local laws, regulations, rules, orders,
96 judgments, decrees, permits, approvals, or other requirement of any governmental
97 agency having jurisdiction over the Collection, Transportation, Disposal, Processing, and
98 marketing of Solid Waste, Recyclable Materials, and Green Waste that are in force on the
99 Effective Date and as they may be enacted, issued, amended, or interpreted during the
100 term of this Agreement.

- 101 **1.6 Billings**
102 "Billings" means any and all statements of charges for services rendered, howsoever
103 made, described or designated by either Party, or made by other for either Party,
104 presented to Customers served by Contractor for the Collection and Transportation of
105 Solid Waste, Recyclable Materials, and Green Waste in the City. In general, Billings are
106 performed by the City on behalf of the Contractor.
- 107 **1.7 Bin**
108 "Bin" means a Container with capacity of approximately one to eight cubic yards, with a
109 hinged lid and wheels that is serviced by a front or rear end-loading Collection vehicle.
- 110 **1.8 Bulky Items**
111 "Bulky Items" means large discarded items including, but not limited to, Major
112 Appliances, furniture, tires, carpets, mattresses, and other oversize materials whose large
113 size precludes or complicates their handling by normal Collection, Transportation,
114 Processing, or Disposal methods. Bulky Items do not include abandoned automobiles,
115 large auto parts, or trees.
- 116 **1.9 Bulky Collection**
117 "Bulky Collection" means an activity in which an Owner or Occupant of a Single-Family
118 Premises arranges with the Contractor for Collection, at the curb, of up to three cubic
119 yards of non-putrescible Solid Waste, Yard Trimmings, and Bulky Items for Collection,
120 Transportation, Processing, and Disposal in addition to its regularly-scheduled Collection
121 services.
- 122 **1.10 Business Days**
123 "Business Days" mean days during which City offices are open to do business with the
124 public.
- 125 **1.11 Cart**
126 "Cart" means a plastic Container with a hinged lid and wheels that is serviced by an
127 automated or semi-automated Collection vehicle. A Cart has capacity of 30, 60, or 90
128 gallons (or larger similar volumes). At the Effective Date of this Agreement, specific Cart
129 sizes have not been determined, however, the intent of the Parties is to provide
130 customers with three Cart sizes which are similar to a capacity of 30, 60, and 90 gallons.
- 131 **1.12 Change in Law**
132 "Change in Law" means any of the following events or conditions which have a material
133 and adverse effect on the performance by the Parties of their respective obligations under
134 this Agreement (except for payment obligations):
- 135 A. The enactment, adoption, promulgation, issuance, modification, or written change
136 in administrative or judicial interpretation of any Applicable Law on or after the
137 Effective Date; or
- 138 B. The order or judgment of any governmental body, on or after the Effective Date, to
139 the extent that such order or judgment is not the result of willful or negligent

140 action, error or omission or lack of reasonable diligence of the City or of the
141 Contractor, whichever is asserting the occurrence of a Change in Law; provided,
142 however, that the contesting in good faith or the failure in good faith to contest any
143 such order or judgment shall not constitute or be construed as such a willful or
144 negligent action, error or omission or lack of reasonable diligence.

145 **1.13 City**

146 "City" means the City of Los Banos, a municipal corporation, and all the territory lying
147 within the municipal boundaries of the City as presently existing or as such boundaries
148 may be modified during the Term. Unless otherwise specified in this Agreement, any
149 action authorized or required by the City may be taken by the City Council or by an
150 agent designated by the City Council.

151 **1.14 City Attorney**

152 "City Attorney" means the City Attorney of the City of Los Banos.

153 **1.15 City Clerk**

154 "City Clerk" means the City Clerk of the City of Los Banos.

155 **1.16 City Council**

156 "City Council" means the City Council of the City of Los Banos.

157 **1.17 City Manager**

158 "City Manager" means the City Manager or designee with the authority to carry out the
159 City's responsibilities under this Agreement.

160 **1.18 City's Municipal Code**

161 "City's Municipal Code" means the City of Los Banos Municipal Code.

162 **1.19 Collect/Collection**

163 "Collect" or "Collection" means to take physical possession, Transport, and remove Solid
164 Waste, Recyclable Materials, Green Waste, and Bulky Items within and from the City.

165 **1.20 Commencement Date**

166 "Commencement Date" means the date specified in Section 2.2 when the services
167 required by this Agreement shall be provided.

168 **1.21 Commercial**

169 "Commercial" means of, from or pertaining to non-Residential Premises where business
170 activity is conducted, including, but not limited to, retail sales, services, wholesale
171 operations, manufacturing and industrial operations, but excluding businesses conducted
172 upon residential property which are permitted under applicable zoning regulations and
173 are not the primary use of the property.

- 174 **1.22 Commingled**
 175 "Commingled" means the placing of all Traditional Recyclable Materials into one
 176 Container, by the Generator, for the sole purpose of Recycling, and intended to be
 177 Collected by the Contractor.
- 178 **1.23 Compactor**
 179 "Compactor" means a mechanical apparatus that compresses materials and/or the
 180 Container that holds the compressed materials. Compactors include Bin compactors of
 181 any size serviced by front-loading Collection vehicles and Drop Box Compactors of any
 182 size serviced by Drop Box Collection vehicles.
- 183 **1.24 Complaint**
 184 "Complaint" means written or orally communicated statements made by members of the
 185 public, Customers, Owners, or Occupants of properties served by Contractor, or officers,
 186 employees, or agents of City alleging non-performance or deficiencies in Contractor's
 187 performance, or otherwise alleging a violation by Contractor of the provisions of this
 188 Agreement.
- 189 **1.25 Compost Product**
 190 "Compost Product" means the product resulting from the controlled biological
 191 decomposition of Organic Materials that are Source Separated from the municipal Solid
 192 Waste stream, or which are separated at a centralized facility.
- 193 **1.26 Composting/Compost**
 194 "Composting" or "Compost" includes a controlled biological decomposition of organic
 195 materials yielding a safe and nuisance free Compost Product.
- 196 **1.27 Container(s)**
 197 "Container(s)" means Bins, Carts, Compactors, and Drop Boxes.
- 198 **1.28 Contractor**
 199 "Contractor" means Allied Waste Services of North America, LLC, a corporation
 200 organized and operating under the laws of the State of California, and its officers,
 201 directors, employees, agents, companies and subcontractors where applicable.
- 202 **1.29 Contractor Party(ies)**
 203 "Contractor Party(ies)" shall mean Contractor, officers, directors, or management or fiscal
 204 employees (where "management employee" means any employee with direct or indirect
 205 responsibility for direction and control over the Contractor's activities under this
 206 Agreement and "fiscal" employee means an employee with direct or indirect
 207 responsibility and control duties relating to financial matters under this Agreement).

- 208 **1.30 Contractor's Compensation**
209 "Contractor's Compensation" means the monetary compensation received by Contractor
210 in return for providing services in accordance with this Agreement as described in Article
211 5.
- 212 **1.31 Contractor's Proposal (Proposal)**
213 "Contractor's Proposal" means the rate and cost proposal submitted by Contractor and
214 received on May 23, 2007 in response to an RFP from the City dated March 28,2007, and
215 all subsequent changes to that initial proposal resulting from negotiation of the
216 Agreement. Contractor's Proposal as updated to reflect the final terms of the Agreement
217 is included as Exhibit 1 to this Agreement and is incorporated by reference.
- 218 **1.32 Curb(side)**
219 "Curb" or "Curbside" means the location of a Collection Container for Collection, where
220 such Container is placed on the street or alley against the face of the curb, or where no
221 Curb exists, the Container is placed not more than five feet from the outside edge of the
222 street or alley nearest the property's entrance.
- 223 **1.33 Curbside Service**
224 "Curbside Service" means collection of Solid Waste, Recyclable Materials, and Green
225 Waste placed by the Generator at the Curb or streetside for Collection by Contractor.
- 226 **1.34 Customer**
227 "Customer" means the person whom City or Contractor submits billing invoice to and
228 collects payment from for Collection services provided to the Generator. The Customer
229 may be the Occupant or Owner of the Premises provided that the Owner of the Premises
230 shall be responsible for payment of Collection services if an Occupant of a Premises,
231 which is identified as the Customer at the Owner's Premises, fails to make such payment.
- 232 **1.35 Delivery**
233 "Delivery" means placement of Solid Waste, Recyclable Materials, or Green Waste by a
234 Generator in a Collection Container and/or at a location that is designated for Collection
235 pursuant to the City's Municipal Code, agreement between Contractor and Occupant, or
236 agreement between Contractor and City.
- 237 **1.36 Department**
238 "Department" means the Department of Public Works of the City.
- 239 **1.37 Designated Waste**
240 "Designated Waste" means non-Hazardous Waste which may pose special Disposal
241 problems because of its potential to contaminate the environment and which may be
242 Disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a
243 variance issued by the California Department of Health Services. Designated Waste
244 consists of those substances classified as Designated Waste by the State of California, in
245 California Code of Regulations Title 23, Section 2522 as may be amended from time to
246 time.

- 247 **1.38 Disabled Person**
248 "Disabled Person" means any individual that has been determined to have a medical
249 disability as determined by a doctor of medicine or as otherwise determined by the City.
- 250 **1.39 Discarded Materials**
251 "Discarded Materials" means Solid Waste, Recyclable Materials, Green Waste, or
252 Construction and Demolition Debris placed by a Generator in a Collection Container
253 and/or at a location that is designated for Collection pursuant to the City's Municipal
254 Code.
- 255 **1.40 Disposal Site**
256 "Disposal Site" means a facility for ultimate Disposal of Solid Waste. Disposal Site means
257 the Billy Wright Disposal Site 17173 S. Billy Wright Rd. in Los Banos, California unless
258 the City Manager designates in writing a different Disposal Site.
- 259 **1.41 Disposal/Dispose**
260 "Disposal" or "Dispose" means the ultimate disposition of Solid Waste at the Disposal
261 Site.
- 262 **1.42 Diversion/Divert**
263 "Diversion" or "Divert" means activities that reduce or eliminate the amount of Solid
264 Waste from Solid Waste Disposal including, but not limited to, source reduction, reuse,
265 Recycling, and Composting.
- 266 **1.43 Diversion Level**
267 "Diversion Level" means the percentage equal to the Tonnage Diverted by Contractor
268 divided by the Tonnage Collected by Contractor multiplied by 100, which reflects the
269 accomplishments of the Contractor's Diversion programs.
- 270 **1.44 Drop Box**
271 "Drop Box" means an open-top Container with a typical capacity of 6 to 50 cubic yards
272 that is serviced by a roll-off Collection vehicle. Drop Boxes may be used on permanent
273 basis by Customers subscribing to regularly scheduled Collection services or by
274 Customers on a one-time basis.
- 275 **1.45 Effective Date**
276 "Effective Date" means the date on which the latter of the two Parties signs the
277 Agreement and the date on which Contractor may begin to take actions and incur costs in
278 preparation for provision of the services required by this Agreement.
- 279 **1.46 Elderly Person**
280 "Elderly Person" means any Customer who is over 65 years of age or as otherwise
281 determined by the City.

- 282 **1.47 E-Scrap Items**
283 "E-Scrap Items" means discarded electronic equipment such as, but not limited to,
284 television sets, computer monitors, central processing units (CPUs), laptop computers,
285 external computer hard drives and peripherals, computer keyboards, computer mice,
286 computer printers, DVD players, and VCRs. E-Scrap Items is a subset of Universal Waste
- 287 **1.48 Federal**
288 "Federal" means belonging to or pertaining to the national government of the United
289 States; or founded on or organized under the constitution of the United States.
- 290 **1.49 Finance Director**
291 "Finance Director" means the Finance Director of the City of Los Banos.
- 292 **1.50 Food Scraps**
293 "Food Scraps" means food scraps such as those Discarded Organic Materials that will
294 decompose and/or putrefy including: (i) all kitchen and table food waste, and animal or
295 vegetable waste that attends or results from the storage, preparation, cooking, or
296 handling of food stuffs; and, (ii) paper waste contaminated with Food Scraps. Food
297 Scraps is a subset of Organic Materials.
- 298 **1.51 Franchise**
299 "Franchise" is the exclusive right and privilege of Contractor to Collect and Transport
300 Solid Waste, Recyclable Materials, and Organic Materials in accordance with the terms
301 and conditions of this Agreement.
- 302 **1.52 Full Regulatory Compliance**
303 "Full Regulatory Compliance" means compliance with all applicable permits for any
304 facility utilized by Contractor, such that the Contractor will at all times maintain the
305 ability to fully comply with its obligations under this Agreement.
- 306 **1.53 Generator**
307 "Generator" means any person, as defined by the California Public Resources Code,
308 whose act or process produces Solid Waste, Recyclable Materials, or Green Waste as
309 defined in the Public Resources Code, or whose act first causes Solid Waste to become
310 subject to regulation.
- 311 **1.54 Green Waste**
312 "Green Waste" means those Discarded Materials that will decompose and/or putrefy,
313 including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches,
314 dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated
315 wood, and other types of organic waste. Green Waste is a subset of Organic Materials.
316 Green Waste placed for Collection may not exceed six inches in diameter or five feet in
317 length and must fit in the Contractor-provided Container with the lid fo the Container
318 securely closed.

- 319 **1.55 Gross Rate Revenue**
320 "Gross Rate Revenue" means the actual monies remitted to City or Contractor by
321 Customers and shall be determined in accordance with Generally Accepted Accounting
322 Principles.
- 323 **1.56 Hazardous Waste**
324 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely
325 Hazardous Waste, or extremely Hazardous Waste by the State of California in Health
326 and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or re-
327 codifications of such statutes or identified and listed as Hazardous Waste by the U.S.
328 Environmental Protection Agency, pursuant to the Federal Resource Conservation and
329 Recovery Act (42 USC §6901 et seq.), and all future amendments thereto. However, for
330 the purposes of this Agreement, Hazardous Waste shall not mean Household Hazardous
331 Waste which may be contained in Solid Waste provided that City and Local Jurisdictions
332 are in compliance with federal, state, and local laws related to the diversion of Household
333 Hazardous Waste.
- 334 **1.57 Health Officer**
335 "Health Officer" means the Merced County Health Department or their designated
336 representative or agent.
- 337 **1.58 Holidays**
338 "Holidays" are defined as New Year's Day, Memorial Day, Fourth of July, Labor Day,
339 Thanksgiving Day, and Christmas Day.
- 340 **1.59 Home Based Business**
341 "Home Based Business" means a small business or organization operating on Residential
342 Premises.
- 343 **1.60 Household Hazardous Waste**
344 "Household Hazardous Waste" means Hazardous Waste generated at Residential
345 Premises within the City.
- 346 **1.61 Infectious Waste**
347 "Infectious Waste" means biomedical waste generated by a Person or at hospitals, public
348 or private medical clinics, dental offices, research laboratories, pharmaceutical industries,
349 blood banks, mortuaries, veterinary facilities, and other similar establishments that are
350 identified in Health and Safety Code Section 25117.5 as may be amended from time to
351 time.
- 352 **1.62 Joint Powers Authority (JPA)**
353 "Joint Powers Authority" or "JPA" means the Merced County Solid Waste Regional
354 Agency comprised of the City, Merced County and the cities of Atwater, Dos Palos,
355 Gustine, and Livingston. The JPA is governed by the Solid Waste Disposal Agreement
356 (Disposal Agreement) among the parties, executed on May 16, 2000, as it may be
357 amended or superseded in the future.

- 358 **1.63 Liquidated Damages**
359 "Liquidated Damages" means the amounts owed by Contractor to City for failure to
360 meet specific quantifiable standards of performance as described in Sections 9.5 and 9.8.
- 361 **1.64 Major Appliances**
362 "Major Appliances" means any discarded Residential device, including, but not limited
363 to, washing machines, clothes dryer, hot water heaters, dehumidifiers, conventional
364 ovens, microwave ovens, stoves, refrigerators, freezers, air-conditioners, trash
365 compactors, and residential furnaces discarded by Residential Generators.
- 366 **1.65 Market/Marketing**
367 "Market" or "Marketing" means the activities involved in the transfer of commodities
368 from the producer or seller to the buyer. In the context of this Agreement, the
369 commodities Marketed may include, but shall not be limited to, E-Scrap Items, Universal
370 Waste, Used Motor Oil, Used Motor Oil Filters, and Green Waste.
- 371 **1.66 Multi-Family Premises**
372 "Multi-Family Premises" means any residential premises, excluding motels and hotels,
373 other than a Single-Family Premises, used for residential purposes, irrespective of
374 whether residence therein is transient, temporary, or permanent. Such premises
375 normally have centralized Solid Waste Collection service for all units in the building.
- 376 **1.67 Occupant**
377 "Occupant" means a person who occupies a Premises.
- 378 **1.68 Organic Materials/Organics**
379 "Organic Materials" or "Organics" means those Discarded Materials that will decompose
380 and/or putrefy and that the City's Municipal Code permits, directs, and/or requires
381 Generators to separate from Solid Waste and Recyclable Materials for Collection in
382 specially designated Containers for Organic Materials Collection. Organic Materials
383 include Green Waste and Food Scrap such as, but are not limited to, green trimmings,
384 grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees,
385 small wood pieces, other types of organic yard waste, vegetable waste, fruit waste, grain
386 waste, dairy waste, meat waste, fish waste, paper contaminated with Food Scrap or
387 otherwise not accepted in the Recyclable Materials Collection program, pieces of
388 unpainted and untreated wood, and pieces of unpainted and untreated wallboard. No
389 Discarded Material shall be considered to be Organic Materials, however, unless such
390 material is separated from Solid Waste and Recyclable Material.
- 391 **1.69 Organic Materials Processing Site**
392 "Organic Materials Processing Site" means the Billy Wright Disposal Site at 17173 S. Billy
393 Wright Road in Los Banos, California used to Process Green Waste or combined Green
394 Waste and Food Scraps.

- 395 **1.70 Owner**
396 "Owner" means the person responsible for payment to the City at the Premises to which
397 Solid Waste, Recyclable Materials, and Green Waste Collection service is to be provided
398 under this Agreement.
- 399 **1.71 Party/Parties**
400 "Party" or "Parties" means the City and Contractor, individually or together.
- 401 **1.72 Person(s)**
402 "Person(s)" means any individual, firm, association, organization, partnership,
403 corporation, business trust, joint venture, the United States, the State of California, the
404 County of Merced, and special purpose districts.
- 405 **1.73 Premises**
406 "Premises" means any land or building in the City where Solid Waste, Recyclable
407 Material, or Green Waste is generated or accumulated.
- 408 **1.74 Processing**
409 "Processing" means to prepare, treat, or convert through some special method.
410 Processing excludes the use of Green Waste as ADC to the extent that state law defines
411 ADC as landfill Diversion for the purposes of the Act.
- 412 **1.75 Processing Site**
413 "Processing Site" means any facility or site used for the purpose of sorting, cleansing,
414 treating, reconstituting Recyclable Materials, Green Waste, or combined Green Waste and
415 Food Scraps for the purpose of making such material available for reuse.
- 416 **1.76 Public Works Director**
417 "Public Works Director" means the Public Works Director of the City of Los Banos.
- 418 **1.77 Rate**
419 "Rate" means the dollar unit to be charged a Customer by City or Contractor for
420 providing Solid Waste, Recyclable Materials, and Green Waste Collection and
421 Transportation services. City agrees to develop and adopt new Rates each Rate Year as
422 provided in Article 5.
- 423 **1.78 Rate Year**
424 "Rate Year" means the period from July 1 through the last day in June of each year of the
425 term of the Agreement except the first Rate Year. The first Rate Year of the Agreement
426 shall be February 1, 2008 through June 30, 2009.
- 427 **1.79 Recyclable Materials**
428 "Recyclable Materials" means domestic, commercial or industrial by-products of some
429 potential economic value, set aside, handled, packaged, separated, collected, or offered
430 for Collection in a manner different from Solid Waste. As used in this agreement,

431 Recyclable Materials includes, but is not limited to, Traditional Recyclable Materials,
432 Universal Waste, E-Scrap Items, Used Motor Oil, and Used Motor Oil Filters.

433 **1.80 Recyclable Materials Processing Site**

434 "Recyclable Materials Processing Site" means the Billy Wright Disposal Site at 17173 S.
435 Billy Wright Road in Los Banos, California used to Transfer Recyclable Materials.

436 **1.81 Recycling**

437 "Recycling" means the process of treating and/or reconstituting Recyclable Materials
438 which would otherwise be discarded without receiving compensation, or returning
439 Recyclable Materials to the economy in the form of raw materials for new, reused, or
440 reconstituted products. Recycling shall be performed in a manner consistent with the
441 California Integrated Waste Management Act of 1989 and administrative rules and
442 regulation. The Collection, Transfer, Transportation or Disposal of Solid Waste not
443 intended for, or capable of, reuse is not Recycling. Recycling does not include use of
444 Solid Waste for conversion to energy.

445 **1.82 Residential**

446 "Residential" shall mean of, from, or pertaining to a Single-Family or Multi-Family
447 Premises including, but not exclusive to, single-family homes, duplexes, apartments,
448 condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

449 **1.83 Residual**

450 "Residual" means any Solid Waste remaining after the processing of Recyclable Materials
451 which is to be disposed of by Contractor.

452 **1.84 Re-use Vendor**

453 "Re-use Vendor" means a vendor (e.g. St. Vincent DePaul, Goodwill Industries, or other
454 non-profit or for-profit organizations) that will collect used furniture and other re-usable
455 items for purposes of reuse rather than Disposal.

456 **1.85 Salvageable Material**

457 "Salvageable Material" means those Discarded Materials that may be reused in their
458 existing form or may be reused after some form of Processing including, but not limited
459 to, Green Waste and Recyclable Materials.

460 **1.86 Service Type**

461 "Service Type" refers separately to the following types of Solid Waste, Recyclable
462 Materials, and Green Waste Collection services for each of the following types of
463 Customers: Single-Family Premises, Multi-Family Premises, Commercial, and City
464 facilities.

465 **1.87 Single-Family Premises**

466 "Single-Family Premises" means each premises, including mobile homes, used for or
467 designated as a single family residential dwelling, including each unit of a duplex,

468 triplex, or fourplex in all cases in which there is separate or individual Solid Waste
469 Collection service.

470 **1.88 Solid Waste**

471 "Solid Waste" means and includes all putrescible and nonputrescible solid, semisolid and
472 liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, manure,
473 vegetable or animal solid and semisolid wastes and other discarded solid and semisolid
474 wastes as defined in California Public Resources Code Section 40191, as that section may
475 be amended from time to time. For the purposes of this Agreement, "Solid Waste" does
476 not include abandoned vehicles and parts thereof, Hazardous Waste, Infectious Waste,
477 Recyclable Materials, or Green Waste, which are Source Separated for Collection.

478 **1.89 Source Separated**

479 "Source Separated" means the segregation, by the Generator, of Recyclable Materials or
480 Green Waste into (a) separate Container(s) for the sole purpose of Recycling, and
481 intended to be Collated separately by the Contractor.

482 **1.90 Specialty Recyclable Material**

483 "Specialty Recyclable Material" means Recyclable Materials that are not specified as
484 Traditional Recyclable Materials that can be Collected for purposes of Recycling by any
485 Person. Such Specialty Recyclable Material includes, but is not limited to, scrap metal
486 weighing more than 10 pounds, Construction and Demolition Debris, pallets, and plastic
487 film. This does not include Universal Waste or E-Scrap Items.

488 **1.91 State**

489 "State" means the State of California.

490 **1.92 Subcontractor**

491 "Subcontractor" means a party who has entered into a contract, express or implied, with
492 the Contractor for the performance of an act that is necessary for the Contractor's
493 fulfillment of its obligations under this Agreement and approved by the City for services
494 such as, but not limited to, Collection, Transportation, Processing, Diversion, sales or
495 Marketing of Recyclable Materials or Green Waste, staffing, public education, and
496 customer service, or other service whose cost is a substantial portion of the Contractor's
497 total annual cost.

498 **1.93 Term**

499 "Term" means the Term of this Agreement as specified in Section 2.3, including extension
500 periods as specified in Section 2.4, if granted.

501 **1.94 Ton(nage)**

502 "Ton" or "Tonnage" means a unit of measure for weight equivalent to 2,000 standard
503 pounds where each pound contains 16 ounces.

- 504 **1.95 Traditional Recyclable Materials**
505 "Traditional Recyclable Materials" shall include, but not be limited to: newspaper
506 (including inserts, coupons, and store advertisements); mixed paper (including office
507 paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper,
508 paperboard, paper egg cartons, telephone books, grocery bags, colored paper,
509 construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar
510 food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any
511 color (including brown, clear, and green glass bottles and jars); aluminum (including
512 beverage containers, foil, and food containers); small pieces of scrap metal weighing less
513 than 10 pounds and fitting into the Recyclable Materials Collection Container; steel, tin or
514 bi-metal cans; plastic containers (no. 1 to 7); and aseptic beverage boxes.
- 515 **1.96 Transfer**
516 "Transfer" refers to the activities that occur in a Transfer Station.
- 517 **1.97 Transfer Station**
518 "Transfer Station" means a Facility used to temporarily store and to reload Solid Waste,
519 Recyclable Materials, or Green Waste directly or indirectly from smaller to larger vehicles
520 for Transport to a Processing Site or Disposal Site. "Transfer Station" means the Billy
521 Wright Disposal Site owned and operated by Merced County, unless otherwise directed
522 in writing by the City Manager. The Billy Wright Disposal Site is located at 17173 S. Billy
523 Wright Road, Los Banos, California approximately two (2) miles south of Highway 152.
- 524 **1.98 Transport(ation)**
525 "Transport" or "Transportation" means the act of transporting or state of being
526 transported.
- 527 **1.99 Unacceptable Spillage**
528 "Unacceptable Spillage" means any Solid Waste, Recyclable Materials, or Green Waste
529 spilled or left at established Collection sites by Contractor after Collection, except that
530 small particles of grass clippings and leaves of the size and volume that can be collected
531 by regular street sweeping operations may be left behind.
- 532 **1.100 Universal Waste**
533 "Universal Waste" means all wastes as regulated and defined by Title 22, Article 1,
534 Subsections 66273.1 through 66273.9 of the California Code of Regulations. These
535 include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and E-
536 Scrap Items, as previously defined.
- 537 **1.101 Used Motor Oil**
538 "Used Motor Oil" means all used motor oil from automobiles and other light duty
539 vehicles intended for personal use which is removed from such vehicles at a Residential
540 Premises and not as a part of a for-profit or other business activity.

541 **1.102 Used Motor Oil Filter**
542 "Used Motor Oil Filter" means all used motor oil filter(s) from automobiles and other
543 light duty vehicles intended for personal use which is removed from such vehicles at a
544 Residential Premises and not as a part of a for-profit or other business activity.

545 **1.103 Vehicle Impact Fee**
546 "Vehicle Impact Fee" means the fee paid by Contractor to reimburse the City for street
547 maintenance costs incurred because of Collection Vehicles traveling on City streets.

548 **1.104 White Goods**
549 "White Goods" means Major Appliances discarded by residential Generators, that may be
550 Collected (to the extent they meet the requirements of that program) on an on-call basis
551 for a fee.

552 **ARTICLE 2**
553 **GRANT AND ACCEPTANCE OF AGREEMENT**
554

555 **2.1 GRANT AND ACCEPTANCE**

556 Subject to Section 2.6, City hereby grants to Contractor the exclusive right and privilege
557 to Collect and Transport Solid Waste, Recyclable Materials, and Green Waste
558 accumulating in the City and placed for Collection by the Customer, for Contractor, in
559 accordance with this Agreement.

560 **2.2 EFFECTIVE DATE AND COMMENCEMENT DATE**

561 The Effective Date of this Agreement shall be the date the latter of the two Parties signs
562 the Agreement.

563 The Commencement Date shall be February 1, 2008 and shall be the date on which
564 Contractor initiates provision of Collection and Transportation services required by this
565 Agreement.

566 Between the Effective Date and Commencement Date, Contractor shall perform all
567 activities necessary to prepare itself to start Collection and Transportation services
568 required by this Agreement on the Commencement Date. Such activities shall allow
569 Contractor to transition Customers and services from the services provided prior to the
570 Commencement Date to the services provided under this agreement.

571 **2.3 TERM OF AGREEMENT**

572 The term of this Agreement shall commence at 12:01 a.m., February 1, 2008 and expire at
573 midnight on the last day of June 2018 (initial termination date) totaling ten years and five
574 months, subject to extension as provided in Section 2.4.

575 **2.4 OPTION TO EXTEND TERM**

576 At the City's sole discretion, this Agreement may be extended up to 36 months in periods
577 of at least 12 months each. If City elects to exercise this option, it shall give written notice
578 not later than 180 calendar days prior to the initial termination date, or, if an extension
579 has been exercised, 60 calendar days prior to the last extended termination date.

580 City reserves the right to conduct a review of compensation and/or performance prior to
581 grant of any Extension, as described in Section 4.7.

582 **2.5 CONTRACTOR WARRANTIES**

583 In signing this Agreement, Contractor warrants that, to the best of its knowledge, the
584 following is true and accurate:

585 A. **Contractor Resources.** Contractor possesses the business, professional, and
586 technical expertise to Collect and Transport the Solid Waste, Recyclable Materials,
587 and Green Waste generated in the City and Contractor possesses the equipment,
588 facilities, and employee resources required to perform the services specified in this
589 Agreement.

- 590 B. **Agreement Will Not Cause Breach.** To the best of Contractor's knowledge, after
591 reasonable investigation, the execution or delivery of this Agreement or the
592 performance by Contractor of its obligations hereunder does not conflict with,
593 violate, or result in a breach: (i) of any law or governmental regulation applicable to
594 Contractor; or, (ii) any term or condition of any judgment, order, or decree of any
595 court, administrative agency or other governmental authority, or any Agreement or
596 instrument to which Contractor is a party or by which Contractor or any of its
597 properties or assets are bound, or constitutes a default thereunder.
- 598 C. **No Adverse Judicial Decisions.** To the best of Contractor's knowledge, after
599 reasonable investigation, there is no judicial decision that would prohibit this
600 Agreement or subject this Agreement to legal challenge.
- 601 D. **No Legal Prohibition.** To the best of Contractor's knowledge, after reasonable
602 investigation, there is no Applicable Law in effect on the date Contractor signed
603 this Agreement that would prohibit the performance by the Contractor of its
604 obligations under this Agreement and the transactions contemplated hereby.
- 605 E. **Contractor's Investigation.** Contractor has made an independent investigation,
606 satisfactory to it, of the conditions and circumstances surrounding the Agreement
607 and the work to be performed hereunder and has taken these matters into
608 consideration in its Agreement to provide these services in exchange for the
609 Contractor's Compensation provided for under the terms of this Agreement.
- 610 F. **Contractor Status.** Contractor is duly organized, validly existing, and in good
611 standing under the laws of the State of California. It is qualified to transact business
612 in the State of California and has the power to own its properties and to carry on its
613 business as now owned and operated and as required by this Agreement.
- 614 G. **Contractor Authorization.** Contractor has the authority to enter into and perform
615 its obligations under this Agreement. The owners(s) or Board of Directors of
616 Contractor (or the shareholders, if necessary) have taken all actions required by
617 law, its articles of incorporation, its bylaws or otherwise to authorize the execution
618 of this Agreement. The Person(s) signing this Agreement on behalf of Contractor
619 have authority to do so and Contractor shall provide the City upon execution of this
620 Agreement, with written documentation authorizing the Person signing this
621 Agreement to do so on behalf of the Contractor.
- 622 H. **Statements and Information in Contractor's Proposal.** The information supplied
623 by Contractor in all written submittals made in connection with Contractor's
624 services, including Contractor's Proposal included as Exhibit 1 and the negotiation
625 and execution of this Agreement, and all written representations and warranties
626 made by Contractor throughout this Agreement are true, accurate, correct, and
627 complete in all material respects on and as of the Effective Date of this Agreement.
- 628 I. **No Litigation.** To the best of Contractor's knowledge, after reasonable
629 investigation, there is no action, suit, proceeding or investigation, at law or in
630 equity, before or by any court or governmental authority, commission, board,
631 agency or instrumentality decided, pending, or threatened against Contractor
632 wherein an unfavorable decision, ruling, or finding, in any single case or in the
633 aggregate, would materially adversely affect the performance by Contractor of its
634 obligations hereunder or which, in any way, would adversely affect the validity or

635 enforceability of this Agreement or which would have a material adverse effect on
636 the financial condition of Contractor, or any surety or entity guaranteeing
637 Contractor's performance under this Agreement.

638 **2.6 CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

639 The obligation of City to permit this Agreement to become effective and to perform its
640 undertakings provided for in this Agreement is subject to the satisfaction of each and all
641 of the conditions set out below, each of which may be waived in whole or in part
642 expressly and in writing by City.

- 643 **A.** Accuracy of Representations. Representations and warranties made by Contractor
644 in its Proposal and throughout this Agreement are accurate, true and correct on and
645 as of the Effective Date of this Agreement.
- 646 **B.** Absence of Litigation. There is no litigation pending in any court challenging the
647 award of this Agreement to Contractor or the execution of this Agreement or
648 seeking to restrain or enjoin its performance.
- 649 **C.** Furnishing of Insurance and Financial Assurances. Contractor has furnished
650 evidence of the insurance, bonds or other financial assurances as required by Article
651 7.
- 652 **D.** Effectiveness of City Council Action. The City Council shall have taken action
653 approving this Agreement and all Parties shall have signed the Agreement
654 pursuant to Applicable Law prior to or on the Effective Date, provided that no
655 restraining order of any kind has been issued.

656 **2.7 SCOPE OF AGREEMENT**

657 This Agreement for the Collection and Transportation of Solid Waste, Recyclable
658 Materials, and Green Waste granted to Contractor shall be exclusive except as described
659 in Section 2.8 or except where otherwise precluded by Applicable Law.

660 The Contractor, or its Subcontractor(s), shall be responsible for the following services:

- 661 **A.** Collecting all Solid Waste, Recyclable Materials, and Green Waste generated in the
662 City and placed by Generator for Collection;
- 663 **B.** Transporting Collected materials to the Disposal Site, Recyclable Materials
664 Processing Site, and Organic Materials Processing Site;
- 665 **C.** Furnishing all labor, supervision, vehicles, Containers, other equipment, materials,
666 supplies, and all other items and services necessary to perform its obligations under
667 this Agreement;
- 668 **D.** Provision of excellent customer service;
- 669 **E.** Paying all expenses related to provision of services required by this Agreement
670 including, but not limited to, taxes, regulatory fees, and utilities;
- 671 **F.** Providing all services required by this Agreement in a thorough and professional
672 manner so that residents, businesses, and the City are provided high-quality
673 services at all times;

- 674 G. Performing all services using best industry practice for comparable operations in
675 northern California; and,
- 676 H. Complying with all Applicable Law.

677 **2.8 LIMITATIONS TO SCOPE**

678 This Agreement for the Collection and Transportation of Solid Waste, Recyclable
679 Materials, and Green Waste granted to Contractor shall be exclusive except as to the
680 following categories listed in this Section. The granting of this Agreement shall not
681 preclude the categories listed below from being delivered to and Collected by others
682 provided that nothing in this Agreement is intended to or shall be construed to excuse
683 any person from obtaining any authorization from the City which is otherwise required
684 by law:

- 685 A. Recyclable Materials and Organic Materials separated from Solid Waste by the
686 Generator and which Generator sells, donates, or is otherwise compensated for by a
687 collector in a manner resulting in a net payment to the Generator for such services;
- 688 B. Recyclable Materials and Organic Materials generated and separated from Solid
689 Waste at a Commercial Premises and placed for Collection;
- 690 C. Solid Waste (including Construction and Demolition Debris), Recyclable Materials,
691 and Organic Materials which are separated at any Premises and which are
692 Transported personally by the Owner or Occupant of such Premises (or by his or
693 her employee) to a Transfer Station, Disposal Site or Processing Site;
- 694 D. Containers delivered for Recycling under the California Beverage Container
695 Recycling Litter Reduction Act, Section 14500, et. seq. California Public Resources
696 Code (AB2020);
- 697 E. Specialty Recyclable Materials which are separated at any Premises;
- 698 F. Animal waste and remains from slaughterhouse or butcher shops, grease waste, or
699 used cooking oil;
- 700 G. Recyclable Materials, Organic Materials, and Specialty Recyclable Materials
701 Generated in the City that are donated by the Generator to youth, civic, charitable,
702 or other not-for-profit organizations;
- 703 H. Source Separated E-Scrap Items generated in the City;
- 704 I. Construction and Demolition Debris generated in the City and which is removed
705 from any Premises by a contractor meeting all regulatory requirements for
706 providing such service;
- 707 J. Organic Materials Composted on Residential Premises;
- 708 K. By-products of sewage treatment including sludge, sludge ash, grit, and screenings;
- 709 L. Household Hazardous Waste, Hazardous Waste, Infectious Waste, and Designated
710 Waste regardless of its source; and,
- 711 M. Materials generated by public schools, County, State, and Federal facilities located
712 in the City provided that the generator has arranged services with other Persons or
713 has arranged services with the Contractor through a separate agreement.

714 Contractor acknowledges and agrees that City may permit other Persons besides
715 Contractor to Collect any or all types of the Solid Waste, Recyclable Materials, and/or
716 Organic Materials excluded from the scope of this Agreement as set forth above, without
717 seeking or obtaining approval of Contractor under this Agreement.

718 This grant to Contractor of the exclusive right and privilege to Collect and Transport
719 Solid Waste, certain Recyclable Materials, and Green Waste shall be interpreted to be
720 consistent with this Agreement as well as State and Federal laws, now and during the
721 Term of the Agreement and the services provided hereunder shall be limited by current
722 and developing State and Federal laws with regard to: Solid Waste handling; exclusive
723 agreement; control of Solid Waste, Recyclable Materials, and Green Waste; flow control;
724 and, related doctrines. In the event that future interpretations of current law, enactment
725 or developing legal trends or other judicial decisions or orders limit the ability of the City
726 to lawfully provide for the scope of services as specifically set forth herein, Contractor
727 agrees that the scope and extent of the Agreement will be limited to those services and
728 materials which may be lawfully provided for under this Agreement, and that the City
729 shall not be responsible for any damages, costs, or lost profits claimed by the Contractor
730 to arise out of further limitations of the scope or extent of services of the Agreement set
731 forth herein. In such an event, it shall be the responsibility of Contractor to exercise
732 reasonable commercial effort to minimize the financial impact to those remaining other
733 services being provided as much as possible.

734 2.9 CITY RIGHT TO DIRECT CHANGES

735 2.9.1 General

736 City may direct Contractor to perform additional services (including new Diversion
737 programs, Billing services, buy-back and drop-off, etc.) or modify the manner in which it
738 performs existing services. Pilot programs and innovative services which may entail new
739 Collection methods, different kinds of materials and services and/or new requirements
740 for Generators are included among the kinds of changes which City may direct.
741 Contractor shall be entitled to an adjustment in Contractor's Compensation for providing
742 such additional or modified services in accordance with Section 5.5. Alternatively, City
743 may permit other Persons besides Contractor to perform additional or expanded services
744 not specifically assigned or granted in this Agreement.

745 City reserves the right, after discussions with the Contractor, to modify the Agreement in
746 the event of a Change in Law which either places greater burdens on the City or offers
747 additional benefits.

748 2.9.2 Procedure for Making Changes in Scope

749 Contractor shall present, within 30 days of a request to do so by City, a proposal, at no
750 cost to City, to provide additional or expanded services not specifically assigned or
751 granted in this Agreement. The proposal shall contain a complete description of the
752 following, as applicable:

- 753 • Collection methodology to be employed (equipment, manpower, etc.);
- 754 • Equipment to be utilized (vehicle number, types, capacity, age, etc.);

- 755 • Labor requirements (number of employees by classification);
- 756 • Type of Containers to be utilized;
- 757 • Provision for public education and Marketing;
- 758 • A projection of the financial results of the program's operations in a balance
- 759 sheet and operating statement format including documentation of the key
- 760 assumptions underlying the projections and the support for those
- 761 assumptions for the remaining term of the Agreement; and,
- 762 • Schedule for implementation of new services.

763 The City shall review the Contractor's Proposal for the change in scope of services. The
764 City may either negotiate with the Contractor to amend the Agreement to reflect the
765 change in scope or the City may choose to negotiate with another Person.

766 **2.9.3 Adjusting Compensation Due to City-Directed Change in Scope**

767 The Contractor and/or City may request an adjustment of the then-current Contractor's
768 Compensation if Contractor can document that the impact of the City-directed change in
769 scope has impacted its cost to provide the services required under this Agreement. The
770 Contractor and the City shall attempt in good faith to negotiate an adjustment to the
771 then-current compensation to reflect the change in scope, in accordance with Section 5.5.
772 If no agreement can be reached, Contractor's Compensation and services shall remain
773 unadjusted. Contractor shall not be compensated for proposal preparation costs or costs
774 incurred during the negotiation of its proposal for the change in scope of such services.

775 **2.9.4 City's Right to Acquire Services**

776 If, pursuant to Section 2.9.2 and 2.9.3, Contractor and City cannot agree on terms and
777 conditions of such services within 90 days from the date when City first requests a
778 proposal from Contractor to perform such services, Contractor acknowledges and agrees
779 that City may solicit proposals from and permit Persons other than Contractor to provide
780 such services.

781 **2.9.5 Monitoring and Evaluation of Changes in Scope**

782 At the City's request, the Contractor shall meet with the City to describe the progress of
783 implementing the change in scope. If applicable, the Contractor shall document the
784 results of the new or modified services on a monthly basis with information requested by
785 the City that is necessary to evaluate the performance of each program change.

786 At each status meeting, the City and Contractor shall have the opportunity to revise the
787 program or services based on mutually agreed upon terms in accordance with provisions
788 of this Section. The City shall have the right to terminate a program and reduce the
789 Contractor's Compensation if, in its sole discretion, the Contractor is not cost effectively
790 achieving the program's goals and objectives. Before such termination, the City shall
791 meet and confer with the Contractor for a period not to exceed 90 calendar days to
792 resolve the City's concerns. Thereafter, the City may utilize a third party to perform
793 these services if the City reasonably believes the third party can improve on Contractor's
794 performance and/or cost. Notwithstanding these changes, Contractor shall continue the

795 program during the meet and confer period and, thereafter, until the third party takes
796 over the program.

797 **2.10 OWNERSHIP OF MATERIALS**

798 Once Solid Waste, Recyclable Materials, or Green Waste are placed in Containers and at
799 the Collection location, ownership and the right to possession of such materials shall
800 transfer directly from the Generator to Contractor. Once Solid Waste, Recyclable
801 Materials, or Green Waste is deposited by Contractor at the Transfer Station, Disposal
802 Site, or Processing Site, such materials shall become the property of the owner or operator
803 of the facility.

804 City may obtain ownership or possession of Solid Waste, Recyclable Materials, or Green
805 Waste placed for Collection upon written notice to Contractor of its intent to do so.
806 However, nothing in this Agreement shall be construed as giving rise to any inference
807 that City has such ownership or possession unless such written notice has been given to
808 Contractor.

809 **2.11 VOLUNTARY USE OF FACILITIES**

810 The Contractor, without constraint and as a free-market business decision in accepting
811 this Agreement, agrees to use the Disposal Site, Recyclable Materials Processing Site, and
812 Organic Materials Processing Site specified in the Agreement for the purposes of
813 Disposing of all Solid Waste, and Transfer and Processing of all Recyclable Materials and
814 Green Waste it Collects in the City. Such decision by Contractor in no way constitutes a
815 restraint of trade notwithstanding any Change in Law regarding flow control limitations
816 or any definition thereof.

817 **2.12 CITY ANNEXATIONS OR DE-ANNEXATIONS**

818 The City shall promptly provide written notice to Contractor regarding any geographic
819 area that has been or that will be annexed to or de-annexed from the City. Once such
820 notice is given, the provisions of the Agreement, including all the express or implied
821 rights and responsibilities shall apply within the area of annexation. Contractor shall
822 provide Collection services within the annexed area within ninety (90) days of receipt of
823 written notice, and be compensated based on the methodology provided in Article 5. In
824 the case of a de-annexation, City shall specify in the notice the date on which Contractor
825 will cease to provide services under the Agreement and specify a process for Contractor
826 coordination with the new service provider, if applicable, for the de-annexed area.

**ARTICLE 3
DIRECT SERVICES**

827
828

829 **3.1 SOLID WASTE COLLECTION**

830 **3.1.1 General**

831 Contractor shall Collect Solid Waste from Residential and Commercial Premises as
832 described in this Section 3.1 and from City facilities as described in Section 3.4
833 Contractor acknowledges that the City is committed to Diverting materials from Disposal
834 through the implementation of source reduction, reuse, Recycling, and Composting
835 programs and that the City may at some time in the future implement, in accordance
836 with Section 2.9, new programs that may impact the overall quantity or composition of
837 Solid Waste to be Collected by Contractor.

838 **3.1.2 Single-Family Premises**

839 Contractor shall Collect Solid Waste from Single-Family Premises once per week from
840 Contractor-provided Carts. Contractor shall provide each Customer with a new 60-, or
841 90-gallon Cart as requested by the Customer. Contractor shall Collect Carts from the
842 Curb unless the Occupant is an Elderly or Disabled Person. In such case, Contractor shall
843 Collect Carts from an alternative service location (such as the side yard, or backyard) as
844 arranged with Customer. Contractor agrees to provide 30-gallon Carts to any Occupant
845 in the City who is an Elderly or Disabled Person.

846 Contractor shall offer rental of Bins and Drop Boxes to Single-Family Customers for Solid
847 Waste Collection when Customers are remodeling, cleaning their property, or
848 performing other home projects. City shall charge these Customers in accordance with
849 rates established for Commercial Customers for comparable service levels.

850 **3.1.3 Multi-Family Premises**

851 Contractor shall Collect Solid Waste from Multi-Family Premises as frequently as
852 scheduled by Customer, but not less than once per week. Contractor shall allow a Multi-
853 Family Premises to use Carts or Bins, for Solid Waste Collection, that are shared by the
854 Occupants of the Premises. Contractor shall provide one or more new Carts or Bins to
855 such Premises as requested by Customer, provided that no less than 90 gallons (or similar
856 volume) of Container capacity are provided for every four dwelling units in the Premises.
857 Contractor shall provide each Customer with a choice of one or more Carts with
858 capacities ranging from 60 to 90 gallons or Bins with capacity ranging from 1 to 8 cubic
859 yards. Contractor shall Collect Solid Waste from Carts and Bins at a location selected by
860 Customer and approved by the City.

861 **3.1.4 Commercial Premises**

862 Contractor shall Collect Solid Waste from Commercial Premises as frequently as
863 scheduled by the Customer, but not less than once per week. Contractor shall Collect
864 Solid Waste from Carts and Bins at a location selected by the Customer and approved by
865 the City. Contractor shall inform each Commercial Customer of the available options for

866 Collection service and advise the Customer on the Container type and Collection
867 frequency that best suits the needs of the Customer and is most cost-effective.
868 Specifically, the Contractor shall offer the following Collection service methodologies to
869 Commercial Customers:

870 A. **Individual Cart or Bin Service.** Contractor shall allow each Commercial Premises
871 to use Carts or Bins for Solid Waste Collection. Contractor shall provide each
872 Customer with a choice of one or more new Carts with capacities including 60-, or
873 90-gallons or Bins with capacity ranging from 1 to 8 cubic yards.

874 B. **Centralized Bin or Cart Service.** Contractor shall allow each Commercial Premises
875 to use Carts or Bins for Solid Waste Collection that are shared by the Occupants of
876 two or more adjacent Commercial Premises. In such case, Contractor shall provide
877 one or more Carts or Bins as requested by Customer(s) provided that no less than
878 90 gallons (or similar volume) of Container capacity is provided for every four
879 Commercial Premises. Contractor shall provide each Customer with a choice of one
880 or more new Carts with capacities including 60-, or 90-gallons or Bins with capacity
881 ranging from 1 to 8 cubic yards.

882 C. **Permanent Drop Boxes and Compactors.** Contractor shall allow Customers to use
883 a Drop Box or Compactor for Solid Waste Collection to meet the Customer's
884 permanent Disposal needs. In such case, Contractor shall provide Customer with a
885 choice of Container capacities ranging from 6 to 40 cubic yards (or similar sizes).
886 Contractor shall offer Customers the option to purchase or lease Compactors
887 through either the Contractor or an outside vendor. Contractor shall provide Drop
888 Boxes for Customer use upon request.

889 3.2 RECYCLABLE MATERIALS COLLECTION

890 3.2.1 General

891 Contractor shall Collect and remove all Recyclable Materials placed in Recyclable
892 Materials Containers and all Used Motor Oil and Used Motor Oil Filters placed on or
893 adjacent to Recyclable Material Containers at the designated Collection locations for all
894 Single-Family Premises, Multi-Family Premises, Commercial Premises, and City facilities.

895 The City is required by the Act to divert 50% of its waste stream. This goal is a minimum
896 and it is expected that Diversion will increase as a result of the plans and programs
897 required by this Agreement. Contractor agrees to work diligently to promote and
898 expand Recycling to meet or exceed this goal. Best efforts shall be made by Contractor to
899 help achieve the Diversion goals. Contractor shall further endeavor to ensure, through
900 the use of public education and outreach efforts, that contamination of Recyclable
901 Materials with non-Recyclable Materials be minimized to the greatest extent practicable.
902 Contractor shall make use of video cameras on the Collection vehicles to identify
903 contaminants and notify Customers of such contamination by use of notices of violation
904 and or non-collection notices (Exhibit 6). Should video camera technology be insufficient
905 to identify contaminants prior to Collection, Contractor shall be required by the City to
906 make use of other means of identifying and removing contaminants prior to Collection.
907 Should this Section be found to conflict with Federal or State law, this section may be
908 revised at the mutual consent of both Parties.

909 Contractor recognizes and acknowledges that the successful implementation of the new
910 Single-Family Recycling program, and of the Multi-Family Recycling program, is of key
911 importance to the City and its residents. Contractor further recognizes and acknowledges
912 that the successful implementation of a Commercial Recycling program is of key
913 importance to the City and its business community. Contractor shall work in close
914 coordination with City staff to develop, promote, and fully implement these programs.

915 **3.2.2 Single-Family Premises**

916 Contractor shall provide Collection of Recyclable Materials from Single-Family Premises
917 within the City once each week, as detailed in Exhibit 1 (Contractor's Proposal).

918 Contractor shall provide to Customers one 90-gallon Cart for Recyclable Materials. Carts
919 and replacement Carts for all services will be provided by Contractor as needed by
920 Customers. Contractor shall Collect Recyclable Material Containers from the Curb unless
921 the Occupant is an Elderly or Disabled Person. In such case, Contractor shall Collect
922 Recyclable Material Containers from an alternative service location, as arranged with
923 Customer. Contractor shall Collect Recyclable Material on the same day of the week as
924 Solid Waste or such other day as directed by City. Contractor shall, within 30 days of
925 notification, re-route Collections to provide service on the day directed by City.

926 **3.2.3 Multi-Family Premises**

927 Contractor shall provide Recyclable Material Collection Services to all Multi-Family
928 Premises requesting service from Contractor. Contractor shall, upon commencement of
929 this Agreement, begin to actively promote the program to Multi-Family Customers.
930 Contractor shall allow Multi-Family Premises to use Carts for Recyclable Material
931 Collection, which are shared by the Occupants of the Premises. Contractor shall provide
932 each Customer with one or more 90-gallon Carts as requested by the Customer.
933 Contractor shall Collect Recyclable Materials from Carts at a location selected by
934 Customer and approved by the City.

935 **3.2.4 Commercial Premises**

936 Contractor shall Collect Recyclable Materials from Commercial Premises as frequently as
937 scheduled by the Customer, but not less than once per week. Contractor shall Collect
938 Recyclable Materials from Carts at a location selected by the Customer and approved by
939 the City. Contractor shall, upon commencement of this Agreement, begin to actively
940 promote the program to Commercial Customers. Contractor shall inform each
941 Commercial Customer of the available options for Collection service and advise the
942 Customer on the Container(s) type and Collection frequency that best suits the needs of
943 the Customer and is most cost-effective. Specifically, the Contractor shall offer the
944 following Collection service methodologies to Commercial Customers:

- 945 A. **Individual Cart Service.** Contractor shall allow each Commercial Premise to use
946 Carts for Recyclable Material Collection. Contractor shall provide each Customer
947 with a choice of one or more 90-gallon Carts as requested by the Customer.
- 948 B. **Centralized Cart Service.** Contractor shall allow each Commercial Premises to use
949 Carts for Recyclable Material Collection that are shared by the Occupants of two or

950 more adjacent Commercial Premises. Contractor shall provide each Customer with
951 a choice of one or more new 90-gallon Carts as requested by the Customer.

952 **3.2.5 Recyclable Materials Collected**

953 Recyclable Materials to be collected shall be as specified by City and may include, but not
954 be limited to the items listed in Section 1.79. Contractor shall instruct Generators as to
955 any necessary preparation of materials, such as removal of caps and lids and the
956 appropriate use and placement of Recyclable Material Containers.

957 In accordance with Section 2.9, the City may request Contractor to modify its scope of
958 service to include Collection of additional types of Traditional Recyclable Materials
959 beyond those materials defined in this Section 3.2.5. If the City requests Collection of
960 additional Recyclable Materials, the Contractor shall not receive additional compensation
961 for such service if the Recyclable Materials are placed by Generator in the Recyclable
962 Material Container.

963 **3.3 GREEN WASTE COLLECTION**

964 **3.3.1 General**

965 Contractor shall Collect and remove all materials placed in Green Waste Containers at
966 the designated Collection locations for all Single-Family Premises, Multi-Family
967 Premises, Commercial Premises, and City facilities.

968 The City is required by the Act to divert 50% of its waste stream. This goal is a minimum
969 and it is expected that Diversion will increase as a result of the plans and programs
970 required by this Agreement. Contractor agrees to work diligently to promote and
971 expand Diversion programs to meet or exceed this goal. Best efforts shall be made by
972 Contractor to help achieve the Diversion goals. Should this section be found to conflict
973 with Federal or State law, this section may be revised at the mutual consent of both
974 Parties.

975 **3.3.2 Single-Family Premises**

976 Contractor shall provide Collection of Green Waste from Single-Family Premises within
977 the City once each week, as detailed in Exhibit 1 (Contractor's Proposal).

978 Contractor shall provide to Customers one 90-gallon Cart for Green Waste. Carts and
979 replacement Carts for all services will be provided by Contractor as needed by
980 Customers. Contractor shall Collect Green Waste Containers from the Curb unless the
981 Occupant is an Elderly or Disabled Person. In such case, Contractor shall Collect Green
982 Waste Containers from an alternative service location, as arranged with Customer.
983 Contractor shall Collect Green Waste Containers on the same day of the week as Solid
984 Waste, or such other day as directed by City. Contractor shall, within 30 days of
985 notification, re-route Collections to provide service on the day directed by City.

986 **3.3.3 Multi-Family Premises**

987 Contractor shall actively offer to provide Green Waste Collection Services to all Multi-
988 Family Premises requesting service from Contractor. Contractor shall, upon
989 commencement of this Agreement, begin to promote the program to Multi-Family
990 Customers who would benefit from Green Waste Collection service. Contractor shall
991 allow Multi-Family Premises to use Carts, for Green Waste Collection, that are shared by
992 the Occupants of the Premises. Contractor shall provide each Customer with one or
993 more 90-gallon Carts as requested by the Customer. Contractor shall Collect Green
994 Waste from Carts at a location selected by Customer and approved by the City.

995 **3.3.4 Commercial Premises**

996 Contractor shall Collect Green Waste from Commercial Premises as frequently as
997 scheduled by the Customer, but not less than once per week. Contractor shall Collect
998 Green Waste from Carts at a location selected by the Customer and approved by the City.
999 Contractor shall inform each Commercial Customer of the available options for
1000 Collection service and advise the Customer on the Container type and Collection
1001 frequency that best suits the needs of the Customer and is most cost-effective.
1002 Specifically, the Contractor shall offer the following Collection service methodologies to
1003 Commercial Customers:

1004 A. **Individual Cart Service.** Contractor shall allow each Commercial Premises to use
1005 Carts for Green Waste Collection. Contractor shall provide each Customer with a
1006 choice of one or more 90-gallon Carts as requested by the Customer.

1007 B. **Centralized Cart Service.** Contractor shall allow each Commercial Premises to use
1008 Carts for Green Waste Collection that are shared by the Occupants of two or more
1009 adjacent Commercial Premises. Contractor shall provide each Customer with a
1010 choice of one or more new 90-gallon Carts as requested by the Customer.

1011 **3.3.5 Green Waste Collected**

1012 Green Waste to be collected shall be specified by the City and may include, but not be
1013 limited to the items listed in Section 1.54.

1014 Contractor shall instruct Generators as to any necessary preparation of materials, such as
1015 Green Waste placed for Collection may not exceed six inches in diameter or five feet in
1016 length and must fit inside container with hood closed

1017 Annually, from December 25 through January 31, the Contractor shall provide Curbside
1018 Collection of holiday trees for all Single-Family and Multi-Family Premises as part of the
1019 Green Waste Collection services required under Sections 3.3.2 and 3.3.3.

1020 Holiday trees shall be transported to the Organic Materials Processing Site for Processing.
1021 All holiday trees shall be Processed for use as Compost Product, mulch, or soil
1022 amendment and none shall be deposited for Disposal.

1023 **3.4 COLLECTION FROM CITY FACILITIES**

1024 Contractor shall Collect Solid Waste, Recyclable Materials, and Green Waste from City
1025 locations and at the service levels identified in Exhibit 5. Contractor shall provide and

1026 maintain Collection Containers for the City's use with the exception of the public litter
1027 cans that shall be provided and maintained by the City.

1028 Contractor may integrate Collection of Solid Waste, Recyclable Materials, and Green
1029 Waste from City facilities with other Collection services provided in the City, provided
1030 that Contractor attributes Tonnage Collected from City facilities separately from other
1031 Customers.

1032 Contractor shall provide the services required by this Section at no charge to the City and
1033 shall, at no additional cost to the City, accommodate reasonable growth in service needs,
1034 including changes or additions to the list of facilities, facility Collection locations,
1035 Container types and sizes, or frequencies of Collection. The value of service provided at
1036 no cost to City facilities, as established by the Rates set by the City, shall not increase by a
1037 greater percentage than the percentage increase in Contractor's Compensation.

1038 **3.5 COLLECTION FROM CITY-SPONSORED EVENTS AND SPECIAL COMMUNITY**
1039 **EVENTS**

1040 **3.5.1 City-Sponsored and Special Community Events**

1041 Contractor shall provide Solid Waste and Recyclable Material Collection services at the
1042 City-sponsored and special community events specified in Exhibit 5 at the service level
1043 requested by the City or event organizer which is appropriate for the duration and
1044 attendance of the event. Contractor shall be responsible for providing all equipment,
1045 personnel, and materials necessary for the planning, coordination, monitoring of
1046 Containers, Collection from Containers, public education, and reporting at each event.

1047 **3.5.2 Special Events**

1048 Unless otherwise directed, Contractor shall maintain compliance, on City's behalf, in a
1049 manner approved by the City, with any and all legislation related to provision of Solid
1050 Waste, Recyclable Materials, and/or Green Waste Collection Service, public education,
1051 outreach, and/or reporting related to special events. Legislation is currently codified as
1052 Chapter 12.7 (commencing with Section 42648) of Division 30 of the Public Resources
1053 Code, relating to Recycling, commonly referred to as AB 2176.

1054 Such services shall include, at a minimum: (1) providing adequate public education to
1055 event and venue organizers, vendors, and attendees; (2) providing adequate and
1056 appropriate signage for all Containers clearly indicating acceptable materials in each; (3)
1057 providing adequate number and volume of Solid Waste and Recyclable Material
1058 Containers; and, (4) providing for the monitoring of and Collection from those
1059 Containers on as frequent a basis as is requested by the event or venue organizer.
1060 Contractor shall meet with City staff as requested to discuss its approach for providing
1061 these services at specific special events.

1062 **3.6 BULKY ITEM COLLECTION AND DROP-OFF EVENTS**

1063 **3.6.1 Semi-Annual Bulky Item Drop-off Event**

1064 Contractor shall provide all Customers in the City with two Bulky Item drop-off events
1065 each year. Each Customer shall be allowed to drop off all materials listed in Section
1066 3.6.1.B below without limitation on the volume or quantity of materials delivered by each

1067 customer. The City will designate the date, location, and hours of the drop-off event and
1068 provide the Contractor with notification no less than 60 days prior to the event date.

1069 A. **General Requirements.** Contractor shall provide all Customers in the City with
1070 two Bulky Item drop-off events each year. The Contractor shall promote, manage, staff,
1071 and operate the Bulky Item drop-off events. The City shall approve all advertisements or
1072 public announcements related to the Bulky Item drop-off events. Contractor shall
1073 promote the events by preparing bill inserts, flyers, mailers, website content, and/or
1074 electronic mailers. Contractor shall also promote the event in a local newspaper
1075 approved by the City.

1076 B. **Accepted Materials.** During each Bulky Item drop-off event Customers may
1077 deliver and Contractor shall accept the materials listed below:

1078 i. **Major Appliances - All Major Appliances, as defined by Section 1.64 of**
1079 **this Agreement, will be accepted, except those containing Freon or any other**
1080 **hazardous waste;**

1081 ii. **Bulky Items - All Bulky Items as defined in Section 1.8 of this Agreement;**

1082 iii. **Traditional Recyclable Materials - All Traditional Recyclable Materials as**
1083 **defined in Section 1.95 of this Agreement;**

1084 iv. **Salvageable Materials - All Salvageable Materials as defined in Section**
1085 **1.85 of this Agreement.**

1086 v. **Green Waste - All Green Waste as defined in Section 1.54 of this**
1087 **Agreement;**

1088 vi. **E-Scrap Items - All E-Scrap Items as defined in Section 1.47 of this**
1089 **Agreement;**

1090 vii. **Universal Waste - All Universal Waste as defined in Section 1.100 of this**
1091 **Agreement;**

1092 viii. **Used Motor Oil and Used Motor Oil Filters - All Used Motor Oil and Used**
1093 **Motor Oil Filters as defined in Sections 1.101 and 1.102, respectively, of this**
1094 **Agreement; and,**

1095 ix. **Solid Waste - All Solid Waste as defined in Section 1.88 of this Agreement.**

1096 C. **Participants.** Contractor shall verify that Customers live in the City or operate a
1097 business in the City by reviewing a recent copy of a City bill for solid waste services.

1098 D. **Recycling and Reuse.** Contractor shall separate Major Appliances, Recyclable
1099 Materials, Green Waste, E-Scrap Items, Universal Waste, Used Motor Oil, and Used
1100 Motor Oil Filters from the Bulky Item drop-off events and Transport, or arrange for
1101 Transportation, to the appropriate Processing Site. Due to the unknown quantities of
1102 reusable and Recyclable Materials Collected as well as the types of items community
1103 organizations and others will take for reuse or Recycling at any point in time, the
1104 Contractor shall use reasonable business efforts to reuse and Recycle Major Appliances,
1105 clothing, furniture, mattresses, and other Salvageable Materials so that the maximum
1106 volume of material Collected during the Bulky Item drop-off events are Diverted from
1107 Disposal. Contractor shall coordinate with local Re-Use Vendors to ensure that
1108 Salvageable Materials are Diverted from Disposal.

1109 **3.6.2 Bulky Item Collections**

1110 Contractor shall provide each Customer with Bulky Item Collection at the Customer's
1111 regular Collection location. Each Customer will be allowed to set out for Collection, up
1112 to three cubic-yards of materials per Bulky Item Collection. The Customer shall request
1113 service from the Contractor and the Contractor shall provide the Customer with a Bulky
1114 Item Collection date that is no more than ten Business Days from the date of the
1115 Customer request. Customer shall be billed at the Rates established for this service.

1116 A. **General Requirements.** Contractor shall provide each Customer with Bulky Item
1117 Collection at the Customer's regular Collection location. The Contractor shall promote,
1118 manage, staff, and operate the Bulky Item Collections. The City shall approve all
1119 advertisements or public announcements related to the Bulky Item Collections.
1120 Contractor shall promote this service by preparing bill inserts, flyers, mailers, website
1121 content, and/or electronic mailers.

1122 B. **Accepted Materials.** Upon requesting a Bulky Item Collection from the
1123 Contractor, the Customer shall identify the materials being set out for collection. During
1124 each Bulky Item Collection, Customers may deliver and Contractor shall accept the
1125 materials listed below:

1126 i. Major Appliances - All Major Appliances, as defined by Section 1.64 of
1127 this Agreement, will be accepted, except those containing Freon or any other
1128 hazardous waste;

1129 ii. Bulky Items - All Bulky Items as defined in Section 1.8 of this Agreement;

1130 iii. Traditional Recyclable Materials - All Traditional Recyclable Materials as
1131 defined in Section 1.95 of this Agreement;

1132 iv. Salvageable Materials - All Salvageable Materials as defined in Section
1133 1.85 of this Agreement.

1134 v. Green Waste - All Green Waste as defined in Section 1.54 of this
1135 Agreement;

1136 vi. E-Scrap Items - All E-Scrap Items as defined in Section 1.47 of this
1137 Agreement;

1138 vii. Universal Waste - All Universal Waste as defined in Section 1.100 of this
1139 Agreement;

1140 viii. Used Motor Oil and Used Motor Oil Filters - All Used Motor Oil and Used
1141 Motor Oil Filters as defined in Sections 1.101 and 1.102, respectively, of this
1142 Agreement; and,

1143 ix. Solid Waste - All Solid Waste as defined in Section 1.88 of this Agreement.

1144 C. **Participants.** Contractor shall provide this service to any Customer currently
1145 receiving Collection service in the City.

1146 D. **Recycling and Reuse.** Contractor shall separate Major Appliances, Recyclable
1147 Materials, Green Waste, E-Scrap Items, Universal Waste, Used Motor Oil, and Used
1148 Motor Oil Filters from the Bulky Item Collection and Transport, or arrange for
1149 Transportation, to the appropriate Processing Site. Due to the unknown quantities of

1150 reusable and Recyclable Materials Collected as well as the types of items community
1151 organizations and others will take for reuse or Recycling at any point in time, the
1152 Contractor shall use reasonable business efforts to reuse and Recycle Major Appliances,
1153 clothing, furniture, mattresses, and other Salvageable Materials so that the maximum
1154 volume of material Collected during the Bulky Item Collection events are Diverted from
1155 Disposal. Contractor shall coordinate with local Re-Use Vendors to ensure that
1156 Salvageable Materials are Diverted from Disposal.

1157 **3.7 ACCUMULATED OR ABANDONED WASTE**

1158 Contractor shall direct its Collection vehicle drivers, route supervisors, and other staff to
1159 note: (i) the addresses of any Premises at which the driver observes that Solid Waste,
1160 Recyclable Materials, and/or Green Waste is accumulating; (ii) the addresses of any
1161 Premises at which putrescible Solid Waste should be Collected more frequently due to
1162 odor but at which the Customer has refused to have more frequent Collection; and, (iii)
1163 the address, or other location description, at which Solid Waste, Recyclable Materials,
1164 and/or Green Waste has been dumped in an apparently unauthorized manner.
1165 Contractor shall deliver the address or description to City within one Business Day of
1166 such observation.

1167 At City direction, Contractor shall Collect abandoned waste as described in this section.
1168 Such service shall be provided on the same day as the request is received from the City, if
1169 said request is received before noon, or no later than noon the following day if the
1170 request is received after noon. Contractor shall not be required to Collect more than 250
1171 Tons of abandoned waste per Rate Year. Contractor shall be required to demonstrate to
1172 the satisfaction of the Public Works Director of the City when they have reached 250 Tons
1173 per Rate Year and that those Tons are from abandoned waste and not regular collection
1174 operations.

1175 **3.8 EMERGENCY SERVICES, CONTINGENCY PLANNING, AND DISASTER DEBRIS**
1176 **DIVERSION**

1177 Contractor shall submit to City on or before the Commencement Date of the Agreement,
1178 a written contingency plan demonstrating Contractor's arrangements to provide vehicles
1179 and personnel and to maintain uninterrupted service during breakdowns, and in case of
1180 natural disaster or other emergency, including the events described in Section 9.6.

1181 Notwithstanding the provisions of Article 2 and this Article 3 specifying Contractor
1182 scope of services, in the event of a declared emergency, City reserves the right to use City
1183 staff, agents and Contractors and/or Subcontractors as necessary to clear debris from the
1184 City. Contractor agrees to not contest the City's use of other Parties to Collect, Transport,
1185 recover, and Dispose of any debris resulting from such emergency.

1186 Contractor shall, within twelve (12) hours notice from the City, provide Collection
1187 services in order to remove debris resulting from a disaster or other emergency event
1188 (declared or not) as defined in Section 9.6, unless, upon a reasonable effort, Contractor is
1189 unable to do so as provided in Section 9.6. In particular, Contractor shall, under City
1190 direction, utilize such personnel, Drop Boxes, and/or Drop Box vehicles as needed to
1191 provide services as detailed in this Agreement and as are reasonably available, to Collect
1192 and deliver debris. Contractor will meet with City staff and take direction as provided

1193 with regard to relative priorities for clean-up. Contractor will be reasonably
1194 compensated for services provided.

1195 Contractor shall deliver materials to a Transfer Station, Processing Site, or Disposal Site.
1196 Contractor shall identify and, to the extent possible, recover materials for reuse and
1197 Recycling. Contractor shall, to the extent possible, provide City with documentation of
1198 the amounts and types of delivered materials, the destination(s), and the Diversion
1199 potential of each material type.

1200 **3.9 CRIME PREVENTION**

1201 Contractor shall train its Collection vehicle drivers to be alert to and to report emergency
1202 situations. Contractor shall equip its Collection vehicles with two-way radios or
1203 telephones so that its drivers can report emergencies to the Contractor's dispatcher who
1204 will contact the police department, fire department, or other appropriate City authority.

1205 **3.10 COLLECTION OF HAZARDOUS, INFECTIOUS, OR CONTAMINATED**
1206 **MATERIALS**

1207 Contractor shall develop and implement a Hazardous, Infectious, and contaminated
1208 Materials screening program prior to the commencement of Services and throughout the
1209 Term of this Agreement. Under no circumstances should Contractor collect any
1210 Hazardous or Infectious Wastes identified in a Container. Upon identification of such
1211 materials, Contractor shall complete and attach a City-approved warning notice to the
1212 Container. Additionally, Contractor shall attempt to personally contact the Generator to
1213 notify them of the problem and the appropriate method for Disposal of such materials.

1214 If Recyclable Materials or Green Waste that contain fifty percent (50%) by volume or
1215 greater of Solid Waste other than Recyclable Materials and/or Green Waste are set out
1216 for Collection, Contractor shall conform to the following procedure:

1217 A. Upon the first occurrence (other than one requiring extensive sorting), Contractor
1218 shall pick up all Recyclable Materials and Green Waste but may leave or deposit
1219 back into the Container any Solid Waste other than Recyclable Materials and/or
1220 Green Waste. Contractor shall complete and attach a City-approved warning notice
1221 (included as Exhibit 6) noting the problem(s) and attach the tag on the Container
1222 and/or the door of the residence, and notify the City within 48 hours of such
1223 occurrence.

1224 B. The procedure set forth in subparagraph A, above, shall be followed if there is a
1225 second occurrence, within a 12-month period, at the same location. In addition,
1226 Contractor shall make reasonable effort to personally contact the Generator to
1227 discuss the problem of including non-Recyclable Solid Waste with Recyclable
1228 Materials and/or Green Waste Container.

1229 C. If the procedures set forth in subparagraphs A and B, above, have been followed,
1230 upon a third or subsequent occurrence, within a 12-month period, Contractor may
1231 refuse to Collect any of the Recyclable Materials or Green Waste that have been
1232 contaminated with non-Recyclable Solid Waste. In addition, if at any time the
1233 quantity of non-Recyclable Solid Waste that is mixed with the Recyclable Materials
1234 and/or Green Waste would require extensive sorting, Contractor may refuse to sort
1235 or pick up the material. In either event, Contractor shall attach a City-approved

1236 warning notice or City-approved notice of violation (included as Exhibit 6) on the
1237 Container and/or the door of the residence.

1238 D. In the event Contractor refuses to Collect Recyclable Materials and/or Green Waste
1239 pursuant to subparagraph C, above, Contractor shall notify the City during the
1240 same Business Day. In addition, Contractor shall report monthly to the City, in
1241 writing, regarding all warning notices issued pursuant to this Section 3.10.

1242 **3.11 PROCESSING, MARKETING, AND SALE OF RECYCLABLE MATERIALS AND**
1243 **GREEN WASTE**

1244 As of the Effective Date of this Agreement, Contractor shall not be responsible for the
1245 Processing, Marketing, and/or sale of Traditional Recyclable Materials or Green Waste.
1246 The City has assigned the responsibility for these materials to the JPA. Contractor shall
1247 be responsible for Transporting Traditional Recyclable Materials and Green Waste to the
1248 Recyclable Materials Processing Site and Organic Materials Processing Site respectively.
1249 City may at any time during the Term of the Agreement, request a change in scope,
1250 subject to the requirements of Section 2.9, to include such services.

1251 Contractor shall Process and Market all other Recyclable Materials Collected which are
1252 not defined in this Agreement as Traditional Recyclable Materials. Such materials which
1253 Contractor shall Market include, but are not limited to, Universal Waste, E-Scrap Items,
1254 Used Motor Oil, and Used Motor Oil Filters.

1255 Contractor shall provide proof to the City that all Recyclable Materials and Green Waste
1256 Collected, which are not Delivered to the Recyclable Materials Processing Site or Organic
1257 Materials Processing Site, are Marketed for Recycling or reuse in such a manner that
1258 materials shall be considered as Diverted in accordance with the State regulations
1259 established by the Act. All Residual waste from the Processing activities that is not
1260 Marketed for use shall be accounted for as Disposal Tonnage and Disposed at a
1261 permitted Disposal Site. Amount of Residual from the Processing and Marketing
1262 activities of Contractor shall be reported on a quarterly basis in accordance with Section
1263 6.3.2.A.

1264 No Recyclable Materials shall be Transported to a domestic or foreign location if Disposal
1265 of such material is its intended use.

1266 Contractor agrees to maintain a Marketing plan for all Recyclable Materials and Green
1267 Waste Collected by Contractor under this Agreement which are not Delivered to the
1268 Recyclable Materials Processing Site or Organic Materials Processing Site. Those
1269 materials shall include, but not limited to, Universal Waste, E-Scrap Items, Salvageable
1270 Materials, Used Motor Oil, and Used Motor Oil Filters. The Marketing plan shall be in
1271 place with the execution of this Agreement and at the time of beginning any expanded or
1272 changed service (e.g., addition of Food Scraps into Green Waste Container). The
1273 Marketing plan shall fully describe Contractor's Marketing methods and approach,
1274 targeted primary and contingent markets, pricing policy and assumed salvage value for
1275 each Collected type of Recyclable Materials and Green Waste.

1276 If Contractor does not have a market for Collected Recyclable Materials and/or Green
1277 Waste, Contractor shall notify City within five Business Days of such discovery.
1278 Recyclable Materials may not be Disposed of in lieu of Recycling the material, without
1279 the expressed written approval of the City. If Contractor believes that it cannot Divert

1280 the Recyclable Materials from Disposal, then it shall prepare a written request for
1281 approval to Dispose of such material. Such request shall contain the basis for its belief,
1282 describe the Contractor's efforts to arrange for the Diversion from Disposal of such
1283 material, the period required for such Disposal, the incremental costs or cost savings
1284 resulting from such Disposal, and any additional information supporting the Contractor's
1285 request. The City shall consider the Contractor's request and inform Contractor in
1286 writing of its decision within thirty (30) calendar days.

1287 3.12 OPERATIONS

1288 3.12.1 Operating Hours and Schedules

1289 A. Hours of Collection

1290 1. **Residential Premises.** Collection from Residential Premises shall only occur
1291 between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday.

1292 2. **Commercial Premises.** Collection from Commercial Premises that are 100
1293 feet or less from Residential Premises shall only occur between the hours of
1294 6:00 a.m. and 6:00 p.m., Monday through Saturday. Collection from
1295 Commercial Premises more than 100 feet from Residential Premises shall only
1296 occur between the hours of 4:00 a.m. and 6:00 p.m., Monday through
1297 Saturday. The Public Works Director may require modifications to hours for
1298 Collection from Commercial Premises to resolve noise Complaints and, in
1299 such case, the Public Works Director may change the allowable operating
1300 hours.

1301 3. **Exceptions.** In the event of an unforeseen circumstance, the Contractor may
1302 Collect from Residential Premises or Commercial Premises that are 100 feet or
1303 less from Residential Premises between the hours of 5:00 a.m. and 10:00 p.m.,
1304 Monday through Friday, upon prior written approval from the Public Works
1305 Director.

1306 B. **Route Schedules.** Contractor shall negotiate with the City to develop route maps
1307 and daily schedules for each type of Collection service 30 calendar days prior to the
1308 Commencement Date of this Agreement and within 30 calendar days of the first
1309 day of each Rate Year. The City shall review and approve such maps and
1310 schedules. Prior to proposing routes, Contractor shall confer with the City
1311 regarding efficient and logical routing for Collection in coordination with street
1312 sweeping by City crews, so that, to the extent possible, street sweeping occurs on
1313 the day following Collection.

1314 Contractor may not change its regularly scheduled Residential Collection days
1315 without prior written approval from the Public Works Director if said changes in
1316 routes affect the Collection day of more than 5% of Customers. Contractor shall
1317 obtain such written approval from the Public Works Director 30 calendar days
1318 before the effective date of the schedule change. Once approved, Contractor shall
1319 notify any Residential Customer, at a minimum, four weeks before any Collection
1320 schedule changes.

1321 Contractor may not change any Commercial Customer's regularly scheduled
1322 Collection days without prior written notice to the Customer. Contractor shall not
1323 permit any Customer to go more than seven calendar days without service during a
1324 Collection schedule change.

1325 C. **Holiday Collection Schedule.** Contractor shall provide an annual Holiday
1326 Collection plan by October 1 for the following twelve months. The plan shall be
1327 approved by the City and coordinated with the operation of the Disposal Site,
1328 Recyclable Materials Processing Site, and Organic Materials Processing Site.

1329 D. **Contingency Plan.** Contractor shall submit to City, on or before the
1330 Commencement Date, a written contingency plan demonstrating Contractor's
1331 arrangements to provide vehicles and personnel and to maintain uninterrupted
1332 service during mechanical breakdowns, and in case of natural disaster or other
1333 emergencies as further specified in Section 3.8.

1334 3.12.2 Vehicle Requirements

1335 A. **General.** All vehicles used under this Agreement shall be in good working
1336 condition and in an appearance acceptable to the City. The vehicles shall be
1337 sufficient in number and capacity to perform the work required by the Agreement
1338 in strict accordance with its terms. Contractor shall have available, on Collection
1339 days, sufficient back-up vehicles which may be used in order to respond to
1340 complaints, missed Collections, equipment failure, and emergencies. Contractor
1341 assumes all of the financial and operational risks associated with the Collection
1342 vehicles. If additional or alternative fuel vehicles or vehicle modifications (see G. of
1343 this Section) are required beyond those included in Contractor's Proposal in order
1344 to meet the service standards of this Agreement, Contractor shall provide such
1345 additional or modified vehicles, at no additional cost to the City.

1346 B. **Specifications.** All vehicles, used by Contractor in providing Collection services
1347 under this Agreement shall be registered with the California Department of Motor
1348 Vehicles. All such vehicles, shall have water-tight bodies designed to prevent
1349 leakage, spillage or overflow. All such vehicles shall comply with California Air
1350 Resources Board (CARB) air quality regulations and other applicable air quality
1351 regulations for solid waste fleets (including required labeling). Contractor shall
1352 provide the City with all the necessary information the City needs to provide to the
1353 State to demonstrate compliance with all applicable laws and regulations.

1354 C. **Vehicle Identification.** Contractor's name, toll-free telephone number, a unique
1355 vehicle identification number designated by Contractor, and the phrase "Servicing
1356 the City of Los Banos" shall be prominently displayed on all vehicles in letters and
1357 numbers no less than two and one-half (2 1/2) inches high.

1358 D. **City Logo and Promotional Ads.** At City's request, Contractor shall allow the
1359 City's logo, advertising for City-sponsored events, and other City-related
1360 promotional ads to be placed on Collection vehicles operating in the City.
1361 Contractor shall be responsible for installing the logo or promotional
1362 advertisements. Contractor shall not place any other logos or promotional ads on
1363 its vehicles without the consent of the City.

1364
1365
1366
1367
1368
1369
1370
1371
1372
1373
1374
1375
1376
1377
1378
1379
1380
1381
1382
1383
1384
1385
1386
1387
1388
1389
1390
1391
1392
1393
1394
1395
1396
1397
1398
1399
1400
1401
1402
1403
1404
1405
1406

E. **Cleaning and Maintenance**

1. Contractor shall perform regular preventive maintenance per manufacturer's recommendation and maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all times.
2. Vehicles used in the services provided under this Agreement shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance at all times. City may inspect vehicles at any time to determine compliance with this section.
3. Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service immediately and until they are repaired and do operate properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to City upon request.
4. Contractor shall inspect and repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause so as to maintain all equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include the date and mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.
5. Contractor shall furnish sufficient equipment to provide all service required under this Agreement, including back-up Collection vehicles. Contractor shall furnish to City, upon Commencement Date and within thirty (30) days of request, a written inventory of all equipment, including Collection vehicles, used in providing service, and shall update the inventory annually.

F. **Operation.** Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

Equipment shall comply with U.S. Environmental Protection Agency noise emission regulations, which is, as of the Effective Date of this Agreement, codified at 40 CFR Part 205, and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle. Noise levels of equipment used for Collection shall not exceed any related noise levels identified in local, State or Federal regulations.

Contractor (as opposed to City) shall be financially responsible for any damage, other than normal wear and tear, it causes to City's driving surfaces (public or private), whether or not paved, and associated curbs, gutters and traffic control devices, resulting from or directly attributable to any of its operations. Contractor

1407 shall be responsible for clean-up of all oil and fluid leaks including the immediate
1408 application of absorbent and its subsequent and timely sweeping up.

1409 G. **CARB Regulations.** All Collection vehicles shall comply with California Air
1410 Resources Board (CARB) and Federal and regional air quality regulations and other
1411 applicable air quality regulations for solid waste fleets. Contractor shall closely
1412 monitor, and shall in a timely manner inform the City Manager of any pending
1413 changes in Federal, State, or regional legislative or regulatory air quality
1414 requirements that will or that might affect Contractor's use of vehicles or fuel(s).
1415 Within 30 days of providing notice of such a pending change, Contractor shall
1416 provide the City a written estimate of the effect of the change in increasing or
1417 decreasing capital and operating costs. Contractor has anticipated the effect of
1418 increasing standards, which are known as of the Effective Date of this Agreement,
1419 in Contractor's Proposal and shall not seek additional compensation for compliance
1420 with such regulation.

1421 **3.12.3 Container Requirements**

1422 A. **General.** Contractor shall provide all Carts, Bins, Compactors, and Drop Boxes, as
1423 appropriate to all Customers as part of its services. Contractor-provided Containers
1424 shall be designed and constructed to be watertight and prevent the leakage of
1425 liquids. All Containers with a capacity of one cubic yard or more shall meet
1426 applicable Federal, State, and local regulations for Bin safety and be covered with
1427 attached lids. All Carts shall be manufactured by injection or rotational molding
1428 methods and shall meet the Cart design and performance requirements specified by
1429 City. Contractor shall obtain City's written approval of Cart specifications before
1430 acquisition. All Containers shall prominently display the Contractor's name and
1431 phone number in paint or on an adhesive label. Contractor's name and phone
1432 number shall not be permanently stamped, etched, or placed on any Containers.
1433 Carts provided to Customers shall have a useful life of 10 years as evidenced by
1434 manufacturer's warranty or other documentation acceptable to the City. Contractor
1435 shall provide Carts which are black or grey in color for Solid Waste, blue in color
1436 for Recyclable Materials, and green in color for Green Waste. The specific color
1437 selection of the Carts shall be approved by the City prior to order and/or purchase
1438 by Contractor.

1439 B. **Container Sizes.** Sections 3.1, 3.2, and 3.3 describe the Container sizes to be
1440 provided to, or offered to Single-Family, Multi-Family, and Commercial Customers
1441 as the basic service. The following table summarizes the size specifications. In the
1442 event of any conflict between this Section 3.12.3.B and Sections 3.1, 3.2, and 3.3, the
1443 requirements in Sections 3.1, 3.2, and 3.3 shall govern.

Service Type	Single-Family Customers	Multi-Family Customers	Commercial Customers
Solid Waste	60-, or 90-gallon Carts	<ul style="list-style-type: none">• 60-, or 90-gallon Carts• 1 to 8 cubic yard Bins	<ul style="list-style-type: none">• 60-, or 90-gallon Carts• 1 to 8 cubic yard Bins• 10 to 40 cubic yard Drop Boxes

Service Type	Single-Family Customers	Multi-Family Customers	Commercial Customers
Recyclable Materials	90-gallon Carts	90-gallon Carts	90-gallon Carts
Green Waste	• 90-gallon Carts	90-gallon Carts	90-gallon Carts

1444
1445
1446
1447
1448
1449
1450
1451

C. **Cleaning, Painting, and Maintenance.** All Containers shall be maintained in a safe, serviceable, and functional condition. Contractor shall steam clean and repaint all Containers, except Carts, to present a clean appearance. Customers using Carts shall be responsible for cleaning such Carts. If any Container is impacted by graffiti, Contractor shall remedy the situation within 48 hours of being notified. Commercial Bins shall be steam cleaned, by Contractor, at a minimum of once each six months.

1452
1453
1454
1455
1456

D. **Repair and Replacement.** Contractor shall repair or replace all Containers damaged by Collection operations within a one-week period. If the repair or replacement cannot be completed within one week, the Contractor shall notify Customer and a Container of the same size or larger shall be made available until the proper Container can be replaced.

1457
1458
1459
1460
1461

At no additional cost, Contractor shall replace Customer Carts that have been stolen or damaged, once per year. Contractor shall allow Customer to exchange Containers for a Container of a different size at no additional cost, once per year. Contractor shall charge Customers for additional Cart replacements at City-approved Rates.

1462
1463
1464
1465
1466
1467
1468
1469
1470
1471
1472

E. **City's Rights to Containers.** Upon expiration or early termination of this Agreement, all Carts, Bins, Compactors and Drop Boxes acquired by or leased by Contractor and put into service at Customer's Premises before the first anniversary of the Commencement Date or which have been fully depreciated shall become property of the City. All Carts, Bins, and Drop Boxes purchased or leased and put into service at Customers' Premises on or after the first anniversary of the Commencement Date that have not been fully depreciated shall be available to the City, at the City's option, at their net book value. It shall be the Contractor's responsibility to demonstrate that specific and individual Containers have not fully depreciated. Any Container(s) for which a depreciated value cannot be demonstrated will be assumed to have fully depreciated.

1473
1474
1475
1476
1477
1478

At its sole discretion, the City may elect not to exercise its rights with regards to this Section 3.12.3.E and, in such case, the Containers shall remain the property of the Contractor upon the expiration date of this Agreement or date of its earlier termination of this Agreement. In such case, Contractor shall be responsible for removing all Containers in service from Premises and reusing or Recycling such Containers within 15 days of expiration or early termination.

1479 **3.12.4 Personnel**

1480
1481
1482

Contractor shall furnish qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. If additional

1483 personnel are required to meet the service standards of this Agreement, Contractor shall
1484 provide such additional personnel at its own expense. Contractor shall notify City at
1485 least two weeks in advance of any change in personnel or staffing which may affect the
1486 quality or timing of service under this Agreement. City shall be notified immediately of
1487 any change in management or supervisory staff associated with this Agreement.

1488 All drivers shall be trained and qualified in the operation of vehicles they operate and
1489 must possess a valid license, of the appropriate class, issued by the California
1490 Department of Motor Vehicles. During normal working hours, the Contractor and its
1491 employees providing Collection services shall be able to contact or to be contacted in
1492 vehicles through a Contractor-provided two-way radio or vehicle telephone
1493 communication system. Contractor shall provide to the City two such units for
1494 monitoring and contacting drivers or Contractor.

1495 Contractor also agrees to establish and vigorously enforce an educational program which
1496 will train Contractor's employees in the identification of Hazardous and Infectious
1497 Waste. Contractor's employees shall not knowingly place such Hazardous and/or
1498 Infectious Waste in the Collection vehicles, nor knowingly dispose of such Hazardous or
1499 Infectious Wastes at the Disposal Site, Recyclable Materials Processing Site, or the
1500 Organic Materials Processing Site.

1501 Contractor shall train its employees in Customer courtesy, shall prohibit the use of loud
1502 or profane language, and shall instruct Collection crews to perform the work quietly and
1503 in a manner displaying a professional attitude and respect of the public and other public
1504 employees. Contractor shall use its best efforts to assure that all employees present a
1505 neat appearance and conduct themselves in a courteous manner. If any employee is
1506 found to be discourteous or not to be performing services in the manner required by this
1507 Agreement, Contractor shall take all necessary corrective measures. If City has notified
1508 Contractor of a Complaint related to discourteous or improper behavior, Contractor will
1509 consider reassigning the employee to duties not entailing contact with the public while
1510 Contractor is pursuing its investigation and corrective action process.

1511 **3.12.5 Identification Required**

1512 Contractor shall provide its employees with identification for all individuals who may
1513 make personal contact with residents or businesses in the City. The City may require
1514 Contractor to notify Customers yearly of the form of said identification. Contractor shall
1515 provide a list of current employees, companies, and Subcontractors to the City upon
1516 request.

1517 **3.12.6 Fees and Gratuities**

1518 Contractor shall not, nor shall it permit any agent, employee, or Subcontractor employed
1519 by it to request, solicit, demand, or accept, either directly or indirectly, any compensation
1520 or gratuity for any services performed under this Agreement.

1521 **3.13 IMPLEMENTATION PLAN**

1522 The Parties recognize that substantial planning will be required in order to assure an
1523 orderly and timely initiation of the services required under this Agreement. The
1524 Contractor's implementation of the services required under this Agreement shall occur in

1525 a smooth and seamless manner so that Customers do not experience disruption in
1526 services. Contractor shall be responsible for managing implementation of services.

1527 Failure to adhere to the implementation schedule or plan will constitute a breach of this
1528 Agreement and an event of default under Article 9. The implementation plan and
1529 schedule is contained in Exhibit 1.

1530 **3.14 TRANSPORT, PROCESSING, AND DISPOSAL**

1531 **3.14.1 General**

1532 Contractor agrees to Transport and deliver all Solid Waste, Recyclable Materials, and
1533 Green Waste it Collects in the City to the Disposal Site and Processing Sites, respectively.
1534 City shall pay the JPA all net costs (or receive all net revenues) associated with the
1535 Processing of Recyclable Materials and Green Waste once they are delivered to the
1536 Recyclable Materials Processing Site, and shall pay the JPA for the cost of Disposal of
1537 Solid Waste once it arrives at the Disposal Site.

1538 **3.15 CITY'S MATERIALS WEIGHED SEPARATELY**

1539 Solid Waste, Recyclable Materials, and Green Waste Collected within the City shall not be
1540 commingled with materials Collected from any other jurisdiction prior to such material
1541 being accurately weighed and allocated to City's Solid Waste, Recyclable Materials, and
1542 Green Waste Collection programs by appropriate records, including Residual waste.

1543 **3.16 SCAVENGING**

1544 Contractor shall keep a log of scavenging incidents reported to Contractor by citizens or
1545 observed by Contractor's employees. Contractor shall report such incidents to City as
1546 soon as possible, with the following information, if available:

- 1547 A. Location of the incident;
- 1548 B. Time and date of the incident;
- 1549 C. Vehicle description and license number; and,
- 1550 D. Description of driver/unauthorized collector.

1551 City shall make reasonable efforts to enforce applicable laws prohibiting unauthorized
1552 Collection of those Solid Wastes, Recyclable Materials, and/or Green Wastes which are to
1553 be collected by Contractor under the terms of this Agreement.

1554
1555
1556

ARTICLE 4 OTHER SERVICES

1557 **4.1 TIMING OF PAYMENTS AND INVOICES**

1558 Contractor shall submit, at the end of each calendar month of service, a statement that all
1559 services were performed as required under this Agreement, and in particular any
1560 services for which it billed rather than the City, and its calculation of the payment due to
1561 the Contractor. Said monthly statement shall be submitted to City within 15 days of the
1562 end of the calendar month in which the service was provided and shall be accompanied
1563 by any monthly or other reports due to City. Payment will be made upon approval by
1564 Finance Director within 30 days.

1565 **4.2 CUSTOMER SERVICE**

1566 **4.2.1 Office**

1567 Office hours shall be, at a minimum, from 7:00 A.M. to 6:00 P.M., Monday through
1568 Friday, exclusive of Holidays. A responsible and qualified representative of Contractor
1569 shall be available during office hours for communication with the public at the local
1570 office. Normal office hour telephone numbers shall be a toll-free call to all Customers in
1571 the City. Contractor's telephone system shall be adequate to handle the volume of calls
1572 typically experienced on the busiest days. Contractor shall also maintain a toll-free
1573 telephone number for use during other than normal business hours. Contractor shall
1574 have a representative, answering or message providing/receiving (voice-mail) service
1575 available at said after-hours telephone number, including Holidays.

1576 **4.2.2 Complaint Documentation**

1577 All service Complaints received by the City related to Collection services provided under
1578 this Agreement shall be directed to Contractor.

1579 Within 90 days of the Effective Date of this Agreement, Contractor shall have a complaint
1580 tracking and reporting system as described in Exhibit 8, which shall be accessible
1581 electronically by the City, and shall log all Complaints received orally or in writing. Said
1582 log shall include, at a minimum:

- 1583 • The date and time the Complaint was received;
- 1584 • Name, address and telephone number of complainant;
- 1585 • Description of Complaint;
- 1586 • Employee recording Complaint; and,
- 1587 • The action taken by Contractor to respond to and remedy Complaint and the
1588 date and time such action was taken.

1589 All Complaints received before noon shall be responded to that same Business Day. All
1590 Complaints received after noon shall be responded to before noon of the following
1591 Business Day.

1592 Contractor shall retain daily logs of Complaints for a minimum of 24 months and shall be
1593 locally available to City at all times during this Agreement upon 24 hour notice.

1594 All written Customer Complaints and inquiries shall be date-stamped when received and
1595 shall be responded to on the same day of receipt or within four business hours if received
1596 after normal business hours.

1597 All Customer service records and logs kept by Contractor shall be available at all times
1598 during this Agreement to City upon 24 hour notice and at no cost to City. City shall, at
1599 any time during regular Contractor business hours, have access to Contractor's Customer
1600 service department for purposes of monitoring the quality of Customer service,
1601 researching Customer Complaints, assessing liquidated damages, or other matters
1602 related to Contractor's performance under this Agreement.

1603 Contractor shall notify Customers of this Complaint procedure at the time Customers
1604 apply for or are provided service, and subsequently, annually. Contractor may include
1605 the Complaint procedure notification in City's billing, meeting City's requirements, and
1606 at Contractor's cost.

1607 **4.2.3 Resolution of Customer Complaints**

1608 A Customer dissatisfied with Contractor's decision regarding a Complaint may ask the
1609 City to review the Complaint. The Public Works Director may request written statements
1610 from Contractor and Customer, and/or oral presentations.

1611 The Public Works Director shall determine if the Customer's Complaint is justified and, if
1612 so, what remedy, if any, shall be provided. The remedy under this Section shall be at
1613 Contractor's expense.

1614 Nothing in this Section is intended to affect the remedies of third parties against
1615 Contractor; nor will the rebate of Customer charges prevent the imposition of liquidated
1616 damages by City pursuant to Section 9.5.

1617 **4.2.4 Government Liaison**

1618 Contractor shall designate in writing a "Government Liaison" who shall be responsible
1619 for working with the City Manager, and on a day-to-day basis with City staff to resolve
1620 Customer complaints. Contractor shall notify City within five (5) Business Days of a
1621 change in the designated "Government Liaison." A failure to notify the City within this
1622 time shall be subject to Liquidated Damages as specified in Section 9.5.B.

1623 **4.3 PUBLIC EDUCATION AND OUTREACH**

1624 **4.3.1 General**

1625 Contractor acknowledges and agrees that public education and outreach are critical, key,
1626 and essential elements of any efforts to achieve requirements in accordance with the Act.
1627 Accordingly, Contractor agrees to cooperate with City to explore opportunities to expand
1628 public and Customer knowledge concerning needs and methods to reduce, reuse, and
1629 Recycle Solid Waste and to cooperate fully with City in this regard.

1630 Contractor shall perform public education and outreach activities related to the Solid
1631 Waste, Recyclable Materials, and Green Waste programs in accordance with Exhibit 7.
1632 This may include, but not be limited to: mailings prior to the start of service, flyers
1633 handed out with Container delivery, follow-up mailings or hand-outs related to the new
1634 services, and notices regarding proper and improper placement of Containers.
1635 Contractor may submit materials to be included in the City's newsletter at Contractor's
1636 expense.

1637 All public education materials used in the City shall be approved in advance by the City
1638 and shall be printed on or manufactured from recycled material.

1639 Contractor may submit Billing inserts for inclusion in City's Billing, meeting City's
1640 requirements, and at Contractor's cost. Contractor will be allowed one such insert per
1641 calendar quarter.

1642 Contractor shall buy at least one page per calendar quarter in the City's quarterly
1643 community magazines or local newspaper over the Term of this Agreement (at a rate no
1644 greater than \$1,300 per page, adjusted annually by CPI calculated in accordance with
1645 Section 5.3 of this Agreement). The Contractor shall use the space to advertise its
1646 Recycling program and to educate the public on what materials may and may not be
1647 placed in the Recyclable Material Collection Containers.

1648 Contractor will develop content for the City website related to the services provided
1649 under this Agreement. Alternatively, Contractor may choose, or be directed by City, to
1650 develop a website with content that is unique to the City and not shared with other
1651 operations. The website content shall include information related to acceptable materials,
1652 appropriate Collection locations, services provided, Collection days, description of the
1653 Bulky Item program, Customer rights regarding Container switch-outs, Contractor
1654 customer service contact information, a detailed and complete current rate schedule, and
1655 City billing contact information.

1656 **4.3.2 Annual Public Education Plan**

1657 Within 30 days of the Effective Date and annually thereafter, on or before January 1,
1658 Contractor shall submit to City a public education plan, in a City-approved format,
1659 which describes Contractor's planned educational materials to be distributed and public
1660 activities for the forthcoming Rate Year. Public education plan shall include a detailed
1661 proposed schedule of the activities described therein.

1662 **4.4 WASTE GENERATION/CHARACTERIZATION STUDIES**

1663 Contractor acknowledges that City, or the County, in coordination with City, must do
1664 Solid Waste generation and Disposal characterization studies periodically to comply with
1665 Contractor obligations and AB939 requirements. Contractor agrees to participate and
1666 cooperate with City, the County, or their agents to perform studies and data collection
1667 and prepare reports as needed to determine weights and volumes of Recyclable Materials
1668 and Green Waste generated, Processed, and Diverted to satisfy requirements of the Act.
1669 Contractor shall not be required to participate and cooperate with the performance of the
1670 waste generation/characterization studies more than once every two years if such
1671 request presents an unreasonable operational or financial burden to Contractor.

1672 **4.5 BIENNIAL CUSTOMER SATISFACTION SURVEY**

1673 Unless otherwise agreed to in writing by the City, Contractor shall perform biennial
1674 Customer satisfaction surveys in a manner agreed to by the City and using City-
1675 approved questionnaires, and shall coordinate with and cooperate with the City should
1676 City staff conduct such surveys.

1677 **4.6 SERVICE REVIEW**

1678 City may, from time to time, but no more than annually, perform a service review in
1679 cooperation with the Contractor. The purpose of the review is to provide for a discussion
1680 and review of technological, economic, and regulatory changes in order to achieve a
1681 continuing, advanced Recyclable Materials and Green Waste system; and to ensure
1682 services are being provided with adequate quality, effectiveness, and economy.

1683 **4.7 PERFORMANCE REVIEW**

1684 Subject to the appropriate areas of concern listed below, the City may require a
1685 "Performance Review" of the Contractor up to two times during the initial Term of the
1686 Agreement and once during any extension of the Agreement. The Performance Review
1687 shall be conducted as set forth below.

1688 A. Scope of Performance Review. The Performance Review shall:

- 1689 1. Be performed by a qualified firm under contract to the City. The qualified firm
1690 shall be selected by the City.
- 1691 2. City cost of the Performance Review shall be reimbursed by Contractor,
1692 provided that such reimbursement shall not exceed \$50,000 per review.
1693 However, if any Performance Review results in a finding of a material breach
1694 or default in the Contractor's performance, the Contractor shall, in a timely
1695 manner, reimburse the City for the total cost of the Performance Review.
- 1696 3. Address all appropriate areas of concern to the City, and shall provide
1697 commendation or specific recommendations, as appropriate, noting excellence
1698 or requesting improvement in each area, including but not limited to the
1699 following:
- 1700 a. Compliance with the terms of this Agreement and Applicable Laws;
- 1701 b. Overall organizational structure and management systems and
1702 procedures;
- 1703 c. Financial solvency with regard to Contractor's ability to fulfill contractual
1704 obligations throughout the term;
- 1705 d. Efficiency of Collection operations, including an analysis of routes,
1706 schedules and the impact of the requirements of this Agreement;
- 1707 e. Staffing practices, including the deployment of management and
1708 supervisory personnel;
- 1709 f. Personnel management practices, including compensation policies and the
1710 resolution of employee grievances;

- 1711 g. Employee job and safety training, and management of Hazardous and
1712 Infectious Waste;
- 1713 h. Procedures for receiving and resolving Customer Complaints and
1714 concerns;
- 1715 i. Procedures for the acquisition, maintenance, safety check, and
1716 replacement of equipment;
- 1717 j. Utilization and management of facilities, equipment and personnel; and,
- 1718 k. Comparison with practices of businesses deemed similar to the
1719 Contractor.

1720 Contractor shall cooperate fully with the Performance Review, and provide within
1721 thirty (30) days of request, all operational, financial and other information deemed
1722 reasonable or convenient by City or the firm selected by the City for purposes of
1723 conducting the Performance Review. The Contractor's failure to cooperate or
1724 provide all requested information shall be considered an event of default as
1725 provided in Section 9.1.F.

1726 Notwithstanding the foregoing provisions of this section, the City and Contractor
1727 agree to use good faith efforts to ensure that any Performance Review is conducted
1728 in as cost-effective a manner as possible, so as to minimize unnecessary costs or
1729 administrative oversight. To this end, the City and the Contractor shall confer prior
1730 to any Performance Review to establish the scope and budget of the review, in a
1731 manner designed to meet the City's concerns and needs. If there is a dispute
1732 regarding the scope or budget of the review, the City will determine what is
1733 reasonable and appropriate.

1734 **B. Determination of Breach**

1735 If, as a result of a Performance Review, the City identifies one or more areas of
1736 Contractor breach of the Agreement, the provisions of Article 9 shall apply.

1737 **C. Changes to Operations**

1738 As the result of a Performance Review, the City reserves the right to require
1739 changes to the Contractor's operations, which the City reasonably determines to be
1740 necessary or appropriate to carrying out the intent of the terms and conditions of
1741 this Agreement.

1742 **D. Determination of Default**

1743 If, after the City has reviewed the results of a particular Performance Review
1744 including problem areas, frequency of occurrence, recommended improvements
1745 and compliance therewith, and has considered any evidence presented by the
1746 Contractor in connection therewith, the City determines to its satisfaction that any
1747 significant event of default has occurred, then this Agreement may be terminated
1748 by the City at its option pursuant to Section 9.2 of this Agreement and without
1749 prejudice to any other remedy to which it may be entitled to either at law, in equity,
1750 or under this Agreement by giving written notice of termination, either by mail or
1751 personal service, to the Contractor not less than thirty (30) days prior to the date
1752 upon which the termination is to become effective.

1753
1754
1755

ARTICLE 5
CONTRACTOR'S COMPENSATION, RATES, AND FEES

1756 **5.1 GENERAL**

1757 Contractor's Compensation provided for in this Article shall be the full, entire and
1758 complete compensation due to Contractor pursuant to this Agreement for all labor,
1759 equipment, materials and supplies, taxes, insurance, bonds, overhead, profit and all other
1760 things necessary to perform all the services required by this Agreement in the manner
1761 and at the times prescribed, except that City shall pay for the processing of Traditional
1762 Recycling Materials and Green Waste and the disposal of solid waste.

1763 City shall compensate Contractor monthly in arrears for the services provided in this
1764 Agreement as specified herein in an amount based on the Proposed Contractor's
1765 Compensation Rates (Exhibit 2).

1766 **5.2 CONTRACTOR'S INITIAL COMPENSATION**

1767 Contractor's compensation shall be a percentage of Gross Rate Revenue collected each
1768 month by the City in connection with the services provided under this Agreement. Prior
1769 to the Commencement Date, the City shall adopt rates to be effective for the first Rate
1770 Year (February 1, 2008 through June 30, 2009). The Rates and the percentage of revenues
1771 collected and due to Contractor shall be added as an amendment to this Agreement prior
1772 to the Commencement Date and based on the proposed Contractor's Compensation for
1773 each rate category (Exhibit 2), as amended annually during the term of the Agreement,
1774 and the formula described in Section 5.4 below.

1775 These amounts shall be fixed for Rate Year One and shall not be increased to reflect
1776 increases in costs above those, or to reflect decreases in revenues below those anticipated
1777 by Contractor in its Proposal, nor decreased to reflect decreases in costs below nor
1778 revenues greater than those anticipated in Contractor's Proposal.

1779 **5.3 CONTRACTOR'S COMPENSATION FOR SUBSEQUENT RATE YEARS**

1780 For each of the Rate Years during the Term of the Agreement, the Contractor's
1781 Compensation component for each Rate category included in Exhibit 2 shall be calculated
1782 by multiplying the prior year's rate by 1 plus 80% of the percentage change in the
1783 "Consumer Price Index (San Francisco - Oakland - San Jose Metropolitan Area, All
1784 Urban Consumers; 1982-84 = 100, Not Seasonally Adjusted)," (or another mutually
1785 agreed-upon index if this one is no longer published) between the most-recently
1786 published March index and the corresponding index published twelve months earlier, or
1787 5% whichever is less. Adjusted rates shall be rounded to the nearest cent.

1788
$$\text{Rate} = \text{Prior Year's Rate} \times (1 + (((\text{March 2007 CPI} - \text{March 2006 CPI}) / \text{March 2006 CPI})))$$

1789 For example,

1790 Prior Year's Rate = \$50.00

1791 March 2010 CPI = 180.2

1792 March 2011 CPI = 172.8

1793 Adjusted Monthly Rate = \$52.14
1794 $\$50.00 \times (1 + ((180.2 - 172.8) / 172.8)) = \52.14

1795 **5.4 CITY-DIRECTED CHANGES IN RATES OR PERCENTAGE COMPENSATION**

1796 Contractor's compensation, as a percentage of Gross Rate Revenue, shall be calculated
1797 each Rate Year as:

1798 % Compensation = (Contractor's Compensation)/(Contractor's Compensation +
1799 Administrative Fee + AB939 Fee + Vehicle Impact Fee + Disposal/Processing Cost)

1800 The City may at its sole discretion adjust the Rates and/or the percentage of
1801 compensation remitted to Contractor as provided in this Article 5 due to, but not limited
1802 to, any of the following factors:

- 1803 A. Changes in pass-through expenses, including City administrative costs, or monies
1804 due the County in return for provision of Transfer, Disposal and/or Processing
1805 services;
- 1806 B. Increases in Disposal Tonnage;
- 1807 C. City's request for change in scope of this Agreement as described in Section 2.9;
1808 and,
- 1809 D. Changes to City's other fees and charges (e.g. landfill closure obligation, street
1810 sweeping).

1811 **5.5 CONTRACTOR APPLICATION FOR SPECIAL COMPENSATION ADJUSTMENT**

1812 A special compensation adjustment may be approved by City if, at any time, it can be
1813 established by the Contractor and/or City that there is good cause, based on a Change in
1814 Law. Such adjustment shall be prospective in nature and no claim of reimbursement for
1815 costs shall be made for any period prior to 150 days after the date of the request.

1816 If Contractor seeks a special compensation adjustment, the Contractor shall submit to
1817 City Manager a request for special compensation adjustment no later than February 1
1818 and, if any adjustment is approved by the City, such adjustment shall be effective on
1819 July 1. The request for special compensation adjustment shall include a thorough written
1820 explanation of the Change in Law, as well as an explanation of why these circumstances
1821 constitute good cause for making such an application and the amount of the
1822 compensation adjustment requested by Contractor, together with such other data and
1823 supporting documentation as may be requested by City Manager.

1824 If Contractor requests a special compensation adjustment, Contractor shall provide a
1825 statement of operations at the time the request for a special compensation adjustment has
1826 been submitted to the City Manager. The statement of operations shall include the
1827 specific revenues and expenses related to the operations provided for in this Agreement.
1828 Contractor shall also make available for review, by the City or its agent, the supporting
1829 documentation (i.e., general ledger, allocation methodology, etc.) used to compile the
1830 statement of operations. The statement of operations and supporting documentation
1831 shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP).
1832 If the City or its agent determines the statement of operations and supporting
1833 documentation is not sufficient to determine the reasonableness of the requested special

1834 compensation adjustment, the City shall have the right to request a financial audit of the
1835 Contractor's operations.

1836 The City Manager shall determine within 45 days of receipt of all reasonably requested
1837 documents and information whether to recommend to the Council an adjustment in
1838 compensation. If the City Manager recommends an adjustment in compensation, a
1839 hearing on the proposed compensation adjustment will be scheduled before the City
1840 Council within 90 days after the City Manager's determination. The City Council shall
1841 consider the Contractor's application and such other materials and information
1842 reasonably requested by the City Council from Contractor to assess the merits of
1843 Contractor's application. The City Council, in its sole and reasonable discretion, may
1844 adjust Contractor's Compensation to compensate Contractor for its reasonable net costs
1845 resulting from a significant Change in Law. The City Council may elect to adjust Rates to
1846 generate the monies necessary to provide the additional compensation to Contractor
1847 and/or may elect to fund the increased compensation from reserves. Adjustments to
1848 Rates may require some delay in order to appropriately notice customers of increases and
1849 allow for an adequate protest period due to Applicable Law. Contractor's compensation
1850 shall not be adjusted until such processes are completed.

1851 If the City Manager determines that good cause does not exist, Contractor shall have ten
1852 days in which to file an appeal of the determination with the City Council. That appeal
1853 shall be placed on the City Council's agenda as soon as practicable.

1854 The Council's decision regarding the City Manager's recommendation or following an
1855 appeal shall be conclusive.

1856 **5.6 FEES**

1857 **5.6.1 General**

1858 Contractor shall remit the fees described in this Section 5.6 to City on a monthly basis as
1859 described in this Section 5.6. Contractor may recover the fees described in this Article
1860 through the Rates that are charged to Customers or City may deduct these fees prior to
1861 compensating Contractor.

1862 **5.6.2 Administrative Fee**

1863 Contractor shall pay an administrative fee to the City each month equal to an amount to
1864 be established annually by the City for use by the City to administer this Agreement and
1865 other Solid Waste and Recycling-related programs and services. The administrative fee
1866 shall be adjusted at the City's sole discretion.

1867 **5.6.3 AB 939 Fee**

1868 Contractor shall pay an AB 939 fee to the City each month equal to an amount to be
1869 established annually by the City for use by the City to comply with the Act. The AB 939
1870 Fee shall be adjusted at the City's sole discretion.

1871 **5.6.4 Vehicle Impact Fee**

1872 Contractor shall pay a Vehicle Impact Fee to the City each month equal to an amount to
1873 be established by the City for the purpose of offsetting the cost of street maintenance
1874 associated with heavy vehicle traffic attributed to the Services provided under this
1875 Agreement. The Vehicle Impact Fee shall be adjusted annually in the same manner as as
1876 the rate adjustments in Section 5.3 above.

1877 **5.6.5 Other Fees**

1878 The City may set other fees, as it deems necessary. Such other fees may include, but shall
1879 not be limited to, franchise fees, landfill closure funding, and street sweeping operations.
1880 The amount, time, and method of payment and adjustment process shall be set in a
1881 manner similar to that for other fees described in this Article.

1882 **5.6.6 Adjustment to Fees**

1883 City may adjust the fees established in this Section 5.6 at any time during the Term of this
1884 Agreement. All changes in the total amount of fees to be collected by Contractor and
1885 remitted to City under this Article shall be promptly reflected in an adjustment in Rates,
1886 such that the Contractor shall be fully compensated in its Rates for all such fees.

1887
1888
1889

ARTICLE 6 RECORDS, REPORTS AND INFORMATION REQUIREMENTS

1890 **6.1 GENERAL**

1891 Contractor shall maintain, for the Term of this Agreement and three years beyond the
1892 Term, including any extensions thereto, such accounting, operational, customer, and
1893 other records related to its performance under this Agreement as shall be reasonably
1894 necessary to develop the reports required by this Agreement.

1895 In such a case and when records and data are not retained by the Contractor, the City
1896 may make reasonable assumptions regarding what information is contained in such
1897 records and data, and such assumption(s) shall be conclusive in whatever action the City
1898 takes and Contractor shall pay the City Liquidated Damages in accordance with Section
1899 9.5.

1900 To this extent, such requirements set out in this and other Articles of this Agreement shall
1901 not be considered limiting or necessarily complete. Further, with the written direction or
1902 approval of the Public Works Director, the records and reports to be maintained and
1903 provided by Contractor in accordance with this and other Articles of the Agreement may
1904 be adjusted in number, format, or frequency.

1905 **6.2 RECORDS**

1906 **6.2.1 General**

1907 Contractor shall maintain records required to conduct its operations, to support requests
1908 it may make to City, and to respond to requests from City in the conduct of City business.
1909 Adequate record security shall be maintained to preserve records from events that can be
1910 reasonably anticipated such as a fire, theft, and earthquake. Electronically maintained
1911 data/records shall be protected and backed up, with maintenance of the ability for full
1912 electronic retrieval.

1913 **6.2.2 Financial Records**

1914 Contractor shall maintain annual financial statements and profit and loss statements for
1915 operations under this Agreement. Financial statements shall show Contractor's results of
1916 operations, including the specific revenues and expenses in connection with the
1917 operations provided for in this Agreement. The financial statements shall be prepared in
1918 accordance with Generally Accepted Accounting Principles (GAAP) consistently applied
1919 and fairly reflecting the results of operation and Contractor's financial condition.

1920 Upon request for special compensation adjustment under Section 5.5, the City may
1921 request and the Contractor shall deliver to the City four (4) copies of its audited financial
1922 statements and profit and loss statements for operations under this Agreement for the
1923 preceding fiscal year. If the financial statements are consolidated with operations not
1924 under the Agreement, then they shall include a supplemental combining schedule
1925 showing Contractor's results of operations, including the specific revenues and expenses
1926 in connection with the operations provided for in this Agreement and others included in

1927 such financial statements. The financial statements and footnotes shall be prepared in
1928 accordance with Generally Accepted Accounting Principles (GAAP) consistently applied
1929 and fairly reflecting the results of operation and Contractor's financial condition. The
1930 financial statements shall be audited, in accordance with Generally Accepted Auditing
1931 Standards (GAAS) by a Certified Public Accountant (CPA) licensed (in good standing) to
1932 practice public accounting in the State of California as determined by the State of
1933 California Department of Consumer Affairs Board of Accountancy, and that the CPA
1934 opinion on Contractor's annual financial statements shall be unqualified or with an
1935 exception for a quantified exception to GAAP, and that the supplemental schedule be
1936 prepared on a compiled basis.

1937 **6.2.3 General Records**

1938 Contractor shall maintain records for the City relating to:

- 1939 A. Customer services information including, but not limited to, service address,
1940 service volume, service frequency, and service location;
- 1941 B. Weight and volume of all material collected. Information is to be separated by
1942 Service Type and material type (e.g., Solid Waste, Green Waste, newspaper, metal,
1943 corrugated cardboard, glass, plastic, etc.). Tonnage is to be actual weight of
1944 material from the City, not a projection or conversion factor and should not be an
1945 allocated portion of total material from multiple jurisdictions;
- 1946 C. City-sponsored events;
- 1947 D. Special events;
- 1948 E. Performance of Bulky Collection and drop-off programs;
- 1949 D. Routes and route maps;
- 1950 E. Facilities, equipment, and personnel used;
- 1951 F. Facilities and equipment operations, maintenance, and repair;
- 1952 G. Processing of Universal Waste, E-Scrap Items, Used Motor Oil, and Used Motor Oil
1953 Filters;
- 1954 H. Complaints;
- 1955 I. Missed Collections;
- 1956 J. Warning notices and notices of violations issued to Customers;
- 1957 K. Recyclable Materials and Green Waste program participation levels, especially as
1958 related to determining participation rates and implementing programs to increase
1959 existing participation and to expand Diversion; and,
- 1960 L. Sales data, including, but not limited to, type of material, processing costs per ton,
1961 quantity purchased (in tons), gross revenue per ton, and net sales revenue.

1962 **6.3 REPORTS**

1963 **6.3.1 Report Formats**

1964 The Contractor shall prepare and maintain reports in forms approved by the City that
1965 facilitate flexible use of data contained in them to structure reports, as needed. This
1966 information shall be prepared in electronic form in a program and format approved by
1967 the City. Reports are intended to compile recorded data into useful forms of information
1968 that can be used to, among other things:

- 1969 A. Determine and set Rates and evaluate the financial efficacy of operations;
- 1970 B. Evaluate past and expected progress towards achieving goals and objectives;
- 1971 C. Determine needs for adjustment to programs;
- 1972 D. Evaluate Customer service and Complaints; and,
- 1973 E. Provide for Tonnages associated with each program and service provided by the
1974 Contractor.

1975 Contractor may propose report formats that are responsive to the objectives and
1976 audiences for each report. The format of each report shall be in a form approved by the
1977 City.

1978 **6.3.2 Quarterly Reports**

1979 Quarterly reports shall be submitted within 30 calendar days after the end of the report
1980 quarter. Reports shall present the following information by each month's data in the
1981 reported quarter and include a quarterly average, year-to-date average, and year-to-date
1982 total. In addition, each quarterly report shall show the past four quarters average for
1983 data comparison (the first three quarters of the Agreement shall only include the
1984 available quarterly information).

1985 The information listed shall be the minimum reported for each service:

1986 **A. Solid Waste, Recyclable Materials, and Green Waste Services.**

- 1987 1. Materials Collected by Contractor, by Service Type (i.e. Single Family, Multi-
1988 Family, and Commercial), in tons, and by type of material (e.g., Solid Waste,
1989 Green Waste, newspaper, metal, corrugated cardboard, glass, plastic, E-Scrap,
1990 Universal Waste, Used Motor Oil, Used Motor Oil Filters etc.). Tonnage of
1991 Residual waste disposed with relation to Recyclable Materials and Green
1992 Waste Processing.
- 1993 2. Narrative summary of problems encountered and actions taken with
1994 recommendations for City, as appropriate.
- 1995 3. Number of Solid Waste, Recyclable Materials, and Green Waste accounts by
1996 Service Type shown for each month of reporting year and previous years.
- 1997 4. Participation rates (i.e., number of Containers Collected during the month
1998 divided by the total Collection opportunities during the month) for Recyclable
1999 Materials and Green Waste accounts by Service Type shown for each month
2000 of reporting year and previous years.

- 2001 B. **Customer Service.** Provide number of Customer Complaints and commendations
 2002 by type (e.g., missed pickups, damage claims, noise complaints, etc.). Provide
 2003 explanation of how each complaint was resolved and identify any unresolved
 2004 complaints.
- 2005 C. **Notices to Customers.** Provide list of warning notices and notice of violation
 2006 issued to Customers including, but not limited to, the name and address of
 2007 Customer cited and the number of times Customer has been cited in the past.
- 2008 D. **Other Programs.** For each program, provide activity related and narrative reports
 2009 on goals, milestones, and accomplishments. Describe problems encountered,
 2010 actions taken and any recommendations to facilitate progress.
- 2011 E. **Education Activities.** Public education materials produced, method of distribution,
 2012 and total number of each distributed.
- 2013 F. **Summary Assessment.** Provide a summary assessment of the overall Recyclable
 2014 Materials and Green Waste programs relative to established goals for each
 2015 program. The operational status is to relate to how well the program is operating
 2016 for efficiency, economy, and effectiveness relative to meeting all the goals and
 2017 objectives of this Agreement, including noting any routes that have significantly
 2018 lower participation rates and/or higher rates of contamination. Provide
 2019 recommendations and plans to improve. Highlight significant accomplishments
 2020 and problems in each program relative to meeting the established goals.

2021 **6.3.3 Annual Report**

2022 The Annual Report, based on each calendar year of the Agreement, except for the first
 2023 report which shall be for the period of February 1, 2008 through December 31, 2008, is to
 2024 be essentially in the form and content of the quarterly reports. In addition, at the City's
 2025 request, Contractor shall provide annual financial reports/statements (including
 2026 supplemental schedules) describing the Contractor's operations, expenses and revenues
 2027 pertaining to this Agreement. The annual report shall also include a complete inventory
 2028 of equipment used to provide all services.

2029 Financial statements shall include the specific revenues and expenses related to the
 2030 operations provided for in this Agreement. The financial statements, supplemental
 2031 schedule, management letter, and footnotes shall be prepared in accordance with
 2032 Generally Accepted Accounting Principles (GAAP).

2033 At City's request, Contractor shall provide City with copies of working papers or other
 2034 documentation deemed relevant by City relating to the information required above.

2035 Certain financial records and data prepared by Contractor, relating to the cost of
 2036 Contractor providing services under this Agreement, may contain or constitute
 2037 confidential trade secret information which is proprietary to Contractor. Contractor shall
 2038 designate any such information as "Confidential" if and when it is inspected by City or
 2039 its agents. City agrees to notify Contractor of any request from any third party to review
 2040 and/or inspect such records and data. In the event a third party files legal action against
 2041 the City seeking release of such records and data, City shall tender the defense of such
 2042 action to Contractor and Contractor shall indemnify and hold the City harmless from any
 2043 and all expenses associated with the defense of such action including, without limitation,

2044 the City's attorneys' fees and costs and any attorneys fees awards or other judgments
2045 against the City.

2046 **6.4 RIGHT TO INSPECT RECORDS**

2047 City shall have the right to inspect or review and copy specific documents or records
2048 required expressly or by inference pursuant to this Agreement, or any other similar
2049 records or reports of Contractor or its affiliated and related party entities having financial
2050 transactions with Contractor that City shall reasonably deem necessary to evaluate
2051 annual reports, compensation applications provided for in this Agreement, and
2052 Contractor's performance provided for in this Agreement.

2053 **ARTICLE 7**
2054 **INDEMNIFICATION, INSURANCE AND BOND**
2055

2056 **7.1 INDEMNIFICATION**

2057 Contractor shall indemnify and hold harmless City, its Council Members, officers,
2058 employees, volunteers, and agents (Collectively "indemnitees") from and against any and
2059 all loss, liability, penalty, forfeiture, claim, demand, action, proceeding, or suit of any and
2060 every kind and description (including, but not limited to, injury to and death of any
2061 person and damage to property, or for contribution or indemnity claimed by third
2062 parties) arising or resulting from and in any way connected with: (1) the negligence or
2063 willful misconduct of Contractor, its officers, employees, agents and/or Subcontractors in
2064 performing services under this Agreement; (2) the failure of Contractor, its officers,
2065 employees, agents and/or Subcontractor to comply in all respects with the provisions of
2066 this Agreement, Applicable Laws and regulations, and/or applicable permits and
2067 licenses; and/or, (3) the acts of Contractor, its officers, employees, agents and/or
2068 Subcontractors in performing services under this Agreement for which strict liability is
2069 imposed by law. The foregoing indemnity shall apply regardless of whether such loss,
2070 liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or
2071 damage is also caused in part by any of the indemnitee's negligence, except this
2072 indemnity shall be limited to exclude coverage for wrongful acts and active negligence of
2073 indemnities. This provision shall not apply to matters solely caused by City's negligence,
2074 willful misconduct or breach of this Agreement. Contractor further agrees to and shall,
2075 upon demand of City, at Contractor's sole cost and expense, defend the City, its Council
2076 Members, officers, employees, and agents against any claims, actions, suits or other
2077 proceedings, whether judicial, quasi-judicial, or administrative in nature, arising or
2078 resulting from the events described above.

2079 Contractor's duty to indemnify and defend shall survive the expiration or earlier
2080 termination of this Agreement.

2081 **7.2 ACT INDEMNIFICATION**

2082 Contractor agrees to indemnify and hold harmless City, its Council Members, officers,
2083 volunteers, employees, and agents from and against all fines and/or penalties imposed
2084 by the California Integrated Waste Management Board in the event the source reduction
2085 and Recycling goals or any other requirement of the Act are not met by City with respect
2086 to the waste stream Collected under this Agreement and such failure is due to the failure
2087 of Contractor to meet its obligations under this Agreement and/or for delays in
2088 providing information that prevents City from submitting reports required by the Act in
2089 a timely manner. The extent of the Contractor's liability under this Section shall not
2090 exceed the Contractor's proportionate share of the fault.

2091 **7.3 PROPOSITION 218 INDEMNIFICATION**

2092 City intends to comply with all applicable laws concerning the setting of Rates under this
2093 Agreement. Nonetheless, Contractor shall indemnify, defend and hold harmless the City,
2094 its officers, employees, agents and volunteers, (collectively, indemnitees) from and

2095 against all claims, damages, injuries, costs, including demands, debts, liens, liabilities,
2096 causes of action, suits, legal or administrative proceedings, interest fines, charges,
2097 penalties and expenses (including attorneys' and expert witness fees, expenditures for
2098 investigation, and administration) and costs or losses of any kind whatsoever paid,
2099 imposed upon, endured or suffered by or assessed against Contractor or any of the
2100 indemnities resulting in any form from the City's setting of Rates for service under this
2101 Agreement or in connection with the application of California Constitution, Article XIII C
2102 and Article XIII D to the imposition, payment or collection of Rates and fees for services
2103 provided by Contractor under this Agreement. Nothing herein is intended to imply that
2104 California Constitution, Articles XIII C or XIII D, apply to the setting of Rates for the
2105 services provided under this Agreement, rather this section is provided merely to allocate
2106 risk of loss as between the parties. Notwithstanding the foregoing, this indemnity shall
2107 not extend to any addition to or increase in Rates that are not associated with the cost of
2108 Contractor providing service under this Agreement, including all governmental fees and
2109 charges.

2110 **7.4 LOW EMISSION VEHICLE REQUIREMENT INDEMNIFICATION**

2111 City and Contractor intend to comply with all applicable laws, as specified in Section
2112 3.12.2.G. concerning the conversion and/or retrofit of Contractor's Collection fleet
2113 and/or fuel use by utilizing the most cost-effective means to reduce air pollutant
2114 emissions in order to be in full compliance with local, State and Federal clean air
2115 requirements under this Agreement. Nonetheless, Contractor shall indemnify, defend
2116 and hold harmless the City, its officers, employees, agents and volunteers, (collectively,
2117 indemnitees) from and against all claims, damages, injuries, costs, including demands,
2118 debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest
2119 fines, charges, penalties and expenses (including attorneys' and expert witness fees,
2120 expenditures for investigation, and administration) and costs or losses of any kind
2121 whatsoever paid, imposed upon, endured or suffered by or assessed against Contractor
2122 or any of the indemnitees resulting in any form from the Contractor's failure to comply
2123 with the provisions of Section 3.12.2.G.

2124 **7.5 INSURANCE**

2125 **A. Minimum Scope of Insurance.** Coverage shall be at least as broad as:

- 2126 1. The most recent editions of Insurance Services Office forms number GL 0002
2127 covering Comprehensive or Commercial General Liability and Insurance
2128 Services Office form number GL 0404 covering Broad Form Comprehensive or
2129 Commercial General Liability; or Insurance Services Office Commercial
2130 General Liability coverage or other forms as approved by the City
2131 ("occurrence" form CG 0001).
- 2132 2. The most recent editions of Insurance Services Office form number CA 0001
2133 covering Automobile Liability, code 1 "any auto" and most recent
2134 endorsement or other forms as approved by the City.
- 2135 3. Workers' Compensation insurance as required by the Labor Code of the State
2136 of California and Employers Liability insurance.

2137 **B. Minimum Limits of Insurance.** Contractor shall maintain limits no less than:

- 2138
2139
- 2140
2141
- 2142
2143
2144
- 2145
2146
2147
2148
2149
2150
- 2151
2152
- 2153
- 2154
2155
2156
2157
2158
2159
2160
- 2161
2162
2163
2164
2165
- 2166
2167
- 2168
2169
2170
- 2171
2172
2173
- 2174
2175
2176
2177
- 2178
2179
1. Comprehensive General Liability: \$5,000,000 combined single limit per occurrence for bodily injury, Personal injury and property damage.
 2. Automobile Liability: \$5,000,000 combined single limit per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
- C. Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials and employees; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- D. Other Insurance Provisions.** The policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverages
 - a) The City, its officials, employees, Council Members, and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, leased or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
 - b) Contractor's insurance coverage shall be primary insurance as respects City, its officials, Council Members, employees and volunteers. Any insurance or self-insurance maintained by City, its officials, employees or volunteers shall be excess of Contractor's insurance and shall not contribute with it.
 - c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.
 - d) Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 2. Workers' Compensation and Employers Liability Coverage - The insurer shall agree to waive all rights of subrogation against City, its officials, employees and volunteers for losses arising from work performed by Contractor for City.
 3. All Coverages - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to City.
- E. Acceptability of Insurers.** The insurance policies required by this Section shall be issued by an insurance company or companies admitted or approved non-admitted

2180 to do business in the State of California subject to the jurisdiction of the California
2181 Insurance Commissioner and with a rating in the most recent edition of Best's
2182 Insurance Reports of size category VII or larger and a rating classification of A or
2183 better.

2184 F. Verification of Coverage. Contractor shall furnish City with certificates of
2185 insurance and with original endorsements affecting coverage required by this
2186 clause. The certificates and endorsements for each insurance policy are to be signed
2187 by a person authorized by that insurer to bind coverage on its behalf. The
2188 certificates and endorsements are to be on forms provided by or acceptable to City
2189 and are to be received and approved by City before work commences. City
2190 reserves the right to require complete, certified copies of all required insurance
2191 policies, at any time.

2192 G. Subcontractor. Contractor shall include all Subcontractors as insureds under its
2193 policies or shall furnish separate certificates and endorsements for each
2194 Subcontractor. All coverages for Subcontractors shall be subject to all of the
2195 requirements stated herein.

2196 H. **Required Endorsements**

2197 1. The Workers' Compensation policy shall contain an endorsement in
2198 substantially the following form:

2199 a) "Thirty days prior written notice shall be given to City in the event of
2200 cancellation, reduction in coverage, or non-renewal of this policy. Such
2201 notice shall be sent to:

2202 Risk Manager
2203 City of Los Banos
2204 520 J Street
2205 Los Banos, California 93635

2206 2. The General Liability and Automobile Liability policies shall contain separate
2207 endorsements in substantially the following form:

2208 a) "Thirty (30) days prior written notice shall be given to City in the event of
2209 cancellation, reduction in coverage, or non-renewal of this policy. Such
2210 notice shall be sent to:

2211 Risk Manager
2212 City of Los Banos
2213 520 J Street
2214 Los Banos, California 93635

2215 b) "City, its officers, employees, and agents are additional insureds on this
2216 policy.

2217 c) "This policy shall be considered primary insurance as respects any other
2218 valid and collectible insurance maintained by City, including any self-
2219 insured retention or program of self-insurance, and any other such
2220 insurance shall be considered excess insurance only."

2221 d) "Inclusion of City as an insured shall not affect City's rights as respects any
2222 claim, demand, suit or judgment brought or recovered against Contractor.
2223 This policy shall protect Contractor and City in the same manner as
2224 though a separate policy had been issued to each, but this shall not operate
2225 to increase Contractor's liability as set forth in the policy beyond the
2226 amount shown or to which Contractor would have been liable if only one
2227 party had been named as an insured."

2228 I. Delivery of Proof of Coverage. Simultaneously with the execution of this
2229 Agreement, Contractor shall furnish City certificates of each policy of insurance
2230 required hereunder, in form and substance satisfactory to City. Such certificates
2231 shall show the type and amount of coverage, effective dates and dates of expiration
2232 of policies and shall have all required endorsements. If City requests, copies of each
2233 policy, together with all endorsements, shall also be promptly delivered to City.

2234 Renewal certificates will be furnished periodically to City to demonstrate
2235 maintenance of the required coverages throughout the Term.

2236 J. Subrogation Waiver. Contractor agrees that in the event of loss due to any of the
2237 perils for which it has agreed to provide comprehensive general and automotive
2238 liability insurance, that Contractor shall look solely to its insurance for recovery.
2239 Contractor hereby grants to City, on behalf of any insurer providing comprehensive
2240 general and automotive liability insurance to either Contractor or City with respect
2241 to the services of the Contractor herein, a waiver of any right of subrogation which
2242 any such insurer of said Contractor may acquire against City by virtue of the
2243 payment of any loss under such insurance. This provision shall not apply to
2244 matters solely caused by City's negligence, willful misconduct or breach of this
2245 Agreement.

2246 K. Self Insurance. The insurance requirements of this section may be met by self
2247 insurance in a manner approved by City in advance.

2248 7.6 INSTRUMENT FOR SECURING PERFORMANCE

2249 Simultaneously with the execution of this Agreement, Contractor shall file with City a
2250 bond, letter of credit, or certificate of deposit payable to City, securing Contractor's
2251 faithful performance of its obligations under this Agreement. The principal sum of the
2252 instrument shall be One Hundred Thousand Dollars (\$100,000), and it shall be executed
2253 as surety by a corporation authorized to issue such instrument in the State of California,
2254 with a financial condition and record of service satisfactory to City. The premium for a
2255 letter of credit or any other charge related to maintaining any of the instruments shall be
2256 paid by the Contractor. The instrument shall be in the form acceptable to the City, and
2257 shall remain in full force and effect for the Term of this Agreement, including any
2258 extensions.

2259
2260
2261

ARTICLE 8
CITY'S RIGHT TO PERFORM SERVICE

2262 In the event that Contractor, for any reason whatsoever, fails, refuses or is unable to Collect
2263 and/or Transport any or all Solid Waste, Recyclable Materials, and/or Green Waste which it is
2264 required by this Agreement to Collect and Transport at the time and in the manner provided in
2265 this Agreement, for a period of more than five consecutive working days, and if, as a result
2266 thereof, Solid Waste, Recyclable Materials, and/or Green Waste should accumulate in the City to
2267 such an extent, in such a manner, or for such a time that the City Manager should find that such
2268 accumulation endangers or menaces the public health, safety, or welfare, then City shall have the
2269 right, but not the obligation, upon one (1) Business Day's prior written notice to Contractor
2270 during the period of such emergency as determined by the City Manager: (1) to perform, or
2271 cause to be performed, such services itself with its own, the Contractor's, or other personnel
2272 without liability to Contractor; and/or, (2) to take possession of any or all of Contractor's land,
2273 equipment, and other property used by Contractor under this Agreement in the Collection and
2274 Transportation of Solid Waste, Recyclable Materials, and Green Waste, and to use such property
2275 to Collect and Transport any Solid Waste, Recyclable Materials, and/or Green Waste generated
2276 within the City which Contractor would otherwise be obligated to Collect and Transport
2277 pursuant to this Agreement.

2278 Notice of Contractor's failure, refusal or neglect to Collect and/or Transport Solid Waste,
2279 Recyclable Materials, and/or Green Waste may be given orally by telephone to Contractor at its
2280 principal office and shall be effective immediately. Written confirmation of such oral notification
2281 shall be sent to Contractor within one Business Day of the oral notification.

2282 Contractor further agrees that in such event:

- 2283 A. It will take direction from City to affect the transfer of possession of property to
2284 City for City's use;
- 2285 B. It will, if City so requests, keep in good repair and condition all of such property,
2286 provide all motor vehicles with fuel, oil, and other service, and provide such other
2287 service as may be necessary to maintain said property in operational condition; and,
- 2288 C. City may immediately engage all or any personnel necessary or useful for the
2289 Collection and/or Transportation of Solid Waste, Recyclable Materials, and Green
2290 Waste, including, if City so desires, employees previously or then employed by
2291 Contractor, Contractor further agrees, if City so requests, to furnish City the
2292 services of any or all management or office personnel employed by Contractor
2293 whose services are necessary or useful for Solid Waste, Recyclable Materials, and
2294 Green Waste Collection and Transportation operations and for the billing and
2295 collection of fees for these services.

2296 City agrees that it assumes complete responsibility for the proper and normal use of such
2297 equipment and facilities while in its possession.

2298 If the interruption or discontinuance in service is caused by any of the reasons listed in Section
2299 9.6 (i.e., Contractor's failure to perform is excused), City shall pay to Contractor the reasonable

2300 rental value less the cost of maintenance and repair of the equipment and facilities possession of
2301 which is taken by City, for the period of City's possession.

2302 Except as otherwise expressly provided in the previous paragraph, City's exercise of its rights
2303 under this Article 8: (1) does not constitute a taking of private property for which compensation
2304 must be paid; (2) will not create any liability on the part of City to Contractor; and, (3) does not
2305 exempt Contractor from the indemnity provisions of Article 7, which are meant to extend to
2306 circumstances arising under this section, provided that Contractor is not required to indemnify
2307 City against claims and damages arising from the sole negligence of City, its officers, employees
2308 and agents in the operation of Collection vehicles during the time City has taken possession of
2309 such vehicles.

2310
2311
2312

ARTICLE 9
DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

2313 **9.1 EVENTS OF DEFAULT**

2314 All provisions of the Agreement to be performed by Contractor are considered material.
2315 Each of the following shall constitute an event of default. Contractor shall notify the City
2316 within 48 hours of any potential for default.

2317 A. Fraud or Deceit. If Contractor practices, or attempts to practice, any fraud or deceit
2318 upon City.

2319 B. Repeated Pattern of Breaches. If there is a pattern of breaches over time such that in
2320 combination, they constitute a material failure by Contractor to perform its
2321 obligations.

2322 C. Insolvency or Bankruptcy. If Contractor becomes insolvent, unable, or unwilling to
2323 pay its debts, or upon listing of an order for relief in favor of Contractor in a
2324 bankruptcy proceeding.

2325 D. Failure to Maintain Coverage. If Contractor fails to provide or maintain in full force
2326 and effect the workers' compensation, liability, or automobile insurance coverage or
2327 any indemnification as required by this Agreement.

2328 E. Violations of Regulation. If Contractor facilities fall out of Full Regulatory
2329 Compliance or if Contractor violates any orders or filings of any regulatory body
2330 having jurisdiction over Contractor, which violation or non-compliance materially
2331 affects the Contractor's ability to perform under this Agreement.

2332 F. Result of Performance Review. Failure to provide information as requested for a
2333 Performance Review, or failure to adequately perform as revealed by a Performance
2334 Review, as provided in Section 4.7.

2335 G. Failure to Perform. If Contractor fails to provide required reports or ceases to
2336 provide Collection and/or Transportation services as required under this
2337 Agreement for a period of five (5) Business Days or more.

2338 H. Failure to Pay. If Contractor fails to make any payments required under this
2339 Agreement.

2340 I. Failure to Maintain or Supply Records. If Contractor fails to, or refuses to provide
2341 City with required information, reports, and/or records in a timely manner as
2342 provided for in the Agreement.

2343 J. Acts or Omissions. Any other act or omission by Contractor which violates the
2344 terms, conditions, or requirements of this Agreement, the Act, as it may be
2345 amended from time to time, or any order, directive, rule, or regulation issued
2346 thereunder and which is not corrected or remedied within the time set in the
2347 written notice of the violation or, if Contractor cannot reasonably correct or remedy
2348 the breach within the time set forth in such notice, if Contractor should fail to
2349 commence to correct or remedy such violation within the time set forth in such
2350 notice and diligently effect such correction or remedy thereafter.

- 2351 K. False or Misleading Statements. Any representation or disclosure made to City by
 2352 Contractor in connection with or as an inducement to entering into this Agreement,
 2353 or any future amendment to this Agreement, which proves to be false or misleading
 2354 in any material respect as of the time such representation or disclosure is made,
 2355 whether or not any such representation or disclosure appears as part of this
 2356 Agreement.
- 2357 L. Attachment. There is a seizure of, attachment of, or levy on, the operating
 2358 equipment of Contractor, including without limits its equipment, maintenance or
 2359 office facilities, or any part thereof.
- 2360 M. Suspension or Termination of Service. There is any termination or suspension of
 2361 the transaction of business by Contractor lasting more than five (5) Business
 2362 DayDays.
- 2363 N. Failure to Provide Assurance of Performance. If Contractor fails to provide
 2364 reasonable assurances of performance and with needed updates as required under
 2365 Article 7 and Section 9.7
- 2366 O. Criminal Activity of Contractor. Should Contractor or any of its officers, directors,
 2367 contract manager, or others in position to supervise or influence actions under this
 2368 Agreement, be "found guilty" of felonious conduct relating to its obligations under
 2369 this Agreement related to any other services provided within the City during, or
 2370 prior to the Effective Date. The term "found guilty" shall be deemed to include any
 2371 judicial determination that Contractor or any of Contractor's officers, directors or
 2372 contract manager is guilty, and any admission of guilt by Contractor, or any of
 2373 Contractor's officers, directors, or contract manager including, but not limited to,
 2374 the pleas of "guilty," "nolo contendere," "no contest," or "guilty to a lesser felony"
 2375 entered as part of any plea bargain. Such felonious conduct includes, but is not
 2376 limited to, any activities related to or carried out pursuant to this Agreement for: (1)
 2377 price fixing; (2) illegal transport or Disposal of Hazardous or toxic materials; (3)
 2378 bribery of public officials; or, (4) fraud or tampering. In the event of felonious
 2379 conduct, City reserves the right to exercise one or more of the remedies specified
 2380 below in Section 9.2. Such action shall be taken after Contractor has been given
 2381 notice and an opportunity to present evidence in mitigation. If City does not
 2382 terminate this Agreement and upon direction of the City, Contractor shall dismiss
 2383 or remove officers, directors, or employees found guilty of felonious behavior and
 2384 take all action necessary and appropriate to remedy any breach of its obligations.
- 2385 P. Assignment. Contractor assigns this Agreement in violation of Section 10.5.
 2386 Contractor shall be given ten (10) Business DayDays from notification by the City to cure
 2387 any default arising under this Agreement, except that the City need give Contractor only
 2388 48 hours notice of default for any material failure to perform Collection activities
 2389 required under this Agreement provided, however, that the City shall not be obligated to
 2390 provide Contractor with a notice and an opportunity if the Contractor has committed the
 2391 same or similar breach within the preceding 24 month period.

2392 **9.2 RIGHT TO TERMINATE UPON DEFAULT**

2393 Upon a default by Contractor, the City Council shall have the right, but not the
 2394 obligation, to terminate this Franchise and this Agreement upon ten (10) Business Days

2395 notice if the public health or safety is threatened, without the need to obtain a judicial
2396 ruling. If public health or safety is not immediately threatened the City Council may, but
2397 is not required to, terminate this Agreement after a hearing before City Council and
2398 subsequent 30 calendar days notice of the decision to terminate, without need for further
2399 administrative process, suit, or legal action. This right of termination is in addition to
2400 any other rights of City upon a failure of Contractor to perform its obligations under this
2401 Agreement.

2402 **9.3 POSSESSION OF PROPERTY UPON TERMINATION**

2403 In the event of termination for default, the City shall have the right to take possession of
2404 any and all of Contractor's equipment used or useful in providing services in accordance
2405 with this Agreement, and to use such property. The City shall have the right to retain the
2406 possession of such equipment until other suitable arrangements can be made for the
2407 provision of services required under this Agreement, which may include the award of an
2408 agreement to another waste hauling contractor. If the City retains possession thereof
2409 after the period of time for which Contractor has already been, the Contractor shall be
2410 entitled to the reasonable rental value of such property (which shall be offset against any
2411 damages due the City for the Contractor's default).

2412 **9.4 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

2413 The City's rights to terminate this Agreement and to take possession of Contractor's
2414 equipment under Section 9.3 are not exclusive, and City's termination of this Agreement
2415 and/or the imposition of Liquidated Damages shall not constitute an election of
2416 remedies. Instead, they shall be in addition to any and all other legal and equitable rights
2417 and remedies which City may have.

2418 By virtue of the nature of this Agreement, the urgency of timely continuous and high-
2419 quality service, the lead time required to effect alternative service, and the rights granted
2420 by City to Contractor, the remedy of damages for a breach hereof by Contractor is
2421 inadequate and City shall be entitled in injunctive relief or specific performance at the
2422 City's election.

2423 **9.5 LIQUIDATED DAMAGES**

2424 **A. General.** City finds, and Contractor agrees, that as of the Effective Date of this
2425 Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of
2426 damages which shall be incurred by City as a result of a breach by Contractor of its
2427 obligations under this Agreement.

2428 **B. Service Performance Standards; Liquidated Damages for Failure to Meet**
2429 **Standards.** The parties recognize that some quantified standards of performance
2430 are necessary and appropriate to ensure consistent and reliable service and
2431 performance. Therefore, without prejudice to City's right to treat such non-
2432 performance as an event of default under this Article 9, the parties agree that the
2433 following liquidated damage amounts represent a reasonable estimate of the
2434 amount of such damages considering all of the circumstances existing on the
2435 Effective Date of this Agreement, including the relationship of the sums to the
2436 range of harm to City that reasonably could be anticipated and the anticipation that
2437 proof of actual damages would be costly or inconvenient.

2438 Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts
 2439 set forth below:

2440 Collection Reliability

- For each failure over 0.05% of opportunities to commence service to a new Customer account within seven days after order: \$150.00
- For each failure over 0.15% of annual service opportunities to Collect Solid Waste, Recyclable Materials, or Green Waste which has been set out for Collection, from established Customer accounts on the scheduled Collection day: \$150.00
- For each failure to Collect Solid Waste, Recyclable Materials, or Green Waste which has been set out for Collection, from the same Customer on two consecutive scheduled pickup days: \$250.00
- For each failure to Collect missed Containers by 6:00 p.m. on the date the Complaint was received if Complaint is received before 12:00 noon and by 12:00 noon the following day if Complaint is received after 12:00 noon: \$500.00
- For each failure to resolve or remedy a complaint or service request within three Business Days of receipt of Complaint or service request with the exception of missed pick-ups which are addressed above: \$300.00
- For each occurrence of excessive noise or discourteous behavior: \$250.00
- For each occurrence over 20 times per year of Collecting Solid Waste, Recyclable Materials, and/or Green Waste during unauthorized hours: \$250.00
- For each failure to respond to a Customer Complaint within four hours: \$100.00

2441
 2442

Other

REPORTS	Any report shall be considered late until such time as a correct and complete report is received by City. For each <u>calendar day</u> a report is late, the daily assessment shall be:	
	Quarterly Reports:	\$300 per day
	Annual Reports:	\$500 per day
RECORDS	For each occurrence Contractor fails to retain records in accordance with Section 6.1	\$1,000

NOTIFY For failure to notify the City two weeks in advance of any personnel, management, equipment, policy or any other changes which may affect quality or timing of service to Customers or availability of Customer service staff, the assessment per incident will be \$500.

2443

2444

2445

2446

2447

2448

Liquidated damages will only be assessed after Contractor has failed to meet the standards, as described in this Agreement (e.g., Collection of missed pickup by 6:00 p.m. if Complaint received before noon). City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer Complaints.

2449

2450

2451

2452

C. Amount. The City Manager may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement. The assessment of liquidated damages does not relieve the City from any other remedies it may have under law.

2453

2454

D. Timing of Payment. City shall deduct the amount of the damage from the next scheduled payment to the Contractor.

2455

9.6 EXCUSE FROM PERFORMANCE

2456

2457

2458

2459

2460

2461

2462

2463

2464

The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other "acts of Nature", war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor or its selected facilities is not an excuse from performance and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

2465

2466

2467

The Party claiming excuse from performance shall, within two (2) Business DayDays after such Party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this section.

2468

2469

2470

2471

2472

2473

2474

2475

The interruption or discontinuance of Contractor's services caused by one or more of the events excused shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations hereunder for any of the causes listed in this section for a period of five (5) Business DayDays or more, City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) Business DayDays' notice, in which case the provisions relative to taking possession of Contractor's land, equipment and other property and engaging Contractor's personnel in Article 8 will apply.

2476

9.7 ASSURANCE OF PERFORMANCE

2477

2478

2479

2480

Pursuant to a guaranty substantially in the form attached as Exhibit 4, Allied Waste Services of North America, LLC has agreed to guaranty Contractor's performance of this Agreement. The Guaranty is being provided concurrently with Contractor's execution of this Agreement and shall run for the term of the Agreement and any options.

2481 City may, at its option and in addition to all other remedies it may have, demand from
2482 Contractor reasonable assurances of timely and proper performance of this Agreement,
2483 in such form and substance as City may require. If Contractor fails or refuses to provide
2484 satisfactory assurances of timely and proper performance in the form and by the date
2485 required by City, such failure or refusal shall be an event of default.

2486 **9.8 LIQUIDATED DAMAGE FOR LATE COMMENCEMENT**

2487 Contractor agrees that if it fails to begin Collection services on or before Commencement
2488 Date, and said failure to begin Collection service on time is not due to any default by
2489 City, then Contractor shall pay City (or City may deduct from Contractor's payments)
2490 damages of \$10,000.00 per calendar day until the service is started or this Agreement is
2491 terminated for default.

2492 **ARTICLE 10**
2493 **OTHER AGREEMENTS OF THE PARTIES**
2494

2495 **10.1 RELATIONSHIP OF PARTIES**

2496 The Parties intend that Contractor shall perform the services required by this Agreement
2497 as an independent Contractor engaged by City and not as an officer or employee of City
2498 nor as a partner of or joint venture with City. No employee or agent or Contractor shall
2499 be or shall be deemed to be an employee or agent of City. Except as expressly provided
2500 herein, Contractor shall have the exclusive control over the manner and means of
2501 conducting the services performed under this Agreement and all persons performing
2502 such services. Contractor shall be solely responsible for the acts and omissions of its
2503 officers, employees, Subcontractors, and agents. No civil service status or other right of
2504 employment will be acquired by virtue of Contractor's service. Neither Contractor nor its
2505 officers, employees, Subcontractors, and agents shall obtain any rights to retirement
2506 benefits, workers' compensation benefits, or any other benefits which accrue to City
2507 employees by virtue of their employment with City including payroll deductions of any
2508 kind.

2509 **10.2 COMPLIANCE WITH LAW**

2510 In providing the services required under this Agreement, Contractor shall at all times, at
2511 its sole cost, comply with all applicable laws of the United States, the State of California,
2512 County of Merced, the City and with all applicable regulations promulgated by Federal,
2513 State, regional or local administrative and regulatory agencies, now in force and as they
2514 may be enacted, issued or amended during the term.

2515 **10.3 GOVERNING LAW**

2516 This Agreement shall be governed by, and construed and enforced in accordance with,
2517 the laws of the State of California.

2518 **10.4 JURISDICTION**

2519 Any lawsuits between the Parties arising out of this Agreement shall be brought and
2520 concluded in the courts of the State of California, which shall have exclusive jurisdiction
2521 over such lawsuits. Nothing in this Agreement shall be construed to limit the rights of
2522 any Party to this Agreement to seek judicial remedies for any breach of this Agreement
2523 by another Party.

2524 With respect to venue, the Parties agree that this Agreement is made in and will be
2525 performed in Merced County. Nothing in this Agreement shall be construed to limit the
2526 right of either Party to seek judicial review of or remedy of any alleged breach of this
2527 Agreement by either Party.

2528 **10.5 ASSIGNMENT**

2529 **A. General.** Except as may be provided for in Article 8 (City 's Right to Perform
2530 Service) and specifically set forth hereunder, neither Party shall assign its rights,
2531 nor delegate, subcontract or otherwise transfer its obligations under this Agreement

2532 to any other Person without the prior written consent of the other Party; except that
2533 Contractor may assign this Agreement without the City's consent to another
2534 wholly-owned subsidiary of Allied Waste Services of North America, LLC. Any
2535 such assignment for which consent is required made without the consent of the
2536 other Party shall be void and the attempted assignment shall constitute a material
2537 breach of this Agreement.

2538 **B. Contractor Assignment.**

2539 1. Request and Review. For purposes of this section when used in reference to
2540 Contractor, "assignment" shall include, but not be limited to: (i) a sale,
2541 exchange, or other transfer of at least 51 percent of Contractor's assets
2542 dedicated to service under this Agreement to a third party; (ii) a sale,
2543 exchange, or other transfer of outstanding common stock of Contractor to a
2544 third party provided said sale, exchange or transfer may result in a change of
2545 control of Contractor; (iii) any dissolution, reorganization, consolidation,
2546 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling
2547 agreement, escrow arrangement, liquidation subcontracting or lease-back
2548 payments, or other transaction to which results in a change of ownership or
2549 control of Contractor; (iv) any assignment by operation of law, including
2550 insolvency or bankruptcy, making assignment for the benefit of creditors, writ
2551 of attachment for an execution being levied against this Agreement,
2552 appointment of a receiver taking possession of Contractor's property, or
2553 transfer occurring in the event of a probate proceeding; and, (v) any
2554 combination of the foregoing (whether or not in related or contemporaneous
2555 transactions) which has the effect of any such transfer or change of ownership,
2556 or change of control of Contractor.

2557 Contractor acknowledges that this Agreement involves rendering a vital
2558 service to City's residents and businesses, and that City has selected
2559 Contractor to perform the services specified herein based on: (1) Contractor's
2560 experience, skill and reputation for conducting its Solid Waste management
2561 operations in a safe, effective and responsible fashion, at all times in keeping
2562 with applicable environmental laws, regulations and best Solid Waste
2563 management practices; and, (2) Contractor's financial resources to maintain
2564 the required equipment and to support its indemnity obligations to City
2565 under this Agreement. City has relied on each of these factors, among others,
2566 in choosing Contractor to perform the services to be rendered by Contractor
2567 under this Agreement.

2568 If Contractor requests City's consideration of and consent to an assignment,
2569 City may deny or approve such request in its complete discretion. No request
2570 by Contractor for consent to an assignment need be considered by City unless
2571 and until Contractor has met the following requirements:

- 2572 a. Contractor shall furnish City with audited financial statements of the
2573 proposed assignee's operations for the immediately preceding three (3)
2574 operating years; and,
- 2575 b. Contractor shall furnish City with satisfactory proof: (1) that the proposed
2576 assignee has at least ten (10) years of Solid Waste management experience

2577 on a scale equal to or exceeding the scale of operations conducted by
2578 Contractor under this Agreement; (2) that in the last five (5) years, the
2579 proposed assignee has not suffered any significant citations or other
2580 censure from any Federal, State, or local agency having jurisdiction over
2581 its Solid Waste management operations due to any significant failure to
2582 comply with State, Federal, or local environmental laws and that the
2583 assignee has provided City with a complete list and summary of facts of
2584 such citations and censures; (3) that the proposed assignee has at all times
2585 conducted its operations in an environmentally safe and conscientious
2586 fashion; (4) that the proposed assignee conducts its Solid Waste
2587 management practices in accordance with sound Solid Waste management
2588 practices in full compliance with all Federal, State, and local laws
2589 regulating the Collection, Transfer, Transport, Processing, and Disposal of
2590 Solid Waste including Infectious and Hazardous Waste; (5) the proposed
2591 assignee has in the last five (5) years provided excellent service to its
2592 franchised customers and has not been subject to any administrative or
2593 legal actions related to failure to provide adequate service under a
2594 contractor or franchise; and, (6) of any other information required by City
2595 to ensure the proposed assignee can fulfill the terms of this Agreement in a
2596 timely, safe and effective manner.

2597 2. Assignment Fee and Other Provisions. Any application for transfer of this
2598 Agreement shall be made in a manner prescribed by the City Manager. The
2599 application shall include a transfer fee in an amount to be set by resolution of
2600 the City to cover the cost of all direct and indirect administrative expenses
2601 including attorneys and consultants necessary to adequately analyze the
2602 application and to reimburse City for all direct and indirect expenses. In
2603 addition, Contractor shall reimburse City for any and all additional costs
2604 related to the assignment requested and not covered by the transfer fee. Bills
2605 shall be supported with evidence of the expense or cost incurred. The
2606 applicant shall pay such bills within thirty (30) calendar days of receipt. The
2607 transfer fee(s) are over and above any other fees or charges specified in the
2608 Agreement.

2609 The City reserves the right to approve an assignment conditioned on an
2610 increase to the instrument for securing performance required pursuant to
2611 Section 7.6 and contained in Exhibit 4 and/or use of another mechanism in
2612 addition to, or as an alternative to, the instrument for securing performance
2613 required in Section 7.6 and contained in Exhibit 4.

2614 Under no circumstances shall the City be obliged to consider any proposed
2615 assignment if Contractor is in default at any time during the period of
2616 consideration.

2617 10.6 AFFILIATED COMPANIES

2618 Contractor's accounting records and financial statements shall be maintained on a basis
2619 showing the results of Contractor's operations under this Agreement separately from
2620 operations in other locations, as if Contractor were an independent entity providing
2621 service only to City. The costs and revenues associated with providing service to City

2622 shall not be combined, consolidated, or in any other way incorporated with those of other
2623 operations conducted by Contractor in other locations, or with those of an affiliate.

2624 If Contractor enters into any financial transactions with a related party, entity or affiliate
2625 for the provision of labor, equipment, supplies, services, capital, etc., related to the
2626 furnishing of service under this Agreement, that relationship shall be disclosed to City,
2627 and in the financial reports submitted to City. In such event, City's rights to inspect
2628 records, and obtain financial data shall extend to such related party entity or entities.

2629 If there are any financial transactions between Contractor and an Affiliate independent of
2630 contract by means of which funds are transferred between Contractor and such Affiliate
2631 then, in such event, City's right to inspect records and obtain financial data shall extend
2632 to such Affiliate or Affiliates.

2633 Whether or not there are such contractual or extra-contractual relationships between
2634 Contractor and Affiliates, if Contractor is owned or controlled by another corporation,
2635 then the financial reports and auditor's opinions required of Contractor shall also be
2636 required of such "parent Contractor" which shall constitute an "Affiliate".

2637 **10.7 SUBCONTRACTING**

2638 Contractor shall not engage any Subcontractors for Collection or Transportation of Solid
2639 Waste, Recyclable Materials, and/or Green Waste without the prior written consent of
2640 City.

2641 **10.8 BINDING ON ASSIGNS**

2642 The provisions of this Agreement shall inure to the benefit of and be binding on the
2643 permitted assigns of the Parties.

2644 **10.9 TRANSITION TO NEXT CONTRACTOR**

2645 If the transition of services to another Contractor occurs through expiration of term,
2646 default and termination, or otherwise, Contractor shall take direction from the City and
2647 subsequent Contractor(s) to assist in an orderly transition which will include Contractor
2648 providing route lists and billing information. City may exercise a right of first refusal to
2649 purchase Containers as provided in Section 3.12.3.E. However, Contractor will not be
2650 obliged to sell Collection vehicles, Bins, and Containers to the next Contractor.
2651 Depending on Contractor's circumstances at the point of transition, Contractor, at its
2652 option, may enter into negotiations with the next contractor to sell (in part or all)
2653 Collection vehicles, Bins, and Containers.

2654 **10.10 PARTIES IN INTEREST**

2655 Nothing in this Agreement, whether express or implied, is intended to confer any rights
2656 on any persons other than the Parties to it and their representatives, successors and
2657 permitted assigns.

2658 **10.11 WAIVER**

2659 The waiver by either Party of any breach or violation of any provisions of this Agreement
2660 shall not be deemed to be a waiver of any breach or violation of any other provision nor
2661 of any subsequent breach of violation of the same or any other provision. The

2662 subsequent acceptance by either Party of any monies which become due hereunder shall
2663 not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the
2664 other party of any provision of this Agreement. Failure of either Party to exercise any of
2665 the remedies set forth herein within the time periods provided for shall not constitute a
2666 waiver of any rights of that Party with regard to that failure to perform or subsequent
2667 failures to perform, whether determined to be a breach, excused performance or
2668 unexcused defaults, by the other Party.

2669 **10.12 CONTRACTOR'S INVESTIGATION**

2670 Contractor has made an independent investigation (satisfactory to it) of the conditions
2671 and circumstances surrounding the Agreement and the work to be performed by it.

2672 **10.13 CONDEMNATION**

2673 City fully reserves the rights to acquire Contractor's property utilized in the performance
2674 of this Agreement, by purchase or through the exercise of the right of eminent domain
2675 subject to any and all defenses of Contractor, including a right to take and valuation.
2676 This provision is additive, and not intended to alter the rights of the Parties set forth in
2677 Article 9.

2678 **10.14 NOTICE**

2679 All notices, demands, requests, proposals, approvals, consents, and other
2680 communications which this Agreement requires, authorizes or contemplates shall be in
2681 writing and shall either be personally delivered to a representative of the parties at the
2682 address below or be deposited in the United States mail, first class postage prepaid,
2683 addressed as follows:

2684 If to City : Public Works Director
2685 City of Los Banos
2686 411 Madison Ave.
2687 Los Banos, CA 93635
2688

2689 If to Contractor: General Manager
2690 Allied Waste Services
2691 406 N. Mercy Springs Road
2692 Los Banos, CA 93635

2693 The address to which communications may be delivered may be changed from time to
2694 time by a notice given in accordance with this section.

2695 Notice shall be deemed given on the day it is personally delivered or, if mailed, three
2696 days from the date it is deposited in the mail.

2697 **10.15 REPRESENTATIVES OF THE PARTIES**

2698 References in this Agreement to the "City" shall mean the City Council and all actions to
2699 be taken by City shall be taken by the City Council except as provided below. The City
2700 Council may delegate, in writing, authority to the City Manager, and/or to other City
2701 employees and may permit such employees, in turn, to delegate in writing some or all of

2702 such authority to subordinate employees. Contractor may rely upon actions taken by
2703 such delegates if they are within the scope of the authority properly delegated to them.

2704 Contractor shall, by the Effective Date, designate in writing a responsible officer who
2705 shall serve as the representative of Contractor in all matters related to the Agreement and
2706 shall inform City in writing of such designation and of any limitations upon his or her
2707 authority to bind Contractor. City may rely upon action taken by such designated
2708 representative as actions of Contractor unless they are outside the scope of the authority
2709 delegated to him/her by Contractor as communicated to City.

2710 **10.16 CITY FREE TO NEGOTIATE WITH THIRD PARTIES**

2711 City may investigate all options for the Collection and Transportation of Solid Waste,
2712 Recyclable Materials, and/or Green Waste at any time before the expiration of the Term.
2713 Without limiting the generality of the foregoing, City may solicit proposals from
2714 Contractor and from third parties for the provision of services required under this
2715 Agreement, and any combination thereof, and may negotiate and execute agreements for
2716 such services which will take effect upon the expiration or earlier termination under
2717 Article 9 of this Agreement.

2718 **10.17 COMPLIANCE WITH LOCAL PUBLIC AGENCY CODES**

2719 Contractor shall comply with those provisions of the ordinances and municipal
2720 codes of the City and of Merced County which are applicable, and with any and
2721 all amendments to such applicable provisions during the term of this Agreement.

2722 **10.18 PRIVACY**

2723 Contractor shall strictly observe and protect the rights of privacy of Customers.
2724 Information identifying individual Customers or the composition or contents of a
2725 Customer's waste stream shall not be revealed to any person, governmental unit, private
2726 agency, or company, unless upon the authority of a court of law, by statute, or upon valid
2727 authorization of the Customer. This provision shall not be construed to preclude
2728 Contractor from preparing, participating in, or assisting in the preparation of waste
2729 characterization studies or waste stream analyses which may be required by the Act.

2730 **10.19 TIME IS OF THE ESSENCE**

2731 Contractor and City agree that time is of the essence regarding performance and
2732 implementation of this Agreement.

2733 **10.20 IMMIGRATION REFORM AND CONTROL ACT (IRCA)**

2734 Contractor assumes any and all responsibility for verifying the identity and employment
2735 authorization of all of its employees performing work hereunder, pursuant to all
2736 applicable IRCA or other Federal, or State rules and regulations. Contractor shall
2737 indemnify, defend, and hold City harmless from and against any loss, damage, liability,
2738 costs or expenses arising from any noncompliance of this provision by Contractor.

2739 **10.21 NON-DISCRIMINATION**

2740 Consistent with City's policy that harassment and discrimination are unacceptable
2741 employer-employee conduct, Contractor agrees that harassment or discrimination
2742 directed toward a job applicant, a City employee, or a citizen by Contractor or
2743 Contractor's employee on the basis of race, religious creed, color, national origin,
2744 ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation
2745 will not be tolerated. Contractor agrees that any and all violations of this provision shall
2746 constitute a material breach of this Agreement.

2747
2748
2749

ARTICLE 11
MISCELLANEOUS AGREEMENTS

2750 **11.1 ENTIRE AGREEMENT**

2751 This Agreement, including the Exhibits, represents the full and entire Agreement
2752 between the parties with respect to the matters covered herein. Should any of the
2753 Exhibits be found to conflict with the Agreement, then the Agreement shall prevail.

2754 **11.2 SECTION HEADINGS**

2755 The article headings and section headings in this Agreement are for convenience of
2756 reference only and are not intended to be used in the construction of this Agreement nor
2757 to alter or affect any of its provisions.

2758 **11.3 REFERENCES TO LAWS AND OTHER AGREEMENTS**

2759 All references in this Agreement to laws shall be understood to include such laws as they
2760 may be subsequently amended or recodified, unless otherwise specifically provided.

2761 **11.4 INTERPRETATION**

2762 This Agreement, including the exhibits attached hereto, shall be interpreted and
2763 construed reasonably and neither for nor against either Party, regardless of the degree to
2764 which either Party participated in its drafting.

2765 **11.5 AGREEMENT**

2766 This Agreement may not be modified or amended in any respect except by a writing
2767 signed by the Parties.

2768 **11.6 WAIVER OF RENEWAL STATUTE**

2769 Contractor knowingly and specifically waives any and all rights it may have now or in the
2770 future as a result of California Public Resources Code, Division 30, Part 1, Chapter 2,
2771 Section 49520, or any subsequent statute granting the same or similar rights regarding
2772 City notice to Contractor of termination of the Agreement. Contractor agrees that its rights
2773 to provide any of the services specified in this Agreement shall be governed solely by the
2774 provisions of this Agreement, and any of its rights to provide such services shall terminate
2775 upon termination of this Agreement.

2776 **11.7 SEVERABILITY**

2777 If any non-material provision of this Agreement is for any reason deemed to be invalid
2778 and unenforceable, the invalidity or unenforceability of such provision shall not affect
2779 any of the remaining provisions of this Agreement which shall be enforced as if such
2780 invalid or unenforceable provision had not been contained herein.

2781 11.8 EXHIBITS

2782 Each of exhibits identified as Exhibit "1" through "8" is attached hereto and incorporated
2783 herein and made a part hereof by this reference.

2784 11.9 COST OF LITIGATION

2785 If any legal action is necessary to enforce any provision hereof or for damages by reason
2786 of an alleged breach of any provisions of this Agreement, the prevailing party shall be
2787 entitled to receive from the losing party all costs and expenses in such amount as the
2788 Court may adjudge to be reasonable attorneys' fees.

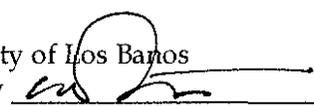
2789 11.10 INTEGRATED CONTRACT

2790 This Agreement represents the full and complete understanding of every kind or nature
2791 whatsoever between the parties hereto and all preliminary negotiations and agreements
2792 of whatsoever kind or nature are merged herein. No verbal agreement or implied
2793 covenant shall be held to vary the provisions hereof. Any modification of this Agreement
2794 will be effective only by written execution signed by both City and Contractor.

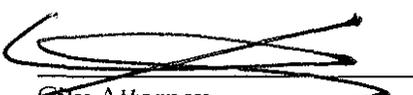
2795 11.11 INSERTED PROVISIONS

2796 Each provision and clause required by law to be inserted into the Agreement shall be
2797 deemed to be enacted herein, and the Agreement shall be read and enforced as though
2798 each were included herein. If through mistake or otherwise, any such provision is not
2799 inserted or is not correctly inserted, the Agreement shall be amended to make such
2800 insertion on application by either Party.

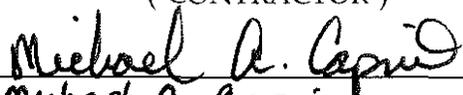
2801
2802 IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and
2803 year first above written.

2804
2805 City of Los Banos
2806 By 
2807 City Manager, Steve Rath

2809 APPROVED AS TO FORM:

2810
2811 
2812 ~~City Attorney~~
2813 William A. Vaughn
2814
2815

Allied Waste Services of N.A. LLC
("CONTRACTOR")

By: 
Name: Michael A. Caprio
Title: District Manager

By: _____
Name: _____
Title: _____

2816
2817
2818
2819

EXHIBIT 1
CONTRACTOR'S PROPOSAL

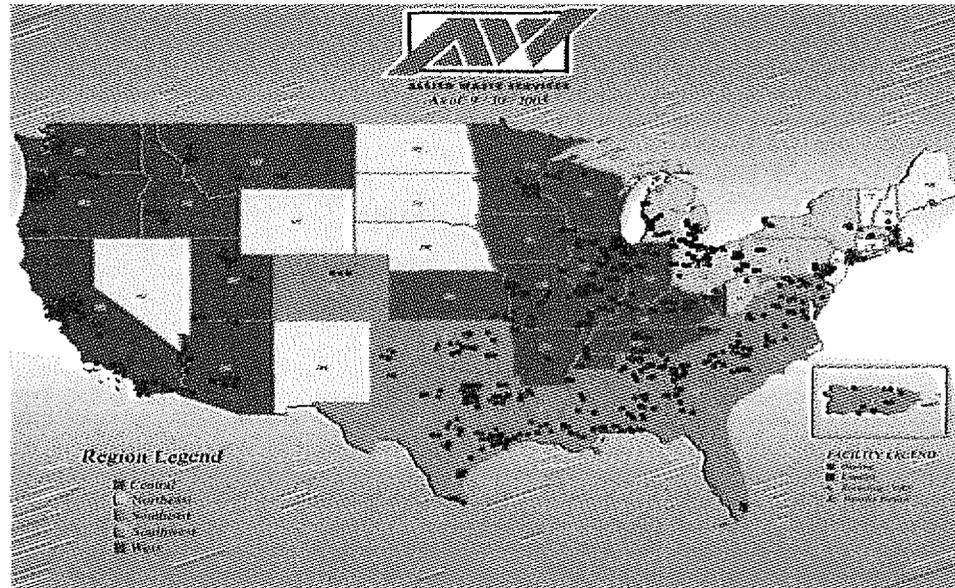
Contractor's Proposal

The Contractor's Proposal detailing the timing of the single stream recycling phase in period and enhancements to the current program are as follows:

SECTION 1 - COMPANY DESCRIPTION

Allied Waste Services, Inc. is the second largest, non-hazardous solid waste management company in the United States as measured by revenue and number of operating locations. The Company provides non-hazardous waste collection, transfer, disposal and recycling services to approximately 10 million customers in 37 states throughout a network of 314 collection companies, 165 transfer stations, 166 active landfills and 58 recycling facilities.

Organized into five regions, Central, Northeast, Southwest, Southeast and West, each region is comprised of several operating districts and site operations aligned consistently with our vertical integration model. The Districts consist of a collection of stand alone operating divisions typically comprising business units within a given service area.



The inherent value of this operating structure is that one management team will be making decisions relative to the City of Los Banos' collection needs. Our Districts and divisions operate in a decentralized environment where decisions impacting our customers occur at the local level and do not need approval from others within the organization. This not only streamlines our ability to provide service, but also eliminates some of the communication issues that have plagued other companies within the industry that operate from a more centralized structure.

Allied Waste's expertise in collecting refuse, recyclables and green waste within municipalities has been perfected over more than three decades of fine-tuning various collection methods, maintenance of our vehicles, our safety programs, customer service training and our support services. By listening to our customers' needs and by responding through the development of efficient, effective and user-friendly services,

Allied continues to be an industry leader in solid waste and recycling services. Company brochures and our 2006 annual report are included within Appendix A.

Because Allied Waste Industries, Inc. is the second largest solid waste company in the U.S., we have a vast pool of experience available to assist with operational plan development and implementation. We are confident in our ability to perform not only because of the nation-wide expertise of the Company, but more specifically because of the experienced team of Allied Waste professionals that will be responsible for servicing the City of Los Banos. This team has been providing quality solid waste management and recycling services to the City of Los Banos for over 30 years and has consistently met the needs of the City and the community.

Throughout the United States, Allied Waste has proven its ability to provide superior solid waste management services in diverse communities with varying needs. Through our extensive network of equipment manufacturers and a large pool of skilled staff, Allied has stepped up to the plate to meet the needs of the communities in which we provide service.

Allied has a significant presence in Alameda, Contra Costa, Fresno, Madera, Monterey, Santa Clara, Sacramento and Solano counties. Allied Waste is under contract with the following communities:

ALLIED WASTE SERVICES MUNICIPAL CONTRACTS

County	Contracting Municipality
Contra Costa & Solano	Antioch Benicia Central Contra Costa County Solid Waste Authority (includes Contra Costa County, Danville, Lafayette, Moraga, Orinda & Walnut creek) Clayton Contra Costa County Martinez Mt. View Sanitary District Pleasant Hill
Fresno	City of Clovis City of Corcoran City of Dos Palos City of Fresno
Madera	City of Madera
Merced	City of Los Banos
Sacramento	City of Citrus Heights City of Elk Grove City of Rancho Cordova
Santa Clara, Alameda & Monterey	City of Milpitas City of Salinas City of Fremont City of Union City
San Joaquin County	City of Stockton City of Lathrop San Joaquin County



References

Municipality Name	Service Provided	Customers Served	Allied Waste Contact Name	Municipality Contact
City of Antioch	<ul style="list-style-type: none"> • Residential automated curbside solid waste, single stream & green waste • Commercial and multifamily recycling • Curbside oil and oil filter collection • On call cleanups • Residential curbside and business E-waste recycling • Construction and demolition recycling • Residential curbside and multifamily holiday treecycling 	<p>25,560 single family customers</p> <p>947 commercial & multifamily customers</p>	<p>Tim Argenti General Manager (925) 671-5823</p>	<p>Jim Jakel City Manager (925) 779-6131</p>
City of Dos Palos	<ul style="list-style-type: none"> • Residential automated curbside solid waste & green waste • Commercial and multifamily solid waste • City wide drop off cleanup events • Residential curbside and multifamily holiday treecycling 	<p>1535 single family customers</p> <p>114 commercial & multifamily customers</p>	<p>Keith Hester General Manager (559) 275-1551</p>	<p>Darrell Fonseca City Manager (209) 392-2174</p>
City of Kerman	<ul style="list-style-type: none"> • Residential automated curbside solid waste, single stream & green waste • Commercial and multifamily solid waste • City wide drop off cleanup events • Residential curbside and multifamily holiday treecycling 	<p>2562 single family customers</p> <p>178 commercial & multifamily customers</p>	<p>Keith Hester General Manager (559) 275-1551</p>	<p>Ron Manfredi City Manager (559) 846-9384</p>
City of Pleasant Hill	<ul style="list-style-type: none"> • Residential automated curbside solid waste, single stream & green waste • Mandatory commercial and multifamily recycling • Curbside oil and oil filter collection • On call cleanups • On call recycle cleanups – cardboard and green waste • Curbside and business E-waste recycling • Construction and demolition recycling • Residential curbside and multifamily holiday treecycling • Annual citywide cleanup including wood recycling 	<p>9,487 single family customers</p> <p>495 commercial & multifamily customers</p>	<p>Tim Argenti General Manager (925) 671-5823</p>	<p>June Catalano City Manager (925) 671-5204</p>

Service Initiation Experience

Allied Waste Services have taken on the complex task of initiating or providing expanded services to numerous communities in Northern California. Our personnel understand the need for attention to detail and the organizational skills necessary to successfully complete these types of projects. Ultimately, implementing new services in a community not only depends on the ability of the service provider to prepare properly in advance but to also execute the plan in a manner that disrupts existing service as little as possible. As the existing service provider, Allied's knowledge of the customer base and layout of the City of Los Banos will be of great value in the delivery of new containers for recycling and other services. Use of the existing service provider will also alleviate the coordination issues related to the placement of new containers and removal of old containers.

Examples of Allied's experience with service initiation in several communities are provided below.

Salinas

In 2000, Allied Waste followed an extensive plan to assume the service contract within the City of Salinas for over 25,000 homes and 70,000 containers. Relying on an implementation team made up of seasoned professionals, Allied Waste was able to transition from the former service provider flawlessly. The success of the transition hinged upon detailed planning and the placement of extensive resources on the project. The new service included converting manual collection for refuse and recyclables to fully automated refuse, green waste and single stream recyclables. Waste Management had previously been the service provider.

Contra Costa County

Allied's Contra Costa County operation, has performed six service transitions and new program implementations since 1999 ranging from transition from manual to single stream collection of recyclables in the cities of Clayton and Benicia, implementation of fully automated green waste collection programs in the cities of Antioch, Benicia, Clayton and Pleasant Hill and transition to fully automated refuse and green waste collection programs in the Cities of Martinez and Mountain View. All of these programs involved development of extensive transition plans and community education programs as well as interaction with the City staff in order to incorporate their preferences for cart sizes and program education. Key staff members involved in these service rollouts will be intimately involved in the transition of services within the City of Los Banos. In all, the service transitions or new program implementation involved nearly 70,000 customers in various cities with diverse layouts and service criteria (ie. terrain, alleys, street width, parking restrictions and special service requirements such as multifamily and senior citizen requirements).



Fresno

Allied Waste's Fresno operation recently (2003) began green waste collection services in the cities of Los Banos and Atwater. We had been the service provider and through extensive community education and preparation were able to implement fully automated green waste collection service to nearly 15,000 homes with only a three month lead time. Our relationships with container and vehicle vendors proved to be critical in this instance as vehicles and containers were ordered and shipped within a two month period leaving ample time for deployment.

During early 2004 in Fresno County, Allied completed the conversion of over 10,000 residential and 500 commercial customers to a fully automated three cart system from what was formerly subscription and open service. Portions of the County were allocated to various haulers performing service in the area and the antiquated one-cart MSW and tub recycling system was converted over to a fully automated three can system using a variable rate structure. The project required detailed coordination with other haulers in the transfer of customer lists and extensive customer education in order to ensure proper cart sizes were delivered and that all customers received service during the transition.

Fremont

Allied Waste's Fremont operation recently implemented a state of the art single stream and green waste co-collection operation in the summer of 2003. The program involved the conversion of the existing source separated program for recyclables and green waste to split body fully automated collection vehicles using various cart sizes for both green waste and recyclables. Over 48,000 residents received new green waste and single stream recycle carts with the split body collection vehicles replacing the much larger compartmentalized vehicles. The end result has been the placement of fewer vehicles on the road in conjunction with one-pass automated technology. This approach was augmented by selecting certain areas of the city that did not lend themselves to this type of collection by use of rear loaders in hard to service areas.

As part of this service enhancement Allied also incorporated food waste collection into the existing residential yard waste collection program. Public education was a critical aspect of this project as residents and business needed to understand what was suitable for placement into the containers so that the processing of the yard and food waste mix would not be impacted.

San Diego

Allied's San Diego operations converted their semi-automated and manual collection operation in the City of Chula Vista to automated collection for over 42,000 residents during 2002. Refuse and recyclables are now collected by fully automated front-loaders using a Carotto can equipped with an automated arm. The roll-out of new services in this particular case was a challenge from a public education standpoint due to the large number of Hispanic residents in the community. This required that our education

material not only be bi-lingual but also dictated that we employ several bi-lingual customer service representatives to better serve the customer base.

Sacramento County

Allied Waste services recently completed the initiation of service in three cities within Sacramento County including Elk Grove, Citrus Heights and Rancho Cordova. In total, over 80,000 customers were transitioned from their existing service providers beginning in 2004 with the City of Elk Grove. The service transition required that fully automated collection be provided for refuse, yard waste and single stream recycling with new containers being provided to every customer. The transition required extensive coordination with existing service providers and management of route day adjustments to accommodate efficiencies gained through automating some of the new services (i.e. single stream recycling).

SECTION 2 TECHNICAL PROPOSAL FOR COLLECTION SERVICES

Allied Waste's expertise in collecting refuse, recyclables and green waste has been perfected over more than three decades of fine-tuning various collection methods, trucks maintenance, safety programs, customer service training and our support services. By listening to our customers needs and by responding through the development of efficient, effective and user-friendly services, Allied Waste has become an industry leader in solid waste and recycling services.

Allied Waste's primary goal is to provide efficient and environmentally sound collection, transportation, disposal and processing of all types of recyclables and waste materials. The system that Allied Waste proposes is based on the most advanced technology available in the industry. Allied Waste is dedicated to providing a collection system that will be complimented by an aggressive on-going public education program to facilitate the City's efforts to divert 50% of the residential waste stream in accordance with AB939. Our collection system and our education programs have been developed with this goal in mind as well as looking to the future which may require that 75% of the waste stream be diverted.

With that in mind we have provided detailed descriptions of the various services required in the RFP and how they will be implemented.

Solid Waste Collection

Single Family Dwelling Collection Services

Allied Waste will offer fully automated collection services for solid waste to single family dwellings with one driver. Each single family dwelling will have a choice of a new gray 32, 64, or 96 gallon garbage cart. If customers do not elect a different service level then their current service level will remain intact. Since customers may eventually want to change their garbage cart size due to diminished refuse generation resulting from single stream recycling, refuse cart size exchanges will



begin 90 days after implementation of the new services. The lag time from the start of new services will provide residents with some time to settle into a pattern and truly determine what level of refuse service they need depending upon the amount of recycling that will be generated. This approach will also minimize confusion during the rollout of new services and allow the service provider to concentrate on a pre-determined schedule for cart delivery that is not impacted by customers altering their selected service level.

On a weekly basis the carts will be serviced at the curb by the automated collection vehicle utilizing an extendable arm to grasp the cart and tip the contents into the body of

the vehicle. Use of fully automated collection vehicles does not require the driver to get out of the vehicle in most cases and has proven to be the most efficient and safe means of collecting various materials within residential areas. Drivers will provide special consideration to those residents who qualify for on property service (elderly or handicapped residents).

Mobile Home Park and Multi-Family Collection Services

The rollout of new services to mobile home parks and multi-family residences will follow a similar pattern as described above. These customers will keep their current garbage cart or have a choice of a new gray 32, 64, or 96 gallon garbage cart. Space constraints will become especially important and ultimate selection of refuse cart sizes will depend upon customer needs as well as the amount of storage space available. On a weekly basis the carts will be serviced at the curb by the automated collection vehicle which utilizes an extendable arm to grasp the cart and tip the contents into the body of the vehicle. In most cases use of fully automated collection vehicles does not require the driver to get out of the vehicle. However, servicing the Casa and Rancho Grande Mobile Home Parks may present challenges in terms of using automated collection vehicles and does require slightly more manual activity due to space constraints.

In instances where multi-family residents do not subscribe individually to service, but as a group, front end load bins ranging in sizes from 1 to 8 yards and will be serviced in a manner similar to commercial customers.

Commercial/Industrial Customers

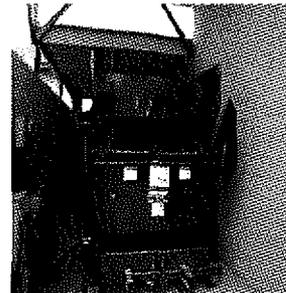
Commercial and industrial customers are serviced in a variety of ways depending upon their location, frequency and amount of service required, accessibility and where they are situated relative to other customers with similar service requirements. Commercial and industrial customers will typically be serviced in one of three ways. The most common means of managing materials generated by this segment of the customer base is the use of small containers/bins for collection by front end load vehicles. These containers come in multiple sizes (one to eight yards) and can be configured to various dimensions in order to fit a given garbage enclosure.

Debris boxes are used in circumstances where the generator has a large amount of material that would require too frequent service of a front end load container/bin. These boxes also come in multiple shapes and sizes (eight to forty yards) and are transported by roll-off collection vehicles equipped with a hoist to lower and raise the container onto the bed of the vehicle for transport. These receptacles are generally very useful for bulky wastes and material that is easily compacted in order to maximize payloads. Roll-off collection vehicles are also utilized to transport and exchange compactor boxes.



In certain instances where commercial customers do not require a large degree of service, commercial carts are utilized. These containers are identical to those employed in serving residential customers and typically are used by small business owners who do not generate a large amount of garbage. These carts are generally serviced by the vehicles serving the residential customers.

Allied Waste will work closely with commercial and industrial customers to determine the most efficient and cost effective service options available to them. In many instances we have been able to save the customer a significant amount of money by simply reviewing their waste disposal needs and designing a system that works for that particular entity. This may include suggesting less frequent service by use of larger sized containers or the installation of a compaction device that would maximize payloads for a given location. In some cases, placement of multiple bins may actually be less expensive than a single bin that is serviced on a more frequent basis.



Recyclable Materials Collection

Single Family Dwelling Collection Services

Allied Waste will offer fully automated collection services for recycling to single family dwellings with one driver. Each single family dwelling will be provided with one blue 96 gallon recycle cart. Instructional information in terms of acceptable material to place into the container will be on the lid of the cart. A second recycle cart will be offered for a fee. On a weekly basis the carts will be serviced at the curb by the automated collection vehicle utilizing an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Use of fully automated collection vehicles does not require the driver to get out of the vehicle in most cases and has proven to be the most efficient and safe means of collecting various materials within residential areas. Compaction pressures within the body of the vehicle will be set at appropriate levels so that the value of fiber commodities are not degraded by breakage of glass. Drivers will provide special consideration to those residents who qualify for on property service.

Mobile Home Park Collection Services

Casa Mobile Home Park and Rancho Grande Mobile Home Park residents will receive a blue 96 gallon recycle cart. Instructional information in terms of acceptable material to place into the container will be on the lid of the cart. A second recycle cart will be offered for a fee. On a weekly basis the carts will be serviced at the curb by the automated collection vehicle which utilizes an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Use of fully automated collection vehicles does not require the driver to get

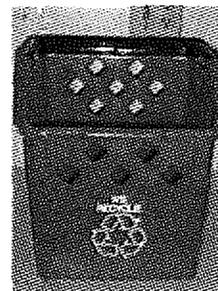


out of the vehicle in most cases and has proven to be the most efficient and safe means of collecting various materials within residential areas. As with refuse collection, providing collection services to these types of customers may require slightly more manual effort due to space constraints. Drivers will provide special consideration to those residents who qualify for on property service.

Multifamily, Commercial and Industrial Customers

Multifamily and commercial customers will be provided with 96 gallon blue single stream recycle carts. On a weekly basis the carts will be serviced by the automated residential collection vehicle utilizing an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Carts are primarily used for small businesses who generate limited recycling or customers that have small enclosures and cannot fit a bin. Allied Waste will provide customers with the necessary equipment to provide the required recycling service balanced with space/enclosure considerations. Multifamily and commercial customers will be offered front load bins in sizes ranging from 1 to 8 yards for single stream recycling or clean cardboard. Instructional information will be on the lid of the carts and on the bins.

Allied Waste has had great success in offering multifamily complexes recycling. Apartment owners/managers are mailed a brochure detailing the services available to them. Follow-up calls are made to see if a waste audit can be done and discuss the implementation of a recycling program. Residents can be given a brochure (in English and Spanish) and an apartment recycler to keep in their apartment and fill up with recycle material. Once they are full, they are taken to the recycle cart or bin and emptied. It makes recycling easy and convenient. Allied Waste will store and distribute them with an informational brochure. In case of contamination or low participation, Allied Waste has placed a door hanger on each apartment door reminding residents of the program and what can be recycled as well as conducting group meetings for residents during the program launch. Samples of multifamily brochures are included within Appendix C.



Allied is also willing to offer commercial customers desk recyclers. Employees can place these under their desks, by the copy machine and any other location that may generate paper. These desk recyclers would then be emptied into a recycle cart or bin by the customers. However, the custodian could also use a cart to directly empty the content of the desk recycler and place the cart out for collection. This takes little effort and should not increase the custodian's work load.



Debris boxes are used in circumstances where the generator has a large amount of material that would require too frequent service of a front end load container/bin. These boxes also come in multiple shapes and sizes (eight to forty yards) and are transported by

roll-off collection vehicles equipped with a hoist to lower and raise the container onto the bed of the vehicle for transport. These receptacles are generally very useful for bulky wastes and material that is easily compacted in order to maximize payloads such as cardboard. Roll-off collection vehicles are also utilized to transport and exchange compactor boxes.

Allied also has extensive experience with source separated and mixed C&D recycling programs. We have implemented several programs for various jurisdictions including the Napa Vallejo Waste Management Authority as well as for volumes collected in the South Bay at our Newby Island Recyclery. These programs have proven to be a relatively low cost means of diverting significant quantities of material. Allied would be willing to work with the City to determine a suitable location for this activity to occur (possibly the Billy Wright Road Landfill). Depending upon the amounts of material available our personnel can design a program that is cost effective yet yields significant diversion from this segment of the waste stream. Costs for performing the diversion can be worked into the rate structure for debris boxes.



Green Waste/Organics Collection

Single Family Dwelling Services

Allied Waste will offer fully automated collection services for green waste to single family dwellings with one driver. Each single family dwelling will receive one new green 96 gallon yard waste cart or keep their current green waste cart. Additional carts will be available for a fee. On a weekly basis the carts will be serviced at the curb by the automated collection vehicle utilizing an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Use of fully automated collection vehicles does not require the driver to get out of the vehicle in most cases and has proven to be the most efficient and safe means of collecting various materials within residential areas. Drivers will provide special consideration to those residents who qualify for on property service. As this is an existing service to residents they are familiar with the types of material that can be placed into these containers. A reminder brochure will be distributed during the combined services rollout so that the quality of this material can be maintained.

Should the City decide to include food waste in the yard waste program at some point in the future, Allied has extensive experience in the implementation and management of these programs. The most important element is providing detailed information to residents on what can and cannot be placed into the containers in terms of food products and types of fiber. Most programs have tried to eliminate fiber products from the

materials placed into the containers as they typically do not decompose in a time frame that is commensurate with the residence time in most composting processes. In terms of the end use of the material our project team has extensive experience in gaining the necessary approvals for use of green/food waste material in a variety of end uses including ADC or compost. In the event that the Billy Wright Road Landfill is unable or unwilling to accept this material Allied has relationships with outside third party contractors that are permitted to accept this type of material.

Mobile Home Park Collection Services

Casa Mobile Home Park and Rancho Grande Mobile Home Park residents will receive a new 96 gallon green waste cart or keep their current green waste cart. On a weekly basis the carts will be serviced at the curb by the automated collection vehicle which utilizes an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Use of fully automated collection vehicles does not require the driver to get out of the vehicle in most cases and has proven to be the most efficient and safe means of collecting various materials within residential areas. Drivers will provide special consideration to those residents who qualify for on property service. Similar public education reminders and informational brochures will be provided to each customer during service roll outs or the transition to a combined yard waste and food waste programs.

Multifamily, Commercial and Industrial Customers

Multifamily, commercial and industrial customers will either be offered 96 gallon green waste carts or the complex will be offered a debris box to manage this material. Depending upon the size of the facility, the latter approach has typically worked well due to the fact that most residents of these facilities are not performing their own yard service. Typically an outside contractor for the complex is engaged and they need a receptacle to place the material in or at times haul the material off-site themselves. The size and service requirements will dictate the service provided. On a weekly or as needed basis the carts will be serviced by an automated residential collection vehicle on a residential route which utilizes an extendable arm to grasp the cart and tip the contents into the body of the vehicle. Debris boxes will be serviced by roll off collection trucks.

Transfer and Processing

Solid Waste and Green Waste

All residential and commercial vehicles will be directed to the Billy Wright Road Landfill for disposal of solid waste and the recycling of green waste. The site is a county owned landfill/processing facility and has provided disposal and green waste re-use services for an extended period of time to the City of Los Banos. In the event the City chooses to enhance their yard waste program to include food waste, the facility may need to amend their existing operating permits for continued use of the material as Alternative

Daily Landfill Cover or other beneficial re-use. Allied has extensive experience in evaluating, permitting and implementing these types of programs and is very willing to assist the City should they wish to pursue this service enhancement.

Recyclable Material

Residential and commercial recyclable material will be initially transported to the Billy Wright Road Landfill and transferred into transfer trailers to go to Allied's Newby Island Recyclery located in Milpitas, CA. The Recyclery is under contract with Merced County for processing of all recyclable materials generated by member agencies within the Joint Powers Authority. The facility currently recovers over 87% of the inbound single stream material delivered. The 80,000 square foot recycling facility was constructed in 1991 and is one of the largest recycling operations in the nation.



Recycling has changed considerably since the construction of the facility and the Recyclery has received several equipment upgrades to keep pace with the industry. In 2003, a \$2 million single-stream sorting line was installed making the Recyclery one of only 2 operations in the South Bay with single stream sorting capability. The marketing of recyclable materials has also changed as larger quantities and more diverse materials are recovered from the waste stream. By partnering with Allied Waste, the City of Los Banos will be provided with one-stop shopping in terms of all non-county provided solid waste and recyclables management services. Allied Waste anticipates collecting the following types of material:

Recovery Effectiveness	
Percentage residual tonnage	13.06% ^a
Incoming tonnage per month	100
Recovered tonnage per month	87

COMMODITY	Overall Percentage	Sub Percentage	Overall Percentage	Tonnage
OCC	9.88% ^a	100.000% ^a	9.88% ^a	9.88
MP #3		30.000% ^a	18.45% ^a	18.45
ONP #6	61.49% ^a	70.000% ^a	43.04% ^a	43.04
ONP #8		0.000% ^a	0.00% ^a	-
Salvage Metal	0.71% ^a	100.000% ^a	0.715% ^a	0.71
Film Plastics	0.47% ^a	100.000% ^a	0.470% ^a	0.47
PETE #1		7.630% ^a	1.10% ^a	1.10
HDPE #2 (color)		0.000% ^a	0.00% ^a	-
HDPE #2 (natural)		0.000% ^a	0.00% ^a	-
Plastics #'s 2-7		9.950% ^a	1.43% ^a	1.43
Aluminum UBC's	14.39% ^a	1.760% ^a	0.25% ^a	0.25
Tin/Steel Cans		8.660% ^a	1.25% ^a	1.25
Flint Glass		2.810% ^a	0.40% ^a	0.40
Amber Glass		0.380% ^a	0.05% ^a	0.05
Emerald Glass		3.500% ^a	0.50% ^a	0.50
3-Mix Glass		65.310% ^a	9.40% ^a	9.40
Trash	13.06% ^a	100.000% ^a	13.060% ^a	13.06
	100.00%			100

All inbound and outbound materials are weighed in at the Recyclery scales and load data is recorded in a TRUX database program. The TRUX system has been specifically designed for use by recycling operations and allows for the recording and reporting on all material flows. Inbound materials are recorded by weight, truck number, date, material type and city of origin. The facility has the capability to provide reports to the City detailing all diversion information that may be required by the California Integrated Waste Management Board.

After recording information at the scales, the trucks dump recyclables inside the Recyclery where they are stored with material from other cities. The sorting process begins with the materials being loaded into a hopper that meters an even-flow of material to the pre-sort station. At the pre-sort, 6-10 sorters remove contamination, plastic film and cardboard containers from the single stream recyclables. The remaining materials are then screened to remove newspaper and mixed paper



from the ridged containers. Before baling, the paper is sorted again to ensure that there is no contamination that could pose a problem for the paper mills. Containers are sorted by a separate container sort line manufactured by CP Equipment. This sort system uses the different physical properties of the material to mechanically separate the container types. Broken glass is screened and shipped to a local glass recycler for additional processing. Metals and aluminum are magnetically removed from the container stream for baling and shipment to local mills. Glass and plastics are preliminarily hand sorted by color and type and receive a secondary sort through use of optical sorting equipment before being shipped to markets.

Marketing Recyclable Material

Allied Waste has long recognized the importance of having stable and reliable markets for recyclables in order to complete the re-use cycle. When recycling began in California, most of the markets for recovered materials were located in the United States. With increased globalization, the markets for recycled materials have shifted to Asia and the Pacific Rim. The complexity of selling and transporting materials around the world requires significant experience and expertise. To meet these challenges, Allied Waste has created a dedicated Materials Marketing Group (MMG) located at the Allied Waste headquarters in Scottsdale, Arizona. This MMG group has experts in the different commodity types and is responsible for marketing all the recyclable material generated by the many recycling operations owned by Allied Waste across the Country. By centralizing the material marketing function, Allied Waste is able to create market clout which provides access to the best material markets in the world.

In addition to international markets, the MMG group has Regional Managers that are in contact with local recycling markets. The Newby Island Recyclery has a Regional MMG Manager that assists the facility in coordinating international shipments and helps locate local markets for recyclables. By using local markets, the Recyclery is able to reduce transportation costs and tap into local markets for “hard to recycle materials”. Examples of locally marketed recyclables include:

- Baled cardboard delivered to Container Corporation of America (CCA) in Santa Clara for the manufacture of tissue paper.
- Bales of mixed plastics delivered to EPIC Plastics in Lodi for the manufacture of plastic lumber and landscape edging material.
- Mixed glass delivered to CRA in Union City for optical sorting and sale to Gallo Brothers Wine for manufacture into new bottles.

Newby Island Recyclery is large enough to allow for several days of material storage. The Recyclery operates at two shifts, which allows for the possibility of operating a third shift to process additional tonnage or catch up on volumes stored during an emergency. The large staff at the Recyclery (75 employees) ensures there is sufficient personnel to operate the facility when there are large volumes of material.

Other Services

Holiday Treecycling

Allied Waste will offer the following options for recycling holiday trees:

- Green waste cart collection
Customers may place their trees in their green waste cart for collection at any time. They will be instructed to cut it into small pieces and place them loosely in their green waste cart. The lid must close.
- Residential curbside collection
Holiday trees will be collected curbside from December 25 through January 31. The tree must be less than 6' long. If it is longer, the tree must be cut in pieces 4 feet long or less. Instructions will include removing lights, ornament, tinsel, nails and stands from trees, no plastic bags and no flocked, painted, fireproofed or artificial trees will be accepted. Rear Loading Vehicles (REL) will be used to collect trees placed curbside.
- Multifamily collection
Holiday trees will also be collected during the same period in multifamily complexes. Complexes will be notified with a flyer they can post in a place frequented regularly by tenants. A REL will go through complexes and pick up trees.
- Drop off location
Allied Waste will place a debris box at a location designated by the City for residents to drop off their holiday trees if they miss curbside collection.



Customers will receive notification in December when their Holiday Trees will be collected for recycling and where they can take their tree if they miss their collection day. Instructions will include removing lights, ornaments, tinsel, nails and stands from trees, no plastic bags and no flocked, painted, fireproofed or artificial trees will be accepted. Holiday tree collection flyers are included within Appendix C.

On Call Bulky Cleanups

Allied Waste will offer two on-call bulky cleanups picked up curbside for single family residents. Mobile home park residents will also receive this service if the city chooses to offer it. This service will use one REL truck with a 1 person crew. On-call cleanups will be scheduled within 72 hours of receiving the request and will be performed for the fee listed in the cost forms section. Customers will need to schedule their cleanup 2 weeks prior to their regular collection day. Items must be set out for pick up before 6:00 am on the day of the scheduled cleanup. The set out limit for collection will be 3 cubic yards or 21 32-gallon bags.

Allied Waste will make a good faith effort to find a nonprofit partner(s) to pickup material designated by the nonprofit for reuse. The types of material collected for reuse and the frequency of collection for these items will depend upon the partner(s). The nonprofit will be responsible for collecting their designated material. A donation receipt will be provided if requested.

When the customer calls to schedule their cleanup, the customer service representative will ask what types of material will be set out. The customer will be provided the information on how to set out the items for disposal and donation. White goods can also be collected as part of this program with the fee charged per unit being commensurate with the cost for removal of hazardous materials (ie. Freon or mercury switches, etc.).

E-scrap will not be collected as part of a cleanup (unless a partner wants to collect it), but must be scheduled separately since a separate truck will pick it up (see description provided below).

On-Call Cleanup

ACCEPTABLE	UNACCEPTABLE
<ul style="list-style-type: none"> • Small Furniture • Trash • Tree trunks no larger than 12" in diameter • Branches less than 4' long • Small, loose items and yard waste should be placed in bags or boxes, or bundled with string • All containers will be taken 	<ul style="list-style-type: none"> • Most single items weighing over 150 pounds, over 6 feet in length, height, or width • Bags cannot weigh more than 50 lbs. • No hazardous materials such as car batteries, pesticides, paint, etc. • No construction or demolition debris, pallets, concrete, dirt, or lumber • No automobile parts • No televisions or computer monitors • No refrigerators, freezers, air conditioners or any other appliance with Freon

Alternative Fuel Vehicles

Allied's proposal assumes the use of diesel powered vehicles that are equipped with particulate emission controls fully compliant with the California Air Resources Board Requirements. These vehicles use low sulphur diesel and have proven to be dependable and relatively low maintenance. Our research into the existence of fueling stations for CNG, LNG or other alternative fuels in the Los Banos area indicates limited sources are available and our first priority is reliability of service.

While we have not proposed the use of alternative fuel vehicles, Allied is very willing to pursue this option should it be of critical importance to the City. We do not believe that the initial cost of the collection vehicles will be substantially different and our reticence in proposing their use was the availability of fuel as well as reliability problems that have plagued these vehicles in the past. Research has also shown that CNG/LNG powered vehicles are emitting more NOX and particulate matter than standard diesel engines which meet CARB requirements and burn low sulfur fuel.



In an effort to keep our rates to a minimum we have provided two cost proposals that contemplate use of all new vehicles and the other a mix of new and existing trucks. In the event the City wishes to pursue the proposal for utilizing a mix of new and existing vehicles, one approach could be to use the existing diesel powered equipment until it's useful life is expired and replace the vehicles with alternative fuel or dual powered engines (diesel and LNG/CNG). The newly purchased trucks for curbside recycling could be dual powered engines. In approaching the issue in this manner both the City and Allied can be assured that the vehicles will be reliable and as time passes and more stable alternative fuel sources are put in place that the collection of material can be performed with alternative fuels.

Biodiesel is also a potential alternative fuel that can be used in newer engines however, use of this fuel in older engines that have been retrofitted with particulate traps has caused issues with the power train and is not recommended (ie. clogging of the particulate traps).

However the City decides to address this matter, they should rest assured that Allied has the desire and capability to find a suitable solution and provide service in the most environmentally friendly and sustainable manner. We are confident that a reasonable approach to this issue can be arrived at by both parties.

E-Scrap and Universal Waste Collection

Allied Waste will provide a curbside E-scrap collection program for recycling that will include computer monitors, televisions, printers, CPU's, mice, laptop computers, external computer hard drives and peripherals, VCR's, DVD's and keyboards. Customers will call customer service to schedule a pick up. Collection may be on a different day than their regular collection day. Items will be picked up at the curb with a flat bed truck.

Abandoned Waste Collection

As part of our proposal Allied is willing to offer collection of abandoned waste up to a maximum of 250 tons per year. This assumes that disposal will occur at the Billy Wright Landfill and will be paid for by the City. Any amount of material over this tonnage limit will be billed at a pre-determined rate to the City. This offer extends to materials that can be classified as solid waste and does not include hazardous or liquid wastes.

Motor Oil and Oil Filter Collection

Customers may recycle motor oil and oil filters curbside. They will be instructed to pour their oil into a clear plastic screw top container like a plastic milk jug. This will enable the driver to confirm the contents. If the lid is a flip top, it will need to be taped to reduce spillage. All containers will be placed by the blue recycle cart and a maximum of 2 gallons per pick up is allowed. Oil filters will be placed in sealable plastic bags such as Ziploc, sealed and left next to the recycle cart.

Even though the recycle service is automated, the driver will get out of the vehicle to collect the oil and oil filters and mark on his/her route sheet what he collected for reporting purposes. All trucks will be equipped with the proper collection and storage containers as well as a spill kit. All spills will be cleaned up immediately.

On Call Recycle Cleanups

Allied Waste will offer customers one on call cleanup for no charge of either cardboard or green waste on their regular scheduled collection day as long as it meets the following specifications. If customers want a recycle cleanup on a day other than their regular collection day, a fee will apply. Customers will be instructed as follows:

Extra Green Waste

- After filling green waste cart, place extra leaves and yard clippings in cardboard boxes, paper bags and containers that are 32 gallons or less in volume. Maximum of 50 lbs. per container. NO PLASTIC BAGS.
- All containers will be taken away.
- Tree branches and prunings must be 3 feet or less in length and 6 inches or less in diameter. Bundle with string or cord.
- Containers to be placed at the curb by 6 am or the night before.

Extra Cardboard

- Flatten corrugated cardboard and trim to 3 feet or less on each side. Bundle with cord or string. No maximum on bundle's thickness if less than 50 lbs.
- Place bundled cardboard at the curb by 6 am of your pickup day or the night before.
- Keep extra material at least 4 feet away from carts.

The green waste driver will have the green waste cleanup on the route sheet. Once the green waste cart is emptied, the driver will get out of the truck and dump the container contents into the green waste cart. The green waste cart will be emptied into the truck. This process will continue until all containers are emptied. All containers will be left at the curb.

The recycle driver will have the cardboard cleanup on the route sheet. Once the recycle cart is emptied, the driver will get out of the vehicle and put the cardboard cart and repeat the lift cycle. The bundled material will need to be able to fit into the cart due to the fact that the hopper on automated vehicles is too high for the driver to lift or throw the material into. Local staff will know how many cleanups can be scheduled on each route so as not to impact the driver's time for finishing the route.

Event Recycling

Allied Waste has successfully managed the solid waste and recycling for various community events. For example the City of Clayton, CA with a population of 10,781, has an Annual Art & Wine Festival that draws approximately 10,000 people per day. The Clayton Business and Community Association (CBCA) sponsors the event. An

Allied Waste employee is a member of the CBCA and volunteered to manage the garbage and recycling beginning in 2002 and has successfully increased diversion over the past few years and decreased the amount of garbage generated at the festival:

Clayton Art & Wine Festival

	2002	2003	2004	2005	2006	2007
RECYCLE MATERIAL						
Glass	2200 lbs	1000 lbs	2000 lbs	2200 lbs	2200 lbs	2400 lbs
Cardboard	1200 lbs	1350 lbs	3600 lbs	3600 lbs	3600 lbs	3600 lbs
Plastic	525 lbs	180 lbs	100 lbs	80 lbs	450 lbs	225 lbs
Total Recycle	3925 lbs	2530 lbs	5700 lbs	5880 lbs	6250 lbs	6225 lbs
TOTAL SOLID WASTE	3380 lbs	2760 lbs	5160 lbs	4500 lbs	4100 lbs	4520 lbs

The festival uses one 20 yard debris box, twenty 32 gallon garbage carts, twenty 96-gallon event recycle carts and two 8 yard bins for cardboard.

There are a few key ingredients to the success of this program:

- One person who is familiar with solid waste and recycling services oversees the program and is responsible for determining all equipment needs.
- Event recycle carts must have a hole in the middle of the lid, be properly stickered and the lid must have a lock on it. City/county money was used to purchase these carts. A sample is in the Otto cart brochure in Appendix D.
- The cardboard bins must have locking bars and the locks must be used.
- A Boy Scout Troop volunteers for the 2 day shifts to empty the garbage carts, pick up cardboard, pick up litter and other miscellaneous duties.
- Vendors are given a flyer that their cardboard will be recycled. They can either leave it behind their booth or give it to a Boy Scout.
- Once the cardboard is collected it is broken down and placed in the cardboard bins. This is the only time bins are unlocked. Boy Scout leaders have a key. These bins remain locked at all times.
- Recycle carts are placed inside wine booths for easy recycling.

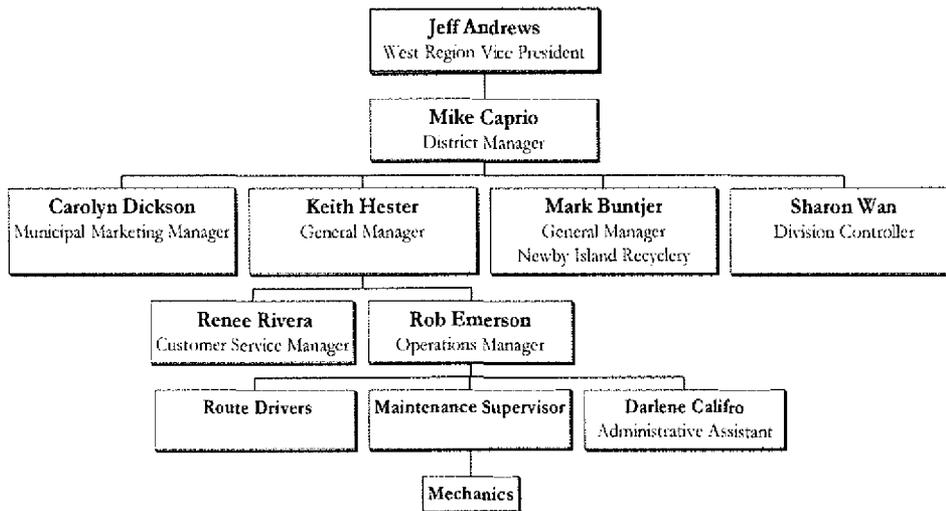
Allied Waste will work with the City of Los Banos and groups sponsoring events to set up successful recycling programs. The City should consider requiring all events to have recycling as part of their necessary permits.

SECTION 3 - KEY PERSONNEL

Allied Waste's team who are responsible for implementation and day to day management of the services to be provided to the City of Los Banos have extensive experience in the management of solid waste and recycling programs. Their experience not only covers interaction with city officials and staff but is more importantly weighted towards actually performing the work required to service the needs of our customers. The team is adept at the ongoing management of solid waste operations including all aspects of customer service, routing, billing, community relations, managing within a collective bargaining agreement environment and compliance with applicable regulatory criteria for operation of a hauling disposal/processing facilities. The following are the key personnel:



Organizational Chart



JEFF ANDREWS
West Region Vice President

Jeff Andrews began his career in the waste business working as summer help while going to college. After completing college, he was hired as an operations manager for a ten truck hauling company. Over the next 25 years, Jeff was promoted to General Manager, and later President of several hauling and recycling companies in Oregon. The companies were all wholly owned subsidiaries of Waste Control Systems, a private waste company that owned and operated hauling, recycling, transfer and disposal companies.



Jeff was made a partner in Waste Control in 1985, and helped to build revenues to \$75 million.

Waste Control was purchased by Allied Waste in January 2000 and Jeff was named District Manager for the newly formed Oregon District. He was promoted to Northwest Regional Vice President in 2002. Jeff served as West Area Vice President from for 2003 and 2004, and has been Regional Vice President for the West Region since 2005.

Jeff received a Bachelor of Arts in Business Administration from Oregon State University in 1976. Jeff will be available for the transition on an as needed basis.

MICHAEL CAPRIO

Central California District Manager

Mike Caprio began his career as a geologist and systems programmer for a major environmental consulting firm and holds degrees in Geological Sciences and Environmental Management. He has held positions of increasing responsibility in the solid waste industry for over twelve years, beginning with extensive experience as Regional Environmental Manager for five years with Norcal Waste Systems, Inc. Mike was employed with Browning-Ferris Industries (BFI) for five and one half years as Operations Manager and Facility Manager at the Vasco Road Landfill and as District Manager for BFI'S Northern California Landfills. His most recent position with BFI involved management of municipal contracts and market development activities in the Bay Area. He joined Allied Waste Industries as their Northern California District Manager in October of 1998.

Mike has successfully taken on duties in every major area of responsibility in the solid waste business. He has worked on projects ranging from landfill, transfer station and household hazardous waste facility permitting & compliance, contract development and management, construction management and heavy equipment maintenance as well as management of legal and labor relations

With Allied, Mike has managed an increasingly large number of operating subsidiaries and successfully managed growth related to expansion of services with municipalities, acquisitions and the roll-out of new service packages in franchised markets. This success has been largely based upon his ability to define the goals necessary to complete a task and assembling a team of individuals that will carry out the requirements of the program.

KEITH HESTER

General Manager

Keith Hester has been in the solid waste business for over 22 years and a General Manager for 15 years primarily in the Central Valley. He began his career as an Operations Supervisor in Fresno in 1984. Within four years, Keith became the

Operations Manager. He oversaw residential and commercial collection routes, day-to-day operations, personnel, statistical tracking and reporting, training, Department of Transportation compliance and route density and profitability. In 1990, Keith became the District Manager for the Central Valley. He oversaw a collection company, two landfills, a recyclery/transfer station and portable restroom operation.

Keith has served as a General Manager for many years. He worked briefly for other solid waste companies, but has been a valuable asset at Allied Waste since 2003. His experience in hauling companies and recyclery/transfer station capabilities will be invaluable to the City of Los Banos in achieving diversion goals.

ROB EMERSON

Operations Manager

Rob Emerson has 15 years of experience as an Operations Manager in addition to 21 years of experience in the solid waste industry with Allied Waste/BFI in the Central Valley. Rob's experience has enabled him to set measurable goals to manage productivity, labor costs, disposal minimization, diversion, and safety. His career has centered on providing customers with a cost effective, high quality service and resolving customer issues in a professional and timely manner..

Rob has successfully implemented several service transitions with minimal customer disruption. He will oversee the roll out of new services in the City of Los Banos.

SHARON WAN

Controller

Sharon Wan has 25 years of experience in the solid waste industry with Allied/BFI in the Central Valley. She has served as Division Controller for the last 6 years. Sharon is responsible for all financial reporting, establishing and monitoring internal accounting and billing procedures, compliance with corporate policies, and participating as a team member of management in all financial areas of the division.

CAROLYN DICKSON

Municipal Marketing Manager

Carolyn Dickson has been in the solid waste business for 15 years and with Allied Waste for the past 8 years. She is responsible for contract timelines, milestones, reporting and public education. Carolyn will be the City of Los Banos' primary contact for the implementation plan and all public education requirements. With over 11 years of experience in managing successful recycling programs, Carolyn will bring extensive knowledge of new service transitions and education.

SECTION 4 - CUSTOMER SERVICE

At Allied Waste, service is our business. Without superior customer service to help meet our customers' needs, a company of our size and reputation could never retain its leadership position in the marketplace. To that end, we concentrate on the basics:

- Make customer service every Allied Waste employee's job
- Do the right thing right the first time
- Solve problems promptly and with a friendly, helpful attitude
- Inform and empower employees to make wise customer service decisions
- Look for ways to provide value to the customer without being asked

These strategies can make all the difference in whether a community adapts to changes in its solid waste and recycling programs or struggles to accept or reject the program from the start.

Our customer service team will be staffed, trained and available when the initial public education hits the streets. They will be able to answer any questions which may arise during the implementation of the new services. Allied Waste will provide City staff with regular updates to ensure an effective and smooth transition. Representatives will receive press releases, newsletters, brochures and all other program materials prior to customers receiving them. New Representatives will receive the necessary training to effectively assist customers.

Allied Waste follows a very detailed procedure for handling customer questions which includes:

- ◆ Customer issues are handled promptly and resolved no later than the next business day.
- ◆ A history on each account is maintained in our database to assist customer service representatives to troubleshoot and resolve problems quickly.
- ◆ Service tags are generated by customer service and forwarded to field personnel.
- ◆ Items requiring immediate attention are dispatched over the radio to the appropriate field supervisor or driver. Upon resolution, service tags are signed, dated and returned.

Residential and commercial customer service representatives use our database system. This system integrates information at all levels including accounting, routing and service criteria. Daily duties of the customer service representatives include:

- ◆ Taking orders for new service, making service changes, answering questions about bills or service.
- ◆ Coordinating with dispatch for prompt resolution of customer concerns.
- ◆ Updating and maintaining files for tracking service problems and resolutions.
- ◆ Updating customer accounts.
- ◆ Scheduling on call cleanups.

-
- ◆ Scheduling extra pick-ups.
 - ◆ Taking payments.
 - ◆ Generating customer service reports.
 - ◆ Mailing customer service material to new customers.
 - ◆ Scheduling delivery of roll-off containers.
 - ◆ Resolving service issues within 24 hours.
 - ◆ Scheduling bin delivery.
 - ◆ Accommodating special needs of customers (i.e. elderly, disabled)
 - ◆ Processing data from field personnel regarding late set outs, broken containers, contaminated yard waste and/or recycling, container placement and road hazards (i.e. low tree branches, low wires, damaged pavement).



Customer Service Summary reports are generated each month tracking clean-up requests, extra service requests, service changes, missed pickups, recycling and green waste, courtesy pickups, cart replacement and other service related questions.

Tracking Customer Questions and Concerns

To ensure proper recording of our customer service calls, Allied utilizes the Residential and Commercial Management System (RMS & CMS). These systems record courtesy pick-ups, missed pickups, driver issues, on call clean ups, extra pickups, container exchanges, service changes, new customers starts, missed setouts and other customer related requests. This tracking system allows us to maintain a history on each customer and run various reports.

When a customer inquiry is received, it is entered into our database and forwarded to the dispatcher. The dispatcher calls out all customer inquiries to the appropriate field supervisor for resolution. Standard turn around time on service requests is 24 hours. Copies of all customer inquiries are kept on file in our office.

Missed Pickups

Upon customer notification of a missed pickup, we issue a tag to have the driver return. Depending on the time of day we receive the information, we may be able to send the driver back the same day. Our turnaround time on missed collection is within 24 hours of the report except on Fridays the collection will be on Monday unless it is an emergency.

Courtesy Tags

If a customer has an improper setout or recycling/yard waste contamination, the driver will leave a Courtesy Tag with the appropriate box checked. This will inform the customer as to why his/her container was not serviced. This improves communication with the customer as well as educates them so that future issues of this nature can be avoided. Copies of these types of notices are in Appendix C.

Driver Training

Route drivers will be trained on the new equipment after the new trucks arrive and well before the service is scheduled to begin. This will provide drivers with time to get used to the automated vehicles and result in minimal service disruptions. Drivers will receive program material so they can respond to questions customers may ask them on their route. All drivers will be road tested and pass a rigorous screening protocol to ensure that qualified and responsible individuals will be employed within the City.

Cart Delivery

If customers receive new garbage (equal to their current service level), recycling and green waste carts, they will be notified when to have their old carts set out for collection and new carts delivered. If customers are to keep their existing garbage and green waste carts and receive one new 96 gallon recycle cart, they will be notified when their recycle cart will be delivered. Delivery personnel will use garbage routes for scheduling purposes and can deliver approximately 500 carts per day. A Customer Guide will be attached to the handle of one of the carts.

Secret Shopper

To insure the highest level of customer service, a Secret Shopper service is used. Customer Service Representatives are provided with a script they must follow when talking to customers. Points are allotted for various questions on the script including, but not limited to: politeness, courteousness, verifying phone & address, asking questions about the service issue and thanking them for their business. The maximum number of points is 100. A Secret Shopper pretends to be a customer and asks for a certain residential or commercial service. The call is recorded and rated. The General Manager listens to the call and reviews the call evaluation and score. This evaluation is one of the tools used to measure performance of the Customer Service Representatives.

SECTION 5 - PUBLIC EDUCATION AND OUTREACH

Public education development will begin immediately following the execution of the contract to explain to the customers the upcoming changes to the solid waste program. Samples of public education material are included in Appendix C and a description of Allied's approach to this critical service component follows.

Residential Education Program

Initial Start-Up Public Education Activities

- An Intro brochure to residents explaining the new services, when carts would be delivered and when the new services would begin.
- A Customer Guide will be delivered with the new recycle cart explaining the Solid Waste, Recyclable Materials and Green Waste programs and the materials to be Collected. A brochure for multifamily owners/managers will be prepared and mailed.
- Door hanger/flyer/mailer of the specific Collection day and Holiday schedules.

Public Education Activities to Be Performed throughout the Term of the Agreement

- A comprehensive Customer Guide will be prepared and distributed describing how to prepare Green Waste and holiday trees for Collection. Customers will be provided instructions for their Green Waste, such as the cutting of items, placement of materials outside a Container (provided such material is bundled in lengths less than five feet and bundles that weigh less than 30 pounds), and the appropriate use and placement of Green Waste Containers.
- A comprehensive Customer Guide will be prepared and distributed describing how to prepare Recyclable Materials for Collection including acceptable and unacceptable recyclable materials.
- A comprehensive Customer Guide will include the appropriate disposal methods for Hazardous, Infectious, Electronic and Universal Wastes and that they cannot be placed in their garbage.
- Homeowners associations and other groups will be contacted to promote and explain the program throughout the term of the Agreement, as requested by the associations or scheduled by the City.
- Coordinate with City on annual or semi-annual newsletter to be distributed to all residents promoting and explaining solid waste, recyclable materials, and green waste programs.
- Educational "door hangers" shall be prepared and distributed as needed.
- School education programs to teach students about source reduction, reuse, and recyclable materials shall be prepared and made available to schools. Allied Waste will offer Recycle Rosie Curriculum and coloring books.

-
- Non-program related information on source reduction, reuse and recyclable materials (e.g. junk mail reduction, household hazardous waste events, grass cycling, composting, etc.) shall be available.
 - Specially designed public education materials and programs to reach Multi-Family residents and owners/managers shall be prepared.
 - Website - Allied Waste will create a website upon the City's request. The City can look at www.awsecc.com to view one of Allied Waste's websites. Residential and commercial customers are able to email service changes, schedule cleanups as well as find out their collection day.

Commercial Education Program

Initial Start-Up Public Education Activities

- A comprehensive Customer Guide shall be prepared and distributed explaining the Recyclable Materials Collection services for the different business types.
- A comprehensive Customer Guide shall include descriptions of the appropriate disposal methods for Hazardous, Infectious, Electronic and Universal Wastes. Businesses shall be informed that these materials are not to be placed in the Solid Waste Container.
- Separate "how-to" brochures explaining the Solid Waste and Recyclable Materials Collection programs that are tailored to each general business type (i.e., restaurants, office/Commercial buildings, strip malls, and large Commercial businesses).
- Promote and conduct a total of eight training meetings, two for each general business type (i.e., restaurants, office/Commercial buildings, strip malls, and large Commercial businesses) to educate Commercial Customers on the Solid Waste and Recyclable Materials Collection programs, answer questions and provide information to businesses to increase diversion.
- Attend at least six business associations and organizations (e.g., Chamber of Commerce, churches, and other organizations) to educate Commercial Customers on the Solid Waste and Recyclable Materials Collection programs, answer questions and provide information to increase diversion.

Public Education Activities to Be Performed throughout the Term of the Agreement

- Prepare and distribute a Recyclable Materials resource guide to provide vendors' names, numbers and contacts for purchasing recycled products, re-use donation locations and other recyclable materials companies (to be updated annually).
- Coordinate with City on a semi-annual newsletter to be distributed to all businesses promoting and explaining the Recyclable Materials program. The newsletter shall be reviewed and approved by City staff.

Commercial Waste Audits

- At the request of either the Commercial Customer or the City, waste audits will be performed for specified Commercial Customers. The waste audit will be an “on site” visit and completed by the Contractor’s Recycling Sales Representative.
- Waste audits will be performed on the top 25 waste generators.
- The waste audit will include the following components:
 - Site visit and waste analysis to determine the type and volume of Recyclable Materials in the waste stream.
 - Complete a waste audit checklist to retain in customer file and a copy to leave with customer that documents the type and volume of Recyclable Materials that can be Recycled.
 - Determination of the type of Container (Cart or Bin) for the Recyclable Materials being generated.
 - Determine level of service (weekly, bi-weekly, etc.) and route day(s).
 - Based upon the volume of Recyclable Materials that can be diverted, assist customer with determining service level for Solid Waste collection.
 - Generate estimated cost savings to Customer by Recycling.
 - If customer agrees, the Contractor’s Recycling Sales Representative will arrange for service to begin on the specified collection schedule.
 - Conduct follow-up waste audits to evaluate success of program and determine if solid waste service can be reduced.

All Customers

Contractor shall develop and implement a public education program designed to educate Generators regarding proper methods of handling and disposing of Hazardous, Infectious, Electronic, and Universal Wastes and a load inspection program for Contractor’s personnel to detect and discover such materials placed by Generator for Collection by Contractor.

SECTION 6 -IMPLEMENTATION SCHEDULE

Outlined below is a detailed implementation schedule and calendar that provides specific tasks and dates for the various events that will need to be completed prior to commencement of service. Typically this schedule is approved in its final form by the City prior to implementation to ensure that all parties involved are comfortable with its contents and intent.

Date	Activity
September 28, 2007	Trucks ordered
September 28, 2007	Carts ordered
September 28, 2007	Bins ordered
September 28, 2007	Event carts ordered
October 1, 2007	Begin work on Reuse/Recycle Guide
October 5, 2007	Discuss quarterly newsletter with city
October 10, 2007	Meet with city to discuss truck signage
October 24, 2007	Submit commercial outreach/mtg. Schedule to city
October 26, 2007	Order commercial/multifamily recycle containers
October 29, 2007	Order truck signage
October 31, 2007	Submit waste audit schedule to city
November 2, 2007	Submit intro brochure to city
November 5, 2007	Submit multifamily brochures to city
November 7, 2007	Submit school recycling outreach plan/copy to city
November 9, 2007	Submit residential customer guide to city
November 12, 2007	Submit general business brochure to city
December 3, 2007	Submit commercial customer guide to city
December 3, 2007	Draft press release to city
December 4, 2007	Multifamily brochures to printers
December 5, 2007	Finalize community mtg./outreach schedule
December 6, 2007	Submit waste audit schedule to city
December 7, 2007	Print intro brochure
December 10, 2007	Ad #1 to city for approval
December 11, 2007	Submit Reuse/Recycle Guide to city
December 12, 2007	Print general business brochures
December 17, 2007	Print residential customer guide
December 18, 2007	Draft press release to city
January 4, 2008	Send info to schools
January 4, 2008	Mail intro brochure
January 8, 2008	Residential customer guide to mail house for stuffing
January 8, 2008	Press release to paper
January 9, 2008	Customer Service Dept. mtg.
January 10, 2008	Commercial customer guide to printer
January 11, 2008	Equipment arrives (carts/trucks)
January 11, 2008	Ad #2 to city

January 14, 2008	Ad #1 to paper
January 14, 2008	Residential customer guides delivered to AW
January 15, 2008	Begin contacting schools
January 15, 2008	Draft press release to city
January 16, 2008	Print Reuse/Recycle Guide
January 18, 2008	Commercial recycle containers arrive
January 20, 2008	Ad #1 in paper
January 21, 2008	Mail commercial customer guide
January 21, 2008	Mail multifamily brochure
January 21, 2008	Press release to paper
January 21-February 1, 2008	Cart Delivery
January 21-February 1, 2008	Driver training
February 3, 2008	Ad #2 in newspaper
February 4, 2008	Begin new services
February 4, 2008	Begin waste audits
February 11-22, 2008	Cart exchanges.

SECTION 7 - SUMMARY

Allied Waste Services has prepared a comprehensive proposal for collection of MSW, yard waste and recyclables for the City of Los Banos. We believe that our proposal not only highlights the value brought to the table by our firm over the past twenty five years of our relationship, but also provides an all-inclusive program for assisting the City with future development plans and goals.

The team that is in place has a proven track record of success in the implementation of new service packages and has provided outstanding customer service to the City. Along with the base service package required in the RFP, our proposal highlights several enhancements that provide a comprehensive collection program geared towards assisting the City achieve the highest diversion possible. Depending upon the selection of service levels by the customer, the new service package can be offered at a rate that is very similar to the existing fees being charged for refuse and recyclables collection.

Over the years, Allied has stepped up to the plate whenever the City has needed assistance on a variety of issues. The end result has been a problem solved, stable rates and enhanced services for the City. We have stood by our contract and provided the required services for the compensation agreed to. Continuation of this partnership makes sense for all of the City of Los Banos and its customers.

General Proposal Information

Proposer Name: Allied Waste Use Existing Carts

A. Method of Collection (e.g. manual, semi-automatic, fully automated, split body, etc.)	
1. Residential solid waste	Fully Automated
2. Residential recyclable materials	Fully Automated
3. Residential green waste	Fully Automated
4. Residential bulky waste	Manual Rearloader and Flatbed with liftgate
5. Commercial solid waste	FEL Bins and Truck
6. Commercial recyclable materials	FEL Bins and Truck and Fully Automated carts
7. Drop box services	Roll Off
B. Collection Vehicle Manufacturer, Model #, and Year (for each vehicle to be used in the City)	
1. Residential solid waste	Two - 2003 Volvo Automated Sideloaders
2. Residential recyclable materials	Two - 2007 Volvo Automated Sideloaders
3. Residential green waste	Two - 2003 Volvo Automated Sideloaders
4. Residential bulky waste	One- Manual Rearloader and Flatbed with liftgate
5. Commercial solid waste	One- 1999 Peterbilt Front End Loader
6. Commercial recyclable materials	One- 1996 Peterbilt Front End Loader
7. Drop box services	One - 1999 Volvo Roll Off Truck with universal rails

General Proposal Information

Proposer Name: Allied Waste Use Existing Carts

C. Container Manufacturer and Specifications	
1. Carts	Otto Industries (32 gallon, 68 gallon and 95 gallon) for trash. Existing Blue Carts for Recycling and Existing Green Carts for Yardwaste.
2. Bins	Existing
3. Drop Boxes	Wastequip, Bins range in size from ten cubic yards to forty cubic yards.
D. Recyclable Materials Processing and Handling	
1. Name of processing site	Newby Island (BFI)
2. Owner	BFI of North America, Inc.
3. Operator	BFI of North America, Inc.
4. Address of processing site	1601 Dixon Landing Road, Milpitas, CA 95035
5. Hauling method (e.g. direct haul, transfer haul)	Transfer Haul
6. Address of transfer location (if applicable)	Billy Wright Landfill
E. Green Waste Processing	
1. Name of processing site	Billy Wright Landfill
2. Owner	Merced County
3. Operator	Merced County
4. Address of processing site	
5. Hauling method (e.g. direct haul, transfer haul)	Direct Haul
6. Address of transfer location (if applicable)	

General Proposal InformationProposer Name: Allied Waste Use Existing Carts

B. Support Facilities	
1. Address of collection vehicle parking, maintenance, washing, and route staff parking facilities	409 Mercey Springs Road, Los Banos, CA 93635
2. Address of administrative office	409 Mercey Springs Road, Los Banos, CA 93635
3. Address of billing office	409 Mercey Springs Road, Los Banos, CA 93635
4. Address of customer service office	409 Mercey Springs Road, Los Banos, CA 93635

Operating Statistics
 Proposer Name: Allied Waste Use Existing Carts

Rate Period One	Residential Solid Waste	Residential Recyclable Materials	Residential Green Waste	Residential Bulky Waste	Commercial Solid Waste	Commercial Recyclable Materials	Drop Box Solid Waste	TOTAL	Residential Organic Materials
	A	B	C	D	E	F	G		H
Account Information									
1 # of accounts per week	9,745	9,745	9,745	9,745	467	145	10	39,602	
Labor Information									
2 # of route personnel	3.00	2.00	2.00		1.40	0.60	0.4	9.4	
3 Labor hours/day/person	9.18	10.19	9.75		9.20	7.08	6.96		
4 Total labor hours/year	7,163	5,298	5,070		3,350	1,105	724	22,708	
Route Information									
# of routes per									
5 Weekday	3.0	2.0	2.0		1.4	0.6	0.4	9.4	
6 Saturday					0.5			0.5	
7 Sunday									
# of persons/route per									
8 Weekday	1.0	1.0	1.0		1.0	1.0	1.0		
9 Saturday									
10 Sunday									
# of route hours/day/route per									
11 Weekday	9.18	10.19	9.75		9.20	7.08	6.96		
12 Saturday									
13 Sunday									
# of route hours/year per									
14 Weekday									
15 Saturday									
16 Sunday									
17 Total	7,163	5,298	5,070		3,350	1,105	724	22,708	
18 # of FTE routes	3.44	2.55	2.44		1.61	0.53	0.35	10.92	
19 Total # of setouts/day for all routes	1,949	1,462	1,253						
20 # of setouts/day/FTE route	566	574	514						
21 # of setouts/week	9,745	7,309	6,266						
22 # of drive-bys/week	9,745	9,745	9,745						
23 Sat out rate (%)	100	75%	64						
24 # of accounts served/route hour	71	96	100						
25 # of lifts/week for all routes					968	165			
26 # of lifts/year for all routes					50,350	8,580			
27 # of lifts/route hour					15.03	7.76			
28 # of pulls/week for all routes							20		
29 # of pulls/year for all routes							1,040		
30 # of pulls/route hour							2989.22		
Vehicle Information									
31 # of regular collection vehicles	3.0	2.0	2.0		1.4	0.6	1.0	10.0	
32 # of spare collection vehicles	1.0	1.0						2.0	
33 Total # of collection vehicles	4.0	3.0	2.0		1.4	0.6	1.0	12.0	
Tonnage Information (annual)									
34 Solid waste	14,189				7,868		2,210	24,267	
35 Recyclable materials		3,801.0				515		4,316	
36 Organic materials			4,073					4,073	
37 Total	14,189	3,801			7,868	515		32,656	
38 Recyclable materials residue %									
39 Organic materials residue %									

Please Note:

- Line 1 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 2 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 3 - Identify number of hours per day each regular route employee will work each day (including breaks, pre- and post-route checks, etc)
- Line 4 - Should equal $\text{Line 2} * \text{Line 3} * 260 \text{ days}$
- Lines 5, 6, and 7 - Information is to be reported for collection routes only and does not include any support (e.g. container delivery routes, cleanup routes, missed pickup routes etc)
- Line 8, 9, and 10 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G.
- Lines 11, 12, and 13 - Identify number of hours per day each route will take to complete (including collection time, hauling time to transfer station, landfill, or processing site)
- Line 14 - Should equal $\text{Line 5} * \text{Line 13} * 260 \text{ days}$
- Line 15 - Should equal $\text{Line 6} * \text{Line 14} * 52 \text{ weeks}$
- Line 16 - Should equal $\text{Line 7} * \text{Line 15} * 52 \text{ weeks}$
- Line 17 - Should equal $\text{Line 14} + \text{Line 15} + \text{Line 16}$
- Line 18 - Should equal $\text{Line 17} / 2,080 \text{ hours}$
- Line 19 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 20 - Should equal $\text{Line 19} / \text{Line 18}$
- Line 21 - Should equal $\text{Line 19} * 5 \text{ days}$
- Line 22 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 23 - Should equal $\text{Line 21} / \text{Line 22}$
- Line 24 - Should equal $\text{Line 1} / \text{Line 17}$
- Line 25 - Data to be input by proposer and should equal $\text{Line 26} / 52 \text{ weeks}$ Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 26 - Data to be input by proposer and should equal $\text{Line 25} * 52 \text{ weeks}$ Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G.
- Line 27 - Should equal $\text{Line 26} / \text{Line 17}$
- Line 28 - Data to be input by proposer and should equal $\text{Line 29} / 52 \text{ weeks}$ Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G.
- Line 29 - Data to be input by proposer and should equal $\text{Line 28} * 52 \text{ weeks}$ Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 30 - Should equal $\text{Line 29} / \text{Line 19}$
- Line 31 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 32 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 33 - Should equal $\text{Line 31} + \text{Line 32}$
- Line 34 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 35 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 36 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G.
- Line 37 - Should equal $\text{Line 34} + \text{Line 35} + \text{Line 36}$
- Line 38 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G
- Line 38 - Data to be input by proposer Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6G

Pulls = pull and return etc.

Full Time Equivalent (FTE) = 40 hours per week, 2,080 hours per year

Proposed Labor Requirements

Proposer Name: Allied Waste Use Existing Carts

Route Personnel (include casual/permanent pool)		Proposed FTE
Residential Solid Waste		3.44
Residential Recyclable Materials		2.55
Residential Green Waste		2.44
Residential Bulky Waste		
Commercial Solid Waste		1.61
Commercial Recyclable Materials		0.53
Drop Box Services		0.35
	Subtotal	10.92
Other Personnel		Proposed FTE
CEO/COO		
General Manager		1
Controller		
Office Manager		
Operations Manager		
Operations/Route Supervisor		
Dispatcher		
Container Distribution		
Operations Clerk		
Community Relations Manager		
Recycling/Public Ed. Coordinator		
Customer Service Supervisor		1
Customer Service Representatives		2
Inside Sales		
Billing and Collections Manager		
Accounting Clerk		
Receptionist		
Safety Manager		
Maintenance Supervisor		1
Shop Foreman		
Yard Personnel		
Maintenance Personnel		
Recycling Manager		
Other:		
Other:		
Other:		
	Subtotal	5
Total		15.91731823

Capital Requirements

Proposer Name: Allied Waste Use Existing Carts

Collection Vehicles	Quantity									Proposed Cost
	New			Used			Total			
	Actual	Spare	Total	Actual	Spare	Total	Actual	Spare	Total	
Residential Solid Waste	3	1								
Residential Recyclable Materials	2	1								
Residential Green Waste	2	0								
Residential Bulky Waste	0	0								
Commercial Solid Waste	1.4	0								
Commercial Recyclable Materials	0.6	0								
Drop Box Services	1	0								
Other Vehicles										
Pickup Trucks										
Container Distribution										
Mobile Service Truck										
Containers										
Residential Solid Waste Carts	9,745	487	10,232							
Residential Recyclable Materials Carts				9745	487	10,232				
Residential Green Waste Carts				9745	487	10,232				
Commercial Carts				145	7	152				
Commercial Bins				467	23	490				
Drop Boxes	10	1	11							
Other										
Offices										
Processing Site(s)										
Transfer Station										
Corporation Yard/Maintenance										
Shop Equipment										
Fueling Equipment										
Computer and Office Equipment										
Start-up Capital										
Total										\$ -

Summary of Contractor's Compensation
 Proposer Name: Allied Waste Use Existing Carts

RATE PERIOD 1	Residential Solid Waste	Residential Recyclable Materials	Residential Green Waste	Residential Bulky Waste	Commercial Solid Waste	Commercial Recyclable Materials	Drop Box Solid Waste	TOTAL	Residential Organic Materials
	A	B	C	D	E	F	G		H
Annual Cost of Operations									
Labor-Related Costs	\$194,225	\$153,523	\$145,914		\$117,317	\$25,067	\$8,845	\$644,891	
Vehicle-Related Costs	\$54,751	\$43,500	\$74,219		\$49,370	\$13,895	\$8,960	\$244,695	
Net Recycling Processing Costs									
Net Organic Materials Processing Costs									
Other Costs	\$91,883	\$25,816	\$25,355		\$19,782	\$2,959	\$954	\$166,750	
Direct Depreciation Expense	\$166,729	\$162,200	\$149,442		\$415	\$28,180	\$19,000	\$525,966	
Total Allocated Costs - Labor, Vehicle, & Other	\$149,626	\$104,841	\$100,328		\$213,985	\$58,826	\$14,322	\$641,927	
Total Allocated Costs - Depreciation									
Total Annual Cost of Operations	\$657,214	\$489,879	\$495,259		\$400,869	\$128,927	\$52,080	\$2,224,228	
Profit	\$115,979	\$86,449	\$87,399		\$70,742	\$22,752	\$9,191	\$392,511	
Pass-Through Costs									
Disposal Cost									
Interest Expense (external or intra-company)	\$130,000							\$130,000	
Direct Lease Costs									
Total Allocated Costs - Leases									
Total Pass-Through Costs	\$130,000							\$130,000	
Total Contractor's Compensation	\$903,193	\$576,329	\$582,658		\$471,610	\$151,679	\$61,271	\$2,746,739	

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

SUMMARY (Total Costs from Forms 6A - 6G & 6I)

		Proposed Cost Rate Period 1
Labor-Related Costs (include regular & pool personnel)		
Regular Wages		337,915
Overtime Wages		90,639
Holiday Wages		-
Vacation Wages		-
Sick Leave Wages		-
Workers Compensation Insurance		-
Employers Liability Insurance		-
Health & Welfare		137,137
Pension/ Retirement Benefits		-
Payroll Taxes		-
Other (Please List)		79,200
Total Labor Related-Costs		\$644,891
Vehicle-Related Costs (<u>do not include depreciation</u>)		
Fuel		244,695
Tires & Tubes		-
Parts		-
Supplies (fluid, oil, etc.)		-
Taxes & Licenses		-
Fines & Penalties		-
Other (Please List)		-
Total Vehicle-Related Costs		\$244,695
	Year 1	
Net Recyclable Material Processing Costs	\$/ton tons	
Processing Costs		\$0
Recyclable Material Revenue		\$0
Total Net Recyclable Material Costs		\$0
Net Organic Material Processing Costs	\$/ton tons	
Processing Costs		\$0
Organic Material Revenue		\$0
Total Net Organic Material Processing Costs		\$0
Other Costs		
Liability & Property Damage Insurance		69,502
Equipment Insurance		-
Rent		-
Utilities		-
Telephone		-
Non-Vehicle Related Supplies		-
Non-Vehicle Related Taxes & Licenses		-
Training & Safety Programs		-
Initial Public Education & Outreach		-
Continuing Public Education & Outreach		60,000
Uniforms		-
Other (Please List)		37,248
Total Other Costs		\$166,750

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

SUMMARY (Total Costs from Forms 6A - 6G & 6I)

	Proposed Cost Rate Period I
Direct Depreciation	
Container Depreciation	329,220
Route Vehicle Depreciation	178,546
Other Depreciation	18,200
Total Direct Depreciation	\$525,966
Allocated Costs - Labor, Vehicle & Other Costs	
From General and Administrative (6I)	220,000
From Vehicle Maintenance (6J)	348,138
From Container Maintenance (6K)	73,789
Total Allocated Costs - Labor, Vehicle & Other Costs	\$641,927
Allocated Costs - Depreciation	
From General and Administrative (6I)	_____
From Vehicle Maintenance (6J)	_____
From Container Maintenance (6K)	_____
Total Allocated Costs - Depreciation	\$0
Total Annual Cost of Operations	\$2,224,228
Profit (Enter % Operating Ratio; i.e. 95%):	85% Year I
	\$392,511
Pass-Through Costs	
Disposal Cost	\$0
Interest Expense	130,000
Direct Lease Costs	
Route Vehicles	-
Other (Please List)	_____
Total Direct Lease Costs	\$0
Allocated Lease Costs	
From General and Administrative (6I)	_____
From Vehicle Maintenance (6J)	_____
From Container Maintenance (6K)	_____
Total Allocated Lease Costs	\$0
Total Pass-Through Costs	\$130,000
Total Contractor Compensation	\$2,746,739
City Fees	
Administrative Fee	\$100,000
AB939 Fee	\$100,000
Storm Water Fee (@ 11.7% of gross revenues)	\$0
Franchise Fees (@ 20.0% of gross revenues)	\$0
Total Revenue Requirement	\$2,946,739

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL SOLID WASTE

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages		108,153
Overtime Wages		\$23,987
Holiday Wages		
Vacation Wages		
Sick Leave Wages		
Workers Compensation Insurance		
Employers Liability Insurance		
Health & Welfare		\$42,285
Pension/ Retirement Benefits		
Payroll Taxes		
Other (Please List) Supervisor		\$19,800
Total Labor Related-Costs		\$194,225

Vehicle-Related Costs (do not include depreciation)

Fuel		\$ 54,751
Tires & Tubes		
Parts		
Supplies (fluid, oil, etc.)		
Taxes & Licenses		
Fines & Penalties		
Other (Please List)		
Total Vehicle-Related Costs		\$54,751

	Year 1		
	\$/ton	tons	
Net Recyclable Material Processing Costs			
Processing Costs			\$0
Recyclable Material Revenue			\$0
Total Net Recyclable Material Costs			\$0

	Year 1		
	\$/ton	tons	
Net Organic Material Processing Costs			
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			\$0

Other Costs

Liability & Property Damage Insurance		\$ 22,571
Equipment Insurance		
Rent		
Utilities		
Telephone		
Non-Vehicle Related Supplies		
Non-Vehicle Related Taxes & Licenses		
Training & Safety Programs		
Initial Public Education & Outreach		
Continuing Public Education & Outreach		\$60,000
Uniforms		
Other (Please List)		\$ 9,312
Total Other Costs		\$91,883

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL SOLID WASTE

	Proposed Cost Rate				
	Period 1				
Direct Depreciation					
Container Depreciation	\$ 93,100				
Route Vehicle Depreciation	\$ 73,629				
Other Depreciation	\$ -				
Total Direct Depreciation	\$166,729				
Allocated Costs - Labor, Vehicle & Other Costs					
From General and Administrative (6I)	\$51,280				
From Vehicle Maintenance (6J)	\$81,147				
From Container Maintenance (6K)	\$17,199				
Total Allocated Costs - Labor, Vehicle & Other Costs	\$149,626				
Allocated Costs - Depreciation					
From General and Administrative (6I)	-----				
From Vehicle Maintenance (6J)	-----				
From Container Maintenance (6K)	-----				
Total Allocated Costs - Depreciation	\$0				
Total Annual Cost of Operations	\$657,214				
Profit (Enter % Operating Ratio; i.e. 95%):	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">85%</td> </tr> </table>	85%			
85%					
	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">Year 1</td> </tr> </table>	Year 1			
Year 1					
	\$115,979				
Pass-Through Costs					
Disposal Cost	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">\$/ton</td> <td style="text-align: center;">tons</td> </tr> <tr> <td style="text-align: center;">-----</td> <td style="text-align: center;">14188.72</td> </tr> </table>	\$/ton	tons	-----	14188.72
\$/ton	tons				
-----	14188.72				
Interest Expense	\$130,000				
Direct Lease Costs					
Route Vehicles	\$0				
Other (Please List)	-----				
Total Direct Lease Costs	\$0				
Allocated Lease Costs					
From General and Administrative (6I)	\$0				
From Vehicle Maintenance (6J)	-----				
From Container Maintenance (6K)	-----				
Total Allocated Lease Costs	\$0				
Total Pass-Through Costs	\$130,000				
Total Contractor Compensation	\$903,193				

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL RECYCLABLE MATERIALS

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	71,840
Overtime Wages	\$29,465
Holiday Wages	
Vacation Wages	
Sick Leave Wages	
Workers Compensation Insurance	
Employers Liability Insurance	
Health & Welfare	\$32,418
Pension/ Retirement Benefits	
Payroll Taxes	
Other (Please List) Supervisor	\$19,800
Total Labor Related-Costs	\$153,523

Vehicle-Related Costs (**do not include depreciation**)

Fuel	\$ 43,500
Tires & Tubes	
Parts	
Supplies (fluid, oil, etc.)	
Taxes & Licenses	
Fines & Penalties	
Other (Please List)	
Total Vehicle-Related Costs	\$43,500

Year 1

Net Recyclable Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
Recyclable Material Revenue			\$0
Total Net Recyclable Material Costs			\$0

Net Organic Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			\$0

Other Costs

Liability & Property Damage Insurance	\$ 16,504
Equipment Insurance	
Rent	
Utilities	
Telephone	
Non-Vehicle Related Supplies	
Non-Vehicle Related Taxes & Licenses	
Training & Safety Programs	
Initial Public Education & Outreach	
Continuing Public Education & Outreach	
Uniforms	
Other (Please List)	\$ 9,312
Total Other Costs	\$25,816

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL RECYCLABLE MATERIALS

	Proposed Cost Rate	
	Period 1	
Direct Depreciation		
Container Depreciation	\$	104,000
Route Vehicle Depreciation	\$	47,000
Other Depreciation	\$	11,200
Total Direct Depreciation		<u>\$162,200</u>
Allocated Costs - Labor, Vehicle & Other Costs		
From General and Administrative (6I)		\$35,931
From Vehicle Maintenance (6J)		\$56,859
From Container Maintenance (6K)		\$12,051
Total Allocated Costs - Labor, Vehicle & Other Costs		<u>\$104,841</u>
Allocated Costs - Depreciation		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Depreciation		<u>\$0</u>
Total Annual Cost of Operations		<u>\$489,879</u>
Profit (Enter % Operating Ratio; i.e. 95%):	85%	\$86,449
	Year 1	
Pass-Through Costs		
Disposal Cost	\$/ton	\$0
Interest Expense	tons	
	3800.55	
Direct Lease Costs		
Route Vehicles		\$0
Other (Please List)		
Total Direct Lease Costs		<u>\$0</u>
Allocated Lease Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Lease Costs		<u>\$0</u>
Total Pass-Through Costs		<u>\$0</u>
Total Contractor Compensation		<u>\$576,329</u>

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL GREEN WASTE

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	71,945
Overtime Wages	\$23,596
Holiday Wages	
Vacation Wages	
Sick Leave Wages	
Workers Compensation Insurance	
Employers Liability Insurance	
Health & Welfare	\$30,573
Pension/ Retirement Benefits	
Payroll Taxes	
Other (Please List) Supervisor	\$19,800
Total Labor Related-Costs	\$145,914

Vehicle-Related Costs (**do not include depreciation**)

Fuel	\$ 74,219
Tires & Tubes	
Parts	
Supplies (fluid, oil, etc.)	
Taxes & Licenses	
Fines & Penalties	
Other (Please List)	
Total Vehicle-Related Costs	\$74,219

Year 1

Net recyclable Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
recyclable Material Revenue			\$0
Total Net recyclable Material Costs			\$0

Net Organic Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			\$0

Other Costs

Liability & Property Damage Insurance	\$ 16,043
Equipment Insurance	
Rent	
Utilities	
Telephone	
Non-Vehicle Related Supplies	
Non-Vehicle Related Taxes & Licenses	
Training & Safety Programs	
Initial Public Education & Outreach	
Continuing Public Education & Outreach	
Uniforms	
Other (Please List)	\$ 9,312
Total Other Costs	\$25,355

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL GREEN WASTE

	Proposed Cost Rate Period 1				
Direct Depreciation					
Container Depreciation	\$ 116,940				
Route Vehicle Depreciation	\$ 32,502				
Other Depreciation	\$ -				
Total Direct Depreciation	<u>\$149,442</u>				
Allocated Costs - Labor, Vehicle & Other Costs					
From General and Administrative (6I)	\$34,384				
From Vehicle Maintenance (6J)	\$54,411				
From Container Maintenance (6K)	\$11,533				
Total Allocated Costs - Labor, Vehicle & Other Costs	<u>\$100,328</u>				
Allocated Costs - Depreciation					
From General and Administrative (6I)	_____				
From Vehicle Maintenance (6J)	_____				
From Container Maintenance (6K)	_____				
Total Allocated Costs - Depreciation	<u>\$0</u>				
Total Annual Cost of Operations	<u>\$495,259</u>				
Profit (Enter % Operating Ratio; i.e. 95%):	<div style="border: 1px solid black; display: inline-block; padding: 2px;">85%</div>				
	<u>\$87,399</u>				
	Year 1				
Pass-Through Costs					
Disposal Cost	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: center;">\$/ton</td> <td style="text-align: center;">tons</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">4072.923</td> </tr> </table>	\$/ton	tons	_____	4072.923
\$/ton	tons				
_____	4072.923				
Interest Expense	\$0				
Direct Lease Costs					
Route Vehicles	\$0				
Other (Please List)	_____				
Total Direct Lease Costs	<u>\$0</u>				
Allocated Lease Costs					
From General and Administrative (6I)	_____				
From Vehicle Maintenance (6J)	_____				
From Container Maintenance (6K)	_____				
Total Allocated Lease Costs	<u>\$0</u>				
Total Pass-Through Costs	<u>\$0</u>				
Total Contractor Compensation	<u>\$582,658</u>				

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL BULKY WASTE

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	_____
Overtime Wages	_____
Holiday Wages	_____
Vacation Wages	_____
Sick Leave Wages	_____
Workers Compensation Insurance	_____
Employers Liability Insurance	_____
Health & Welfare	_____
Pension/ Retirement Benefits	_____
Payroll Taxes	_____
Other (Please List)	_____
Total Labor Related-Costs	_____ \$0

Vehicle-Related Costs (**do not include depreciation**)

Fuel	_____
Tires & Tubes	_____
Parts	_____
Supplies (fluid, oil, etc.)	_____
Taxes & Licenses	_____
Fines & Penalties	_____
Other (Please List)	_____
Total Vehicle-Related Costs	_____ \$0

Year 1

Net Recyclable Material Processing Costs

	\$/ton	tons	
Processing Costs			_____ \$0
Recyclable Material Revenue			_____ \$0
Total Net Recyclable Material Costs			_____ \$0

Net Organic Material Processing Costs

	\$/ton	tons	
Processing Costs			_____ \$0
Organic Material Revenue			_____ \$0
Total Net Organic Material Processing Costs			_____ \$0

Other Costs

Liability & Property Damage Insurance	_____
Equipment Insurance	_____
Rent	_____
Utilities	_____
Telephone	_____
Non-Vehicle Related Supplies	_____
Non-Vehicle Related Taxes & Licenses	_____
Training & Safety Programs	_____
Initial Public Education & Outreach	_____
Continuing Public Education & Outreach	_____
Uniforms	_____
Other (Please List)	_____
Total Other Costs	_____ \$0

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL BULKY WASTE

		Proposed Cost Rate Period 1
Direct Depreciation		
Container Depreciation		
Route Vehicle Depreciation		
Other Depreciation		
Total Direct Depreciation		\$0
Allocated Costs - Labor, Vehicle & Other Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Labor, Vehicle & Other Costs		\$0
Allocated Costs - Depreciation		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Depreciation		\$0
Total Annual Cost of Operations		\$0
Profit (Enter % Operating Ratio; i.e. 95%):	85%	\$0
	Year 1	
Pass-Through Costs	\$ /ton tons	
Disposal Cost		\$0
Interest Expense		
Direct Lease Costs		
Route Vehicles		
Other (Please List)		
Total Direct Lease Costs		\$0
Allocated Lease Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Lease Costs		\$0
Total Pass-Through Costs		\$0
Total Contractor Compensation		\$0

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

COMMERCIAL SOLID WASTE

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages		60,287
Overtime Wages		\$13,590
Holiday Wages		
Vacation Wages		
Sick Leave Wages		
Workers Compensation Insurance		
Employers Liability Insurance		
Health & Welfare		\$23,641
Pension/ Retirement Benefits		
Payroll Taxes		
Other (Please List) Supervisor		\$19,800
Total Labor Related-Costs		\$117,317

Vehicle-Related Costs (**do not include depreciation**)

Fuel		\$ 49,370
Tires & Tubes		
Parts		
Supplies (fluid, oil, etc.)		
Taxes & Licenses		
Fines & Penalties		
Other (Please List)		
Total Vehicle-Related Costs		\$49,370

Year 1

Net Recyclable Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
Recyclable Material Revenue			\$0
Total Net Recyclable Material Costs			\$0

Net Organic Material Processing Costs

	\$/ton	tons	
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			\$0

Other Costs

Liability & Property Damage Insurance		\$ 10,470
Equipment Insurance		
Rent		
Utilities		
Telephone		
Non-Vehicle Related Supplies		
Non-Vehicle Related Taxes & Licenses		
Training & Safety Programs		
Initial Public Education & Outreach		
Continuing Public Education & Outreach		
Uniforms		
Other (Please List)		\$ 9,312
Total Other Costs		\$19,782

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

COMMERCIAL SOLID WASTE

	Proposed Cost Rate
	Period I
Direct Depreciation	
Container Depreciation	\$ -
Route Vehicle Depreciation	\$ 415
Other Depreciation	\$ -
Total Direct Depreciation	\$415
Allocated Costs - Labor, Vehicle & Other Costs	
From General and Administrative (6I)	\$73,336
From Vehicle Maintenance (6J)	\$116,051
From Container Maintenance (6K)	\$24,597
Total Allocated Costs - Labor, Vehicle & Other Costs	\$213,985
Allocated Costs - Depreciation	
From General and Administrative (6I)	-
From Vehicle Maintenance (6J)	-
From Container Maintenance (6K)	-
Total Allocated Costs - Depreciation	\$0
Total Annual Cost of Operations	\$400,869
Profit (Enter % Operating Ratio; i.e. 95%):	85%
	Year 1
	\$70,742
Pass-Through Costs	
Disposal Cost	\$0
Interest Expense	-
Direct Lease Costs	
Route Vehicles	\$0
Other (Please List)	-
Total Direct Lease Costs	\$0
Allocated Lease Costs	
From General and Administrative (6I)	-
From Vehicle Maintenance (6J)	-
From Container Maintenance (6K)	-
Total Allocated Lease Costs	\$0
Total Pass-Through Costs	\$0
Total Contractor Compensation	\$471,610

85%	
Year 1	
\$/ton	tons
-	7867.48

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

COMMERCIAL RECYCLABLE MATERIALS

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	18,990
Overtime Wages	\$0
Holiday Wages	
Vacation Wages	
Sick Leave Wages	
Workers Compensation Insurance	
Employers Liability Insurance	
Health & Welfare	\$6,077
Pension/ Retirement Benefits	
Payroll Taxes	
Other (Please List)	\$0
Total Labor Related-Costs	\$25,067

Vehicle-Related Costs (do not include depreciation)

Fuel	\$ 13,895
Tires & Tubes	
Parts	
Supplies (fluid, oil, etc.)	
Taxes & Licenses	
Fines & Penalties	
Other (Please List)	
Total Vehicle-Related Costs	\$13,895

	Year 1		
	\$/ton	tons	
Net Recyclable Material Processing Costs			
Processing Costs			\$0
Recyclable Material Revenue			\$0
Total Net Recyclable Material Costs			\$0

	Year 1		
	\$/ton	tons	
Net Organic Material Processing Costs			
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			\$0

Other Costs

Liability & Property Damage Insurance	\$ 2,959
Equipment Insurance	
Rent	
Utilities	
Telephone	
Non-Vehicle Related Supplies	
Non-Vehicle Related Taxes & Licenses	
Training & Safety Programs	
Initial Public Education & Outreach	
Continuing Public Education & Outreach	
Uniforms	
Other (Please List)	\$ -
Total Other Costs	\$2,959

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

COMMERCIAL RECYCLABLE MATERIALS

		Proposed Cost Rate
		Period 1
Direct Depreciation		
Container Depreciation		\$ 6,180
Route Vehicle Depreciation		\$ 15,000
Other Depreciation		\$ 7,000
Total Direct Depreciation		<u>\$28,180</u>
Allocated Costs - Labor, Vehicle & Other Costs		
From General and Administrative (6I)		\$20,161
From Vehicle Maintenance (6J)		\$31,903
From Container Maintenance (6K)		\$6,762
Total Allocated Costs - Labor, Vehicle & Other Costs		<u>\$58,826</u>
Allocated Costs - Depreciation		
From General and Administrative (6I)		_____
From Vehicle Maintenance (6J)		_____
From Container Maintenance (6K)		_____
Total Allocated Costs - Depreciation		<u>\$0</u>
Total Annual Cost of Operations		<u>\$128,927</u>
Profit (Enter % Operating Ratio: i.e. 95%):	85%	<u>\$22,752</u>
	Year 1	
Pass-Through Costs		
	\$/ton tons	
Disposal Cost	_____ 514.8	\$0
Interest Expense		_____
Direct Lease Costs		
Route Vehicles		\$0
Other (Please List)		_____
Total Direct Lease Costs		<u>\$0</u>
Allocated Lease Costs		
From General and Administrative (6I)		_____
From Vehicle Maintenance (6J)		_____
From Container Maintenance (6K)		_____
Total Allocated Lease Costs		<u>\$0</u>
Total Pass-Through Costs		<u>\$0</u>
Total Contractor Compensation		<u>\$151,679</u>

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

DROP BOX SERVICES

(Note: This form should include the costs incurred for the collection and processing of solid waste, recyclable materials, and organic materials collected using drop boxes)

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	6,701
Overtime Wages	\$0
Holiday Wages	
Vacation Wages	
Sick Leave Wages	
Workers Compensation Insurance	
Employers Liability Insurance	
Health & Welfare	\$2,144
Pension/ Retirement Benefits	
Payroll Taxes	
Other (Please List)	\$0
Total Labor Related-Costs	\$8,845

Vehicle-Related Costs (do not include depreciation)

Fuel	\$ 8,960
Tires & Tubes	
Parts	
Supplies (fluid, oil, etc.)	
Taxes & Licenses	
Fines & Penalties	
Other (Please List)	
Total Vehicle-Related Costs	\$8,960

Net Recyclable Material Processing Costs

Year 1		
\$/ton	tons	
		\$0
		\$0
Total Net Recyclable Material Costs		\$0

Net Organic Material Processing Costs

Year 1		
\$/ton	tons	
		\$0
		\$0
Total Net Organic Material Processing Costs		\$0

Other Costs

Liability & Property Damage Insurance	\$ 954
Equipment Insurance	
Rent	
Utilities	
Telephone	
Non-Vehicle Related Supplies	
Non-Vehicle Related Taxes & Licenses	
Training & Safety Programs	
Initial Public Education & Outreach	
Continuing Public Education & Outreach	
Uniforms	
Other (Please List)	\$ -
Total Other Costs	\$954

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

DROP BOX SERVICES

(Note: This form should include the costs incurred for the collection and processing of solid waste, recyclable materials, and organic materials collected using drop boxes)

Proposed Cost Rate
Period 1

Direct Depreciation		
Container Depreciation	\$	9,000
Route Vehicle Depreciation	\$	10,000
Other Depreciation	\$	-
Total Direct Depreciation		\$19,000

Allocated Costs - Labor, Vehicle & Other Costs		
From General and Administrative (6I)		\$4,908
From Vehicle Maintenance (6J)		\$7,767
From Container Maintenance (6K)		\$1,646
Total Allocated Costs - Labor, Vehicle & Other Costs		\$14,322

Allocated Costs - Depreciation		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Depreciation		\$0

Total Annual Cost of Operations \$52,080

Profit (Enter % Operating Ratio; i.e. 95%): 85% \$9,191
Year 1

Pass-Through Costs	\$/ton	tons	
Disposal Cost		2210	\$0
Interest Expense			

Direct Lease Costs		
Route Vehicles		\$0
Other (Please List)		
Total Direct Lease Costs		\$0

Allocated Lease Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Lease Costs		\$0

Total Pass-Through Costs \$0

Total Contractor Compensation \$61,271

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL ORGANIC MATERIAL

(Costs included on this form should **not** include the costs associated with the implementation of the residential food scrap program identified on Form 12)

Proposed Cost Rate
Period 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	_____
Overtime Wages	_____
Holiday Wages	_____
Vacation Wages	_____
Sick Leave Wages	_____
Workers Compensation Insurance	_____
Employers Liability Insurance	_____
Health & Welfare	_____
Pension/ Retirement Benefits	_____
Payroll Taxes	_____
Other (Please List)	_____
Total Labor Related-Costs	_____ \$0

Vehicle-Related Costs (do not include depreciation)

Fuel	_____
Tires & Tubes	_____
Parts	_____
Supplies (fluid, oil, etc.)	_____
Taxes & Licenses	_____
Fines & Penalties	_____
Other (Please List)	_____
Total Vehicle-Related Costs	_____ \$0

	<u>Year 1</u>		
	<u>\$/ton</u>	<u>tons</u>	
Net Recyclable Material Processing Costs			
Processing Costs			\$0
Recyclable Material Revenue			\$0
Total Net Recyclable Material Costs			_____ \$0

	<u>Year 1</u>		
	<u>\$/ton</u>	<u>tons</u>	
Net Organic Material Processing Costs			
Processing Costs			\$0
Organic Material Revenue			\$0
Total Net Organic Material Processing Costs			_____ \$0

Other Costs

Liability & Property Damage Insurance	_____
Equipment Insurance	_____
Rent	_____
Utilities	_____
Telephone	_____
Non-Vehicle Related Supplies	_____
Non-Vehicle Related Taxes & Licenses	_____
Training & Safety Programs	_____
Initial Public Education & Outreach	_____
Continuing Public Education & Outreach	_____
Uniforms	_____
Other (Please List)	_____
Total Other Costs	_____ \$0

Collection Cost Proposal

Proposer Name: Allied Waste Use Existing Carts

RESIDENTIAL ORGANIC MATERIAL

(Costs included on this form should **not** include the costs associated with the implementation of the residential food scrap program identified on Form 12)

Proposed Cost Rate
Period 1

Direct Depreciation		
Container Depreciation		
Route Vehicle Depreciation		
Other Depreciation		
Total Direct Depreciation		\$0

Allocated Costs - Labor, Vehicle & Other Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Labor, Vehicle & Other Costs		\$0

Allocated Costs - Depreciation		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Costs - Depreciation		\$0

Total Annual Cost of Operations		\$0
--	--	------------

Profit (Enter % Operating Ratio: i.e. 95%):	<input type="text"/>	\$0
	Year 1	

Pass-Through Costs			
Disposal Cost	<input type="text"/>	<input type="text"/>	\$0
Interest Expense			

Direct Lease Costs		
Route Vehicles		
Other (Please List)		
Total Direct Lease Costs		\$0

Allocated Lease Costs		
From General and Administrative (6I)		
From Vehicle Maintenance (6J)		
From Container Maintenance (6K)		
Total Allocated Lease Costs		\$0

Total Pass-Through Costs		\$0
---------------------------------	--	------------

Total Contractor Compensation		
--------------------------------------	--	--

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Use Existing Carts

GENERAL AND ADMINISTRATIVE

	Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor-Related Costs (include regular & pool personnel)		
Regular Wages	50,000	
Overtime Wages	10,000	
Holiday Wages		
Vacation Wages		
Sick Leave Wages		
Workers Compensation Insurance & Claims		
Employers Liability Insurance		
Health & Welfare	20,000	
Pension/ Retirement Benefits		
Payroll Taxes		
Other (Please List) G & A Overhead	35,000	
Total Labor Related-Costs	115,000	\$0
Vehicle-Related Costs		
Fuel		
Tires & Tubes		
Parts		
Supplies (fluid, oil, etc.)		
Taxes & Licenses		
Fines & Penalties		
Other (Please List)		
Total Vehicle-Related Costs	\$0	\$0
Other Costs		
Liability & Property Damage Insurance		
Equipment Insurance		
Rent		
Utilities		
Telephone	5,000	
Non-vehicle Related Supplies		
Non-vehicle Related Taxes & Licenses		
Training & Safety Programs		
Initial Public Education & Outreach		
Continuing Public Education & Outreach		
Promotional Advertising	10,000	
Travel and Entertainment		
Other (Please List) Overhead	90,000	
Total Other Costs	105,000	\$0
Total Labor, Vehicle, and Other Costs	220,000	\$0
Lease Costs		
Lease Costs		
Other (Please List)		
Total Lease Costs	\$0	\$0
Depreciation (non-route specific; based on 10-year period)		
Vehicle Depreciation		
Other Depreciation		
Total Depreciation	\$0	\$0
Total Costs to be Allocated	220,000	\$0

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Use Existing Carts

GENERAL AND ADMINISTRATIVE

		Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor, Vehicle, and Other Costs Allocated Out			
	<u>Percentage</u>		
To Residential Solid Waste (6A)	23.3%	\$51,280	\$0
To Residential Organic Materials (6B)	16.3%	\$35,931	\$0
To Residential Bulky Waste (6C)	15.6%	\$34,384	\$0
To Commercial Solid Waste (6D)	33.3%	\$73,336	\$0
To Commercial Recyclable Materials (6E)	9.2%	\$20,161	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)	2.2%	\$4,908	\$0
To E-Waste (6H)		\$0	\$0
Total Labor, Vehicle, and Other Costs Allocated Out		\$220,000	\$0
Lease Costs Allocated Out			
To Residential Solid Waste (6A)	23.3%	\$0	\$0
To Residential Organic Materials (6B)	16.3%	\$0	\$0
To Residential Bulky Waste (6C)	15.6%	\$0	\$0
To Commercial Solid Waste (6D)	33.3%	\$0	\$0
To Commercial Recyclable Materials (6E)	9.2%	\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)	2.2%	\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Lease Costs Allocated Out		\$0	\$0
Depreciation Allocated Out			
To Residential Solid Waste (6A)		\$0	\$0
To Residential Organic Materials (6B)		\$0	\$0
To Residential Bulky Waste (6C)		\$0	\$0
To Commercial Solid Waste (6D)		\$0	\$0
To Commercial Recyclable Materials (6E)		\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)		\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Depreciation Allocated Out		\$0	\$0
Total Allocated Out		\$220,000	\$0

Please describe allocation method used (e.g. tonnage, routes, etc.)

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Use Existing Carts

VEHICLE MAINTENANCE

	Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor-Related Costs (include regular & pool personnel)		
Regular Wages	\$49,628	\$51,613
Overtime Wages	\$12,407	
Holiday Wages		
Vacation Wages		
Sick Leave Wages		
Workers Compensation Insurance & Claims		
Employers Liability Insurance		
Health & Welfare	\$24,814	\$25,806
Pension/ Retirement Benefits		
Payroll Taxes		
Other (Please List) Shop Remote	\$50,000	
Total Labor Related-Costs	\$136,848	\$77,419
Vehicle-Related Costs		
Fuel		
Tires & Tubes	\$37,221	\$38,710
Parts	\$99,255	\$103,225
Supplies (fluid, oil, etc.)	\$24,814	
Taxes & Licenses		
Fines & Penalties		
Other (Please List) Sop Overhead	\$50,000	
Total Vehicle-Related Costs	\$211,290	\$141,935
Other Costs		
Liability & Property Damage Insurance		
Equipment Insurance		
Rent		
Utilities		
Telephone		
Non-vehicle Related Supplies		
Non-vehicle Related Taxes & Licenses		
Training & Safety Programs		
Initial Public Education & Outreach		
Continuing Public Education & Outreach		
Uniforms		
Customer Satisfaction Survey		
Other (Please List)		
Total Other Costs	\$0	\$0
Total Labor, Vehicle, and Other Costs	\$348,138	\$219,354
Lease Costs		
Facility		
Other (Please List)		
Total Lease Costs	\$0	\$0
Depreciation (non-route specific; based on 10-year period)		
Vehicle Depreciation		
Other Depreciation		
Total Depreciation	\$0	\$0
Total Costs to be Allocated	\$348,138	\$219,354

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Use Existing Carts

VEHICLE MAINTENANCE

		Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor, Vehicle, and Other Costs Allocated Out	Percentage		
To Residential Solid Waste (6A)	23.3%	\$81,147	\$51,129
To Residential Organic Materials (6B)	16.3%	\$56,859	\$35,825
To Residential Bulky Waste (6C)	15.6%	\$54,411	\$34,283
To Commercial Solid Waste (6D)	33.3%	\$116,051	\$73,121
To Commercial Recyclable Materials (6E)	9.2%	\$31,903	\$20,101
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)	2.2%	\$7,767	\$4,894
To E-Waste (6H)		\$0	\$0
Total Labor, Vehicle, and Other Costs Allocated Out		\$348,138	\$219,354
Lease Costs Allocated Out			
To Residential Solid Waste (6A)		\$0	\$0
To Residential Organic Materials (6B)		\$0	\$0
To Residential Bulky Waste (6C)		\$0	\$0
To Commercial Solid Waste (6D)		\$0	\$0
To Commercial Recyclable Materials (6E)		\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)		\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Lease Costs Allocated Out		\$0	\$0
Depreciation Allocated Out			
To Residential Solid Waste (6A)		\$0	\$0
To Residential Organic Materials (6B)		\$0	\$0
To Residential Bulky Waste (6C)		\$0	\$0
To Commercial Solid Waste (6D)		\$0	\$0
To Commercial Recyclable Materials (6E)		\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)		\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Depreciation Allocated Out		\$0	\$0
Total Allocated Out		\$348,138	\$219,354

Please describe allocation method used (e.g. tonnage, routes, etc.)

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Use Existing Carts

CONTAINER MAINTENANCE

	Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor-Related Costs (include regular & pool personnel)		
Regular Wages	\$17,516	\$18,216
Overtime Wages		
Holiday Wages		
Vacation Wages		
Sick Leave Wages		
Workers Compensation Insurance & Claims		
Employers Liability Insurance		
Health & Welfare	\$4,379	\$4,554
Pension/ Retirement Benefits		
Payroll Taxes		
Other (Please List) Shop Remote	\$15,000	
Total Labor Related-Costs	\$36,895	\$22,770
Vehicle-Related Costs		
Fuel		
Tires & Tubes		
Parts	\$21,895	\$22,770
Supplies (fluid, oil, etc.)		
Taxes & Licenses		
Fines & Penalties		
Other (Please List) Shop Overhead	\$15,000	
Total Vehicle-Related Costs	\$36,895	\$22,770
Other Costs		
Liability & Property Damage Insurance		
Equipment Insurance		
Rent		
Utilities		
Telephone		
Non-vehicle Related Supplies		
Non-vehicle Related Taxes & Licenses		
Training & Safety Programs		
Initial Public Education & Outreach		
Continuing Public Education & Outreach		
Uniforms		
Customer Satisfaction Survey		
Other (Please List)		
Total Other Costs	\$0	\$0
Total Labor, Vehicle, and Other Costs	\$73,789	\$45,541
Lease Costs		
Facility		
Other (Please List)		
Total Lease Costs	\$0	\$0
Depreciation (non-route specific; based on 10-year period)		
Vehicle Depreciation		
Other Depreciation		
Total Depreciation	\$0	\$0
Total Costs to be Allocated	\$73,789	\$45,541

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Use Existing Carts

CONTAINER MAINTENANCE

		Proposed Cost Rate Period 1	Proposed Cost Rate Period 2
Labor, Vehicle, and Other Costs Allocated Out			
	<u>Percentage</u>		
To Residential Solid Waste (6A)	23.3%	\$17,199	\$10,615
To Residential Organic Materials (6B)	16.3%	\$12,051	\$7,438
To Residential Bulky Waste (6C)	15.6%	\$11,533	\$7,118
To Commercial Solid Waste (6D)	33.3%	\$24,597	\$15,181
To Commercial Recyclable Materials (6E)	9.2%	\$6,762	\$4,173
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)	2.2%	\$1,646	\$1,016
To E-Waste (6H)		\$0	\$0
Total Labor, Vehicle, and Other Costs Allocated Out		\$0	\$45,541
Lease Costs Allocated Out			
To Residential Solid Waste (6A)		\$0	\$0
To Residential Organic Materials (6B)		\$0	\$0
To Residential Bulky Waste (6C)		\$0	\$0
To Commercial Solid Waste (6D)		\$0	\$0
To Commercial Recyclable Materials (6E)		\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)		\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Lease Costs Allocated Out		\$0	\$0
Depreciation Allocated Out			
To Residential Solid Waste (6A)		\$0	\$0
To Residential Organic Materials (6B)		\$0	\$0
To Residential Bulky Waste (6C)		\$0	\$0
To Commercial Solid Waste (6D)		\$0	\$0
To Commercial Recyclable Materials (6E)		\$0	\$0
To Commercial Organic Materials (6F)		\$0	\$0
To Drop Box Services (6G)		\$0	\$0
To E-Waste (6H)		\$0	\$0
Total Depreciation Allocated Out		\$0	\$0
Total Allocated Out		\$0	\$45,541

Please describe allocation method used (e.g. tonnage, routes, etc.)

EXHIBIT 2

Proposed Contractor's Compensation Rates

Form 10
Residential Rate Proposal
(Includes multi-family customers receiving cart service)

Instructions: Enter only rates for 60-gallon basic service, extra collection on regularly scheduled collection day, extra pick-ups/on -call service, backyard/sideyard service, miscellaneous charges, and estimated accounts which are shaded below. All other residential Rates and the estimated annual rate revenues will be calculated based on this input.

Proposer Name: Allied Waste - Use Existing Carts

Residential Regularly Scheduled Curbside Collection Services

Basic Service (Monthly Rate for Basic Service includes Solid Waste, Recyclable Materials, and Green Waste Collection Services)

Size of Solid Waste Container	Service Frequency	Current Rates	Rate Factor	Rate Period One				
				Proposed Rate	Estimated Number of Accounts	Estimated Annual Revenues	Estimated City Fees	Estimated Allied Compensation
60-gal cart	1 pick-up/wk	\$21.77	1.00	\$15.35	9,745	\$1,795,029		\$1,795,029
	1 pick-up/wk					\$0		\$0
	1 pick-up/wk					\$0		\$0
	1 pick-up/wk					\$0		\$0

Extra Green Waste and Recyclable Material Containers (Monthly Rate)

Extra Green Waste cart*	1 pick-up/wk	None	Not Applicable	\$3.00	1	\$36		\$36
Extra Recyclable Materials cart*	1 pick-up/wk	None	Not Applicable	\$3.00	1	\$0		\$0

*Rate shall be applicable for any cart size selected by customer.

Form 10
Residential Rate Proposal
(includes multi-family customers receiving cart service)

Proposer Name: Allied Waste - Use Existing Carts

Extra Pick-Ups/On-Call Collection Services (Rate per pick-up) for Residential Customers

Type of Service	Current Rates	Rate Factor	Proposed Rate	Estimated Number of Accounts	Rate Period One		
					Estimated Annual Revenues	Estimated City Fees	Estimated Allied Compensation
Extra 32-gal bag of Recycling collected on customer's regularly scheduled collection day	None	Not Applicable	0.00	1	\$0		\$0
Extra 32-gal bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	None	Not Applicable	7.00	1	\$84		\$84

Miscellaneous Charges (Rate per event) for Residential Customers

Cart delivery/pick-up	Extra fee paid if customer requests a change in Cart size more than once per year	None	25.00	1	\$300		\$300
Cart replacement	Extra fee paid if customer requires Cart replacement (one replacement per year at no cost)	None	50.00	1	\$600		\$600

On-Call Bulky Clean Up (Rate per event) for Residential Customers

One to Three Cubic Yards Flat Fee	None	Not Applicable	36.00	0	\$0		\$0
Each Additional Yard over Three Cubic Yards	None	Not Applicable	12.00	0	\$0		\$0

Estimated Annual Residential Revenue

\$1,796,049 \$0 \$1,796,049

Form 11
Commercial Rate Proposal

Instructions: Enter rates and charges for 1 cubic yard with 1 pick-up per week Container service, other services, and estimated accounts which are shaded below. All other commercial rates and the estimated rate revenues will be calculated based on this input.

Proposer Name: Allied Waste Use Existing Carts

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Current Rate	Rate Factor	Proposed Rate	Estimated Number of Accounts	Estimated Annual Revenues	Estimated City Fees	Estimated Allied Compensation	Rate Period One	
Regularly Scheduled Solid Waste Cart Services (Monthly Rate)											
Solid Waste	60-gallon cart	1	\$27.94	1.00	\$13.49	150	\$24,282		\$24,282		\$0
		1			\$0.00		\$0		\$0		\$0
		1			\$0.00		\$0		\$0		\$0
Regularly Scheduled Solid Waste Bin Services (Monthly Rate)											
Solid Waste	1 cubic yard container	1	\$62.55	1.00	\$40.50	32	\$15,552		\$15,552		\$0
		2	\$92.29	1.48	\$59.76	10	\$7,171		\$7,171		\$0
		3	\$125.09	2.00	\$80.99	1	\$972		\$972		\$0
		4	\$157.94	2.53	\$102.26		\$0		\$0		\$0
		5	\$189.21	3.02	\$122.51		\$0		\$0		\$0
		6	\$225.21	3.60	\$145.82		\$0		\$0		\$0
Solid Waste	1.5 cubic yard container	1	\$71.92	1.15	\$46.57	44	\$24,587		\$24,587		\$0
		2	\$110.98	1.77	\$71.86	27	\$23,282		\$23,282		\$0
		3	\$150.10	2.40	\$97.19	11	\$12,829		\$12,829		\$0
		4	\$195.48	3.13	\$126.57		\$0		\$0		\$0
		5	\$250.20	4.00	\$162.00		\$0		\$0		\$0
		6	\$286.17	4.58	\$185.29		\$0		\$0		\$0
Solid Waste	3 cubic yard container	1	\$117.31	1.88	\$75.96	118	\$107,554		\$107,554		\$0
		2	\$212.64	3.40	\$137.68	80	\$147,043		\$147,043		\$0
		3	\$308.09	4.93	\$199.48	43	\$102,933		\$102,933		\$0
		4	\$386.26	6.18	\$250.10	17	\$51,020		\$51,020		\$0
		5	\$459.79	7.35	\$297.71	13	\$46,442		\$46,442		\$0
		6	\$527.00	8.43	\$341.22	12	\$49,136		\$49,136		\$0
Solid Waste	6 cubic yard container	1	\$186.16	2.98	\$120.54	9	\$13,018		\$13,018		\$0
		2	\$345.74	5.53	\$223.86	16	\$42,981		\$42,981		\$0
		3	\$478.69	7.65	\$309.94	7	\$26,035		\$26,035		\$0
		4	\$611.89	9.78	\$396.06	6	\$28,516		\$28,516		\$0
		5	\$744.67	11.91	\$482.16	6	\$34,716		\$34,716		\$0
		6	\$877.62	14.03	\$568.24	6	\$40,914		\$40,914		\$0
Solid Waste	8 cubic yard container	1	\$250.01	4.00	\$161.88		\$0		\$0		\$0
		2	\$425.52	6.80	\$275.52		\$0		\$0		\$0
		3	\$585.09	9.35	\$378.84		\$0		\$0		\$0
		4	\$744.67	11.91	\$482.16		\$0		\$0		\$0
		5	\$890.95	14.24	\$576.87		\$0		\$0		\$0
		6	\$1,037.20	16.58	\$671.57		\$0		\$0		\$0

Form 11
Commercial Rate Proposal

Regularly Scheduled Recyclable Materials Cart Services (Monthly Rate)

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Current Rate	Rate Factor	Rate Period One				
					Proposed Rate	Estimated Number of Accounts	Estimated Annual Revenues	Estimated City Fees	Estimated Allied Compensation
Recyclable Materials	90-gallon cart	1	None	1.00	\$4.10	300	\$14,760.00		\$14,760
		1	None	2.00			\$0.00		\$0
		1	None	3.00			\$0.00		\$0

Regularly Scheduled Recyclable Materials Bin Services (Monthly Rate)

Recyclable Materials	1 cubic yard container	1	None	1.00	\$0.00		\$0	\$0
		2	None	1.48	\$0.00		\$0	\$0
		3	None	2.00	\$0.00		\$0	\$0
		4	None	2.53	\$0.00		\$0	\$0
		5	None	3.02	\$0.00		\$0	\$0
		6	None	3.60	\$0.00		\$0	\$0
Recyclable Materials	1.5 cubic yard container	1	None	1.15	\$0.00		\$0	\$0
		2	None	1.77	\$0.00		\$0	\$0
		3	None	2.40	\$0.00		\$0	\$0
		4	None	3.13	\$0.00		\$0	\$0
		5	None	4.00	\$0.00		\$0	\$0
		6	None	4.58	\$0.00		\$0	\$0
Recyclable Materials	3 cubic yard container	1	None	1.88	\$0.00		\$0	\$0
		2	None	3.40	\$0.00		\$0	\$0
		3	None	4.93	\$0.00		\$0	\$0
		4	None	6.18	\$0.00		\$0	\$0
		5	None	7.35	\$0.00		\$0	\$0
		6	None	8.43	\$0.00		\$0	\$0
Recyclable Materials	6 cubic yard container	1	None	2.98	\$0.00		\$0	\$0
		2	None	5.53	\$0.00		\$0	\$0
		3	None	7.65	\$0.00		\$0	\$0
		4	None	9.78	\$0.00		\$0	\$0
		5	None	11.91	\$0.00		\$0	\$0
		6	None	14.03	\$0.00		\$0	\$0
Recyclable Materials	8 cubic yard container	1	None	4.00	\$0.00		\$0	\$0
		2	None	6.80	\$0.00		\$0	\$0
		3	None	9.35	\$0.00		\$0	\$0
		4	None	11.91	\$0.00		\$0	\$0
		5	None	14.24	\$0.00		\$0	\$0
		6	None	16.58	\$0.00		\$0	\$0

Form 11
Commercial Rate Proposal

Type of Service	Receptacle	Rate Information	Current Rate	Rate Factor	Proposed Rate	Rate Period One		
						Estimated Number of Accounts	Estimated Annual Revenues	Estimated Allied City Fees Compensation
Additional Solid Waste Pick-Ups/On-Call Collection (Per Occurrence)								
Extra can or bag of Solid Waste collected	60-gal cart or 32-gal bag	Per-Occurrence Rate		1.00	\$5.00		\$0	\$0
		Per-Occurrence Rate		2.00			\$0	\$0
		Per-Occurrence Rate		3.00			\$0	\$0
Additional Solid Waste bin collected	1 cubic yard container	Per-Occurrence Rate		1.00	\$16.00		\$0	\$0
	1.5 cubic yard container	Per-Occurrence Rate		1.15	\$17.25		\$0	\$0
	3 cubic yard container	Per-Occurrence Rate		1.88	\$28.13		\$0	\$0
	6 cubic yard container	Per-Occurrence Rate		2.98	\$44.64		\$0	\$0
	8 cubic yard container	Per-Occurrence Rate		4.00	\$59.95		\$0	\$0
Additional Recyclable Materials Pick-Ups/On-Call Collection (Per Occurrence)								
Extra can or bag of Recyclable Materials collected	90-gal cart or 32-gal bag	Per-Occurrence Rate	Not Applicable	1.00	\$2.50		\$0	\$0
		Per-Occurrence Rate	Not Applicable	2.00	\$0.00		\$0	\$0
		Per-Occurrence Rate	Not Applicable	3.00	\$0.00		\$0	\$0
Additional Recyclable Materials bin collected	1 cubic yard container	Per-Occurrence Rate	Not Applicable	1.00	\$7.50		\$0	\$0
	1.5 cubic yard container	Per-Occurrence Rate	Not Applicable	1.15	\$8.62		\$0	\$0
	3 cubic yard container	Per-Occurrence Rate	Not Applicable	1.88	\$14.07		\$0	\$0
	6 cubic yard container	Per-Occurrence Rate	Not Applicable	2.98	\$22.32		\$0	\$0
	8 cubic yard container	Per-Occurrence Rate	Not Applicable	4.00	\$29.98		\$0	\$0

Form 11
Commercial Rate Proposal

Type of Service	Receiptacle	Rate Information	Current Rate	Rate Factor	Rate Period One				
					Proposed Rate	Estimated Number of Accounts	Estimated Annual Revenues	Estimated City Fees	Estimated Allied Compensation
Miscellaneous Charges									
Hasp & lock for bin, one time charge	Not Applicable	Per-Occurance Rate	Not Applicable	Not Applicable	\$10.00	\$0	\$0	\$0	\$0
Replace lock	Not Applicable	Per-Occurance Rate	Not Applicable	Not Applicable	\$15.00	\$0	\$0	\$0	\$0
Steam cleaning (in excess of twice per year)	Not Applicable	Per-Occurance Rate	Not Applicable	Not Applicable	\$25.00	\$0	\$0	\$0	\$0
Push/pull charge	Not Applicable	Per-Occurance Rate	Not Applicable	Not Applicable	\$25.00	\$0	\$0	\$0	\$0
Lock/unlock charge	Not Applicable	Per-Occurance Rate	Not Applicable	Not Applicable	\$10.00	\$0	\$0	\$0	\$0

Note: Miscellaneous charges listed on the residential rate sheet apply to commercial customers as appropriate

Estimated Annual Commercial Revenue \$813,742 \$0 \$813,742

Form 12
Drop Box Rate Proposal

Instructions to Proposer: Enter rates for 6 cubic yard drop-box regularly scheduled service and on-call service, daily rental, and delivery service and estimated number of pulls per week, which are shaded below. All other rates will be calculated based on the input data.

Proposer Name: Allied Waste Use Existing Carts

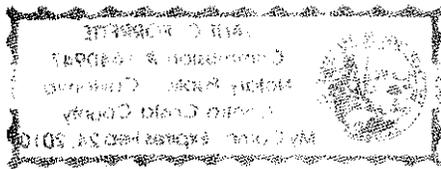
Type of Service	Receptacle	Rate Information	Current Solid Waste Rate	Rate Factor	Rate Period One		
					Proposed Rate	Estimated Number of Pulls/Week	Estimated Annual Revenues
Regularly Scheduled Collection Service (Per Pull/Return Rate not including initial delivery fee which is charged separately)							
All materials	6 cubic yard drop box	Per Pull/Return Rate	\$203.51	1.00	\$100.00		\$0
All materials	14 cubic yard drop box	Per Pull/Return Rate	\$203.51	1.00	\$100.00		\$0
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$290.74	1.43	\$142.86	6	\$44,573
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$430.64	2.12	\$211.61	3	\$33,011
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$574.17	2.82	\$282.13		\$0
On-Call Collection Service (Per Pull Rate includes delivery fee, does not including demurrage fee which is charged separately)							
All materials	6 cubic yard drop box	Per Pull Rate	\$251.39	1.24	\$123.53		\$0
All materials	14 cubic yard drop box	Per Pull Rate	\$251.39	1.24	\$123.53		\$0
All materials	20 cubic yard drop box	Per Pull Rate	\$338.62	1.66	\$166.39		\$0
All materials	30 cubic yard drop box	Per Pull Rate	\$478.52	2.35	\$235.13		\$0
All materials	40 cubic yard drop box	Per Pull Rate	\$622.05	3.06	\$305.66		\$0
Regularly Scheduled Compactor Service - Customer Owned Compactors (Per Pull/Return Rate not including initial delivery fee which is charged separately)							
All materials	14 cubic yard drop box	Per Pull/Return Rate	\$407.12	1.00	\$100.00		\$0
All materials	16 cubic yard drop box	Per Pull/Return Rate	\$465.28	1.14	\$114.29		\$0
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$581.60	1.43	\$142.86		\$0
All materials	24 cubic yard drop box	Per Pull/Return Rate	\$697.92	1.71	\$171.43		\$0
All materials	25 cubic yard drop box	Per Pull/Return Rate	\$727.00	1.79	\$178.57		\$0
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$872.40	2.14	\$214.29	1	\$11,143
All materials	38 cubic yard drop box	Per Pull/Return Rate	\$1,105.04	2.71	\$271.43		\$0
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$1,163.20	2.86	\$285.71		\$0
Regularly Scheduled Compactor Service - Contractor Owned Compactors (Per Pull/Return Rate not including initial delivery fee which is charged separately)							
All materials	14 cubic yard drop box	Per Pull/Return Rate	\$407.12	1.00	\$100.00		\$0
All materials	16 cubic yard drop box	Per Pull/Return Rate	\$465.28	1.14	\$114.29		\$0
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$581.60	1.43	\$142.86		\$0
All materials	24 cubic yard drop box	Per Pull/Return Rate	\$697.92	1.71	\$171.43		\$0
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$872.40	2.14	\$214.29		\$0
All materials	38 cubic yard drop box	Per Pull/Return Rate	\$1,105.04	2.71	\$271.43		\$0
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$1,163.20	2.86	\$285.71		\$0

Form 12
Drop Box Rate Proposal

Proposer Name: Allied Waste Use Existing Carts

Type of Service	Receptacle	Rate Information	Current Rate	Rate Factor	Proposed Rate	Est. # of Occurrences per Month	Estimated Annual Revenues
Demurrage Charge							
All Material Types	All drop box sizes	Weekly Rate*	\$32.33	Not Applicable	\$35.00		\$0
Delivery Service							
All Material Types	All drop box sizes	Per-Occurrence Rate for delivery to collection site	\$47.88	Not Applicable	\$75.00		\$0
Overage Charge							
All Material Types	6 cubic yard drop box	Per Occurrence Rate	\$32.09	Not Applicable	\$25.00		\$0
All Material Types	14, 30, 20, 30, 40 cubic yard drop box	Per-Cubic-Yard Rate For Each Yard In Excess Over Drop Box Capacity	\$13.76	Not Applicable	\$10.00		\$0
Relocation Charge							
All Material Types	All drop box sizes	Per-Relocation Rate	\$67.59	Not Applicable	\$50.00		\$0
Estimated Annual Debris Box Revenue							\$88,727
*Extra charge if a customer keeps the box longer than 7 days without pickup or return.							
Estimated Total Annual Revenue							\$2,698,517

EXHIBIT 3
NOTARY CERTIFICATION



NOTARY CERTIFICATION

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

On September 12, 2007, before me, the undersigned, a Notary Public in and for the State of California, personally appeared Michael A. Caprio, known to me to be the District Manager of Allied Waste Services of North America, LLC that executed the within instrument on behalf of the Allied Waste Services of North America, LLC therein named, and acknowledged to me that such Allied Waste Services of North America, LLC executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Contra Costa this 12th day of September, 2007.

Jane C. Forrette

Notary Public

My Commission Expires:

2/24/2010



EXHIBIT 4
CORPORATE GUARANTY

Corporate Guaranty

THIS GUARANTY (the "Guaranty") is given as of the 12th day of September, 2007.

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

- A. Allied Waste Services of North America, LLC., hereinafter ("Owner") is a limited liability company organized under the laws of the State of Delaware, all of the issued and outstanding stock of which is owned by Browning-Ferris Industries, LLC, a limited liability company organized under the laws of the State of Delaware (Guarantor). Guarantor owns all of the issued and outstanding stock of Owner.
- B. Owner and the CITY have negotiated an Agreement for Solid Waste, Recyclable Materials and Green Waste Collection and Transportation dated as of September 13 (hereinafter "Agreement"). A copy of that Agreement is attached hereto. 2007
- C. It is a requirement of the Agreement, and a condition to the City entering into the Agreement, that Guarantor guaranty Owner's performance of the Agreement.
- D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

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

1. Guaranty of the Agreement. Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Owner of each and every term and condition of the Agreement which Owner fails to perform, satisfy or observe. If Owner fails to completely and timely perform, satisfy and observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Owner or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Owner due to its breach of the Agreement.
2. Guarantor's Obligations Are Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Owner under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to the Owner in an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. Waivers. Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Owner; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against the Owner; or (4) any merger or consolidation of the Owner with any other corporation, or any sale, lease or transfer of any or all the assets of the Owner. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Section 2846, 2849, and 2850, including without limitation, the right to require the City to (a) proceed against Owner, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Owner or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Owner or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

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

The Guarantor hereby expressly waives, diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise,

irrespective of (a) any notice of revocation given by Guarantor or Owner prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. Term. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Owner's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Owner arising out of the Agreement based on Owner's failure to perform which has not been settled or discharged.
5. No Waivers. No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.
6. Attorney's Fees. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations including to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.
7. Governing Law: Jurisdiction. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agents for service of process in California:

General Manager
Fresno Operations Office
Allied Waste Services of North America, LLC
5501 Golden State Boulevard
Fresno, California 93722

With a copy by certified mail to:

Jo Lynn White, Esq.
Deputy General Counsel and Secretary
Allied Waste Industries, Inc.
18500 North Allied Way
Phoenix, AZ 85054

8. **Severability**. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have not effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.
9. **Binding On Successors**. This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.
10. **Authority**. Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the person signing this Guaranty on its behalf has the authority to do so.
11. **Notices**. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City Manager
 City of Los Banos
 520 J Street
 Los Banos, California 93635

with a copy to the City Attorney at the same address.

To the Guarantor: General Manager
 Fresno Operations Office
 Allied Waste Services of North America, LLC
 5501 Golden State Boulevard
 Fresno, California 93722

And to:

Jo Lynn White, Esq.
Deputy General Counsel and Secretary
Allied Waste Industries, Inc.
18500 North Allied Way
Phoenix, AZ 85054

Executed effective as of the Date above first written:

BROWNING-FERRIS INDUSTRIES, LLC

By:



Timothy R. Donagan
[Print Name]

Title:

Vice President

EXHIBIT 5

CITY FACILITY SERVICE LOCATIONS
&
CITY-SPONSORED EVENTS

City Facility Service Locations

City of Los Banos City Facilities Receiving Solid Waste Services

<u>Facility</u>	<u>Location</u>	<u># of Containers</u>	<u>Volume</u>	<u>Frequency</u>
Public Works Dept.	411 Madison Ave.	1	3yd	3
Los Banos Parks	803 Pacheco Blvd	3	3yd	3
Los Banos Fire Station #1	333 Seventh St	1	3yd	2
Los Banos Police Dept.	945 Fifth St	1	3yd	2
Los Banos Animal Shelter	1000 Airport Rd	1	1yd	2
Little League	815 Colorado Ave	1	3yd	3
Big Colorado Park	815 Colorado Ave	1	3yd	3
Little League #2	401 Seventh St	2	3yd	2
J-14 Ball Park	700 N. Mercey Springs Rd	1	3yd	3
Los Banos Police Annex	535 J St	1	3yd	1
Los Banos City Hall	520 J St	1	1.5yd	2
Los Banos City Yard	1000 G St	1	3yd	2
Please include:				
Miller & Lux	830 Sixth St	1	3yd	1
Airport Lounge	1000 Airport Rd	1	1yd	2
College Greens	815 Scripps Dr	1	1yd	2
Near Future Site:				
Child Development Center	not yet assigned			

City Sponsored Events

MONTH OF EVENT	NAME OF EVENT	ATTENDANCE
April-May	Merced County Spring Fair- Five days of full attendance (Fair opens two days before reg. attendance for livestock participants.	2,000+ daily
May	Los Banos Tiger Sharks Mother's Day in the Park- 2 days of attendance	2,000 daily
May	Los Banos Basque Club- Basque Picnic- 1 day of attendance	2,000 daily
July	Los Banos Tiger Sharks Swim Invitational- 2 day event	2,000 daily
April	Los Banos Chamber of Commerce Street Fair- 1 day event	2,000+ daily
October	Los Banos Chamber of Commerce Street Fair- 1 day event	2,000+ daily
May	Merced County Spring Fair "May Day Parade"- 1 day event	2,000+ daily
December	Los Banos Chamber of Commerce Christmas Parade-1 day event	2,000+ daily
June	Los Banos DES Association Festa-3 day event	2,000 daily
July	Los Banos DES Association Festa-1 day event	2,000 daily
October	Los Banos DES Association Festa-1 day event	2,000 daily
July	Los Banos Old Fashion 4 th of July Fun and Fireworks-1 day event	2,000 daily
June	Los Banos Centennial Summer Movie Night-1 day event	2,000 daily
July	Los Banos Centennial Summer Movie Night-1 day event	2,000 daily
August	Los Banos Centennial Summer Movie Night-1 day event	2,000 daily
September	Los Banos Centennial Summer Movie Night-1 day event	2,000 daily

EXHIBIT 6

WARNING NOTICE AND NOTICE OF VIOLATION

Warning Notice and Notice of Violation



5501 N. Goldenstate Blvd. Fresno, CA 93722 (559) 275-1551

Rt: R1 R2 R3 R4 R5 R6 R7 R8 R9

Day: M Tu W Th F

Date _____ Time: _____

Address _____

What to Recycle

	Examples of Acceptable Items	Examples of Items Not Acceptable
Plastic	Recyclable plastics include 2 liter soft drink bottles, milk jugs, water, syrup, detergent and shampoo bottles, margarine containers, and coffee lids.	Plastic bags, plastic toys, tupperware-type containers, or styrofoam.
Glass	All glass bottles and jars. Rinse containers. Paper labels don't need to be removed.	No pesticide/herbicide containers, window glass, Mirrors, light bulbs, ceramics.
Aluminum & Tin	Recycle all cans. Crushing cans will help conserve space in bin.	None
Newspaper	Newspaper and newspaper inserts	Junk mail (including glossy prints and color ads) and other paper products (at this time).
Cardboard	All, but must be no longer than 2' x 2' and tied in bundles less than 1" ft. thick. Bundled brown paper bags.	Pasteboard, such as cereal boxes, tissue boxes, toilet tissue rolls, detergent boxes, beer or soda cartons

**PLEASE PLACE NEWSPAPER SEPARATE IN ONE BIN.
PLACE GLASS, CANS AND PLASTIC TOGETHER IN THE OTHER BIN.
THANK YOU!**



- Call 275-1551 for special instructions
- COURTESY NOTICE FOR YARD WASTE & RECYCLING:
 - 1st 2nd

Service was performed today, but the conditions checked below indicate how you can help for your next regular collection
- SERVICE DENIED
 - Due to the reason(s) checked below, we were unable to provide your normal collection service today. (Call back charge: \$16.28)
 - Illegal Container
 - Cart Overweight (limit 200 pounds)
 - Cart Over Filled
 - Lid Must Be Closed To Eliminate Spillage
 - Additional Items Not Allowed. Extra items require special pickup - call 297-2375
 - Gray Cart for Household Waste Only
 - Green Cart For Yardwaste Only
 - Recycle Tubs Are For Glass, Plastic, Cans and Newspaper (see above)
 - Tires, Dirt, Sod, Rocks, Concrete, Asphalt, Hot Ashes, Roofing Material, Paint and Other Hazardous Material Not Acceptable
 - Cart Too Close To Objects Such As Utility Post, Fire Hydrant, Recycling Tubs, etc. 3 ft. Clearance is Needed (see figure A & B on other side)
 - Cart Too Close To Vehicle. 12 Ft. Clearance is Needed (see figure B on other side)
 - Cart at Wrong Location, Place at Edge of Curb or _____ Side of Alley
 - Cart Must Open Toward Street or Alley
 - Cart Must be Stored No Closer Than Building Setback Except on Pickup Days.
 - Alleys: 3 ft. Between Carts and 20 Inches From Fence (see figure C on other side)
 - Menacing Dog
 - Leave Cart Out for Repairs
 -

Your cooperation will be appreciated and will help us in our efforts to give you regular and efficient collection service at reasonable rates.
Thank You.

WR-CT2pt

EXHIBIT 7

**PUBLIC EDUCATION AND COMMUNITY OUTREACH
PROGRAMS**

Public Education and Community Outreach Programs

The Contractor shall perform the following services as part of the public education program. Contractor shall print all materials in English and Spanish.

Residential Education Program (minimum requirements)

Initial Start-Up Public Education Activities

- An initial mailing to residents explaining any transitions from the existing Collection program to the new program.
- A "how-to" brochure/calendar explaining the Solid Waste, Recyclable Materials, and Green Waste programs and the materials to be Collected. Separate brochures shall be prepared for Single-Family Dwelling Units and Multi-Family Premises.
- Door hanger/flyer/mailer of the specific Collection day and Holiday schedules.

Public Education Activities to Be Performed throughout the Term of the Agreement

- Prepare and distribute a brochure describing how to prepare Green Waste and holiday trees for Collection. Contractor shall instruct Customers as to any necessary preparation of Green Waste, such as the cutting of items, placement of materials outside a Container (provided such material is bundled in lengths less than five feet and bundles that weigh less than 30 pounds), and the appropriate use and placement of Green Wastes Containers.
- Prepare and distribute a brochure describing how to prepare Recyclable Materials for Collection. Contractor shall inform residents and businesses as to the acceptable materials that can be included in the Recyclable Materials Containers and any common contaminants to be excluded from Collection.
- Prepare and distribute a brochure describing the appropriate disposal methods for Hazardous, Infectious, Electronic, and Universal Wastes. Contractor shall inform residents that these materials are not to be placed in the Solid Waste Container.
- An employee of Contractor shall visit homeowner associations and other groups to promote and explain the program throughout the term of the Agreement, as requested by the associations or scheduled by the City.
- Coordinate with City on a quarterly newsletter to be distributed to all residents promoting and explaining solid waste, recyclable materials, and green waste programs.
- Educational "door hangers" shall be prepared and distributed
- School education programs to teach students about source reduction, reuse, and recyclable materials shall be prepared and made available to schools.
- Non-program related information on source reduction, reuse and recyclable materials (e.g. junk mail reduction, household hazardous waste events, grass cycling, composting, etc.) shall be available.

- Specially designed public education materials and programs to reach Multi-Family residents shall be prepared.

Commercial Education Program (minimum requirements)

Initial Start-Up Public Education Activities

- An initial distribution to Commercial Customers of public education materials explaining the Recyclable Materials Collection services shall be provided for the different business types.
- Prepare and distribute a brochure describing the appropriate disposal methods for Hazardous, Infectious, Electronic, and Universal Wastes. Contractor shall inform businesses that these materials are not to be placed in the Solid Waste Container.
- Separate "how-to" brochures explaining the Solid Waste and Recyclable Materials Collection programs that are tailored to each general business types (i.e., restaurants, office/Commercial buildings, strip malls, and large Commercial businesses).
- Promote and conduct a total of eight training meetings, two for each general business type (i.e., restaurants, office/Commercial buildings, strip malls, and large Commercial businesses) to educate Commercial Customers on the Solid Waste and Recyclable Materials Collection programs, answer questions, and provide information to businesses to increase diversion.
- Attendance at least six business association and organizations (e.g., Chamber of Commerce, churches, and other organizations) to educate Commercial Customers on the Solid Waste and Recyclable Materials Collection programs, answer questions, and provide information to increase diversion.

Public Education Activities to Be Performed throughout the Term of the Agreement

- Prepare and distribute a Recyclable Materials resource guide to provide vendors' names, numbers and contacts for purchasing recycled products, re-use donation locations, and other recyclable materials companies, to be updated annually.
- Coordinate with City on a quarterly newsletter to be distributed to all businesses promoting and explaining the Recyclable Materials program. The newsletter shall be reviewed and approved by City staff.

Commercial Waste Audits

At the request of either the Commercial Customer or the City, waste audits will be performed for specified Commercial Customers. The waste audit will be an "on site" visit and completed by the Contractor's Recycling Sales Representative. The waste audit will include the following components:

- Site visit and waste analysis to determine the type and volume of Recyclable Materials in the waste stream.

- Complete a waste audit checklist to retain in customer file and a copy to leave with customer that documents the type and volume of Recyclable Materials that can be Recycled.
- Determination of the type of Container (Cart or Bin) for the Recyclable Materials being generated.
- Determine level of service (weekly, bi-weekly, etc.) and route day(s).
- Based upon the volume of Recyclable Materials that can be diverted, assist customer with determining service level for Solid Waste collection.
- Generate estimated cost savings to Customer by Recycling.
- If customer agrees, the Contractor's Recycling Sales Representative will arrange for service to begin on the specified collection schedule.

All Customers

Contractor shall develop and implement a public education program designed to educate Generators regarding proper methods of handling and disposing of Hazardous, Infectious, Electronic, and Universal Wastes and a load inspection program for Contractor's personnel to detect and discover such materials placed by Generator for Collection by Contractor.

EXHIBIT 8

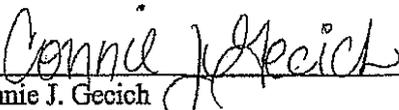
EXAMPLE OF CUSTOMER COMPLAINT LOG

EXHIBIT 9
SECRETARY'S CERTIFICATE

CERTIFICATE

The undersigned certifies that (i) she is the duly elected, qualified and acting Assistant Secretary of **ALLIED WASTE SERVICES OF NORTH AMERICA, LLC**, a Delaware limited liability company (the "Company"); (ii) attached hereto as Schedule A is a true and correct copy of resolutions duly adopted by **BROWNING-FERRIS INDUSTRIES, LLC**, a Delaware limited liability company, the sole member of the Company (the "Member") by written consent of the Member; and (iii) such resolutions have not been amended, rescinded, modified or revoked, and are in full force and effect on the date hereof.

Dated: September 11, 2007.



Connie J. Gecich
Assistant Secretary

SCHEDULE A

RESOLVED, that the Company is hereby authorized to enter into the *Agreement Between The City of Los Banos and Allied Waste Services of North America, LLC for Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste* (the "Agreement") with the City of Los Banos (the "City") in the State of California, substantially in the form presented to the Company, with such changes as may be approved by the officers or such other persons authorized to execute same and such actions are hereby approved, adopted, ratified and confirmed;

FURTHER RESOLVED, that the Company is hereby authorized and directed to execute and deliver the Agreement, and such other applications, exhibits, agreements or attachments necessary in connection with the Agreement and in connection with the performance of the Company's obligations and agreements as set forth therein;

FURTHER RESOLVED, that **MIKE CAPRIO**, as an authorized agent for the Company, or any officer of the Company, is hereby authorized and directed to execute and deliver the Agreement to the City and to execute any and all other documents on behalf of the Company required by the City in connection with the Agreement and in connection with the performance of the Company's obligations and agreements set forth therein; and

FURTHER RESOLVED, that the Assistant Secretary, or any other officer of the Company, is hereby authorized to certify to the adoption of the foregoing resolutions as may be required.

FIRST AMENDMENT TO AGREEMENT
BETWEEN THE CITY OF LOS BANOS AND
ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
FOR COLLECTION AND TRANSPORTATION OF
SOLID WASTE, RECYCLABLE MATERIALS, AND GREEN WASTE

This Amendment is entered into this 19th day of November, 2007, between Allied Waste Services of North America, LLC, ("Contractor"), and the City of Los Banos ("City"), a municipal corporation of the State of California.

RECITALS

WHEREAS, On November 19, 2007, the parties entered into the *Agreement Between the City of Los Banos and Allied Waste Services of North America, LLC. for Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste*, a full and complete copy of which is on file with the City Clerk (the "Agreement").

WHEREAS, The Agreement requires, in Section 5.2, that "the rates and percentages of revenues collected and due the Contractor shall be added as an amendment to this Agreement prior to the Commencement date and based on the proposed Contractor's Compensation for each rate category, as amended annually during the term of the Agreement, and the formula described in Section 5.4".

WHEREAS, The parties have agreed to the initial rates and percentages of revenues collected due to the Contractor.

WHEREAS, The parties have agreed to the initial vehicle impact fee and a schedule for adjusting that fee.

WHEREAS, The parties have agreed that Contractor shall bill for and retain all revenues from commercial recycling services provided by Contractor.

WHEREAS, The Contractor may be required, from time to time, to bill Customers for miscellaneous services provided by the Contractor for which the City cannot bill.

WHEREAS, The parties to the Agreement would like to amend the Agreement to include the agreed upon rates and percentage of revenues collected as required.

NOW, THEREFORE, the parties agree as follows:

Section 1. Section 5.2, Contractor's Initial Compensation, of the Agreement is amended to read as follows:

"5.2 Contractor's Initial Compensation

Contractor's Compensation shall be 52.80 percent of Gross Rate Revenue, net of the difference between the revenue received for residential and commercial 90-gallon Cart service and the revenue which would have been received for 60-gallon Cart service, collected each month by the City in connection with the services provided under this Agreement. This percentage shall be amended annually during the term of the Agreement based on the proposed Contractor's Compensation for each rate category (Exhibit 2), as amended annually during the term of the Agreement using the formula described in Section 5.4 below.

For example:

Gross Rate Revenue = \$110,000

90-gallon Cart Additional Revenue = \$10,000

Net Rate Revenue = \$100,000

Contractor's Compensation = \$52,800

These amounts shall be fixed for Rate Year One and shall not be increased to reflect increases in costs above those, or to reflect decreases in revenues below those anticipated by Contractor in its Proposal, nor decreased to reflect decreases in costs below nor revenues greater than those anticipated in Contractor's Proposal.

Section 2. Section 5.6.4, Vehicle Impact Fee, of the Agreement is amended to read as follows:

“5.6.4 Vehicle Impact Fee

The City shall deduct from Gross Rate Revenue a Vehicle Impact Fee each month equal to \$30,500 for the purpose of offsetting the cost of street maintenance associated with heavy vehicle traffic attributed to the Services provided under this Agreement. This fee is acknowledged by the Parties as a payment by the Contractor to the City as an obligation under this Agreement. This fee is deducted from Gross Rate Revenue as an administrative convenience due to the City's role as the billing Party for the services described in this Agreement. The Vehicle Impact Fee shall be adjusted annually in the same manner as the rate adjustments in Section 5.3 above.”

Section 3. Section 2.2, Effective Date and Commencement Date, of the Agreement is amended to read as follows:

“2.2 Effective Date and Commencement Date

The Effective Date of this Agreement shall be the date the latter of the two Parties signs the Agreement.

The Commencement Date shall be February 4, 2008 and shall be the date on which Contractor initiates provision of Collection and Transportation services required by this Agreement.

Between the Effective Date and Commencement Date, Contractor shall perform all activities necessary to prepare itself to start Collection and Transportation services required by this Agreement on the Commencement Date. Such activities shall allow Contractor to transition Customers and services from the services provided prior to the Commencement Date to the services provided under this agreement.”

Section 4. The Rates charged to Customers by the City for Rate Year One shall be those shown in Attachment 1 to this Amendment.

Section 5. Section 5.7, Rates and Billing for Miscellaneous Charges, is added to the Agreement to read as follows:

“5.7 Rates and Billing for Miscellaneous Charges

From time to time, Customers may require that services be performed for which the City does not bill the customer. The Contractor may bill Customers, in an amount not to exceed

the rate approved by the City Council and shown in Attachment 1 to this amendment, separately from the City billing system and retain all revenues from billings, for the following services: Cart Delivery/Pick-Up; Cart Replacement; Hasp & Lock Installation for Bin; Replace Lock; Steam Cleaning (in excess of twice per year); Push/Pull Charge; Lock/Unlock Charge; Drop Box Demurrage Charge; Drop Box Delivery Service; and, Drop Box Relocation Charge. Excepting the provisions in this Section and Section 5.8 below, Contractor shall not perform billing for any other services performed by Contractor in the City. Contractor shall provide the City, as part of regular quarterly reporting as described in Section 6.3.2, a listing of the number of services provided for each category listed above within the City during the reporting quarter and the total revenue received by Contractor each month from such billings.”

Section 6. Section 5.8, Rates and Billing for Commercial Recycling, is added to the Agreement to read as follows:

“5.8 Rates and Billing for Commercial Recycling

Section 3.2.4 of the Agreement describes Commercial Recycling services to be provided by the Contractor. Contractor may bill Customers, in an amount not to exceed the rate approved by the City Council and shown in Attachment 1 to this amendment, separately from the City billing system, and retain all revenues from billings related to the services performed under Section 3.2.4. Excepting the provisions in this Section and Section 5.7 above, Contractor shall not perform billing for any other services performed by Contractor in the City. Contractor shall provide the City, as part of regular quarterly reporting as described in Section 6.3.2, a listing of the number of customers receiving Commercial Recycling service during the reporting quarter and the total revenue received by Contractor each month from such billings.

Section 7. Other than as amended above, the Agreement remains in full force and effect.

ATTEST:

Lucille L. Mallonae
CITY CLERK, Lucille L. Mallonae

City of LOS BANOS

Steve Rath
CITY MANAGER, Steve Rath

Allied Waste Services of North America, LLC

Keith R. Hester
Name: Keith R. Hester
Title: General Manager

Attachment 1
First Amendment to Agreement
Between the City of Los Banos and Allied Waste Services of North America, LLC
For Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste

Residential: Regularly Scheduled Curbside Collection Services

Basic Service

(Monthly Rate for Basic Service includes Solid Waste, Recyclable Materials, and Green Waste Collection Services)

Size of Solid Waste Container	Service Frequency	Rate to Customer
64-gal cart	1 pick-up/wk	\$29.07
96-gal cart	1 pick-up/wk	\$43.61

Extra Green Waste and Recyclable Material Containers (Monthly Rate)

Extra Green Waste cart*	1 pick-up/wk	\$5.68
Extra Recyclable Materials cart*	1 pick-up/wk	\$5.68

*Rate shall be applicable for any cart size selected by customer.

Extra Pick-Ups/On-Call Collection Services (Rate per pick-up) for Residential Customers

Type of Service	Rate to Customer
Extra 32-gal bag of Recycling collected on customer's regularly scheduled collection day	\$0.00
Extra 32-gal bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	\$13.26

Miscellaneous Charges (Rate per event) for Residential Customers

Cart delivery/pick-up	Extra fee paid if customer requests a change in Cart size more than once per year	\$25.00
Cart replacement	Extra fee paid if customer requires Cart replacement (one replacement per year at no cost)	\$50.00

Attachment 1
First Amendment to Agreement
Between the City of Los Banos and Allied Waste Services of North America, LLC
For Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste

Regularly Scheduled Recyclable Materials Cart Services (Monthly Rate)

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Rate to Customer
Recyclable Materials	96-gallon cart	1	\$4.10

Additional Solid Waste Pick-Ups/On-Call Collection (Per Occurrence)

Extra can or bag of Solid Waste collected	64- or 96-gal cart or 32-gal bag	Per- Occurance Rate	\$9.47
Additional Solid Waste bin collected	1 cubic yard container	Per- Occurance Rate	\$28.41
	1.5 cubic yard container	Per- Occurance Rate	\$32.67
	3 cubic yard container	Per- Occurance Rate	\$53.28
	6 cubic yard container	Per- Occurance Rate	\$84.55
	8 cubic yard container	Per- Occurance Rate	\$113.55

Additional Recyclable Materials Pick-Ups/On-Call Collection (Per Occurrence)

Extra can or bag of Recyclable Materials collected	96-gal cart or 32-gal bag	Per- Occurance Rate	\$4.74
Additional Recyclable Materials bin collected	1 cubic yard container	Per- Occurance Rate	\$14.21
	1.5 cubic yard container	Per- Occurance Rate	\$16.33
	3 cubic yard container	Per- Occurance Rate	\$26.64
	6 cubic yard container	Per- Occurance Rate	\$42.28
	8 cubic yard container	Per- Occurance Rate	\$56.78

Attachment 1
First Amendment to Agreement
Between the City of Los Banos and Allied Waste Services of North America, LLC
For Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste

Type of Service	Receptacle	Rate Information	Rate to
-----------------	------------	------------------	---------

Regularly Scheduled Collection Service
(Per Pull/Return Rate not including initial delivery fee which is charged separately)

All materials	6 cubic yard drop box	Per Pull/Return Rate	\$189.40
All materials	14 cubic yard drop box	Per Pull/Return Rate	\$189.40
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$270.58
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$400.79
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$534.36

On-Call Collection Service
(Per Pull Rate includes delivery fee, does not including demurrage fee which is charged separately)

All materials	6 cubic yard drop box	Per Pull Rate	\$233.96
All materials	14 cubic yard drop box	Per Pull Rate	\$233.96
All materials	20 cubic yard drop box	Per Pull Rate	\$315.14
All materials	30 cubic yard drop box	Per Pull Rate	\$445.34
All materials	40 cubic yard drop box	Per Pull Rate	\$578.92

Regularly Scheduled Compactor Service - Customer Owned Compactors
(Per Pull/Return Rate not including initial delivery fee which is charged separately)

All materials	14 cubic yard drop box	Per Pull/Return Rate	\$189.40
All materials	16 cubic yard drop box	Per Pull/Return Rate	\$216.46
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$270.57
All materials	24 cubic yard drop box	Per Pull/Return Rate	\$324.69
All materials	25 cubic yard drop box	Per Pull/Return Rate	\$338.21
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$405.86
All materials	38 cubic yard drop box	Per Pull/Return Rate	\$514.09
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$541.14

Regularly Scheduled Compactor Service - Contractor-Owned Compactors
(Per Pull/Return Rate not including initial delivery fee which is charged separately)

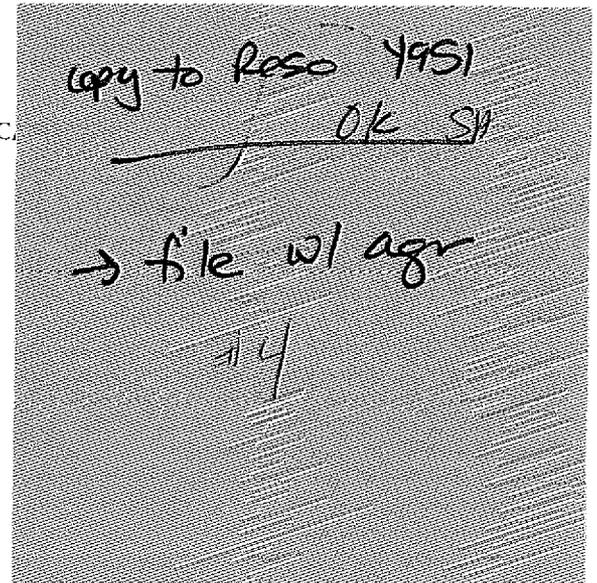
All materials	14 cubic yard drop box	Per Pull/Return Rate	\$189.40
All materials	16 cubic yard drop box	Per Pull/Return Rate	\$216.46
All materials	20 cubic yard drop box	Per Pull/Return Rate	\$270.57
All materials	24 cubic yard drop box	Per Pull/Return Rate	\$324.69
All materials	30 cubic yard drop box	Per Pull/Return Rate	\$405.86
All materials	38 cubic yard drop box	Per Pull/Return Rate	\$514.09
All materials	40 cubic yard drop box	Per Pull/Return Rate	\$541.14



City of
Los Banos
City of the Heart of California

City Hall
520 J Street
Los Banos, CA

November 27, 2007



General Manager
Allied Waste Services
406 N. Mercy Springs Road
Los Banos CA 93635

To Whom It May Concern:

Enclosed please find a signed copy for your files of the ***First Amendment to Agreement between the City of Los Banos and Allied Waste Services of North America, LLC for Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste*** dated and approved by the City Council at their November 19, 2007 City Council Meeting.

If you have any questions or need additional information please do not hesitate to contact me at (209) 827-7000 ext. 112.

Sincerely,

Lucy Mallonee, CMC
City Clerk/Human Resources Director

Im

Enclosures

cc: Sharon Hogan, Public Works Office Manager

**SECOND AMENDMENT TO FRANCHISE AGREEMENT
BETWEEN THE CITY OF LOS BANOS
AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
FOR RESIDENTIAL AND COMMERCIAL REFUSE, RECYCLABLES AND
RESIDENTIAL GREEN WASTE COLLECTION**

This Second Amendment to the Franchise Agreement for Residential And Commercial Refuse, Recyclables And Residential Green Waste Collection (the “**Franchise Agreement**”), by and between the City of Los Banos (the “**City**”) and Allied Waste Services of North America, LLC (the “**Contractor**”), is made and entered into by the City and Contractor this 4th day of ~~October 2009~~ November 2009.

RECITALS

WHEREAS, on November 19, 2007 the City and Contractor entered into an Agreement for Residential And Commercial Refuse, Recyclables And Residential Green Waste Collection and a First Amendment to Agreement for Residential And Commercial Refuse, Recyclables And Residential Green Waste Collection;

WHEREAS, pursuant to Section 11.5 of the Franchise Agreement City and Contractor may modify or amend the Franchise Agreement by a writing signed by the parties; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained in this Second Amendment, and for other good and valuable consideration, receipt of which is hereby acknowledged, City and Contractor agree as follows:

1. Reimbursement to City for Residual: Effective August 1, 2009 and throughout the initial term of this agreement and any extension, Contractor agrees to reimburse the City for any residual waste (non-recyclable) that is in excess of 20 (twenty) % of the total tons. The residual percentage will be determined by characterization tests performed by Newby Island and updated per the JPA agreement methodology between Merced County and Newby Island.

The calculation of such reimbursement will be as follows:

Number of tons representative of 20.1% residual and above, (X) disposal rate per ton at Newby Island, plus transportation rate per ton to Newby Island, plus transfer rate per ton at Billy Wright Road Landfill **MINUS** the current rate per ton at the Billy Wright Road Landfill (or future Transfer Station/Disposal Site) for Municipal Solid Waste. The reimbursement period will occur monthly.

EXAMPLE:

500 tons of recyclables are collected in the current month.

Most current characterization study indicates 25% residual.

First 10% absorbed by Newby Island at no charge to the City (50 tons).

Second 10% absorbed by the City, either remitted to Newby Island or deducted from recyclable rebate (50 tons)

The additional 5% will be reimbursed to the City by Contractor (25 tons) using the above calculation methodology.

2. Payment of Reimbursement. On or before the tenth day of each month Contractor shall pay City the reimbursement for the preceding month calculated in accordance with the formula set forth in paragraph 1 of this Second Amendment. In addition to and together with the reimbursement payment Contractor shall provide the City with the calculation and appropriate back up documentation supporting the calculated reimbursement amount.

3. Effect of Amendment. In the event of any inconsistencies between this Second Amendment and the Franchise Agreement, the terms of this Amendment shall control. Except as expressly modified as set forth in this Amendment, all the provisions of the Franchise Agreement and First Amendment shall remain in full force and effect.

4. Authority to Execute. City warrants that the officers listed below have been duly authorized by the City to execute this First Amendment on behalf of the City. Contractor warrants that the individuals listed below have been duly authorized by the Contractor to execute this Amendment on behalf of the Contractor.

[signature block begins on next page]

[signature block]

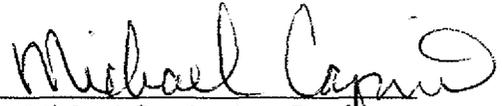
IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year written above.

CITY OF LOS BANOS

ALLIED WASTE SERVICES OF
NORTH AMERICA, LLC

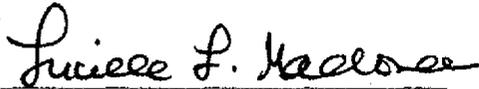


By: Steve Rath, City Manager



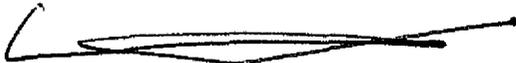
By: Michael Caprio, Area President

ATTEST:



By: Lucille L. Mallonee, City Clerk

APPROVED AS TO FORM:



By: ~~William A. Vaughn, City Attorney~~

City of Los Banos
Public Works Department
411 Madison Avenue
Los Banos, CA 93635
Telephone: (209) 827-7056
Fax: (209) 827-7069
gary.hutsell@losbanos.org

Office of the City Clerk
 Approved by City Council
11/4/09
gn

TRANSMITTAL

<p>Attention: Lucy Mallonee, City Clerk</p> <p>Documents: Second Amendment to Franchise Agreement w/ Allied Waste</p> <p>Date: November 5, 2009</p>	<p>THE FOLLOWING ITEMS ARE BEING SENT:</p> <p>Attached X Under Separate Cover:</p> <p>For Execution by City of Los Banos X</p>
--	--

Originals	Date	Item
3	11-5-09	Second Amendment to the Franchise Agreement between the City of Los Banos and Allied Waste Services of North America, LLC. All originals signed by Michael Caprio, Area President.

Fully executed originals to:
City Administration; Public Works Dept., Allied Waste Services
Thank you

Mark Fachin, P.E.
 Public Works Director/City Engineer
 ch *MF*

agr file
#4

RESOLUTION NO. 5188

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS APPROVING THE SECOND AMENDMENT TO AGREEMENT BETWEEN THE CITY OF LOS BANOS AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC FOR COLLECTION AND TRANSPORTATION OF SOLID WASTE, RECYCLABLE MATERIALS, AND GREEN WASTE

WHEREAS, on November 19, 2007 the City of Los Banos (the "City") and Allied Waste Services of North America, LLC (the "Contractor") entered into an Agreement for Residential and Commercial Refuse, Recyclables, and Residential Green Waste Collection and a First Amendment to Agreement for Residential and Commercial Refuse, Recyclables, and Residential Green Waste Collection (the "Franchise Agreement"); and

WHEREAS, pursuant to Section 11.5 of the Franchise Agreement City and Contractor may modify or amend the Franchise Agreement by a writing signed by the parties; and

WHEREAS, there has been presented to the City Council of the City of Los Banos a Second Amendment to the Franchise Agreement; and

WHEREAS, the proposed Second Amendment has been reviewed by the City Council; and

WHEREAS, the Second Amendment establishes the reimbursable method and residual percentage that will be reimbursed to the City by the Contractor; and

WHEREAS, the Second Amendment establishes the effective date of the Second Amendment to be August 1, 2009, and the term to be throughout the initial term of the Franchise Agreement and any extension.

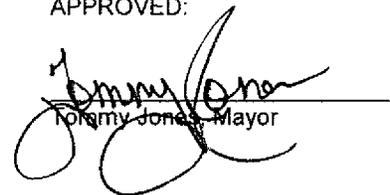
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Banos that the Second Amendment between the City of Los Banos and Allied Waste Services of North America, LLC has been approved by City Council and is hereby adopted.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to sign the Second Amendment and all related documents necessary to implement this Amendment.

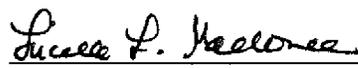
The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 4th day of November 2009, by Council Member Sousa who moved its adoption, which motion was duly seconded by Council Member Stone and the Resolution adopted by the following vote:

AYES: Council Members Faria, Sousa, Stone, Villalta, Mayor Jones
NOES: None
ABSENT: None

APPROVED:


Jeremy Jones, Mayor

ATTEST:


Lucille L. Mallonee, City Clerk

**THIRD AMENDMENT TO AGREEMENT BETWEEN THE CITY OF LOS BANOS
AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC
FOR COLLECTION AND TRANSPORTATION OF SOLID WASTE,
RECYCLABLE MATERIALS AND GREEN WASTE**

THIS THIRD AMENDMENT ("Third Amendment") to the Agreement for Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste is made and entered into this 6th day of September, 2017 by and between the City of Los Banos, a municipal corporation ("City") and Allied Waste Services of North America, LLC, a Delaware Limited Liability Company ("Contractor").

RECITALS

WHEREAS, City and Contractor are parties to that certain Agreement for Collection and Transportation of Solid Waste, Recyclable Materials, and Green Waste dated September 12, 2007 (the "Agreement"); and

WHEREAS, City and Contractor are parties to that certain First Amendment to the Agreement dated November 19, 2007; and

WHEREAS, City and Contractor are parties to that certain Second Amendment to the Agreement dated November 4, 2009; and

WHEREAS, City and Contractor now desire to amend the Agreement for the third time to extend the term of the Agreement by three years in accordance with Section 2.4 of the Agreement and to amend Contractor's compensation rates of the Agreement during the three year extension.

NOW, THEREFORE, In consideration of the mutual promises contained herein and the exchange of good and valuable consideration, the receipt of which is acknowledged by each party, the City and Contractor agree as follows:

1. The foregoing recitals are true and correct.
2. This Third Amendment shall be effective as of the date of approval by the Los Banos City Council.
3. Section 2.3 of the Agreement is hereby amended in its entirety to read as follows:

2.3 TERM OF AGREEMENT

The term of this Agreement shall commence at 12:01 a.m., February 1, 2008 and expire at midnight on the last day of June 2021 (extended termination date) totaling thirteen years and five months.

4. Section 5.1, of the Agreement is hereby amended in its entirety to read as follows:

5.1 GENERAL

Contractor's Compensation provided for in this Article shall be the full, entire and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed, except that City shall pay for the processing of Traditional Recycling Materials and Green Waste and the disposal of solid waste.

Commencing on the Effective Date of the Third Amendment hereto, City shall compensate Contractor monthly in arrears for the services provided in this Agreement as specified herein in an amount based on Contractor's Compensation Rates as set forth in Amended Exhibit 2, attached hereto and incorporated herein by this reference, and as those rates may hereafter be adjusted in accordance with this Agreement.

5. Section 5.3, of the Agreement is hereby amended in its entirety to read as follows:

5.3 CONTRACTOR'S COMPENSATION FOR SUBSEQUENT RATE YEARS

On July 1 of each of the subsequent Rate Years during the Extended Term of the Agreement, commencing July 1, 2017, the Contractor's Compensation for each Rate category included in Amended Exhibit 2 shall be calculated by multiplying the prior year's rate by 1 plus 80% of the percentage change in the "Consumer Price Index (San Francisco — Oakland — San Jose Metropolitan Area, All Urban Consumers; 1982-84 = 100, Not Seasonally Adjusted)," (or another mutually agreed-upon index if this one is no longer published) between the most recently published **March** index and the corresponding index published twelve months earlier, or 5%, whichever is less. Adjusted rates shall be rounded to the nearest cent. For example, for the rate adjustment to be performed for rates beginning July 1, 2018:

Rate = Prior Year's Rate x (1 + 80% of the calculated CPI)

Which would yield, by way of example, the following calculation using CPI index numbers assumed solely for purposes of this illustration

Prior Year's Rate = \$50.00

March 2017 CPI = 172.8

March 2018 CPI = 180.2

Calculated CPI: $(180.2 - 172.8) / 172.8 = .0428$

Eighty Percent of Calculated CPI: $.0428 \times 80\% = .0342$

Adjusted Monthly Rate: $\$50.00 \times (1 + .0342) = \51.71

6. A new Section 5.3.1 is hereby added to the Agreement, to read as follows:

5.3.1 Contractor's Contract Extension Payment.

In consideration for the extension of the original term of this Agreement (by three (3) years, as set forth in amended Section 2.3, the Parties have negotiated payment from Contractor to City for the value of the economic benefit provided to Contractor by virtue of the additional three (3) years of the rights provided under the Agreement::

- A. Contractor shall pay to the City a Contract Extension Payment in the sum of Seven Hundred and Fifty Thousand Dollars (\$750,000.00) payable within 30 calendar days of the Effective Date of this Third Amendment.

7. Section 5.4, of the Agreement is hereby amended in its entirety to read as follows:

5.4 CONTRACTOR'S COMPENSATION

Effective July 1, 2017 Contractor's Compensation each year will be based on the number of all residential and commercial customer accounts in the City then being serviced by Contractor. The City will use these accounts along with the Contractor's Compensation Rates as noted in Amended Exhibit 2 for the purposes of determining the total monthly compensation due to the Contractor for services being performed under the Agreement, based on the rates established pursuant to this Agreement.

For purposes of customer credits, Contractor is obligated to fulfill contractual service requests. A credit would be issued and deducted from Contractor's payment, when deemed appropriate by the City, if the contractual obligations of Contractor have not been completed, not completed accurately or not completed in a timely manner.

8. Section 5.5, "Contractor Application for Special Compensation Adjustment," is hereby deleted in its entirety.
9. Section 5.7, "Rates and Billing for Miscellaneous Charges," and 5.8 "Rates and Billing for Commercial Recycling" are hereby amended in its entirety to read as follows:

5.7 Rates and Billing for Miscellaneous Charges

The City shall bill Customers, in an amount not to exceed the rate approved by the City Council, for the following services: Cart Delivery/Pick-Up; Cart Replacement; Hasp & Lock Installation for Bin; Replace Lock; Steam Cleaning (in excess of twice per year); Push/Pull Charge; Lock/Unlock charge; The City will remit fees for said services to Contractor based upon Amended Exhibit 2 as adjusted per the terms of the Agreement.

Contractor shall continue to bill for drop box services provided in the City. City shall continue to determine the gross dollar amount per drop box size to be invoiced to the customer. Current amounts to be billed for these services are outlined in Amended Exhibit 2. Upon receipt of payment from customer, Contractor will retain the amount in Amended

Exhibit 2 for the drop box service (haul charge), plus any demurrage charge, delivery charge (as applicable), overage charge (as applicable), or relocation charges. The balance of the gross dollar amount per drop box, less the haul charge and any applicable charges, will be remitted to the City.

5.8 Rates and Billing for Commercial Recycling

City shall bill Customers, in an amount not to exceed the rate approved by the City Council. The City will remit fees for said services to Contractor based upon Amended Exhibit 2 as adjusted per the terms of the Agreement.

10. A new Section 5.9 entitled "Residential and Commercial Route Audit," is hereby added to the Agreement, to read as follows:

5.9 Residential and Commercial Route Audit

In May 2018, May 2019, and May 2020 the Contractor shall perform an internal audit of all residential and commercial customer accounts in the City. Contractor shall provide the results of the audit to the City on or before May 31st. The purpose of the audit is to reconcile the number of all residential and commercial customer accounts in the City being serviced by Contractor, to the number of all residential and commercial accounts being billed by the City. Based upon the results of the audit, the City shall adjust the compensation to be paid to Contractor for the following rate year to reflect the service levels determined through the customer account audit, only after the establishment of the customer account and/or billing correction to the customer account. However, the City shall not be required to reimburse the Contractor for revenues not collected by the City in the prior rate year.

11. A new Section 5.10 entitled "Landfill Closure Fee/Funding," is hereby added to the Agreement, to read as follows:

5.10 Landfill Closure Fee and Mutual Settlement of Accounts

On June 8, 2012, the California Regional Water Quality Board, Central Valley Region issued to City modified Waste Discharge Requirements, pursuant to Order 5-01-163, requiring clean closure of the Solid Waste Disposal Site located 2.5 miles north of State Highway 152 and east of State Highway 165. Such closure activities must be completed by or within 2018. The Rate Study for Refuse Rates undertaken in April 2011, incorporated costs for closure of the Solid Waste Disposal Site in the projected refuse rates to be collected through this Agreement. A portion of those closure costs remains to be funded during the extension period.

Commencing August 31, 2017 and on the last day of the each month thereafter, the City will deduct forty seven (47) monthly payments, in the amount of Twenty-Six Thousand Five Hundred and Ninety Five Dollars and Seventy Five Cents (\$26,595.75), from

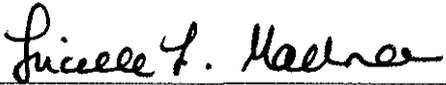
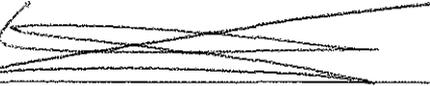
Contractor's regular monthly remittance/compensation as a Landfill Closure Fee. Such amounts shall be deposited by City into the Landfill Closure Fund.

Full payment by Contractor as required under paragraph 5.3.1 and this Section 5.10 shall operate as a negotiated value of the extension and as a mutual release and settlement of any and all mutual payment obligations of the Parties under the Agreement, which may have arisen prior to July 1, 2017, during the original term.

12. Effective as of July 1, 2017, Exhibit 2 to the Agreement is hereby replaced in its entirety with Amended Exhibit 2 attached hereto and incorporated herein by this reference.

13. Except as specifically amended by this Third Amendment, all other terms and conditions of the Agreement including the First and Second Amendments shall remain in full force and effect. In the event of any conflict between the terms of the Agreement, the First Amendment and Second Amendment, and this Third Amendment, the provisions of this Third Amendment shall control.

IN WITNESS WHEREOF, City and Contractor have duly authorized execution of this Agreement, and have executed the Agreement as of the date first set forth above.

<p>CITY OF LOS BANOS</p> <p>By:  Alex, Terrazas, City Manager</p> <p>Date: <u>9/14/17</u></p> <p>Attest:  Lucille L. Mallonee, City Clerk</p> <p>APPROVED AS TO FORM:</p> <p>By:  William A. Vaughn, City Attorney</p>	<p>ALLIED WASTE SERVICES OF NORTH AMERICA, LLC</p> <p>By:  Michael Caprio, Vice President</p> <p>Date: <u>9/15/17</u></p>
---	---

CONTINUATION CERTIFICATE

The Evergreen National Indemnity Company (hereinafter called the Surety) hereby continues in force its Bond No. 558228 in the sum of One Hundred Thousand Dollars and 00/100 (\$100,000.00) Dollars, on

behalf of Allied Waste Services of North America, LLC DBA Allied Waste Services of Fresno

in favor of City of Los Banos, California

subject to all the conditions and terms thereof through February 1, 2019 at location of risk.

This Continuation is executed upon the express condition that the Surety's liability shall not be cumulative and shall be limited at all times by the amount of the penalty stated in the bond.

IN WITNESS WHEREOF, the Surety has caused this instrument to be signed by its duly authorized Attorney-in-Fact and its corporate seal to be hereto affixed this 9 day of January, 2018.

Evergreen National Indemnity Company
Surety

By: 

Timothy S. Buhite, Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Washington

County of King



On January 9, 2018 before me, Brandi Heinbaugh, Notary Public

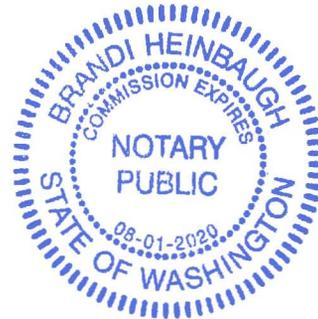
Date

Name and Title of Notary

personally appeared Timothy S. Buhite

Name and or Names of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Brandi Heinbaugh
Brandi Heinbaugh Notary Public Signatory

Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb



- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb



EVERGREEN NATIONAL INDEMNITY COMPANY
MAYFIELD HEIGHTS, OH
POWER OF ATTORNEY

POWER NO. 558228

KNOW ALL MEN BY THESE PRESENTS: That the Evergreen National Indemnity Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint: Timothy S. Buhite

its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed Fifteen Million Dollars and 00/100 (\$15,000,000.00)

This Power of Attorney is granted and is signed by facsimile pursuant to the following Resolution adopted by its Board of Directors on the 23rd day of July, 2004:

"RESOLVED, That any two officers of the Company have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact such persons, firms, or corporations as may be selected from time to time.

FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company; and any such powers so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Evergreen National Indemnity Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 1st day of June, 2017.

EVERGREEN NATIONAL INDEMNITY COMPANY



By: *Matthew T. Tucker*
Matthew T. Tucker, President
By: *David A. Canzone*
David A. Canzone, CFO

Notary Public)
State of Ohio)

SS:

On this 1st day of June, 2017, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Matthew T. Tucker and David A. Canzone of the Evergreen National Indemnity Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, the day and year above written.



PENNY M HAMM
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
04-04-2022

Penny M. Hamm
Penny M. Hamm, Notary Public
My Commission Expires April 4, 2022

State of Ohio)

SS:

I, the undersigned, Secretary of the Evergreen National Indemnity Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Mayfield Hts, Ohio this 9th day of January, 2018.



Wan C. Collier
Wan C. Collier, Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/23/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CANNON COCHRAN MANAGEMENT SERVICES, INC. 17015 N. SCOTTSDALE RD. SCOTTSDALE, AZ 85255	CONTACT NAME:		
	PHONE (A/C No.Ext):	FAX (A/C No.Ext):	
E-MAIL ADDRESS: certificateteam@ccmsi.com			
INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: ACE American Insurance Co.		22667
	INSURER B: Indemnity Insurance Company of NA		43575
	INSURER C: ACE Fire Underwriters		20702
	INSURER D: Illinois Union Insurance Company		27960
	INSURER E:		
INSURER F:			

COVERAGES

CERTIFICATE NUMBER: 1387058

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HDO G71097171	06/30/2018	06/30/2019	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS -COMP/OP AGG \$ 5,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			ISA H25159809	06/30/2018	06/30/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE AGGREGATE
B A C A D	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WLR C6522575A - AOS WLR C65225712 - CA/MA/OR SCF C65225797 - WI WCU C65225670 - OH XS TNS C49167295 - TX NSXS	06/30/2018 06/30/2018 06/30/2018 06/30/2018	06/30/2019 06/30/2019 06/30/2019 06/30/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 3,000,000 E.L. DISEASE -EA EMPLOYEE \$ 3,000,000 E.L. DISEASE -POLICY LIMIT \$ 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Division Number: 4917 - Named Insured Includes: Allied Waste Services of North America, LLC - Dba: Allied Waste Services of Fresno, Corcoran, Los Banos & Atwater - Republic Services of Fresno

CERTIFICATE HOLDER CITY OF LOS BANOS PUBLIC WORKS DEPARTMENT 1015 F STREET LOS BANOS, CA 93635 United States	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
---	--



ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED	
POLICY NUMBER See First Page		REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	
CARRIER See First Page	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

GENERAL LIABILITY:

Certificate holder is Additional Insured when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

AUTO LIABILITY:

Certificate holder is Additional Insured when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

Stop gap coverage for ND, WA and WY is covered under policy no. WLR C6522575A and stop gap coverage for OH is covered under policy no. WCU C65225670, as noted on page 1 of this certificate.

TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:

Republic Services, Inc. and its subsidiaries are registered non-subscribers to the Texas Workers Compensation Act. Republic Services, Inc. has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (#TNS C49167295) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability and Automobile Liability coverage forms. The General Liability and Automobile Liability policies do not contain endorsements excluding Contractual Liability.

Separation of Insured (Cross Liability) coverage is provided to the Additional Insured, when required by written contract, per the Conditions of the Commercial General Liability Coverage form and the Automobile Liability Coverage form.

Additional Insured includes: the City of Los Banos, its officers, employees, and agents, when required by written contract.

POLICY NUMBER: HDO G71097171

20

Endorsement Number: 221

COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss	All locations where you perform work for such additional insured pursuant to any such written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED

Named Insured Republic Services, Inc.			Endorsement Number 26
Policy Symbol HDO	Policy Number G71097171	Policy Period 06/30/2018 to 06/30/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY COVERAGE

Schedule

Organization

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under a written contract executed prior to the date of loss

Additional Insured Endorsement

CG2026; CG2010; CG2037

(If no information is filled in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to Section IV.4.a:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.


Authorized Agent