

Franchise Agreement for Solid Waste Disposal and Recycling Services

THIS FRANCHISE AGREEMENT ("Agreement"), is made and entered into at Vallejo, California, this 1st day of October 2016, (the "Effective Date") by and between the City of Vallejo, A Charter City and Municipal Corporation, hereinafter referred to as "CITY," and RECOLOGY VALLEJO, a California Corporation, hereinafter referred to as "CONTRACTOR".

RECITALS:

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

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

WHEREAS; pursuant to its Charter and California Public Resources Code Section 40059(a) as may be amended from time to time, CITY has determined that the public health, safety, and well-being require that an exclusive right be awarded to a qualified contractor to provide for the collection of garbage, recyclable materials, and organic waste materials, except for collection of materials excluded in CITY'S Municipal Code, and other services related to meeting the Act's 50 percent diversion goal and other requirements of the Act; and,

WHEREAS; CITY further declares its intent to regulate and set the maximum rates CONTRACTOR may charge customers for the collection, transportation, processing, recycling, composting, and/or disposal of garbage, recyclable materials, and organic waste materials; and,

WHEREAS; the City Council has determined that CONTRACTOR, by demonstrated experience, reputation and capacity, is qualified to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of CITY, the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and City Council desires that CONTRACTOR be engaged to perform such services on the basis set forth in this Agreement; and,

WHEREAS; CONTRACTOR, has represented that it has the ability and capacity to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of CITY; the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and the processing of materials.

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

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72 **ARTICLE 1. Definitions**

73 For the purpose of this Collection Service Agreement, hereinafter referred to as "Agreement", the
74 definitions contained in this Article shall apply unless otherwise specifically stated. If a word or
75 phrase is not defined in this Article, the definition of such word or phrase as contained in the CITY
76 Municipal Code shall control. When not inconsistent with the context, words used in the present
77 tense include the future, words in the plural include the singular, and words in the singular include
78 the plural. Use of the masculine gender shall include the feminine gender.

79 1.01 AB 939. The California Integrated Waste Management Act (California Public
80 Resources Code Sections 40000 et al.), as amended from time to time.

81 1.02 Agreement. This written document and all amendments thereto, between CITY and
82 CONTRACTOR, governing the provision of Collection Services as provided herein.

83 1.03 Agreement Year. Each twelve (12) month period from October 1st to September
84 30th during the term of this Agreement.

85 1.04 Alternative Daily Cover (ADC). Landfill cover material and at least six (6) inches of
86 earthen material, placed on the surface of the active face of the refuse fill area at the end of each
87 operating day to control vectors, fires, odor, blowing litter and scavenging, as defined in Title 27
88 of the California Code of Regulations (C.C.R.) Section 20164.

89 1.05 Biohazardous or Biomedical Waste. Any waste which may cause disease or
90 reasonably be suspected of harboring pathogenic organisms; included are waste resulting from
91 the operation of medical clinics, hospitals, and other facilities processing wastes which may
92 consist of, but are not limited to, human and animal parts, contaminated bandages, pathological
93 specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

94 1.06 Brown Goods. Electronic equipment such as stereos, televisions, VCRs, Personal
95 Data Assistants (PDAs), telephones, and other similar items not containing cathode ray tubes
96 (CRTs).

97 1.07 Bulky Waste. Includes Large Items; Large Green Waste; discarded furniture; carpets;
98 mattresses; household appliances including refrigerators, ranges, washers, dryers, water heaters,
99 and dishwashers and other similar items; large household goods including lawn and garden
100 equipment (drained of fluids), bicycles and other similar large personal items. Bulky Waste does
101 not include Exempt Waste or Construction and Demolition Debris.

102 1.08 Business Service Unit. All business, retail, professional, office, wholesale and
103 industrial facilities, and other commercial enterprises.

104 1.09 Change in Law. Any change in (or any new) laws, ordinances, rules, regulations,
105 orders, judgments, decrees, interpretations, decisions or permit requirements, of or by any
106 federal, state or local governmental entity (collectively, "Applicable Laws"), after the date hereof.

107 1.10 CITY. The City of Vallejo, California.

108 1.11 City Collection Service. City Garbage Collection Service, City Recycling Collection
109 Service, City Organic Waste Collection Service, and City Debris Box Collection Service.

110 1.12 City Debris Box Collection Service. The Collection in Debris Boxes of City Garbage,
111 Recyclable Materials, Organic Waste, or Construction and Demolition Debris generated by City
112 Services Units, Collected and delivered by CONTRACTOR to an appropriate processing facility
113 or Disposal Facility.

114 1.13 City Garbage Collection Service. The Collection of Garbage generated from City
115 Service Units that is Collected and delivered to the Disposal Facility by CONTRACTOR.

116 1.14 City Organic Waste. Green Waste and Food Waste separated at the source of
117 generation for inclusion in CITY Organic Waste Collection Service program.

118 1.15 City Organic Waste Collection Service. The Collection of City Organic Waste,
119 generated from City Service Units, that is Collected and delivered to the Organic Waste
120 Processing Facility by CONTRACTOR.

121 1.16 City Recycling Collection Service. The Collection of Recyclable Materials, generated
122 from City Service Units, that is Collected and delivered to the Materials Recovery Facility by
123 CONTRACTOR.

124 1.17 City Representative. The City Manager, or his/her designee, authorized to administer
125 and monitor the provisions of this Agreement.

126 1.18 City Service Unit. Those CITY properties or locations as set forth in Exhibit 2, "City
127 Facilities", which is attached to and included in this Agreement.

128 1.19 Collection. The process whereby Garbage, Recyclable Materials, Organic Waste and
129 Construction and Demolition Debris are removed and transported to a Disposal Facility, an
130 Organic Waste Processing Facility, a Materials Recovery Facility, or a Construction and
131 Demolition Debris Processing Facility, as appropriate.

132 1.20 Collection Services. Single-Family Collection Service (SFD), Multi-family Collection
133 Service (MFD), City Collection Service, and Commercial Collection Service.

134 1.21 Commercial Collection Service. Commercial Garbage Collection Service,
135 Commercial Recycling Collection Service, Commercial Organic Waste Collection Service, and
136 Commercial Debris Box Collection Service.

137 1.22 Commercial Debris Box Collection Service. The Collection in Debris Boxes of
138 Commercial Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition
139 Debris by CONTRACTOR from Commercial Service Units in the Service Area, and the delivery
140 of collected Commercial Debris Boxes to an appropriate processing facility or disposal facility.

141 1.23 Commercial Organic Waste. Green Waste and Food Waste separated at the source
142 of generation for inclusion in the Commercial Organic Waste Collection Service program.

143 1.24 Commercial Organic Waste Collection Service. The Collection of Commercial
144 Organic Waste by CONTRACTOR from Commercial Service Units in the Service Area, and the
145 delivery of that Commercial Organic Waste to an Organic Waste processing facility.

146 1.25 Commercial Recycling Collection Service. The Collection of Recyclable Materials by
147 CONTRACTOR from Commercial Service Units in the Service Area, the delivery of those
148 Recyclable Materials to a Materials Recovery Facility, and the processing and marketing of those
149 Recyclable Materials.

150 1.26 Commercial Service Unit. Business Service Units that utilize a Garbage Cart or Bin
151 for the accumulation and set-out of Garbage.

152 1.27 Commercial Garbage Collection Service. The Collection of Garbage by
153 CONTRACTOR, from Commercial Service Units in the Service Area, and the delivery of that
154 Garbage to the Disposal Facility.

155 1.28 Compactor. Any Debris Box Container or Bin, which has a compaction mechanism,
156 whether stationary or mobile.

157 1.29 Composting. The controlled biological decomposition of Organic Waste into a
158 specific mixture of decayed organic matter used for fertilizing or soil conditioning.

159 1.30 Construction and Demolition Debris. Commonly used or discarded materials
160 removed from construction, remodeling, repair, demolition, or renovation operations on any
161 pavement, house, commercial building, or other structure, or from landscaping. Such materials
162 include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard,
163 aluminum, glass, asphalt material, plastics, roofing material, cardboard, carpeting, cinder blocks,
164 concrete, copper, electrical wire, fiberglass, Formica, granite, iron, lead, linoleum, marble, plaster,
165 plant debris, pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees,
166 remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal,
167 building materials, packaging and rubble resulting from construction, remodeling, renovation,
168 repair and demolition operations on pavements, houses, commercial buildings and other
169 structures. Construction and Demolition Debris does not include Exempt Waste.

170 1.31 Construction and Demolition Debris Processing Facility. Any facility selected by
171 CONTRACTOR that is operated and legally permitted for the purpose of receiving and processing
172 Construction and Demolition Debris.

173 1.32 Contractor. Recology Vallejo.

174 1.33 County. Solano County, California.

175 1.34 Consumer Price Index (CPI). The index published by the U.S. Department of Labor,
176 Bureau of Labor Statistics, Series Id: CUURA422SA0, Not Seasonally Adjusted, All Items, All
177 Urban Consumers (CPI-U) for San Francisco-Oakland-San Jose, California.

178 1.35 Customer. Means a Service Recipient that receives Collection Services under the
179 terms of this Collection Service Agreement.

180 1.36 Debris Box Collection Service. Collection utilizing 10 to 40 cubic yard containers, on
181 a temporary or permanent basis, and provided to Service Units for the Collection of Garbage,
182 Recyclable Materials, Organic Waste, and Construction and Debris Materials, and for the delivery
183 of that material to an appropriate facility.

184 1.37 Debris Box Container. A metal container that is normally tipped loaded onto a motor
185 vehicle and transported to an appropriate facility.

186 1.38 Detailed Rate Review. The review and adjustment of Maximum Service Rates in
187 accordance with the methodology specified in Exhibit 7.

188 1.39 Disposal Facility. Any facility selected by CONTRACTOR and approved by CITY, or
189 specifically designated by CITY, that is operated and legally permitted for the purpose of
190 accepting materials for disposal. The initial Disposal Facility is the Devlin Road Transfer Station,
191 889 Devlin Rd., American Canyon, CA.

192 1.40 Dwelling Unit. Any individual living unit in a single family dwelling (SFD) or multi-
193 family dwelling (MFD) structure or building intended for, or capable of being utilized for, residential
194 living other than a Hotel or Motel.

195 1.41 E-Waste. Discarded electronics equipment such as cell phones, PDAs, computers,
196 monitors, televisions, and other items containing cathode ray tubes (CRTs), LCD or plasma
197 screens and monitors.

198 1.42 Exempt Waste. Biohazardous or Biomedical Waste (including Sharps), Hazardous
199 Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal
200 combustion engines, and those wastes under the control of the Nuclear Regulatory Commission.

201 1.43 Food Waste. Food scraps and trimmings and other putrescible waste that results
202 from food production, preparation, storage, consumption or handling. Food Waste includes but is
203 not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste, Stable Matter,
204 acceptable food packaging items such as pizza boxes, paper towels, waxed cardboard and food
205 contaminated paper products. Food Waste does not include Exempt Waste.

206 1.44 Garbage. All putrescible and non-putrescible solid, semi-solid and associated liquid
207 waste, as defined in California Public Resources Code Section 40191. Garbage does not include
208 Recyclable Materials, Organic Waste, Construction and Demolition Debris, Bulky Waste, or
209 Exempt Waste.

210 1.45 Garbage Bin. A metal or plastic container, with a capacity of one (1) cubic yard up
211 to, and including, six (6) cubic yards, designed or intended to be mechanically dumped into a
212 loader packer type garbage truck that is approved for such purpose by CITY. Garbage Bins may
213 also include Compactors that are owned by the MFD or Commercial Service Unit wherein the
214 MFD or Commercial Collection Service occurs.

215 1.46 Garbage Cart. A heavy plastic receptacle with wheels and a rated capacity of at
216 least thirty two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting
217 lid and wheels, that is approved by the City Representative (if different from those currently in use
218 by CONTRACTOR) for use by Service Recipients for Collection Services under this Agreement.

219 1.47 Green Waste. Any vegetative matter resulting from normal yard and landscaping
220 maintenance that is not more than three (3) feet in its longest dimension or six (6) inches in
221 diameter and fits in the Organic Waste Cart utilized by the Service Recipient. Green Waste
222 includes plant debris, such as Palm, Yucca and Cactus, ivy, grass clippings, leaves, pruning,
223 weeds, branches, brush, Christmas trees, and other forms of vegetative waste and must be
224 generated by and at the Service Unit wherein the Green Waste is collected. Green Waste does
225 not include items herein defined as Exempt Waste.

226 1.48 Gross Revenue. All revenue amounts collected by CONTRACTOR for the provision
227 of Collection Services pursuant to this Agreement, calculated in accordance with Generally
228 Accepted Accounting Procedures (GAAP). The term Gross Revenue, for purposes of this
229 Agreement, does not include any revenues generated from the sale of Recyclable Material, or
230 other receipts from state and local government accounts (e.g. grants, cash awards and rebates)
231 resulting from the performance of this Agreement.

232 1.49 Hazardous Waste. Any material which is defined, regulated or listed as "hazardous",
233 "toxic", a "pollutant", or words of similar import waste under California or United States law or any
234 regulations promulgated pursuant to such law, as such state or federal law or regulations may be
235 amended from time to time; and "designated waste" as defined in California Water Code Section
236 13173.

237 1.50 Household Hazardous Waste (HHW). HHW includes dry cell household batteries,
238 cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag;
239 cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products,
240 pesticides, herbicides, insecticides, painting supplies, automotive products, solvents, strippers,
241 adhesives, auto batteries, and Universal Waste.

242 1.51 Kitchen Food Waste Pail. A plastic receptacle with a rated capacity not exceeding
243 one and one-half (1.5) gallons, having a hinged lid, suitable for use in a SFD or MFD Service Unit
244 for temporary storage of SFD and MFD Organic Waste that is approved for such purpose by CITY.

245 1.52 Large Items. Those materials including furniture, carpets, mattresses, White Goods,
246 Brown Goods, E-Waste, clothing, tires without rims, Green Waste, and Large Green Waste which
247 are attributed to the normal activities of a SFD Service Unit, MFD Service Unit, or City Service
248 Unit. Large Items must be generated by and at the Service Unit wherein the Large Items are
249 collected. Large Items do not include items herein defined as Exempt Waste.

250 1.53 Large Green Waste. Oversized Green Waste such as tree trunks and branches with
251 a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more
252 than six (6) feet in its longest dimension, and not weighing more than seventy (70) pounds, which
253 are attributed to the normal activities of a SFD, MFD, or City Service Unit. Large Green Waste
254 must be generated by and at the Service Unit wherein the Large Green Waste is collected.

255 1.54 Material Change In Law. A Change in Law that (a) results in an increase in
256 CONTRACTOR's allowable costs of operation, or a reduction in CONTRACTOR's Gross
257 Revenue, of at least Fifty Thousand Dollars (\$50,000), and (b) relates specifically to any aspect
258 of the solid waste industry (including, for the avoidance of doubt and without limitation, changes
259 to the California Integrated Waste Management Act (CIWMA), changes to CalRecycle
260 regulations, or changes to other Applicable Laws relating specifically to any aspect of "solid waste
261 handling," "solid waste disposal" or "solid waste facilities," as such terms are defined in the
262 CIWMA).

263 1.55 Materials Recovery Facility (MRF). Any facility, selected by CONTRACTOR
264 designed, operated, and legally permitted for the purpose of receiving, sorting, processing,
265 storing, or preparing Recyclable Materials for sale.

266 1.56 Maximum Service Rates. The maximum amount that CONTRACTOR may charge
267 Service Recipients for Collection Services, as listed in Exhibit 1 and as may be adjusted in
268 accordance with the provisions of this Agreement.

269 1.57 MFD Collection Service. MFD Garbage Collection Service, MFD Recycling Service,
270 MFD Organic Waste Collection Service, MFD Bulky Waste Collection Service, and MFD Debris
271 Box Collection Service.

272 1.58 MFD Debris Box Waste Collection Service. The Collection in Debris Boxes of MFD
273 Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris by
274 CONTRACTOR from MFD Service Units in the Service Area, and the delivery of Collected MFD
275 Debris Boxes to an appropriate processing facility or disposal facility.

276 1.59 MFD Bulky Waste Collection Service. The periodic on-call Collection of a
277 combination of Large Items Collected by CONTRACTOR, from MFD Service Units in the Service
278 Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility,
279 Organic Waste Processing Facility or such other facility as may be appropriate under the terms
280 of this Agreement. MFD Bulky Waste Collection Service can include the Collection of Large Items
281 through the use of Debris Boxes, at CONTRACTOR's option.

282 1.60 MFD Organic Waste. Green Waste and Food Waste separated at the source of
283 generation for inclusion in the MFD Organic Waste Collection Service program.

284 1.61 MFD Organic Waste Collection Service. The Collection of MFD Organic Waste from
285 MFD Service Units in the Service Area, and the delivery of that MFD Organic Waste to an Organic
286 Waste processing facility.

287 1.62 MFD Recycling Service. The Collection of Recyclable Materials, by CONTRACTOR,
288 from MFD Service Units in the Service Area, the delivery of those Recyclable Materials to a
289 Materials Recovery Facility, and the processing and marketing of those Recyclable Materials.

290 1.63 MFD Service Unit. Any residential premises containing five (5) or more Dwelling
291 Units.

292 1.64 MFD Garbage Collection Service. The Collection of Garbage, by CONTRACTOR,
293 from MFD Service Units in the Service Area and the delivery of that Garbage to the Disposal
294 Facility.

295 1.65 Non-Collection Notice. A form developed and used by CONTRACTOR, as approved
296 by CITY (if different from the form commonly used by CONTRACTOR), to notify Service
297 Recipients of the reason for non-collection of materials set out by the Service Recipient for
298 Collection by CONTRACTOR pursuant to this Agreement.

299 1.66 Organic Waste. Food Waste and Green Waste, either separately or commingled
300 with each other, that has been separated at the source of generation from Garbage and
301 Recyclable Materials.

302 1.67 Organic Waste Bin. A metal or plastic container, with a capacity of one (1) cubic yard
303 up to and including six (6) cubic yards, designed or intended to be mechanically dumped into a
304 loader packer type truck that is approved for such purpose by CITY.

305 1.68 Organic Waste Cart. A heavy plastic receptacle with wheels and a rated capacity
306 not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved
307 for such purpose by CITY.

308 1.69 Organic Waste Processing Facility. Any facility selected by CONTRACTOR
309 operated and legally permitted for the purpose of receiving and processing Organic Waste and
310 Large Green Waste.

311 1.70 Recyclable Materials. Those discarded materials which are capable of being
312 recycled and which have been separated at the source of generation from Garbage and Organic
313 Waste would otherwise be processed or disposed of as Garbage. Recyclable Materials include
314 the following materials defined by CITY: newsprint (including inserts); mixed paper (including
315 magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and paper,
316 paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers;
317 aluminum beverage containers; small scrap and cast aluminum (up to 20 pounds); steel including
318 "tin" cans, empty aerosol cans (empty, non-toxic products) and small scrap (up to 20 pounds);
319 bimetal containers; plastic food containers, #1-7 plastics regardless of form or mold (including but
320 not limited to plastic containers, bottles, and wide mouth tubs), aluminum foil and pans.
321 Recyclable Materials do not include Exempt Waste.

322 1.71 Recycling Bin. A plastic or metal container, with a capacity of one (1) cubic yard up
323 to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader
324 packer type recycling truck that is approved for such purpose by CITY and is appropriately labeled
325 as a Recycling Bin.

326 1.72 Recycling Cart. A heavy plastic receptacle with wheels and a rated capacity of at
327 least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting
328 lid, and wheels that is approved for such purpose by CITY and is appropriately labeled as a
329 Recycling Cart.

330 1.73 Service Area. That area within the corporate limits of the City of Vallejo, California,
331 as the same may be modified from time to time through annexation or otherwise.

332 1.74 Service Recipient. An individual or entity receiving Collection Service under this
333 Agreement.

334 1.75 Service Unit. SFD Service Units, MFD Service Units, City Service Units, and
335 Commercial Service Units.

336 1.76 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Collection
337 Service, SFD Organic Waste Collection Service, SFD Bulky Waste Collection Service, and SFD
338 Debris Box Collection Service.

339 1.77 SFD Debris Box Waste Collection Service. The Collection in Debris Boxes of SFD
340 Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris by
341 CONTRACTOR from SFD Service Units in the Service Area, and the delivery of Collected SFD
342 Debris Boxes to an appropriate processing facility or disposal facility.

343 1.78 SFD Bulky Waste Collection Service. The periodic on-call Collection of a
344 combination of Large Items Collected by CONTRACTOR, from SFD Service Units in the Service
345 Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility,
346 Organic Waste Processing Facility or such other facility as may be appropriate under the terms
347 of this Agreement. SFD Bulky Waste Collection Service does not include the collection of Large
348 Items through the use of Debris Box Containers.

349 1.79 SFD Organic Waste. Green Waste and Food Waste separated at the source of
350 generation for inclusion in the SFD Organic Waste Collection Service program.

351 1.80 SFD Organic Waste Collection Service. The Collection of SFD Organic Waste by
352 CONTRACTOR from SFD Service Units in the Service Area, the delivery of that Residential
353 Organic Waste to an Organic Waste Processing Facility.

354 1.81 SFD Recycling Collection Service. The Collection of Recyclable Materials by
355 CONTRACTOR from SFD Service Units in the Service Area, the delivery of those Recyclable
356 Materials to a Materials Recovery Facility, and the processing and marketing of those Recyclable
357 Materials.

358 1.82 SFD Garbage Collection Service. The Collection of Garbage, by CONTRACTOR,
359 from SFD Service Units in the Service Area and the delivery of that Garbage to a Disposal Facility.

360 1.83 SFD Service Unit. Each Dwelling Unit in a residential premises containing no more
361 than four (4) Dwelling Units.

362 1.84 Sharps. Sharps includes needles, scalpels, blades, broken medical glass, broken
363 capillary tubes, and ends of dental wires.

364 1.85 Sludge. The accumulated solids, residues, and precipitates generated as a result of
365 waste treatment or processing, including wastewater treatment, water supply treatment, or
366 operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks,
367 grease traps, privies, or similar disposal appurtenances or any other such waste having similar
368 characteristics or effects.

369 1.86 Solid Waste. Garbage, Recyclable Materials, Organic Waste, Construction and
370 Demolition Debris, Large Items, and items dropped off at CONTRACTOR's drop-off events or
371 CONTRACTOR's (or CONTRACTOR's affiliates') facilities pursuant to this Agreement (such as
372 E-Waste and HHW).

373 1.87 Source-Separated. Source-Separated materials means materials of a particular type
374 that have been separated by the generator from Garbage and materials of other types and placed
375 in the Container designated for Collection of that particular type of materials.

376 1.88 Stable Matter. Manure and other waste matter normally accumulated and associated
377 with stables or in domestic livestock.

378 1.89 Universal Waste. Televisions, computer monitors, consumer electronics with circuit
379 boards, fluorescent lamps, cathode ray tubes, non-empty aerosol cans, instruments and switches
380 that contain mercury, and dry cell batteries containing cadmium copper, or mercury.

381 1.90 VALCORE. Vallejo Community Organizations Recycling, Inc. (VALCORE), a
382 501(c)(3) nonprofit organization. The Recycling Services Agreement dated March 8, 2011 by and
383 among CITY, CONTRACTOR and VALCORE, as amended (the "VALCORE Agreement") is
384 attached to this Agreement as Attachment 1.

385 1.91 VCUSD Agreement. That certain Agreement for Collection and Disposal of Solid
386 Waste and Recyclables dated October 1, 2012 by and among CITY, CONTRACTOR and the
387 Vallejo City Unified School District ("VCUSD"), as amended.

388 1.92 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other
389 similar household appliances.

390 1.93 Work Day. Any day, Monday through Friday that is not a holiday as set forth in
391 Section 3.09 of this Agreement (it being understood that Commercial Collection Service may be
392 provided on Saturday as provided in Section 3.05.2, and holiday service may be provided on
393 Saturday as provided in Section 3.09).

394 ARTICLE 2. Term of Agreement

395 2.01 Term. The term of this Agreement shall be for a ten (10) year period beginning
396 October 1, 2016 and terminating on September 30, 2026.

397 2.02 Five (5) Year Extension. CONTRACTOR may request one five (5) year term
398 extension to the original ten (10) year term, and at CITY's sole option, CITY may grant
399 CONTRACTOR's request to extend the term. Under no circumstances will CITY be obligated to
400 extend the term. CONTRACTOR must request the five (5) year extension by March 31, 2024 in
401 order to be eligible for the term extension. If CONTRACTOR fails to meet the diversion
402 requirements as described in Section 5.01, CONTRACTOR will not be eligible for the five (5) year
403 extension. Similarly, if CONTRACTOR is found to have a Specified Default (as described in
404 Section 24.09), CONTRACTOR will not be eligible for the five (5) year extension.

405 2.03 Performance Review prior to Five (5) Year Extension. If CONTRACTOR requests a
406 term extension as described in Section 2.02 above, then, at CITY's sole option, a billing audit and
407 performance review may be conducted as described in Article 20, and CONTRACTOR must pay
408 the cost of the billing audit and performance review subject to the maximum cost specified in such
409 Article. Regardless of the outcome of this billing audit and performance review, CITY will have no
410 obligation to extend the term of the Agreement.

411 ARTICLE 3. Services Provided by Contractor

412 3.01 Grant of Exclusive Right. Except as provided in Section 3.02, CONTRACTOR is
413 hereby granted the exclusive right to collect, transport, recycle, process and dispose of all
414 Garbage, Recyclable Materials, Food Waste, Green Waste, Bulky Waste and Construction and

415 Demolition Debris within the Service Area, including without limitation all such material generated
416 or accumulated at all SFD Service Units, MFD Service Units, Commercial Service Units and City
417 Service Units in the Service Area. No other garbage, organic waste, or recycling services shall be
418 exclusive to CONTRACTOR.

419 3.02 Limitations to Scope of Exclusive Agreement:

420 3.02.1 Recyclable Materials or Large Items that are separated from Garbage by
421 the generator, which the generator sells or is otherwise compensated by a collector in a manner
422 resulting in a net payment to the generator;

423 3.02.2 Garbage, Recyclable Materials, Large Items, Construction and Demolition
424 Debris or Organic Waste, which is removed from any SFD Service Unit, MFD Service Unit,
425 Commercial Service Unit, or City Service Unit and which is transported personally by the owner
426 or occupant of such premises (or by his or her full-time employees but not including construction
427 related employees or subcontractors) to a processing or Disposal Facility;

428 3.02.3 Recyclable Materials, Organic Waste or Large Items which are separated
429 at any premises by the generator and donated to youth, civic or charitable organizations;

430 3.02.4 Beverage containers delivered by the generator for Recycling under the
431 California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq.;

432 3.02.5 Organic Waste removed from a premises by a gardening, landscaping, or
433 tree trimming company as an incidental part of a total service offered by that company rather than
434 as a hauling service;

435 3.02.6 Construction and Demolition Debris resulting solely from construction,
436 remodeling, and demolition authorized by a CITY permit, transported by a licensed construction
437 company as an incidental part of the total service offered by that company rather than as a hauling
438 service, and where the licensed construction company uses its own equipment and employees
439 (and no Debris Box Containers are used) for the collection and transportation of such Construction
440 and Demolition Debris;

441 3.02.7 Large Items removed from a premises by a property management or
442 maintenance company as an incidental part of the total cleanup or maintenance service offered
443 by the company rather than as a hauling service, where no Debris Box Containers are used for
444 the collection and transportation of such Large Items;

445 3.02.8 Hazardous Waste and other Exempt Waste regardless of its source; and

446 3.02.9 Secure document shredding.

447 3.03 CONTRACTOR acknowledges and agrees that CITY may permit other persons
448 besides CONTRACTOR to collect any and all types of materials excluded from the scope of this
449 Agreement, as set forth above, without seeking or obtaining approval of CONTRACTOR. If
450 CONTRACTOR can produce evidence that other persons are servicing collection containers or
451 are Collecting Garbage, Recyclable Materials, Large Items, Construction and Demolition Debris,
452 and/or Organic Waste in a manner that is not consistent with CITY'S Municipal Code or this
453 Agreement, it shall report the location, the name and phone number of the person or company to
454 CITY along with CONTRACTOR'S evidence of the violation of the exclusiveness of this
455 Agreement, and CONTRACTOR shall assist CITY to enforce CITY's Municipal Code and this
456 Agreement. CONTRACTOR may remove illegally placed containers in public right-of-ways,
457 alleys, or streets.

458 3.03.1 The scope of this Agreement shall be interpreted to be consistent with
459 applicable law, now and during the term of the Agreement. If future judicial interpretations of
460 current law or new laws, regulations, or judicial interpretations limit the ability of CITY to lawfully
461 provide for the scope of services as specifically set forth herein, CONTRACTOR agrees that the
462 scope of the Agreement will be limited to those services and materials which may be lawfully
463 provided and that CITY shall not be responsible for any lost profits or losses claimed by
464 CONTRACTOR to arise out of limitations of the scope of the Agreement set forth herein.
465 Notwithstanding the foregoing, nothing in this paragraph shall be deemed to limit Sections 4.02.3
466 or 25.01 of this Agreement.

467 3.04 Service Standards. CONTRACTOR shall perform all Collection Services under this
468 Agreement in a thorough and professional manner. Collection Services described in this
469 Agreement shall be performed regardless of weather conditions or difficulty of collection, except
470 as provided in Section 24.08 (Force Majeure).

471 3.05 Hours and Days of Collection.

472 3.05.1 SFD and MFD Collection Services shall be provided, commencing no
473 earlier than 5:00 a.m. and terminating no later than 6:00 p.m., Monday through Friday with no
474 service on Saturday (except for holiday service as set forth in Section 3.09 of this Agreement in
475 which case normal collection hours may be utilized) or Sunday. The hours, days, or both of
476 collection may be extended due to extraordinary circumstances or conditions with the prior written
477 consent of the City Representative.

478 3.05.2 Commercial Collection Service shall be provided, commencing no earlier
479 than 5:00 a.m., and terminating no later than 6:00 p.m., Monday through Saturday, with no service
480 on Sunday. The hours, days, or both of collection may be extended due to extraordinary
481 circumstances or conditions with the prior written consent of the City Representative.

482 3.05.3 City Collection Service shall be provided, commencing no earlier than 5:00
483 a.m., and terminating no later than 7:00 p.m., Monday through Friday, with the exception of City
484 Sponsored Events as requested by CITY. The hours, days, or both of collection may be extended
485 with the prior written consent of the City Representative.

486 3.05.4 CITY may direct CONTRACTOR to restrict the Collection hours in areas
487 around schools and in high traffic areas during peak commute hours. When CITY is conducting
488 road overlay or slurry projects, CITY reserves the right to temporarily redirect or restrict
489 CONTRACTOR from collection in the affected areas or temporarily change the collection hours if
490 needed. The hours of collection may be extended due to extraordinary circumstances or
491 conditions with the prior written consent of CITY Representative.

492 3.06 Manner of Collection. CONTRACTOR shall provide Collection Service with as little
493 disturbance as possible and shall leave any Cart or Bin in an upright position at the same point it
494 was collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

495 3.07 Containers.

496 3.07.1 Carts and Kitchen and Food Waste Pails. Kitchen Food Waste Pails are
497 to be new at the start of the MFD Food Waste program (at the time this program is implemented
498 in accordance with the Diversion Plan included in Exhibit 4). Newly-purchased Carts introduced
499 into service by CONTRACTOR during the term of this Agreement are to be hot-stamped,
500 embossed, or laminated, with a unique identification number, and labeled with the type of
501 materials to be Collected (i.e., Garbage, Organic Waste, Recyclable Materials) and instructions
502 provided for proper usage at the time of delivery to a new account or upon request of the Service

503 Recipient. Labeling on such Carts shall be on the lids. CONTRACTOR'S phone number shall be
504 included as part of such Cart labeling. Kitchen Food Waste Pails are to be hot stamped,
505 embossed, laminated, or in-molded with instructions for proper use. Labeling and graphics on
506 such newly-purchased Carts (if different from those commonly used by CONTRACTOR) and
507 Kitchen Food Waste Pails shall be approved by CITY.

508 3.07.2 Bins. Bins are to be painted, embossed, or hot stamped with a unique
509 identification number, and be labeled with the type of materials to be Collected (i.e., Garbage,
510 Organic Waste, Recyclable Materials) and instructions provided for proper usage at the time of
511 delivery to a new account or upon request of the Service Recipient. CONTRACTOR'S phone
512 number shall be included as part of Bin labeling. Labeling and graphics of the Bins (if different
513 from those commonly used by CONTRACTOR) shall be approved by CITY.

514 3.07.3 Debris Boxes. Debris Box Containers may be used, provided they are
515 properly marked with Contractor's name and phone number as part of Debris Box labeling and in
516 good working order. CITY retains the right to inspect any such used Debris Box and direct
517 CONTRACTOR to replace or repair such a used Debris Box if it is not properly marked or is not
518 in good working order.

519 3.07.4 Purchase and Distribution of Carts, Bins, and Kitchen Food Waste Pails.
520 CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and
521 functional carts, bins, and Kitchen Food Waste Pails to Service Units in the Service Area, including
522 to new Service Units that are added to CONTRACTOR'S Service Area during the term of this
523 Agreement. Kitchen Food Waste Pails shall be distributed at no charge to all MFD Service Units
524 (one (1) pail per unit in the MFD Service Unit complex) at the time the MFD Food Waste Program
525 is implemented in accordance with the Diversion Plan included in Exhibit 4. In addition,
526 CONTRACTOR shall distribute Kitchen Food Waste Pails at no charge to MFD Service Units
527 upon request of the unit's owner/manager to accommodate new tenants or newly constructed
528 units, provided that the number of pails distributed per Agreement Year under this provision shall
529 not exceed ten percent (10%) of the total number of MFD Service Units during the prior Agreement
530 Year. If and when the SFD Food Waste Program is implemented by CONTRACTOR for SFD
531 Service Units, Kitchen Food Waste Pails shall only be distributed upon request of the Service
532 Recipient. The distribution to new Service Units shall be completed within three (3) Work Days of
533 receipt of notification from CITY or the Service Unit (the owner/manager, in the case of MFD
534 Service Units).

535 3.07.5 Replacement of Carts and Bins. CONTRACTOR'S employees shall take
536 care to prevent damage to carts or bins by unreasonably rough treatment. However, any Cart or
537 Bin damaged by CONTRACTOR shall be replaced by CONTRACTOR, at CONTRACTOR'S
538 expense, within three (3) Work Days at no cost or inconvenience to the Service Recipient.

539 3.07.5.1 Upon notification to CONTRACTOR by CITY or a Service
540 Recipient that the Service Recipient's Cart(s), Bin(s), or Kitchen Food Waste Pail(s) have been
541 stolen or damaged beyond repair through no fault of CONTRACTOR, CONTRACTOR shall
542 deliver a replacement Cart(s), Bin(s) or Kitchen Food Waste Pail(s) to such Service Recipient
543 within three (3) Work Days. CONTRACTOR shall maintain records documenting all Cart and Bin
544 replacements occurring on a monthly basis.

545 3.07.5.2 Where such Cart or Kitchen Food Waste Pail is lost, stolen
546 or damaged beyond repair through no fault of CONTRACTOR, each SFD Service Unit shall be
547 entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart, one (1) lost,
548 destroyed, or stolen Recycling Cart, one (1) lost, destroyed, or stolen Organic Waste Cart, and

549 three (3) lost, destroyed, or stolen Kitchen Food Waste Pails, during the life of this Agreement at
550 no cost to the Service Recipient.

551 3.07.5.3 Where such Cart, Bin, or Kitchen Food Waste Pail is lost,
552 stolen or damaged beyond repair through no fault of CONTRACTOR, each MFD Service Unit
553 shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart or Bin, one
554 (1) lost, destroyed, or stolen Recycling Cart or Bin, (1) lost, destroyed, or stolen Organic Waste
555 Cart or Bin and three (3) lost, destroyed, or stolen Kitchen Food Waste Pails during the life of this
556 Agreement at no cost to the Service Unit.

557 3.07.5.4 Where such Cart or Bin is lost, stolen or damaged beyond
558 repair through no fault of CONTRACTOR, each Commercial and City Service Unit shall be entitled
559 to the replacement of one (1) lost, destroyed, or stolen Garbage Cart or Bin, one (1) lost,
560 destroyed, or stolen Recycling Cart or Bin, and (1) lost, destroyed, or stolen Organic Waste Cart
561 or Bin during the life of this Agreement at no cost to the Service Unit.

562 3.07.5.5 Where such Bin or Cart replacement occurs through no fault
563 of CONTRACTOR, CONTRACTOR shall be compensated for the cost of those replacements in
564 excess of the requirements set forth above in accordance with the "Cost to Replace Lost, Stolen
565 or Damaged Containers" Service Rate, as initially set forth in Exhibit 1, as adjusted as provided
566 under the terms of this Agreement.

567 3.07.6 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair
568 of carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within three
569 (3) Work Days of notification by CITY or a Service Recipient of the need for such repairs,
570 CONTRACTOR shall repair the Cart or Bin or if necessary, remove the Cart or Bin for repairs and
571 deliver a replacement Cart or Bin to the Service Recipient.

572 3.07.7 Cart or Bin Exchange. Upon notification to CONTRACTOR by CITY or a
573 Service Recipient that a change in the size or number of carts or Bins is required, CONTRACTOR
574 shall deliver such carts or Bins to such Service Recipient within seven calendar days to allow for
575 the exchange to occur on the regular scheduled collection day. Each SFD, MFD, Commercial
576 and City Service Unit shall be entitled to receive one (1) free Cart or Bin exchange per Agreement
577 Year during the term of this Agreement. CONTRACTOR shall be compensated for the cost of
578 those exchanges in excess of one (1) per Agreement Year, in accordance with the "Cart or Bin
579 Exchange" service rate as set forth in Exhibit 1 which is attached to and included in this
580 Agreement or as may be adjusted under the terms of this Agreement.

581 3.07.8 Ownership of Carts. Ownership of carts shall rest with CONTRACTOR. In
582 the case of the termination of the Agreement prior to the expiration of the initial term or optional
583 extension terms due to the default of CONTRACTOR as set forth in Article 24 of this Agreement,
584 CITY shall have the right to take possession of the carts in service with customers and retain such
585 possession until satisfactory arrangements can be made to provide Collection Services using
586 other equipment. Such time of possession shall be limited to one hundred eighty (180) days after
587 the effective date of termination. After such time, such carts shall be returned to CONTRACTOR
588 or, if the parties mutually agree, CITY shall pay a reasonable monthly rent to CONTRACTOR for
589 CITY's use of the equipment. Upon termination of this Agreement, CONTRACTOR shall be
590 responsible for removing all carts in service from the Service Area and reusing or recycling such
591 carts.

592 3.07.9 Ownership of Bins. Ownership of Bins distributed by CONTRACTOR shall
593 rest with CONTRACTOR. In the case of the termination of the Agreement prior to the expiration
594 of the initial term or optional extension term due to the default of CONTRACTOR as set forth in

595 Article 24 of this Agreement, CITY shall have the right to take possession of such Bins and to
596 retain such possession until satisfactory arrangements can be made to provide Collection
597 Services using other equipment. Such time of possession shall be limited to one hundred eighty
598 (180) days after the effective date of termination. After such time, such Bins shall be returned to
599 CONTRACTOR, or, if the parties mutually agree, CITY shall pay a reasonable monthly rent to
600 CONTRACTOR for CITY's use of the equipment. Upon the receipt of written notice from CITY,
601 CONTRACTOR shall submit to the City Representative an inventory of Bins, including their
602 locations.

603 3.07.10 Ownership of Debris Box Containers. Ownership of Debris Box
604 Containers distributed by CONTRACTOR shall rest with CONTRACTOR. In the case of the
605 termination of the Agreement prior to the expiration of the initial term or optional extension term
606 due to the default of CONTRACTOR as set forth in Article 24 of this Agreement, CITY shall have
607 the right to take possession of such containers and to retain such possession until satisfactory
608 arrangements can be made to provide Collection Services using other equipment. Such time of
609 possession shall be limited to one hundred eighty (180) days after the effective date of
610 termination. After such time, such Bins shall be returned to CONTRACTOR, or, if the parties
611 mutually agree, CITY shall pay a reasonable monthly rent to CONTRACTOR for CITY's use of
612 the equipment. Upon the receipt of written notice from CITY, CONTRACTOR shall submit to the
613 City Representative an inventory of containers, including their locations.

614 3.07.11 Cleaning of Bins and Debris Boxes. Once each Agreement Year
615 upon request of the Service Recipient, and at no charge to CITY or the Service Recipient,
616 CONTRACTOR shall replace those Bins or Debris Boxes needing cleaning with clean Bins or
617 Debris Boxes and remove the dirty Bins or Debris Boxes for cleaning.

618 3.07.12 Cleaning/Removal of Graffiti from Containers. If CONTRACTOR
619 identifies graffiti on any Container set out for Collection, or otherwise identifies graffiti on any
620 Container during the normal course of its work, CONTRACTOR shall exchange that Container for
621 a clean Container during the next scheduled Collection at no cost to the Service Recipient. In
622 addition, CONTRACTOR shall remove or paint over any and all graffiti on Containers within 24
623 hours that is specifically identified and requested by the City Representative.

624 3.08 Labor and Equipment. CONTRACTOR shall provide and maintain all labor,
625 equipment, tools, facilities, and personnel supervision required for the performance of
626 CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have
627 sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this
628 Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of
629 labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by
630 CITY or by any Service Recipient except as expressly provided by this Agreement.

631 3.09 Holiday Service. CONTRACTOR shall not provide Collection Services on January
632 1st, Thanksgiving Day, and December 25th. In any week in which one of these holidays falls on a
633 Work Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed
634 one Work Day for the remainder of the week with normally scheduled Friday Collection Services
635 being performed on Saturday. MFD, Commercial and City Collection Services shall be adjusted
636 as agreed between CONTRACTOR and the Service Recipient but must meet the minimum
637 frequency requirement of one (1) time per week.

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3.10 Processing and Disposal.

3.10.1 Compliance with Permits. CONTRACTOR shall not knowingly deliver materials Collected under this Agreement to facilities that do not comply in all material aspects with the Department of Resources Recycling and Recovery regulations under Title 14, Division 7, Chapter 3, Minimum Standards for Solid Waste Handling and Disposal. CONTRACTOR, and not CITY, must use reasonable efforts to assure that all Disposal, transfer, and processing facilities to which CONTRACTOR delivers material under this Agreement are properly permitted to receive material Collected under this Agreement, except for the Devlin Road Transfer Station and any other facility that CITY directs CONTRACTOR to use. Failure to comply with this provision may result in CONTRACTOR being in default under this Agreement.

3.10.2 Permits and Approvals. CONTRACTOR shall, upon written request from CITY, arrange for the facilities owned by CONTRACTOR or an affiliate of CONTRACTOR to which CONTRACTOR delivers material under this Agreement to provide copies of facility permits, notices of violations, inspection areas or concerns, or administrative action to correct deficiencies related to the operation, but only to the extent the foregoing are material and reasonably related to the services provided under this Agreement. For other facilities selected by CONTRACTOR to which CONTRACTOR delivers material under this Agreement, if CONTRACTOR becomes aware of any material permit violations by such facilities that are reasonably related to the services provided under this Agreement, CONTRACTOR shall notify CITY of the same. Failure to provide facility information may result in CONTRACTOR being in default under this Agreement.

3.10.3 Prior Agreement for Disposal. CONTRACTOR acknowledges that CITY has contracted for disposal of Garbage through the South Napa Waste Management Authority Joint Powers Agreement. CONTRACTOR agrees to abide by the terms and conditions applicable to haulers using the Devlin Road Transfer Station as set forth in the Joint Powers Agreement. Any change in such terms and conditions shall be deemed a Material Change in Law only if it results in CONTRACTOR incurring higher operating costs or reduced Gross Revenue.

3.10.4 Disposal Facility. Except as set forth below, all Garbage (not including residue) collected as a result of performing Collection Services shall be transported, and delivered on the same day as collection, to the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, CONTRACTOR shall transport and deliver the Garbage to such other legally permitted disposal facility as is approved by CITY. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 19 of this Agreement and may result in CONTRACTOR being in default under this Agreement.

3.10.5 Organic Waste Processing Facility. Beginning on October 1, 2016, CONTRACTOR shall deliver on the same day as collection all collected Organic Waste to a legally permitted Organic Waste Processing Facility. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 19 of this Agreement and may result in CONTRACTOR being in default under this Agreement.

3.10.6 Material Recovery Facility. All Recyclable Materials Collected as a result of performing SFD, MFD, Commercial and City Recycling Services shall be delivered to a legally permitted Material Recovery Facility (MRF). Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 19 of this Agreement and may result in CONTRACTOR being in default under this Agreement.

3.10.7 Construction and Demolition Debris Processing Facility. All Construction and Demolition Debris Collected as a result of performing SFD, MFD, Commercial and City Debris Box Services shall be delivered to a legally permitted Construction and Demolition Debris

684 Processing Facility. Failure to comply with this provision may result in the levy of liquidated
685 damages as specified in Article 19 of this Agreement and may result in CONTRACTOR being in
686 default under this Agreement.

687 3.11 Inspections. CITY shall have the right to inspect CONTRACTOR'S facilities or
688 collection vehicles used in the performance of this Agreement and their contents at any time while
689 operating inside or outside CITY.

690 3.12 Commingling of Materials.

691 3.12.1 Garbage and Recyclable Material. CONTRACTOR shall not at any time
692 commingle in Collection Vehicles Garbage, or Organic Waste, Collected pursuant to this
693 Agreement, with any Recyclable Material separated for collection pursuant to this Agreement
694 without the express prior written authorization of the City Representative.

695 3.12.2 Garbage Collected in Vallejo. CONTRACTOR shall not at any time
696 commingle in Collection Vehicles any Garbage Collected pursuant to this Agreement, with any
697 other material Collected by CONTRACTOR inside or outside the City of Vallejo without the
698 express prior written authorization of the City Representative.

699 3.12.3 Recyclable Materials. CONTRACTOR shall not at any time commingle in
700 Collection Vehicles Recyclable Materials Collected pursuant to this Agreement, with any other
701 material Collected by CONTRACTOR inside or outside the City of Vallejo without the express
702 prior written authorization of the City Representative.

703 3.13 Contamination. CONTRACTOR shall only be required to collect Recyclable
704 Materials if they have been separated by the Service Recipient from Garbage and Organic Waste,
705 and shall only be required to collect Organic Waste if it has been separated by the Service
706 Recipient from Garbage and Recyclable Materials. If by visual inspection of a container it appears
707 that Recyclable Materials are contaminated with ten percent (10%) or more by weight of Garbage
708 or Organic Waste, or Organic Waste is contaminated with five percent (5%) or more by weight of
709 Garbage or Recyclables, then CONTRACTOR will leave the container unemptied along with a
710 Non-collection Notice which contains instructions on the proper procedures for setting out
711 Recyclable Materials or Organic Waste. Upon notification by the City Representative or
712 agreement between the Service Recipient and CONTRACTOR, CONTRACTOR shall collect the
713 contaminated Recyclable Materials or Organic Waste container as Garbage on the Service
714 Recipient's next regularly scheduled Garbage collection day. CONTRACTOR may charge for this
715 service at the then-applicable Garbage collection rate for the type of customer and size of
716 container (and if City is the Service Recipient, at the Commercial Garbage collection rate).

717 3.14 Spillage and Litter. CONTRACTOR shall not litter premises in the process of
718 providing Collection Services or while its vehicles are on the road. CONTRACTOR shall transport
719 all materials Collected under the terms of this Agreement in such a manner as to prevent the
720 spilling or blowing of such materials from CONTRACTOR'S vehicle. CONTRACTOR shall
721 exercise all reasonable care and diligence in providing Collection Services so as to prevent
722 spilling or dropping of Garbage, Organic Waste, or Recyclable Materials and shall immediately,
723 at the time of occurrence, clean up such spilled or dropped materials.

724 3.14.1 CONTRACTOR shall not be responsible for cleaning up un-sanitary
725 conditions caused by the carelessness of the Service Recipient; however, CONTRACTOR shall
726 clean up any material or residue that are spilled or scattered by CONTRACTOR or its employees.

727 3.14.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris
728 resulting from CONTRACTOR'S operations or equipment repair shall be covered immediately

729 with an absorptive material and removed from the street surface. When necessary,
730 CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate
731 cleaning. To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient
732 quantities of petroleum absorbent materials along with a broom and shovel.

733 3.14.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any
734 spillage or litter caused by CONTRACTOR within two (2) hours upon notice from CITY.

735 3.14.4 In the event where damage to CITY streets is caused by a hydraulic oil spill
736 (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill),
737 CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior
738 to the spill. CONTRACTOR shall also be responsible for all clean-up activities related to the spill.
739 Repairs and clean-up shall be performed in a manner satisfactory to the City Representative and
740 at no cost to CITY.

741 3.14.5 Ownership of Materials. Title to Garbage, Organic Waste, and Recyclable
742 Materials shall pass to CONTRACTOR at such time as said materials are placed in
743 CONTRACTOR'S collection vehicles.

744 3.14.6 Hazardous Waste. Under no circumstances shall CONTRACTOR'S
745 employees knowingly collect Hazardous Waste, or remove unsafe or poorly containerized
746 Hazardous Waste, from a collection container. If CONTRACTOR determines that material placed
747 in any container for collection is Hazardous Waste, or other material that may not legally be
748 accepted at the Disposal Facility or one of the processing facilities, or presents a hazard to
749 CONTRACTOR'S employees, CONTRACTOR shall have the right to refuse to accept such
750 material. The generator shall be contacted by CONTRACTOR and requested to arrange for
751 proper disposal service. If the generator cannot be reached immediately, CONTRACTOR shall,
752 before leaving the premises, leave a Non-collection Notice, which indicates the reason for refusing
753 to collect the material, and how the Hazardous Waste can be properly disposed or recycled.

754 3.14.7 If Hazardous Waste is found in a collection container that poses an
755 imminent danger to people or property, CONTRACTOR shall immediately notify the City of Vallejo
756 Fire Department. CONTRACTOR shall immediately notify CITY of any Hazardous Waste that has
757 been identified.

758 3.14.8 If Hazardous Waste is identified at the time of delivery to the Disposal
759 Facility, or one of the processing facilities and the generator cannot be identified, CONTRACTOR
760 shall be solely responsible for handling and arranging transport and disposition of the Hazardous
761 Waste.

762 3.15 Regulations and Record Keeping. CONTRACTOR shall comply with emergency
763 notification procedures required by applicable laws and regulatory requirements. All records
764 required by regulations shall be maintained at CONTRACTOR'S facility. These records shall
765 include waste manifests, waste inventories, waste characterization records, inspection records,
766 incident reports, and training records.

767 ARTICLE 4. Charges and Rates

768 4.01 CONTRACTOR Billing. CONTRACTOR shall be responsible for the billing and
769 collection of payments for all Collection Services. CONTRACTOR may charge Service Recipients
770 any amount, provided that it does not exceed the Maximum Service Rates attached as Exhibit 1
771 to this Agreement, as the same may be adjusted under the terms of this Agreement. The City

772 Representative shall approve the form and format for all customer bills, if different from the ones
773 commonly used by CONTRACTOR.

774 4.01.1 Partial Month Service. If, during a month, a Service Unit is added to or
775 deleted from CONTRACTOR'S Service Area, CONTRACTOR'S billing shall be pro-rated based
776 on the weekly service rate (the weekly service rate shall be the service rate established in Exhibit
777 1 divided by four (4)), and then multiplied by the number of actual weeks in the month that service
778 was provided to the Service Unit.

779 4.01.2 Production of Invoices for SFD Service Units. CONTRACTOR shall
780 produce a quarterly invoice for SFD Service Recipients, billing them for services to be provided
781 in the current month (i.e. the month in which the invoice is produced) and the following two (2)
782 months. CONTRACTOR'S invoice shall be sent to the Service Recipient no earlier than the
783 twentieth (20th) day of the 1st month of the period for which service is being billed.

784 4.01.3 Production of Invoices for MFD and Commercial Service Units.
785 CONTRACTOR shall produce a monthly invoice for MFD and Commercial Service Recipients,
786 billing them for services provided in the current month.

787 4.01.4 Production of Invoices for Debris Box Collection Service. Notwithstanding
788 the foregoing, CONTRACTOR shall produce an invoice for Debris Box Collection Services
789 received under this Agreement in arrears for services during the prior month. Customers utilizing
790 Debris Box Collection Services may be invoiced upon completion.

791 4.01.5 City Provided Billing Inserts. CITY may provide educational and other
792 material to CONTRACTOR for inclusion in the invoices provided by CONTRACTOR to SFD, MFD
793 and Commercial Customers for Collection Services. CONTRACTOR shall not charge CITY for
794 the inclusion of additional educational or other materials in the invoices.

795 4.01.6 Methods of Payment. CONTRACTOR shall provide the means for
796 customers to pay bills through the following methods: cash, checks, credit cards, internet payment
797 service or automatic withdrawal from bank account. On-line (E-Pay) bill methods shall be
798 password protected and comply with state and federal law protecting the privacy of customer
799 credit information. At CITY's request, CONTRACTOR shall provide evidence of such security
800 certifications and advise CITY of CONTRACTOR'S security measures implemented for on-line
801 payment.

802 4.01.7 Delinquent Service Accounts. CONTRACTOR may report to the City
803 Representative, on a monthly basis, a SFD Service Recipient who has received Collection Service
804 and whose account is over ninety (90) days past due, and a MFD or a Commercial Service
805 Recipient whose account is over forty-five (45) days past due. CONTRACTOR may take such
806 action as is legally available to collect or cause collection of such past due amounts; however,
807 CONTRACTOR may not discontinue providing Garbage Collection Services.

808 4.01.7.1 CITY Municipal Code authorizes a lien process for non-
809 payment of bills by customers. Except for implementing such lien process, CITY shall have no
810 responsibility for collecting monies owed to CONTRACTOR from delinquent service accounts.

811 4.01.8 Discounts. SFD Service Recipients will be provided a discount if the current
812 bill is paid by the 15th of the second month of the quarterly billing cycle. Commercial and MFD
813 Service Recipients will be provided a discount if the current bill is paid by the 15th of the month at
814 the end of the billing cycle. The amount of the discounts are shown in Exhibit 1, and may be
815 adjusted by the same methods as provided in Section 4.02 below.

816 4.01.9 Low Income Rate. SFD Service Recipients with proof of eligibility for the
817 Low Income Rate program will be provided a discounted rate (i.e., "lifeline" rate) at the amounts
818 set forth in Exhibit 1. Applicants for the Low Income Rate program shall be required to provide
819 copies of their PG&E bill showing their eligibility for PG&E's CARE Program discount, or other
820 suitable documentation to verify household income. Approved applicants are required to notify
821 CONTRACTOR if and when their eligibility qualification status changes. Eligibility shall be granted
822 for a specified time period not to exceed one (1) year, after which the applicant must re-certify his
823 or her continued eligibility. The initial Low Income Rate amounts are shown in Exhibit 1, and shall
824 be adjusted by the same methods as other Maximum Service Rates.

825 4.02 Adjustments to CONTRACTOR'S Maximum Service Rates. CONTRACTOR'S initial
826 Maximum Service Rates are as specified in Exhibit 1 of this Agreement, and are firm and fixed
827 through December 31, 2017. CONTRACTOR shall not be entitled to any compensation from
828 Service Recipients that is not listed in Exhibit 1, as adjusted from time to time in accordance with
829 this Agreement. On or after January 1, 2018, and each subsequent January 1st, CONTRACTOR'S
830 Maximum Service Rates shall be adjusted as follows:

831 4.02.1 Adjustments Using the Consumer Price Index (CPI).

832 4.02.1.1 Initial Adjustment. For the Maximum Service Rates effective
833 January 1, 2018, rates shall be adjusted using one-hundred percent (100%) of the twelve (12)
834 month average percentage change in CPI, calculated as the percentage difference between
835 average CPI value for the period of July 2016 through June 2017 (the previous year) and the
836 average CPI value for the period July 2015 through June 2016 (the prior previous year).
837 CONTRACTOR shall apply the percentage change to the Maximum Services Rates as listed in
838 Exhibit 1 as attached to this Agreement and submit CONTRACTOR'S request for an adjustment
839 to the Maximum Service Rates to CITY in the same form as Exhibit 1, for confirmation by CITY
840 that CONTRACTOR's calculations are correct. The request for an adjustment to the Maximum
841 Service Rates shall be submitted to CITY by September 1, 2017. If the request is not submitted
842 to CITY by September 1, 2017, CONTRACTOR will be deemed to have waived its right to an
843 initial rate adjustment under this Section.

844 4.02.1.2 Subsequent Adjustments. For the Maximum Service Rates
845 effective January 1, 2019 and each January 1st thereafter, rates shall be adjusted using one-
846 hundred percent (100%) of the twelve (12) month average percentage change in CPI, calculated
847 as the percentage difference between average CPI value for the previous year (July through June)
848 and the average CPI value for the prior previous year (July through June). CONTRACTOR shall
849 apply the percentage change to the current approved Maximum Services Rates and submit
850 CONTRACTOR'S request for an adjustment in the Maximum Service Rates to CITY in the same
851 form as Exhibit 1, for confirmation by CITY that CONTRACTOR's calculations are correct. The
852 request for an adjustment to the Maximum Service Rates shall be submitted to CITY by
853 September 1st of each year. If the request is not submitted to CITY by September 1st,
854 CONTRACTOR will be deemed to have waived its right to a rate adjustment for that year.

855 4.02.1.3 Rounding. Annual adjustments shall be made only in units
856 of one cent (\$0.01) and shall not result in a decrease to the rates currently in effect. Fractions of
857 less than one cent (\$0.01) shall be rounded to the nearest one cent (\$0.01). The indices shall be
858 truncated at four (4) decimal places for the adjustment calculations.

859 4.02.1.4 The actual annual CPI rate adjustment percentage may not
860 exceed three percent (3.00%) in any year. If in any year the calculated rate adjustment exceeds
861 three percent (3.00%) or is negative (below 0.00%), these amounts will not be added to the rate
862 adjustment percentage in any following year.

863 4.02.2 CITY Approval of Maximum Service Rates. On or before December 1,
864 2017, and annually thereafter during the term of this Agreement, the CITY Representative shall
865 notify CONTRACTOR of the CPI adjustments to the affected Maximum Service rates to take place
866 on the subsequent January 1st. CITY shall take action on any changes in the Maximum Service
867 Rates in accordance with CITY'S Municipal Code.

868 4.02.3 Adjustments Due to Material Change In Law.

869 4.02.3.1 If a Material Change in Law occurs after the date hereof,
870 then CITY and CONTRACTOR shall negotiate in good faith a reasonable and appropriate
871 adjustment to Maximum Service Rates sufficient to offset CONTRACTOR's increased allowable
872 costs of operation or reduced Gross Revenue resulting from the Material Change in Law. As an
873 exception to the preceding sentence, CONTRACTOR shall not be entitled to an adjustment in
874 Maximum Service Rates with respect to the first Fifty Thousand Dollars (\$50,000) in increased
875 costs or decreased revenues incurred by CONTRACTOR resulting from the Material Change in
876 Law.

877 4.02.3.2 The Parties may negotiate and agree on the amount of any
878 Maximum Service Rate adjustment pursuant to this Section 4.02.3 without a Detailed Rate
879 Review. CONTRACTOR shall bear the burden of justifying to CITY any adjustment due to a
880 Material Change in Law and shall bear its own costs of preparing its request for an adjustment
881 and supporting documentation. CITY may request from CONTRACTOR such further information
882 as it reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its
883 determination whether CONTRACTOR has satisfied its burden, which determination shall not be
884 unreasonably withheld. CITY shall notify CONTRACTOR of its determination within ninety (90)
885 calendar days of receipt of the written request and all other additional information reasonably
886 requested by CITY. Any such change will be implemented on the following January 1st, or within
887 any other time frame agreed upon between CITY and CONTRACTOR. The adjustment in
888 Maximum Service Rates shall be approved by the City Council and memorialized in a written
889 amendment to this Agreement."

890 4.02.4 Detailed Rate Reviews. A Detailed Rate Review may be conducted if
891 requested by CITY. If requested by CITY, the Detailed Rate Review will be conducted in place of
892 the upcoming scheduled CPI rate adjustment effective January 1st (as described in Section 4.02.1
893 above), and shall be conducted in accordance with the specifications of Exhibit 7. The Detailed
894 Rate Review must be completed by the September 30th preceding the January 1st rate adjustment
895 date. If a Detailed Rate Review is to be conducted, CONTRACTOR shall make an advance
896 payment to CITY to compensate CITY for the cost of its rate consultant. Such payment shall be
897 treated as an allowable cost in such Detailed Rate Review.

898 4.02.5 CITY Support and Services. In the event of a Detailed Rate Review, the
899 costs of CITY services provided by Recology will be allowable expenses. CITY services are
900 described in additional detail in Article 10, Exhibit 2 and Exhibit 3.

901 4.02.6 Adjustments Due to Changes in CITY Fees or Payments. In the event that
902 CITY elects to increase the amount of fees or payments set forth in Sections 4.03.2 through 4.03.5
903 and 4.04 below, beyond those increases provided for in such sections, Maximum Service Rates
904 shall be adjusted in accordance with this Section. The increased fee or payment shall take effect
905 on January 1, or such other date as may be agreed by CITY and CONTRACTOR. CITY shall
906 notify CONTRACTOR of the amount of the intended increase by the August 1 preceding such
907 January 1 (or the June 1 preceding such January 1, in the case of a Detailed Rate Review) so
908 that CONTRACTOR may include an additional Maximum Service Rate adjustment as part of its
909 regularly scheduled January 1st rate adjustment, to cover the cost of the increased fee or payment.

910 This additional rate adjustment shall be calculated using the following methodology, and such
911 calculation must be included in CONTRACTOR'S regular rate adjustment request submitted to
912 CITY by September 1st (or July 1, in the case of a Detailed Rate Review) in order for
913 CONTRACTOR to be eligible to receive the additional rate adjustment. Such rate adjustment
914 shall be in addition to any other rate adjustment to which CONTRACTOR may be entitled under
915 this Agreement, (it being understood that, if the amount of such adjustment is included in a
916 contemporaneous Detailed Rate Review, no further adjustment under this Section would be
917 required).

918 4.02.6.1 The CONTRACTOR shall calculate the additional rate
919 adjustment percentage as:

920 (A) The total dollar value of the increased fees and/or payments

921 *divided by*

922 (B) The total estimated CONTRACTOR Gross Revenue for the current calendar year

923 *divided by*

924 (C) One (1) minus the Franchise Fee percentage described in Section 4.03.1

925 By way of example, if the total dollar value of the increased fee is \$1 million and total estimated
926 CONTRACTOR Gross Revenue is \$15 million, the increased fee of \$1 million is divided by the
927 \$15 million Gross Revenue, which is 0.0666. The 0.0666 is divided by one minus the Franchise
928 Fee percentage of 11% or 0.11 (one minus 0.11 is 0.89), for a total of 0.0748. The additional rate
929 adjustment percentage is 7.48 percent.

930 The "total estimated CONTRACTOR Gross Revenue for the current calendar year" (B) shall be
931 calculated as: the CONTRACTOR'S total Gross Revenue as reported to CITY for the previous
932 calendar year, multiplied by one (1) plus the approved rate adjustment percentage which became
933 effective on the most recent January 1st. The calculated additional rate adjustment percentage
934 shall be added to CONTRACTOR'S regularly scheduled CPI or Detailed Rate Review rate
935 adjustment percentage effective the upcoming January 1st.

936 4.03 CONTRACTOR'S Payments to CITY. CONTRACTOR shall make payment to CITY
937 of a Franchise Fee, and such other fees as may be specified in this Section 4.03. Unless
938 otherwise noted, each payment to CITY shall be due on a quarterly basis, on the last day of the
939 month following the end of the calendar quarter in which revenues were collected. Each payment
940 shall be accompanied by an accounting, which sets forth CONTRACTOR'S Gross Revenues
941 during the preceding quarter in sufficient detail to allow for an independent recalculation of
942 payments.

943 4.03.1 Franchise Fee. The Franchise Fee will be a percentage of
944 CONTRACTOR'S Gross Revenue collected each calendar quarter under the terms of this
945 Agreement. The Franchise Fee percentage shall be **Eleven Percent (11%) of Gross Revenues**
946 unless otherwise adjusted by CITY. CONTRACTOR shall make payment of the Franchise Fee to
947 CITY on a quarterly basis with payments due on January 31st, April 30th, July 31st, and October
948 31st of each Agreement Year, with the first payment due on October 31, 2016. In the event that
949 CITY adjusts the Franchise Fee percentage, the Maximum Service Rates will also be adjusted
950 simultaneously and commensurately, to incorporate any such changes in the Franchise Fee
951 percentage.

952 4.03.2 AB 939 Support Fee. CONTRACTOR shall pay an AB 399 Support Fee to
953 CITY for CITY'S costs to provide AB 939 Support Services. Such fee shall initially be **Three**
954 **Hundred Forty Thousand Dollars (\$340,000)** each Agreement Year. The total annual payment

955 amount to CITY shall be divided into quarterly payments due on January 31st, April 30th, July 31st,
956 and October 31st of each Agreement Year, with the first payment occurring on October 31, 2016.
957 The total annual amount of this fee will be adjusted each January 31 by changes in CPI, calculated
958 as set forth in Section 4.02.1.

959 4.03.3 Road Impact Fee. CONTRACTOR shall pay a Road Impact Fee to CITY.
960 For the first Agreement Year, such fee shall be **Six Hundred Twenty-Five Thousand Dollars**
961 **(\$625,000)**. The total annual payment amount to CITY shall be divided into quarterly payments
962 due on January 31st, April 30th, July 31st, and October 31st of each Agreement Year, with the first
963 payment occurring on October 31, 2016. The total annual amount of this fee will be increased by
964 **Fifty Thousand Dollars (\$50,000)** each January 31, starting with the Road Impact Fee amount
965 due on January 31, 2019 (i.e., a total annual amount of \$675,000.00 will be due for calendar year
966 2019, with that total annual amount increasing by \$50,000 each January 31st thereafter).

967 4.03.4 Illegal Dumping Clean-up Fee. CONTRACTOR shall pay an Illegal
968 Dumping Clean-up Fee to CITY. For the first Agreement Year, such fee shall be **Four Hundred**
969 **Fifty Thousand Dollars (\$450,000)**. The total annual payment amount to CITY shall be divided
970 into quarterly payments due on January 31st, April 30th, July 31st, and October 31st of each
971 Agreement Year, with the first payment occurring on October 31, 2016. The total annual amount
972 of this fee will be adjusted each January 31 by changes in CPI, calculated as set forth in Section
973 4.02.1.

974 4.03.5 Street Sweeping Fee. CONTRACTOR shall pay a Street Sweeping Fee to
975 CITY. For the first Agreement Year, such fee shall be **Five Hundred Fifty Thousand Dollars**
976 **(\$550,000)**. The total annual payment amount to CITY shall be divided into quarterly payments
977 due on January 31st, April 30th, July 31st, and October 31st of each Agreement Year, with the first
978 payment occurring on October 31, 2016. The total annual amount of this fee will be adjusted each
979 January 31 by changes in CPI, calculated as set forth in Section 4.02.1.

980 4.03.6 RFP Reimbursement Fee. CONTRACTOR shall pay CITY a one-time fee
981 of **One Hundred Thousand Dollars (\$100,000)** to reimburse CITY for its costs of preparing
982 Request for Proposal (RFP) documents. The RFP Reimbursement Fee payment shall be made
983 within thirty (30) calendar days of the effective date of this Agreement. Failure of CONTRACTOR
984 to pay the RFP Reimbursement Fee will result in immediately voiding this Agreement.

985 4.03.7 No acceptance by CITY of any payment shall be construed as an accord
986 that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed
987 as a release of any claim CITY may have against CONTRACTOR for any additional sums payable
988 under the provisions of this Agreement. All amounts paid shall be subject to independent audit
989 and recompilation by CITY. If, after the audit, such recompilation indicates an underpayment
990 CONTRACTOR shall pay to CITY the amount of the underpayment and shall reimburse CITY for
991 all reasonable costs and expenses incurred in connection with the audit and recompilation within
992 ten (10) Work Days of receipt of written notice from CITY that such is the case. If, after audit,
993 such recompilation indicates an overpayment, CITY shall notify CONTRACTOR in writing of the
994 amount of the overpayment, less costs and expenses incurred in connection with the audit and
995 recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice
996 by the amount specified therein.

997 4.04 CONTRACTOR'S Payments to VALCORE. CONTRACTOR shall pay a fee directly
998 to VALCORE (the "VALCORE Fee") in the amount of **Two Hundred Thirty Thousand Six**
999 **Hundred and Thirty Two Dollars (\$230,632)** per Agreement Year. The total annual payment
1000 amount of \$230,632 shall be divided into quarterly payments due to VALCORE on January 31st,
1001 April 30th, July 31st, and October 31st of each Agreement Year, with the first payment occurring on

1002 October 31, 2016. The total annual amount of this fee will be adjusted each January 31 by
1003 changes in CPI, calculated as set forth in Section 4.02.1. The VALCORE Fee is intended to
1004 replace and represent an increase in (and not be in addition to) the cash assistance to VALCORE
1005 of up to \$150,633 per year contemplated by Section 2 of the VALCORE Agreement. The
1006 VALCORE Fee shall be subject to the terms and conditions of such cash assistance set forth in
1007 the VALCORE Agreement (or any successor thereto). CONTRACTOR shall only be obligated to
1008 pay the VALCORE Fee so long as the VALCORE Agreement (or a successor thereto) remains in
1009 effect.

1010 4.05 Services to VALCORE. Consistent with Section 2 of the VALCORE Agreement, all
1011 costs and expenses incurred by CONTRACTOR in the performance of the VALCORE Agreement
1012 (or any successor thereto) shall be allowable expenses under this Agreement. The parties will
1013 cooperate to amend the VALCORE Agreement to conform to Section 4.04 and this Section 4.05.

1014 ARTICLE 5. Diversion Requirements

1015 5.01 CONTRACTOR'S Diversion Requirement. CONTRACTOR shall fully implement the
1016 Diversion Plan listed in Exhibit 4. Beginning calendar year 2018 and during each remaining
1017 calendar year throughout the term of this Agreement, CONTRACTOR shall divert a minimum of
1018 fifty percent (50%) of the Solid Waste it collects pursuant to this Agreement (such 50%
1019 requirement, CONTRACTOR's "diversion requirement"). In addition, CONTRACTOR shall assist
1020 CITY in reaching CalRecycle's 75% goal by December 31, 2020.

1021 5.01.1 For calendar year 2018, if CONTRACTOR does not meet the fifty percent
1022 (50%) minimum diversion requirement, then CITY may assess liquidated damages in accordance
1023 with Section 19.03.

1024 5.01.2 For calendar years 2019 and 2020, if CONTRACTOR does not meet the
1025 fifty percent (50%) minimum diversion requirement, then, at CITY's option, either (a) CITY may
1026 assess liquidated damages in accordance with Section 19.03, or (b) CONTRACTOR shall
1027 implement additional diversion program(s) at no cost to CITY or rate payers (such program(s) to
1028 be proposed by CONTRACTOR and approved by CITY, such approval not to be unreasonably
1029 withheld).

1030 5.01.3 For calendar years 2021 and onwards, if CONTRACTOR does not meet
1031 the fifty percent (50%) minimum diversion requirement, then, at CITY's option, either (a) CITY
1032 may assess liquidated damages in accordance with Section 19.03, or (b) CONTRACTOR shall
1033 implement additional diversion program(s) at no cost to CITY or rate payers (such program(s) to
1034 be proposed by CONTRACTOR and approved by CITY, such approval not to be unreasonably
1035 withheld). In addition, regardless of which option CITY chooses, if CONTRACTOR does not meet
1036 the fifty percent (50%) minimum diversion requirement in any calendar year from 2021 onwards,
1037 CONTRACTOR will not be eligible to receive a term extension in accordance with Section 2.02.

1038 5.01.4 For purposes of determining if CONTRACTOR achieves CONTRACTOR'S
1039 diversion requirement, CITY and CONTRACTOR agree the annual diversion rate will be
1040 calculated using the following formula: "the tons of materials Collected by CONTRACTOR from
1041 the provision of Collection Services in CITY that are delivered to the Materials Recovery Facility,
1042 Organic Waste Processing Facility, Construction and Demolition Debris Processing Facility, or
1043 any other processing facility approved by CITY, or that are otherwise handled in a manner that
1044 counts as diversion under applicable CalRecycle regulations (in each case, net of all residue from
1045 processing), divided by the total tons of materials Collected in the City of Vallejo by
1046 CONTRACTOR from the provision of Collection Services in each calendar year."

1047 5.01.5 As part of the Quarterly Reports submitted in accordance with Section
1048 16.02.1, CONTRACTOR shall provide documentation acceptable to CITY in its sole but
1049 reasonable discretion stating and supporting each calendar quarter's diversion rate. Diversion
1050 from other sources other than CONTRACTOR'S Collection and diversion efforts (such as source
1051 reduction or reuse, recyclables diverted by other solid waste enterprises, collection of materials
1052 that are not the subject of this Agreement, or the efforts of self-haulers) shall not be counted as
1053 diversion achieved by CONTRACTOR.

1054 5.02 End Uses for Organic Waste. CONTRACTOR shall divert Organic Waste materials
1055 Collected through weekly Organic Waste Collection, Christmas tree Collection, and Debris Box
1056 Collection from disposal. CONTRACTOR must provide or arrange for end uses for such Organic
1057 Waste that provides diversion credits for CITY according to regulations established by the
1058 CalRecycle. CONTRACTOR shall divert through uses other than as Alternative Daily Cover
1059 (ADC) whenever feasible.

1060 5.03 Use of Alternative Daily Cover (ADC). CONTRACTOR may utilize Organic Waste as
1061 Alternative Daily Cover (ADC) if higher use of Organic Waste is not feasible. However, any tons
1062 of materials Collected by CONTRACTOR that are ultimately used as ADC may only be counted
1063 as diversion if such use is deemed to be diversion by CalRecycle.

1064 5.04 Changes in the Market Conditions for Recyclable Materials. Upon notice to and prior
1065 approval by CITY, CONTRACTOR may deem additional materials or groups of materials
1066 Recyclable Materials if they become capable of recycling at CONTRACTOR's facilities in or near
1067 the Service Area. CONTRACTOR reserves the right, upon written notice to and prior written
1068 approval by CITY, to discontinue acceptance of any category of Recyclable Materials as a result
1069 of market conditions related to such materials. With regard to the preceding two sentences,
1070 CITY's approval shall not be unreasonably withheld. Such CITY approval for reducing the type of
1071 Recyclable Materials discontinued shall not exceed 12 months. Discontinued acceptance of
1072 Recyclable Materials pursuant to this Section shall not relieve CONTRACTOR of
1073 CONTRACTOR'S Diversion Requirement set forth in Section 5.01 of this Agreement.

1074 5.05 Warranties and Representations. CONTRACTOR warrants and represents that it is
1075 aware of and familiar with CITY's waste stream, and that it has the ability to and will provide the
1076 programs and services required to be provided by it hereunder, with a view to facilitating CITY's
1077 meeting or exceeding the diversion requirements as set forth in CONTRACTOR'S Diversion
1078 Guarantee. CONTRACTOR further warrants that it understands the diversion requirements of
1079 the Applicable Laws (including, without limitation, amounts of Solid Waste to be diverted, time
1080 frames for diversion, and any other requirements) governing this Agreement (including AB 341,
1081 AB 939, AB 1594, AB 1826, SB 1016 and all amendments and related subsequent legislation),
1082 and that it shall provide such programs and services without imposing any costs or fees other
1083 than those set forth in Exhibit 1 (as adjusted), unless new programs are required by the State or
1084 CITY which are not called out herein, in which case Maximum Service Rates may be adjusted in
1085 accordance with this Agreement. The programs identified herein are minimum requirements that
1086 must be met, and CONTRACTOR may (but is not required to) implement other programs that
1087 may be necessary to achieve the forgoing.

1088 5.06 Mutual Cooperation. CITY shall cooperate in good faith, so long as there is no
1089 additional cost to CITY, with CONTRACTOR in CONTRACTOR's efforts to meet CITY'S diversion
1090 and other compliance requirements imposed by AB 939 and other such Applicable Laws, and to
1091 meet the diversion requirements of this Agreement and the State. In this regard, CITY'S
1092 obligations shall include, without limitation, making such petitions and applications as may be
1093 reasonably requested by CONTRACTOR for time extensions in meeting State diversion goals, or

1094 other exceptions from the terms of such Applicable Laws, and to agree to authorize such changes
1095 to CONTRACTOR'S Recycling or Solid Waste programs as may be reasonably requested by
1096 CONTRACTOR for CONTRACTOR to satisfy diversion requirements.

1097 5.07 Waste Reduction and Program Implementation. CONTRACTOR shall be responsible
1098 for providing data and information as reasonably requested by CITY regarding its programs and
1099 services hereunder, for purposes including but not limited to CITY'S preparation of reports and
1100 other information as may be required by any agency, including specifically, the State of California,
1101 in order to comply with AB 939 and other such Applicable Laws.

1102 5.08 Compliance With Law. CONTRACTOR agrees that it will carry out its obligations
1103 under this Agreement in a manner consistent with Applicable Laws including specifically AB 939,
1104 AB 341, AB 1594, AB 1826 and SB 1016 and all amendments thereto.

1105 5.09 Failure To Meet Minimum Diversion Requirements. CONTRACTOR acknowledges
1106 that its failure to meet the minimum diversion requirements set forth in Section 5.01 above may
1107 result in the denial of a term extension and the imposition of liquidated damages in accordance
1108 with Article 19.

1109 5.10 Waste Generation/Characterization Studies. CONTRACTOR acknowledges that
1110 CITY must perform Solid Waste generation and disposal characterization studies periodically to
1111 comply with the requirements of the Applicable Laws, including AB 939. CONTRACTOR agrees
1112 to participate and cooperate with CITY and its agents to accomplish such studies, as reasonably
1113 requested by CITY, provided that such participation and cooperation can be accomplished at no
1114 additional cost to CONTRACTOR and without substantially interfering with CONTRACTOR's
1115 operations.

1116 5.11 Implementation of Additional Diversion Services. If CITY determines that
1117 CONTRACTOR has not fulfilled its diversion requirements set forth in this Agreement, CITY may
1118 require CONTRACTOR to implement additional diversion programs in accordance with Section
1119 5.01.2.

1120 5.11.1 Pilot programs and innovative services which may entail new Collection
1121 methods, and use of new or alternative Solid Waste processing and disposal technologies are
1122 included among the types of changes which CITY may direct. Any changes under this Section
1123 5.11.1 shall be treated as City-Directed Changes under Section 25.02.

1124 **ARTICLE 6. Service Units**

1125 6.01 Service Units. Service Units shall include all the following categories of premises
1126 which are in the Service Area as of October 1, 2016, and all such premises which may be added
1127 to the Service Area by means of annexation, new construction, or as otherwise set forth in this
1128 Agreement during term of this Agreement:

1129 6.01.1 SFD Service Units

1130 6.01.2 MFD Service Units

1131 6.01.3 Commercial Service Units

1132 6.01.4 City Service Units

1133 6.01.4.1 Any question as to whether a premises falls within one of
1134 these categories shall be determined by the City Representative and the determination of the City
1135 Representative shall be final.

1136 6.02 Service Unit Changes. CITY and CONTRACTOR acknowledge that during the term
1137 of this Agreement, the number of Service Units for which CONTRACTOR will provide Collection
1138 Services may increase or decrease, due to annexation, development, or other reasons.

1139 6.02.1 Service Unit Additions. CONTRACTOR shall provide services described
1140 in this Agreement to new Service Units within five (5) Work Days of receipt of notice from CITY
1141 or new Service Unit to begin such service.

1142 6.03 Coordination with Street Sweeping. CITY and CONTRACTOR acknowledge that
1143 CONTRACTOR may have to modify collection days to accommodate CITY's street sweeping
1144 schedule.

1145 6.04 Route Map Update. CONTRACTOR shall revise the Service Unit route maps to
1146 show the addition of Service Units added due to annexation and shall provide such revised maps
1147 to the City Representative as requested.

1148 **ARTICLE 7. SFD Collection Services**

1149 7.01 SFD Collection Services. These services shall be governed by the following terms
1150 and conditions:

1151 7.01.1 Conditions of Service. CONTRACTOR shall provide SFD Collection
1152 Service to all SFD Service Units in the Service Area whose Garbage is properly containerized in
1153 Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set
1154 forth in Section 7.04.3 and Section 7.05.3; and Organic Waste is properly containerized in Organic
1155 Waste Carts except as set forth in Section 7.09. The Garbage, Recycling and Organic Waste
1156 Carts will be Collected at least once a week. CONTRACTOR shall offer Garbage Carts in 32, 64
1157 and 96 gallon cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon
1158 cart sizes, with 32 gallon Recyclable Materials and Organic Waste Carts available on request.
1159 CONTRACTOR shall offer Debris Boxes in 20, 25, 30 and 40 cubic yard sizes, as well as 10 cubic
1160 yards for dirt, concrete and asphalt only. The size of the Cart shall be determined between the
1161 SFD Service Recipient and CONTRACTOR. CONTRACTOR shall not charge for collection of
1162 Recyclable Materials or Organic Waste collected in Carts or Bins.

1163 7.01.1.1 Curbside Collection Service. SFD Curbside Collection shall
1164 be done where Garbage, Recyclable Materials and Organic Waste Carts are placed within five
1165 (5) feet of the curb, swale, or at edge of street pavement for streets without curbs. This shall apply
1166 to both public and private streets. CONTRACTOR may charge for Curbside Collection at the
1167 rates as set forth in **Exhibit 1.**

1168 7.01.1.2 On-Premise Collection Service - Subscription. A SFD
1169 Service Recipient may subscribe for On-premise SFD Collection Service where Garbage,
1170 Recyclable Materials, and Organic Waste Carts are Collected from a side-yard, backyard, or other
1171 off-street location agreed on between CONTRACTOR and the Service Recipient. CONTRACTOR
1172 may charge for On-premise collection at the rates as set forth in **Exhibit 1.**

1173 7.01.1.3 On-Premise Collection Service – Physical Disability. A SFD
1174 Service Recipient, and all other adults living at the Service Unit residing therein, that has
1175 disabilities that prevent him/her from being physically able to place Garbage, Recyclable
1176 Materials, or Organic Waste Carts at the curb for collection shall receive On-premise Collection
1177 Service where all Garbage, Recyclable Materials, and Organic Waste Carts are Collected from a
1178 side-yard, backyard, or other off-street location agreed on between CONTRACTOR and the

1179 Service Recipient. CONTRACTOR shall provide this service at no additional cost to the Curbside
1180 collection rates as set forth in Exhibit 1.

1181 7.02 Frequency and Scheduling of Service. Except as set forth in Sections 7.09 (Curbside
1182 Christmas Tree Collection), 7.11 (Bulky Waste Collection Service), 7.14 (Curbside Used Oil and
1183 Oil Filters Collection), and 7.16 (SFD Debris Box Collection Service), curbside SFD Collection
1184 Services shall be provided one (1) time per week on a scheduled route basis. SFD Collection
1185 Services shall be scheduled so that a SFD Service Unit receives SFD Garbage Collection Service,
1186 SFD Recycling Collection Service, and SFD Organic Waste Collection Service on the same Work
1187 Day.

1188 7.03 Non-Collection. Except as set forth in Sections 7.05.3 (Overages), 7.09 (Curbside
1189 Christmas Tree Collection), 7.11 (Bulky Waste Collection Service), 7.14 (Curbside Used Oil and
1190 Oil Filters Collection), and 7.16 (SFD Debris Box Collection Service), CONTRACTOR shall not
1191 be required to Collect curbside any Garbage, Recyclable Material, or Organic Waste that is not
1192 placed in a Cart. In the event of non-collection, CONTRACTOR shall affix to the Cart a Non-
1193 collection Notice explaining why collection was not made. CONTRACTOR shall maintain a copy
1194 of such notices during the term of this Agreement.

1195 7.04 SFD Garbage Collection Service. This service will be governed by the following
1196 additional terms and conditions:

1197 7.04.1 Disposal Facility. All Garbage collected as a result of performing SFD
1198 Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility.
1199 Failure to comply with this provision shall result in the levy of liquidated damages as specified in
1200 this Agreement and may result in CONTRACTOR being in default under this Agreement.

1201 7.04.2 Additional Garbage Carts. Upon notification to CONTRACTOR by CITY or
1202 a Service Recipient that additional Garbage Carts are requested, CONTRACTOR shall deliver
1203 such Garbage Carts to such Service Recipient within five (5) Work Days. CONTRACTOR may
1204 charge for each additional Garbage Cart at the same rate the Service Recipient is charged for
1205 their initial Garbage Cart, as set forth in Exhibit 1 or as may be adjusted under the terms of this
1206 Agreement.

1207 7.04.3 Garbage Overages. CONTRACTOR shall collect Garbage Overages
1208 placed in 32 gallon plastic bags set out beside Garbage Carts by SFD Service Recipients on the
1209 Service Recipient's regularly scheduled collection day, provided the Service Recipient schedules
1210 such collection with CONTRACTOR in advance. CONTRACTOR may charge for Garbage
1211 Overages at the rates as set forth in Exhibit 1.

1212 7.05 SFD Recycling Collection Service. This service will be governed by the additional
1213 following terms and conditions:

1214 7.05.1 Material Recovery Facility. All Recyclable Materials Collected as a result
1215 of performing Recycling Services shall be delivered to a Materials Recovery Facility. Failure to
1216 comply with this provision shall result in the levy of liquidated damages as specified in this
1217 Agreement. All expenses related to Recyclable Materials processing and marketing will be the
1218 sole responsibility of CONTRACTOR.

1219 7.05.2 Additional Recycling Carts. CONTRACTOR shall provide additional SFD
1220 Recycling Carts to SFD Collection Service Recipients within five (5) days of request at no
1221 additional cost provided that additional carts are used by Service Recipients for the purposes of
1222 setting out additional Recyclable Materials for regular weekly Recycling Collection Service.

1223 7.05.3 Overages. Corrugated cardboard or other recyclable materials that will not
1224 fit inside the Recycling Cart may be flattened, bagged and/or bundled and placed beside the
1225 Recycling Cart.

1226 7.06 Recycling - Changes to Work. Should changes in law arise that necessitate any
1227 additions or deletions to the work described herein including the type of items included as
1228 Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into
1229 an amendment to this Agreement covering such modifications to the work to be performed and
1230 the compensation to be paid before undertaking any changes or revisions to such work.

1231 7.07 SFD Organic Waste Collection Service. This service, which includes Green Waste
1232 only, is to begin on October 1, 2016. Food Waste may be added to the SFD Organic Waste
1233 Collection Service by mutual agreement between CITY and CONTRACTOR in accordance with
1234 Article 25. This service will be governed by the following terms and conditions:

1235 7.07.1 Organic Waste Processing Services. CONTRACTOR shall ensure that all
1236 Organic Waste Collected pursuant to this Agreement is diverted from the landfill in accordance
1237 with AB 939 and any subsequent or other applicable legislation and regulations.

1238 7.07.2 Organic Waste Processing Facility. CONTRACTOR shall deliver all
1239 Collected Organic Waste to a fully permitted Organic Waste Processing Facility or a fully permitted
1240 Organic Waste transfer station. All expenses related to Organic Waste processing and marketing
1241 will be the sole responsibility of CONTRACTOR.

1242 7.07.3 Organic Waste Disposal. CONTRACTOR shall ensure that the Organic
1243 Waste Collected pursuant to this Agreement is not disposed of in a landfill, except residue
1244 resulting from processing.

1245 7.07.4 Additional Organic Waste Carts. CONTRACTOR shall provide additional
1246 SFD Organic Waste Carts to SFD Service Recipients within five (5) days of request at no
1247 additional cost provided that additional carts are used by SFD Service Recipients for the purposes
1248 of setting out additional Organic Waste Materials for regular weekly Organic Waste Collection
1249 Service.

1250 7.07.5 Kitchen Food Waste Pails. If Food Waste is added to the SFD Organic
1251 Waste Collection Service, CONTRACTOR shall provide Kitchen Food Waste Pails to SFD Service
1252 Recipients that request them within five (5) days of request at no additional cost provided that
1253 pails are used by SFD Service Recipients for the collection of food waste.

1254 7.08 Home Compost Bins. CONTRACTOR shall provide up to **Two Thousand Dollars**
1255 **(\$2,000)** per Agreement Year to partially offset the cost of Bio-Stack Compost Bins to allow
1256 VALCORE to distribute one such Bio-Stack Compost Bin to each SFD Collection Service
1257 Recipient that requests one.

1258 7.09 Curbside Christmas Tree Collection. CONTRACTOR shall Collect Christmas trees
1259 from all SFD Service Units as part of the SFD Organic Waste Collection Services.
1260 CONTRACTOR shall provide this service beginning on the first Work Day after December 25 until
1261 January 22, or such other dates that are approved by CITY.

1262 7.09.1 Contaminated Christmas Trees. Christmas trees that are flocked or
1263 contain tinsel or other decorations may be delivered to the Disposal Facility at the discretion of
1264 CONTRACTOR.

1265 7.09.2 Non-collection. CONTRACTOR shall not be required to Collect any
1266 Organic Waste that is mixed with either Garbage, or Recyclable Materials. In the event of non-

1267 collection, CONTRACTOR shall affix to the Organic Waste Cart a Non-Collection Notice
1268 explaining why collection was not made. CONTRACTOR shall maintain a copy of such notices
1269 during the term of this Agreement. CONTRACTOR shall maintain a copy of such notices during
1270 the term of this Agreement.

1271 7.10 Drop-off Christmas Tree Collection. CONTRACTOR shall provide Christmas tree
1272 drop-off collection service for the two weeks following December 26 using CONTRACTOR-
1273 provided Debris Boxes placed at locations approved by CITY.

1274 7.11 Bulky Waste Collection Service. This service will be governed by the following terms
1275 and conditions:

1276 7.11.1 Conditions of Service. CONTRACTOR shall provide SFD Bulky Waste
1277 Collection Service to all SFD Service Units in the Service Area whose Bulky Waste have been
1278 placed within five (5) feet of the curb, swale, paved surface of the public or private roadway,
1279 closest accessible roadway, or other such location agreed to by CONTRACTOR and Service
1280 Recipient, that will provide safe and efficient accessibility to CONTRACTOR'S collection crew and
1281 vehicle. Each SFD Service Unit in the Service Area shall be entitled to receive free Bulky Waste
1282 Collection Service a maximum of two (2) collection times per Agreement Year. Bulky Waste
1283 Collection Service shall be a combination of loose Large Items not exceeding an approximate
1284 equivalent of two (2) cubic yards and three (3) individual Large Items such as a TV, couch, or
1285 water heater. In accordance with the "Additional Bulky Waste Collection" service rate as set forth
1286 in Exhibit 1, CONTRACTOR shall be compensated for the cost of Collecting Large Items in
1287 excess of 1) a single collection of over two (2) cubic yards, 2) more than two (2) Bulky Waste
1288 Collections per year, or more than three (3) individual Large Items during any single Bulky Waste
1289 Collection.

1290 7.11.2 Frequency of Service. SFD Service Recipients must call at least forty-eight
1291 (48) hours in advance to schedule SFD Bulky Waste Collection Service. Collection will occur on
1292 the customer's regular collection day.

1293 7.11.3 Large Items Containing Freon. In the event CONTRACTOR Collects Large
1294 Items that contain Freon, CONTRACTOR shall ensure that the Freon is removed by a certified
1295 specialist so that, if practicable, the Large Items are not subject to regulation as Hazardous Waste
1296 under applicable state and federal laws or regulations. CONTRACTOR may charge for collecting
1297 Large Items containing Freon in accordance with the Maximum Service rates in Exhibit 1.

1298 7.11.4 CITY Direction of Large Items. CITY reserves the right to direct
1299 CONTRACTOR under Section 25.02 to deliver Large Items Collected pursuant to this Section to
1300 a designated site or sites for the purpose of reuse or recycling of such Large items, provided that
1301 CITY shall only direct CONTRACTOR to deliver Large Items to sites that (i) reuse or recycle such
1302 materials in a manner that counts as diversion, and (ii) do not charge CONTRACTOR or CITY to
1303 accept and reuse or recycle such materials. CONTRACTOR shall have no obligation to dispose
1304 of the Large Items or Large Item residue remaining at the directed site or sites after reusers and
1305 recyclers have removed reusable or recyclable Large Items. Delivery of such Large Items shall
1306 count as diversion by CONTRACTOR for purposes of the diversion requirement described in
1307 Section 5.01.

1308 7.12 Move In/Out Collection Service. Within three (3) months of opening a new account,
1309 at no additional charge, each SFD customer may request that CONTRACTOR provide one on-
1310 call Move-In/Out Recyclable Material Collection Service for recyclable packaging materials such
1311 as flattened cardboard boxes, and bundled newspaper and packaging foam. This will be offered
1312 as a one-time service for each new account. This service shall only include Recyclable Materials,

1313 and in the event that the Service Recipient includes Garbage in the materials set out for Collection
1314 by CONTRACTOR, this service shall be counted as one of the SFD Service Recipient's free
1315 annual Bulky Waste Collections as set forth in Section 7.11.1.

1316 7.13 Hard to Service Areas. Notwithstanding any term or definition set forth in this
1317 Agreement, CONTRACTOR, at no additional cost, shall manually collect SFD Garbage,
1318 Recyclable Materials, Organic Waste, and Bulky Waste from a SFD Service Unit as follows:

1319 7.13.1.1 Where topography, street conditions, or limited street
1320 access for police, fire, or safety vehicles prevents CONTRACTOR'S collection vehicle access for
1321 Collecting Garbage, Recycling, Organic Waste, and Large Items for collection.

1322 7.14 Curbside Used Oil and Oil Filters Collection. CONTRACTOR shall provide curbside
1323 collection of used oil and oil filters as part of CONTRACTOR'S regularly scheduled SFD Recycling
1324 Collection Service, at no charge to the SFD customers.

1325 7.14.1 CONTRACTOR shall provide customers upon request with used oil
1326 containers and heavy duty zip-lock bags for used oil filters. Customers will be allowed to recycle
1327 up to two (2) gallons of used oil each week using this service. Used oil must be properly
1328 containerized and bagged in accordance with CONTRACTOR's instructions and set out next to
1329 the Garbage Cart.

1330 7.15 Household Hazardous Waste (HHW), Sharps and E-Waste Drop-off Location.
1331 CONTRACTOR shall provide a centralized location for SFD customers to drop-off HHW, Sharps
1332 and E-Waste at no charge to SFD customers. As of the execution of this Agreement,
1333 CONTRACTOR'S drop-off facility is located at 2021 Broadway St, Vallejo, CA 94589.

1334 7.15.1 Materials collected and accepted at the drop-off location shall include latex
1335 paint, auto batteries, used oil, oil filters, Sharps, Universal Waste, and E-Waste.

1336 7.16 SFD Debris Box Collection Service. Upon twenty four (24) hours request by a SFD
1337 Service Unit for a Debris Box Container, CONTRACTOR shall provide a Debris Box Container at
1338 the Service Unit. Such SFD Debris Box Collection Service shall be on a temporary basis not to
1339 exceed seven (7) days without collection, emptying, and replacement of the Debris Box Container.

1340 7.16.1 Charges for Debris Box Containers shall be in accordance with **Exhibit 1**
1341 of this Agreement.

1342 7.16.2 CONTRACTOR shall provide SFD Debris Box Collection Services with as
1343 little disturbance as possible and without obstructing alleys, roadways, driveways, sidewalks, or
1344 mailboxes. CONTRACTOR shall only place Debris Boxes in strict adherence with CITY'S right-
1345 of-way requirements and Municipal Code.

1346 **ARTICLE 8. MFD Collection Services**

1347 8.01 MFD Collection Services. These services will be governed by all conditions of
1348 service as specified in Article 9 of this Agreement, with the following additional services:

1349 8.01.1 Kitchen Food Waste Pails. CONTRACTOR shall provide MFD Service
1350 Units with one (1) Kitchen Food Waste Pail for each unit within the MFD Service Unit complex,
1351 as provided in Section 3.07.4.

1352 8.01.2 MFD Bulky Waste Collection Service. This service will be governed by the
1353 following terms and conditions:

1354 8.01.2.1 Conditions of Service. CONTRACTOR shall provide MFD
1355 Bulky Waste Collection Service to all MFD Service Units in the Service Area whose Bulky Waste
1356 have been placed within five (5) feet of the curb, swale, paved surface of the public or private
1357 roadway, closest accessible roadway, or other such location agreed to by CONTRACTOR and
1358 MFD Service Unit management, that will provide safe and efficient accessibility to
1359 CONTRACTOR'S collection crew and vehicle. Each MFD Service Unit in the Service Area shall
1360 be entitled to receive free Bulky Waste Collection Service up to a maximum volume per
1361 Agreement Year of 0.5 cubic yards multiplied by the number of units within the MFD Service Unit.
1362 For example, an MFD Service Unit consisting of 6 units would receive a total of 3 cubic yards of
1363 free Bulky Waste Collection Service per Agreement Year, to be allocated among those units as
1364 the MFD Service Unit management deems appropriate. Bulky Waste Collection Service shall be
1365 any combination of loose Large Items. All Large Items such as TVs, couches, mattresses,
1366 refrigerators and stoves will count towards the allocated free volume. In accordance with the
1367 "Additional Bulky Waste Collection" service rate as set forth in Exhibit 1, CONTRACTOR shall
1368 be compensated for the cost of Collecting Large Items in excess of the limits set above.

1369 8.01.2.2 Frequency of Service. MFD Service Unit management must
1370 call at least forty-eight (48) hours in advance to schedule MFD Bulky Waste Collection Service.
1371 Collection will occur on the day agreed to between the MFD Service Unit management and
1372 CONTRACTOR.

1373 8.01.2.3 Large Items Containing Freon. In the event CONTRACTOR
1374 Collects Large Items that contain Freon, CONTRACTOR shall ensure that the Freon is removed
1375 by a certified specialist so that, if practicable, the Large Items are not subject to regulation as
1376 Hazardous Waste under applicable state and federal laws or regulations. CONTRACTOR may
1377 charge for collecting Large Items containing Freon in accordance with the Maximum Service rates
1378 in Exhibit 1.

1379 8.01.2.4 CITY Direction of Large Items. CITY reserves the right to
1380 direct CONTRACTOR under Section 25.02 to deliver Large Items Collected pursuant to this
1381 Section to a designated site or sites for the purpose of reuse or recycling of such Large Items,
1382 provided that CITY shall only direct CONTRACTOR to deliver Large Items to sites that (i) reuse
1383 or recycle such materials in a manner that counts as diversion, and (ii) do not charge
1384 CONTRACTOR or CITY to accept and reuse or recycle such materials. CONTRACTOR shall
1385 have no obligation to dispose of the Large Items or Large Item residue remaining at the directed
1386 site or sites after reusers and recyclers have removed reusable or recyclable Large Items.
1387 Delivery of such Large Items shall count as diversion by CONTRACTOR for purposes of the
1388 diversion requirement described in Section 5.01.

1389 8.01.3 Move In/Out Collection Service. Within three (3) months of opening a new
1390 account, at no additional charge, each MFD customer may request that CONTRACTOR provide
1391 one on-call Move-In/Out Recyclable Material Collection Service for recyclable packaging
1392 materials such as flattened cardboard boxes and, bundled newspaper and packaging foam. This
1393 will be offered as a one-time service for each new account. This service shall only include
1394 Recyclable Materials, and in the event that the Service Recipient includes Garbage in the
1395 materials set out for Collection by CONTRACTOR, the volume of the Garbage shall be counted
1396 towards the MFD Service Unit's free annual Bulky Waste Collection volume as set forth in Section
1397 8.01.2.1.

1398 8.01.4 Drop-off Christmas Tree Collection. CONTRACTOR shall provide
1399 Christmas tree drop-off collection service for the two weeks following December 26 using
1400 CONTRACTOR-provided Debris Boxes placed at locations approved by CITY.

1401 8.01.5 Household Hazardous Waste (HHW), Sharps and E-Waste Drop-off
1402 Location. CONTRACTOR shall provide a centralized location for MFD customers to drop-off
1403 HHW, Sharps and E-Waste at no charge to the MFD customers. As of the execution of this
1404 Agreement, CONTRACTOR'S drop-off facility is located at 2021 Broadway St, Vallejo, CA 94589.

1405 8.01.5.1 Materials collected at the drop-off location shall include latex
1406 paint, auto batteries, used oil, oil filters, Sharps, Universal Waste, and E-Waste.

1407 ARTICLE 9. Commercial Collection Services

1408 9.01 Commercial Collection Services. These services will be governed by the
1409 following terms and conditions:

1410 9.01.1 Conditions of Service. CONTRACTOR shall provide Commercial Garbage
1411 Collection Service, Commercial Recycling Collection Service, Commercial Organic Waste
1412 Collection Service, and Commercial Debris Box Collection Service to all Commercial Service
1413 Units in the Service Area whose Garbage, Recyclable Materials, and Organic Waste are properly
1414 containerized in Bins, Carts, or Debris Boxes as appropriate where the Bins, Carts or Debris
1415 Boxes are accessible as set forth in Section 9.01.3. CONTRACTOR shall offer Garbage Carts in
1416 32, 64 and 96 gallon cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96
1417 gallon cart sizes, with 32 gallon Recyclable Materials and Organic Waste Carts available on
1418 request. CONTRACTOR shall offer Garbage, Recyclable Materials, and Organic Waste Bins in
1419 1, 2, 3, 4, and 6 cubic yard sizes. CONTRACTOR shall offer Debris Boxes in 20, 25, 30 and 40
1420 cubic yard sizes, as well as 10 cubic yards for dirt, concrete and asphalt only. The size of the
1421 container and the frequency (above the minimum) of collection shall be determined between the
1422 Service Recipient and CONTRACTOR. However, the size and frequency shall be sufficient to
1423 provide that no Garbage, Recyclable Materials, or Organic Waste Materials need be placed
1424 outside the Bin, Cart or Debris Box.

1425 9.01.2 Required Capacity. CONTRACTOR shall provide Commercial Recycling
1426 Collection Service and Organic Waste Collection Service to all Commercial Service Units in the
1427 Service Area at no additional cost. For each Service Unit, CONTRACTOR shall offer a minimum
1428 capacity of Commercial Recycling Collection and Commercial Organic Waste Collection Service
1429 which is appropriate in relationship to the total cubic yards collected weekly for Commercial
1430 Garbage Collection Service.

1431 9.01.3 Accessibility. CONTRACTOR shall collect all Garbage, Recycling, or
1432 Organic Waste Bins or Carts that are readily accessible to CONTRACTOR'S crew and vehicles
1433 and not blocked. However, CONTRACTOR shall provide "push services" as necessary during
1434 the provision of Commercial Collection Services. Push services shall include, but not be limited
1435 to moving manually or by a specialized "scout" truck the Bins or Carts from their storage location
1436 for Collection and returning the Bins or Carts to their storage location.

1437 9.01.4 Manner of Collection. CONTRACTOR shall provide Commercial Collection
1438 Service with as little disturbance as possible and shall leave any Bin or Cart at the same point it
1439 was originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

1440 9.02 Commercial Garbage Collection Service.

1441 9.02.1 Conditions of Service. CONTRACTOR shall provide Commercial Garbage
1442 Collection Service to all Commercial Service Units in the Service Area whose Commercial
1443 Garbage is properly containerized in Garbage Bins or Carts, where the Garbage Bins or Carts
1444 are accessible.

1445 9.02.2 Disposal Facility. All Commercial Garbage collected as a result of
1446 performing Commercial Garbage Collection Services shall be transported to, and disposed of, at
1447 the Disposal Facility. Failure to comply with this provision shall result in the levy of liquidated
1448 charges as specified in this Agreement and may result in CONTRACTOR being in default under
1449 this Agreement.

1450 9.02.3 Size and Frequency of Service. This service shall be provided as deemed
1451 necessary and as determined between CONTRACTOR and the customer, but such service shall
1452 be received no less than one (1) time per week with no exception for holiday(s) as set forth herein,
1453 except that Collection Service scheduled to fall on a holiday may be rescheduled as determined
1454 between the customer and CONTRACTOR as long as the minimum frequency requirement is
1455 met. Service may be provided by Bin or Cart at the option of the customer. The size of the
1456 container and the frequency (above the minimum) of Collection shall be determined between the
1457 customer and CONTRACTOR. However, size and frequency shall be sufficient to provide that
1458 no Commercial Garbage need be placed outside the Bin or Cart. CONTRACTOR shall provide
1459 containers as part of the Commercial Collection Service rates set forth in Exhibit 1. Customers
1460 may provide their own Compactor, provided that the customer is completely responsible for its
1461 proper maintenance and that such Compactor shall be of a type that can be serviced by
1462 CONTRACTOR'S equipment.

1463 9.02.4 Commercial Garbage Overflow. In the case of repeated overflows of
1464 Commercial Garbage, CONTRACTOR shall contact the Commercial Service Unit management
1465 to arrange for an appropriate change in Garbage Bin or Cart size, collection frequency or both.
1466 In the event, CONTRACTOR cannot successfully contact the Commercial Service Unit
1467 management after three attempts, or cannot reach an agreement with such management
1468 regarding the change in service, CONTRACTOR shall advise the City Representative by written
1469 communication or e-mail, of the details of the Commercial Garbage overages, and the attempts
1470 at communication with the Commercial Service Unit management. The City Representative shall
1471 respond to CONTRACTOR'S report and make a final written determination. Within five (5) Work
1472 Days of receipt of the City Representative's written determination, CONTRACTOR shall change
1473 the Collection Service in accordance with such written determination.

1474 9.02.5 Non-Collection. CONTRACTOR shall not be required to collect any
1475 Commercial Garbage that is not placed in a Garbage Bin or Cart. CONTRACTOR shall also not
1476 be required to collect any Container that is blocked by debris, or is otherwise obstructed in a
1477 manner that prevents CONTRACTOR from accessing the Container for collection. In the event of
1478 non-collection, CONTRACTOR shall affix to the Garbage Bin or Cart a Non-collection Notice
1479 explaining why collection was not made.

1480 9.03 Commercial Recycling Collection Service. This service will be governed by the
1481 following terms and conditions:

1482 9.03.1 Conditions of Service. CONTRACTOR shall provide Commercial Recycling
1483 Collection Service to all Commercial Service Units in the Service Area whose Recyclable
1484 Materials are properly containerized in Recycling Bins, Carts or Debris Boxes, except as set forth
1485 below, where the Recycling Bins, Carts, or Debris Boxes are accessible. CONTRACTOR may

1486 not charge for collection of Recyclable Materials. Commercial Recycling Collection will occur
1487 Monday – Friday.

1488 9.03.2 Material Recovery Facility. All Recyclable Materials collected as a result
1489 of performing Commercial Recycling Services shall be delivered to a Material Recovery Facility.
1490 Failure to comply with this provision shall result in the levy of liquidated damages as specified in
1491 this Agreement. All expenses related to Recyclable Materials processing and marketing will be
1492 the sole responsibility of CONTRACTOR.

1493 9.03.3 Size and Frequency of Service. This Service shall be provided as deemed
1494 necessary and as determined between CONTRACTOR and the customer, but such service shall
1495 be received no less than one (1) time per week with no exception for holiday(s) as set forth herein,
1496 except that collection service scheduled to fall on a holiday may be rescheduled as determined
1497 between the customer and CONTRACTOR as long as the minimum frequency requirement is
1498 met. Service may be provided by Bin, Cart or Debris Box at the option of the customer. The size
1499 of the container and the frequency (above the minimum) of collection shall be determined between
1500 the customer and CONTRACTOR. However, size and frequency shall be sufficient to provide
1501 that no Recyclable Materials need be placed outside the Bin, Cart or Debris Box. CONTRACTOR
1502 shall provide containers as part of the Commercial Collection Service rates set forth in Exhibit 1.
1503 Customers may provide their own Compactor, provided that the customer is completely
1504 responsible for its proper maintenance and that such Compactor shall be of a type that can be
1505 serviced by CONTRACTOR'S equipment.

1506 9.03.4 Additional Recycling Bins or Carts. CONTRACTOR shall provide
1507 additional Commercial Recycling Bins and Carts to Commercial Service Recipients within five (5)
1508 days of request at no additional cost provided that additional bins and carts are used by
1509 Commercial Service Recipients for the purposes of setting out additional Recyclable Materials for
1510 regular weekly Recycling Collection Service.

1511 9.04 Commercial Organic Waste Service. This service will be governed by the following
1512 terms and conditions:

1513 9.04.1 Conditions of Service. CONTRACTOR shall provide Commercial Organic
1514 Waste Collection Service to all Commercial Service Units in the Service Area whose Organic
1515 Waste materials are properly containerized in Organic Waste Bins, Carts, Debris Boxes, or
1516 Compactors except as set forth below, where the Organic Waste Bins, Carts, debris Boxes, or
1517 Compactors are accessible. CONTRACTOR shall charge for collection of Organic Waste
1518 collected in Carts or Bins at the rate set forth in Exhibit 1. CONTRACTOR agrees that not all
1519 Commercial and MFD Service Units will elect to receive Organic Waste Collection Service in
1520 Carts, and that CONTRACTOR will provide Organic Waste Collection Bins upon request and as
1521 necessary. Further, CONTRACTOR agrees that there are several Commercial Service Units that
1522 utilize Compactors for collection of Organic Waste, and that CONTRACTOR will provide a
1523 sufficient number of Carts or Bins and at a collection frequency to allow for any such Commercial
1524 Service Unit to utilize the collection of Organic Waste. Commercial Organic Waste Collection will
1525 occur Monday – Friday, and on Saturdays upon request and as necessary.

1526 9.04.2 Compliance with AB 1826. CONTRACTOR will develop an organic waste
1527 recycling program in compliance with the AB 1826 schedule, and implement such program upon
1528 approval by CITY. CONTRACTOR will notify covered businesses of the requirements to comply
1529 with the law starting October 1, 2016. CONTRACTOR will provide the volume of collection service
1530 that covered businesses require in order to be in compliance with the law.

1531 9.04.3 Organic Waste Processing Facility. All Organic Waste collected as a
1532 result of performing Commercial Collection Services shall be delivered to an Organic Waste
1533 Processing Facility. Failure to comply with this provision may result in the levy of liquidated
1534 damages as specified in this Agreement and may result in CONTRACTOR being in default under
1535 this Agreement. All expenses related to Organic Waste processing and marketing will be the sole
1536 responsibility of CONTRACTOR.

1537 9.04.4 Size and Frequency of Service. This Service shall be provided as deemed
1538 necessary and as determined between CONTRACTOR and the customer, but such service shall
1539 be received no less than one (1) time per week with no exception for holiday(s) as set forth herein,
1540 except that Collection Service scheduled to fall on a holiday may be rescheduled as determined
1541 between the customer and CONTRACTOR as long as the minimum frequency requirement is
1542 met. Service may be provided by Bin, Cart or Debris Box at the option of the customer. The size
1543 of the container and the frequency (above the minimum) of collection shall be determined between
1544 the customer and CONTRACTOR. However, size and frequency shall be sufficient to provide
1545 that no Organic Waste Materials need be placed outside the Bin, Cart or Debris Box.
1546 CONTRACTOR shall provide containers as part of the Commercial Collection Service rates set
1547 forth in Exhibit 1. Customers may provide their own Compactor, provided that the customer is
1548 completely responsible for its proper maintenance and that such Compactor shall be of a type
1549 that can be serviced by CONTRACTOR'S equipment.

1550 9.04.5 Additional Organic Waste Bins or Carts. CONTRACTOR shall provide
1551 additional Commercial Organic Waste Bins and Carts to Commercial Service Recipients at the
1552 rates listed in Exhibit 1 provided that additional Bins and Carts are used by Commercial Service
1553 Recipients for the purposes of setting out additional Organic Waste materials for regular weekly
1554 Organic Waste Collection Service.

1555 9.05 Household Hazardous Waste (HHW), Sharps and E-Waste Drop-off Location.
1556 CONTRACTOR shall provide a centralized location for Commercial customers to drop-off HHW,
1557 Sharps and E-Waste at no charge to the Commercial customers. As of the execution of this
1558 Agreement, CONTRACTOR'S drop-off facility is located at 2021 Broadway St, Vallejo, CA 94589.

1559 9.05.1 Materials collected and accepted at the drop-off location shall include latex
1560 paint, auto batteries, used oil, oil filters, Sharps, Universal Waste, and E-Waste.

1561 9.06 Commercial Debris Box Collection Service. Upon request of a Commercial Service
1562 Unit, CONTRACTOR shall provide a Commercial Debris Box Collection Service on a temporary
1563 basis or permanent basis.

1564 9.06.1 Charges for Debris Boxes shall be in accordance with Exhibit 1 of this
1565 Agreement.

1566 9.06.2 CONTRACTOR shall provide Commercial Debris Box Collection Services
1567 with as little disturbance as possible and without obstructing alleys, roadways, driveways,
1568 sidewalks, or mail boxes. CONTRACTOR shall only place Debris Boxes in strict adherence with
1569 CITY'S right-of-way requirements and Municipal Code.

1570 ARTICLE 10. CITY Collection Services

1571 10.01 CITY Collection Services.

1572 10.01.1 At no cost to CITY, CONTRACTOR shall provide Garbage,
1573 Recycling, Organic Waste, and Debris Box Collection Service to the City Service Units listed in
1574 Exhibit 2, at the volume and frequency set forth in Exhibit 2. CITY may change the City Service

1575 Units receiving service and the volume and frequency of service by written notice to
1576 CONTRACTOR, provided the change does not increase CONTRACTOR's total cost of providing
1577 services to City Service Units. Service may be provided by Bin, Cart or Debris Box at the option
1578 of CITY. CONTRACTOR shall offer Garbage Carts in 32, 64 and 96 gallon cart sizes and Bins in
1579 1, 2, 3, 4 and 6 cubic yard sizes, and Recyclable Materials and Organic Waste Carts in 32, 64
1580 and 96 gallon cart sizes and Bins in 1, 2, 3, 4 and 6 cubic yard sizes. CONTRACTOR shall not
1581 charge for collection of Recyclable Materials or Organic Waste collected in Carts, Bins or Debris
1582 Boxes. CONTRACTOR shall offer Debris Boxes in 20, 25, 30, and 40 cubic yard sizes, as well
1583 as 10 cubic yards for dirt, concrete and asphalt only.

1584 10.01.2 Public Containers Collection. At no cost to CITY, CONTRACTOR
1585 shall provide collection, transporting and disposal or processing service to those public Garbage,
1586 Organic Waste or Recycling containers listed in Exhibit 2 at the frequency set forth in Exhibit 2.
1587 CITY may change the public containers service and the volume and frequency of service by
1588 written notice to CONTRACTOR, provided the change does not increase CONTRACTOR's total
1589 cost of servicing public containers.

1590 10.01.3 Code Enforcement Support/Community Debris Box Program. In
1591 response to the request of the City Representative, CONTRACTOR shall within twenty-four (24)
1592 hours provide Drop Boxes to support CITY's temporary clean-up programs in the Service Area,
1593 or community clean-up events. CONTRACTOR shall transport and deliver the collected materials
1594 to the Disposal Facility, the Materials Recovery Facility, or such other facility as is appropriate for
1595 the disposition of the materials and approved by the City Representative. CONTRACTOR shall
1596 provide up to 4,500 cubic yards of Drop Box service per Agreement Year at no charge to CITY.
1597 For any excess volume, CONTRACTOR may charge a fee in accordance with the Maximum
1598 Service Rates as specified in Exhibit 1, as adjusted in accordance with this Agreement. Unused
1599 volume may not be carried forward as a credit to subsequent years.

1600 10.01.4 Abandoned Waste Notification. CONTRACTOR shall direct its
1601 collection vehicle drivers to note (i) the addresses of any premises at which the driver observes
1602 that Garbage, Recyclable Material, and/or Organic Waste Material is accumulating; and (ii) the
1603 address, or other location description, at which Garbage, Recyclable Material, and/or Organic
1604 Waste has been dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the
1605 address or description to CITY within twenty-four hours (24) of such observation.

1606 10.01.5 Accessibility. CONTRACTOR shall collect all carts, bins and debris
1607 boxes that are readily accessible to CONTRACTOR'S crew and vehicles and not blocked.
1608 CONTRACTOR shall provide "push services" as necessary during the provision of CITY
1609 Collection Services. Push services shall include, but not be limited to, dismounting from the
1610 collection vehicle, moving the bins or carts from their storage location for collection and returning
1611 the bins or carts to their storage location.

1612 10.01.6 Notification. CONTRACTOR will notify the City Representative
1613 daily, by e-mail, of all situations that prevent or hinder collection from any City Service Unit, unless
1614 otherwise directed by CITY.

1615 10.02 City-Sponsored Events. CONTRACTOR shall provide Collection Services at the
1616 CITY-sponsored events listed in Exhibit 3, and/or at any other CITY-Sponsored Events that are
1617 held on CITY property and requested by CITY. Within any Agreement Year, CITY may substitute
1618 other events for those listed in Exhibit 3, and may change the volume of services provided at
1619 CITY-sponsored events, so long as the total annual cost to CONTRACTOR does not exceed the
1620 annual cost of providing the services for the events that are listed in Exhibit 3.

1621 10.03 Community Compost Delivery. Upon request by the City Representative,
1622 CONTRACTOR shall provide compost materials delivered at publicly accessible CITY or
1623 CONTRACTOR designated locations in amounts as requested by the City Representative,
1624 provided that the total amount during any single Agreement Year does not exceed one-hundred
1625 sixty (160) cubic yards. CONTRACTOR shall deliver the compost materials in 25 cubic yard
1626 Debris Boxes, with a minimum of one (1) and a maximum of four (4) Debris Boxes per delivery.

1627 10.03.1 School Recycling Program. So long as the VCUSD Agreement
1628 remains in effect, CONTRACTOR shall provide VCUSD with a discount of **Seventy Thousand**
1629 **Dollars (\$70,000)** per Agreement Year in accordance with the VCUSD Agreement. Such amount
1630 may be utilized in any other manner mutually agreed by the parties to the VCUSD Agreement.
1631 After termination of the VCUSD Agreement (or any successor agreement among CITY,
1632 CONTRACTOR and VCUSD), such amount shall be utilized for CONTRACTOR's provision of a
1633 school recycling program that includes, at a minimum, on-site classroom visits, worm composting,
1634 internships, written and electronic materials, and sponsorship of environmental field trips, or as
1635 otherwise directed by CITY. Such amount (regardless of how utilized) shall be an allowable
1636 expense under this Agreement.

1637 10.03.2 Greater Vallejo Recreation District. CONTRACTOR shall provide
1638 Collection Services to those facilities, buildings, and properties owned by CITY but managed or
1639 occupied by the Greater Vallejo Recreation District, at the locations listed in **Exhibit 2**.

1640 10.04 Disposal and Processing Facilities

1641 10.04.1 Disposal Facility. All Garbage collected as a result of performing
1642 City Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility.
1643 Failure to comply with this provision shall result in the levy of liquidated damages as specified in
1644 this Agreement and may result in CONTRACTOR being in default under this Agreement.

1645 10.04.2 Material Recovery Facility. All Recyclable Materials collected as
1646 a result of performing City Recycling Services shall be delivered to a Material Recovery Facility.
1647 Failure to comply with this provision shall result in the levy of liquidated damages as specified in
1648 this Agreement. All expenses related to Recyclable Materials processing and marketing will be
1649 the sole responsibility of CONTRACTOR.

1650 10.04.3 Organic Waste Processing Facility. All Organic Waste collected as
1651 a result of performing City Collection Services shall be delivered to an Organic Waste Processing
1652 Facility. Failure to comply with this provision shall result in the levy of liquidated damages as
1653 specified in this Agreement and may result in CONTRACTOR being in default under this
1654 Agreement. All expenses related to Organic Waste processing and marketing will be the sole
1655 responsibility of CONTRACTOR.

1656 **ARTICLE 11. Collection Routes**

1657 11.01 Collection Route Changes. CONTRACTOR shall submit to CITY, in writing, any
1658 proposed route change (including maps thereof) not less than sixty (60) calendar days prior to
1659 the proposed date of implementation. To the extent possible, CONTRACTOR will provide the
1660 map data in an electronic format that is compatible with the format used by CITY. CONTRACTOR
1661 shall not implement any route changes to SFD Service Recipients without the prior review of the
1662 City Representative. If the route change will change the collection day for a Service Recipient,
1663 CONTRACTOR shall notify those Service Recipients in writing of route changes not less than
1664 thirty (30) days before the proposed date of implementation.

1665 11.01.1 Collection Route Audits. CITY reserves the right to conduct audits
1666 of CONTRACTOR'S collection routes. CONTRACTOR shall cooperate with CITY in connection
1667 therewith, including permitting CITY employees or agents, designated by the City Representative,
1668 to ride in the collection vehicles in order to conduct the audits. CONTRACTOR shall have no
1669 responsibility or liability for the salary, wages, benefits or worker compensation claims of any
1670 person designated by the City Representative to conduct such audits.

1671 ARTICLE 12. Collection Vehicles

1672 12.01 General Provisions. All collection vehicles used by CONTRACTOR in the
1673 performance of services under this Agreement shall be of a high quality. CONTRACTOR shall
1674 replace its current Collection vehicles in accordance with the replacement schedule set forth in
1675 Exhibit 6.

1676 12.02 Vehicle Registration, Licensing and Inspection. Upon request by CITY,
1677 CONTRACTOR shall submit documentation to CITY Representative to verify that each of
1678 CONTRACTOR'S collection vehicles is in compliance with all registration, licensing and
1679 inspection requirements of the California Highway Patrol, the California Department of Motor
1680 Vehicles, and any other applicable governmental body. CONTRACTOR shall not use any vehicle
1681 to perform Collection Services that is not in compliance with applicable registration, licensing and
1682 inspection requirements. Each vehicle shall comply, at all times, with all applicable statutes, laws
1683 or ordinances of any public agency. Routine inspections by the California Highway Patrol will be
1684 required bi-annually and certificates for said inspection shall be filed with CITY upon request.

1685 12.03 Clean Air Vehicles. During the term of this Agreement, to the extent required by
1686 law, CONTRACTOR shall provide for its collection vehicles to be in full compliance with all then-
1687 applicable local, State and federal clean air requirements, including, but not limited to, the
1688 California Air Resources Board Heavy Duty Engine Standards; the Federal EPA's Highway Diesel
1689 Fuel Sulfur regulations, and any other applicable air pollution controls.

1690 12.04 Fuel Type. If compressed natural gas (CNG) filling stations become available
1691 within a reasonable distance of CONTRACTOR's Corporation Yard offering CNG at market
1692 prices, each in CONTRACTOR's reasonable business judgment, or if CONTRACTOR in its sole
1693 discretion decides to install a CNG filling station at its Corporation Yard, then CONTRACTOR
1694 shall adjust the replacement schedule set forth in Exhibit 6 so that subsequently-procured
1695 collection vehicles (other than Debris Box vehicles) are fueled by CNG.

1696 12.05 Vehicle Noise Level. All collection operations shall be conducted as quietly as
1697 possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR
1698 Part 205, and other applicable State, County, and City noise control regulations.

1699 12.06 Safety Equipment. All collection equipment used by CONTRACTOR shall have
1700 appropriate safety markings including, but not limited to, highway lighting, flashing and warning
1701 lights, clearance lights, and warning flags. All such safety markings shall be subject to the
1702 approval of CITY (if different from the markings commonly used by CONTRACTOR) and shall be
1703 in accordance with the requirements of the California Vehicle Code, as may be amended from
1704 time to time. All collection vehicles shall be equipped with audible back-up warning devices.

1705 12.07 Vehicle Signage and Painting. Collection vehicles shall have signage in letters of
1706 contrasting color, at least six (6) inches high, on each side and the rear of each vehicle that clearly
1707 states that the collection vehicle is servicing the City of Vallejo, provides CONTRACTOR'S name,
1708 CONTRACTOR'S customer service telephone number, and the number of the vehicle. No
1709 advertising shall be permitted other than the name of CONTRACTOR except promotional

1710 advertisement of the Recyclable Materials and Organic Waste programs. CONTRACTOR shall
1711 repaint all vehicles (including vehicle striping) during the term of this Agreement on a frequency
1712 as necessary to maintain a positive public image as reasonably determined by the City
1713 Representative, but CONTRACTOR shall not be required to repaint any vehicle more than once
1714 every eight (8) years.

1715 12.08 Vehicle Maintenance. CONTRACTOR shall maintain collection vehicles in a clean
1716 condition and in good repair at all times and ensure that no Collected materials, oil, grease, or
1717 other substances will blow, fall out, escape or leak out of the vehicle, with the exceptions of vehicle
1718 emission. All parts and systems of the collection vehicles shall operate properly and be
1719 maintained in a condition reasonably satisfactory to CITY. CONTRACTOR shall wash all
1720 collection vehicles at least once a week.

1721 12.09 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all
1722 collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon
1723 request of City Representative, and shall show, at a minimum, each vehicles' CONTRACTOR
1724 assigned identification number, date purchased or initial lease, dates of performance of routine
1725 maintenance, dates of performance of any additional maintenance, and description of additional
1726 maintenance performed.

1727 12.10 Equipment Inventory. On or before May 1, 2017, and by January 30th annually
1728 thereafter as part of CONTRACTOR'S annual report to CITY, CONTRACTOR shall provide to
1729 CITY an inventory of collection vehicles and major equipment used by CONTRACTOR for
1730 collection or transportation and performance of services under this Agreement. The inventory
1731 shall indicate each collection vehicle by CONTRACTOR-assigned identification number, DMV
1732 license number, the age of the chassis and body, type of fuel used, the type and capacity of each
1733 vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the
1734 maintenance status. CONTRACTOR shall submit to the City Representative by e-mail an
1735 updated inventory annually to CITY or more often at the request of the City Representative. Each
1736 vehicle inventory shall be accompanied by a certification signed by CONTRACTOR that all
1737 collection vehicles meet the requirements of this Agreement.

1738 12.11 Reserve Equipment. CONTRACTOR shall have available to it, at all times, reserve
1739 collection equipment which can be put into service and operation within one (1) hour of any
1740 breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used
1741 by CONTRACTOR to perform its contractual duties.

1742 ARTICLE 13. Customer Service

1743 13.01 Customer Service Program. CONTRACTOR shall develop, implement, and
1744 maintain a Customer Service Program to ensure that all services provided under this Agreement
1745 are provided at high quality and in accordance with CONTRACTOR'S Customer Service Plan
1746 attached as Exhibit 5 of this Agreement. CONTRACTOR'S Customer Service Plan may be
1747 revised from time to time, at CONTRACTOR'S discretion, provided that any amendments to the
1748 Plan shall be approved by the City Representative. Approval of any amendments by City
1749 Representative shall not be unreasonably withheld.

1750 13.02 CONTRACTOR'S Office. CONTRACTOR shall maintain an office within the City
1751 limits that provides telephone access using a local number to residents and businesses of the
1752 City and is staffed by trained and experienced Customer Service Representatives (CSRs). Such
1753 office shall be equipped with sufficient telephones that all Collection Service related calls received
1754 during normal business hours are answered within five (5) rings, and shall have responsible

1755 persons in charge during collection hours and shall be open during normal business hours, 8:00
1756 a.m. to 5:00 p.m. on regularly scheduled Work Days (Monday through Friday) and when SFD
1757 holiday service is scheduled to be provided on Saturdays. CONTRACTOR shall provide either a
1758 telephone answering service or mechanical device to receive Service Recipient inquiries during
1759 those times when the office is closed. Calls received after normal business hours shall be
1760 addressed the next Work Day morning.

1761 13.03 Emergency Contact. CONTRACTOR shall provide the City Representative with
1762 an emergency phone number where CONTRACTOR can be reached outside of the required
1763 office hours within a two (2) hour response time.

1764 13.04 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability
1765 of responding to telephone calls in English and Spanish.

1766 13.05 Service Recipient Calls. During office hours, CONTRACTOR shall maintain
1767 a telephone answering system capable of accepting at least ten (10) incoming calls at one (1)
1768 time. CONTRACTOR shall record all calls including any inquiries, service requests and
1769 complaints into a customer service log.

1770 13.05.1 Response to Calls. All incoming calls will be answered within five
1771 (5) rings. Any call "on-hold" in excess of one and one half (1.5) minutes shall have the option to
1772 remain "on-hold" or to be switched to a message center where Service Recipient can leave a
1773 message. CONTRACTOR'S customer service representative shall return all Service Recipient
1774 calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one
1775 time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs"
1776 shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall
1777 make a minimum of three (3) attempts within twenty-four (24) hours of the receipt of the call. If
1778 CONTRACTOR is unable to reach the Service Recipient on the next Work Day, CONTRACTOR
1779 shall send a postcard to the Service Recipient on the second Work Day after the call was received,
1780 indicating that CONTRACTOR has attempted to return the call.

1781 13.06 Website. CONTRACTOR shall develop and maintain a website dedicated to
1782 services provided in CITY that is accessible by the public. The web site shall include answers to
1783 frequently asked questions, rates for Collection Services, listing and description of Recyclable
1784 Materials and Organic Waste, Collection Service schedules and maps, and other related topics.
1785 CONTRACTOR shall arrange for CITY'S website to include an e-mail link to CONTRACTOR and
1786 a link to CONTRACTOR'S website. CONTRACTOR'S website shall provide the public the ability
1787 to e-mail complaints to CONTRACTOR and request services or service changes.
1788 CONTRACTOR'S website shall also promote reuse and recycling, and shall present graphics and
1789 statistics illustrating the City's progress toward becoming a Zero Waste Community, resources
1790 the community can use to support Zero Waste and Sustainability efforts, other CITY
1791 environmental programs, and other materials as requested by CITY. CITY shall review and
1792 approve any changes to CONTRACTOR'S current website.

1793 ARTICLE 14. Public Outreach Services

1794 14.01 Public Outreach Services. CONTRACTOR, at its own expense, shall prepare,
1795 submit and implement an annual (Agreement Year) Public Education and Outreach Plan that
1796 incorporates key features of CONTRACTOR'S Diversion and Public Education Plan (**Exhibit 4**).
1797 The proposed action plans must be submitted annually for CITY approval no later than May 1,
1798 2017, and no later than January 30th each Agreement Year thereafter as part of CONTRACTOR'S
1799 annual report to CITY. The program must include specific steps designed to increase diversion

1800 and participation, for CITY's residents, businesses and Public Schools, and must include at a
1801 minimum four (4) annual campaigns, which may include billing inserts, newsletters, participation
1802 at public events, and sponsorship of Earth Day activities. Campaigns should target certain
1803 diverted materials or "problem" areas of CONTRACTOR'S Service Area where improvements can
1804 be maximized. Targets of outreach should be based on local trends and recycling patterns based
1805 on information obtained by both the City Representative and CONTRACTOR staff.
1806 CONTRACTOR shall provide space in CONTRACTOR'S public outreach materials, such as
1807 mailers, flyers and newsletters, for CITY to include announcements, community information,
1808 articles, and photographs. The Public School campaigns shall correspond with the school year
1809 and should target student, faculty and staff participation in the diversion of Recyclable Materials
1810 and Organic Waste.

1811 14.02 Waste Zero Specialist. CONTRACTOR will provide for a full-time Waste Zero
1812 Specialist dedicated to providing support for recycling and sustainability programs, including
1813 performing commercial waste audits and outreach and support to commercial and multi-family
1814 accounts. The Waste Zero Specialist job description is listed in Exhibit 8. The Waste Zero
1815 Specialist may be shared jointly with the City of American Canyon. The Waste Zero Specialist will
1816 meet with key CITY staff on a quarterly basis to review performance on diversion programs.
1817 CONTRACTOR may use subcontractors to perform some or all the duties normally assigned to
1818 the Waste Zero Specialist. The Waste Zero Specialist will advise appropriate personnel within a
1819 business on methods and recommendations to increase recycling and decrease solid waste, the
1820 selection of collection services and container sizes to maximize diversion, and the potential cost
1821 savings if a business takes recommended actions to increase diversion; educate and train staff
1822 and janitors on best practices for recycling, waste reduction and availability and use of in-house
1823 recycling containers; educate personnel on how to maximize diversion; and provide educational
1824 materials, posters, labels, and memos.

1825 14.03 Annual Collection Service Notice. Each Agreement Year during the term of this
1826 Agreement, CONTRACTOR shall publish and distribute separate notices to all SFD Service Units
1827 regarding the SFD Collection Service, to all MFD Service Units regarding MFD Collect Service,
1828 and to all Commercial Service Units regarding Commercial Collection Service. To the extent
1829 appropriate, based on the category of customer receiving the notice, it shall contain at a minimum:
1830 definitions of the materials to be collected, procedures for setting out the materials, collection and
1831 disposal options for unacceptable materials such as Hazardous Waste, maps of the Service Area
1832 indicating the day of the week that Collection Service will be provided, and CONTRACTOR
1833 customer service phone number and website address. The notice shall be provided in English,
1834 and shall be distributed by CONTRACTOR no later than November 1st each Agreement Year.

1835 14.04 Additional Outreach Programs and Services. CONTRACTOR shall provide
1836 additional public outreach services and programs as requested by CITY at a price to be mutually
1837 agreed upon between CONTRACTOR and the City Representative and included in Maximum
1838 Service Rates. In the event CONTRACTOR and the City Representative cannot reach a mutually
1839 agreed upon price for the requested service or program, CITY shall have the right to procure the
1840 service of other vendors or contractors to provide the requested public outreach service.

1841 14.05 News Media Relations. When practicable, CONTRACTOR shall notify the City
1842 Representative by e-mail or phone of all requests for news media interviews related to the
1843 Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the
1844 request. When practicable, before responding to any inquiries involving controversial issues or
1845 any issues likely to affect participation or Service Recipient perception of services,
1846 CONTRACTOR will discuss CONTRACTOR'S proposed response with the City Representative.

1847 14.05.1 Copies of draft news releases or proposed trade journal articles
1848 related to the Collection Services program shall be submitted to CITY for prior review and approval
1849 at least five (5) Work Days in advance of release, except where CONTRACTOR is required by
1850 any law or regulation to submit materials to any regulatory agency in a shorter period of time, in
1851 which case CONTRACTOR shall submit such materials to CITY simultaneously with
1852 CONTRACTOR'S submittal to such regulatory agency.

1853 14.05.2 Copies of articles related to the Collection Services program
1854 resulting from media interviews or news releases shall be provided to CITY within five (5) Work
1855 Days after publication.

1856 ARTICLE 15. Emergency Service Provisions

1857 15.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire,
1858 natural disaster, or other such event, the City Representative may grant CONTRACTOR a
1859 variance from regular routes and schedules. As soon as practicable after such event,
1860 CONTRACTOR shall advise the City Representative when it is anticipated that normal routes and
1861 schedules can be resumed. The City Representative shall make an effort through the local news
1862 media to inform the public when regular services may be resumed. The clean-up from some
1863 events may require that CONTRACTOR hire additional equipment, employ additional personnel,
1864 or work existing personnel on overtime hours to clean debris resulting from the event.
1865 CONTRACTOR shall receive additional compensation, above the normal compensation
1866 contained in this Agreement, to cover the costs of rental equipment, additional personnel,
1867 overtime hours and other documented expenses based on the rates set forth in Exhibit 1 to this
1868 Agreement provided CONTRACTOR has first secured written authorization and approval from
1869 CITY through the City Representative.

1870 ARTICLE 16. Record Keeping & Reporting Requirements

1871 16.01 Record Keeping.

1872 16.01.1 Accounting Records. CONTRACTOR shall maintain full, complete
1873 and separate financial, statistical and accounting records, pertaining to cash, billing, and
1874 provisions of all Collection Services provided under this Agreement, prepared on an accrual basis
1875 in accordance with generally accepted accounting principles. Such records shall be subject to
1876 audit and inspection. Gross Revenues derived from provision of the Collection Services shall be
1877 recorded in the accounts of CONTRACTOR. These records shall be separate from other records
1878 maintained by CONTRACTOR for the provision of other services outside the scope of this
1879 Agreement as may be provided by CONTRACTOR. CONTRACTOR shall maintain and preserve
1880 all cash, billing and disposal records for a period of not less than five (5) years following the close
1881 of each of CONTRACTOR'S fiscal years.

1882 16.01.2 Contractor Payments to CITY and to VALCORE. CONTRACTOR
1883 shall maintain records of all payments made to CITY for all items listed in Section 4.03, and all
1884 payments to VALCORE as described in Section 4.04.

1885 16.01.3 Tonnage Records. CONTRACTOR shall maintain records of the
1886 quantities of (i) Garbage, Recyclable Material, and Organic Waste collected, processed,
1887 composted, and disposed under the terms of this Agreement, and (ii) Recyclable Materials and
1888 Organic Waste, by material type, purchased, sold, donated or given for no compensation, and
1889 residue disposed.

1890 16.01.4 Records. CONTRACTOR shall maintain all other records
1891 reasonably related to provision of Collection Services, whether or not specified in this Article 16
1892 or elsewhere in the Agreement.

1893 16.02 Reporting Requirements. Quarterly reports shall be submitted to the City
1894 Representative no later than fifteen (15) calendar days after the end of the reporting quarter and
1895 annual reports shall be submitted to the City Representative no later than thirty (30) days after
1896 the end of each preceding calendar year (January through December). Quarterly and annual
1897 reports shall be submitted in hard copy, and shall be provided electronically via e-mail, or a
1898 compact disc using software acceptable to CITY. Reports shall be submitted in a format mutually
1899 agreed upon between CITY and CONTRACTOR.

1900 16.02.1 Quarterly Reports. Quarterly reports to CITY shall include:

1901 16.02.1.1 Garbage Data. The number of SFD, MFD, CITY and
1902 Commercial Service Units and the number of Garbage Bins, Carts, Debris Boxes and Compactors
1903 by size and Service Unit type. A listing of the tonnage from all Collection Services, including Bulky
1904 Waste Collection Service, collected, diverted and disposed by CONTRACTOR at the Disposal
1905 Facility for the preceding quarter sorted between SFD, MFD, Commercial and City Service Units.
1906 Tonnage allocated from Collection Services provided to CITY schools under a separate contract
1907 shall be listed out separately. All tonnage data should be compared to the corresponding tonnage
1908 data from the prior year comparable period.

1909 16.02.1.2 Recycling Data. The number of gross tons collected by
1910 material type for SFD, MFD, City and Commercial Recycling Collection Service, including
1911 Recyclable Materials collected as part of Bulky Waste Collection Service, for the preceding
1912 quarter. Indicate, by material type (and grade where appropriate), quarterly total of Recyclable
1913 Materials processed and sold including facility name and location, average price received per Ton
1914 and total Recycling Revenue received for the quarter. Indicate any quantities, by material type,
1915 donated or otherwise disbursed without compensation. Indicate quarterly totals and location for
1916 residue disposed. Tonnage allocated from Collection Services provided to CITY schools under a
1917 separate contract shall be listed separately. All tonnage data shall be compared to the
1918 corresponding tonnage data from the prior year comparable period.

1919 16.02.1.3 Organic Waste Data. The number of gross tons collected
1920 for SFD, MFD, City and Commercial Organic Collection Service, including Green Waste collected
1921 as part of Bulky Collection Service, for the preceding quarter. Indicate the number of Organic
1922 Waste Bins, Carts, Debris Boxes, Compactors, and Kitchen Food Waste Pails distributed by size
1923 and Service Unit type. Indicate quarterly totals and location for residue disposed. Tonnage
1924 allocated from Collection Services provided to CITY schools under a separate contract shall be
1925 listed separately. All tonnage data shall be compared to the corresponding tonnage data from the
1926 prior year comparable period.

1927 16.02.1.4 Diversion Rate. CONTRACTOR shall provide
1928 documentation acceptable to CITY in its sole discretion stating and supporting the calendar
1929 quarter's diversion rate, as calculated in accordance with the provisions of Article 5.

1930 16.02.1.5 Public Education and Information Activities. CONTRACTOR
1931 shall report on all public education and information activities undertaken during the period,
1932 including distribution of bill inserts, collection notification tags, community information and events,
1933 school visits, tours and other activities related to the provision of Collection Services. This report
1934 shall discuss the impact of these activities on Recycling and Organic Waste program participation
1935 and provide details of events and activities planned for the next period.

1936 16.02.1.6 AB 341 and 1826 Compliance Data. CONTRACTOR shall
1937 report the total number of Commercial and/or Multi-family Service Units serviced and the number
1938 of containers, container sizes and frequency of collection for Garbage, Recyclable Materials and
1939 Organic Waste for each of Commercial and/or Multi-family Service Unit.

1940 16.02.1.7 Processing and Marketing Data. Recycling and Organic
1941 Waste processing and marketing issues or conditions occurring during the previous quarter (such
1942 as participation, setouts, contamination, etc.) and possible solutions, discussed separately for
1943 SFD, MFD, Commercial and CITY programs.

1944 16.02.1.8 Customer Service Data. A summary narrative of praises,
1945 compliments, and problems encountered with collection and processing activities and actions
1946 taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. A
1947 copy of the customer service log, including a summary of the type and number of complaints and
1948 their resolution. Copies of a written record of all calls related to missed pickups and responses
1949 to such calls.

1950 16.02.1.9 Operational Problems and Actions Taken. Indicate
1951 instances of property damage or injury (other than property damage or injury to CONTRACTOR's
1952 property or personnel), significant changes and/or challenges in operations, and market factors.

1953 16.02.1.10 Customer Base Data. CONTRACTOR shall provide
1954 customer base data consisting of the number of SFD, MFD, and Commercial Service Units billed,
1955 and City Collection Services sorted by service type, container size, number of containers, and
1956 frequency of collection.

1957 16.02.1.11 Summary of Historical and Proposed Activities.
1958 CONTRACTOR shall provide a narrative of activities undertaken during the month and those
1959 planned or proposed for the upcoming quarter.

1960 16.02.1.12 Summary of Contractor Payments to CITY. CONTRACTOR
1961 shall report all payments made to CITY as specified in Section 4.03, and all payments made to
1962 VALCORE as specified in Section 4.04 for the reporting period, and CONTRACTOR'S Gross
1963 Revenues delineated by SFD, MFD, Commercial, and City Collection Service for the reporting
1964 period.

1965 16.02.2 Annual Reports. The annual report submitted to CITY shall include
1966 all quarterly reports in Sections 16.02.1.1 through 16.02.1.12 summarized by quarter and
1967 averaged for the calendar year. For all annual reports beginning with the report for calendar year
1968 2018, CONTRACTOR shall also include a historical comparison of the last calendar year and the
1969 average of all calendar years.

1970 16.02.2.1 Gross Revenues and Franchise Fees. A summary of the
1971 prior year's Gross Revenues and franchise fees paid broken down by SFD, MFD and Commercial
1972 Service Units.

1973 16.02.2.2 Account Data. Account data for SFD, MFD, Commercial
1974 Service Units and City Service Units including the total number of accounts serviced, and the
1975 number of accounts, account names and addresses of collection locations per each service
1976 category.

1977 16.02.2.3 Equipment Inventory. Updated complete inventory of
1978 collection and major processing equipment including stationary, rolling stock and collection
1979 containers by type and size.

1980 16.02.2.4 Container Cleanings, Replacements and Exchanges. An
1981 accounting of the number of Carts, Bins and Debris Boxes that were cleaned, replaced or
1982 exchanged during the year, and an accounting of the number of Kitchen Food Waste Pails that
1983 were delivered to SFD and MFD Service Recipients during the year.

1984 16.02.2.5 Public Education and Information Activities. Public
1985 education and information activities undertaken during the year, including distribution of
1986 newsletters, billing inserts, other notices, collection notification tags, community information and
1987 events, tours and other activities related to the provision of services.

1988 16.02.2.6 Donated Services. A listing of any services beyond the
1989 scope of this Agreement that were donated to CITY or Service Recipients.

1990 16.02.2.7 Summary of Historical and Proposed Activities.
1991 CONTRACTOR shall provide a narrative of activities undertaken during the year and those
1992 planned or proposed for the upcoming year. CONTRACTOR shall provide information describing
1993 if the activity was undertaken in the previous year or not and if not why it was added. For those
1994 activities that are not being continued, CONTRACTOR shall describe the reason the activity has
1995 been discontinued and the activity that is replacing it.

1996 16.03 Additional Reporting. CONTRACTOR shall furnish CITY with any additional
1997 reports as may reasonably be required, such reports to be prepared within a reasonable time
1998 following the reporting period. In addition, CONTRACTOR shall furnish to CITY information
1999 regarding CONTRACTOR's activities under this Agreement that is needed for CITY to prepare its
2000 reports to CalRecycle.

2001 ARTICLE 17. Nondiscrimination

2002 17.01 Nondiscrimination. In the performance of all work and services under this
2003 Agreement, CONTRACTOR shall not discriminate against any person on the basis of such
2004 person's race, sex, color, national origin, religion, marital status, age, disability or sexual
2005 orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and
2006 regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

2007 ARTICLE 18. Service Inquiries and Complaints

2008 18.01 CONTRACTOR'S Customer Service. CONTRACTOR shall at all times
2009 provide office staff and office hours, including personnel to answer phones and phone answering
2010 capabilities when CONTRACTOR'S office is closed, as specified in Article 13 of this Agreement.
2011 All service inquiries and complaints regarding CONTRACTOR's services shall be directed to
2012 CONTRACTOR. A representative of CONTRACTOR shall be available to receive the complaints
2013 during normal business hours. All service complaints will be handled by CONTRACTOR in a
2014 prompt, courteous, and efficient manner. In the case of a dispute between CONTRACTOR and
2015 a Service Recipient, the matter will be reviewed and a decision made by the City Representative.

2016 18.01.1 CONTRACTOR will utilize a customer service log to maintain a
2017 record of all inquiries and complaints in a manner prescribed by CITY.

2018 18.01.2 For those complaints related to missed Collections that are received
2019 by 12:00 noon on a Work Day, CONTRACTOR will return to the Service Unit address and collect
2020 the missed Carts or Bins before leaving the Service Area for the day. For those complaints related
2021 to missed collections that are received after 12:00 noon on a Work Day, CONTRACTOR shall
2022 have until the end of the following Work Day to resolve the complaint. For those complaints

2023 related to repair or replacement of carts or bins, the appropriate Articles of this Agreement shall
2024 apply.

2025 18.01.3 CONTRACTOR agrees that it is in the best interest of CITY that all
2026 Garbage, Recyclable Materials, and Organic Waste be collected on the scheduled collection day.
2027 Accordingly, missed Collections will normally be collected as set forth herein regardless of the
2028 reason that the collection was missed. However, in the event a Service Recipient reports missed
2029 collection service more than two (2) times in any consecutive two (2) month period the City
2030 Representative will work with CONTRACTOR to determine an appropriate resolution to that
2031 situation. In the event CONTRACTOR believes any complaint to be without merit,
2032 CONTRACTOR shall notify the City Representative by e-mail. The City Representative will
2033 investigate all disputed complaints and render a decision.

2034 ARTICLE 19. Quality of Performance of Contractor

2035 19.01 Intent. CONTRACTOR acknowledges and agrees that one of CITY'S primary
2036 goals in entering into this Agreement is to ensure that the Collection Services are of the highest
2037 caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion
2038 levels are achieved, and that materials collected are put to the highest and best use to the extent
2039 feasible.

2040 19.02 Service Supervisor. CONTRACTOR has designated a supervisor to be in charge
2041 of the Collection Service within the Service Area. At least thirty (30) calendar days prior to
2042 replacing the designated supervisor CONTRACTOR shall notify CITY in writing of the name and
2043 qualifications of the new service supervisor. CONTRACTOR shall ensure that such replacement
2044 is an individual with like qualifications and experience. The supervisor shall be available to the
2045 City Representative through the use of a mobile telephone at all times that CONTRACTOR is
2046 providing Collection Services. In the event the supervisor is unavailable due to illness or vacation,
2047 CONTRACTOR shall designate an acceptable substitute who shall be available and who has the
2048 authority to act in the same capacity as the supervisor. The service supervisor shall provide CITY
2049 with an emergency phone number where the supervisor can be reached outside of normal
2050 business hours.

2051 19.03 Liquidated Damages. The parties further acknowledge that consistent and reliable
2052 Collection Service is of utmost importance to CITY and that CITY has considered and relied on
2053 CONTRACTOR'S representations as to its quality of service commitment in awarding the
2054 Agreement to it. The parties further recognize that some quantified standards of performance are
2055 necessary and appropriate to ensure consistent and reliable service and performance. The parties
2056 further recognize that if CONTRACTOR fails to achieve the performance standards, or fails to
2057 submit required documents in a timely manner, CITY, and CITY'S residents and businesses will
2058 suffer damages and that it is and will be impractical and extremely difficult to ascertain and
2059 determine the exact amount of damages. Therefore, without prejudice to CITY'S right to treat
2060 such non-performance as an event of default under Article 24, the parties agree that the liquidated
2061 damages amount defined in this Article represent reasonable estimates of the amount of such
2062 damages considering all of the circumstances existing on the effective date of this Agreement,
2063 including the relationship of the sums to the range of harm to CITY, customers and the community
2064 as a whole that reasonably could be anticipated and the anticipation that proof of actual damages
2065 would be costly or impractical. In placing their initials at the places provided, each party
2066 specifically confirms the accuracy of the statements made above and the fact that each party has
2067 had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated
2068 damage provisions at the time that the Agreement was made.

2069 CITY Initial Here _____ CONTRACTOR Initial Here _____

2070 CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following amounts:

LIQUIDATED DAMAGES		
Item		Amount
a.	Failure or neglect to respond to each complaint by the close of the next working day.	\$100 per incident per Service Recipient.
b.	Failure to wash collection vehicles at least once per week.	\$100 per incident.
c.	Failure to have a vehicle operator properly licensed.	\$100 per incident per day.
d.	Failure to maintain office hours as required by this Agreement.	\$100 per incident per day.
e.	Failure to timely submit to CITY all payments and reports as required under the provisions of this Agreement.	\$100 per incident per day.
f.	Failure to display CONTRACTOR'S name and customer service phone number on collection vehicles.	\$100 per incident per day.
g.	Failure to collect a missed collection by close of the next Work Day upon notice to CONTRACTOR.	\$100 per incident per day.
h.	Failure to repair or replace damaged carts or bins within the time required by this Agreement.	\$100 per incident per day.
i.	Failure to deliver or exchange carts or bins within the time required by this Agreement.	\$100 per incident per day.
j.	Failure to meet vehicle noise requirements.	\$100 per incident per day.
k.	Failure to maintain collection hours as required by this Agreement.	\$250 per incident per day.
l.	Failure to have CONTRACTOR personnel in proper uniform.	\$250 per incident per day.
m.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel, after notice by CITY or the customer to CONTRACTOR.	\$500 per incident per location.
n.	Failure to repair damage to CITY property caused by CONTRACTOR or its personnel, after notice by CITY to CONTRACTOR.	\$500 per incident.

LIQUIDATED DAMAGES		
Item		Amount
o.	Failure to repair damage to City streets directly caused by CONTRACTOR beyond normal operating wear and tear, after notice by CITY to CONTRACTOR.	\$500 per incident and the actual reasonable cost of repair to CITY'S satisfaction—no cost to CITY.
p.	Failure to clean up spillage or litter caused by CONTRACTOR within two (2) hours after notice by CITY to CONTRACTOR.	\$500 per incident per location.
q.	Failure to properly cover materials in collection vehicles.	\$500 per incident.
r.	Changing residential collection days without proper notification to the City Representative.	\$500 per incident per day.
s.	Commingling material collected as Garbage with material collected as Recyclable Materials.	\$500 per incident.
t.	Disposal of Recyclable Materials or Organic Waste that has been separately collected by Contractor at a Disposal Facility without first obtaining the required permission of CITY.	\$500 per load.
u.	Failure to deliver any Collected materials to a CITY approved Disposal Facility, or to a legally permitted Materials Recovery Facility, Construction and Demolition Debris Processing Facility, or Organic Waste Processing Facility, except as otherwise expressly provided in this Agreement.	\$5,000 each failure.
v.	Commingling of materials collected inside and outside the City of Vallejo in the same collection vehicle without prior City approval.	\$1,000 per incident.
w.	Failure to meet the minimum annual diversion requirements set forth in Section 5.	The current disposal cost/ton for each ton under the diversion requirement.

2071 19.04 Procedure for Review of Liquidated Damages. The City Representative may
2072 assess liquidated damages pursuant to this Article 19 on a monthly basis. At the end of each
2073 month during the term of this Agreement, the City Representative may issue a written notice to
2074 CONTRACTOR ("Notice of Assessment") of the liquidated damages assessed and the basis for
2075 each assessment.

2076 19.04.1 The assessment shall become final unless, within thirty (30)
2077 calendar days of the date of the notice of assessment, CONTRACTOR provides a written request
2078 for a meeting with the City Representative to present evidence that the assessment should not
2079 be made.

2080 19.04.2 The City Representative shall schedule a meeting between
2081 CONTRACTOR and the City Manager or the City Manager's designee as soon as reasonably
2082 possible after timely receipt of CONTRACTOR'S request.

2083 19.04.3 The City Manager or the City Manager's designee shall review
2084 CONTRACTOR'S evidence and render a decision sustaining or reversing the liquidated damages
2085 as soon as reasonably possible after the meeting. Written notice of the decision shall be provided
2086 to CONTRACTOR.

2087 19.04.4 In the event CONTRACTOR does not submit a written request for
2088 a meeting within thirty (30) calendar days of the date of the Notice of Assessment, the City
2089 Representative's determination shall be final and CONTRACTOR shall submit payment to CITY
2090 no later than fifteen (15) calendar days following final determination. Alternatively, at the sole
2091 option of CITY, if monies are owed to CONTRACTOR, CITY may deduct the liquidated damages
2092 from amounts otherwise due to CONTRACTOR.

2093 19.04.5 CITY'S assessment or collection of liquidated damages shall not
2094 prevent CITY from exercising any other right or remedy, including the right to terminate this
2095 Agreement, for CONTRACTOR'S failure to perform the work and services in the manner set forth
2096 in this Agreement.

2097 19.05 Lockouts. Because it is the intent of this Agreement that CONTRACTOR shall
2098 consistently provide the highest level of services to the residents of Vallejo, CONTRACTOR shall
2099 never institute a lockout of any or all of its employees unless CONTRACTOR has previously
2100 provided to CITY an alternate plan of continuing the highest level of services during the
2101 reasonably foreseeable period of such a lockout with ample fully trained substitutes for all such
2102 locked out employees, and CITY has approved such alternate plan in writing prior to such lockout
2103 being instituted by CONTRACTOR. In addition, CONTRACTOR shall fully defend, indemnify and
2104 hold harmless CITY against anything whatsoever related to any such lockout to the extent and as
2105 provided in Article 23 hereof, including but not limited to any claims, proceedings, or suits against
2106 CITY relating to any such lockout. Compliance with this Section 19.05 shall in no way prevent
2107 the imposition of liquidated damages pursuant to Sections 19.03 and 19.04 hereof if
2108 CONTRACTOR fails to meet the standards or violates any provision as set forth in Section 19.03
2109 a. through w. hereof.

2110 **ARTICLE 20. Billing Audit and Performance Reviews**

2111 20.01 Billing Audit and Performance Reviews

2112 20.01.1 Selection and Cost. CITY may conduct billing audit and
2113 performance reviews ("reviews") of CONTRACTOR'S performance during the term of this
2114 Agreement. The reviews will be performed by a qualified firm under contract to CITY. CITY shall
2115 have the final responsibility for the selection of the firm but may seek and accept comments and
2116 recommendations from CONTRACTOR. CITY may conduct unlimited billing audit and
2117 performance reviews at any time during the Agreement, but CONTRACTOR shall only be
2118 obligated to pay the cost of the billing audit and performance review described in Section 2.03, if
2119 such a review is conducted at CITY's sole option after CONTRACTOR has requested a term
2120 extension. For that review, CONTRACTOR will be responsible for a maximum cost of **Eighty**
2121 **Thousand Dollars (\$80,000)**.

2122 20.01.2 Purpose. The reviews shall be designed to verify that customer
2123 billing rates have been properly calculated and they correspond to the level of service received
2124 by the customer, verify that Franchise Fees, and other fees required under this Agreement have

2125 been properly calculated and paid to CITY, verify CONTRACTOR'S compliance with the reporting
 2126 requirements and performance standards of the Collection Service Agreement, and verify the
 2127 diversion percentages reported by CONTRACTOR. CITY (or its designated consultant) may
 2128 utilize a variety of methods in the execution of the performance review and billing audit, including
 2129 analysis of relevant documents, on-site and field observations, and interviews. CITY (or its
 2130 designated consultant) will review and document the items in the Agreement that require
 2131 CONTRACTOR to meet specific performance standards, submit information or reports, perform
 2132 additional services, or document operating procedures, that can be objectively evaluated. This
 2133 information will be formatted in a "compliance checklist" with supporting documentation and
 2134 findings tracked for each of the identified items. The review will specifically include a determination
 2135 of CONTRACTOR's compliance with the diversion requirements of Article 5, and the public
 2136 outreach and education requirements of Article 14. CITY (or its designated consultant) may review
 2137 the customer service functions and structure utilized by CONTRACTOR. This may include
 2138 CONTRACTOR's protocol for addressing customer complaints and service interruption
 2139 procedures. Complaint logs may be reviewed, along with procedures and systems for tracking
 2140 and addressing complaints. On-site and field observations by CITY (or its designated consultant)
 2141 may include, but are not necessarily limited to:

2142 20.01.2.1 Interviews and discussions with Contractor's administration
 2143 and management personnel;

2144 20.01.2.2 Review and observation of Contractor's customer service
 2145 functions and structure;

2146 20.01.2.3 Review of public education and outreach materials;

2147 20.01.2.4 Interviews and discussions with Contractor's financial and
 2148 accounting personnel;

2149 20.01.2.5 Interviews with route dispatchers, field supervisors and
 2150 managers;

2151 20.01.2.6 Interviews with route drivers;

2152 20.01.2.7 Interviews with vehicle maintenance staff and observation
 2153 of maintenance practices; and

2154 20.01.2.8 Review of on-route collection services, including
 2155 observation of driver performance and collection productivity and visual inspection of residential
 2156 routes before and after collection to evaluate cart placement and cleanliness of streets.

2157 20.01.3 CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate
 2158 fully with the review and provide all requested data, including operational data, financial data and
 2159 other data reasonably requested by CITY within thirty (30) Work Days.

2160 20.01.4 Additional Billing Audit and Performance Review. In the event that
 2161 the Billing Audit and Performance Review concludes that CONTRACTOR is not in compliance
 2162 with all terms and conditions of this Agreement and such non-compliance is material, CITY may
 2163 conduct an Additional Billing Audit and Performance Review to ensure that CONTRACTOR has
 2164 cured any such area of non-compliance. CONTRACTOR shall be responsible for the cost of any
 2165 such Additional Billing Audit and Performance Review, subject to the maximum in Section
 2166 20.01.1.

2167 20.02 City Requested Program Review. CITY reserves the right to require
 2168 CONTRACTOR to periodically conduct reviews of the SFD and MFD and Commercial Garbage,

2169 Recyclable Materials, and Organic Waste collection programs, provided that such reviews are
2170 reasonable and can be accomplished at no additional cost to CONTRACTOR and without
2171 interfering with CONTRACTOR's operations. Such reviews could assess one or more of the
2172 following performance indicators: average volume of recyclable materials per setout per
2173 customer, average volume of green waste and/or food scraps per setout per customer,
2174 participation level, contamination levels, etc. Prior to the program evaluation review, CITY and
2175 CONTRACTOR shall meet and discuss the purpose of the review and agree on the method,
2176 scope, and data to be provided by CONTRACTOR.

2177 20.03 Cooperation with Other Program Reviews. If CITY wants to collect program data,
2178 perform field work, conduct route audits to investigate customer participation levels and setout
2179 volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials
2180 and Organic Waste collected in CITY by CONTRACTOR, CONTRACTOR shall cooperate with
2181 CITY or its agent(s) as reasonably requested by CITY, provided that such cooperation can be
2182 accomplished at no additional cost to CONTRACTOR and without interfering with
2183 CONTRACTOR's operations.

2184 ARTICLE 21. Performance Bond

2185 21.01 Performance Bond. A performance bond must be furnished by CONTRACTOR
2186 within fifteen (15) calendar days of notification to CONTRACTOR that the Agreement has been
2187 executed. CONTRACTOR shall furnish to CITY, and keep current, a performance bond in a form
2188 with language that is reasonably acceptable to CITY, for the faithful performance of this
2189 Agreement and all obligations arising hereunder in an amount of **Three Million Dollars**
2190 **(\$3,000,000).**

2191 21.02 Renewal. Beginning October 1, 2016, and each October 1st thereafter,
2192 CONTRACTOR shall have the performance bond renewed annually and be executed by a surety
2193 company that is an admitted surety company licensed to do business in the State of California
2194 and has an "A:VII" or better rating by A. M. Best or Standard and Poors, or that is otherwise
2195 acceptable to CITY.

2196 21.03 Letter of Credit. As an alternative to the performance bond required by Section
2197 21.01, at CITY'S option, CONTRACTOR may deposit with CITY an irrevocable letter of credit in
2198 an amount as set forth in Section 21.01. If allowed, the letter of credit must be issued by an FDIC
2199 insured banking institution chartered to do business in the State of California, in CITY'S name,
2200 and be callable at the discretion of CITY. Nothing in this Article shall, in any way, obligate CITY
2201 to accept a letter of credit in lieu of the performance bond.

2202 ARTICLE 22. Insurance

2203 22.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term
2204 of this Agreement insurance against claims for injuries to persons or damages to property, which
2205 may arise from or in connection with CONTRACTOR'S performance of work or services under
2206 this Agreement. CONTRACTOR'S performance of work or services shall include performance by
2207 CONTRACTOR'S employees, agents, representatives and subcontractors.

2208 22.02 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

2209 22.02.1.1 Commercial General Liability: Insurance Services Office
2210 (ISO) Occurrence Form CG 0001 or its equivalent, or, if approved by CITY, Claims Made Form

2211 No. CG0 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, or its
2212 equivalent, code 1 "any auto".

2213 22.02.2 Workers' Compensation Insurance as required by the State of
2214 California and Employers Liability Insurance.

2215 22.02.3 Hazardous Waste and Environmental Impairment Liability
2216 Insurance.

2217 22.03 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no
2218 less than:

2219 22.03.1 Commercial General Liability: **Five Million Dollars (\$5,000,000)**
2220 combined single limit per occurrence, **Ten Million Dollars (\$10,000,000.00)** annual aggregate;
2221 including products and completed operations coverage.

2222 22.03.2 Automobile Liability: **Three Million Dollars (\$3,000,000)** combined
2223 single limit per accident for bodily injury and property damage.

2224 22.03.3 Workers' Compensation and Employers Liability: Workers'
2225 Compensation insurance as required by the State of California, with statutory limits, and
2226 Employers Liability insurance with limits of **One Million Dollars (\$1,000,000)** per accident.

2227 22.03.4 Hazardous Waste and Environmental Impairment Liability: **Ten**
2228 **Million Dollars (\$10,000,000.00)** per occurrence, **Twenty Million Dollars (\$20,000,000)** policy
2229 aggregate covering liability arising from the release of waste materials and/or irritants,
2230 contaminants or pollutants. Such coverage shall, if commercially available without involvement of
2231 CITY, automatically broaden in its form of coverage to include legislated changes in the definition
2232 of waste material and/or irritants, contaminants or pollutants.

2233 22.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention
2234 must be declared to, and approved by, CITY. CITY shall not withhold approval of any Deductible
2235 or Self-Insured Retention amounts where CONTRACTOR can demonstrate a successful history
2236 of adequately funding such Deductibles or Self-Insured Retention amounts on a regular basis.

2237 22.05 Endorsements. The liability policies are to contain, or be endorsed to contain, the
2238 following provisions:

2239 22.05.1 CITY, its officers, employees, agents and volunteers are to be
2240 covered as additional insureds with respect to liability arising out of automobiles owned, leased,
2241 hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of
2242 CONTRACTOR; liability arising out of work or operations performed by or on behalf of
2243 CONTRACTOR, including material parts or equipment furnished in connection with such work or
2244 operations; and with respect to Hazardous Waste, Pollution and/or Environmental Impairment
2245 Liability.

2246 22.05.2 CONTRACTOR'S insurance coverage (except for Workers'
2247 Compensation) shall be primary insurance as respects CITY, its officers, officials, employees,
2248 agents and volunteers. Any insurance or self-insurance maintained by CITY, its officers, officials,
2249 employees, agents or volunteers shall be excess of CONTRACTOR'S insurance and shall not
2250 contribute with it.

2251 22.05.3 CONTRACTOR'S insurance shall apply separately to each insured
2252 against whom claim is made or suit is brought, except with respect to the limits of the insurer's
2253 liability, and except for Workers' Compensation cover.

2254 22.05.4 The Automobile Liability policy shall be endorsed to delete the
2255 Pollution and/or the Asbestos exclusion, or documentation shall be provided that CONTRACTOR
2256 carries environmental pollution liability coverage for Solid Waste transported by CONTRACTOR.
2257 The Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement
2258 (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

2259 22.06 Waiver of Subrogation CONTRACTOR hereby agrees to waive subrogation
2260 against CITY which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of
2261 the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be
2262 necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be
2263 endorsed with a waiver of subrogation in favor of CITY for all work performed by CONTRACTOR,
2264 its employees, agents and subcontractors.

2265 22.07 Cancellation. Each insurance policy required by this clause shall be occurrence-
2266 based or an alternate form as approved by CITY and endorsed to state that coverage shall not
2267 be suspended, voided, cancelled by either party, reduced in coverage or limits except after thirty
2268 (30) days' prior written notice by certified mail, return receipt requested, has been given to CITY.

2269 Any failure to comply with reporting provisions of the policies shall not affect
2270 CONTRACTOR'S obligations to CITY, its officers, officials, employees, agents or volunteers.

2271 22.08 Claims Made Coverage. If General Liability or Hazardous Waste and
2272 Environmental Impairment Liability coverage is written on a claims-made form:

2273 1. The "Retro Date" must be shown, and must be before the date of the contract or
2274 the beginning of contract work.

2275 2. Insurance must be maintained and evidence of insurance must be provided for at
2276 least five (5) years after completion of the contract of work

2277 3. If coverage is canceled or non-renewed, and not replaced with another claims-
2278 made policy form with a "Retro Date" prior to the contract effective date, CONTRACTOR
2279 must purchase "extended reporting" coverage for a minimum of five (5) years after
2280 completion of contract work.

2281 4. A copy of the claims reporting requirements must be submitted to CITY for review.

2282 22.09 Acceptability of Insurers. Insurance is to be placed with insurers admitted to
2283 transact business in California with a current A.M. Best's rating of no less than A:VII. If pollution
2284 and/or Environmental Impairment and/or errors and omission coverage are not available from an
2285 admitted insurer, the coverage may be written with CITY's permission, by a non-admitted
2286 insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher

2287 22.10 Verification of Coverage. CONTRACTOR shall furnish CITY with original
2288 certificates and amendatory endorsements effecting coverage required by this clause. All
2289 certificates and endorsements are to be received and approved by CITY before work commences.
2290 However, failure to obtain the required documents prior to the work beginning shall not waive
2291 CONTRACTOR's obligation to provide them. CITY reserves the right to require complete,
2292 certified copies of all required insurance policies, including endorsements required by these
2293 specifications, at any time.

2294 22.11 Subcontractors. CONTRACTOR shall include all subcontractors as insureds
2295 under its policies or require and verify that all subcontractors maintain insurance meeting all the
2296 requirements of this contract.

2297 22.11.1 Proof of insurance shall be mailed to the following address or any
2298 subsequent address as may be directed in writing by CITY.

2299 City Representative or His/Her Designee
2300 Vallejo City Hall
2301 555 Santa Clara Street
2302 Vallejo, CA 94590
2303

2304 22.12 Modification of Insurance Requirements. The insurance requirements provided in
2305 this Agreement may be modified or waived by CITY, in writing, upon the request of
2306 CONTRACTOR, if CITY determines such modification or waiver is in the best interest of CITY
2307 considering all relevant factors, including exposure to CITY.

2308 ARTICLE 23. Indemnification

2309 23.01 Indemnification of CITY. CONTRACTOR shall defend, with counsel reasonably
2310 acceptable to CITY, indemnify and hold harmless, to the fullest extent allowed by law, CITY, its
2311 officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from
2312 and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings
2313 or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to
2314 and death of any person and damage to property, or for contribution or indemnity claimed by third
2315 parties) (collectively, "Loss") arising or resulting from: (i) the operation of CONTRACTOR, its
2316 agents, employees, and/or subcontractors, in exercising the privileges granted to it by this
2317 Agreement; (ii) the failure of CONTRACTOR, its agents, employees, and/or subcontractors to
2318 comply in all respects with the provisions and requirements of this Agreement, applicable laws,
2319 ordinances and regulations, and/or applicable permits and licenses; and (iii) the acts of
2320 CONTRACTOR, its agents, employees, and/or subcontractors in performing services under this
2321 Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply
2322 regardless of whether such Loss is also caused in part by any of the Indemnitees' negligence.

2323 23.02 The Losses indemnifiable under the foregoing indemnity may include, but are not
2324 limited to, Losses arising out of or resulting from the following:

2325 23.02.1 Personal injury (including, but not limited to, bodily injury, emotional
2326 injury or distress, sickness, or disease) or death to persons, including, but not limited to, any
2327 employees or agents of CONTRACTOR, CITY, or any subcontractor, or damage to property of
2328 anyone, caused or alleged to be caused in whole or in part by any negligent act or omission of
2329 CONTRACTOR, or anyone directly or indirectly employed by CONTRACTOR, or anyone for
2330 whose acts CONTRACTOR may be liable;

2331 23.02.2 Penalties threatened, sought, or imposed on or against CITY by
2332 reason of the violation by CONTRACTOR of any law, order, citation, rule, regulation, standard,
2333 ordinance, or statute;

2334 23.02.3 Alleged infringement of any intellectual property rights which may
2335 be brought arising out of CONTRACTOR's work;

2336 23.02.4 Claims and liens for labor performed or materials used or furnished
2337 to be used on the job by CONTRACTOR, including all incidental or consequential damages from
2338 such claims or liens;

2339 23.02.5 CONTRACTOR's failure to fulfill any of the covenants set forth in
2340 the Agreement;

2341 23.02.6 Failure of CONTRACTOR to comply with the provisions of the
2342 Agreement relating to insurance; and,

2343 23.02.7 Any violation or infraction by CONTRACTOR of any law, order,
2344 citation, rule, regulation, standard, ordinance, or statute in any way relating to the occupational,
2345 health, or safety of employees.

2346 The indemnities set forth in this Section shall not be limited by the insurance requirements
2347 set forth in the Agreement.

2348 CONTRACTOR's indemnification of Indemnitees will not include indemnification for
2349 Losses which arise as the result of the active negligence of Indemnitees, or the sole negligence
2350 or willful misconduct of Indemnitees.

2351 23.03 CONTRACTOR's obligation to defend, hold harmless, and indemnify shall not be
2352 excused because of CONTRACTOR's inability to evaluate liability or because CONTRACTOR
2353 evaluates liability and determines that CONTRACTOR is not liable to the claimant.
2354 CONTRACTOR must respond within thirty (30) days to the tender of a claim for defense and
2355 indemnity by CITY, unless this time has been extended by CITY. If CONTRACTOR fails to accept
2356 or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy
2357 authorized by law, CITY may retain so much of the money due CONTRACTOR by virtue of this
2358 Agreement as shall reasonably be considered necessary by CITY, to cover all anticipated costs
2359 of the claim until final disposition has been made on the claim or suit for damages, or until
2360 CONTRACTOR accepts or rejects the tender of defense, whichever occurs first.

2361 With respect to third party claims against CONTRACTOR indemnifiable under Section
2362 23.01, CONTRACTOR waives any and all rights of any type to express or implied indemnity
2363 against the Indemnitees.

2364 23.04 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify,
2365 defend with counsel reasonably acceptable to the CITY, and hold harmless the Indemnitees from
2366 and against all claims, damages (including but not limited to special, consequential, natural
2367 resources and punitive damages), injuries, hazardous materials response, remediation and
2368 removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative
2369 proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and
2370 expenses (including but not limited to attorney's and expert witness fees and costs incurred in
2371 connection with defending against any of the foregoing or enforcing this indemnity) of any kind
2372 whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials,
2373 employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to
2374 any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial,
2375 response, closure or other plan (regardless of whether undertaken due to governmental action)
2376 concerning any Hazardous Waste released, threatened to be released, or spilled by
2377 CONTRACTOR under this Agreement, or disposed of by CONTRACTOR under this Agreement
2378 at any facility owned by CONTRACTOR or any of its affiliates. The foregoing indemnity is
2379 intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section
2380 9607(c) and California Health and Safety Code Section 25364, to defend, hold harmless and
2381 indemnify the CITY from liability.

2382 23.05 CalRecycle Diversion Goals. Notwithstanding any Liquidated Damages as may be
2383 assessed by CITY under Article 19 for CONTRACTOR'S failure to meet its Diversion
2384 Requirements as specified in Article 5, CONTRACTOR agrees to indemnify, hold harmless, and
2385 defend CITY, with counsel selected by CONTRACTOR and reasonably acceptable to CITY, from
2386 and against all fines or penalties imposed by the California Department of Resources Recycling

2387 and Recovery ("CalRecycle") due to CITY's failure to meet the mandated diversion goals specified
2388 in California Public Resources Code Section 41780 (and as may be as amended from time to
2389 time) with respect to the materials Collected by CONTRACTOR, if and to the extent the failure to
2390 meet such goals results from the failure of CONTRACTOR to perform its obligations under this
2391 Agreement. .

2392 23.06 Proposition 218 Indemnification. CONTRACTOR shall defend, with counsel
2393 reasonably acceptable to the CITY, indemnify and hold harmless CITY from and against all
2394 claims, actual damages (including, but not limited to, special and consequential damages), natural
2395 resources damages, punitive damages, injuries, costs, response, remediation and removal costs,
2396 losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative
2397 proceedings, interest, fines, charges, penalties and expenses (including, but not limited to,
2398 reasonable attorney's fees and expert witness fees and costs) (collectively, "Damages") arising
2399 out of or resulting from third-party claims alleging that CITY's rate-setting process violated
2400 Proposition 218, but only if and to the extent such claims (i) allege that CONTRACTOR'S direct
2401 operational cost of providing Collection Services under this Agreement (as distinct from any fees,
2402 costs or similar expenses payable to CITY or third parties hereunder) constituted a violation of
2403 Proposition 218, and (ii) result from CONTRACTOR's provision of materially incorrect information
2404 to CITY, and consistent with California Public Resources Code Section 40059.2.

2405 CITY shall fully cooperate with CONTRACTOR at no cost or expenses to
2406 CONTRACTOR in defending such alleged violations.

2407 CITY shall indemnify and hold CONTRACTOR harmless from and against any and
2408 all Damages to the extent those Damages arise out of or result from a determination or third-
2409 party-claim that the violation of Proposition 218 resulted from fees, costs or similar expenses that
2410 are payable to CITY or third parties hereunder (as distinct from the direct operational cost of
2411 providing Collection Services) and are included in rates or any rate increase hereunder.

2412 23.07 Consideration. It is specifically understood and agreed that the consideration
2413 inuring to CONTRACTOR for the execution of this Agreement consists of the promises, payments,
2414 covenants, rights and responsibilities contained in this Agreement.

2415 23.08 Obligation. The execution of this Agreement by CONTRACTOR shall obligate
2416 CONTRACTOR to comply with the foregoing indemnification provisions; however, the collateral
2417 obligation of providing insurance must also be fully complied with as set forth in Article 22 above.

2418 23.09 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors
2419 cause any damage or loss to CITY property, including but not limited to CITY streets or curbs,
2420 other than as a result of ordinary wear and tear, then CONTRACTOR shall repair such property
2421 to the reasonable satisfaction of CITY, at CONTRACTOR's sole cost and expense. If
2422 CONTRACTOR fails to do so within a reasonable period after CITY notifies CONTRACTOR of
2423 the damage or loss, then CITY may effect the repair, and CONTRACTOR shall reimburse CITY
2424 for CITY'S reasonable cost of repairing such damage or loss. Such reimbursement is not in
2425 derogation of any right of CITY to be indemnified by CONTRACTOR for any such damage or loss.

2426 ARTICLE 24. Default of Agreement

2427 24.01 Termination. CITY may terminate this Agreement by giving CONTRACTOR thirty
2428 (30) calendar days advance written notice, to be served as provided in Article 41, upon the
2429 happening of any one of the following events. The termination right in this Section is in addition
2430 to the termination rights provided for elsewhere in this Article 24.

2431 24.01.1 CONTRACTOR takes the benefit of any present or future
2432 insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary
2433 petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization
2434 or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law
2435 or statute of the United States or any state thereof, or consents to the appointment of a receiver,
2436 trustee or liquidator of all or substantially all of its property; or

2437 24.01.2 By order or decree of a Court, CONTRACTOR is adjudged bankrupt
2438 or an order has been made approving a petition filed by any of its creditors or by any of the
2439 stockholders of CONTRACTOR, seeking its reorganization or the readjustment of its
2440 indebtedness under the Federal bankruptcy laws or under any law or statute of the United States
2441 or of any state thereof, and such judgment or order is not stayed or vacated within sixty (60)
2442 calendar days after the entry thereof; or

2443 24.01.3 By, or pursuant to, or under the authority of any legislative act,
2444 resolution or rule or any order or decree of any Court or governmental board, agency or officer
2445 having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or
2446 substantially all of the property of CONTRACTOR, and such possession or control continues in
2447 effect for a period of sixty (60) calendar days; or

2448 24.01.4 CONTRACTOR defaults, by failing or refusing to pay in a timely
2449 manner the liquidated damages or other monies due CITY and said default is not cured within
2450 thirty (30) calendar days of receipt of written notice by CITY to do so; or

2451 24.01.5 CONTRACTOR defaults, by failing or refusing to perform or
2452 observe its obligations under this Agreement, and said default is not cured within thirty (30)
2453 calendar days of receipt of written notice by CITY to do so. If by reason of the nature of such
2454 default, the same cannot be remedied within thirty (30) calendar days following receipt by
2455 CONTRACTOR of written demand from CITY to do so, then the cure period shall be extended for
2456 such additional period as is reasonably required to cure the default, provided that CONTRACTOR
2457 commences the remedy of such default within said thirty (30) calendar days following such written
2458 notice, and having so commenced thereafter continues with diligence the curing thereof. In any
2459 dispute concerning failure to commence remedying a default or diligence in pursuing a cure,
2460 CONTRACTOR shall have the burden of proof to demonstrate (a) that the default cannot be cured
2461 within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default,
2462 and such default will be cured within a reasonable period of time.

2463 24.02 Temporary Possession of CONTRACTOR's Equipment. Notwithstanding anything
2464 contained herein to the contrary, if CONTRACTOR fails to provide Collection Services for a period
2465 of three (3) consecutive Work Days, on the fourth (4th) Work Day CITY may take possession of
2466 CONTRACTOR'S equipment, customer account and service records, and other property used in
2467 providing Collection Services under this Agreement in order to provide interim Collection Services
2468 until such time as CONTRACTOR is again able to perform Collection Services pursuant to this
2469 Agreement; provided, however, if CONTRACTOR is unable for any reason or cause to resume
2470 performance of Collection Service at the end of thirty (30) consecutive calendar days of
2471 nonperformance of Collection Services, then this Agreement may be terminated by CITY upon
2472 written notice to CONTRACTOR, and CITY may retain possession of such equipment, records
2473 and other property used in providing Collection Services on an interim basis until CITY has made
2474 other suitable arrangements for the provision of Collection Services, which may include award of
2475 an agreement to another contractor. Notwithstanding any other provision in this Agreement to
2476 the contrary, CITY's right to take interim possession of, or make use of, any of CONTRACTOR's
2477 equipment, including, without limitation, vehicles, Carts, Bins and containers, shall not allow CITY

2478 to assign ownership of such vehicles, Carts, Bins and containers to another contractor, and CITY
2479 acknowledges that CONTRACTOR'S lender has a security interest in such equipment. In
2480 addition, notwithstanding any other provision of this Agreement to the contrary, CITY's right to
2481 take possession of such equipment, records and other property shall be limited to one hundred
2482 eighty (180) days after the effective date of termination of this Agreement. After such time, such
2483 assets shall be returned to CONTRACTOR or, if the parties mutually agree, CITY shall pay a
2484 reasonable monthly rent to CONTRACTOR for CITY's use of the equipment.

2485 24.03 Diversion Not Default. Notwithstanding the foregoing or any other provision of this
2486 Agreement to the contrary, CONTRACTOR's failure to meet the 50% diversion requirement set
2487 forth in Article 5 shall not be a default entitling CITY to terminate this Agreement (it being
2488 understood that CITY shall have the remedies set forth in Article 2 (term extension) and Article
2489 19 (liquidated damages) with respect to any such failure).

2490 24.03.1 In the event that the Agreement is terminated, CONTRACTOR shall
2491 furnish CITY with immediate access to all of its business records related to its customer and billing
2492 accounts for collection services.

2493 24.04 Violations. Notwithstanding the foregoing and as supplemental and additional
2494 means of termination of this Agreement under this Article, in the event that CONTRACTOR'S
2495 record of performance shows that CONTRACTOR has frequently, regularly or repetitively
2496 defaulted in providing Collection Services, and after written default notices from CITY has not
2497 timely cured such defaults within the applicable cure periods set forth in Section 24.01.5, CITY in
2498 its sole discretion may determine that CONTRACTOR is a "habitual violator", in which case
2499 CONTRACTOR shall be deemed to have waived the right to any further notice or grace period to
2500 correct any subsequent default. CITY shall thereupon issue CONTRACTOR a final warning citing
2501 the circumstances for such determination, and any single default by CONTRACTOR of whatever
2502 nature, subsequent to CONTRACTOR's receipt of such warning, shall be grounds for immediate
2503 termination of the Agreement. In the event of any such subsequent default, CITY may terminate
2504 this Agreement upon giving of final written notice to CONTRACTOR, such termination to be
2505 effective upon the date specified in CITY'S written notice to CONTRACTOR, and all contractual
2506 fees due hereunder plus any and all charges and interest shall be payable to said date, and
2507 CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in
2508 such final notice CONTRACTOR shall proceed to cease any further performance under this
2509 Agreement.

2510 24.05 Effective Date. In the event of the aforesaid events specified above, and except
2511 as otherwise provided in said subsections, termination shall be effective upon the date specified
2512 in CITY'S written notice to CONTRACTOR and upon said date this Agreement shall be deemed
2513 immediately terminated, and CITY shall have the right to call the performance bond and shall be
2514 free to negotiate with other contractors for the operation of the herein specified services.

2515 24.06 Immediate Termination. CITY may terminate this Agreement immediately upon
2516 written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the
2517 performance bond as required by this Agreement, or if CONTRACTOR fails to obtain or maintain
2518 insurance policies endorsements as required by this Agreement, or if CONTRACTOR offers or
2519 gives any gift to any elected official, appointed officer or employee of CITY, or any relative or
2520 spouse of such elected official, appointed officer or employee. For purposes of this Section, "gift"
2521 shall be defined as set forth in California Government Code Section 82028 and the regulations of
2522 the Fair Political Practices Commission at 2 C.C.R Sec 18940 et seq. as may be amended from
2523 time to time.

2524 24.07 Termination Cumulative. CITY'S right to terminate this Agreement is cumulative
2525 to any other rights and remedies provided by law or by this Agreement.

2526 24.08 Force Majeure. Notwithstanding any other provision of this Agreement to the
2527 contrary, a party shall be excused from performing its obligations hereunder in the event it is
2528 prevented from so performing by reason of any acts of God, such as landslides, lightning, fires,
2529 storms, floods, pestilence, freezing, and earthquakes; explosions, power outages, sabotage, civil
2530 disturbances, acts of a public enemy, wars, blockades, riots, or other industrial disturbances,
2531 eminent domain, condemnation or other taking, or other events of a similar nature, not caused or
2532 maintained by such party, which event is not reasonably within the control of the party claiming
2533 the excuse from its obligations due to such event, to the extent such event has a significant and
2534 material adverse effect on the ability of the party to perform its obligations thereunder. Force
2535 Majeure shall not include fuel shortages, strikes, work stoppage or slowdown, sickout, lockout,
2536 picketing or other concerted job action conducted by CONTRACTOR'S employees or directed at
2537 CONTRACTOR or any of its subcontractors. Force Majeure shall include a Change in Law to the
2538 extent such Change in Law prohibits a party's performance hereunder. Notwithstanding the
2539 foregoing, (i) no failure of performance by any subcontractor of CONTRACTOR shall be a Force
2540 Majeure unless such failure was itself caused by a Force Majeure; (ii) except as provided herein,
2541 no event which merely increases CONTRACTOR'S cost of performance shall be a Force Majeure;
2542 and (iii) no event, the effects of which could have been prevented by reasonable precautions,
2543 including compliance with agreements and applicable laws, shall be a Force Majeure.

2544 24.09 Specified Default. If CONTRACTOR commits a Specified Default (as defined
2545 below), then CONTRACTOR shall not be eligible for an extension of the term of this Agreement
2546 pursuant to Section 2.02. For purposes of this Section 24.09, a "Specified Default" means (i) any
2547 of the defaults specified in items (a) through (g) below, which is not cured within thirty (30)
2548 calendar days of CONTRACTOR's receipt of a written demand by CITY to do so, which demand
2549 specifies that the default, if uncured, will result in a Specified Default under this Section 24.09, or
2550 (ii) any of the defaults specified in items (h) through (j) below are deemed non-curable and will
2551 result in CONTRACTOR not being eligible for an extension of the term of the Agreement pursuant
2552 to Section 2.02.

2553 (a) Failure to submit a quarterly report or an annual report by the date specified in
2554 Section 16.02.

2555 (b) Failure to pay the Franchise Fee, or other CITY fees required to be paid under
2556 Section 4.03, by the date specified in Section 4.03.

2557 (c) Failure to pay CITY (or CITY's consultant, if so requested by CITY) for the cost of a
2558 performance review required to be paid by CONTRACTOR under Section 20.01.1 (and subject
2559 to the maximum in such section) within thirty (30) days of receipt of an invoice therefor from CITY
2560 or CITY's consultant, containing reasonable detail about charges incurred and time spent on the
2561 review.

2562 (d) Failure to replace carts, bins and trucks in accordance with the replacement schedule
2563 set forth in Exhibit 6 (as may be adjusted pursuant to Section 12.04), other than a failure resulting
2564 from failure by a manufacturer or supplier to deliver equipment on the schedule agreed with
2565 CONTRACTOR.

2566 (e) Failure to repair damage caused by CONTRACTOR to customer property or CITY
2567 streets, other than as a result of ordinary wear and tear, within ninety (90) days of written notice
2568 to CONTRACTOR by CITY.

2569 (f) More than one (1) documented incident in any calendar year of CONTRACTOR
2570 failing to comply with applicable federal, state or local clean-air standards in the performance of
2571 this Agreement.

2572 (g) Failure to provide a Waste Zero Specialist position having the duties set forth in
2573 Section 14.02.

2574 (h) Receipt at City Hall of more than ten (10) complaints from different customers in any
2575 calendar quarter regarding CONTRACTOR's performance hereunder, provided that the
2576 complaints represent actual "performance lapses" (i.e. breaches of this Agreement) by
2577 CONTRACTOR, and CONTRACTOR fails to remedy the performance lapse within thirty (30) days
2578 after receiving the complaint.

2579 (i) Final assessment under Article 19 of more than ten thousand dollars (\$10,000) in
2580 liquidated damages against CONTRACTOR resulting from incidents of performance lapses
2581 occurring in any calendar year, other than liquidated damages for failure to meet diversion
2582 requirements.

2583 (j) More than twenty-four (24) documented incidents in any calendar year of
2584 CONTRACTOR operating a collection vehicle on CITY streets that exceeds by more than one
2585 thousand (1,000) pounds the maximum weight allowed under the California Vehicle Code for such
2586 vehicle, unless CONTRACTOR is permitted to do so by CITY.

2587 ARTICLE 25. Modifications to the Agreement

2588 25.01 Agreement Modifications and Changes in Law. CITY and CONTRACTOR
2589 understand and agree that the California Legislature has the authority to make comprehensive
2590 changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and
2591 other Changes in Law in the future which mandate certain actions or programs for counties or
2592 municipalities may require changes or modifications in some of the terms, conditions or
2593 obligations under this Agreement. CONTRACTOR agrees that the terms and provisions of the
2594 Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the
2595 provisions of this Agreement and the Service Recipients of CONTRACTOR located within the
2596 Service Area; provided, however that CITY will not amend the Municipal Code in a way that is
2597 inconsistent with the Agreement unless compelled to do so by federal or state law. In the event
2598 any future Change in Law, including state or federally mandated modifications to CITY Municipal
2599 Code, materially alters the rights or obligations of CONTRACTOR or the services to be provided
2600 by CONTRACTOR in a manner that results in CONTRACTOR incurring increased operating costs
2601 or decreased revenues not covered by adjustments to Maximum Service Rates as provided for in
2602 Section 4.02 hereunder, then Maximum Service Rates as otherwise established under this
2603 Agreement shall be adjusted as provided in Section 4.02.3. Nothing contained in this Agreement
2604 shall require any party to perform any act or function contrary to law. CITY and CONTRACTOR
2605 agree to enter into good faith negotiations regarding modifications to this Agreement, which may
2606 be required in order to implement a Material Change in Law, and a reasonable and appropriate
2607 compensation adjustment for any increased costs or decreased revenues to CONTRACTOR due
2608 to the Material Change in Law. CITY and CONTRACTOR shall not unreasonably withhold
2609 agreement to any compensation adjustment that is consistent with Section 4.02.3.

2610 25.01.1 Compensation Adjustments. In the event of a Material Change in
2611 Law, CONTRACTOR shall provide CITY with a written rate increase request for additional
2612 compensation to CONTRACTOR arising from the Material Change in Law. If the proposed rate
2613 increase exceeds three percent (3%) and CITY does not agree with such rate increase, then

2614 either party, in addition to negotiating with the other party, may submit the matter to non-binding
2615 mediation upon the terms and conditions in Section 25.05.

2616 25.02 City-Directed Changes. CITY may direct CONTRACTOR to perform additional
2617 services (including new diversion programs, additional public education activities, etc.), eliminate
2618 programs, or modify the manner in which it performs existing services. However, changes in the
2619 minimum diversion requirement set forth in Article 5 of this Agreement is not among the changes
2620 that may be directed by CITY. Direction of Garbage to a Disposal Facility other than that originally
2621 selected by CITY, pilot programs and innovative services which may entail new collection
2622 methods, targeted routing, different kinds of services, different types of collection vehicles, and/or
2623 new requirements for Service Recipients, are included among the kinds of changes which CITY
2624 may direct. CONTRACTOR shall be entitled to an adjustment in its compensation for providing
2625 such additional or modified services but not for the preparation of its proposal to perform such
2626 services. CONTRACTOR shall not be required to begin implementing a CITY-directed change
2627 until the associated Maximum Service Rate adjustment has been agreed upon and has taken
2628 effect.

2629 25.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a
2630 service change from CITY under Section 25.02, CONTRACTOR shall if requested by CITY submit
2631 a proposal to provide such service. At a minimum, the proposal shall contain a complete
2632 description of the following:

2633 25.03.1 Collection methodology to be employed (equipment, manpower,
2634 etc.).

2635 25.03.2 Equipment to be utilized (vehicle number, types, capacity, age,
2636 etc.).

2637 25.03.3 Labor requirements (number of employees by classification).

2638 25.03.4 Type of carts or bins to be utilized.

2639 25.03.5 Provision for program publicity, education, and marketing.

2640 25.03.6 Five (5) year projection of the costs of and (if applicable) revenue
2641 from the program's operations in an operating statement format including documentation of the
2642 key assumptions underlying the projections and the support for those assumptions, giving full
2643 effect to the savings or costs to existing services.

2644 25.04 Monitoring and Evaluation. If CITY requests, CONTRACTOR shall meet with
2645 CITY to describe the progress of any new Solid Waste or diversion program(s) and other service
2646 issues arising from the program(s). If applicable, CONTRACTOR shall document the results of
2647 the new program(s) on a monthly basis, including at a minimum the tonnage diverted by material
2648 type, the end use or processor of the diverted materials and the cost per ton for transporting and
2649 processing each type of material and other such information reasonably requested by
2650 CONTRACTOR and/or CITY necessary to evaluate the performance of each program.

2651 25.04.1 At each meeting, CITY and CONTRACTOR shall have the
2652 opportunity to discuss revisions to the program. CITY shall have the right to terminate a program
2653 if CONTRACTOR is not complying with the terms and conditions agreed upon with CITY, and the
2654 termination is effected in accordance with such terms and conditions. Prior to such termination,
2655 CITY shall meet and confer with CONTRACTOR for a period of up to ninety (90) calendar days
2656 to resolve CITY'S concerns. After such termination, CITY may utilize a third party to perform
2657 these services, provided that (i) the services are outside the scope of the services contemplated
2658 by this Agreement (such as street sweeping or curbside collection of household hazardous

2659 waste), and (ii) the services do not conflict with CONTRACTOR's exclusive rights under Section
2660 3.01.

2661 25.05 Dispute Resolution. All disputes relating to service or compensation changes
2662 relating to a Material Change in Law that meet the conditions specified in Section 25.01.1 shall
2663 be resolved by the following procedures:

2664 25.05.1.1 The party desiring mediation shall first give written notice
2665 thereof to the other party to this Agreement, specifying the dispute to be mediated.

2666 25.05.1.2 The mediation shall be held at Vallejo, California, or at such
2667 other location as may be mutually agreed among the parties. The mediation shall be conducted
2668 according to and by a mediator chosen pursuant to the rules of the American Arbitration
2669 Association. Each side shall bear its own costs in the mediation. The cost of the mediator shall
2670 be shared equally between the parties.

2671 25.05.1.3 At least ten (10) business days before the date of the
2672 mediation, each side shall provide the mediator with a statement of its position and copies of all
2673 supporting documents. Each party shall send to the mediation one or more persons who have
2674 authority to negotiate on behalf of the party. If a subsequent dispute will involve third parties,
2675 such as insurers or subcontractors, they shall also be asked to participate in the mediation.

2676 ARTICLE 26. Legal Representation

2677 26.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity
2678 to be, represented by counsel in the preparation of and contributed equally to the terms and
2679 conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be
2680 interpreted strictly against the party preparing the same shall not apply herein due to the joint
2681 contributions of both parties.

2682 ARTICLE 27. Financial Interest

2683 27.01 Representation. CONTRACTOR warrants and represents that (i) to its knowledge,
2684 no elected official, officer, agent or employee of CITY has a financial interest as defined in
2685 California Government Code Section §87103, in this Agreement or the compensation to be paid
2686 under it and, further, that (ii) no CITY employee who acts in CITY as a "purchasing agent" as
2687 defined by local or state law, nor any elected or appointed officer of CITY, nor any spouse or child
2688 of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director
2689 or proprietor of CONTRACTOR and, further, that (iii) no such CITY employee, purchasing agent,
2690 CITY elected or appointed officer, or the spouse or child of any of them, alone or in combination,
2691 has a "material interest" in CONTRACTOR. "Material interest" means direct or indirect ownership
2692 of more than five percent (5%) of the total assets or capital stock of CONTRACTOR.

2693 ARTICLE 28. Contractor's Personnel

2694 28.01 Personnel Requirements. CONTRACTOR shall employ and assign qualified
2695 personnel to perform all services set forth herein. CONTRACTOR shall be responsible for
2696 ensuring that its employees comply with all applicable laws and regulations and meet all federal,
2697 state and local requirements related to their employment and position.

2698 28.01.1 CITY may request the transfer of any employee of CONTRACTOR
2699 who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the
2700 performance of his or her duties.

2701 28.01.2 CONTRACTOR'S field operations personnel shall be required to
2702 wear a clean uniform shirt bearing CONTRACTOR'S name. CONTRACTOR'S employees who
2703 normally come into direct contact with the public, including drivers, shall bear some means of
2704 individual identification such as a name tag or identification card.

2705 28.01.3 Each driver of a collection vehicle shall at all times carry a valid
2706 California driver's license and all other required licenses for the type of vehicle that is being
2707 operated.

2708 28.01.4 Each driver of a collection vehicle shall at all times comply with all
2709 applicable state and federal laws, regulations and requirements.

2710 28.01.5 CONTRACTOR'S employees, officers, and agents shall at no time
2711 be allowed to identify themselves or in any way represent themselves as being employees of
2712 CITY.

2713 28.01.6 CONTRACTOR'S name and the Customer Service telephone
2714 number shall be properly displayed on all collection vehicles.

2715 **ARTICLE 29. Exempt Waste**

2716 29.01 CONTRACTOR shall not be required to collect or dispose of Exempt Waste, but
2717 may offer such services at its option. All such collection and disposal of Exempt Waste is not
2718 regulated under this Agreement, but if provided by CONTRACTOR shall be in strict compliance
2719 with all federal, state and local laws and regulations.

2720 **ARTICLE 30. Independent Contractor**

2721 30.01 In the performance of services pursuant to this Agreement, CONTRACTOR shall
2722 be an independent contractor and not an officer, agent, servant or employee of CITY.
2723 CONTRACTOR shall have exclusive control of the details of the services and work performed
2724 and over all persons performing such services and work. CONTRACTOR shall be solely
2725 responsible for the acts and omissions of its officers, agents, employees, contractors and
2726 subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors
2727 or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits,
2728 or any other compensation or benefits which accrue to CITY employees, and CONTRACTOR
2729 expressly waives any claim it may have or acquire to such compensation or benefits.

2730 **ARTICLE 31. Laws to Govern**

2731 31.01 The law of the State of California shall govern the rights, obligations, duties and
2732 liabilities of CITY and CONTRACTOR under this Agreement and shall govern the interpretation
2733 of this Agreement.

2734 **ARTICLE 32. Consent to Jurisdiction**

2735 32.01 The parties agree that any litigation between CITY and CONTRACTOR concerning
2736 or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or
2737 Superior Courts of Solano County, State of California, or in the United States District Court for the
2738 Northern District of California to the fullest extent permissible by law. Each party consents to
2739 service of process in any manner authorized by California law.

2740 **ARTICLE 33. Assignment**

2741 33.01 No assignment of this Agreement or any right occurring under this Agreement shall
2742 be made in whole or in part by CONTRACTOR without the express written consent of CITY. CITY
2743 shall have full discretion to approve or deny, with or without cause, any proposed or actual
2744 assignment by CONTRACTOR. Such approval shall not unreasonably be withheld. Any
2745 assignment of this Agreement made by CONTRACTOR without the express written consent of
2746 CITY shall be null and void and shall be grounds for CITY to declare a default of this Agreement
2747 and immediately terminate this Agreement by giving written notice to CONTRACTOR, and upon
2748 the date of such notice this Agreement shall be deemed immediately terminated, and upon such
2749 termination all liability of CITY under this Agreement to CONTRACTOR shall cease, and CITY
2750 shall have the right to call the performance bond and shall be free to negotiate with other
2751 contractors, CONTRACTOR, or any other person or company for the service which is the subject
2752 of this Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities
2753 of CONTRACTOR.

2754 33.02 CONTRACTOR shall be responsible for directing the work of CONTRACTOR'S
2755 subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall
2756 be the sole responsibility of CONTRACTOR. The City Representative shall have the right to
2757 require the removal of any approved subcontractor for reasonable cause.

2758 33.03 For purposes of this Article when used in reference to CONTRACTOR,
2759 "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least
2760 fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement to
2761 a third party; (ii) a sale, exchange or other transfer of outstanding common stock of
2762 CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of
2763 control of CONTRACTOR (with control being defined as ownership of more than fifty percent
2764 (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation,
2765 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow
2766 arrangement, liquidation, or lease-back payments, or other transaction which results in a change
2767 of control of CONTRACTOR; (iv) any assignment by operation of law, including insolvency or
2768 bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution
2769 being levied against this Agreement, appointment of a receiver taking possession of
2770 CONTRACTOR'S property, or transfer occurring in the event of a probate proceeding; and (v)
2771 any combination of the foregoing (whether or not in related or contemporaneous transactions)
2772 which has the effect of any such transfer or change of control of CONTRACTOR. As used herein,
2773 "third party" excludes affiliates of CONTRACTOR (i.e. other Recology entities).

2774 33.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital
2775 service to CITY'S residents and businesses, and that CITY has selected CONTRACTOR to
2776 perform the services specified herein based on (i) Contractor's experience, skill and reputation for
2777 conducting its garbage, recyclable materials and organic Waste management operations in a
2778 safe, effective and responsible fashion, at all times in keeping with applicable environmental laws,
2779 regulations and best garbage, recycling and organic waste management practices, and (ii)
2780 CONTRACTOR'S financial resources to maintain the required equipment and to support its
2781 indemnity obligations to CITY under this Agreement. CITY has relied on each of these factors,
2782 among others, in negotiating with CONTRACTOR to perform the services to be rendered by
2783 CONTRACTOR under this Agreement.

2784 **ARTICLE 34. Compliance with Laws**

2785 34.01 In the performance of this Agreement, CONTRACTOR shall comply with all
2786 applicable laws, regulations, ordinances and codes of the federal, state and local governments,
2787 including without limitation the Municipal Code of the City of Vallejo.

2788 34.02 CITY shall provide written notice to CONTRACTOR of any planned amendment of
2789 the CITY Municipal Code that would substantially affect the performance of CONTRACTOR'S
2790 services pursuant to this Agreement. Such notice shall be provided at least thirty (30) calendar
2791 days prior to the City Council's approval of such an amendment.

2792 **ARTICLE 35. Permits and Licenses**

2793 35.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required
2794 by law or ordinance and maintain same in full force and effect throughout the term of this
2795 Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall
2796 demonstrate compliance with the terms and conditions of such permits, licenses and approvals
2797 upon the request of the City Representative.

2798 **ARTICLE 36. Ownership of Written Materials**

2799 36.01 All reports, documents, brochures, public education materials, and other written,
2800 printed, electronic or photographic materials developed by CITY or CONTRACTOR for CITY's
2801 use or for public dissemination in connection with the services to be performed under this
2802 Agreement, whether developed directly or indirectly by CITY or CONTRACTOR, may be used by
2803 CITY without limitation or restrictions on the use of such materials by CITY. CONTRACTOR shall
2804 not use any such materials specific to CITY in connection with any project not connected with this
2805 Agreement without the prior written consent of the City Representative. This Article 36 does not
2806 apply to ideas or concepts described in such materials and does not apply to the format of such
2807 materials and does not apply to CONTRACTOR's website.

2808 **ARTICLE 37. Waiver**

2809 37.01 Waiver by CITY or CONTRACTOR of any breach for violation of any term covenant
2810 or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or
2811 condition or any subsequent breach or violation of the same or of any other term, covenant or
2812 condition. The subsequent acceptance by CITY of any fee, tax, or any other monies, which may
2813 become due from CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any
2814 breach for violation of any term, covenant or condition of this Agreement.

2815 **ARTICLE 38. Prohibition Against Gifts**

2816 38.01 CONTRACTOR shall not offer any gifts to any elected official, appointed officer
2817 or employee of CITY, or any relative or spouse of such elected official, appointed officer or
2818 employee. For purposes of this Section, "gift" shall be defined as set forth in the Regulations of
2819 the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.

2820 **ARTICLE 39. Point of Contact**

2821 39.01 The day-to-day dealings between CONTRACTOR and CITY shall be between
2822 CONTRACTOR and City Representative.

2823 **ARTICLE 40. Conflict of Interest**

2824 40.01 CONTRACTOR shall comply with CITY requirements for disclosure of potential
2825 Conflicts of Interest as required by the California Fair Political Practices Commission and such
2826 other applicable State or local laws or regulations, and will file all required disclosure statements
2827 in a timely manner and as required by law or regulation.

2828 **ARTICLE 41. Notices**

2829 41.01 Except as provided herein, whenever either party desires to give notice to the
2830 other, it must be given by written notice addressed to the party for whom it is intended, at the
2831 place last specified and to the place for giving of notice in compliance with the provisions of this
2832 paragraph. For the present, the parties designate the following as the respective persons and
2833 places for giving of notice:

2834 As to CITY:

2835 **City Manager**
2836 **Vallejo City Hall**
2837 **555 Santa Clara Street**
2838 **Vallejo, CA 94590**
2839 **Telephone: (707) 648-4576**
2840 **E-mail: City Manager@cityofvallejo.net**

2841 As to CONTRACTOR:

2842 **Tom Phillips, General Manager**
2843 **Recology Vallejo**
2844 **2021 Broadway**
2845 **Vallejo, CA 94589**
2846 **Telephone: (707) 551-2631**
2847 **E-mail: tphillips@recology.com**

2848 41.02 Notices shall be effective when received at the address as specified above.
2849 Changes in the respective address to which such notice is to be directed may be made by written
2850 notice. Facsimile transmission shall not be deemed acceptable notice. Receipt is deemed to
2851 have taken place within three (3) working days of notice mailed by U.S. Postal Service return
2852 receipt requested, or by email transmission with confirmation of receipt.

2853 41.03 Notice by CITY to CONTRACTOR of a collection or other Service Recipient
2854 problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S
2855 local office with confirmation sent as required above by the end of the Work Day.

2856 **ARTICLE 42. Transition to Next Contractor**

2857 42.01 In the event CONTRACTOR is not granted a franchise to continue to provide
2858 Collection Services following the expiration or early termination of this Agreement,
2859 CONTRACTOR shall cooperate fully with CITY and any subsequent contractors to assure a
2860 smooth transition of services described in this Agreement. Such cooperation shall include but not
2861 be limited to transfer of computer data, files and tapes containing customer account and service
2862 information; providing routing information, route maps, vehicle fleet information, and list of Service
2863 Recipients; providing a complete inventory of all carts and bins; providing adequate labor and

2864 equipment to complete performance of all Collection Services required under this Agreement;
2865 offering to sell carts and bins at no more than fair market value to the subsequent contractor or
2866 CITY; taking all actions necessary to transfer ownership of any sold carts and bins, as appropriate,
2867 to the subsequent contractor or CITY, including transporting such containers to a location
2868 designated by the City Representative; coordinating collection of materials set out in new
2869 containers if new containers are provided for a subsequent Agreement before the expiration or
2870 early termination of this Agreement; and providing other reports and data required by this
2871 Agreement.

2872 ARTICLE 43. Contractor's Records

2873 43.01 CONTRACTOR shall maintain any and all letters, books of account, invoices,
2874 vouchers, canceled checks, and other records or documents evidencing or relating to charges for
2875 services or expenditures and disbursements charged to Service Recipients for a minimum period
2876 of five (5) years, or for any longer period required by law, from the date of final payment to
2877 CONTRACTOR pursuant to this Agreement.

2878 43.02 CONTRACTOR shall maintain all documents and records, which demonstrate
2879 performance under this Agreement for a minimum period of five (5) years, or for any longer period
2880 required by law, from the date of termination or completion of this Agreement.

2881 43.03 Any records or documents required to be maintained pursuant to this Agreement
2882 shall be made available for inspection or audit, at any time during regular business hours, upon
2883 written request by the City Representative, the City Attorney, City Auditor, City Manager, or a
2884 designated representative of any of these officers. Copies of such documents shall be provided
2885 to CITY for inspection at CITY offices when it is practical to do so. Otherwise, unless an
2886 alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S
2887 address indicated for receipt of notices in this Agreement. CITY's rights to inspect, audit or review
2888 confidential or proprietary information of CONTRACTOR shall be subject to CITY entering into a
2889 reasonable confidentiality agreement with CONTRACTOR. In addition, CITY will take reasonable
2890 measures, subject to the requirements of applicable law, to prevent the dissemination of any such
2891 information to third parties, and will promptly notify CONTRACTOR upon receipt of a request by
2892 a third party under the Public Records Act to review or obtain such information.

2893 43.04 Where CITY has reason to believe that such records or documents may be lost or
2894 discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, CITY
2895 may, by written request or demand of any of the above named officers, require that custody of
2896 the records be given to CITY and that the records and documents be maintained in City Hall.
2897 Access to such records and documents shall be granted to any party authorized by
2898 CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

2899 ARTICLE 44. Entire Agreement

2900 44.01 This Agreement and the Exhibits attached hereto constitute the entire Agreement
2901 and understanding between the parties hereto, and it shall not be considered modified, altered,
2902 changed or amended in any respect unless in writing and signed by the parties hereto.

2903 ARTICLE 45. Severability

2904 45.01 If any provision of this Agreement or the application of it to any person or situation
2905 shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the
2906 application of such provisions to persons or situations other than those as to which it shall have

2907 been held invalid or unenforceable, shall not be affected, shall continue in full force and effect,
2908 and shall be enforced to the fullest extent permitted by law.

2909 **ARTICLE 46. Right to Require Performance**

2910 46.01 The failure of either party at any time to require performance by the other party of
2911 any provision hereof shall in no way affect the right of such party thereafter to enforce same. Nor
2912 shall waiver by either party of any breach of any provision hereof be taken or held to be a waiver
2913 of any succeeding breach of such provision or as a waiver of any provision itself.

2914 **ARTICLE 47. All Prior Agreements Superseded**

2915 47.01 This document supersedes all prior negotiations, correspondence, conversations,
2916 agreements, contracts and understandings, whether oral or written, applicable to the matters
2917 contained in this Agreement. Accordingly, it is agreed that no deviation from the terms of this
2918 Agreement shall be predicated upon any prior representations, agreements, understandings or
2919 contracts, whether oral or written.

2920 **ARTICLE 48. Headings**

2921 48.01 Headings in this document are for convenience of reference only and are not to be
2922 considered in any interpretation of this Agreement.

2923 **ARTICLE 49. Exhibits**

2924 49.01 Each Exhibit referred to in this Agreement forms an essential part of this
2925 Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by this
2926 reference.

2927 **ARTICLE 50. Representations and Warranties**

2928 CONTRACTOR, by acceptance of this Agreement, represents and warrants the conditions
2929 presented in this Article, as of the date of CONTRACTOR's signature hereon.

2930 50.01 Corporate Status. CONTRACTOR is a corporation duly organized, validly
2931 existing and in good standing under the laws of the State of California ("State"). CONTRACTOR
2932 is qualified to transact business in the State and has the power to own its properties and to carry
2933 on its business as now owned and operated and as required by this Agreement.

2934 50.02 Corporate Authorization. CONTRACTOR has the authority to enter this
2935 Agreement and perform its obligations under this Agreement. The Board of Directors of
2936 CONTRACTOR (or the shareholders, if necessary) has taken all actions required by law, its
2937 articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement.
2938 The Person signing this Agreement on behalf of CONTRACTOR represents and warrants that
2939 they have the authority to do so. This Agreement constitutes the legal, valid, and binding
2940 obligation of CONTRACTOR.

2941 50.03 Agreement Will Not Cause Breach. To the best of CONTRACTOR'S knowledge
2942 after responsible investigation, the execution or delivery of this Agreement or the performance by
2943 CONTRACTOR of its obligations hereunder does not conflict with, violate, or result in a breach:
2944 (i) of any law or governmental regulation applicable to CONTRACTOR; or (ii) any term or condition

2945 of any judgment, order, or decree of any court, administrative agency or other governmental
2946 authority, or any Agreement or instrument to which CONTRACTOR is a party or by which
2947 CONTRACTOR or any of its properties or assets are bound, or constitutes a default thereunder.

2948 50.04 No Litigation. To the best of CONTRACTOR'S knowledge after responsible
2949 investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by
2950 any court or governmental authority, commission, board, agency or instrumentality, pending or
2951 threatened against CONTRACTOR wherein an unfavorable decision, ruling or finding, in any
2952 single case or in the aggregate would:

2953 50.04.1 Materially adversely affect the performance by CONTRACTOR of
2954 its obligations hereunder;

2955 50.04.2 Adversely affect the validity or enforceability of this Agreement; or

2956 50.04.3 Have a material adverse effect on the financial conditions of
2957 CONTRACTOR, or any surety or entity guaranteeing CONTRACTOR'S performance under this
2958 Agreement.

2959 50.05 CONTRACTOR'S Statements. CONTRACTOR'S information submitted to CITY,
2960 which CITY has relied on in negotiating and entering this Agreement, does not: (i) contain any
2961 untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to
2962 make the statements made, in light of the circumstances in which they were made, not misleading.

2963 50.06 CONTRACTOR'S Investigation. CONTRACTOR has made an independent
2964 investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement
2965 and the work to be performed hereunder. CONTRACTOR has taken such matters into
2966 consideration in entering into this Agreement to provide services in exchange for the
2967 compensation provided for under the terms of this Agreement.

2968 **ARTICLE 51. Effective Date**

2969 This Agreement shall become effective at such time as it is properly executed by CITY and
2970 CONTRACTOR and CONTRACTOR shall begin Collection Services, as covered herein, as of
2971 October 1, 2016.

2972

2973 IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement on the day
2974 and year first written above.

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2976 CITY OF VALLEJO

RECOLOGY VALLEJO

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3000 Approved as to Form:

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Osby Davis
Mayor

7/28/2016
Date


Daniel E. Keen
City Manager

7-28-16
Date


Michael J. Sangiacomo
President and CEO

7/19/16
Date


Roxanne L. Frye
Secretary

7/19/16
Date

17-00005282
City of Vallejo Business License Number

The foregoing Agreement has been reviewed and approval is recommended:

Resolution No.
Approved by City Council

Approved as to Form:


Claudia Quintana
City Attorney

7/27/16
Date

Attest:

Dawn G. Abrahamson
City Clerk

7/29/16
Date

Recology.
Reviewed by:

Legal

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**EXHIBIT 1A
 MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)
 SFD RESIDENTIAL RATES**

SFD Residential - Per Month

Lifeline Each 32 Gallon Cart (Including Recycling)	Gross	\$25.15
	Discount	(\$1.29)
	Net	\$23.86
Lifeline Each 64 Gallon Cart (Including Recycling)	Gross	\$40.82
	Discount	(\$2.21)
	Net	\$38.61
Lifeline Each 96 Gallon Cart (Including Recycling)	Gross	\$56.49
	Discount	(\$3.10)
	Net	\$53.39
Each 32 Gallon Cart (Including Recycling)	Gross	\$33.54
	Discount	(\$1.73)
	Net	\$31.81
Each 64 Gallon Cart (Including Recycling)	Gross	\$54.44
	Discount	(\$2.94)
	Net	\$51.50
Each 96 Gallon Cart (Including Recycling)	Gross	\$75.32
	Discount	(\$4.14)
	Net	\$71.18
Extra green waste or recycling cart		\$5.00
Carry out monthly charge (On-Premise Collection):	Up to 50 feet	\$21.14
	Every Additional 50 feet	\$21.14
Additional Bulky Waste Collection		\$30.00
Large Items containing Freon (each item)		\$31.51
Extra Bag Charge (Garbage Overages)		
32 gallons (on regular collection day) – curbside		\$8.14
32 gallons special pickup (return on non-collection day) – curbside		\$12.23
Extra 32 gallons (on regular collection day) - carry out		\$12.23
32 gallons special pickup (return on non-collection day) - carry out		\$18.34
Discount provided bill is paid by the 15th of the billing month.		

EXHIBIT 1B						
MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)						
MFD AND COMMERCIAL RATES						
MFD and Commercial Garbage Carts - Per Month						
Container Size		1x per week	2x per week	3x per week	4x per week	5x per week
32 gallon Cart	Gross	\$37.31	\$74.13	\$111.48	\$148.42	\$185.56
	Discount	(\$2.16)	(\$3.55)	(\$5.29)	(\$7.07)	(\$8.90)
	Net	\$35.15	\$70.58	\$106.19	\$141.35	\$176.66
64 gallon Cart	Gross	\$73.79	\$147.69	\$221.29	\$295.06	\$368.83
	Discount	(\$3.16)	(\$6.40)	(\$9.53)	(\$12.70)	(\$15.89)
	Net	\$70.63	\$141.29	\$211.76	\$282.36	\$352.94
96 gallon Cart	Gross	\$96.78	\$188.60	\$280.27	\$371.86	\$466.29
	Discount	(\$3.55)	(\$7.07)	(\$10.59)	(\$14.14)	(\$17.71)
	Net	\$93.23	\$181.53	\$269.68	\$357.72	\$448.58
MFD and Commercial Garbage Bins - Per Month						
Bin size		1x per week	2x per week	3x per week	4x per week	5x per week
1 CY	Gross	\$187.70	\$360.91	\$538.71	\$693.49	\$868.10
	Discount	(\$3.55)	(\$17.71)	(\$28.70)	(\$35.36)	(\$44.21)
	Net	\$184.15	\$343.20	\$510.01	\$658.13	\$823.89
2 CY	Gross	\$352.03	\$644.98	\$938.12	\$1,231.28	\$1,524.18
	Discount	(\$15.89)	(\$31.80)	(\$51.74)	(\$63.71)	(\$79.59)
	Net	\$336.14	\$613.18	\$886.38	\$1,167.57	\$1,444.59
3 CY	Gross	\$500.61	\$914.40	\$1,290.70	\$1,689.27	\$2,031.95
	Discount	(\$23.88)	(\$46.19)	(\$75.81)	(\$93.95)	(\$117.81)
	Net	\$476.73	\$868.21	\$1,214.89	\$1,595.32	\$1,914.14
4CY	Gross	\$638.48	\$1,208.08	\$1,663.26	\$2,190.93	\$2,709.97
	Discount	(\$30.22)	(\$60.53)	(\$98.22)	(\$120.98)	(\$151.25)
	Net	\$608.26	\$1,147.55	\$1,565.04	\$2,069.95	\$2,558.72
6CY	Gross	\$863.82	\$1,618.49	\$2,372.79	\$3,127.87	\$3,882.17
	Discount	(\$44.21)	(\$88.44)	(\$143.59)	(\$176.90)	(\$221.13)
	Net	\$819.61	\$1,530.05	\$2,229.20	\$2,950.97	\$3,661.04
Rollout charge per container times the pickups per week:						
Rolled more than 20 feet			\$22.12			
Each additional 20 feet			\$22.12			

EXHIBIT 1B						
MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)						
MFD AND COMMERCIAL RATES						
MFD and Commercial Organics Carts - Per Month						
Cart Size		1x per week	2x per week	3x per week	4x per week	5x per week
32 Gallon	Gross	\$38.82	\$77.14	\$116.00	\$154.45	\$189.84
	Discount	(\$2.25)	(\$3.69)	(\$5.50)	(\$7.36)	(\$9.11)
	Net	\$36.57	\$73.45	\$110.50	\$147.09	\$180.73
64 Gallon	Gross	\$76.80	\$153.72	\$230.33	\$307.12	\$377.40
	Discount	(\$3.29)	(\$6.66)	(\$9.92)	(\$13.22)	(\$16.26)
	Net	\$73.51	\$147.06	\$220.41	\$293.90	\$361.14
96 Gallon	Gross	\$101.30	\$197.64	\$293.84	\$389.95	\$479.14
	Discount	(\$3.72)	(\$7.41)	(\$11.10)	(\$14.83)	(\$18.20)
	Net	\$97.58	\$190.23	\$282.74	\$375.12	\$460.94
MFD and Commercial Organics Bins - Per Month						
Bin size		1x per week	2x per week	3x per week	4x per week	5x per week
1 CY	Gross	\$194.10	\$373.72	\$557.92	\$719.10	\$900.11
	Discount	(\$3.67)	(\$18.34)	(\$29.72)	(\$36.67)	(\$45.84)
	Net	\$190.43	\$355.38	\$528.20	\$682.43	\$854.27
2 CY	Gross	\$364.84	\$670.59	\$976.54	\$1,282.50	\$1,588.21
	Discount	(\$16.47)	(\$33.06)	(\$53.86)	(\$66.36)	(\$82.93)
	Net	\$348.37	\$637.53	\$922.68	\$1,216.14	\$1,505.28
3 CY	Gross	\$519.82	\$952.82	\$1,348.33	\$1,766.10	\$2,127.99
	Discount	(\$24.80)	(\$48.13)	(\$79.19)	(\$98.22)	(\$123.38)
	Net	\$495.02	\$904.69	\$1,269.14	\$1,667.88	\$2,004.61
4 CY	Gross	\$664.09	\$1,259.30	\$1,740.09	\$2,293.38	\$2,838.03
	Discount	(\$31.43)	(\$63.10)	(\$102.76)	(\$126.64)	(\$158.40)
	Net	\$632.66	\$1,196.20	\$1,637.33	\$2,166.74	\$2,679.63
6 CY	Gross	\$902.24	\$1,695.32	\$2,488.04	\$3,281.54	\$4,074.25
	Discount	(\$46.18)	(\$92.64)	(\$150.56)	(\$185.59)	(\$232.07)
	Net	\$856.06	\$1,602.68	\$2,337.48	\$3,095.95	\$3,842.18
Discount provided bill is paid by the 15th of the billing month.						

EXHIBIT 1B
MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)
MFD AND COMMERCIAL RATES

MFD and Commercial Garbage Compactors - Per Month					
Size	1x per week	2x per week	3x per week	4x per week	5x per week
1 CY Compactor	\$305.85	\$611.69	\$917.54	\$1,223.39	\$1,529.23
2 CY Compactor	\$611.69	\$1,223.39	\$1,835.08	\$2,446.77	\$3,058.47
3 CY Compactor	\$917.54	\$1,835.08	\$2,752.62	\$3,670.16	\$4,587.70
4 CY Compactor	\$1,223.39	\$2,446.77	\$3,670.16	\$4,893.55	\$6,116.93
5 CY Compactor	\$1,529.23	\$3,058.47	\$4,587.70	\$6,116.93	\$7,646.17
6 CY Compactor	\$1,835.08	\$3,670.16	\$5,505.24	\$7,340.32	\$9,175.40
7 CY Compactor	\$2,140.93	\$4,281.85	\$6,422.78	\$8,563.71	\$10,704.63
8 CY Compactor	\$2,446.77	\$4,893.55	\$7,340.32	\$9,787.09	\$12,233.87
9 CY Compactor	\$2,752.62	\$5,505.24	\$8,257.86	\$11,010.48	\$13,763.10
Compacted rates (per cubic yard)					
Less than 10 cy	\$70.58				
10 cy or greater	\$59.42				
Per load rates					
1 CY Compactor	\$70.58				
2 CY Compactor	\$141.16				
3 CY Compactor	\$211.74				
4 CY Compactor	\$282.32				
5 CY Compactor	\$352.90				
6 CY Compactor	\$423.48				
7 CY Compactor	\$494.06				
8 CY Compactor	\$564.64				
9 CY Compactor	\$635.22				
10 CY Compactor	\$594.20				
12 CY Compactor	\$713.04				
14 CY Compactor	\$831.88				
15 CY Compactor	\$891.30				
18 CY Compactor	\$1,069.56				
20 CY Compactor	\$1,188.40				
25 CY Compactor	\$1,485.50				
30 CY Compactor	\$1,782.60				
32 CY Compactor	\$1,901.44				
40 CY Compactor	\$2,376.80				

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EXHIBIT 1C		
MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)		
DEBRIS BOX RATES		
Debris Box Rates - Per Service		
Debris Box Size	10 CY dirt, concrete or asphalt	\$250.00 plus disposal cost
	20 CY	\$561.69
	25 CY	\$638.60
	30 CY	\$689.88
	40 CY	\$822.35
Same day pull/return or pull/no return		\$144.50
Demurrage 1 day to 7 days		\$181.18
Special Rates for 3 CY and 5 CY Bin		
Bin size	3 CY – 1 day	\$174.37
	5 CY – 1 day	\$249.11
	3 CY – 3 day	\$197.10
	5 CY – 3 day	\$271.88
Special Pickups on Bins - Regardless of Day		
Bin size	1 CY	\$78.73
	2 CY	\$117.66
	3 CY	\$152.66
	4 CY	\$185.40
	5 CY	\$237.95
Special Pickups w/more than 1 Bin - Each Additional Bin		
Bin Size	1 cy	\$68.83
	2 cy	\$107.58
	3 cy	\$142.75
	4 cy	\$175.35
	6 cy	\$228.01
Steam Clean Bins And Drop Boxes		
Bin size	1 CY & 2 CY	\$175.35
	3 CY to 6 CY	\$225.54
Drop Boxes	All sizes	\$306.66

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EXHIBIT 1D
MAXIMUM SERVICE RATES (OCTOBER 1, 2016 – DECEMBER 31, 2017)
MISCELLANEOUS RATES

Extra Services	
Additional Kitchen Pail	\$10.00
Special Pick-Up of Commercial Cart	\$33.67
Commercial Xtra Bag /Bag	\$7.24
Steam Clean Cart	\$67.12
Collection On Non-Service Day (instead of regular pickup)	\$12.45
Bin Lid Lock	\$12.45
Cost to Replace Lost, Stolen or Damaged Containers	
Kitchen Pail	\$10.00
32 Gallon Cart	\$48.00
64 Gallon Cart	\$58.00
96 Gallon Cart	\$67.00
1 Yard Bin	\$506.00
2 Yard Bin	\$607.00
3 Yard Bin	\$697.00
4 Yard Bin	\$831.00
6 Yard Bin	\$966.00
10 Yard Debris Box	\$6,854.00
20 Yard Debris Box	\$8,315.00
25 Yard Debris Box	\$8,876.00
30 Yard Debris Box	\$9,775.00
40 Yard Debris Box	\$11,798.00

3019

**EXHIBIT 2
CITY FACILITIES**

<u>ADDRESS</u>	<u>TRASH</u>	<u>TIMES PER WEEK</u>	<u>RECYCLING</u>	<u>TIMES PER WEEK</u>	<u>YARD WASTE</u>	<u>TIMES PER WEEK</u>
259 BUILDING - MARE ISLAND	2-2 YARD	1				
111 AMADOR	2-6 YARD	2	2 YARD/R96	1		
495 MARE ISLAND WAY	1 - 3 YARD/ 1CAN	3	4 -R96	1		
485 BUILDING - MARE ISLAND	1 - 1 YARD	1				
535 BUILDING - MARE ISLAND	1 - 6 YARD	1	1 - R96	1		
375 "G" STREET	1 - 3YARD	1				
1005 OAKWOOD	1 - 4 YARD	1	1 - R96	1		
505 SANTA CLARA	1 - 4 YARD	3	1 - R96	1		
505 B SANTA CLARA	1 - 4 YARD	1				
555 SANTA CLARA	1 - 6 YARD	3	2YARD/R96	2		
851 CURTOLA PKWY	1 CAN	1				
900 REDWOOD	1 - 4 YARD; 1 CAN	1	1-R96	1		
703 CURTOLA PKWY	1 - 2 YARD; 1 - 4 YARD	1	1 -R96	1		
801 HEARTWOOD	1 - 4 YARD	1	1 R64	1		
700 FIFTH STREET	1 - 4 YARD	1	2 -R96	1	2 - G96	1

**EXHIBIT 2
CITY FACILITIES**

<u>ADDRESS</u>	<u>TRASH</u>	<u>TIMES PER WEEK</u>	<u>RECYCLING</u>	<u>TIMES PER WEEK</u>	<u>YARD WASTE</u>	<u>TIMES PER WEEK</u>
311 SACRAMENTO	1 - 1 YARD	1	1 - R96	1		
127 BUILDING MARE ISLAND	2 - 4 YARD	1	2YARD/R96	1		
1220 MARIN STREET	1- 4 YARD	1	1 -R96	1		
225 AMADOR	1 - 6 YARD	2				
595 MINI STREET	1 - 3 YARD	1	1 - R96	1	1 - G96	1
500 BLOCK AMADOR	1 - 4 YARD	1	1 -R96	1	1 - G96	1
1585 ASCOT COURT	1-6 YARD	1	2- R96	1		
1100 SOLANO	1 - 6 YARD	3				
734 MARIN	2 CANS	1				
726 SUTTER	1 CAN	1				
452 GILCREST	1 - 2 YARD	1				
1355 FULTON AVENUE	1 - 2 YARD	1	1 -R96	1		
DAN FOLEY PARK	2 - 20 YARD	ON DEMAND				
51 MONO STREET	1 - 25 YARD	ON DEMAND				
793 BUILDING MARE ISLAND					1 - 25 YARD	ON DEMAND
425 ALABAMA STREET	1-20 YARD	ON DEMAND				

**EXHIBIT 2
CITY FACILITIES**

<u>ADDRESS</u>	<u>TRASH</u>	<u>TIMES PER WEEK</u>	<u>RECYCLING</u>	<u>TIMES PER WEEK</u>	<u>YARD WASTE</u>	<u>TIMES PER WEEK</u>
300 STANFORD DRIVE	1 - 5 YARD	ON DEMAND				
0 COLUMBUS PARKWAY	2 - 20 YARD	ON DEMAND			1 25 YARD	ON DEMAND

CITY CANS

<i>Street Number</i>	<i>Street Name</i>	<i>Quantity</i>	<i>Times/Week (M-F)</i>
227	Amador St	1	1
300	Amador St	1	1
1205	Amador St	1	2
1218	Amador St	1	2
1225	Amador St	1	2
1300	Amador St	1	2
1301	Amador St	1	2
1351	Amador St	1	2
1352	Amador St	1	2
1541	Amador St	1	2
500	Broadway	1	2
531	Broadway	1	1
701	Broadway	1	1
712	Broadway	1	1
801	Broadway	1	1
1780	Broadway	1	1
1803	Broadway	1	1
1869	Broadway	1	1
2037	Broadway	1	1
2091	Broadway	1	1
5	Curtola Pkwy	5	3
519	Fairgrounds Dr	1	2
800	Fairgrounds Dr	1	2
801	Fairgrounds Dr	1	2
1201	Florida St	1	1
2038	Florida St	1	1
151	Georgia St	1	3
210	Georgia St	1	3
303	Georgia St	1	3
308	Georgia St	1	3
330	Georgia St	1	3

**EXHIBIT 2
CITY FACILITIES**

331	Georgia St	1	3
347	Georgia St	1	3
352	Georgia St	1	3
404	Georgia St	1	3
405	Georgia St	1	3
439	Georgia St	1	3
440	Georgia St	1	3
450	Georgia St	1	3
451	Georgia St	1	3
529	Georgia St	1	5
746	Georgia St	2	2
801	Georgia St	1	2
1140	Georgia St	1	1
1303	Georgia St	1	2
2831	Georgia St	1	1
3301	Georgia St	1	2
3400	Georgia St	1	2
3401	Georgia St	1	2
3402	Georgia St	1	2
3500	Georgia St	1	2
3501	Georgia St	1	2
3600	Georgia St	1	2
900	Glen Cove Rd	1	1
901	Glen Cove Rd	1	1
720	Illinois Ave	1	1
288	Mare Island Way	1	3
289	Mare Island Way	1	3
290	Mare Island Way	1	3
481	Mare Island Way	1	3
483	Mare Island Way	1	3
501	Mare Island Way	1	3
505	Mare Island Way	1	3
499	Marin St	1	1
501	Marin St	1	1
502	Marin St	1	1
551	Marin St	1	3
602	Marin St	1	3
603	Marin St	1	3
632	Marin St	1	3
901	Marin St	1	3
934	Marin St	1	3
1301	Marin St	1	1
1399	Marin St	1	1

**EXHIBIT 2
CITY FACILITIES**

1430	Marin St	1	3
287	Mini Dr	1	1
590	Mini Dr	1	1
1002	Mini Dr	1	1
1902	Mini Dr	1	1
800	Nebraska St	1	2
838	Nebraska St	2	2
839	Nebraska St	1	2
841	Nebraska St	1	2
845	Nebraska St	1	2
1001	Oakwood St	1	2
1006	Oakwood St	1	2
1007	Oakwood St	1	2
935	Pueblo Way	1	1
2100	Redwood Rd	1	2
1042	Rollingwood Dr	1	2
840	Rosewood Ave	1	2
860	Rosewood Ave	1	2
302	Sacramento St	1	3
305	Sacramento St	1	3
309	Sacramento St	1	3
450	Sacramento St	1	3
453	Sacramento St	1	3
500	Sacramento St	1	3
550	Sacramento St	1	3
590	Sacramento St	1	3
599	Sacramento St	1	3
827	Sacramento St	1	1
1200	Sacramento St	1	1
1228	Sacramento St	1	1
1301	Sacramento St	1	1
417	Santa Clara St	1	3
487	Santa Clara St	1	3
507	Santa Clara St	1	3
551	Santa Clara St	1	3
553	Santa Clara St	1	3
702	Sereno Dr	2	1
703	Sereno Dr	1	1
707	Sereno Dr	2	1
701	Sonoma Bl	1	1
1701	Sonoma Bl	1	3
1900	Sonoma Bl	1	1
1932	Sonoma Bl	1	1

**EXHIBIT 2
CITY FACILITIES**

3589	Sonoma Bl	1	3
3615	Sonoma Bl	1	3
3827	Sonoma Bl	2	3
3900	Sonoma Bl	1	1
1332	Springs Rd	1	1
1917	Springs Rd	1	1
2181	Springs Rd	1	1
2208	Springs Rd	1	2
2326	Springs Rd	1	2
2513	Springs Rd	1	1
2626	Springs Rd	1	1
2639	Springs Rd	1	1
3	Tennessee St	1	1
19	Tennessee St	1	1
25	Tennessee St	1	1
629	Tennessee St	1	2
632	Tennessee St	1	2
720	Tennessee St	1	1
739	Tennessee St	1	2
817	Tennessee St	1	2
829	Tennessee St	1	2
900	Tennessee St	1	1
912	Tennessee St	1	1
917	Tennessee St	1	1
1026	Tennessee St	1	1
1037	Tennessee St	1	1
1135	Tennessee St	1	1
1202	Tennessee St	1	1
1205	Tennessee St	1	1
1643	Tennessee St	1	1
1656	Tennessee St	1	2
2719	Tennessee St	1	1
2807	Tennessee St	1	1
401	Tuolumne St	1	2
498	Tuolumne St	1	2
1000	Tuolumne St	1	1
1200	Tuolumne St	1	1
50	Valle Vista Dr	1	3
51	Valle Vista Dr	2	3
320	Virginina St	1	3
321	Virginina St	1	3
350	Virginina St	1	3
351	Virginina St	1	3

**EXHIBIT 2
CITY FACILITIES**

401	Virginina St	1	3
403	Virginina St	1	3
419	Virginina St	1	3
421	Virginina St	1	3
440	Virginina St	1	3
441	Virginina St	1	3
2	Wilson Ave	1	1
303	Wilson Ave	1	1
599	Wilson Ave	1	1
801	Wilson Ave	1	1
200	York St	1	3
202	York St	1	3
204	York St	1	3
206	York St	1	3
208	York St	1	3
210	York St	1	3
319	York St	1	3
320	York St	1	3
420	York St	1	3
390	Mare Island Way	1	3
100	Georgia St	1	3
101	Georgia St	1	3
10	Maine st	1	1
2	Broadway	1	1
18	Broadway	1	1
330	Maine St	1	1

CONTRACTOR shall provide services to other CITY Facilities or City cans, or changes in service level or collection frequency as requested by CITY, subject to the limitation set forth in Section 10.01.1 or 10.01.2, whichever is applicable.

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EXHIBIT 3 CITY-SPONSORED EVENTS
JFK Library - Bike Mobile
Butler Amusement
Earth Day
AIDS/Life Cycle Day of the Ride
Amateur Radio Field Day
St Vincent Field Day
Irecreate - Triathlon
Pista Sa Nayon
Chelu Car Club Car Show
Corn Festival/Latino Festival
Pirates Festival
Red, White, Blue Groove
Obtainium Cup
Vallejo Outreach
Vallejo Intertribal Council Pow Wow
Wine & Wisdom
3rd Thursday sidewalk sale
Coastal Cleanup
Get Fit Vallejo
Vallejo Waterfront Festival
Participatory Budget Expo
Superbowl, Fright Fest
CONTRACTOR shall provide services for any other CITY-sponsored events held on CITY property as requested by CITY, subject to the limitation set forth in Section 10.02.

EXHIBIT 4		
DIVERSION AND PUBLIC EDUCATION PLAN		
Date/Frequency	Item	Customers Targeted
October 1 – September 30, 2017	<p>Recycling Blitz</p> <p>During the first year of the contract term, Recology will attempt to contact each MFD and commercial customer by phone at least once and by mail. If contacted, communication with these customers may include:</p> <ul style="list-style-type: none"> ▪ Copies of the Service Brochure, Recycling Posters and other available and applicable written materials will be offered to MFD and Commercial customers ▪ MFD and commercial customers will be offered a site assessment and provided information on Recology's diversion programs ▪ Providing information on the State-mandated recycling requirements of AB 341 and AB 1826 	MFD, Commercial

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
Ongoing	<p>Service Brochure</p> <p>Recology will make available a service brochure providing information about acceptable materials for each container (recyclables, organics, and garbage), proper set-out procedures, and other applicable Recology programs (such as the used oil program, HHW drop-off locations, Move-In/Move-Out program, etc.).</p> <p>Recology will make available different versions of the brochure for SFD, commercial and (after October 1, 2016) MFD customers. For MFD and commercial customers, the brochure will emphasize compliance with the State-mandated recycling requirements of AB 341 and AB 1826.</p> <p>The brochure will be distributed as provided in this exhibit. It will also be made available on Recology's website and for customers upon request and during site visits and community events.</p>	SFD, MFD, Commercial
Quarterly	<p>Quarterly Newsletters</p> <p>Recology will distribute quarterly newsletters that will educate customers on the services and programs provided by Recology. Newsletters may also be used to promote local community and recycling events and educate customers on additional resources for recycling and waste reduction. There will be two different versions of the newsletter, one for residential customers (SFDs/MFDs) and one for commercial customers.</p>	SFD, MFD, Commercial

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
As needed	<p>Program Notifications</p> <p>Recology will notify customers of important service and program changes (such as changes in scheduled collection days, or significant changes in the types of material that go in each container) as they occur. This information will be provided by direct mail, bill inserts or newsletter but changes will also be communicated via social media, and/or Recology's website.</p>	SFD, MFD, Commercial
As needed	<p>Non-Collection Notices</p> <p>If Recology does not collect a container due to contamination or presence of hazardous materials, Recology will leave a non-collection notice explaining the reason for non-collection and containing instructions on how to properly separate recyclables/organics or how to properly dispose of hazardous materials.</p>	SFD, MFD, Commercial
Ongoing	<p>Container Labeling</p> <p>All Carts and bins will be properly labeled to show what types of materials go into each. All newly-purchased carts will have detailed colored labeling showing acceptable commodity types.</p>	SFD, MFD, Commercial
Occasional	<p>Announcements on Bills & Billing Inserts</p> <p>Recology will place announcements on bills and use billing inserts to inform customers about service options, community events, acceptable materials in each container (recyclables, organics, and garbage), proper set-out procedures, and/or other applicable Recology programs (such as the used oil program, HHW drop-off locations, Move-In/Move-Out program, etc.), as Recology deems appropriate.</p>	SFD, MFD, Commercial

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
Upon customer request	<p>Used Oil Recovery Kit</p> <p>Recology will provide used oil recovery kits to SFD customers upon request. The kit contains a used oil container, a heavy duty zip-lock bag for used oil filters, and instructions for proper set-out. Oil filter bags to be provided by CITY.</p>	SFD
Once a year upon customer request	<p>Recycling Posters</p> <p>Recology will provide posters to MFD and commercial customers that illustrate acceptable materials for each container (recyclables, organics, garbage). Posters will offer information in English and in Spanish.</p>	MFD, Commercial
As requested (after October 1, 2016)	<p>Tenant Move-In/Out Guide</p> <p>Recology will make available a guide describing the Move-In/Out Recyclables Collection service available to MFD complex tenants. The guide will be provided upon request to owners/managers of MFD complexes, for distribution to tenants.</p>	MFD
Annually	<p>Mandatory Recycling Notices</p> <p>CITY will prepare and Recology will distribute an annual letter to MFD and commercial customers that do not appear to be compliant with the mandatory recycling requirements of AB 341 and AB 1826. After the letter is sent, Recology will attempt to contact each such customer by phone. The letter and any phone contact will offer assistance in the customer's compliance efforts, including offering an on-site waste assessment.</p>	MFD, Commercial

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
Upon service initiation	<p>New Start Kit</p> <p>When new customers initiate service, Recology will provide them with the Service Brochure and a copy of the most recent newsletter.</p>	SFD, MFD, Commercial
From October 1, 2016 onward	<p>Food Waste Program</p> <p>Effective October 1, 2016, Commercial Organic Waste Collection Service and MFD Organic Waste Collection Service shall be offered and shall include collection of Food Waste and Yard Waste commingled in the same Container.</p>	MFD, Commercial
Upon service initiation (after October 1, 2016)	<p>Food Waste "How To" Guide</p> <p>Recology will provide a food waste guide to MFD and commercial customers participating in the Food Waste program that will include:</p> <ul style="list-style-type: none"> ▪ List of materials that are accepted and not accepted in the food waste collection program ▪ Description of proper food waste set-out procedures ▪ Tips on how to mitigate odors and vectors 	MFD, Commercial
Ongoing	<p>Recology Vallejo Website</p> <p>Recology will maintain a dedicated Recology Vallejo website accessible to customers. The website will include:</p> <ul style="list-style-type: none"> ▪ Service information for customers ▪ Informational updates ▪ Frequently Asked Questions ▪ Holiday service schedule ▪ Educational resources ▪ Downloadable brochures, guides, posters and other collateral. 	SFD, MFD, Commercial

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
Ongoing	<p>WhatBin</p> <p>Vallejo will be included in Recology's corporate WhatBin.com site, which provides an online tool to assist customers in determining which items can be disposed of in which containers.</p>	SFD, MFD, Commercial
Ongoing	<p>Social Media</p> <p>Recology will maintain a Recology Vallejo Facebook page to engage and network with the Vallejo community.</p>	SFD, MFD
Upon request	<p>Outreach to Local Groups</p> <p>Recology personnel will be available to provide informational presentations to Chambers of Commerce, service groups, and other Vallejo organizations regarding the triple-bottom-line benefits of recycling and composting.</p>	N/A
Ongoing	<p>Education in Schools</p> <p>Recology will offer educational programs in Vallejo schools to help educate students on the importance of diversion, as provided in the three way agreement between Recology Vallejo, the City of Vallejo and the Vallejo City Unified School District.</p>	N/A
Ongoing after October 1, 2016	<p>Junior Recologist Program</p> <p>Recology will offer an online program that features a video and educational activities to help children ages 9 to 12 become environmental stewards.</p>	N/A

EXHIBIT 4
DIVERSION AND PUBLIC EDUCATION PLAN

Date/Frequency	Item	Customers Targeted
<p>The dates listed throughout this Exhibit 4 assume that the first day of service under the Agreement will be October 1, 2016. These dates will be adjusted accordingly if the first day of service is a later date.</p> <p>All communications with, service requests by, and materials provided to MFDs shall be with, by or to the property owner/manager.</p> <p>Nothing in this Exhibit 4 shall require the provision of any information, education, outreach or service to any person or entity that is not a customer of CONTRACTOR under this Agreement.</p> <p><u>Determination of Apparent Non-Compliance with AB 341 and AB 1826:</u></p> <p>A commercial or MFD customer will be considered to appear non-compliant with AB 341 only if (i) it is either a commercial customer that subscribes for four (4) cubic yards or more of weekly Garbage collection service volume from Recology Vallejo, or an MFD customer with five (5) or more units, and (ii) it is not receiving Recyclable Materials collection service from CONTRACTOR.</p> <p>From October 1, 2016 to December 31, 2016, a commercial or MFD customer will be considered to appear non-compliant with AB 1826 only if (i) it is a commercial customer that subscribes for eight (8) cubic yards or more of weekly Garbage collection service volume from CONTRACTOR, (ii) it is a restaurant or grocery store, (iii) CONTRACTOR believes based on a visual inspection of its waste stream that it may be generating at least eight (8) cubic yards or more of Organic Waste per week, and (iv) it is not receiving Organic Waste collection service from CONTRACTOR.</p> <p>From January 1, 2017 to December 31, 2018, a commercial or MFD customer will be considered to appear non-compliant with AB 1826 only if (i) it is a commercial customer that subscribes for four (4) cubic yards or more of weekly Garbage collection service volume from Recology Vallejo, (ii) it is a restaurant or grocery store, (iii) CONTRACTOR believes based on a visual inspection of its waste stream that it may be generating at least four (4) cubic yards or more of Organic Waste per week, and (iv) it is not receiving Organic Waste collection service CONTRACTOR.</p> <p>After January 1, 2019, a commercial or MFD customer will be considered to appear non-compliant with AB 1826 only if (i) it is either a commercial customer, or an MFD customer with five (5) or more units, that subscribes for four (4) cubic yards or more of weekly Garbage collection service volume from CONTRACTOR, and (ii) it is not receiving Organic Waste collection service from CONTRACTOR.</p> <p>If CalRecycle reduces the threshold for AB 1826 compliance to two (2) cubic yards or more per week of commercial solid waste, pursuant to California Public Resources Code Section 42649.81(a)(4), then, after January 1, 2020 (or such other effective date as may be specified by CalRecycle or applicable law), a commercial or MFD customer will be considered to appear non-compliant with AB 1826 only if (i) it is either a commercial customer, or an MFD customer with five (5) or more units, that subscribes for two (2) cubic yards or more of weekly Garbage collection service volume from CONTRACTOR, and (ii) it is not receiving Organic Waste collection service from CONTRACTOR.</p> <p>If the requirements of AB 341 or AB 1826 are modified during the term of this Agreement, the above provisions shall be adjusted accordingly.</p>		

EXHIBIT 5

CUSTOMER SERVICE PLAN

1. New Shortel Phone System

- The phone system is able to track all phone calls coming in (including phone number).
- Recology is able to set metrics for how long the customer is on hold and how timely their questions are answered and if calls any calls have been missed.
- The phone system enables Recology to put a message on the automated system in case a customer is placed on hold or if they call on the weekend of after hours. The message they hear answers most of their basic questions.
- Recology is able to control the amount of time a customer is on hold due to the Shore Ware Agent manager system. A manager at all times can see if someone is on hold and how long they have been on hold. At that time a manager is able to sign on to the system and answer calls as well.

2. Billing

- Residential SFD customers are billed quarterly one month in arrears – two months in advance. The bills go out the end of October, January, April, and July. There is discount incentive if the customer pays their bill within a specific time frame.
- Commercial and MFD customers are billed every month at the end of the month. The bill is for that month's service. There is a discount incentive if the customer pays their bill within a specific time frame.
- Recology accepts Cash, Check, Visa, MasterCard, Discover, and automatic deductions from bank accounts. The customer can come in to the lobby of Recology's office, pay on line or over the phone, send in payment, or have an automatic deduction set in place from their checking or savings account.
- Since garbage disposal is mandatory in the City of Vallejo, all unpaid bills are paid through the property assessment process.

3. Method used to track customers

- When a customer calls in (with a special request, billing question, cart request, miss, etc.), Recology asks them to give us their address – the they immediately pull up their Recology account. If there is an action on the account and not just a question about billing or general service, a ticket is created. The ticket not only makes a note on the account of the concern and who the customer spoke to, but also generates a printed ticket in the dispatch department. The ticket is then handed out to the appropriate driver where the request is fulfilled. In the event the action requires a manager's review, the call is immediately transferred to the manager or route supervisor. Once the action is completed, a comment is added to the customer's account information and the item is closed.

4. Location and Staffing

- Recology maintains an office at 2021 Broadway Street, Vallejo CA 94589. The hours of operation for the main office are Monday through Friday from 8:00am to 5:00pm. We are closed on most federally recognized holidays. Recology's recycling center is open to the public Thursday through Saturday from 8:00am to 4:00pm. Customers may drop off non garbage items such as cardboard,

EXHIBIT 5

CUSTOMER SERVICE PLAN

newspaper, electronic waste, latex paint, batteries (car and household), fluorescent and incandescent light bulbs, motor oil, cooking oil, sharps, books and old CD's and DVD's and anti-freeze. Trash is not accepted at this facility.

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EXHIBIT 6

VEHICLE AND CONTAINER INVENTORY AND REPLACEMENT SCHEDULE

Initial Inventory

- 6 Forklifts
- 5 Front End Load Trucks
- 4 Loaders
- 1 Sweeper Truck
- 5 Pick Up Trucks
- 2 Rear Load Trucks
- 6 Roll Off Trucks
- 17 Automated Side Load Trucks
- 7 Manual Side Load Trucks
- 2 Flatbed Trucks
- 1 Road Maintenance Truck
- 3 Transfer Trailers
- 2 Transfer Tractors
- 2 Harris Balers
- Approximately 300 Commercial Debris Boxes
- Approximately 2,000 Commercial Bins
- Approximately 145,000 Residential Trash and Recycling Carts

2016

- 2,000 Residential Trash and Recycling Carts
- 36 Commercial Trash and Recycling Bins

2017

- 2,000 Residential Trash and Recycling Carts
- 2 Roll Off Trucks
- 1 Pick Up Truck

2018

- 2,000 Residential Trash and Recycling Carts
- 36 Commercial Trash and Recycling Bins
- 1 Roll Off Truck
- 1 Front End Load Truck
- 1 Manual Side Load Truck
- 4 Automated Side Load Trucks

2019

- 2,000 Residential Trash and Recycling Carts
- 4 Automated Side Load Trucks
- 1 Rear Load Truck

EXHIBIT 6

VEHICLE AND CONTAINER INVENTORY AND REPLACEMENT SCHEDULE

- 1 Front End Load Truck

2020

- 2,000 Residential Trash and Recycling Carts
- 36 Commercial Bins
- 4 Automated Side Load Trucks
- 1 Manual Side Load Truck
- 1 Front End Load Truck

2021

- 2,000 Residential Trash and Recycling Carts
- 10 Commercial Debris Boxes
- 4 Automated Side Load Trucks
- 1 Manual Side Load Truck
- 1 Rear Load Truck
- 1 Pick Up Truck

2022

- 2,000 Residential Trash and Recycling Carts
- 36 Commercial Bins
- 1 Automated Side Load Truck
- 1 Front End Load Truck

2023

- 2,000 Residential Trash and Recycling Carts
- 15 Commercial Debris Boxes
- 1 Manual Side Load Truck
- 1 Flatbed Truck

2024

- 2,000 Residential Trash and Recycling Carts
- 36 Commercial Bins
- 1 Flat Bed Truck
- 1 Manual Side Load Truck

2025

- 2,000 Residential Trash and Recycling Carts
- 1 Manual Side Load Truck

2026

- 2,000 Residential Trash and Recycling Carts
- 1 Manual Side Load Truck

EXHIBIT 6

VEHICLE AND CONTAINER INVENTORY AND REPLACEMENT SCHEDULE

- 10 Commercial Debris Boxes

2027

- 2,000 Residential Trash and Recycling Carts

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EXHIBIT 7 DETAILED RATE REVIEW METHODOLOGY

1. Detailed Rate Review Methodology

In the event that a Detailed Rate Review is requested by CITY, CITY shall notify CONTRACTOR of such request on or before the May 1 preceding the January 1 for which Maximum Service Rates are to be adjusted. CONTRACTOR shall submit its rate application on or before July 1. CITY shall complete its review (including any required City Council approval) and Maximum Service Rates shall be finalized by September 30.

The Detailed Rate Review will be based on CONTRACTOR'S rate application, which shall contain financial statements (together with a management representation letter as to such statements) for services provided under this Agreement for the most recently completed fiscal year preceding the given July 1st rate application due date.

As part of its rate application, CONTRACTOR shall assemble and submit its forecasts of: Maximum Service Rates, revenue given such rates, annual cost of operations, pass-through costs, and profit, for the year for which Maximum Service Rates are being adjusted, together with the method used to produce such forecasts, and such information as is necessary to support the assumptions made with regard to such forecasts (such as projected population growth or migration, service or operational changes, projected changes in tonnages, known or reasonably expected cost increases, etc.). CONTRACTOR shall provide all financial information and supporting documentation required by this review in a format acceptable to CITY (or CITY's designated consultant) in a timely manner. CONTRACTOR shall not require CITY (or CITY's designated consultant) to review any such documents on-premises at CONTRACTOR'S worksite, but shall instead allow for all required information and supporting documentation to be provided to CITY (or its designated consultant) via physical mail, e-mail, or any other delivery method approved by CITY.

Maximum Service Rates shall be adjusted as part of this Detailed Rate Review so as to generate sufficient Gross Revenues to CONTRACTOR to cover the sum of the forecasted annual cost of operations, profit on such forecasted annual cost of operations, and forecasted Pass-Through Costs, reviewed or calculated as set forth below.

- a. Forecasted annual cost of operations. The forecasted annual cost of operations shall consist of the sum of:
 - Forecasted labor-related costs
 - Forecasted vehicle-related costs
 - Forecasted other costs
 - Forecasted lease expense

Each of these sums shall be reviewed based on the following:

- i. **Determination of actual costs.** CONTRACTOR's financial statement will be reviewed to determine CONTRACTOR's costs for each of the foregoing categories during the fiscal year involved. CITY will use the financial statements to determine that costs have actually been incurred and have been assigned to the appropriate category.

EXHIBIT 7 DETAILED RATE REVIEW METHODOLOGY

- ii. **Adjustment of actual costs.** CITY may adjust the actual costs in two ways: (1) to exclude any non-allowable costs, set out below, and (2) to exclude and/or reduce any costs that were not reasonably and necessarily incurred in the performance of the services or other obligations of CONTRACTOR under this Agreement. All costs incurred by CONTRACTOR in the performance of this Agreement not excluded under the preceding sentence shall be deemed allowable costs. The "other" cost category includes all allowable costs besides labor-related, vehicle-related and lease costs, including without limitation processing and tip fees.

Costs that are deemed non-allowable consist of the following:

- i. Corporate and technical services costs in excess of four percent (4%) of Gross Revenues. Corporate and technical services costs consist of the following corporate headquarters costs allocated to CONTRACTOR by CONTRACTOR's parent: corporate administration, environmental compliance, sustainability, corporate finance, human resources, and information technology.
- ii. Promotional, entertainment, and travel expenses in excess of \$8,500 per year, unless authorized in advance by CITY.
- iii. Fines or penalties of any nature.
- iv. Liquidated damages assessed under Section 19.03 of this Agreement.
- v. Federal or state income taxes.
- vi. Charitable or political donations.
- vii. Attorney's fees and other expenses incurred by CONTRACTOR in any court proceeding in which CITY and CONTRACTOR are adverse parties, unless CONTRACTOR is the prevailing party in said proceedings.
- viii. Attorney's fees and other expenses incurred by CONTRACTOR in any court proceeding in which CONTRACTOR's own negligence, violation of law or regulation, or other wrongdoing, are in issue and occasions in part the attorney's fees and expenses claimed, provided, however, such attorney's fees will be allowed to the extent CONTRACTOR can demonstrate they were reasonable and necessary and a cost of doing business, and were not the result of any intentional or willful misconduct by CONTRACTOR or its employees; and attorney's fees and expenses incurred by CONTRACTOR in a court proceeding in which the legal theory or statute providing a basis of liability against CONTRACTOR also provides for separate strict liability for CITY arising from the action of its citizens or ratepayers (such as in a CERCLA lawsuit).
- ix. Payments to related party entities for products or services (other than lease expense, calculated as provided below), in excess of the fair market value for those products or services. For purposes of this

EXHIBIT 7
DETAILED RATE REVIEW METHODOLOGY

Agreement, related party expenses are those resulting from transactions between CONTRACTOR and another company (companies) that has (have) common ownership or management control.

- b. Forecasted Costs. Allowed costs of operations for CONTRACTOR'S prior fiscal year will be used as the starting point to evaluate the forecasted cost for the year for which Maximum Service Rates are being adjusted. The review will evaluate forecasted labor-related costs, vehicle-related costs, other costs, and lease expense (described in additional detail below).
- c. Labor-Related Costs. Labor-related costs will be forecasted based on projected head count and the increases provided for in CONTRACTOR's collective bargaining agreements.
- d. Lease Expense. Lease expense will be calculated using the actual purchase price of the asset, the number of years in the useful life of the asset, and the prime interest rate on the date of acquisition, assuming full amortization over the useful life of the asset. The result is the forecasted lease expense for the asset for the rate year. Useful lives are: office equipment 5 years; vehicles 8 years; carts/bins/debris boxes 10 years; buildings and leasehold improvements 20 years. Forecasted lease expense will reflect CONTRACTOR's procurement schedule in Exhibit 6 as well as other reasonably necessary capital costs.
- e. Corporate Costs. The following corporate headquarters costs allocated to CONTRACTOR by CONTRACTOR's parent shall be allowable costs: insurance, workers compensation, pension costs, health and welfare, and regional charges. Such costs are not included in the corporate and technical services category referred to in (i) above.
- f. Pass-Through Costs. Pass-through costs will be included as allowable costs, but will not be subject to the calculation of profit as set forth below. Pass-through costs comprise:
 - i. All costs for disposal (i.e., landfill) tipping fees;
 - ii. Franchise Fees, as described in Section 4.03.1 of this Agreement;
 - iii. AB 939 Support Fees, as described in Section 4.03.2 of this Agreement;
 - iv. Road Impact Fees, as described in Section 4.03.3 of this Agreement;
 - v. Illegal Dumping Clean-up Fees, as described in Section 4.03.4 of this Agreement;
 - vi. Street Sweeping Fees, as described in Section 4.03.5 of this Agreement; and
 - vii. Payments to VALCORE, as described in Section 4.04 of this Agreement.

Forecasted pass-through costs shall reflect scheduled increases in amounts payable to CITY and VALCORE.

EXHIBIT 7
DETAILED RATE REVIEW METHODOLOGY

- g. Profit. Profit or return to CONTRACTOR shall be determined by CITY applying an operating ratio so as to provide for an adequate rate of return to CONTRACTOR. For purposes of this Agreement, the CITY-determined operating ratio shall be eighty-nine percent (89.00%). For purposes of determining the amount of profit, this operating ratio shall be applied to CONTRACTOR'S total forecasted allowable expenses, which shall not include expenses that are identified as non-allowable expenses or as pass-through expenses (as described above). The formula for applying the operating ratio is as follows: $\text{operating ratio} = (\text{allowable expenses}) / (\text{allowable expenses} + \text{profit})$.

Additional Diversion Expense. Without limiting the foregoing, if CONTRACTOR undertakes activities to increase its overall diversion level that are not specifically required to be performed by CONTRACTOR under the strict terms of this Agreement, and such activities are reasonably necessary in order to achieve the 50% diversion requirement set forth in Section 5.01, then for purposes of the Detailed Rate Review such activities shall be deemed to be undertaken in the performance of the Agreement, and the costs of such activities shall be deemed to be allowable expenses.

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Exhibit 8

WASTE ZERO SPECIALIST JOB DUTIES

ESSENTIAL RESPONSIBILITIES OF ZERO WASTE SPECIALIST 1

- Develops and markets new services (recycle).
- Improves penetration of existing recycling services (carts, compactors, drop box).
- Prepares and delivers speeches and presentations within the community and for customers.
- Develops literature and brochures promoting the company and its services.
- Completes waste audits for customers.
- Attends and becomes active in local community organizations (Rotary, Chambers).
- Educates existing and new customers on various recycling and waste issues (contaminants, AB341, AB939, AB1826, HHW).
- Coordinates recycling programs with local jurisdictions.
- Conducts outreach and education.