

Franchise Agreement

for

**SOLID WASTE, RECYCLABLE MATERIALS,
COMPOSTABLE MATERIALS, CONSTRUCTION
AND DEMOLITION DEBRIS, AND STREET
SWEEPING SERVICES**

Between

City of Healdsburg

And

Recology Sonoma Marin

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AGREEMENT

This Agreement made and entered into this 1st day of January 2021 between the City of Healdsburg (hereinafter “City”) a municipal corporation of the state of California, and Recology Sonoma Marin dba Recology, (hereinafter Contractor) a California corporation.

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

WHEREAS, the City Council adopted Ordinance 293 on May 6, 1946 and subsequently on August 19, 1946 adopted Ordinance 295 which sets forth findings, public health and safety interests, and public necessity for providing regular Collection and Disposal of Solid Waste by an exclusive contract; and.

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939), set forth in Public Resources Code Sections 40000 et seq., declares that it is within the public interest to authorize and require local agencies to make adequate provision for Solid Waste Handling within their jurisdiction: and,

WHEREAS, the City Council adopted Ordinance 996 on December 2, 2002 which specifies that all Owners and Occupants of property, and all producers of debris, rubbish, garbage or Refuse shall be required to receive regularly scheduled Solid Waste collection service, and,

WHEREAS, the City Council affirms the prior determinations that it is in the best public health, safety and wellbeing interest of the City and its residents that Solid Waste Collection, Transportation, Processing, Recycling, Disposal, and street sweeping services, as specified in this Agreement, be provided by the Contractor under an exclusive franchise agreement;

WHEREAS, after public deliberation the City Council determined it was in the best interest of the community and Rate payers to continue contracting with the Contractor for Solid Waste, Recyclable Materials, Compostable Materials. and Construction and Demolition Debris and street sweeping services;

WHEREAS, City is engaging Contractor through this Agreement to provide services to assist City in complying with the requirements of applicable laws and regulations including specifically, without limitation, AB 939, AB 341, AB 1594, AB 1826, SB 1383, Public Resources Code Section 40000, *et seq*, as it may be amended from time to time, and such other laws and regulations of the State of California as may be enacted from time to time concerning Solid Waste, Organic Waste, Recyclable Materials, or the collection, handling composting, recycling or disposal of such materials;

WHEREAS, it was mutually agreed a new exclusive franchise agreement would best reflect the updated terms and conditions negotiated by the City and the Contractor;

NOW, THEREFORE, intending to be legally bound, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement the following words or phrases shall have the following meanings unless any such word is otherwise specifically defined herein or unless it is obvious from the context hereof that another meaning is necessarily intended.

AB 341

“AB 341” means Assembly Bill 341 from the 2011-2012 Regular Session of the California Legislature (Chapter 476, Statutes 2011).

AB 939

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

AB 1594

“AB 1594” means Assembly Bill 1594 from the 2013-2014 Regular Session of the California Legislature (Chapter 719, Statutes 2014).

AB 1826

“AB 1826” means Assembly Bill 1826 from the 2013-2014 Regular Session of the California Legislature (Chapter 727, Statutes 2014).

SB 1383

“SB 1383” means Senate Bill 1383 from the 2015-2016 Regular Session of the California Legislature (Lara Chapter 395, Statutes 2016).

Agreement

“Agreement” means this Agreement between the City and Contractor for the provision of the Franchise Services as specified herein, including all exhibits and future amendments.

Applicable Law

“Applicable Law” means all laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection and disposition of Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris that are in force on the Signature Date as they may be enacted, issued or amended during the Term of this Agreement.

Base Term

“Base Term” means the initial fifteen (15) year portion of the Term of the Agreement, commencing on Effective Date and ending on December 31, 2035.

Billing

“Billing” means any and all statements of charges for services rendered, howsoever made, described or designated by City or Contractor to Owners or Occupants of property, including residential property and commercial business, industrial, and institutional property serviced by Contractor for the Collection of Refuse, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris and street sweeping.

Bin

“Bin” means a receptacle for Solid Waste, Recyclable Materials, or Compostable Materials, generally provided by the Contractor having a capacity less than ten (10) cubic yards that has wheels, a handle for ease of movement and a tight-fitting, attached lid, and is designed to be dumped mechanically into a front loading Collection vehicle.

Bin Service

“Bin Service” means the provision of Franchise Services using Bins.

Bulky Items

“Bulky Items” means a for fee service collection of unwanted household appliances, furniture, tires, carpet, mattresses, and similar large items, which require special handling due to their size, but can be collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does not include abandoned vehicles or boats. Bulky items are limited to 60 pounds or no longer than 5 feet except for mattresses and appliances. Charges for Bulky Items shall be billed as provided in the Rate schedule approved by the City.

C&D Processing Facility

“C&D Processing Facility” means the facility(ies) used by Contractor for handling, Processing, and preparing C&D materials for marketing.

Cart(s)

“Cart(s)” means wheeled Containers of approximately twenty (20), thirty-two (32), sixty-four and ninety-six (96) gallon capacity provided by Contractor to Customers for Collection of Solid Waste, Recyclable Materials, and Compostable Materials.

Cart Service

“Cart Service” means provision of Franchise Services using Carts, and charged at a single Rate based on Solid Waste Cart size.

CERCLA

“CERCLA” means the Comprehensive Environmental Responsibility Compensation and Liability Act, 42 U.S.C.A. Section 9601 et seq. (West 1983 & Supp. 1989), as amended or superseded, and the regulations promulgated thereunder.

Change in Law

“Change in Law” means any of the following events or conditions:

1. Enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after the Signature Date of any Applicable Law; or
2. Order or judgment of any governmental body, on or after the Signature Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of City or of Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error, or omission or lack of reasonable diligence.

Notwithstanding the foregoing, any rules, regulations or requirements adopted pursuant to SB 1383 shall be considered a Change in Law, regardless of whether adopted before or after the Signature Date.

Change in Scope

“Change in Scope” is defined in Section 5.7A.

City

“City” means the City of Healdsburg, California, as its boundaries exist now or in the future.

City Council

“City Council” means the legislative body of City.

City Representative

“City Representative” means City Manager, or an agent of the City authorized by written notice to Contractor to enforce the terms of this Agreement.

City Services

“City Services” means the services provided by Contractor at no additional cost to City buildings and public locations as provided in Section 3.8, Section 11 of Exhibit A, and Exhibit F.

Collection

“Collection”, “Collect”, “Collected”, “Collecting” means Collection by Contractor of Solid Waste, Recyclable Materials, Compostable Materials, Construction and Demolition Debris, street sweeping material, or other material specified in this Agreement and its Transportation to an appropriate facility.

Collection Component

“Collection Component” means the component of each Rate related to the Contractor's operating expenses as provided in Article 7 to provide the services specified in this Agreement.

Commercial Service

“Commercial Service” means the provision of Franchise Services to Commercial Customers including all industrial, manufacturing, warehouse, wholesale, or retail stores, service establishments of any type, professional offices, schools, and construction sites.

Compactor, Compactors, Compactor Service

“Compactor”, “Compactors”, “Compactor Service” means any Bin or other similar Container incorporating a built-in mechanism to reduce waste volume by crushing action or other compacting method. Compactor Service is the Collection of Franchise Material from Compactors that are compatible with Contractor’s equipment. Household trash compactors in dwellings are not included in this definition.

Complaint

“Complaint” means written or orally communicated statements made by members of the public, Customers of the Contractor, or officers, employees or agents of the City alleging non-performance or deficiencies in performance of Contractor’s duties and obligations under this Agreement, or otherwise alleging a violation by Contractor of the provisions of this Agreement.

Compostable Container

“Compostable Container” means a Cart or Bin used by a Generator to store and contain Compostable Materials from a designated location.

Compostable Materials

“Compostable Materials” means material that will decompose and/or putrefy. Compostable Materials may include vegetable waste, Food Scraps, fruit waste, grain waste, non-Recyclable paper Waste and Green Waste. Additional materials may be included upon mutual agreement and as authorized by the operating permit of the Designated Compostable Materials Facility. No discarded material shall be considered to be Compostable Materials, however, unless it is separated by the Generator from Refuse and Recyclable Materials.

Compostable Processing Fee Component

“Compostable Processing Fee Component” means the component of each Rate related to the Designated Compostable Materials Facility tipping/processing fee as provided in Article 7 and is intended to be a pass through fee based on the tipping/processing fee at the Designated Compostable Materials Facility.

Construction and Demolition Debris (C&D)

“Construction and Demolition Debris (C&D)” means used construction materials, dredging, grubbing, and rubble resulting from constructing, remodeling, repair, razing, renovation, or demolition activities at residential, commercial or governmental buildings, and any other structure or pavement disposed in Bins or Debris Boxes.

Containers

“Containers” means Bins, Carts, Compactors and Debris Boxes used to provide Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris

Collection, as well as City-owned Containers used for Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris Collection in public locations.

Contamination

“Contamination” means the presence, in a container or bundle, of materials other than the designated material type for that container or bundle. Examples include the presence of Refuse in a Recyclable Materials or Compostable Materials container, or the presence of materials other than the designated Segregated Recyclable Materials type in a bundle of Segregated Recyclable Materials.

Contract Year

“Contract Year” shall mean calendar year, January 1 through December 31.

Contractor

“Contractor” means Recology Sonoma Marin dba Recology, a corporation organized and operating under the laws of the State of California and its officers, directors, employees, agents, companies and subcontractors.

County

“County” means Sonoma County, California.

County System

“County System” means the Central Landfill, the County-owned transfer stations, and any processing facility to which Compostable Materials, Green Waste or Food Scraps may be delivered under the Agreement for Operation of the Central Landfill and County Transfer Stations between the County and Republic Services of Sonoma County, Inc., as amended.

Curbside (Curb)

“Curbside” means the location of a container for pickup, not more than five (5) feet from the publicly maintained street Curb. Where no street Curb exists, the location shall be within five (5) feet from the outside edge of the public-maintained street nearest the property's entrance.

Customer

“Customer” means the Person or entities receiving Franchise Services.

Debris Box, Debris Boxes, Debris Box Service

“Debris Box, Debris Boxes, Debris Box Service” means Contractor provision of containers that are individually dropped at and picked up from the site of use, and that have minimum capacities of ten (10) cubic yards. Debris Box Service is provided to Customers on a temporary or permanent basis as provided in Section 2.D of Exhibit A and billed as provided on the Rate schedule approved by the City. Debris Box Service includes Compactor Service.

Delivery

“Delivery” of Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris has occurred once a Customer has deposited Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris in a receptacle or at a

location that is designated for Collection pursuant to City's codes or ordinances, or is otherwise lawfully discarded.

Designated Disposal or Transfer Facility

“Designated Disposal or Transfer Facility” means any permitted transfer or Disposal facility(ies) which the Contractor will transport all Solid Waste Collected to under this Agreement. The initial Designated Disposal or Transfer Facility is any disposal or transfer facility within the County System.

Designated Compostable Materials Facility

“Designated Compostable Materials Facility” means any permitted Compostable Materials facility(ies) which the Contractor will transport all Compostable Materials Collected to under this Agreement. The initial Designated Compostable Materials Facility is any Compostable Materials processing facility within the County System.

Designated Waste

“Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be disposed of only in Class II Disposal Sites, or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State of California in the California Code of Regulations, California Water Code, Division 7, Chapter 4, Article 4, Section 13173.

Disposal

“Disposal”, “Disposing”, “Dispose”, or “Disposed” means the final disposition of Solid Waste Collected by Contractor, at the Designated Disposal or Transfer Facility.

Disposal Tipping Fee Component

“Disposal Tipping Fee Component” means the component of each Rate related to the Disposal fee at the Designated Disposal or Transfer Facility, as provided in Article 7 and is intended to be a pass through fee based on the tipping fee at the Designated Disposal or Transfer Facility. The Disposal Tipping Fee Component includes Disposal of street sweeping material.

Diversion, Divert

“Diversion”, “Divert” means the tonnage or percentage of Collected Franchise Materials that are not Disposed.

Downtown Streets

“Downtown Streets” shall mean the streets as shown on Exhibit N.

Effective Date

“Effective Date” means January 1, 2021.

Extension

“Extension” means any of the Extensions that may be provided by the City as defined in Section 3.1.B.

Extras

“Extras” mean services provided to Customers in addition to their regular service. Such services shall be billed in accordance with the Special Charges rates approved by the City advance. A temporary Bin provided to a residential Customer, extra bags of Refuse placed beside Multi-Family Carts and side yard service are examples of Extras.

Food Scraps

“Food Scraps” means, but is not limited to all source separated vegetable waste, fruit waste, grain waste, dairy waste and by mutual agreement of the Parties may include meat waste, fish waste, and other materials.

Franchise

“Franchise” means the rights granted to Contractor under the terms and conditions of this Agreement.

Franchise Area

“Franchise Area” means the entire territory included within City limits as such limits may change from time to time due to annexations or other means.

Franchise Fee

“Franchise Fee” means the fee paid by Contractor to City for the right to hold the exclusive Franchise and the use of the public rights of way granted by this Agreement.

Franchise Materials

“Franchise Materials” means all of the Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris generated in the City and included within the grant of Franchise provided in Section 3.2 and not excluded by Section 3.4.

Franchise Services

“Franchise Services” means all of the rights, duties and obligations of Contractor as specified in this Agreement and associated with the grant of Franchise.

Generator

“Generator” means any Person whose act or process produced Refuse, Recyclable Materials, Compostable Materials, or Construction & Demolition Materials.

Green Waste

“Green Waste” means biodegradable materials such as leaves, grass cuttings, weeds, pruning, and wood materials from branches, dead plants, brush, tree trimmings, and dead trees that do not exceed six (6) inches in diameter and four (feet) in length. Larger items such as tree stumps and intact dead trees are Bulky Items.

Gross Rate Revenues

“Gross Rate Revenues” means all Rate Revenues collected by the Contractor pursuant to this Agreement. In this Agreement. Gross Rate Revenues are adjusted by adding proceeds (net of the costs of processing and transport to market), if any, from the sale of Recyclable Materials.

Handling

“Handling” means Collection and Transportation of Refuse, Construction & Demolition Debris, and Compostable Materials to the Designated Disposal or Transfer Facility or Designated Compostable Materials Facility and Collection and Processing of Recyclable Materials.

Hazardous Substance

“Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as “Hazardous Substances”, “hazardous materials”, “Hazardous Wastes”, “toxic waste”, “pollutant” or “toxic substances”, or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC § 1802. et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25 117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl’s (“PCBs”), petroleum, natural gas and synthetic fuel products, and by-products.

Hazardous Waste

“Hazardous Waste” shall have the meaning set forth in California Code of Regulations, Title 14, Division 7, Chapter 3, Article 4, Section 17225.32 and Health and Safety Code Section 25117, or in CERCLA or in their successor laws and regulations as may be amended from time to time, whichever definition is in the opinion of the City more inclusive.

Household Hazardous Waste

“Household Hazardous Waste” shall have the meaning set forth in California Code of Regulations, Title 14, Division 7, Chapter 7, Article 1.1, Section 18502 or successor laws and regulations as may be amended from time to time.

Legislation

“Legislation” means any code, ordinance, resolution, or any other formal enactment of the governing body of the City, which now exists, or which may hereafter be adopted which constitutes law or regulation governing the operation of the Contractor.

Liquidated Damages

“Liquidated Damages” means the damages for specified violations of the terms of the Agreement as enumerated in Exhibit J and levied by City against Contractor.

Medical Waste and/or Infectious Waste

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

Monthly Remittance

“Monthly Remittance” means the monthly payment made to the City by the Contractor as specified in Article 6.

Multi-Family Service

“Multi-Family Service” means Franchise Services provided to the Owner or residents of any building and/or structure, or portion thereof, located in City that is used for residential housing and having four (4) or more distinct living units.

Occupant

“Occupant” means the Person who occupies Premises.

Owner

“Owner” means the Person with the legal right to the possession of land or building.

Party

“Party” or "Parties" means City or Contractor individually, or City and Contractor collectively.

Person

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Sonoma, and special purpose districts.

Premises

“Premises” means any land or building in the City where Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris are generated or accumulated.

Processing

“Processing” means to process, prepare, treat, or convert through some special method.

Rate Revenue

“Rate Revenue” means the revenue billed to and collected from Customers by Contractor for provision of Franchise Services, which shall be subject to the City's approved and published Rates.

Rates

“Rates” or “Rate” means the maximum amount each Customer may be billed by Contractor as specified in the Rate schedules as established in accordance with this Agreement. Contractor may bill customers any amount for a service provided that a Rate for the service exists and that the amount billed does not exceed the Rate for that service.

Recyclable Materials, Recyclables

“Recyclable Materials” or “Recyclables” means discarded materials from the Customer intended for and capable of being Recycled, and that are separated, set aside, handled, packaged, offered, or otherwise Delivered for Collection by a Customer in a manner different from Solid Waste. Exhibit A includes the initial list of Recyclable Materials that may be set-out for Collection by Customers receiving Single Stream Recycling service.

Recycle, Recycled, Recycling

“Recycle, Recycled, Recycling” means the process of Collection, sorting, cleansing, treating and reconstituting Recyclable Materials that would otherwise be Disposed of, and returning them to the economy in the form of raw materials for new, reused, repaired, refabricated, remanufactured, or reconstituted products. The Collection, Transportation, or Disposal of Solid Waste not intended for, or capable of, reuse is not Recycling.

Recycling Container

“Recycling Container” means City-approved Cart or Bin used to place Recyclable Materials at a designated Collection location for Collection for the purpose of Recycling.

Recycling Facility

“Recycling Facility” means the facility(ies) used by Contractor for Handling, Processing, and preparing Recyclable Materials for marketing.

Refuse

“Refuse” has the same meaning as “Solid Waste”.

Residue

“Residue” means materials which remain after Processing Recyclable Materials which cannot be Recycled, marketed, or otherwise utilized, including, but not limited to, materials such as rocks, contaminated paper, putrescible, and other debris. Residue may be Disposed of at a Disposal facility(ies) of Contractor's choosing.

Segregated Recyclable Material

“Segregated Recyclable Material” means those Recyclable Materials which have been separated from either Solid Waste or other Recyclable Materials to one readily identifiable category of materials such as, but not limited to designated grades of cardboard, designated paper grades, steel containers, aluminum containers, and designated grades of plastics.

Signature Date

“Signature Date” means the date of execution of this Franchise by both Parties.

Single Stream Recycling

“Single Stream Recycling” means the use of a single Container to collect two or more types of Recyclables.

Single-Family Service

“Single-Family Service” means provision of Franchise Services to any building and/or structure, or portion thereof in City that is used for residential housing purposes, irrespective of whether residence therein is transient, temporary or permanent, and having three (3) or fewer distinct living units.

Solid Waste

“Solid Waste” means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, Section 40191 and regulations promulgated thereunder, provided that excluded from the definition of Solid Waste are Hazardous, Medical and Infectious Waste, Recyclable Materials kept separate from Solid Waste for the purpose of Recycling, Compostable Materials kept separate from Solid Waste for the purpose of Composting, Construction and Demolition Debris, and Special Wastes. Notwithstanding any provision to the contrary, “Solid Waste” may include de minimis volumes or concentrations of waste of a type and amount normally found in residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code. “Solid Waste” includes Bulky Items. “Solid Waste” does not include Special Waste.

Source Separated Construction and Demolition (C&D) Materials

“Source Separated C&D Materials” means C&D materials collected in individual components such as but not limited to dirt, concrete, wood, asphalt, scrap metals, or other such C&D materials.

Special Charges

“Special Charges” are specific service-related residential and commercial charges established pursuant to this Agreement that may be billed by the Contractor.

Special Events

“Special Events” means community events and activities sponsored by City.

Special Waste

“Special Waste” includes flammable waste; liquid waste transported in a bulk tanker; sewage sludge; pollution control process waste; Residue and debris from cleanup of a spill or release of chemical substances, commercial products, or any other Special Wastes; contaminated soil, waste, Residue, debris, and articles from the cleanup of a site or facility formerly used for the generation, storage, treatment, Recycling, reclamation, or Disposal of any other Special Wastes; dead animals; manure; wastewater; explosive substances; radioactive substances; abandoned or discarded automobiles, trucks, motorcycles or parts thereof including tires; fluorescent tubes; and any other materials that under current or future statute or regulation require the application of special treatment, Handling, or Disposal practices beyond those normally required for Solid Waste.

Substantial Evidence

“Substantial Evidence” means such evidence as would convince a reasonable Person and on which reasonable Persons may not differ as to the conclusion to be drawn from such evidence.

Term

“Term” means the Base Term and any Extension, as provided in Article 3.

Transportation

“Transportation” means the act of transporting or state of being transported to the Designated Disposal or Transfer Facility, Designated Compostable Materials Facility, or Recycling Facility or other location as specified or as otherwise excepted in Article 4.

Uncontrollable Circumstance

“Uncontrollable Circumstance” means an act of god, including landslides, lightning, fires, storms, floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, eminent domain, condemnation or other taking, or other events of a similar nature, not caused or maintained by the City or Contractor, which event is not reasonably within the control of the Contractor, and only to the extent such event has a material adverse effect on the ability of the City or Contractor to perform in accordance with this Agreement. Events that could or should have been prevented through reasonable precaution, including compliance with agreements and Applicable Laws, shall be not be considered Uncontrollable Circumstances. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or a subcontractor, are not considered Uncontrollable Circumstances.

White Goods

“White Goods” means discarded enamel household appliances of any color, such as refrigerators, stoves, washer/dryers, water heaters, dishwashers, and similar items.

Working Days

“Working Days”, unless otherwise specified means Monday through Saturday.

Zero Waste Initiatives

“Zero Waste Initiatives” means the efforts decided on by the City annually for Recology to implement with the Zero Waste Initiative fund.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 CORPORATE STATUS

Contractor is duly organized, validly existing, and in good standing under the laws of the State of California. Contractor is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement. Contractor agrees that this Agreement is not made in the interest of or on behalf of, any undisclosed Person, partnership, company, association, organization, or corporation. Contractor has not directly or indirectly colluded, conspired, connived, or agreed with any Person, partnership, company, association, organization, or corporation to secure any advantage against the City.

2.2 CORPORATE AUTHORIZATION

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders, if necessary) have taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. The Persons signing this Agreement on behalf of Contractor have authority to do so. This Agreement constitutes the legal, valid and binding obligation of Contractor enforceable in accordance with its terms, except as limited by applicable bankruptcy insolvency, reorganization, moratorium or other laws or general application relating to or affecting enforcement of creditors' rights.

2.3 CITY RIGHT TO DESIGNATE DISPOSAL AND/OR COMPOSTABLE MATERIALS FACILITY

Contractor acknowledges the City's right to direct Contractor to specific facilities within the County System for the transfer and/or Disposal of Solid Waste, Compostable Materials or Food Scraps, and Construction and Demolition Debris, provided that any such modification shall be a Change in Scope under Section 5.7. The City also reserves the right to approve any such site identified by the Contractor.

2.4 NO CONFLICT

Neither the execution nor the delivery by Contractor of this Agreement nor the performance by Contractor of its obligations hereunder: (i) conflicts with, violates, or results in a breach of any law or governmental regulation applicable to Contractor; (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Contractor), or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument;

or (iii) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Contractor.

2.5 NO LITIGATION

As of the Signature Date of the Agreement, there is no action, suit, or other proceeding at law or in equity, or to the best of Contractor's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Contractor which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Contractor in connection with the transactions contemplated hereby. or which could materially and adversely affect the ability of Contractor to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Contractor or its parent company.

2.6 NO LEGAL PROHIBITION

Contractor has no knowledge of any Applicable Law in effect on the Signature Date that would prohibit the performance by Contractor of this Franchise and the transactions contemplated hereby.

2.7 CONTRACTOR'S INVESTIGATION

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

2.8 INFORMATION SUPPLIED BY CONTRACTOR

The information supplied by Contractor in all written submittals made in connection with the negotiation and execution of this Agreement, and all verbal or written representations and warranties made by Contractor throughout this Agreement are true, accurate, correct, and complete in all material respects on and as of the Signature Date of this Agreement.

2.9 REPRESENTATIVES OF THE PARTIES

Contractor has designated in writing a responsible officer who shall serve as the representative of Contractor and who shall have authority in all daily operational matters related to the Agreement. City may rely upon action taken by such designated representative as action of Contractor except for actions not taken within the scope of the Franchise. Fred Stemmler, General Manager of Recology Sonoma Marin, shall be the initial designated representative of Contractor. Contractor shall notify the City Representative prior to, or at the time of a change in the designated representative.

2.10 WAIVER OF CERTAIN RIGHTS

Contractor hereby waives any right it may possess to contest the legal right, power, or the authority of City to enter into and perform this Agreement and agrees to cooperate with and assist City in supporting the legal validity of, and authorization for, such provisions in the event of any legal challenge thereto brought or made in any manner by a third party.

2.11 WAIVER OF RENEWAL STATUTE

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

ARTICLE 3 GRANT OF FRANCHISE

3.1 AGREEMENT TERM AND EXTENSIONS

A. Base Term

The Franchise granted in this Agreement, and Contractor's obligation to provide Franchise Services as set forth in this Agreement, shall continue in force for a period of fifteen (15) years ("Base Term"), commencing at from 12:00 AM on Effective Date and continuing to midnight on December 31, 2035.

B. Extensions

By mutual agreement between the City and Contractor, Contractor may be granted one, five (5) year Extension of this Agreement and its full rights and responsibilities, through December 31, 2040.

C. Agreement Transition Extension

By giving written notice ninety (90) days prior to the effective date of termination of the Base Term or an Extension, City, at its sole discretion, may require Contractor to continue to provide Franchise Services under the terms of this Agreement for up to one hundred and eighty (180) days following the effective date of termination. The purpose of such an Extension is to ensure uninterrupted Franchise Services in the event of transition to a successor contractor and/or ongoing contract renegotiations with present Contractor that City anticipates may not be concluded by the effective date of termination.

D. Effectiveness

This Agreement shall take effect as a contractual obligation of each party as of the Signature Date, and, unless earlier terminated in accordance with the provisions hereof, shall terminate at the end of the Base Term, or if extended under subsections B and/or C above, the term of any such Extension.

3.2 GRANT OF FRANCHISE

A. Services Provided

City hereby grants Contractor, (but is not obligated to enforce), and Contractor shall have, throughout the duration of this Agreement, the exclusive right within the City to engage in Collection, Transportation, Processing, Disposal, and material sales of or related to the following:

1. Solid Waste;
2. Recyclable Materials;
3. Compostable Materials; and
4. Construction and Demolition Debris.

The foregoing exclusive rights shall be subject to the exceptions set forth in Section 3.4.

B. Compensation

Except as otherwise specified, the Rates contained in Exhibit I in their initial form as of the Effective Date, and as they are adjusted during the Term, are Contractor's sole compensation for provision of Franchise Services. Contractor shall retain all revenue from the sale or salvage or Recyclable Materials.

3.3 PROVISION OF SERVICE

A. General

The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, vehicles, Containers, other equipment, materials, Supplies, and all other items necessary to perform all Franchise Services, and the payment of all related expenses including all taxes, utility charges, etc. The Franchise Services shall be performed in a thorough and professional manner that constitutes litter free, reliable, courteous and high-quality service. Contractor shall at all times provide Franchise Services using best industry practice for comparable operations, performed at all times in full accordance with Exhibit A, Scope of Services, and Exhibit B, Standards of Performance. Unless otherwise specifically stated in this Agreement, the Rates are the only compensation to Contractor for the provision of Franchise Services.

B. Labor

Throughout the Term, Contractor shall maintain wage rates that are comparable for each level of skill and experience, to those then current in other jurisdictions in Sonoma County for provision of similar services.

C. Hours of Collection

Scheduled Collection of Refuse, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris in residential and commercial areas may occur only between the hours of 6:00 a.m. and 6:00 p.m. Industrial areas may be served between the hours of 5:00 a.m. and 6:00 p.m. Within sixty (60) days of Effective Date of this Agreement, Contractor shall adjust its Cart Collection service within Downtown Streets such that Contractor shall not commence Cart Collection prior to 7:00 a.m. and shall be completed by 11:00 a.m.

3.4 EXCEPTIONS TO GRANT OF FRANCHISE

The following services and materials are expressly excluded from this Franchise. The granting of this Franchise shall not preclude the services and materials described below from being provided, or delivered to, collected and/or transported by others, provided that nothing in this Franchise is intended to or shall be construed to excuse any Person from any authorization from the City that is otherwise required by law:

1. Other recyclers shall maintain the right to collect Recyclable Materials from Commercial Generators, provided that the recycler purchases the Recyclable Materials from the Generator in a transaction that results in a net payment to the Generator, after taking into account any transport, processing or other charges. In addition, other recyclers shall maintain the right to collect Segregated Recyclable Materials, either by accepting donated Segregated Recyclable Materials, or by compensating the Generator for the Segregated Recyclable Materials. Recyclable Materials or Segregated Recyclable Materials set out for collection by other recyclers shall contain no more than ten (10) percent by weight or volume (whichever is greater) Contamination commingled in the materials, to qualify for the exception under this section. If Contractor can document that other recyclers are servicing Collection Containers that contain less than 90 percent source separated Recyclables Materials or Segregated Recyclable Materials, it shall report the location and the name of the recycler to the City along with Contractor's evidence of the violation of the exclusiveness of this Agreement;
2. Solid Waste, Recyclable Materials, and Compostable Materials that are removed from any Premises by the Generator and which are transported personally by the Owner or Occupant of such Premises (or by his or her employees), to a properly permitted facility for disposal, material recovery, or composting, as applicable;
3. Recyclable Materials, which are source separated at any Premises by the Generator and donated to youth, civic, or charitable organizations;
4. Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq., California Public Resources Code;
5. Compostable Materials removed from a Premises by a gardening, landscaping, or tree- trimming contractor as an incidental part of a total service offered by that contractor rather than as a hauling service, and for no additional or separate fee, if such contractor delivers the Compostable Materials to a Compostable Container or composting facility using its own employees and equipment and does not dispose of the material as Refuse;
6. Animal waste and remains from slaughterhouse or butcher shops for use as tallow;
7. Hazardous Waste, Infectious Waste, and Designated Waste, regardless of its source;
8. Construction and Demolition Debris placed in a suitable container and removed from a Premises by the construction or demolition contractor as an incidental part of a total service offered by that contractor rather than as a hauling service, and using the contractor's own employees and equipment.

The provisions of this Franchise shall not preclude or prohibit the City or any officer or employee thereof or any employee of the State, or any governmental subdivision thereof, from Collecting, removing, and Disposing of Solid Waste from City or other public facilities.

3.5 FRANCHISE FEE

A. Amount

The Franchise Fee shall be ten (10) percent of Gross Rate Revenues, to be paid monthly, and \$30,000 to be paid annually. The Franchise Fee shall be an obligation of the Contractor without any increase in service Rates or service Rate adjustments. City and Contractor have negotiated the Franchise Fee and it represents their estimate of the reasonable value of the exclusive franchise granted by City to Contractor by this Agreement. The City and Contractor may change the Franchise Fee via amendment to this Agreement.

Revenue received by the Contractor from the sale of Recyclable Materials collected under the terms of this Contract (net of the cost of processing and transport to market), if any, and those received by Contractor under the California Redemption Value program allocated to all Recyclables from the City, even if those materials have been sold, shall be considered as Gross Rate Revenues for purposes of the calculation of the Franchise Fee.

B. Payment

The ten (10) percent Franchise Fee shall be computed and paid on the basis of the Contractor's receipt of Gross Rate Revenues for each calendar month. The Contractor shall remit the Franchise Fee as part of the Monthly Remittance specified in Section 6.5. If the Contractor fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by the Contractor within thirty (30) days from discovery of the error or determination of the correct amount. In addition, the Contractor shall pay interest on any underpayment at the rate of ten percent (10%) per annum. Any overpayment to the City through error or otherwise shall be offset against the next payment due from the Contractor. Acceptance by the City of any payment due under this Section 3.5.B shall not be deemed to be a waiver by the City of any breach of this Agreement, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City. In case of dispute between the City and the Contractor regarding any amounts due, the Contractor shall pay the amount claimed by the City as due and notify the City in writing at the time of payment as to any portion that is paid under protest, specifying the basis of its claim of overpayment.

The \$30,000 annual fees shall be paid to the City on or before January 25 each year.

3.6 OTHER FEES

In addition to the Franchise Fee noted in Section 3.5, the Contractor shall pay to the City annual fees of \$20,000 (twenty thousand dollars) for City-directed Zero Waste Initiatives. The annual fees described in this paragraph shall be paid to the City on or before January 25 each year. The annual fees contained in this paragraph are an obligation of Contractor without any increase in service Rates or service Rate adjustments.

3.7 GROWTH IN ACCOUNTS

Contractor shall provide Franchise Service to all Customers within City requiring service during the Term and shall be compensated on a per-account basis solely by the then effective Rates.

3.8 CHANGES IN CITY SERVICES

Contractor shall provide City Services and Collection of public Containers to the locations specified in Exhibit F at the service levels effective in April 2020, at no charge to City. City may from time to time request changes to the service levels provided to City facilities, the City facilities or public Containers to serviced, and/or the frequency of collection. Contractor shall implement the requested changes at no charge to City, provided the changes do not increase the total cost to Contractor of providing City Services and collection of public Containers beyond the cost of providing the service levels effective in April 2020. If the requested changes would result in such an increase, then Contractor may charge City for such services at the then-applicable rates (in the case of City Services) or at rate to be mutually agreed with City (in the case of public Container services), or the parties may agree to include the increased cost in a special rate adjustment.

3.9 ANNEXATIONS

City shall promptly provide written notice to Contractor regarding any geographic area that has been or that will be annexed to the City. Once such notice is given, the provisions of the Agreement including all the express or implied rights and responsibilities shall apply within the area of annexation subject to any limitations of the Public Resources Code that may apply. Contractor shall provide Franchise Services within the annexed area within ninety (90) days of receipt of written notice.

3.10 TITLE TO COLLECTED MATERIALS

It is expressly understood that all Franchise Material (Solid Waste, Recyclable Materials, Compostable Materials and Construction and Demolition Debris) and street sweeping debris becomes the property of Contractor at the point of Collection, subject to the requirements of Article 4 to ensure proper delivery of specified Franchise Materials to a Designated Disposal or Transfer Facility, Designated Compostable Materials Facility or Recycling Facility or other location as specified or as otherwise excepted in Article 4.

3.11 DIVERSION REQUIREMENT

A. Minimum Requirements

The Contractor shall maintain existing diversion efforts and programs in place on the Effective Date of the Agreement. City requires the Contractor to fully participate in a good faith and diligent effort to assist the City in achieving the minimum annual Diversion rates as mandated, specified or otherwise required by any state, regional, or local legislation for each Contract Year. The annual Diversion rate to be reported by Contractor to City will be calculated as prescribed in Exhibit D.

The City and Contractor may develop performance based Diversion goals, and compliance dates, as provided in Exhibit D. Performance based Diversion goals would be complementary to the mandatory minimum diversion requirements and existing Diversion programs Contractor is currently providing and a means to increase Diversion in a cost effective manner.

B. Failure to Meet Minimum Requirements

Contractor's failure to meet the minimum Diversion requirements set forth above may result in the termination of this Contract or the imposition of liquidated damages.

3.12 MUNICIPAL ENFORCEMENT

Contractor shall become familiar with all City ordinances and codes related to the provision of Franchise Services and shall promptly notify the City Representative of any third party violations of these ordinances and codes observed by Contractor, and by promptly providing the City with any related information it may have.

3.13 EMERGENCY SERVICES

Notwithstanding the provisions of Section 3.2 specifying Contractor's scope of services, in the event of a declared emergency, City reserves the right to use City staff, agents, contractors, and/or subcontractors as necessary to clear debris from the Franchise Area. Contractor agrees to not contest City's use of other parties to Collect, transport, and Dispose of any debris resulting from such emergency. In the event of a declared emergency, Contractor shall upon notice from the City make all reasonable effort to provide vehicles and crews to assist in clearing and/or transporting debris. To the extent that provision of such service clearly exceeds the City Services specified in this Agreement Contractor shall be compensated for the additional services as provided in Section 5.7.

3.14 INFORMATION MANAGEMENT SYSTEMS

Contractor shall maintain such information management systems as are needed to collect, store, and organize operational and financial data, and to produce the reports and plans as

specified in this Agreement. All data shall be backed up so as to ensure no loss of data due to computer failure.

3.15 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

In entering into this Agreement and performing obligations set forth therein, City is relying on the conditions set forth below. The obligation of City to permit this Agreement to become effective is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part in writing by City. Waiver of any of the following as a condition to the effectiveness or the Agreement does not preclude the City from pursuing any claim or breach of this Agreement.

A. Accuracy of Representations

The representations and warranties made by Contractor in Article 2 of this Agreement are true and correct on and as of the Signature Date.

B. Absence of Litigation

There is no litigation pending on the Signature Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance. Contractor shall notify City in writing within thirty (30) days of Contractor's becoming aware of any litigation that may in any way affect its performance of the Franchise Services.

C. Effectiveness of Council Action

A Council Resolution approving this Agreement shall have become effective pursuant to Applicable Law on or prior to the Signature Date.

D. Verification of Insurance Coverage and Performance Assurances

Contractor shall submit no later than thirty (30) days prior to the Effective Date, and shall maintain endorsements of insurance coverage pursuant to Section 9.5 performance letter of credit or other performance assurance pursuant to Article 9.

ARTICLE 4

SCOPE OF SERVICES

4.1 SCOPE OF SERVICE

Contractor shall perform all of the Services described in this Agreement, including all of the Services described in Exhibit A, in conformance with the standard and care described in Exhibit B.

ARTICLE 5 OTHER FRANCHISE SERVICES

5.1 CONSUMER INFORMATION AND PUBLIC EDUCATION

Exhibit E contains the Contractor's public education requirements. The public education requirements specified in Exhibit E lay out the minimum standards for Contractor performance of these activities in a proactive, timely, and professional manner. All of Contractor's materials and messages shall be conveyed in English and Spanish as needed, directed by the City, or as required by law. Contractor acknowledges the importance throughout the Term of developing and maintaining consistent effort in conducting the activities detailed in Exhibit E. The City places particular importance on the role of information and education in successful implementation of Single Stream Recycling, enhanced Multi-Family and commercial Recycling services, and weekly Compostable Materials Collection. Contractor's information and education efforts are also crucial in ensuring that Customers are fully aware of all services to which they are entitled as specified in this Agreement, including but not limited to Christmas tree Collection, side yard service for the disabled, annual Curbside Collection event, etc. Contractor further acknowledges the important role of the Contractor's consumer information and public education efforts in assisting the City to reach and maintain current AB 939 Diversion levels or greater.

Customer calls regarding public information or items not specifically related to daily operations (such as a request for a presentation) shall be promptly forwarded to the Contractor's recycling and education coordinator or other appropriate managerial staff. An educational information sheet tailored to the City of Healdsburg, with particular attention to commercial and Multi-Family Customers, shall be prepared for use by Customer service representatives. This information shall include Recycling and Diversion programs and services provided by the Contractor such as Food Scraps Diversion, Recycling services, names and phone numbers of reuse agencies, names and phone numbers of the Zero Waste Sonoma's Eco-Desk, the Household Hazardous Waste Collection schedule and other similar items.

5.2 CUSTOMER SERVICE AND ACCESSIBILITY

A. General

Contractor acknowledges that City expects provision by Contractor of highly professional and courteous Customer service. Customer service representatives servicing the City of Healdsburg shall handle all service-related issues whether they are from residential, multifamily, or commercial accounts.

B. Telephone

Contractor shall maintain a telephone number for Customer service. All Customer service calls are toll-free to residents and businesses located in Healdsburg. Contractor shall provide all specified services in English and Spanish. Contractor

shall install and maintain telephone equipment, and have available service representatives sufficient to handle the volume of calls typically experienced on the busiest days. Dedicated Customer service representatives shall be available to answer calls from 8:00 a.m. to 5:00 p.m., Monday through Friday, and Saturdays from 8:00 a.m. to 1:00 p.m., except holidays. Contractor shall also maintain an after-hours telephone message system to take calls received other than during normal business hours. After-hours phone calls shall be returned by noon of the following day. Contractor shall provide the City a means of contacting a representative of the Contractor on a 24-hour basis.

All calls shall be handled with courtesy. Customers desiring to talk with a supervisor or manager will be allowed to do so and Customer service representatives will promptly transfer such calls or arrange for a call back.

C. Customer Service/Billing Liaison

Contractor shall designate one (1) qualified employee to serve as Customer service/Billing liaison to the City. The liaison will be available during business hours to coordinate Billing, Customer service, and operational issues with the City. The designated Billing liaison shall be:

Office Manager
PO Box 7349
Santa Rosa CA 95407
(800) 243-0291
(707) 586-5543

D. New Customer Service

At a minimum, Contractor shall send a postcard to all new starts referring Customers to the <https://www.recology.com/recology-sonoma-marin/> website for new Customer information, Recycling guides, Diversion information, holiday and street sweeping schedules etc. The postcard shall also include phone contact information indicating that a new start Customer can call to obtain similar written information upon request. The form and content of the postcard shall be reviewed and approved by the City Representative. The website information shall include:

1. A summary of services provided by Contractor and contact information;
2. A “how to” narrative explaining the overall Recyclable and Compostable Materials programs and the materials to be collected;
3. Interactive Street Sweeping maps; and
4. Other appropriate Diversion and reuse information.

E. Waste Zero Specialist

The City will be assigned a 0.5 half time equivalent Waste Zero Specialist to serve as Contractor’s public education and diversion liaison in the community, promoting recycling, composting, and reduced disposal in the City. They will be overseen by

a Waste Zero Manager, dedicated to planning and overseeing diversion activities. The Specialist will be responsible for such tasks as described in Exhibit E.

5.3 SERVICE COMPLAINTS AND RESOLUTION

A. General

Contractor shall at all times provide to Customers a high level of Customer service performance of this Agreement that is professional, timely, and in a courteous manner.

B. Customer Complaint Log

Contractor shall maintain a Customer service (CS) database of all oral and written service Complaints registered with Contractor from Customers within City (CS database). Contractor shall be responsible for prompt and courteous attention to, and prompt and reasonable resolution of, all Customer Complaints. Contractor shall record in the CS database all written and oral Complaints, noting the name and address of complainant, date and time of Complaint, nature of Complaint, identity of supervisor, and nature and date of resolution. Such CS database shall be provided to City upon request. Such CS database shall be retained by Contractor for three (3) years following the end of the year in which the Complaint was made. Complaints shall be reviewed by Contractor management and used as opportunities to improve service. City may schedule a meeting with Contractor to review opportunities to improve service implemented by Contractor during any preceding twelve (12) month period.

C. Resolution of Complaints

Customer service representatives shall promptly notify the route supervisor and route collector of all Complaints relating to such items as missed Collections and spillage. Contractor shall equip collectors with communication devices such that if a Complaint is received during normal working hours, collectors are mobilized to return to the location of a missed Collection or spill and rectify the problem in a timely manner.

Contractor shall respond to all Customer Complaints within twenty-four (24) hours, Sundays and holidays (as specified in Section 4.B of Exhibit B) excluded. Contractor shall make best efforts to resolve all Complaints within ten (10) Working Days with the following exceptions:

1. **Missed Customer Pick-Ups.** If a Complaint involves a missed pick-up of Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris set out by the Customer for Collection in accordance with City codes and ordinances, Contractor shall Collect the Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris in question by the same day if the Complaint is received by 3 p.m., or by 12 p.m. the following Working Day if the Complaint is received after 3 p.m.

2. **City or Public Pick-Ups.** If a Complaint involves a failure to collect Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris from a Container provided for City Services as required by this Agreement, or failure to empty a public Solid Waste or Recycling Container as required by this Agreement, Contractor shall Collect the Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris in question within six (6) business hours after receiving the Complaint.
3. **Damage Caused by Collection Vehicles.** Any calls received alleging or reporting damage caused by Contractor's vehicles shall be immediately reported to the Contractor's safety officer or risk manager. The Customer service representative shall record pertinent information as indicated by the caller into the CS database and for use in notification to the safety office and/or risk manager. The Contractor's safety officer and/or risk manager shall take appropriate action to respond to the incident by sending a route supervisor to the location and/or sending an acknowledgement of the claim to the Customer as appropriate. Any damage resulting in death or serious bodily injury shall be immediately reported to City's Police Department. Any property damage in excess of \$10,000 shall be reported to the City risk manager within 24 hours of occurrence.

5.4 CHANGE IN COLLECTION OPERATIONS, ADMINISTRATION, OR SCHEDULE

A. City Notice

Changes to Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris Collection routes or Collection days, or other changes to Collection operations that have possible potential to create Customer confusion, are subject to prior approval of the City Representative, which shall not be unreasonably withheld. A change in Collection route or day is defined as any change that affects more than five (5) percent of Customers.

B. Customer Notice

Contractor shall make the following notifications regarding any changes in service:

Notify all affected Customers (Single-Family, Multi-Family and commercial) via mail and via posting to Contractor's City-specific website at least ten (10) calendar days prior to any change in their scheduled day of Solid Waste, Recyclable Materials, and Compostable Materials Collection. Contractor shall not permit any residential Customer to go more than seven (7) calendar days without service in connection with a Collection schedule change.

Except by prior arrangement with the Customer, no change in service shall temporarily reduce the weekly frequency of Collection for commercial Customers. Contractor shall not implement any temporary reduction in weekly frequency in

collection for commercial Customers that results in an increase in vector or odor impacts.

5.5 REPORT ACCUMULATION OF SOLID WASTE: UNAUTHORIZED DUMPING AND CESSATION OF SERVICE

Contractor shall direct its employees to note and report any City address at which they observe significant and/or ongoing accumulation of Solid Waste that is not being delivered for Collection. Contractor shall also direct its employees to note and report any City address or location at which Solid Waste has been apparently dumped in a manner that does not conform to City codes and ordinances. Contractor shall notify the City Representative within three (3) Working Days of the address or location of any accumulation or dumping. City may at its discretion, but is not obligated to, contact property Owner to remedy the accumulation of Solid Waste.

5.6 HAZARDOUS WASTE

A. General

If Contractor determines that waste placed in any Container for Collection or delivered to any facility is Hazardous Waste, Medical or Infectious Waste, or other waste that may not legally be Disposed of at the Designated Disposal and Transfer Facility or presents a hazard to Contractor's employees, Contractor shall have the right to refuse to accept such waste. The Customer shall be contacted by Contractor and requested to arrange proper Disposal. If the Customer cannot be reached immediately, Contractor staff shall, prior to leaving the Premises, leave a tag indicating the reason for refusing to collect the waste.

B. Hazardous Waste Disposal Responsibility

If Hazardous Waste is Collected by Contractor during Contractor's normal Collection service and the Customer cannot be identified or fails to remove the waste after being requested to do so, Contractor shall arrange for its proper Disposal at no cost to City. Contractor shall make a good faith effort to recover the cost of proper Disposal from the Customer, and the cost of this effort as well as the cost of Disposal shall be chargeable to that individual or entity and not the City. If the Customer cannot be identified, Contractor shall absorb the cost of proper Disposal at no cost to the City. Contractor shall report any such Disposal cost in writing to the City within forty-eight (48) hours of the date and time incurred.

5.7 CHANGE IN SCOPE

A. General

City may request a Change in Scope, consisting of changes in, or modifications to existing Franchise Services, or a request that Contractor provide new services.

Should the Change in Scope result in increases in Contractor's costs of performing this Agreement, Rates shall be increased in an amount sufficient to cover the

increased costs, plus a profit margin equal to ten percent (10%) of the portion of increased expenses that are not pass-through expenses. Should the Change in Scope result in decreases in Contractor's costs of performing this Agreement, Rates shall be decreased in an amount sufficient to cover the decreased costs, plus a profit margin equal to ten percent (10%) of the portion of reduced expenses that are not pass-through expenses.

B. Good Faith Negotiation

In the event of a requested Change in Scope, the Parties agree to negotiate in good faith to determine the applicable increase or decrease in Rates. Contractor shall promptly provide any documentation reasonably requested by City as necessary to identify and quantify any added or reduced expenses related to the Change in Scope. Either Party may, at its own cost, seek independent third-party assistance in determining the nature of any costs or savings. All determinations of added or reduced expenses may be based on reasonable industry standards and averages for providing such services. If a Change in Scope results in a reduction or shift in equipment needs, to minimize capital expenditures, Contractor, including a parent or any affiliates, shall make its best efforts to redeploy or sell vehicles, Containers, equipment, and materials that are not fully amortized. City reserves the right to adjust Contractor's compensation through an alternative method, such as a one-time or phased lump sum payment from the City to the Contractor, or from the Contractor to the City.

C. Mutual Agreement

Notwithstanding the foregoing or any other provision of this Agreement, Contractor shall not be required to implement a Change in Scope unless and until the terms and conditions of the Change in Scope have been mutually agreed and reflected in an amendment to this Agreement, and the associated Rate adjustment has been mutually agreed and has taken effect.

D. City's Right to Acquire Services

If City and Contractor cannot agree on a Change in Scope or compensation for a Change in Scope, then City may contract with other parties for such services, provided that such services do not conflict with the exclusivity provisions of Section 3.2.

ARTICLE 6

BILLING, COLLECTION, AND REMITTANCE

6.1 BILLING RESPONSIBILITIES

A. General

The Contractor is solely responsible for Billing and collecting Rates for all Franchise Services. The Contractor shall not charge any amount in excess of the approved Rates for any services required or permitted to be performed by the terms of this Agreement. The approved Rates are those set forth in Exhibit I, Schedule of Approved Rates, or as they may be adjusted in accordance with this Agreement.

B. Specific Requirements

In Billing the Rates:

1. The Contractor shall produce an invoice, in a form and format that is approved by the City, for services received under this Agreement no less than four times per year.
2. If during a month, an account is added to or deleted from Contractor's service area, the Contractor's Billing shall be pro-rated based on the weekly service Rate, which is the service Rate established in the Rate schedule divided by four (4), times the number of actual weeks in the month that service was provided to the service unit.
3. Contractor shall bill Customers that receive Multi-Family Service in accordance with the approved Rates as set forth in Exhibit I, Schedule of Approved Rates, or as they may be adjusted in accordance with this Agreement.
4. Contractor may levy Special Charges as provided in Exhibit I.
5. Contractor shall not bill for side yard service for eligible Customers as specified in Section 10 of Exhibit A.
6. Contractor shall not bill for City Services or for Collection from public Containers except as provided in Section 3.8, nor shall Contractor bill for Special Events provided pursuant to Section 13 of Exhibit A.

Contractor shall bill Single-Family Cart Customers, and Multi-Family Cart Customers where each unit is billed separately, quarterly in advance for regular services. Invoices shall be due and payable within thirty (30) days of the invoice date. Contractor may add an administrative late charge of ten percent (10%) per month for amounts due and remaining unpaid for a period of sixty (60) days of the

invoice date. Contractor shall not include late charges as part of the compound formula.

Commercial Bin and Cart Customers, as well as Multi-Family Cart Customers with consolidated billing for all units, shall be billed monthly in advance for regular services. Invoices are due and payable within thirty (30) days of the invoice date. Contractor may add an administrative late charge of ten percent (10%) per month for amounts due and remaining unpaid for a period of sixty (60) days of the invoice date. Contractor shall not include late charges as part of the compound formula.

Special Services may be billed in advance or in arrears, depending on when the Customer requests a Customer-ordered Special Service (i.e. before or after bills have been issued), and the type of Special Service (e.g. contamination charges will always be billed in arrears).

Occasional and/or irregular Customers, including all Debris Boxes and Compactors larger than 8 cubic yards, shall be billed at the end of the month in which service was rendered. Billing shall include the approved hauling charge and the actual Disposal fees. Payment for Customer service from non-subscribers may be billed C.O.D. The Contract may require a reasonable deposit or other form or security for services of a temporary nature.

Contractor shall solely be responsible for collection of all billed monies and may use the services of a recognized, professional collection agency engaged in the collection of debt.

6.2 PAST DUE ACCOUNTS

Contractor shall utilize the following collections procedure for past due accounts:

1. Each past due account will receive at least one phone attempt between 60 and 90 days past due.
2. Each account with a 90 day past due balance will be sent a letter advising they are past due and requiring payment within 30 days.
3. A second phone attempt will be made after mailing the 90 day notice.
4. 23 days later all accounts that still have a 90 day past due balance will be sent a letter advising they are past due and requiring payment within 7 days.
5. A final phone attempt will be made on each past due account.
6. At 120 days, past due accounts will have received a minimum of three (3) phone attempts and two (2) letters. At this time, service to these accounts shall be stopped and the City notified of all stopped accounts.

7. Prior to stopping service, a manual check of each account will be performed to ensure there are no:
 - i. Other active accounts at that address
 - ii. Active payment plans or arrangements
 - iii. Accounting or Billing errors

If there has been no successful contact or resolution the account may be flagged for transfer to an outside collection agency.

6.3 RATE DISCOUNTS AND PRE-PAYMENT

A. Annual Pre-Payment

Contractor shall provide the option for voluntary advance payment for one (1) year of service for residential Customers.

B. Low Income Discount

Contractor shall provide a twenty percent (20%) discount to qualified low income residences to the Rates as established in Exhibit I. This discount shall be made available to all qualifying Single-Family and Multi-Family Customers who (a) individually subscribe to Collection services, and (b) provide Contractor with a copy of the Customer's PG&E bill (or other documentation acceptable to Contractor) verifying that the Customer is enrolled in PG&E's CARE Program. Contractor may require participating Customers to promptly notify Contractor if they are no longer enrolled in the CARE Program, and to reconfirm their eligibility for the discount annually.

C. Public Entity Discount

Contractor shall provide discounted service to all public schools and the Healdsburg General Hospital in accordance with Exhibit A, Section 22, and Exhibit M.

6.4 RECEIPT OF PAYMENT

The Contractor shall account for all amounts received from Customers for Franchise Services performed under a separate line item to be established by the Contractor entitled "City of Healdsburg Gross Rate Revenues".

6.5 MONTHLY BILLING STATEMENT AND REMITTANCE

For each month the Contractor shall prepare and provide to the City a monthly statement, and a Monthly Remittance by the 20th day of the following month. The monthly statement shall include the following information and calculations for the Monthly Remittance:

A. Gross Rate Revenues

All Rate Revenues collected from Customers during that month for current and past due accounts are to be reported as Gross Rate Revenues. Documentation shall be

provided to support the Gross Rate Revenues. Documentation shall include the number of accounts for each Rate and total number of Customers billed for each Special Charge.

B. Franchise Fee

The Contractor shall present the Franchise Fee calculations and the amount of the monthly Franchise Fee obligation.

C. Liquidated Damages

Any Liquidated Damages the Contractor is obligated to pay to the City, as provided for Section 10.1 and Exhibit J shall be reported for the month.

D. Other Payments

Other payments due to the City including, but not limited to, the cost of performance reviews, audits, and other fees described in Section 3.6.

E. Monthly Remittance

The Monthly Remittance to the City shall be calculated as follows:

Monthly Remittance = Franchise Fee + Liquidated Damages + Other fees

F. Illustration

For example, for illustrative purposes only assume that:

1. Gross Rate Revenues for the month equals \$100,000 which is the sum of \$90,000 from current monthly Billings and \$10,000 from past due accounts.
2. Franchise Fee = $0.10 \times \text{Gross Rate Revenues} = 0.10 \times \$100,000 = \$10,000$
3. Liquidated Damages due for the month are \$100
4. Other fees due for the month are \$5,000
5. Monthly Remittance = $\$10,000 + \$100 + \$5,000 = \$15,100$

6.6 DISPUTES REGARDING REMITTANCES

If the City disputes any amount remitted by the Contractor as part of any Monthly Remittance, the City shall provide the Contractor with written objection indicating the reasons for the City's objection to or disagreement with such amount. If the City and the Contractor are not able to resolve such dispute within 30 days after the City's objection, either Party may refer such dispute to mediation or binding arbitration pursuant to Section 11.6. Nothing contained in this Section shall limit the City or any authorized officer of the City or any other governmental agency from raising a further objection to any amount billed by the Contractor pursuant to an audit conducted pursuant to Section 6.8.

6.7 CONTRACTOR RESPONSIBILITY FOR BAD DEBT AND DELINQUENT PAYMENTS

Contractor shall be responsible for collecting all billed monies from Customers, and shall solely bear all expenses and losses related to collecting or failing to collect bad debt from delinquent accounts.

6.8 AUDIT OF BILLINGS AND FINANCIAL REPORTS

A. Scope of Audit

City may at its sole discretion select a qualified, independent firm to perform up to four audits during the Base Term. The City may consult with the Contractor on the firm selected but is not obligated to accept recommendations or objections offered by the Contractor for the firm selected. The frequency and timing of the audits shall be determined at City's sole discretion. City shall provide Contractor sixty (60) days notice of each change in the audit schedule. City shall determine the scope of any audits based on the general requirements specified below and may elect to conduct either one or both of the following types of audit:

1. **Audit of Billings.** The auditor shall review the Billing practices of Contractor with relation to delivery of Franchise Services. The intent of this audit is to use sampling to verify that Customers are receiving the type and level of service for which they are billed.
2. **Audit of Revenue Reporting.** The auditor shall review relevant financial reports and data submitted by Contractor pursuant to Article 8. The purpose of this audit is to verify that Contractor is correctly calculating Gross Rate Revenues, and is properly remitting Franchise Fees and Liquidated Damages.

B. Cost of Audit

Contractor shall bear the expense of the audit up to a maximum limit of \$13,000 per occurrence, except that if, in the reasonable opinion of the City, the audit indicates possible material noncompliance with this Agreement that requires further review by the auditor, Contractor shall bear the reasonable additional cost of such further review. Material noncompliance shall be defined as: a three percent (3%) or more variance in billings sampled by auditor during the audit; and/or a one percent (1%) or more variance in reported Gross Revenues, Franchise Fees and/or Liquidated Damages in any of the three (3) prior Agreement Years.

ARTICLE 7

CONTRACTOR COMPENSATION AND CUSTOMER RATES

7.1 RATES

The Rates contained in Exhibit I (Schedule of Approved Rates) are hereby fixed and established as the maximum Rates that Contractor may charge starting January 1, 2021. Contractor has reviewed these Rates and agrees they are reasonably expected to generate sufficient revenues to provide adequate Contractor compensation for calendar year 2021. Unless and until the maximum rates set forth in Exhibit I are adjusted, Company will provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit I. Such Rates take into consideration the amount of waste generated for each type of service and the frequency of service provided by Contractor and are the only compensation to Contractor for providing the Franchise Services.

7.2 COLLECTION RATES

Collection Rates shall consist of the following components: 1) a Collection Component; 2) a Disposal Tipping Fee Component; 3) a Compostable Processing Fee Component; 4) a Retroactive Disposal Tipping Fee Component; and 5) a Retroactive Compostable Processing Fee Component, and such other components as may be added by mutual agreement of the parties during the Term of this Agreement. Each component has been established at the inception of this Agreement based on cost data provided by the Contractor and may be adjusted pursuant to the terms of this Article and other applicable provisions of this Agreement. Contractor may submit a request for annual Rate adjustment by October 1 of each year. City, or its designee, may review Contractor's calculations for accuracy and conformity to the methodology set forth in Section 7.3 and Exhibit C. The annual Rate adjustment calculated in accordance with that methodology shall take effect January 1 of each year. Contractor will reimburse City's cost to perform the review up to a maximum of \$5,000 per year.

7.3 ADJUSTMENTS TO MAXIMUM COLLECTION RATES

A. Adjustments to the Collection Component - Refuse Rate Index

The Collection Component of the collection Rates shall be based on six (6) specific operating cost categories to which annual adjustments shall be applied in direct proportion to their respective weighted percentages of the Contractor's total operating costs.

The six (6) operating cost categories subject to adjustment utilizing the refuse rate index formula methodology (see Exhibit C) are: 1) labor; 2) fuel; 3) vehicle replacement; 4) vehicle maintenance; 5) revenue from sale of recyclable material; and 6) all others. Exhibit C specifies the series identification numbers that will be used for purpose of determining the applicable annual index adjustment for each

operating cost category and an example of how the refuse rate index formula methodology will be calculated.

In any year that the sum total of the adjustments to the cost categories results in a negative number, there shall be no adjustment to the Collection Component of the Rates. Instead, the negative number will be accounted for and carried forward as a rate stabilization adjustment and off-set against future rate increases.

B. Adjustments to the Disposal Tipping Fee Component

The Disposal Tipping Fee Component of the collection Rates shall be based on the actual cost to Dispose Solid Waste at the Designated Disposal or Transfer Facility (the disposal tip fee).

The Disposal Tipping Fee Component of each Rate shall be adjusted by the percentage change in the disposal tip fee over the 12 months preceding the October 1 due date for Contractor's Rate adjustment request.

For example, if the Disposal Tipping Fee Component for a given rate for 1/1/23-12/31/23 is \$3.98, and during 10/1/22-9/30/23 the disposal tip fee increases 3.5%, then the Disposal Tipping Fee Component for that rate for 1/1/24-12/31/24 would be \$4.12.

This same methodology will be applied to each type of service, and frequency of service provided by Contractor to determine the effective increase in the Disposal Tipping Fee Component of each Rate.

C. Adjustments to the Compostable Processing Fee Component

The Compostable Processing Fee Component of the collection Rates shall be based on the actual cost to Process Compostable Materials at the Designated Compostable Materials Facility (the compost tip fee).

The Compostable Processing Fee Component of each Rate shall be adjusted by the percentage change in the compost tip fee over the 12 months preceding the October 1 due date for Contractor's Rate adjustment request. See the example in the Section 7.3.B, above, for example calculation.

This same methodology will be applied to each type of service, and frequency of service provided by Contractor to determine the effective increase in the Compostable Processing Fee Component of each Rate.

D. Retroactive Disposal Tipping Fee Component

The Retroactive Disposal Tipping Fee Component is intended to account for the fact that the Disposal tip fee is adjusted on April 1, whereas Rates under this Agreement are adjusted on January 1. The Retroactive Disposal Tipping Fee Component for the upcoming rate year (i.e. the year for which rates are being calculated) is calculated by taking the Disposal Tipping Fee Component for the upcoming rate year (as calculated under Section 7.3.B), subtracting from it the

Disposal Tipping Fee Component for the current rate year (as previously calculated under Section 7.3.B), multiplying the result by nine (9) to account for the nine (9) months of increased disposal costs from April 1 to January 1, then dividing by twelve (12) to spread these costs across the upcoming rate year.

For example, if:

Disposal Tipping Fee Component
for 1/1/24-12/31/24 (upcoming rate year) = \$4.12

and

Disposal Tipping Fee Component
for 1/1/23-12/31/23 (current rate year) = \$3.98

then

Retroactive Disposal Tipping Fee Component
for 1/1/24-12/31/24 (upcoming rate year) = $(\$4.12 - \$3.98) * 9 / 12$
= \$0.06

In the above example, given the schedule stated in Section 7.2, the Disposal Tipping Fee Component and Retroactive Disposal Tipping Fee Component for the 1/1/24-12/31/24 rate year would be calculated by Contractor and verified by City in October-December 2023. The Disposal Tipping Fee Component for the 1/1/23-12/31/23 would have been calculated by Contractor and verified by City in October-December 2022.

The City and Contractor agree that revisions to the above timing may be necessary if there are changes to the effective timing of Tipping Fee adjustments.

E. Retroactive Compostable Processing Fee Component

The Retroactive Compostable Processing Fee Component is intended to account for the fact that the Compost tip fee is adjusted on April 1, whereas Rates under this Agreement are adjusted on January 1. The Retroactive Compostable Processing Fee Component for the upcoming rate year (i.e. the year for which rates are being calculated) is calculated by taking the Compostable Processing Fee Component for the upcoming rate year (as calculated under Section 7.3.C), subtracting from it the Compostable Processing Fee Component for the current rate year (as previously calculated under Section 7.3.C), multiplying the result by nine (9) to account for the nine (9) months of increased disposal costs from April 1 to January 1, then dividing by twelve (12) to spread these costs across the upcoming rate year.

The City and Contractor agree that revisions to the above timing may be necessary if there are changes to the effective timing of Tipping Fee adjustments.

7.4 SPECIAL RATE REVIEW

A. Eligible Items

The Contractor is entitled to apply to the City for consideration of a special Rate review, or the City may initiate such a review should one or more of the following occur. The list below shall not be deemed to limit costs from being recovered in a special Rate review triggered by one or more of the following eligible items:

1. Mid-year changes in Disposal Tipping Fee Component or Compostable Processing Fee Component charged by the County System, changes in the Zero Waste Sonoma fee structure not incorporated into other disposal/tipping fees, etc. that took effect since the last scheduled Rate adjustment but prior to the effective date of the next scheduled Rate adjustment.
2. Changes in the cost of Transportation due to the City requiring the Contractor to use a different facility(ies) or the unavailability of existing facilities due to circumstances beyond Contractor's control (e.g. destruction of a facility by fire).
3. Change in State or local fees mandated to be collected or paid by Contractor.
4. A Change in Law, including environmental regulations, for which Contractor compliance is mandatory.
5. Decreases in Recycling revenues due to change in market conditions or any other factor from the sale of Recyclables Materials.
6. Increases in the cost of Recyclables Processing.
7. Increases in Transportation time and/or costs related to provision of Franchise Services.
8. Changes in the number of Customers due to changes in population or housing/business development, or to annexation.
9. Shifts in the number of accounts between larger and smaller Cart sizes, large and smaller Bins, or more or less frequency of Bin pickup.
10. Changes in City Services.

B. Review of Costs

Should the Contractor request a special Rate review, the City shall have the right to review any or all costs associated with the Contractor's services under this Agreement. The City reserves the right to examine agreements with other public agencies the Contractor may be entered into as part of Contractor's request for a

special Rate review. Contractor shall provide at its expense any and all documentation requested by City. A special Rate review may, at the City's sole discretion, occur in conjunction with a performance review pursuant to Section 8.7.

The City's cost to perform a special Rate review shall be reimbursed by the Contractor at City's request and such cost shall be recoverable as part of any Rate adjustment resulting from the special Rate review as a pass-through cost. Contractor shall submit a deposit of \$5,000 with the request as a retainer for costs incurred by the City. In the event the review exceeds the amount deposited, the City shall notify the Contractor in writing that additional retainer(s) is required prior to City proceeding with the review. Any unexpended amounts on deposit at the end of the review shall be returned to the Contractor.

C. Submittal of Request

Contractor must submit any request for a special review of Rates, and reasonable cost and operational data in a form and manner specified by the City at least six (6) months prior to the proposed effective date of any Rate adjustment and shall make every effort to have any such increase coincide with a regular Rate adjustment.

D. Burden of Justification

Contractor shall bear the burden of justifying to City by Substantial Evidence any entitlement to a Rate adjustment under this Section 7.4. If the City determines that the Contractor has not met its burden, the Contractor may, before seeking a writ under Section 7.5, request another hearing to produce additional evidence. Upon request, the City may permit said additional hearing.

Contractor shall be deemed to have satisfied its burden if it provides reasonable supporting evidence (subject to independent verification by the City and/or a third-party verifier) that (i) an eligible event has occurred or will occur, (ii) such event has increased or will increase Contractor's costs of performing its obligations under this Agreement, (iii) such increased costs are reasonable, and (iv) such increased costs are not already provided for in the pass-through of disposal and processing tip fees, City franchise and other fees, and recycling revenues, set forth in this Agreement. If Contractor meets its burden, then Contractor shall be entitled to a special Rate adjustment sufficient to cover such reasonable increased costs, whether incurred before or after the date of the Rate adjustment, plus a profit margin of ten percent (10%) on all non-pass-through costs.

E. Calculation of Rate Adjustment

Any Rate adjustment made pursuant to this Section 7.4 shall be reflected in appropriate adjustments to the components identified in Section 7.3 of this Agreement.

F. Minimum Value for Special Rate Review

Notwithstanding any other provision of this Section 7.4, City shall not be required to conduct a special Rate review requested by Contractor unless the total dollar

amount of the adjustment requested by Contractor exceeds \$50,000. This threshold is not intended to limit the amount that Contractor may recover in a special Rate review, but rather to ensure that the amount at stake justifies the time and cost of the review. Contractor may aggregate the financial impact of multiple eligible items listed under Section 7.4.A in order to meet this threshold.

7.5 RESOLUTION OF DISPUTES REGARDING SPECIAL RATE REVIEWS

This Section 7.5 pertains only to special Rate reviews requested by Contractor under the provisions of Section 7.4. If City rejects a special Rate adjustment requested by the Contractor, grants a Rate adjustment different than was requested by the Contractor, or fails to act in a timely manner upon all or any part of the Contractor's special Rate adjustment application, then Contractor's sole remedy against the City is to file a petition for writ of mandate pursuant to California Code of Civil Procedure, Chapter 6, Section 1085. Contractor expressly does not have a cause for action for damages against the City. In addition, Contractor expressly does not have a cause for action for damages against the City, should the City be unable to implement a planned adjustment in Rates due to applicable legal requirements including but not limited to California State Propositions 218 and 26.

ARTICLE 8

RECORD KEEPING, REPORTING, AND PERFORMANCE REVIEWS

8.1 RECORD KEEPING

A. Accounting Records

Contractor shall maintain full and complete financial, statistical, and accounting records, pertaining to cash, Billing, and provisions of all Franchise Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection. Gross Rate Revenues (including Recycling revenues (net of the costs of processing and transport to market), if any) derived from provision of the Franchise Services, whether such services are performed by the Contractor or by a subcontractor or subcontractors, shall be recorded as revenues in the accounts of the Contractor.

Contractor shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City regarding such matters. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft, and earthquake. Electronically maintained data/records shall be protected and backed up.

Contractor agrees that the accounting and other records of any and all companies conducting operations addressed in the Agreement shall be provided or made available to City and its agents and/or representatives during normal business hours. Contractor shall allow and permit City or City Representative to audit its accounting records and all other records required by this Agreement, and to meet with Contractor personnel to verify data. Contractor shall cooperate to the fullest extent with City during such an audit process.

Unless otherwise herein required, Contractor shall retain all records and data required to be maintained by this Agreement for at least five (5) years after the expiration of this Agreement.

Contractor shall maintain and preserve all cash, Billing and Disposal records for a period of not less than five (5) years following the close of each of the Contractor's fiscal years.

B. Franchise Materials Records

Contractor shall maintain records of the quantities of (i) Solid Waste Collected and Disposed under the terms of this Agreement, (ii) Recyclable Materials, by type, Collected, purchased, Processed, sold, donated or given for no compensation, and Residue Disposed, (iii) Compostable Materials Collected, received, purchased, Processed, sold, donated or given for no compensation, and Residue Disposed, (iv)

Construction and Demolition Debris Collected, received, purchased, Processed, sold, donated or given for no compensation, and Residue Disposed , and (v) street sweeping materials Collected and Disposed. These records shall be subject to the inspection provisions provided in Section 8.5.

C. Operating Records

Records shall be maintained by Contractor for City relating to:

1. Service recipient services;
2. Routes;
3. Facilities, equipment and personnel used;
4. Facilities and equipment operations, maintenance and repair; and
5. Disposal and Processing facility weight tickets for Refuse, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris. Residue will be allocated as a percent of all materials Processed by Contractor.

Contractor shall maintain records of all Refuse, Recyclable Materials, and Compostable Materials, and Construction and Demolition Debris collected in the City and records of transfer, Processing and Disposal of such materials for the period of this Agreement plus five (5) years after its termination. Records shall be in chronological and organized form, and readily and easily interpreted. In the event City requests, Contractor shall provide all records of all Refuse, Recyclable Materials, Compostable Materials. and Construction and Demolition Debris to City within sixty (60) days of discontinuing service.

D. Other Records

Contractor shall maintain all other records reasonably related to provision of Franchise Services, whether or not specified in this Article 8 or elsewhere in the Agreement.

8.2 REPORTING REQUIREMENTS

A. General

Quarterly reports shall be submitted to the City Representative no later than forty-five (45) days after the end of the reporting quarter and annual reports shall be submitted to the City Representative no later than sixty (60) days after the end of each preceding Agreement Year (January through December).

Quarterly and annual reports shall be submitted electronically by email with telephone or voicemail confirmation. Reports shall be submitted in a format mutually agreed upon between the City and Contractor.

B. Quarterly Reports

Quarterly reports to the City shall include:

1. **Solid Waste Data**

- i. The number of Single-Family, Multi-Family, and Commercial Service Units with the number of Solid Waste Bins, Carts, Roll-off Containers, and Compactors by size and Service Unit type corresponding to each category.
- ii. A listing of the tonnage from all Collection Services, including Large Item Collection Service, collected, diverted and disposed by Contractor at the Disposal Facility for the preceding quarter sorted between Single-Family, Multi-Family, and Commercial Service Units.
- iii. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

2. **Recycling Data**

- i. The number of gross tons collected by material type for Single-Family, Multi-Family, and Commercial Recycling Collection Services, including Recyclable Material collected as part of Bulky Item Collection Service, for the preceding quarter.
- ii. Indicate, by material type, quarterly total of Recyclable Material processed and sold by Contractor including average price received per Ton and total Recycling Revenue received for the quarter.
- iii. Indicate any quantities, by material type, donated or otherwise disbursed without compensation.
- iv. Indicate quarterly totals and location for Processing Residue disposed.
- v. All tonnage data shall be compared to the corresponding tonnage data from the prior year comparable period.

3. **Organic Waste Data**

- i. The number of gross tons collected for Single-Family, Multi-Family, and Commercial Organics Collection Services, for the preceding quarter.
- ii. Indicate quarterly totals and location for Processing Residue disposed.
- iii. All tonnage data shall be compared to the corresponding tonnage data from the prior year comparable period.

4. **Diversion Rate**

Contractor shall provide documentation acceptable to City in its sole but reasonable discretion stating and supporting the quarter's diversion rate, as calculated in accordance with the provisions of Exhibit D.

5. **Education and Outreach Program Activities**

Contractor shall report on all public education and information activities undertaken during the period, including distribution of bill inserts,

collection notification tags, community information and events, school visits, tours and other activities related to the provision of Collection Services. Contractor shall provide copies of all print outreach conducted during the reporting period.

6. **AB 341 and 1826 Compliance Data**
Contractor shall report the total number of Commercial and/or Multi-Family Service Units serviced and the number of containers, container sizes and frequency of collection for Solid Waste, Recyclable Material, and Organic Waste for each of Commercial and/or Multi-Family Service Units.
7. **Processing and Marketing Data**
Contractor shall report Recycling and Organic Waste processing and marketing issues or conditions occurring during the previous quarter (such as contamination, etc.) and possible solutions, discussed separately (if applicable) for Single-Family, Multi-Family, Commercial and City programs.
8. **Customer Service Data**
Contractor shall provide a summary narrative of praises, compliments, and problems encountered with collection and processing activities and actions taken. Contractor will indicate type and number of Non-Collection Notices left at Service Recipient locations.
9. **Operational Problems and Actions Taken**
Contractor shall indicate instances of property damage and personal injury (other than property damage or injury to Contractor's property and personnel), significant changes and/or challenges in operations, and market factors.
10. **Overweight Collection Vehicles**
Contractor shall report each instance of overweight collection vehicles by date, type of collection vehicle, type of material collected, collection vehicle legal weight, and actual weight of collection vehicles at scale/gate house at time of delivery of Solid Waste.
11. **Service Recipient Base Data**
Contractor shall provide Service Recipient base data consisting of the number of Single-Family, Multi-Family, Commercial, and Schools (serviced by Contractor) Service Units billed, and City Collection Services sorted by service type, Container size, number of Containers, and frequency of collection.

12. **Summary of Historical and Proposed Activities**

Contractor shall provide a narrative of activities undertaken during the quarter and those planned or proposed corresponding to action plan for the upcoming quarter.

13. **Summary of Contractor Payments to City**

Contractor shall report all payments made to City as specified in Article 6.5 for the reporting period.

14. **Street Sweeping Summary**

A summary of the Curb Miles swept, total Curb Miles missed, total tonnage disposed, recycled or composted, and the estimated amount of water used in the street sweeping vehicles.

C. Annual Reports

The annual report submitted to City shall include all quarterly reports in Article 8.2.B summarized by quarter and averaged for the Agreement year.

1. **Gross Revenues**

Contractor shall provide a summary of the prior Agreement Year's Gross Revenues paid broken down by Single-Family, Multi-Family, and Commercial Service Units.

2. **Account Data**

Contractor shall provide account data for Single-Family, Multi-Family, Commercial Service Units, and City Service Units including the total number of accounts serviced, and the number of accounts, account names and addresses of collection locations per each service category (not including irregular services such as C&D collection).

3. **City-Supported Events**

Contractor shall provide a summary of each City-Supported event activity including the name and date of the event, the tonnage collected, diverted and disposed of by material type, and other services provided. Contractor shall also provide information regarding the logistics of the event and suggestions for improving future events.

4. **Education and Outreach Program Activities**

Contractor shall report on public education and outreach program activities undertaken during the Agreement Year, including distribution of newsletters, billing inserts, other notices, collection notification tags, community information and events, tours and other activities related to the provision of services.

5. Donated Services

Contractor shall provide a listing of any services beyond the scope of this Agreement that were donated to the City or Service Recipients.

D. CalRecycle Reports

Contractor shall prepare any annual reports required under applicable California Department of Resources, Recycling, and Recovery (CalRecycle) regulations to be prepared by Contractor, for submittal to CalRecycle.

8.3 ADDITIONAL REPORTING

The Contractor shall furnish the City with any additional reports, as may reasonably be requested by City, to be prepared within a reasonable time following the request and the applicable reporting period. Such reports may include provision of information regarding Contractor's operations and customers under this Agreement that is reasonably necessary for City to prepare its reports to CalRecycle or other agencies, or to comply with Proposition 218. This provision shall not require Contractor to maintain records beyond what is otherwise required by this Agreement or to provide information not readily accessible through Contractor's systems.

8.4 OTHER RELATED REQUIREMENTS

A. Waste Characterization Studies

The Contractor shall fully and in a timely manner cooperate with and assist the City or Zero Waste Sonoma in the performance, if and as needed, of periodic waste characterization studies.

B. Collection Monitoring

The Contractor shall monitor its Collection of Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris to identify occurrences of, and to prevent contamination of, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris. Contractor shall allow a Person designated by the City Representative to ride with Contractor's Collection vehicles on any route or routes. The City Representative will inform Contractor at least one week in advance prior to date of route monitoring.

8.5 INSPECTION BY THE CITY

City Representative or his designee(s) shall have the right to observe Contractor's operations and equipment used in or connected with the provision of Franchise Services, and to enter Premises during normal business hours for the purposes of such observations at any time without prior notification. City Representatives shall make notification to Contractor's representative upon arrival. In addition, City Representative or his designee(s) shall have the right to review Contractor's records related to performance of this Agreement, at Contractor's premises, upon reasonable prior notice to Contractor.

8.6 PERIODIC REVIEW

City will periodically review the performance of the Contractor based on Customer Complaints, timely payment of sums due, statistical reporting, program progress, etc. This review will be conveyed to the Council, and the Contractor may review the draft report and submit its own statement.

8.7 PERFORMANCE REVIEW

City, at its sole discretion, may require a Performance Review of the Contractor up to three times during the fifteen (15) year Term of the Agreement. The Performance Review shall be conducted as set forth below.

A. Scope of Performance Review.

The Performance Review shall:

1. Be performed by a qualified firm under contract to the City. The qualified firm shall be selected by the City with input from the Contractor.
2. City cost of the Performance Review shall be reimbursed by Contractor, provided that such reimbursement shall not exceed \$40,000 per review, or a combined total of \$120,000 during the Base Term. However, if any Performance Review results in a finding of a material breach or Event of Default in the Contractor's performance, the Contractor shall in a timely manner reimburse the City for the total cost of the Performance Review.
3. Address all appropriate areas of concern to the City, and shall provide specific recommendations, as appropriate, for improvement each area, including but not limited to the following:
 - i. Compliance with the terms of this Agreement and Applicable Laws.
 - ii. Overall organizational structure and management systems and procedures.
 - iii. Efficiency of Collection operations, including an analysis of routes, schedules and the impact of Franchise requirements.
 - iv. Timeliness and thoroughness of street sweeping, including coordination with Collection services.
 - v. Staffing practices, including the deployment of management and supervisory personnel.
 - vi. Financial management practices, including the Contractor's Billing and collection system and its policies with regard to uncollected Customer accounts
 - vii. Personnel management practices, including compensation policies and the resolution of employee grievances.
 - viii. Employee job and safety training, and management of Hazardous Waste.

- ix. Procedures for receiving and resolving Customer Complaints and concerns.
- x. Procedures for the acquisition, maintenance, safety check, and replacement of equipment.
- xi. Utilization and management of facilities, equipment and personnel.
- xii. Comparison with practices of businesses deemed similar to the Contractor.

Contractor shall cooperate fully with the Performance Review, and provide within thirty (30) working days of request, all operational, financial, and other information reasonably requested by City or the consultant selected by the City for purposes of conducting the Performance Review. The Contractor's failure to cooperate or provide all requested information shall be considered an Event of Default as provided in Section 10.2.A.

Notwithstanding the foregoing provisions of this section, the City and Contractor agree to use good faith efforts to ensure that any Performance Review is conducted in as cost-effective a manner as possible, so as to minimize unnecessary costs or administrative oversight. To this end, the City and the Contractor shall confer prior to any Performance Review to establish the scope and budget of the review, in a manner designed to meet the City's concerns and needs.

B. Determination of Breach

If, as a result of a Performance Review, the City identifies one or more areas of Contractor breach of the Agreement, the provisions of Section 10.1 shall apply.

C. Changes to Operations

As the result of a Performance Review, the City reserves the right to require reasonable changes to the Contractor's operations which the City determines to be necessary or appropriate to bring them into compliance with the terms and conditions of this Agreement.

D. Determination of Default

If, after the City has reviewed the results of a particular Performance Review including problem areas, frequency of occurrence, recommended improvements and compliance therewith, and has considered any evidence presented by the Contractor in connection therewith, the City determines to its satisfaction that any significant Event of Default has occurred, then this Agreement may be terminated by the City at its option pursuant to Article 10.

E. Limitations

Performance Reviews, as described in this Section 8.7, shall not serve as a limitation on the type, number, or scope of other types of reviews or audits of Contractor's records or performance, as expressly provided for in this Agreement.

ARTICLE 9

INDEMNITY, INSURANCE, BOND

9.1 INDEMNIFICATION OF THE CITY

The Contractor agrees to and shall indemnify, defend, with Counsel reasonably acceptable to the City, and hold harmless City, its officers, officials, employees, volunteers, agents and assigns (indemnities) from and against any and all damages (whether special, general or punitive), loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any Person and damage to property, strict liability, product liability, or for contribution or indemnity claimed by third parties) arising or resulting from: (i) the operation of the Contractor, its agents, employees, contractors, and/or subcontractors, in performing or failing to perform this Agreement; (ii) the failure of the Contractor, its agents, employees, contractors and/or subcontractors to comply in all respects with Applicable Laws, ordinances and regulations, and/or applicable permits and licenses; (iii) the acts of Contractor, its officers, employees, agents, contractors and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law; and (iv) the Processing, marketing, and end use of Recyclable Materials. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnities' negligence. The foregoing indemnity shall not apply to matters arising from or caused by the sole negligence of the indemnities.

9.2 AB 939 INDEMNIFICATION OF THE CITY

Contractor agrees to and shall indemnify, defend, with Counsel acceptable to City, and hold harmless City, its officers, officials, employees, volunteers, agents and assigns (indemnities) from and against any and all damage (whether special, general or punitive), loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any Person and damage to property, strict liability, or for contribution or indemnity claimed by third parties) arising or resulting from the failure of City to comply with the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded and replaced from time to time (AB 939), if and to the extent such failure resulted from Contractor's failure to perform its obligations under this Agreement. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnities' negligence.

9.3 HAZARDOUS SUBSTANCES INDEMNIFICATION

Contractor shall indemnify, defend with counsel reasonably acceptable to City, protect and hold harmless the City, its officers, officials, employees, agents, assigns and any successor or successors to the City's interest from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, response mediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties attorney's fees for the adverse Party and expenses (including but not limited to attorneys and expert witness fees and costs incurred in connection with defending against any of the forgoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, the City or its officers, officials, employees, agents, assigns, or contractors arising from or attributable to any repair, cleanup, Disposal or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action), concerning any Hazardous Substance or Hazardous Wastes at any place owned by Contractor or its affiliates where the Contractor transports, stores or Disposes of Solid Waste pursuant to this Agreement. The foregoing indemnity is also intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section 25364, to defend, insure, protect, hold harmless and indemnify the City from liability.

9.4 ADDITIONAL CUSTOMER RATE INCREASE PROCEDURES (PROP 218)

City intends to comply with all applicable laws concerning Solid Waste Handling Services rates provided for under this Agreement. If the City makes a good faith determination that the adjustment of service rates under this Agreement is subject to Proposition 218, Contractor shall, at City's request upon reasonable prior notice, and at no cost to City, distribute to customers Proposition 218 notices prepared by City that City determines are reasonably necessary for the City to comply with Proposition 218 (and its implementing legislation and corresponding court decisions) in connection with any adjustment of service rates under this Agreement.

In the event City uses good faith efforts to implement a rate increase contemplated by this Agreement but a majority protest under applicable Proposition 218 procedures prevents such rate increase from being implemented (such circumstances collectively, a "Successful Prop. 218 Protest"), the failure to implement such increase shall not be deemed a breach by City of this Agreement, nor shall City be required to pay Contractor the amount of the contemplated rate increases. In such event, Contractor's obligations under this Agreement shall be reduced (in a manner mutually agreed by City and Contractor) such that the cost savings to Contractor from such reductions equals the reasonably-estimated dollar value of the rate increase that could not be implemented. The parties shall negotiate such reduction in good faith and use best efforts to complete such negotiation and implement such reduction within six (6) months after the majority protest. Provided City complies with its obligations under this paragraph with respect to a Successful Prop. 218 Protest, Contractor agrees to hold harmless and release the City Indemnified Parties from and against any and

all claims Contractor may have against the City arising or resulting from such Successful Prop. 218 Protest. This Section will survive the expiration or termination of this Agreement for claims arising prior to the expiration or termination of this Agreement.

9.5 INSURANCE SCOPE AND LIMITS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees, or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, or its equivalent, covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Insurance Services Office Form Number CA 0001, or its equivalent, covering any auto (Code 1), or if Contractor has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than \$5,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Contractors Pollution Liability applicable to the work being performed, with a limit no less than \$3,000,000 per claim or occurrence and \$6,000,000 aggregate per policy period of one year.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City, such approval not to be unreasonably withheld. The Contractor shall provide evidence reasonably satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or

be endorsed to provide, that the self-insured retention may be satisfied by the named insured.

C. Other Insurance Provisions

1. The General Liability, Automobile Liability, and Contractors Pollution Liability policies are to contain, or be endorsed to contain, the following provisions:
 - i. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
 - ii. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
 - iii. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.
2. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractors Pollution Liability policy.
3. If General Liability or Contractors Pollution Liability coverages are written on a claims-made form:
 - i. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - iii. If coverage is canceled or non-renewed, and not replaced with

another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

- iv. A copy of the claims reporting requirements must be submitted to the City for review.

D. Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A:VII if admitted in the State of California.

E. Verification of Coverage

Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause). However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all endorsements required by these specifications, at any time.

F. Subcontractors

Contractor shall require all subcontractors performing work in connection with this Agreement to maintain the following minimum insurance and to name the City as an additional insured on such insurance: Workers' Compensation in accordance with Applicable Law or regulation, Employer's Liability with limits of \$1,000,000, Commercial General Liability with limits of \$1,000,000 per occurrence and \$2,000,000 in the annual aggregate, and Automobile Liability insurance with limits of \$1,000,000. Contractor shall obtain insurance certificates and/or endorsements from all subcontractors verifying that they meet such requirements. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

G. Waiver of Subrogation

Contractor hereby grants to the City a waiver of subrogation which any insurer may acquire against the City, its officers, officials, employees, and volunteers, from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents, and subcontractors.

H. Special Risks or Circumstances

The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances, provided that any such modification that increases Contractor's costs shall be treated as a Change in Scope under Section 5.7.

9.6 FAITHFUL PERFORMANCE BOND

No later than January 1, 2021, the Contractor shall file with the City a bond, payable to the City, securing the Contractor's faithful performance of each and every one of its obligations under this Agreement. The principal sum of the bond shall be \$850,000. The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California, with a financial condition and record of service reasonably satisfactory to the City. The bond shall be in substantially the form attached hereto as Exhibit K, or another form approved by the City Representative. Alternatively, if Contractor is unable to provide a performance bond or the parties mutually agree, Contractor may deposit a letter of credit or open a certificate of deposit in the name of the City to be held to secure this faithful performance. A performance bond or alternative instrument meeting the requirements of this section shall be kept in force for the duration of this Agreement. The premium for the bond or any other related charges shall be paid by the Contractor.

ARTICLE 10

BREACH, DEFAULT, AND TERMINATION

10.1 EVENTS OF BREACH

A. Definition

The Parties acknowledge that provision of consistent, reliable Franchise Services is of utmost importance to the City and that the City has considered and relied on Contractor's representations as to its ability and commitment to quality of service in awarding the Franchise. In the event that the Contractor fails to perform fully any of its obligations under this Agreement, Contractor shall be in breach of this Agreement. Such breach may constitute an Event of Default, as more fully described in Section 10.2. below.

B. Liquidated Damages

The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. and to serve as a specific measure of successful performance under the Agreement. The Parties further recognize that if Contractor fails to perform its obligations, City and residents of City will suffer damages that are and will be impractical and extremely difficult to ascertain and determine. The Parties agree that the Liquidated Damage amounts provided in Exhibit J represent a reasonable estimate of the amount of such damages for the specified breaches, without prejudice to City's right to treat uncorrected non-performance as an Event of Default under this Article 10. Liquidated Damages are paid as damages, and not as a penalty. City may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representatives, or by investigation of Customer or resident Complaints.

C. Notice of Intent to Impose Liquidated Damages

Prior to assessing Liquidated Damages, and in addition to any other available remedies City may impose, City shall give Contractor written notice of its intention to do so. The notice shall include a brief description of the incident or nonperformance. Contractor may review (and copy at its own expense) all information in the possession of the City relating to the assessment of Liquidated Damages. Contractor may, within ten (10) Working Days after receiving the notice request a meeting with the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident or nonperformance. City Manager shall provide Contractor with a brief written explanation of his or her determination on each breach prior to authorizing the assessment of Liquidated Damages. The decision of City Manager shall be final. The assessment of Liquidated Damages issued by the City shall appear on the next monthly statement and the Contractor shall, at its own expense, remit to the City damages specified in said assessment as part of the Monthly Remittance.

10.2 EVENTS OF DEFAULT

A. Definition

Each of the following shall constitute an Event of Default (“Event of Default”) hereunder, if not timely cured in accordance with Section 10.2.C:

1. **Breach.** The failure by Contractor to perform any obligation of Contractor under this Agreement, including without limitation, any obligation(s) which (i) constitutes a threat or hazard to the public health, safety or welfare or (ii) would impose civil or criminal liability on the City.
2. **Misrepresentation or False Warranty.** Any representation, disclosure or warranty made to City by Contractor in this Agreement or any future amendment to this Agreement, or that is a condition to the effectiveness of the Agreement, that proves to be false or misleading in any material respect as of the time the representation or warranty is made.
3. **Failure to Provide Information.** Failure to provide information for Performance Review as required by Section 8.7, or to provide information and/or records to allow City to perform, or cause to be performed, such other reviews and audits as are expressly authorized in this Agreement.
4. **Seizure or Attachment of Equipment.** There is a seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession on, the operating equipment of Contractor, including without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to impair Contractor's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.
5. **Contractor Debt.** Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of, or taking of possession by, a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of Contractor for a part or Contractor's operating assets or any substantial part of Contractor's property or shall make any general assignment for the benefit of Contractor's creditors, or shall become insolvent and unable to pay its debts generally as they become due.
6. **Court Order or Decree.** Any court having jurisdiction enters a decree or order for relief in respect of Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect or Contractor consents to or fails to oppose any such

proceeding, or any such court enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Contractor or for any part of Contractor's operating equipment or assets, or orders the winding up or liquidation of the affairs of Contractor.

7. **Failure to Provide Performance Assurances.** Contractor fails to provide reasonable assurances of performance as required under Section 10.11.
8. **Failure to Notify City.** Contractor fails to notify City in a timely manner of any receipt of notice of violation from those regulatory agencies regulating Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris Collection, Transportation, Processing or Disposal activities that could reasonably be expected to materially affect Contractor's ability to perform all of the Franchise Services.
9. **Lapse of Financial Requirement.** Lapse of any insurance, letter of credit, bond or other financial instrument required under this Agreement, unless replaced such that there is no gap in coverage.
10. **Regulatory Violation.** Contractor violates in any material respect any orders of any regulatory body having jurisdiction over Contractor relative to this Agreement which violation could reasonably be expected to materially affect Contractor's ability to perform all of the Franchise Services, provided Contractor may contest any such orders by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred.
11. **Cessation of Services.** Contractor ceases to provide Franchise Services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Contractor. In the event of a labor dispute, strike or slow down the period shall be seven (7) consecutive days.
12. **Failure to Meet Payment or Reporting Requirements.** Contractor fails to make any payment of any sum owed to City required under this Agreement and/or refuses to provide City with required information, reports, and/or records in a timely manner as required under this Agreement.
13. **Violation of Law.** Contractor in connection with this Agreement violates in any material respect the California Integrated Waste Management Act of 1989, as it may be amended from time to time, or any law, statute, ordinance, order, directive, or regulation issued thereunder.
14. **Criminal Activity of Contractor.** Should Contractor or any or its officers, directors or employees be "found guilty" of felonious conduct relating to its obligations under this Agreement. The term "found guilty" shall be deemed to include any judicial determination that Contractor or any of Contractor's

officers, directors or employees is guilty, and any admission of guilt by Contractor, or any of Contractor's officers, directors or employees including, but not limited to, the pleas of “guilty”, “nolo contendere”, “no contest”, or “guilty to a lesser felony” entered as part of any plea bargain. Such felonious conduct includes, but is not limited to: (i) price fixing, (ii) illegal transport or Disposal of hazardous or toxic materials, (iii) bribery of public officials, or (iv) fraud or tampering. In the event Contractor or any of its officers, directors or employees is “found guilty” of felonious conduct relating to its obligations under this Agreement, City reserves the right to exercise one or more of the remedies specified below in Section 10.5. Such action shall be taken after Contractor has been given notice and an opportunity to present evidence in mitigation. If City does not terminate this Agreement, Contractor shall dismiss or remove the officers, directors or employees found guilty of felonious behavior and take all action necessary and appropriate to remedy any breach of its obligations.

15. **Assignment.** Contractor assigns this Agreement in violation of Section 11.5.

B. Notice of Default

If City wishes to assert that an Event of Default has occurred, City shall provide written notice to Contractor identifying the asserted default. The notice shall include a brief description of the default and specify which subsection(s) of Section 10.2.A apply. Contractor may review (and copy at its own expense) all information in the possession of City relating to the asserted default. Contractor may, within three (3) Working Days after receiving the notice, request a meeting with City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the asserted default. The decision of City Manager as to whether a default occurred shall be final.

C. Cure of Default

Contractor shall begin cure of any asserted default as soon as it becomes aware of it, whether discovered by Contractor or through notice from City. Upon receiving City's written notice under Section 10.2.B, Contractor shall proceed to cure as follows:

1. Immediately, if the default is such that in the sole determination of City, the health, welfare, or safety of the public is threatened or endangered thereby;
or

2. Within ten (10) Working Days of Contractor receiving City's notice under Section 10.2.B; provided that if the nature of the default is such that it will reasonably require more than ten (10) days to cure, Contractor shall have such additional time as is reasonably needed to expeditiously complete a cure, and only upon written agreement from City, not to be unreasonably withheld. During any default cure period, Contractor shall provide City weekly written status of progress in curing such default.

Any asserted default not timely cured in accordance with the above shall be deemed an Event of Default. Notwithstanding any other provision, no event or circumstance shall be deemed an Event of Default unless City has provided notice in accordance with Section 10.2.B and Contractor has failed to cure the asserted default in accordance with Section 10.2.C.

10.3 CITY DETERMINATION OF CURE OF BREACH OR DEFAULT

An Event of Default shall be considered remedied and/or cured upon signature by both Parties of a written agreement specifying the event and stating that remedy and/or cure of such Event has been completed.

10.4 CITY'S RIGHT TO PERFORM

A. General

In addition to any and all other legal or equitable remedies, in the event that Contractor, for any reason whatsoever, fails, refuses or is unable to provide collection of Solid Waste, Recyclable Materials or Compostable Materials for a period of more than seventy-two (72) hours, and if, as a result thereof, should Solid Waste, Recyclable Materials or Compostable Materials accumulate in City to such an extent, in such a manner, or for such a time that City should find that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, but not the obligation, without payment to Contractor upon twenty-four (24) hours prior notice to Contractor: (i) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Contractor; and/or (ii) to take possession of any or all of Contractor's land, equipment and other property used or useful in providing Franchise Services and to use such property to provide any Franchise Services.

Notice of such failure, refusal or neglect may be given orally by telephone to Contractor and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within twenty-four (24) hours of the oral notification.

Contractor further agrees that in such event:

1. It will fully cooperate with City to effect the transfer of possession of property to City for City's use.

2. It will, if City so requests, and to the extent feasible, keep in good repair and condition all of such property, provide all motor vehicles with fuel, oil and other service, and provide such other service, and provide such other service as may be necessary to maintain said property in operational condition.
3. Contractor shall provide all necessary Billing information to the City. City shall determine how to bill, in what amounts, and the distribution of amounts received. City shall provide Contractor reasonable compensation for provision of Contractor's land, equipment, or other property if the City's exercise of the right to perform is the result of an Uncontrollable Circumstance.

City's exercise of its rights under this Article 10: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any contract, tort, or common count liability on the part of City to Contractor; and (iii) does not exempt Contractor from the indemnity provisions of Section 9.1, which are meant to extend to circumstances arising under this Section, provided that Contractor is not required to indemnify City against claims and damages arising from the active negligence or willful misconduct of City officers, employees, agents, or volunteers acting under this section.

B. Duration of City's Possession

City has no obligation to maintain possession of Contractor's property and/or continue its use in providing any Franchise Services for any period of time and may, at any time, in its sole discretion, relinquish possession to Contractor. City's right to retain temporary possession of Contractor's property, and to provide one or more Franchise Services, shall continue until Contractor can demonstrate to City's satisfaction that it is ready, willing, and able to resume such services.

10.5 CITY REMEDIES FOR CONTRACTOR DEFAULT

Upon Contractor's failure to cure an Event of Default pursuant to Section 10.2.C, City shall have the following rights:

- A. Waive Default.** To, at its sole discretion, waive the Event of Default.
- B. Termination.** Terminate the Agreement in accordance with Section 10.7.
- C. All Other Available Remedies.** In addition to, or in lieu of termination, to exercise all of its remedies in accordance with this Article 10 and any other remedies at law and in equity, to which City shall be entitled, according to proof.
- D. Damages Survive.** If Contractor owes any damages upon City's termination of the Agreement, Contractor's liability under this Section 10.5 shall survive termination.

In the event City does not exercise its right to terminate, City shall have the right to: (i) seek performance by the surety under the performance bond, and (ii) make a claim on any insurance policy or policies.

10.6 CITY WAIVER OF BREACH OR DEFAULT

A waiver by City of any breach or Event of Default by Contractor shall not be deemed to be a waiver of any other breach or default by Contractor, including ones with respect to the same obligations hereunder, and including new incidents or the same breach or default. The subsequent acceptance by City of any damages or other money paid by Contractor hereunder shall not be deemed to be a waiver by City of any preexisting or concurrent breach or default by Contractor.

10.7 TERMINATION

A. Termination for Cause

City shall have the right to terminate this Agreement without need for any hearing, suit, or legal action in the circumstances specified below. Contractor's obligation to provide information, data, records, insurance coverage and evidence of such coverages including endorsements as required herein, shall survive the termination of this Agreement. Contractor shall forfeit its performance bond to City to the extent required to compensate City for damages incurred as a result of the breach or Event of Default (to the extent not paid by Contractor). Termination by City may occur upon:

1. **Uncured Default.** An Event of Default by Contractor that is not timely cured.
2. **Poor Performance Review.** As the result of a poor Performance Review as provided in Section 8.7, if the underlying breaches are not timely cured.
3. **Excessive Liquidated Damages.** Upon assessment of Liquidated Damages for the same or similar breaches totaling more than \$20,000 in any twelve (12) month period, or \$30,000 in any twenty-four (24) month period, if the underlying breaches are not timely cured (which may include modification of Contractor's operations or controls in a manner reasonably acceptable to City to prevent such breaches reoccurring on a similar scale).

For the avoidance of doubt, City may not terminate this Agreement under this section unless City has provided notice of the breach or other Event of Default in accordance with Section 10.2.B and Contractor has failed to cure the asserted breach or other Event of Default in accordance with Section 10.2.C.

In addition to any other available remedies City may have as specified in Section 10.5, City may, upon an uncured Event of Default, give Contractor written notice of termination of this Agreement, effective at least five (5) Working Days after receipt. The decision of City

Manager with regards to termination shall be final. Upon notice of termination, Contractor shall promptly provide City with any or all records kept in accordance with Article 8 (or any other record keeping provisions of this Agreement or its Exhibits) that are reasonably requested by City in order to transition services to another provider or perform service itself.

10.8 POSSESSION OF PROPERTY UPON TERMINATION

In the event of termination for default, City shall have the right to take temporary possession of any and all of Contractor's land, equipment, and other property used or useful in the Collection and Transportation of Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris in the provision of services under this Agreement, and the Billing and collection of fees for these services and to use such property for the sole purpose of providing such services. City shall pay reasonable compensation to Contractor for the temporary use of such land, equipment, and other property except that City shall not be required to compensate Contractor for the value of business goodwill. City shall have the right to retain the possession of such property until other suitable arrangements can be made for the provision of proper processing and disposal or Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris Collection services which may include the award of an agreement to another contractor(s). Contractor shall furnish City with immediate access to all of its business records related to its route maps, schedules, and Billing of accounts for services.

10.9 CITY'S REMEDIES CUMULATIVE: SPECIFIC PERFORMANCE

City's right to terminate the Agreement under Section 10.7 and to take possession of Contractor's properties under Section 10.8 are not exclusive, and City's termination of the Agreement shall not constitute an election of remedies. Instead, all remedies provided for in this Agreement shall be in addition to any and all other legal and equitable rights and remedies which City may have under law or as otherwise provided in this Agreement. By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by City to Contractor, the remedy of damages for a default hereof by Contractor is inadequate, and City may be entitled to injunctive relief.

10.10 EXCUSE FROM PERFORMANCE

A. Excuse from Performance

Each Party shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, fires, moderate to severe earthquakes, tsunamis, other "acts of God", war, civil insurrection, riots, epidemic or pandemic, governmental restraint, or other events of a similar nature, not caused or maintained by such Party, which event is not within the control of the Party claiming the excuse from its obligations due to such

event, to the extent such event has a significant and material adverse effect on the ability of the Party to perform any of its obligations thereunder.

Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor, or a subcontractor, is not an excuse from performance, and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events. In the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to make Collections due to the unwillingness or failure of the third party to provide reasonable assurance of the safety of Contractor's employees while making Collections or to make reasonable accommodations with respect to container placement and point of Delivery, time of Collection, or other operating circumstances to minimize any confrontation with pickets or the number of Persons necessary to make Collections, shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in making Collection at different times and in different locations.

B. Inexcuse from Performance

In addition, none of the following are to be considered an excuse from performance: (i) general economic conditions, interest or inflation rates, or currency fluctuation or changes in the cost or availability of fuel, commodities, supplies or equipment; (ii) changes in transport or Disposal costs, Disposal facility locations, and/or other related circumstances; (iii) changes in the financial condition of Contractor or any of its subcontractors affecting their ability to perform their obligations; (iv) the consequences of errors, neglect or omissions by Contractor, or any subcontractor; (v) any failure of any subcontractor or supplier to furnish labor, materials, service or equipment for any reason; or (vi) equipment failure.

C. Notice

The Party claiming excuse from performance shall, within two (2) days after such Party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Article. In the event of a declared disaster Contractor shall comply with the emergency plans of the City and County.

D. Interruption or Discontinuance of Service

The partial or complete interruption or discontinuance of Franchise Services caused by one or more of the events described in this Article and constituting an excuse from performance shall not constitute an Event of Default by Contractor under this Agreement. Notwithstanding the foregoing, however, (i) the existence of an excuse from performance shall not affect City's right to perform services under Section 10.4 and (ii) if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Article 10 for a period of thirty (30) days or more, other than as the results of third-party labor disputes under which Franchise Services cannot be provided for reasons described earlier in this Article, City shall

nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions of Section 10.5 shall apply.

10.11 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

If Contractor is: (i) the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (ii) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal investigation, charge, or judgment or order entered by a federal, state, regional or local agency for violation of a law relating to performance under this Agreement, and City believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, City may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement. in such form and substance and by such date as City believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide such assurances in such form by such date, such failure or refusal shall be an Event of Default for purposes of Section 10.2.

10.12 ADJUSTMENTS HELD IN ABEYANCE

During an uncured Event of Default that is capable of being cured, City may, by providing written notice to Contractor either with or after providing the notice of default under Section 10.2.B, withhold any adjustment otherwise due pursuant to Article 7 if the amount of such adjustment is reasonably related to damages sustained by City as a result of such default. This withholding of adjustment shall be in addition to any other right or remedy provided City under this Agreement. The purpose of this provision is to ensure that Contractor is incentivized to cure any Event of Default that is capable of being cured. If the Contractor cures the Event of Default, City shall promptly implement any adjustment so withheld. Notwithstanding any other provision, if City invokes this section, and the parties disagree as to whether an Event of Default has occurred or has been cured or whether this section has been correctly applied, then either party may submit the matter to arbitration pursuant to Section 11.6.C, without need of mediation.

ARTICLE 11

OTHER AGREEMENTS OF THE PARTIES

11.1 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall perform the Franchise Services as an independent contractor engaged by City and not as an officer or employee of City, nor as a partner of or joint venture with City. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means or conducting Franchise Services and all Persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors, and agents. Neither Contractor nor its officers, employees, subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City. Contractor or its employees shall not provide, directly or indirectly, any gifts or gratuities to any City employee or representative.

Contractor shall not be financially interested in any other City contract for provision of Franchise Services. For the limited purposes of interpreting this section, Contractor shall be deemed a "City officer or employee", and this section shall be interpreted in accordance with the California Government Code, section 1090. In the event that Contractor becomes financially interested in any other City contract for this program, that other contract shall be void. Contractor shall indemnify and hold harmless the City for any claims for damages resulting from Contractor's violation of this section of this Agreement.

11.2 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws of the United States, the State of California, County of Sonoma, City, and other states or counties which may have jurisdiction over any service provided in this Agreement and with all applicable regulations promulgated by any federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the Term of this Agreement, including all permit requirements for facilities used to provide Franchise Services. The foregoing shall not be deemed to limit Section 7.4.

11.3 GOVERNING LAW

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

11.4 JURISDICTION

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Sonoma County.

11.5 ASSIGNMENT

A. Definition

For purposes of this Article, “assignment” shall include, but not be limited to: (i) a sale, exchange, or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of thirty (30) percent or more of the outstanding common stock of Contractor; (iii) any reorganization, consolidation, merger recapitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of thirty (30) percent or more of the value or voting rights in the stock of Contractor; and (iv) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership. If Contractor is not a corporation, an assignment shall also include, among other things, any transfer or reorganization that has an effect similar to the situations described in foregoing sentence for corporations. For purposes of this Article, the term “proposed assignee” shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment. If Contractor is a subsidiary of another corporation or business entity, any assignment, as defined above, by the parent company or corporation shall be considered an assignment by Contractor provided, however, that an assignment by the parent company to an affiliate of Contractor shall not be considered an “assignment” for the purpose of this section.

B. City Consent

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has relied upon Contractor's representation of its experience and financial resources in qualifying Contractor to perform Franchise Services under this Agreement. Except as provided in this Article, Contractor shall neither assign its rights nor delegate, subcontract, or otherwise transfer its obligations under this Agreement to any other Person or entity without the prior written consent of City. Any such assignment without the consent of City shall be void and the attempted assignment shall constitute a material breach of this Agreement. Under no circumstances shall City be required to consider any proposed assignment if there is an uncured Event of Default at any time during the period of consideration.

C. Requirements of Contractor

If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion, and with or without a detailed review of the proposed assignment. No request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met the following requirements:

1. Contractor shall pay City its reasonable expenses for attorney's fees and investigation costs to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment.
2. Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding five (5) operating years.
3. Contractor shall furnish City with satisfactory proof that the proposed assignee has the demonstrated technical capability to perform all Franchise Service, including: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement: (ii) in the last five (5) years. the proposed assignee has not suffered any significant citations or other censure from any state federal, or local environmental laws and the assignee has provided City with a complete list of such citations and censures: (iii) the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion: (iv) the proposed assignee conducts its Solid Waste management practices in substantial compliance with all federal, state, and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Substances; and (v) any other information required by City to ensure the proposed assignee can comply with the terms of this Agreement in a timely, safe, and effective manner. City reserves the right to approve an assignment conditioned on an increase to the performance bond or alternative means assurance of performance required pursuant to Section 9.6 and contained in Exhibit K and/or use of another mechanism in addition to, or as an alternative to, the performance bond required in Section 9.6 and contained in Exhibit K.

D. Application and Transfer Fee

Any application for a Franchise transfer shall be governed by the following conditions:

1. Any application for a Franchise transfer shall be made in a manner prescribed by the City Representative. The application shall include a transfer fee in an amount to be set by resolution of the Council to cover the cost of all direct and indirect administrative expenses including consultants

necessary to adequately analyze the application and to reimburse City for all direct and indirect expenses. In addition, Contractor shall reimburse City for any and all additional costs related to the assignment requested and not covered by the transfer fee. Bills shall be supported with evidence of the expense or cost incurred. The applicant shall pay such bills within (30) days of receipt.

2. The Franchise transfer fees are over and above any other fees or charges specified in the Agreement.

E. Transition

If City consents to an assignment, at the point of transition, Contractor shall cooperate with City and subsequent Contractor(s) or subcontractor(s) to assist in an orderly transition which shall include, but not be limited to, Contractor providing route lists and Billing information listing accounts.

11.6 DISPUTE RESOLUTION

A. Continue Performance

Except for an Event of Default, in the event of any dispute arising under this Agreement, City and Contractor shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner, including but not limited to, negotiating in good faith.

B. Mediation

Any unresolved dispute arising between the Parties under this Agreement shall be submitted to non-binding mediation before a recognized mediator having experience with agreements of this nature and that is mutually acceptable to the Parties, provided that neither Party shall unreasonably withhold its acceptance. If the parties are unable, after a period of thirty (30) days from commencement of the dispute resolution process, to agree on a mediator, either Party shall be entitled to petition a court of competent jurisdiction to appoint such a mediator for the Parties. Each Party shall bear its own costs, including attorney's fees, incurred in connection with the mediation. If the mediation does not result in a resolution of the dispute that is acceptable to both Parties, either Party may institute arbitration.

C. Binding Arbitration

Any unresolved dispute or claim which arises out of or which relates to this Agreement, or to the interpretation or breach thereof, shall be resolved by binding arbitration pursuant to California Code of Civil Procedure, Section 1280 *et seq.* Arbitration shall be by a single, neutral arbitrator having experience with agreements of this nature. The Parties shall mutually agree upon said arbitrator, but if the Parties cannot so agree, either Party may apply to the Superior Court of Sonoma County to appoint an arbitrator. The arbitrator selected shall have experience with agreements of this nature. The arbitrator shall follow Applicable Law in reaching a decision on any controversy submitted to arbitration. The

arbitrator's fees and expenses and all arbitration costs shall be borne equally by the Parties, unless otherwise required by this Agreement or unless the arbitrator, in his or her discretion, determines that a different apportionment of fees and costs is appropriate in the interests of justice. If the binding arbitration reduces expenses applicable to the current years' service, applicable Rate reductions may be enacted. The rules for arbitration shall be the American Arbitration Association ("AAA") rules. Discovery may be undertaken by the Parties in accordance with the Code of Civil Procedure rather than the AAA rules.

11.7 NON-DISCRIMINATION

Contractor shall not discriminate in the provisions of service or the employment of Persons engaged in performance of this Agreement on account of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such Persons or as otherwise prohibited by law.

11.8 SUBCONTRACTING

Contractor shall not engage any subcontractors for performance of Franchise Services, without the prior written consent of City.

11.9 BINDING ON SUCCESSORS

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

11.10 TRANSITION TO NEXT CONTRACTOR

If at any point City desires to contract with a third party to provide, after the expiration or earlier termination of this Agreement, Franchise Services which are Franchised to Contractor under this Agreement, Contractor shall be obligated to cooperate with City and subsequent contractor(s) to assist in an orderly transition. One (1) year prior to the conclusion of the Term, and in order to assist with the competitive bid process to award the Franchise at the conclusion of the Term. Contractor shall provide City with such information as may reasonably be requested, including but not limited to, route maps and days of Collection, account names and phone numbers, and level of service provided. Contractor shall cooperate with and schedule with City and new contractor its removal of all Carts distributed to each Customer. Contractor and the new contractor may choose at their discretion to enter into negotiations to sell (in part or all) Collection vehicles, Bins, and Containers to the new contractor. Failure to provide full cooperation with a transition may, at City's sole discretion, preclude Contractor from participating in future competitive procurements.

11.11 PARTIES IN INTEREST

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

11.12 WAIVER

The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision not of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any monies which become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach of violation by the other Party of any provision of this Agreement.

11.13 CONDEMNATION

In addition to the rights in Section 10.4 City fully reserves the rights to acquire Contractor's property utilized in the performance of this Agreement, by purchase, or through the exercise of the right to eminent domain.

11.14 NOTICE

A. Notice Procedures

All notices or demands from one Party to the other that this Agreement requires, authorizes, or contemplates shall, except as otherwise specifically provided in this Agreement, and except for routine operational communications, be in writing and be effective when personally delivered to a representative of the Parties at the address below, or when delivered by nationally recognized overnight courier, with written confirmation of delivery, addressed as follows:

If to City: Attention: City Manager
 City Hall
 401 Grove Street
 Healdsburg, CA 95448

If to Contractor: Attention: Legal Department
 Recology Sonoma Marin
 50 California Street, 24th Floor
 San Francisco, CA 94111

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

B. Facsimile and Email Notice Procedures

1. Facsimile and email notice may be substituted for written notice with the following limitations:
 - i. Facsimile or email notice shall be considered valid and delivered at such time as an authorized representative of the receiving Party acknowledges receipt in writing or by a facsimile or email acknowledgement to the sending Party.
 - ii. Written notice given in accordance with subsection A must follow any facsimile or email notice. This follow-up written notice order for the facsimile or email notice to be valid.
2. If above conditions are met, facsimile or email notice will be considered effective from date and time of transmission as indicated on receiving parties' original copy of the transmission.
3. Facsimile and email notices must be sent to the following addresses:

If to City: City Manager
 Fax number (707) 431-3321
 Email: administration@ci.healdsburg.ca.us

If to Contractor: Fred Stemmler, General Manager
 Fax number (707) 586-5543
 Email: fstemmler@recology.com

The facsimile number or email address to which communications may be transmitted may be changed from time to time by a notice given in accordance with this Section.

11.15 REPRESENTATIVE OF THE PARTIES

All actions to be taken by City shall be taken by City Council except as provided below. City Council may delegate, in writing, authority to City Manager and/or to other City officials, in turn, to delegate in writing some or all of such authority to subordinate officers. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

- A. City Manager shall be responsible for administration of this Agreement on behalf of City.
- B. City Manager may delegate authority to appropriate City employees or other appropriate Persons.

- C. City Council reserves to itself all discretionary and administrative authority not otherwise expressly delegated pursuant to ordinance.

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

11.16 CITY FREE TO NEGOTIATE WITH THIRD PARTIES

City may, at any time, investigate all options for the provision of the exclusive and non-exclusive services granted to Contractor by this Agreement. Without limiting the generality of the foregoing, City may solicit proposals from Contractor and from third parties for the provision of any or all Franchise Services and may negotiate and execute agreements for such services which will take effect upon the expiration, or earlier termination under Section 10.7, of this Agreement and/or any future agreements.

11.17 CONTRACTOR TO DEFEND AGREEMENT

Contractor shall defend at its sole expense the validity of this Agreement against all challenges to the Agreement by any entity or Person not a Party to this Agreement. Contractor shall indemnify City against any liability to entities or Persons not party to Agreement resulting from a determination that this Agreement violates any state or federal law, statute, or constitutional provision.

ARTICLE 12

MISCELLANEOUS AGREEMENTS

12.1 ENTIRE AGREEMENT

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein, and supersedes all prior representations, understandings and agreements with respect thereto.

12.2 SECTION HEADINGS

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

12.3 REFERENCES TO LAWS

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

12.4 INTERPRETATION

This Agreement shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

12.5 AMENDMENT

This Agreement may not be modified or amended in any respect except by a written agreement duly approved and signed by the Parties.

12.6 SEVERABILITY

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

12.7 COUNTERPARTS

This Agreement may be executed in counterparts each of which shall be considered an original.

12.8 MISCELLANEOUS

A. Privacy

Contractor shall strictly observe and protect the rights of privacy of Customers during provision of all Franchise Services. Information identifying individual Customers or the composition or contents of Customer's Solid Waste, Recyclable Materials, Compostable Materials, and Construction and Demolition Debris shall not be revealed to any third party (except City), unless upon the authority of a court of law, by statute, written request from a law enforcement agency, or upon valid authorization of the Customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterizations studies or waste stream analysis which may be required by a regional, state, or federal agency, or from allowing Contractor's service providers (such as those performing financial, audit, IT, or legal functions) access to such information, provided such service providers are legally obligated to keep such information confidential.

B. Judicial Venue

Any lawsuit between parties arising out of this Agreement should be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and be performed in Sonoma County, California. All depositions made by City employees shall be made in Sonoma County, unless another location is selected by City.

C. Advice

Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other Party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another Party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any Party being considered the Party "drafting" this Agreement.

12.9 EXHIBITS

Each of the Exhibits identified is attached hereto and incorporated herein and made a part hereof by this reference.

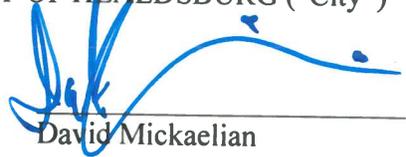
IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first above written.

ATTEST:

CITY CLERK

By 
Raina Allan

CITY OF HEALDSBURG ("City")

By 
David Mickaelian

Date May 19, 2020

CONTRACTOR ("Contractor")

By Michael J. Sangiacomo
Michael J. Sangiacomo

Date 5/12/2020 | 12:17 PM PDT

APPROVED AS TO FORM

By 
Samantha W. Zutler

Date May 19, 2020

EXHIBIT A SCOPE OF SERVICES

1. GENERAL

Contractor shall perform all of the Services described in this Exhibit A in conformance with the standard and care described in Exhibit B.

- A.** Weekly Solid Waste Collection Single-Family Service using wheeled Carts (or Bins by mutual agreement) Commercial Service using wheeled Carts or Bins.
- B.** Recyclables Materials Collection from all Customers. As a minimum Recyclables Materials Collection service shall be weekly for Single-Family, Multi-Family, and Mobile Home Parks and Commercial Customers utilizing Carts. Other frequency of collection and type of service (Cart, Bin, Compactor) shall be by mutual agreement between the Customer and Contractor and will not be unreasonably withheld by Contractor.
- C.** Weekly Compostable Materials Collection from all Single-Family Customers and from Multi-Family and Commercial Customers requesting Compostable Materials Collection service who do their own landscaping. Upon request Multi-Family units may be provided a Compostable Materials Container for vegetative Food Scraps generated by the residents of the development. Such service will be provided with the use of wheeled Carts or Bins depending on service needs by mutual agreement between the Customer and Contractor and will not be unreasonably withheld by Contractor.
- D.** Construction and Demolition Debris Collection services shall be provided, on a for fee basis, to Customers who request service.
- E.** Food Scrap Collection services shall be provided, on a for fee basis, to commercial Customers who request service. Fee for Food Scrap Collection service shall be in accordance with rate schedule approved by City. Collection shall be from approximately sixty-four (64) gallon containers and frequency shall be based on service needs by mutual agreement between the Customer and Contractor and will not be unreasonably withheld by Contractor.
- F.** Recyclable Materials Processing and marketing services.
- G.** Collection of Solid Waste, Recyclables, and Compostable Materials shall be collected at the Curb on, on a weekly basis on the same day per individual route.
- H.** Other services (each of which is more specifically described hereinafter):
 - 1. Community cleanup events;

2. Christmas Tree Collection;
3. Weekly Street Sweeping;
4. Annual Community Curb Side Collection Event;
5. Bulky Item Collection (for fee service per adopted rate schedule);
6. Side yard service for disabled residential Customers;
7. Collection from City buildings and properties;
8. Collection from Public Containers; and
9. Special events services, including street sweeping and temporary portable toilets (See Section 13 of Exhibit A).

For all services required under the Agreement, the Contractor will be responsible for purchasing, distributing, and maintaining any Collection Carts, Containers, or Bins provided to Customers. The cost of any such Containers should be included in the Rates. The Contractor will not be permitted to separately bill the Customers for the rental or use of Bins or Carts, since provision of these Containers is included in the Rates.

Payment of all transfer, Disposal, and Processing facility tipping fees are part of the Contractor's obligations under the Agreement. Compensation for such expenses will be solely as part of the Contractor Rates.

2. SOLID WASTE COLLECTION

The Solid Waste Collection services will include the following services:

1. Residential Solid Waste Collection;
2. Commercial Solid Waste Collection;
3. Multi-Family and Mobile Home Park Solid Waste Collection; and
4. Debris Box and Compactor Solid Waste and Construction and Demolition Debris.

The Contractor is responsible for collecting and transporting Solid Waste to the Designated Disposal or Transfer Facility and conforming with the Designated Disposal or Transfer Facility's receiving and unloading standards and hours of operation. The Contractor is responsible for paying the tipping fee at the Designated Disposal or Transfer Facility for all tonnage delivered as part of conducting the Franchise Services.

A. Residential Service

Contractor shall provide to residential Customers industry-standard wheeled Carts for Solid Waste with securable, attached lids in the following approximate capacities: twenty (20) gallons, thirty-two (32) gallons, sixty-four (64) gallons, and ninety-six (96) gallons, or other Containers as mutually agreed upon by the Customer and the Contractor.

The Contractor will provide weekly Refuse Collection services to residential Customers using Carts of approximately twenty (20) gallons, thirty-two (32) gallons, sixty-four (64) gallons, and ninety-six (96) gallons.

The Contractor shall provide weekly collection of Recyclable Materials in accordance with Section 4 of this Exhibit A.

The Contractor shall provide weekly Collection of Compostable Materials using approximately ninety-six (96) gallon Carts. Single-family Customers may dispose of Food Scraps in the Compostable Material Cart.

Contractor may provide Bin Service to Single-Family Customers upon mutual agreement. Contractor may deviate from the above container sizes or make other provisions for seniors, disabled individuals, or for space considerations upon mutual agreement.

Contractor shall bill each Customer according to the size Container used for Refuse Service as provided in Exhibit I, regardless of the Recycling Cart and Compostable Materials Cart sizes requested by the Customer, and as mutually agreed as appropriate.

Cart Service will be provided to all Single-Family residences and to Multi-Family dwellings and mobile home parks at the property Owner's request. The standard service will include Collection at the Curb and should be, at a minimum, provided using semi-automated or automated Collection vehicles.

The Contractor will provide side or rear yard Collection service at an additional fee to individuals desiring the convenience of side or rear yard Collection service. Contractor shall provide free side or rear yard Collection service to qualified individuals as described in Section 10 of this Exhibit.

B. Multi-Family and Mobile Home Park Solid Waste Collection

The Contractor will collect Solid Waste from Multi-Family and mobile home park Customers.

The Contractor will provide two Collection options to these Customers based on service needs and as determined by mutual agreement between the Customer and the Contractor: a) Cart Service, which provides each residential unit within the complex with a separate Solid Waste Can, Recyclables Materials Container, and Compostable Materials Container; and b) Bin Service, which provides Solid Waste and Recyclable Materials Bins that are shared by the residential units with Compostable Materials Service by mutual agreement between the Customer and Contractor that will not be unreasonably withheld by Contractor.

In cases where Cart Service is provided to Multi-Family or mobile home park residents, the Contractor will bill and collect Rates for each residential unit separately if requested by the property Owner. If Cart Service is specified by the property Owner, it is the City's intention that it will be provided to all the Multi-Family or mobile home park residents within the complex.

As provided in Section 6.1, the Contractor will bill each Multi-Family account at the Rate for Bin Service billed to Owner, or Cart Service billed to the individual resident, whichever is less based on relative Container volumes. Contractor shall provide all Multi-Family Customers with the minimum level of Single Stream Recycling service specified in this Exhibit A for Single-Family Service.

C. Commercial Service

Contractor shall provide Collection of Solid Waste generated by Commercial Customers with container sizes and Collection frequencies to serve the needs of the Customer. The Contractor will offer the following types of Collection Containers as options to its Customers: industry- standard wheeled Cans of approximately twenty (20) gallons, thirty-two (32) gallons, sixty-four (64) gallons, and ninety-six (96) gallons and industry-standard Bins. The Collection Container size will be variable. Bins ranging from 1.5 to 20 cubic yards of capacity may be offered by the Contractor by mutual agreement and depending on service needs. Cart and Bin Service will be provided on a regularly scheduled basis at a frequency specified by the Customer.

Each Commercial Service package shall include the minimum level of Single Stream Recycling service, as well as a minimum level of Compostable Materials service specified in this Exhibit A. Contractor shall also offer increased Recycling service to be provided to commercial Customers pursuant to the Rates as established in accordance with Agreement or as adjusted over the Term. In providing Commercial Service, the Contractor may levy Special Charges as provided in Section 6.1.

D. Debris Box and Compactor Solid Waste and Construction and Demolition Debris

Contractor shall be the City's exclusive provider of on-call and regularly scheduled Debris Box, temporary boxes, C&D boxes, and Compactor Service for the Rates as established in accordance with this Agreement. and as they are adjusted over the Term. The Debris Box size will be variable and will include Debris Boxes providing 10 to 40 cubic yards of capacity. The Contractor will arrange, on an on-call-basis, to provide Debris Box Customers with Containers sized to appropriately service their needs. The Contractor is responsible for collecting the Compactor or Debris Box and transporting it to the Designated Disposal and Transfer Facility or C&D Processing Facility. The Contractor must conform with the Designated Disposal and Transfer Facility or C&D Processing Facility receiving and unloading standards.

The Contractor must provide additional special services (e.g., long walks, enclosures, extra Solid Waste pickup, etc.) for additional fees, as proposed by the Contractor. In providing Debris Box and Compactor Service the Contractor may levy Special Charges as provided in Section 6.1 as established in accordance with this Agreement. Contractor shall fully cooperate with, and as requested assist the City in, developing and fully implementing a Construction and Demolition Debris

ordinance. In the event the City adopts a Construction and Demolition Debris ordinance or similar regulations are adopted on a County or State wide basis, the Contractor shall comply with the regulations. The Contractor shall not be entitled to additional compensation for implementation of these services.

3. TRANSPORT AND DISPOSAL OF SOLID WASTE

Contractor shall select and arrange for a permitted Designated Disposal or Transfer Facility. The City reserves the right to direct the Contractor to use an alternate permitted Designated Disposal or Transfer Facility.

4. RECYCLABLE MATERIALS COLLECTION AND TRANSPORTATION

The Contractor is responsible for the weekly (minimum) Collection of Recyclables in wheeled Carts, or Bins as mutually agreed upon, generated by all Customers. The Contractor is required to provide additional Collection of Commercial Recyclables upon request of any Commercial Customers for no additional charge.

The Recyclables Collection services for Single-Family residential Customers will be provided weekly on the same day as Solid Waste Collection. Recyclables Materials collected from all Single-Family residential Customers and Multi-Family and mobile home park Solid Waste Customers that receive Cart Service shall be collected at the Curb. The Contractor will provide side yard service to disabled Customers for free (as provided in Section 10) and, at an additional fee, to individuals desiring the convenience of side yard pickup. Recyclables from Commercial Customers and Multi-Family and mobile home park Customers that receive Bin Service shall be collected from designated drop-off Bins at one or more on-site locations designated by the property Owner. Recyclables Collection services for Commercial Customers, mobile home parks and Multi-Family Customers maybe on different days as Solid Waste Collection services. In this event Contractor shall be responsible to provide clear and concise information regarding the collection days for Solid Waste and Recyclables.

The materials to be collected will include, but are not limited to, the following:

1. Newspaper (including inserts, coupons, and store advertisements)
2. Corrugated cardboard
3. Mixed waste paper (including office paper, computer paper, magazines, junk mail, catalogs, kraft bags and kraft paper, paperboard, egg cartons, phone books, brown paper, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes)
4. Chipboard
5. Glass containers (including brown, clear, and green glass bottles and jars)
6. Aluminum (including beverage containers, foil, food containers, small scrap metal)
7. Milk, soy and juice cartons
8. Steel or tin cans
9. Small scrap metal

10. All plastic containers (#1 through #7)
11. Used motor oil and oil filters
12. Any other materials mutually agreed to by the Contractor and the City.

Recyclables (other than used motor oil and oil filters) will be collected fully commingled (Single Stream) using wheeled Carts.

Contractor will provide approximately ninety-six (96) gallon capacity wheeled Carts for Recyclables Customers. Single-Family residential units may request up to two (2) Recycling Carts at no additional cost. Cart Collection should be provided using semi-automated or automated Collection vehicles. The Contractor will be responsible for collecting the Recyclables and transporting them to the Processing facility selected by the Contractor.

For Commercial Customers and Multi-Family dwellings or mobile home parks receiving Bin Service, a method of collecting the Recyclable Materials, which is different than that described for Single-Family Residences, may be proposed for Multi-Family Dwellings and mobile home park Customers provided that all listed materials are collected.

The Contractor will accept responsibility for implementing measures to minimize the contamination levels of the Recyclable Materials. In the event that Contractor identifies Bins or Carts from specific properties that are contaminated with material that are not Recyclable, Contractor shall provide written notification to the property Owner that they are improperly Disposing of material and contaminating the load. The notice shall include educational and corrective suggestions and notice that future occurrences will be subject to contaminated load charges as approved in Exhibit I, Schedule of Approved Rates. All notices shall be in English and Spanish. Repeated contamination of Recyclable Materials may result in the removal of Carts and/or Bins from the Premises.

The Contractor shall select and arrange for a permitted Recycling Facility for the Transportation, Processing, and marketing of all Recyclable Materials collected in the City. The City reserves the right to redirect the Contractor to use an alternate permitted Recycling Facility.

Under the Agreement, the Contractor shall, if requested, offer to provide Recyclables Collection in excess of ninety-six (96) gallons per week to any Commercial Customer. Such request may be directly from a Commercial Customer, or may be from either the City or a contractor, acting on behalf of the Commercial Customer. Contractor shall provide this additional service to Commercial Customers without additional charge or compensation.

5. COMPOSTABLE MATERIALS COLLECTION, TRANSPORTATION, AND PROCESSING

The Contractor will provide at no additional charge, up to two ninety-six (96) gallon (approximate size) containers for Compostable Materials Collection services to all Single-Family Customers. The Contractor will provide residential Compostable Materials

Curbside Collection service weekly on the same Collection day as Solid Waste and Recyclables Collection.

The Contractor will provide Compostable Materials Collection services to all Multi-Family and mobile home park residences upon request for vegetative Food Scraps in containers as mutually agreed, for no additional charge.

Contractor shall provide Commercial, Multi-Family, and mobile home park residences that do their own landscaping with Compostable Material Collection (in containers mutually agreed) at no additional charge.

The Contractor will provide commercial Food Scrap Materials Collection for a fee as established in accordance with this Agreement at least weekly to any Customer requesting the service. Food Scrap Collection shall be provided by sixty-four (64) gallon containers or front load Bins by mutual agreement between the Customer and Contractor and will not be unreasonably withheld by Contractor. Collection of Food Scraps shall be in frequency so as not to cause vector or odor problems.

Contractor is entitled to charge for additional Containers as established in accordance with this Agreement.

Cart Collection shall be provided using semi-automated or automated Collection vehicles. Contractor may offer Compostable Materials Collection in industry standard Collection Bins to large volume Generators by mutual agreement between the Customer and Contractor and will not be unreasonably withheld by Contractor.

The Contractor will be responsible for collecting Compostable Materials and transporting the material to the Designated Compostable Materials Facility. The Compostable Materials may not be Disposed of at a Disposal site, Transfer Station, or any other location in lieu of composting or other acceptable Diversion of the material without the expressed written approval of the City.

In the event that Contractor identifies Bins or Carts from specific properties that are contaminated with material that are not compostable, Contractor shall provide written notification to the property Owner that they are improperly Disposing of material and contaminating the load. The notice shall include educational and corrective suggestions and notice that future occurrences will be subject to contaminated load charges as approved in Exhibit I, Schedule of Approved Rates. All notices shall be in English and Spanish. Repeated contamination of Recyclable Materials may result in the removal of Carts and/or Bins from the Premises.

Contractor shall select and arrange for the Transfer of Compostable Materials, including Food Scraps as appropriate, to a permitted Designated Compostable Materials Facility. The City reserves the right to redirect the Contractor to use an alternate permitted Designated Compostable Materials Facility.

6. RECYCLABLE MATERIALS PROCESSING AND MARKETING

The Contractor will be responsible for all Recyclable Materials Processing and marketing services associated with the Collection of Recyclable Materials under this Agreement. The Contractor shall be required to provide Processing facility capacity and shall designate a facility(ies) for such purpose in the proposal. In meeting the obligation to provide Processing facility capacity, the Contractor may purchase, lease, subcontract, or make other arrangements with a new or existing facility for the Processing and marketing of the Recyclable Materials collected in the City. Ownership or leasing arrangements and costs will be the responsibility of the Contractor. The Contractor will ensure that any applicable purchase or lease agreements with property Owners and the local land-use authorities are implemented. The Contractor will have the responsibility to ensure the technical and environmental suitability of any Processing site for its intended purpose. The Contractor will be compensated for Recyclable Materials Processing and marketing solely through the Rates.

The Contractor will be responsible for arranging for the Transportation of the Recyclable Materials to the Processing facility. If the Contractor chooses to consolidate the Recyclable Materials to reduce Transportation costs to a distant Processing site, the Contractor will be fully responsible for securing and operating a staging area for temporary storage, consolidation, and loading of materials into transfer vehicles for long-hauling to the Processing facility.

The Contractor will be required to receive and Process Recyclable Materials, prepare Recyclable Materials for markets, and to market the recovered materials. The material types to be accommodated by the facility are outlined in Section 4. The Contractor will market and sell Recyclables collected pursuant to the Agreement. All revenues earned from the sale of the Recyclables will be retained by the Contractor.

If at any time during the Term of the Agreement, the Contractor is unable to accept and/or Process the City's Recyclable Materials at the Contractor's designated facility or facilities, and as a result the City is required to arrange for alternative Processing, the Contractor will pay the City all costs and liabilities incurred by the City to implement alternative Processing of Recyclable Materials collected. Each day that the Contractor cannot Process the Recyclable Materials shall be considered a default subject to liquidated damages in accordance with the terms and conditions of this Agreement.

By mutual written agreement, the Contractor will Process and market additional types of Recyclables.

Disposal of Residue remaining after the segregation of the Recyclables Materials will be the Contractor's responsibility. The Contractor will transport the Residue to the Designated Disposal or Transfer Facility or to another facility of its choosing. The costs of Residue Transportation and Disposal will be borne by the Contractor and shall be included in the Rates.

The Contractor shall ensure that any Residue is delivered to a permitted Disposal facility for proper Disposal. As specified in Article 8, Contractor's reports to City will include specified information on the use of Recycling Facility(ies).

7. ANNUAL CURBSIDE COLLECTION EVENT

The Contractor will, without charge to the City or additional compensation to the Contractor, conduct a one week clean-up event each year. on a date selected by mutual agreement by the City and the Contractor. The City will apply to the County for a waiver of the Disposal fees for this event.

Curbside cleanup services are for residential Customers and tenants only and not for businesses or commercial accounts except by mutual agreement. Contractor shall be responsible for notification to all residential Customers not less than thirty (30) days in advance of the date of the Curbside event, including multifamily and mobile home park Customers. Notification of the cleanup services shall be by billing insert or special mailer. Contractor may also use articles in the newsletter or newspaper, or other means of notification as Contractor deems appropriate. Notification shall include types and quantities of material that will be accepted, as well as types of material that will not be accepted. Notification by billing insert, special mailer or newsletter shall be in English and Spanish. City reserves the right to approve the form and content of the notification.

The Contractor shall pickup approved cleanup materials from single-family Customers at the curbside and shall properly dispose or such materials.

Multi-Family and mobile home park property managers or owners shall be notified by Contractor of available cleanup services. Multi-Family Customers and mobile home park residents that choose to participate in the cleanup shall contact the Contractor to request service. The Contractor shall pickup approved cleanup items from Multi-Family Customers at a collection location acceptable to Contractor and Multi-Family complex designee.

Customers will be allowed to place approved materials for Collection in the following amounts at the Curb (or designated location for multifamily or mobile home parks) per event: a) up to two (2) cubic yards (14 bags, boxes or regular trash cans); b) one Bulky Item or appliance (e.g., water heater or couch) plus seven (7) bags, boxes or cans; or c) two Bulky Items or appliances. Contractor shall collect materials on Customer's regular trash collection day during the cleanup week. Contractor shall endeavor to collect all items placed at curb. Contractor shall collect loose materials. Items in excess of sixty (60) pounds or longer than five (5) feet long, or those not capable of being easily loaded into standard solid waste packer trucks may be excluded from the clean-up event.

Customers with items that do not meet the weight or size requirements, that require special handling, or that are not covered by the County fee waiver (appliances, mattresses and tires for example) will be required to call in advance for pickup and may incur disposal and/or

processing costs not to exceed the large item collection price as established in accordance with this Agreement.

Cleanup material shall not include dirt, rock, concrete, tires, stumps, mattresses or other items prohibited from disposal. No hazardous waste will be collected curbside. In all circumstances where materials left curbside present a health and safety hazard, Contractor shall immediately notify the City. City reserves the right to direct Contractor to abate health and safety hazards on terms mutually agreeable to the Parties, or and the Parties may make other arrangements for proper disposition.

Contractor shall provide Recycling Collection and Processing services and shall make all reasonable efforts to Recycle or to provide reuse opportunities for the materials collected such that to the greatest degree possible no Recyclable or Compostable Materials are Disposed.

The Contractor shall transport remaining materials to the Designated Disposal and Transfer Facility and/or Designated Compostable Materials Facility and clean-up of the streets immediately after each collection.

Contractor shall provide additional on-call pick-ups as requested within any calendar year for the Special Charges as established by this Agreement.

8. CHRISTMAS TREE COLLECTION

The Contractor will, without additional compensation, collect unflocked Christmas trees placed at the Curb by all City residents (including all Single-Family Residences, Multi-Family, and mobile home park residents) for two weeks following Christmas on a schedule agreed to by the City. Additionally, Contractor shall supply Debris Boxes at the City's Corporation Yard (or other location identified by the City) to provide a drop-off service for Christmas trees for the first two weeks of January.

The Contractor shall deliver all Christmas trees collected during this period to the Designated Compostable Materials Facility.

Contractor shall provide notification to City Customers of the dates, time, and places of Christmas Tree drop off location and curb side collections. Information shall be included in the informational newsletters, in a bill insert, or other reasonable means.

9. BULKY ITEMS COLLECTION

The Contractor will provide Collection of Bulky Items as an on-going for fee service available to all Customers. The Contractor will then be required to deliver the collected Bulky Items to a Processing facility for recovery, or to the Designated Disposal or Transfer Facility, depending on the type of materials collected. The Contractor will ensure that all Recyclable Materials are Diverted from Disposal, including reusable furniture, doors, windows and fixtures, mattresses, carpet and foam carpet pads, appliances, White Goods

and brown goods, electronic scrap including computers, monitors and peripherals, televisions, consumer electronics (radios, video recorders), telephones, small appliances, and unlimited amounts of Green Waste and Single Stream Recyclable Materials.

10. SIDE YARD SERVICE FOR DISABLED RESIDENTIAL CUSTOMERS

The Contractor shall provide free side or rear yard service to qualified individuals due to permanent physical disability, if evidenced by a physician's note. Contractor may require an annual declaration that there is not an able bodied adult residing in the residence to take the Cart to the Curb. This service will include Collection of Solid Waste, Recyclable Materials, and Compostable Materials. This service is to be provided at no additional charge by the Contractor or compensation to the Contractor.

11. COLLECTION SERVICES FOR CITY BUILDINGS AND PROPERTIES

The Contractor shall provide for the Collection of Solid Waste, Recyclable Materials, and Compostable Materials generated by the City at the City buildings and properties listed in Exhibit F, at the service levels and frequencies effective in April 2020.

The Contractor will be responsible for collecting, transporting, and Disposing all Solid Waste to the Designated Disposal or Transfer Facility; collecting, transporting, Processing, and marketing all Recyclable Materials; and collecting and transporting Compostable Materials to the Designated Compostable Materials Facility. The Contractor is responsible for educating all building users to use Recycling services.

The City Services required by this section shall be provided by the Contractor at no additional charge by the Contractor or compensation to the Contractor. Any changes to City Services shall be handled as provided in Section 3.8.

12. COMMUNITY CLEAN-UP EVENTS

Contractor shall provide for up to five community sponsored clean-up events (i.e. Foss Creek Clean-Up) per calendar year at no charge to the City. The Contractor shall work with the City's representative or designee to develop an event schedule and other logistics. Contractor shall not unreasonably withhold these services.

The City shall designate a point of contact for each event who will be responsible for coordinating efforts with Contractor including scheduling, location of Bins/containers, collection date, frequency, number and type of temporary portable toilets (standard and/or ADA as requested), estimated quantity of materials (Solid Waste, Recyclables and Compostable Materials) and other event logistics. The Contractor shall also provide street sweeping immediately after each event as needed, or upon request from City.

This service is to be provided with no additional compensation to the Contractor. The "no additional compensation" provision of the services, as described above, is predicated on the City applying for and receiving approval from, the County for a waivers of tipping fees

for Disposal of collected material. In the event the County does not waive the tip fee or other Disposal fees, the City may choose to pay for the Disposal fee, consider a Rate adjustment pursuant to Section 7.4, or negotiate with the Contractor for a reduced number of event(s) such that the net present value of this service inures to the City.

13. COLLECTION FROM CITY-SPONSORED EVENTS

Contractor shall annually provide City Solid Waste and Recyclable Materials Collection, Disposal and Processing, street sweeping services, and temporary portable toilet facilities at forty (40) Special Events (each day of service counting as one (1) event) designated by the City. On or before January 15 of each calendar year the City shall provide Contractor with a list of events to be serviced during the upcoming year. If the total number of events identified on January 15 is less than forty (40) the City may subsequently request additional events during the year, provided City notifies Contractor within a reasonable amount of time (14 days).

As requested by the City the Contractor shall provide the number and type of Containers, including ADA compliant temporary portable toilets, the amount of labor, and the frequency of the emptying or removal of the Containers and servicing of the temporary portable toilets necessary to provide services of a quality matching or surpassing that defined in Exhibit B for all Franchise Services. Contractor shall also provide street sweeping immediately after each event as needed or as requested by City. These services are to be provided with no additional compensation to the Contractor. Contractor may without City's consent subcontract temporary portable toilet services for Special Events, provided that Contractor shall be responsible for ensuring that the subcontractor performs such services in accordance with this Agreement.

In lieu of an event, City may require that Contractor deliver – and empty, recycle, compost and/or dispose contents weekly for up to four (4) weeks – up to twenty (20) 96-gallon Carts (Solid Waste, Recycling, and/or Organics) at City-directed locations within City limits or nearby areas within the City's sphere of influence (provided it is legal for Contractor to provide such service in such areas without obtaining any additional authorizations). Each delivery or repositioning of up to twenty (20) Carts, weekly collection service for up to four (4) weeks, and subsequent removal of Carts shall constitute one (1) City sponsored event. Continued collection after the initial four (4) week period may be requested by the City, with collection for an additional four (4) weeks, shall constitute one (1) additional City sponsored event (and so on).

14. COLLECTION OF ILLEGAL DUMPING

Contractor shall collect and Dispose of illegal dumping sites up to twelve (12) times a calendar year or fraction thereof as directed by the City. The services required by this section shall be provided at no charge to the City. Contractor shall maintain accurate records of the quantities of illegally-dumped materials transported to the Designated Disposal or Transfer Facility, Designated Compostable Materials Facility, or Recycling Facility of Customers within the City Limits of Healdsburg.

15. REMOVAL OF HAZARDOUS WASTE

If Contractor determines that material placed in any container for Collection is Hazardous Waste, Designated Waste, Infectious Waste, or other material that may not legally be Disposed of at the Designated Disposal or Transfer Facility, Designated Compostable Materials Facility, or Recycling Facility or presents a hazard to the Contractor's employees, the Contractor shall have the right to refuse to accept such material. The Generator shall be contacted by the Contractor and requested to arrange proper Disposal. The Contractor shall notify the City of any such material left at any Premises for fourteen (14) days or more. If the material is delivered to the Designated Disposal or Transfer Facility, Designated Compostable Materials Facility, or Recycling Facility before its presence is detected and the Generator cannot be identified or fails to remove the material after being requested to do so, the Contractor shall arrange for its proper Disposal. The Contractor shall make a good faith effort to recover the cost of Disposal from the Generator, and the cost of this effort as well as the cost of Disposal shall be chargeable to the Generator. Contractor shall maintain accurate records of the quantities of Hazardous Waste, Designated Waste, and Infectious Waste transported to the Designated Disposal or Transfer Facility, Designated Compostable Materials Facility, or Recycling Facility of Customers within the City Limits of Healdsburg.

16. COLLECTION FROM PUBLIC CONTAINERS

The Contractor will service the public Solid Waste and Recycling Containers listed in Exhibit F at the frequencies effective in April 2020 at no additional charge or compensation, if such Containers are provided by the City. The Contractor will be responsible for collecting and transporting all Solid Waste collected from the public Solid Waste Containers to the Designated Disposal and Transfer Facility, and Collecting, transporting, Processing, and marketing all Recyclables collected from the public Recycling Containers (provided such Recyclables have less than 10% contamination).

17. PUBLIC EDUCATION

The Contractor is required to provide Customer information and public education throughout the Term of the Agreement. The public education services are detailed in Exhibit E and will include, but are not limited to, providing information regarding:

1. Change in service
2. Implementation of the Food Scrap Collection program
3. Incorrect set out notices
4. Bulky Items Collection
5. Christmas tree Collection services
6. Annual promotion to encourage source reduction, Recycling, backyard composting, and Compostable Materials programs
7. Availability of side yard service for disabled Customers
8. Providing school outreach services, upon request

9. Providing Recycling education to users of facilities listed in Exhibit F.

18. STREET SWEEPING

A. General

The Contractor, or an approved sub-contractor shall provide street-sweeping service on all streets with or without Curbs as specified and shown in Exhibit H. Residential streets, collector and arterial streets identified on Exhibit H shall be swept weekly. Commercial streets and parking lots identified on Exhibit H shall be swept twice per week.

Contractor shall develop and maintain a street sweeping schedule that ensures that street sweeping does not occur on the same day as Cart Collection. Unless otherwise approved by the City, street sweeping shall occur on the next Working Day following Cart Collection, except that street sweeping shall be provided on Monday for areas in which Cart Collection is provided on Friday. Contractor's street sweeping schedule is subject to review by the City, and Contractor shall make all reasonable efforts to accommodate any requested changes.

The Disposal of Solid Waste collected by the street-sweeping vehicles is the responsibility of the Contractor. The Contractor will transport the material to the Designated Disposal or Transfer Facility. The costs of Disposal will be borne by the Contractor and shall be included in the Rates.

Contractor may consolidate materials collected during street sweeping services in an approved location at the City's public works corporation yard. Contractor shall provide, at its cost, Bins or other Containers as necessary so as not to cause a nuisance or vector problem. Upon consent from Contractor, which will not be unreasonable withheld by Contractor, City may utilize Contractor's Containers for Disposal of similar materials generated in the normal course of City operations. Contractor shall be responsible for employing the street sweeping Containers in coordination with the General Services Manager at the corporation yard.

B. Other Services

The Healdsburg Municipal Airport and City Hall Lot shall be swept four (4) times per year, either on a regular schedule as approved by the City or on-call from the City. Contractor shall also provide street sweeping and temporary portable toilet services on an on-call basis for Special Events as provided in Section 13 of Exhibit A.

C. City Changes in Service

The City reserves the right to change the required frequency of street sweeping for some or all City streets, which shall be considered a Change in Scope. City shall provide Contractor with sixty (60) days notice of any change in street sweeping frequency or location, and an appropriate increase or decrease in Rates shall be established as provided in Section 7.4.

D. Replacement of Subcontractor

Notwithstanding any other provision of Agreement, if Contractor is using a street sweeping subcontractor and such subcontractor is not complying with this Agreement, then, upon sixty (60) days written notice, the City reserves the right upon its sole discretion to require the Contractor to replace the approved street sweeping subcontractor with a different subcontractor selected by Contractor, subject to the approval of the City and with no change in the Rates.

E. Termination of Service

Notwithstanding any other provision of this Agreement, the City reserves the right, upon its sole discretion and upon six (6) months written notice to terminate the provision of street sweeping service by the Contractor, and as a Change in Scope to reduce the Rates to reflect this decrease in service provided by the Contractor as provided in Section 7.4.

19. FOOD SCRAPS

Food Scraps and other approved material shall be co-collected with Green Waste and provided to all Single-Family, Multi-Family and mobile home park Customers who receive Compostable Material Cart collection service.

Commercial Customers may subscribe to a fee for service Food Scrap collection service utilizing approximately sixty-four (64) gallon containers or Bin service, by mutual agreement of the Parties, depending on service needs and volumes. By mutual agreement of the Parties and with the cooperation of the Designated Compostable Materials Facility, Contractor shall include Collection of meat waste, fish waste, and other approved materials.

20. VEHICLE WEIGHT

Contractor shall make all reasonable efforts to reduce the impact of Collection vehicles on City streets and to ensure that, at all times, the overall weight of the vehicle does not exceed the legal limit. Contractor shall maintain weight tickets for each load, documenting that the gross vehicle weight, and shall make the weight tickets available to the City upon request. City reserves the right to direct Contractor to provide real-time weights of Collection vehicles on City streets if weight tags document excessive Collection vehicle weights. Contractor shall comply with City directive for real-time Collection vehicle weights within forty-eight (48) hours of written request.

21. ELECTRIC VEHICLE PILOT PROJECT

Should electric and/or hybrid solid waste vehicles become a viable technology during the term of this Agreement, the Collector and the City shall promptly meet and confer to discuss the implementation of a pilot project for the purposes of operating electric and/or hybrid vehicles in the City. If such pilot is possible, Contractor shall use reasonable efforts

to ensure that the first electric vehicle pilot project of the Contractor's solid waste franchises in Sonoma County involves the City.

22. PUBLIC ENTITY DISCOUNT

Contractor shall provide public schools in the Healdsburg Unified School District and the Healdsburg General Hospital with a twenty percent (20%) discount to the Collection Component of the Rate. In order to be eligible to receive this discount, the Healdsburg Unified School District and Healdsburg General Hospital shall be subscribed to Solid Waste, Recycling, and Food Scraps programs and identify a designated coordinator or other point of contact annually for the Contractor's designated representative to work with to enhance Recycling and Diversion programs.

23. HOUSEHOLD BATTERY COLLECTION AND RECYCLING PROGRAM

Contractor shall provide, at no additional charge, Collection services for City-sponsored Household Battery Recycling Program. Contractor shall collect recycled household batteries from City locations identified in Exhibit L. City staff shall notify Contractor when battery containers require pickup. Upon such notification, Contractor shall collect and deliver batteries to a battery recycler or permitted Hazardous Waste facility. If requested to do so, Contractor shall accommodate requests from City staff for routine and/or more frequent pickups.

24. SWENSON BUILDING ENCLOSURE PLAN

Contractor shall work with the City to develop a solid waste collection plan for the Swenson Building enclosure, located downtown, including providing the City with recommended alternative service options, footprint recommendations, and vehicle access options.

EXHIBIT B

STANDARDS OF PERFORMANCE

1. COMPANY STANDARDS

- A.** Services are to be completed in thorough and professional manner that constitutes litter-free, reliable, timely, courteous and high-quality service.
- B.** Contractor shall at all times perform its duties using best industry practice for comparable operations.
- C.** Personnel shall conduct themselves in a courteous, workmanlike manner.
- D.** Personnel shall dress in clean, uniform shirts with suitable identification.
- E.** Color and appearance of Collection vehicles, Containers (except as provided for in Section 2.I of this Exhibit), employee uniforms, and public education materials provided by the Contractor will be designed to provide a standard representation of the Contractor. If subcontractors are included, a distinct but uniform appearance of the subcontractor equipment, vehicles, and personnel will be allowable.

2. COLLECTION CONTAINERS

- A.** Contractor shall provide industry-standard Bins for storage of materials which shall be designated and constructed to be watertight and prevent the leakage of liquids. All Containers with a capacity of 1 cubic yard or more shall meet all applicable federal regulations on Solid Waste Bin safety.
- B.** Containers shall be clearly labeled to indicate their designation for Collection of Solid Waste, Recyclables, or Compostable Materials and shall list the types of materials to be stored the container for Collection.
- C.** The Contractor is to provide all Containers to Customers at no charge. Replacement Containers shall be provided free of charge to Customers if previous container is rendered unserviceable by means other than the Customer's action no more than once per year.
- D.** All Carts shall be wheeled Carts with securable, attached lids and a handle to allow for easy movement.
- E.** All newly purchased Containers shall have standard colors: Black or Grey for Solid Waste, Blue for Recyclables, and Green for Compostable Materials Containers. For Carts, the color shall be the body color. For Bins and Debris Boxes, the color shall be either the body color or a painted band.

- F.** Contractor shall select the Container manufacturer.
- G.** Contractor to maintain, repair, clean, paint, and replace Containers as needed to maintain a clean, attractive, functional, new-like condition. All graffiti shall be removed within one (1) week of notice to Contractor.
- H.** Contractor shall, at no charge, replace any Containers which become unusable by reason of normal wear and tear or damaged by Collection operations. Contractor shall not be responsible for replacement or repair of Containers which are stolen or damaged by any event not caused by Contractor.
- I.** Contractor shall make a diligent effort to replace all Carts (Residential, Multi-Family and Commercial) that bear the logo of other hauling companies. At the end of five (5) year from the Effective Date of the Agreement Contractor shall provide City with an inventory of Carts that still bear the logo of other hauling companies. This information will be used to determine options for replacement of remaining Carts. Any replacement Carts shall be consistent in their labeling (i.e., Solid Waste (Black or Grey), Recyclables (Blue), Green Waste (Green)). The City reserves the right to approve the replacement Carts, such approval not to be unreasonably withheld.
- J.** All Carts shall be maintained by Contractor in a watertight condition, as shall all Bins which are used primarily for the disposal of Solid Waste containing liquids. Carts and Bins provided by Contractor shall at all times comply with the provisions of City's National Pollutant Discharge Elimination System ("NPDES") permit applicable to City contractors.

3. COLLECTION VEHICLES

A. General

Contractor shall provide a fleet of industry-standard Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available on service days sufficient backup vehicles and qualified operators to respond to Complaints and emergencies.

B. Vehicle and Equipment Identification

The Contractor's name, phone number, and vehicle identification number must be visibly displayed on its vehicles in letters and figures no less than three inches high. All Bins, temporary roll-offs, Street Sweepers and Collection vehicles shall bear the Contractor's logo within sixty (60) days of execution of the Agreement.

C. Cleaning and Maintenance

- 1. General.** Contractor shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat,

clean and operable condition at all times, and shall keep its properties, facilities, and equipment well and uniformly painted, to the satisfaction of the City Representative. Vehicles shall be maintained in such a manner that no leakage of fluids from the collected materials occurs. No vehicle shall be utilized if it is known to be leaking break, hydraulic, or other fluids. No fluids shall be washed into storm drains during Contractor's cleanup of any leakage. Contractor's cleanup of any leakage or spillage shall be performed in compliance with the provisions of City's NPDES permit applicable to City contractors. All Collection vehicles must be equipped with absorbent for such cleanup efforts.

2. **Cleaning.** Vehicles used in the Collection shall be thoroughly washed at a minimum of once per month and thoroughly steam cleaned on a regular basis so as to present a clean appearance and minimize odors. All vehicles shall be painted on a regular schedule to maintain a clean, professional, new-like appearance, although the City Representative may require the painting of any vehicle which does not present a satisfactory appearance at any time. The vehicles shall be painted in a uniform manner; although Solid Waste, Recycling, and Compostable Materials vehicles may have different painting schemes. All graffiti shall be removed immediately. City may inspect vehicles at any time to determine compliance with sanitation requirements. Contractor shall make vehicles available to the County Health Department for inspection at any frequency it requests.
3. **Maintenance.**
Contractor shall:
 - i. Require drivers to inspect and document each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly or have defects of a long standing nature shall be taken out of service until they are repaired and do operate properly. Defects shall be noted and corrected promptly;
 - ii. Perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall maintain accurate records of repair, which shall include the date/mileage, nature of repair, and the signature of a maintenance supervisor that the repair has been properly performed, and shall make such records available to the City upon request;
 - iii. Require that drivers' timekeeping records reflect compliance with hours-of-service requirements;
 - iv. Require that drivers' timekeeping records are in use and remain current and that retention intervals are complied with;
 - v. Ensure that records reflect compliance with DMV EPN requirements; and
 - vi. Ensure that required driver proficiency records are kept on file.

4. **Repairs.** Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment, including dents, leaks, and other body damage, for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a neat, safe and operable conditions. If an item or repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.
5. **Inventory.** Contractor shall furnish sufficient equipment to provide all service required under this Agreement, including backup Collection vehicles. Contractor shall furnish the City a written inventory of all vehicles, including Collection vehicles, used in providing service, and shall update the inventory annually. The inventory shall list all vehicles by manufacturer, and model year, ID number, type, VIN, and license number. The initial inventory is as follows:

Healdsburg Vehicle Inventory as of January 31, 2020

Vehicle #	Year	Make	Type	VIN	License #
5327	2007	INTL	Sweeper	1HTMPAFN37H402874	8G42756
11465	2007	AUTOCAR	Front Loader	5VCDC6BE87H204595	8H95558
11481	2005	AUTOCAR	Front Loader	5VCDC6MF16H202501	8E28618
12417	2015	VOLVO	Roll Off	4V5KC9EH9FN923091	12795Z1
13446	2015	PETERBILT	Side Loader	3BPZL70X7FF253783	73459Y1
13473	2014	AUTOCAR	Side Loader	5VCACRVF4EH217446	77023K1
5314	2009	INTL	PAL	1HTMNAAM39H137722	8T57515

Contractor shall fuel Collection vehicles with renewable diesel. Replacement automated side loader and front loader Collection vehicles are to be powered by renewable diesel fuel, or equivalent fuel type. Contractor shall maintain vehicles in accordance with Section 3.A of this Exhibit, including purchase of replacement vehicles as determined necessary by Contractor to meet its obligations under this Agreement and without adjustment to Contractor's compensation, except if required due to a Change in Law or Change in Scope.

6. **Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with City's applicable zoning regulations if within City limits.

D. Operation

All vehicles must be registered with the Department of Motor Vehicles of the State of California and inspected by the California Highway Patrol at the frequency required by the state. Vehicles shall be operated in compliance with the California

Vehicle Code and all applicable safety and local ordinances. All such vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow.

Contractor shall not load Collection vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles. Contractor shall use all reasonable means to minimize any backing of Collection vehicles. If the age of a Collection vehicle reaches 15 years, the Contractor must notify the City. This equipment shall be subject to inspection by the City or its designee.

4. COLLECTION SCHEDULE

- A.** Scheduled Collection of Refuse, Recyclable Materials, Compostable Materials and Construction and Demolition Debris in Residential and Commercial areas may occur only between the hours of 6:00 a.m. and 6:00 p.m. Industrial areas may be served between the hours of 5:00 a.m. and 6:00 p.m. Within sixty (60) days of Effective Date of this Agreement Contractor shall adjust its Cart collection service within Downtown Streets such that Contractor shall not commence Cart Collection prior to 7:00 a.m. and shall be completed by 11:00 a.m. Contractor shall make collection schedules available for access on their website.
- B.** If the day of Collection on any given route falls on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day, the Contractor shall provide Collection service for such route on the next Working Day following such Holiday and shall not provide Collection service on such holiday. In the event the holiday schedule of the Designated Disposal or Transfer Facility or Recycling Facility and Designated Compostable Materials.

If Facility holidays are different than the holidays stated herein. the holiday schedule will be adjusted by the Contractor in consultation with the City to match those of the Facility(ies).

- C.** The Contractor shall provide one pickup per week for residential Customers from the Curb (with the exception of free side or backyard service for certain customers as provided in Exhibit A, Section 10, and of Customers paying an additional charge for side or back yard service).
- D.** The Contractor shall provide pickups on the schedule requested by Customer (at least once weekly) for Commercial Customers from a location designated by the property Owner.

5. COLLECTION ROUTES

- A.** Collection routes shall be established and maintained in such a manner as to provide uniform and efficient Collection services.

- B.** The Contractor shall submit route plans to the City Representative for informational purposes at the start of the Agreement, one year prior to the end of the Base Term, at end of the Base Term, at the end of any Extension and whenever there is a significant routing change. The route plans shall identify the course each vehicle follows, the properties served, approximate starting and ending time for each route, the day of week the route will be served, etc.
- C.** Materials collected may be mixed in Contractor's Collection equipment with materials collected from other governmental jurisdictions including other cities and counties, provided Contractor provides a reasonable reporting methodology to “credit” the City with quantities diverted for AB 939 compliance or other Diversion goals.

6. COLLECTION REQUIREMENTS

A. Care of Private Property

Reasonable care shall be used by the Contractor's employees in handling all Collection Containers and enclosures, and all damage caused thereto by the negligence or carelessness of the Contractor's employees shall be promptly adjusted with the Owner thereof. All Collection Containers after emptying thereof by the Contractor's employees shall be returned to within 5 feet of the location from which the same were picked up by the Contractor's employees, upright with lids properly secured, and Contractor's employees shall use all reasonable means to insure same are not deposited in a manner that blocks any driveway, sidewalk, or street. Contractor shall ensure that its employees close all gates opened by them in making Collections, unless otherwise directed by the Customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences. City shall refer Complaints about damage to private property to Contractor. Contractor shall repair all damage to private property caused by its employees.

B. Noise

All Collection operations shall be conducted as quietly as possible and shall conform to applicable federal, state, county and City noise level regulations. The City may conduct random checks of noise emission levels to ensure such compliance. Contractor shall promptly resolve any Complaints of noise to the satisfaction of the City Representative.

C. Record of Non-Collection

If any materials Delivered for Collection are not collected by the Contractor for sufficient reason, Contractor shall provide notice to Customer on a notice at least 2 inches x 6 inches in size at Contractor's cost. The notice shall provide the Contractor's phone number and indicate the reasons for Contractor's refusal to collect the materials placed in the Collection Containers giving reference to the section of the City Ordinance or to the section of this Agreement which has been violated, and which gives grounds for Contractor's refusal. This information shall either be in writing or by means of a check system. Contractor shall maintain, at

Contractor's place of business, a record (CS database) listing all Complaints and tags Issued for non-collection. Said record (CS database) shall contain the names and date and manner of disposition of each case. Such record (CS database) shall be kept so that it may conveniently be inspected by representatives of the City upon request. In addition, Contractor shall provide a written copy of the CS database if requested.

D. Load Checking

The Contractor is responsible for inspecting all materials prior to Collection for Hazardous Waste or other unacceptable materials. The Contractor is not responsible for Collection of Hazardous Waste or other unacceptable materials.

The Contractor is responsible for controlling contamination levels of Recyclable Materials and Compostable Materials through public education efforts and tagging of improper setouts.

7. LITTER ABATEMENT

A. Minimization of Spills

Contractor shall use due care to prevent materials placed in the Collection Containers from being spilled or scattered during the Collection or Transportation process. If any material is spilled during Collection, the Contractor shall promptly clean up all spilled materials. Each Collection vehicle shall carry a broom and a shovel at all times for this purpose.

Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure or accidental damage to a vehicle.

B. Cleanup

During the Collection Transportation process, the Contractor shall clean up litter in the immediate vicinity of any storage area (including the areas where Collections Bins are delivered for Collection) of any materials that escape from the Collection vehicle or Collection Containers as a result of the Contractor's service.

C. Covering of Loads

All materials shall be contained or covered during Transportation to the Disposal or Processing facility. Material shall not be transported to the Disposal or Processing facility in vehicle hoppers.

D. Oil or Other Vehicle Fluid Spills

Contractor is responsible for cleaning up all oil or vehicle fluid spills immediately and must notify the City within hours of each such spill. All vehicles must carry an acceptable absorbent material to use in the event of spills. Repair for damages caused by oil or other vehicle spills shall be at the Contractor's expense. The Contractor will follow the spill procedures below:

1. Driver will determine cause and source of spill.
2. Each driver or shop employee is responsible for having enough absorbent in their vehicle to contain or prevent any hydraulic fluid or oil from entering a storm drain or sewer and to clean up small spills as they occur.
3. Driver will contain or stop the leak and clean it up without endangering self.
4. Driver will immediately notify dispatch or supervisor.
5. Driver will not leave the spill until either a supervisor or spill response personnel arrive at the scene.
6. Driver will keep all people, cars, or other vehicles from entering, traversing or driving through the spill.
7. Driver or spill response personnel will take whatever action possible to prevent the spill from entering any storm drain, grates, or other entry points.

8. PERSONNEL

A. General

Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical and other personnel as may be necessary to provide the Franchise Services required by this Agreement in a safe and efficient manner.

All Contractor employees must be able to read, write and speak English with sufficient proficiency to enable them to successfully meet and adhere to all of the terms of this Agreement.

B. Customer Service

Quarterly training sessions for Customer service representatives shall focus on the requirement for courtesy and promptness. Training sessions shall also be used to review common Complaints and how service representatives shall address them when Customers call. The City's AB 939 Diversion goals and ongoing public education efforts shall also be reviewed.

C. Driver Qualifications

All drivers shall be trained and qualified in the operation of Collection vehicles and must have in effect a valid license, of the appropriate class with appropriate endorsements, issued by the California Department of Motor Vehicles. All Collection vehicle drivers shall also complete the Contractor's in-house training program which includes education on the use of all vehicles in the Collection fleet, Collection programs, and route information as well as Customer service practices and safety information.

All drivers shall:

1. Be required to satisfy CHP and DMV directives for operation of commercial vehicles.
2. Undergo periodic drug and alcohol testing per industry standard.
3. Be enrolled in the CHP Pull Notice Program wherein the Contractor receives ongoing updates concerning a driver's record.
4. Be subjected to a proficiency test to assure that they are capable of safely operating commercial vehicles.
5. Receive ongoing training on safety and applicable CHP and DMV requirements.

Timekeeping records shall be reviewed continuously to assure that drivers do not exceed hours of service limits on operating commercial vehicles.

All applicants for a driver position shall be subjected to a comprehensive pre-employment program which includes DMV background checks. DMV records. drug and alcohol testing and proficiency exams in accordance with sound business practice and regulatory requirements.

D. Identification Badge

Contractor shall require its drivers, and all other employees who come into contact with the public outside Contractor's premises, to wear a clean, uniform shirt with an identification badge or other means of identifying the employee, as approved by the City Representative.

E. Safety Training

Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for Collection or who are otherwise directly involved in such services. Contractor shall train its employees involved in Collection to identify, and not to collect, Hazardous Waste or Medical and Infectious Waste.

F. No Gratuities

With the exception of small holiday gifts of nominal value, Contractor shall not permit its employees to demand, solicit or accept, directly or indirectly, any additional compensation or gratuity from members of the public for the Franchise Services under this Agreement.

G. Employee Appearance and Conduct

All employees, while engaged in Collection services within the City, shall be attired in suitable and acceptable uniform shirts which are subject to approval by the City. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in Customer courtesy, shall prohibit the use of loud or

profane language, and shall instruct Collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by the Agreement, Contractor shall take all appropriate corrective measures.

H. Provision of Field Supervision

Contractor shall designate one qualified employee as supervisor of field operations. The field supervisor shall devote whatever time is necessary, but not less than fifty percent (50%) of his/her time in the field checking on Collection operations, including responding to Complaints.

I. General Supervision

The Collection services are under the general supervision of the City Representative, and the Contractor shall promptly comply with any City orders, directions and instructions that are consistent with the terms of this Agreement. City reserves the right to inspect any and all of the Contractor's equipment at any time without prior notice.

J. Risk Management

The Contractor or its affiliates shall employ a full-time Risk Manager for the control, processing and handling of all general liability and worker's compensation claims. The Risk Manager shall conduct ongoing training of all employees related to worker safety, OSHA compliance and worker's compensation. The Risk Manager's position may share duties with affiliates of Contractor, or other public agencies that contract for services with Contractor, but any sharing shall not reduce any of the Contractor's responsibilities, liabilities or any other requirements or contractual obligations contained in this Agreement.

9. RECYCLABLE MATERIALS AND COMPOSTABLE MATERIALS PROCESSING AND MARKETING

A. General Operations and Maintenance Standards

Beginning on the Signature Date, Contractor covenants to comply with the Contractor's performance obligations throughout the Term of the Agreement and to perform the Contractor's performance obligations with respect to Recyclable Materials and Compostable Materials Processing and marketing services in accordance with accepted practice for comparable Processing facilities, sound management and operations practice, the facility's operation and maintenance manual, plans and specifications permits. Applicable Law (including OSHA standards), provisions hereof, and covenants, conditions and restrictions pertaining to the site.

The Contractor shall be responsible for maintaining and renewing all necessary permits, licenses, and clearances necessary to provide the Transportation and Processing of Recyclable Materials and Compostable Materials. Contractor shall maintain and renew permits; provided, however, Contractor shall not be responsible

for any delays in maintaining or renewing, or failure to maintain or renew, the permits, if Contractor has exercised due diligence in maintaining and/or renewing the permits, and such failure is caused by any action or inaction of the issuing or renewing authority.

The Contractor shall meet all applicable regulations, industrial codes, and all applicable standards of technical societies, either as stated or as in standard industry practice.

The Contractor shall have the responsibility for the sale of recovered materials and collection of payment thereof.

B. Maintenance and Repair

The Contractor shall maintain Contractor's facility(ies) and site(s) in good working order and repair, including maintaining spare parts inventory and performing periodic maintenance in accordance with the operations and maintenance manual, manufacturer's recommendations, accepted practice for comparable facilities, and sound management and operations practice. Contractor shall maintain the aesthetic appearance of the Contractor's Facility(ies) and site(s) in a clean and neat manner in accordance with the plans and specifications, with due regard for reasonable control of odors, dust, and noise.

C. Safety

Contractor shall conduct Contractor's facility(ies) and site(s) operations in a safe manner, in accordance with Applicable Law, requirements of insurance carried, and standard industry practices in the waste management, composting, organics Handling, and materials recovery industry.

D. Right to Enter and Inspect Facility

The City and its designated representative shall have the right, but not the obligation to enter, observe, and inspect any Contractor-owned Processing facility during the receiving hours; meet with the facility manager or his or her representative at any time, and meet with other employees upon request, which request shall not be unreasonably denied. Upon City request, Contractor shall make personnel available to accompany City employees on inspections. Contractor shall ensure that its employees cooperate with the City and respond to the City's reasonable inquiries. Contractor shall make operational and business records other than financial records available to the City during business hours upon City request, at Contractor's premises and upon reasonable prior notice.

E. Tours of Facility

Upon seven (7) days' request of the City, Contractor shall provide tours of the Contractor's facility(ies) and site(s). Such tours shall not unreasonably disrupt Contractor's facility(ies) and site(s) operation. Contractor shall not be required to conduct such tours more frequently than once per month. City shall not be charged for labor, overhead, overtime, or any other costs associated with such tours. As part

of such tours, Contractor shall prepare (subject to City's approval of text and format) and shall distribute an educational brochure, printed on Recycled paper, on conservation, Recycling, composting, and general Solid Waste management programs.

F. Personnel

The Contractor shall engage and train qualified and competent employees, including managerial, supervisory, clerical, maintenance, and operating personnel, in numbers necessary and sufficient for Contractor's facility(ies) and site(s) operations and to perform the Contractor's obligation under this Agreement. The Contractor shall train such staff to perform their work in a safe and efficient manner in accordance with the health and safety plan in the Contractor's facility(ies) and site(s) operations and maintenance manual.

G. Recovery Standards

The Contractor shall use reasonable business efforts to maximize the recovery of delivered materials in a manner acceptable to receive Diversion credit under AB 939.

H. Finished Product Standard

The Processed Recyclables and/or the finished product shall maintain physical and chemical specifications such as to: (a) achieve the results required under the terms of this Agreement and any marketing plan developed by Contractor; and (b) comply with all Applicable Laws, ordinances, regulations, and permit conditions.

I. Transportation of Residue

The Contractor shall transport and deliver all Residue to a Disposal facility within 48 hours after its delivery to the Contractor's facility(ies) and site(s) and in no event longer than required by Applicable Law. The Contractor shall select routes from the Contractor's facility(ies) and site(s) to the Disposal facility which minimize inconvenience and disturbance to the public and comply with permits and Applicable Law. Contractor shall enclose or cover all vehicles transferring Residue from the Contractor's facility(ies) and site(s) to prevent spillage.

J. Weighing

The Contractor shall develop and manage a system for weighing materials received from Collection vehicles and tracking recovery of incoming materials and disposition of Residue. The Contractor shall record tonnages of material received. At a minimum, the recorded data must indicate for each delivery, hauler's name, truck number if applicable, time of delivery, tonnage delivered, vehicle license number, and Person receiving the delivery. The Contractor shall install and maintain state-certified motor vehicles scales in accordance with Applicable Law.

K. Substitute Scales

To the extent that all the Contractor's scales are inoperable, being tested, or otherwise unavailable, the Contractor shall substitute portable scales until the permanent

scales are replaced or repaired. The Contractor shall arrange for the scale to be repaired or temporarily substitute scales to be used as soon as possible, and in any event, within 48 hours after failure of the permanent scales.

L. Estimating Volumes

Pending substitution of portable scales, Contractor shall estimate the quantity of materials being delivered to the Processing facility and Residue and recovered materials being transported from the Processing facility, on the basis of delivery truck and transfer trailer volumes, tare weight, broker's weigh records., and data obtained through historical information from the Processing facility and purchasers of recovered materials using a methodology acceptable to the City. These estimates shall take the place of actual weighing and shall be the basis for records while scales are inoperable. Estimating of the quantity of materials shall cease at the soonest possible time, based on Contractor's obligation to locate operable scales (or other means such as on-board scales) as soon as practicable, but in no event shall Contractor utilize estimating of quantities for more than three calendar days in any given occurrence wherein Contractor's scales are inoperable, being tested, or otherwise unavailable.

M. Testing of Scales

The Contractor shall test and calibrate all scales in accordance with Applicable Law. Upon City request, it shall provide the City with copies of the test results.

N. Processing Equipment

Contractor shall provide Processing equipment in number and capacity to efficiently perform the work required by the Agreement. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available sufficient backup equipment to respond to mechanical failures or other difficulties.

EXHIBIT C

REFUSE RATE INDEX METHODOLOGY

1. OPERATING COSTS

- Labor:** List all administrative, officer, operation and maintenance salary accounts.
- List payroll tax accounts directly related to the above salary accounts.
- Fuel:** List all fuel costs.
- Vehicle Replacement:** List all Collection and Collection related vehicle depreciation accounts.
- List all vehicle lease or rental accounts related to Collection or Collection related vehicles.
- Vehicle Maintenance:** List all Collection or Collection related vehicle parts accounts.
- Revenue from Sale of Recyclable Material:** List all revenue from the sale of recyclable materials (net of the cost of transporting the materials to market) attributable to collection of recyclable materials in the City. Positive net revenue will be expressed as a negative number, offsetting other operating costs.
- All Other:** List all other expense accounts related to the services provided under this Agreement This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; recyclable material processing costs; and miscellaneous other expenses.

The adjustment shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated fiscal period shall be prepared in the format described above and in

subsection 2. The designated fiscal period is the 12 months ending on the September 30 of the second calendar year preceding the January 1 rate adjustment date (e.g., for the adjustment effective January 1, 2022, the designated fiscal period is the 12 months ending September 30, 2020).

2. The expenses of providing Collection Services in the City shall be broken down into one of the following six (6) cost categories: Labor; Fuel; Vehicle Replacement; Maintenance; Revenue from Sale of Recyclable Material; and All Other. Each cost category is assigned a weighted percentage factor based on that cost category's proportionate share of the total of the costs shown for all cost categories in the designated fiscal period.
3. The following indices are used to calculate the adjustment for each cost category. The change in each index is calculated over the 12 months ending on the August 30 preceding the January 1 rate adjustment date.

Cost Category	Index
Labor:	Series ID: cis201s000000000i (B,H), Service-Providing Industries
Fuel:	Series ID: wpu057303, Commodity Code 0573-03 No. 2 Diesel Fuel
Vehicle Replacement:	Series ID: pcu336211336211, Motor vehicle body manufacturing
Vehicle Maintenance:	Series ID: pcu3339243339243, Parts and attachments for industrial work trucks
Revenue from Sale of Recyclable Material:	Series ID: PS11 Corrugated Containers (Southwest USA) from recyclingmarkets.net
All Other:	Seventy-five percent (75%) of Series ID: cuurs49bsa0, Consumer Price Index (CPI-U), All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted

If any index above is discontinued, it shall be replaced by the successor index designated by the index publisher, or if no successor is designated, the Contractor shall propose an index that most closely resembles the discontinued index, subject to City approval, not to be unreasonably withheld.

The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the refuse rate index adjustment.

Below is the City of Healdsburg's Refuse Rate Financial Statement Form and examples of index data and calculations to be submitted with Contractor's request for an annual Rate adjustment.

RRI Index Values

Table 1: Recology Cost Category Data Input

Year	Labor Cost		Fuel Cost		Vehicle Replacement Cost		Vehicle Maintenance Cost		RCY Material Sales Revenue		All Other Costs		Annual Total	Difference from Prior Year	Percent Change
	Annual Amount	% of Total	Annual Amount	% of Total	Annual Amount	% of Total	Annual Amount	% of Total	Annual Amount	% of Total	Annual Amount	% of Total			
2019	\$1,236,166.46	46.03%	\$226,142.50	8.42%	\$385,649.56	14.36%	\$178,340.88	6.64%	-\$89,357.43	-11.94%	\$748,643.26	27.88%	\$2,685,585.23	NA	NA
2020	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	-\$2,685,585.23	-100.00%
2021	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	\$0.00	#DIV/0!
2022	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	\$0.00	#DIV/0!
2023	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	\$0.00	#DIV/0!

Table 2: Labor Cost Index

Series ID: c1s201s000000000		Series Title: Service-Producing Industries						
Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Sept - Aug Average	Difference from Prior Year	Index Percent Change	
2015	123.8	123.7	124.5	125.1		n/a	n/a	
2016	125.9	126.6	127.3	127.8	126.2	n/a	n/a	
2017	128.8	129.6	130.5	131.2	129.2	2.95	2.34%	
2018	132.5	133.4	134.5	135.4	132.9	3.7	2.88%	
2019	136.2	137.0	138.0	138.9	136.7	3.8	2.82%	
2020					138.9	2.3	1.65%	
2021					#DIV/0!	#DIV/0!	#DIV/0!	
2022					#DIV/0!	#DIV/0!	#DIV/0!	

Table 3: Fuel Index

Series ID: WPU057303		Series Title: California No 2 Diesel Ultra Low Sulfur (0-15 ppm)													
Year	January	February	March	April	May	June	July	August	September	October	November	December	Sept - Aug Average	Difference from Prior Year	Index Percent Change
2015	182.6	191.5	193.1	183.8	202.6	198.7	194.0	189.2	169.4	173.5	167.4	130.8		n/a	n/a
2016	119.2	113.4	119.4	123.6	144.4	155.4	157.6	149.8	163.1	159.7	157.0	158.8	143.7	n/a	n/a
2017	161.1	163.5	161.3	162.9	173.6	171.5	179.6	188.9	204.2	213.5	223.7	223.8	166.8	23.1	16.1%
2018	229.4	226.5	224.8	231.8	251.1	261.4	256.9	254.3	262.5	271.7	264.8	232.7	233.5	66.7	40.0%
2019	201.1	218.3	245.4	241.8	235.5	204.4	220.0	207.2	218.4	220.7	223.4	234.5	233.8	0.3	0.1%
2020													224.3	-9.5	-4.1%
2021													#DIV/0!	#DIV/0!	#DIV/0!
2022													#DIV/0!	#DIV/0!	#DIV/0!

Table 4: Vehicle Replacement Index

Series ID: pcc33621336211		Series Title: Truck, bus, car and other vehicle bodies, for sale separately													
Fiscal Year	January	February	March	April	May	June	July	August	September	October	November	December	Sept - Aug Average	Difference from Prior Year	Index Percent Change
2015	233.2	235.3	235.3	235.3	235.7	235.7	235.7	235.8	235.8	235.8	235.9	235.9		n/a	n/a
2016	236.3	236.8	236.9	237.1	237.1	237.3	237.7	237.9	237.9	237.9	238.2	238.3	236.7	n/a	n/a
2017	238.4	238.4	238.7	239.0	239.3	239.5	240.2	240.4	240.6	240.6	240.7	241.0	238.9	2.1	0.9%
2018	241.9	242.5	243.1	244.1	244.6	245.4	246.3	247.4	248.1	249.3	250.2	250.4	243.2	4.3	1.8%
2019	253.5	254.5	255.5	255.4	255.5	257.6	258.3	258.4	259.0	259.3	259.4	259.5	253.9	10.7	4.4%
2020													259.3	5.4	2.1%
2021													#DIV/0!	#DIV/0!	#DIV/0!
2022													#DIV/0!	#DIV/0!	#DIV/0!

Table 5: Vehicle Maintenance Index

Series ID: pcc3339243339243		Series Title: Parts and attachments for industrial work trucks													
Year	January	February	March	April	May	June	July	August	September	October	November	December	Sept - Aug Average	Difference from Prior Year	Index Percent Change
2015	250.5	251.6	255.9	256.8	257.8	257.8	257.8	257.9	258.0	258.5	258.5	258.5		n/a	n/a
2016	258.5	258.5	259.1	257.9	258.5	258.6	258.6	258.6	258.9	258.9	259.3	259.3	258.5	n/a	n/a
2017	259.9	259.8	259.8	260.3	260.4	263.4	263.6	263.6	263.6	263.6	263.6	264.0	260.6	2.1	0.8%
2018	260.2	260.4	260.8	259.5	260.8	260.8	267.0	269.5	271.3	273.2	271.8	271.8	262.8	2.2	0.9%
2019	275.2	275.2	275.3	275.2	275.2	275.6	276.4	281.0	281.3	274.3	275.5	275.5	274.8	12.0	4.5%
2020													276.7	1.9	0.7%
2021													#DIV/0!	#DIV/0!	#DIV/0!
2022													#DIV/0!	#DIV/0!	#DIV/0!

Table 6: All Other Index

Series ID: c1UBS49BS40		Series Title: Not Seasonally Adjusted, All Items, All Urban Consumers (CPI-U) for US City Average													
Year	January	February	March	April	May	June	July	August	September	October	November	December	Sept - Aug Average	Difference from Prior Year	Index Percent Change
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525		n/a	n/a
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	238.649	n/a	n/a
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	243.392	4.7	2.0%
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	249.280	5.9	2.4%
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	254.016	4.7	1.9%
2020	257.971												257.252	3.2	1.3%
2021													#DIV/0!	#DIV/0!	#DIV/0!
2022													#DIV/0!	#DIV/0!	#DIV/0!

Table 7: RCY Index

Series ID: PS11 Computed Containers (Southwest USA) - recyclingmarkets.net				
Date	Regional Low Price	Regional High Price	Regional Average	National Average
2/7/20	20.000	35.000	27.500	31.880
1/31/20	5.000	20.000	12.500	25.000
1/7/20	5.000	20.000	12.500	25.000
12/31/19	5.000	20.000	12.500	24.690
12/12/19	5.000	20.000	12.500	24.690
12/9/19	5.000	20.000	12.500	24.690
11/30/19	5.000	20.000	12.500	24.690
11/8/19	5.000	20.000	12.500	24.690
10/31/19	5.000	20.000	12.500	27.190
10/11/19	5.000	20.000	12.500	27.190
9/30/19	5.000	20.000	12.500	27.190
9/10/19	5.000	20.000	12.500	27.190
8/31/19	10.000	25.000	17.500	27.810
8/9/19	10.000	25.000	17.500	27.810
7/31/19	10.000	20.000	15.000	27.500
7/9/19	10.000	20.000	15.000	27.500
6/29/19	10.000	20.000	15.000	27.500
6/7/19	10.000	20.000	15.000	27.810
5/31/19	15.000	25.000	20.000	32.500
5/8/19	15.000	25.000	20.000	32.500
4/30/19	25.000	35.000	30.000	41.560
4/8/19	25.000	35.000	30.000	41.560
3/30/19	40.000	50.000	45.000	52.810
3/7/19	40.000	50.000	45.000	52.810
2/28/19	40.000	55.000	47.500	59.060
2/8/19	40.000	55.000	47.500	59.060
1/31/19	55.000	70.000	62.500	70.000
1/8/19	55.000	70.000	62.500	70.000
12/31/18	55.000	70.000	62.500	68.750
12/7/18	55.000	70.000	62.500	68.750
11/30/18	70.000	80.000	75.000	70.630
11/8/18	70.000	80.000	75.000	71.250
10/31/18	70.000	80.000	75.000	71.250
10/9/18	70.000	80.000	75.000	71.250
9/29/18	65.000	75.000	70.000	70.630
9/7/18	65.000	75.000	70.000	70.630
8/31/18	65.000	75.000	70.000	70.630
8/7/18	65.000	75.000	70.000	70.630
7/31/18	65.000	75.000	70.000	69.380
7/9/18	65.000	75.000	70.000	69.380
6/30/18	65.000	75.000	70.000	66.880
6/8/18	65.000	75.000	70.000	66.880
6/1/18	80.000	95.000	87.500	80.310
5/31/18	80.000	95.000	87.500	87.500
5/4/18	80.000	95.000	87.500	87.500
4/30/18	80.000	95.000	87.500	87.500
4/13/18	80.000	95.000	87.500	87.500
4/9/18	80.000	95.000	87.500	89.380
3/31/18	85.000	95.000	90.000	94.690
3/17/18	85.000	95.000	90.000	95.310
3/9/18	85.000	95.000	90.000	87.810
3/8/18	80.000	100.000	90.000	87.810
2/28/18	95.000	105.000	100.000	95.630
2/6/18	95.000	105.000	100.000	95.630
1/31/18	110.000	125.000	117.500	105.630
1/8/18	110.000	125.000	117.500	105.630
12/30/17	110.000	125.000	117.500	105.630
12/7/17	110.000	125.000	117.500	105.630
11/30/17	110.000	125.000	117.500	106.880
11/7/17	110.000	125.000	117.500	106.880
10/31/17	70.000	85.000	77.500	103.440
10/6/17	70.000	85.000	77.500	103.440
9/30/17	130.000	150.000	140.000	155.310
9/7/17	130.000	150.000	140.000	155.310
8/31/17	160.000	175.000	167.500	174.060
8/19/17	160.000	175.000	167.500	174.060
8/8/17	160.000	175.000	167.500	174.060
7/31/17	175.000	185.000	180.000	180.000
7/7/17	175.000	185.000	180.000	180.000
6/30/17	175.000	185.000	180.000	180.000
6/6/17	155.000	175.000	165.000	153.750
5/31/17	140.000	155.000	147.500	150.630
5/8/17	140.000	155.000	147.500	150.630
4/29/17	140.000	155.000	147.500	155.000
4/7/17	140.000	155.000	147.500	155.000
3/31/17	165.000	170.000	167.500	160.000
3/10/17	165.000	170.000	167.500	160.000
3/6/17	155.000	165.000	160.000	157.190
2/28/17	140.000	155.000	147.500	141.560
2/6/17	135.000	155.000	145.000	135.310
1/31/17	115.000	130.000	122.500	117.190
1/6/17	115.000	130.000	122.500	117.190
1/5/17	115.000	130.000	122.500	114.060
12/31/16	105.000	125.000	115.000	108.750
12/6/16	105.000	125.000	115.000	108.750
11/30/16	100.000	120.000	110.000	107.190

PS11-Sept. - August Average			
Year	Annual Average	Difference from	Index Percent
2018	94.464	NA	NA
2019	44.583	-49.881	-52.80%
		0.000	#DIV/0!
		0.000	#DIV/0!
		0.000	#DIV/0!

RRI Index Calculation

Example RRI Index Calculation				
Cost Category	Example Adjustment			
	Example Operating Category Total	Weighted Percent of Annual Total	Index Percent Change	Weighted Adjustment Percentage
Labor Index	\$1,236,166.46	46.03%	2.88%	1.33%
Fuel Index	\$226,142.50	8.42%	40.00%	3.37%
Vehicle Replacement Index	\$385,649.56	14.36%	1.81%	0.26%
Vehicle Maintenance Index	\$178,340.88	6.64%	0.85%	0.06%
RCY Processing Revenue	-\$89,357.43	-3.33%	-52.80%	1.76%
All Other	\$748,643.26	27.88%	2.42%	0.51%
Total	\$2,685,585.23	100.00%	Example RRI Adjustment	7.2754%

RRI Financial Statement

Total Expenses	FY19	Categorized Expenses	FY19	% of Total
Payroll & Related	\$ 1,236,166	Labor	\$ 1,236,166	46.03%
Temporary Labor & Subcontractors	-	Fuel	226,142	8.42%
Liability Insurance	28,965	Replacment	385,650	14.36%
Disposal	1,574,604	Maintenance	178,341	6.64%
Recycling Processing Fee	251,309	RCY Processing Revenues	(89,357)	-3.33%
Rent & lease	7,017	Other	748,643	27.88%
Supplies	30,934		<u>\$ 2,685,585</u>	100.00%
Franchise Fees (incl. discretionary & firework fees)	557,626			
Repairs & Maintenance	178,341	Costs Not Included:		
Fuel & Oil	226,142	Disposal	1,574,604	
Buildings & Facilities	6,926	Franchise Fees	<u>557,626</u>	
Licences & Permits	22,465	Total Expenses	<u>\$ 4,817,815</u>	
Utilities	13,788			
Freight	4,702			
Recycling & COGS	-	RCY Processing Fee Breakdown		
Bad Debt	12,153	RCY Processing Costs	340,666	
Professional Services	7,371	RCY Processing Revenues	<u>(89,357)</u>	
Travel, meals & entertainment	2,239	Net RCY Processing Fee	251,309	
Office expenses	20,005			
Taxes	13,177			
Regional Allocations	30,514			
Coporate Allocations	85,695			
Other Operating Expenses	20,020			
Depreciation & Depletion	243,147			
Amortization	93,240			
(Gain)/loss on sale	8,767			
I/C equipment & property	<u>142,502</u>			
Total Expenses	\$ 4,817,815			

EXHIBIT D DIVERSION PLAN

The Contractor shall maintain existing diversion efforts and programs in place on the Effective Date of the Agreement. City requires the Contractor to fully participate in a good faith and diligent efforts to assist the City in achieving the minimum annual Diversion rates as mandated, specified or otherwise required by any state, regional or local legislation for each Contract Year.

The annual Diversion rate to be reported by Contractor to City will be calculated as prescribed below for each Contract Year.

$$\frac{(\text{Recyclable Materials (net of residual)} + \text{Compostable Materials (net of residual)})}{(\text{Recyclable Materials (inclusive of residual)} + \text{Compostable Materials (inclusive of residual)} + \text{Disposal})} \times 100\% = \% \text{ Diversion Rate.}$$

The City and Contractor may develop mutually-agreed performance based Diversion goals, and compliance dates. Performance based Diversion goals would be complementary to the mandatory minimum diversion requirements and existing Diversion programs Contractor is currently providing and a means to increase Diversion in a cost effective manner.

This Exhibit shall be modified to incorporate any mutually-agreed performance based Diversion goals, and compliance dates.

EXHIBIT E

PUBLIC EDUCATION PLAN

1. WASTE ZERO SPECIALIST

Contractor will provide a 0.5 half time equivalent Waste Zero Specialist to serve as Contractor's public education and diversion liaisons in the community, promoting recycling, composting, and reduced disposal in the City. This Waste Zero Specialist will be overseen by a Waste Zero Manager, dedicated to planning and overseeing diversion activities in the City. The Specialist will be responsible for such tasks as:

1. Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and business type;
2. Coordinating and producing education events, including educational efforts in Healdsburg schools;
3. Supporting local community service organizations;
4. Offering technical assistance to help all customers implement services and optimize diversion, including on-site training for employees;
5. Presenting to homeowners' associations, business groups, multi-family tenants, and environmental organizations;
6. Conducting site visits to educate customers on diversion goals, contamination concerns, and new programs;
7. Conducting on-site waste audits to help customers divert more material from the Solid Waste stream and minimize contamination in the Recycling and Organics stream; and
8. Conducting waste audits at the transfer station and material recovery facility, identifying routes that need further assistance, and providing outreach based on the location of questionable material in a load.

2. NEW START CUSTOMER PACKET

At a minimum, Contractor shall send a postcard to all new starts referring Customers to the Contractor website for new Customer information, recycling guides, Diversion information, holiday and street sweeping schedules etc. The new start information shall be mailed to Customers upon request. The form and content of the postcard shall be reviewed and approved by the City Manager or Assignee.

The website information shall include:

1. A summary of services provided by Contractor and contact information;
2. A "how to" narrative explaining the overall Recyclable and Compostable Materials programs and the materials to be collected;
3. Other Diversion and relevant reuse information;
4. An interactive street sweeping map; and
5. Informational Newsletters.

Contractor shall publish and mail informational newsletters twice per year to be mailed to all Generators. Newsletters will include information intended to encourage recycling, source reduction, participation in Recycling and Green Waste programs and composting programs. Newsletters shall address issues affecting Single-Family Service, Multi-Family Service, and Commercial Service as well as general articles and information appropriate to all generators including items such as a discussion of AB 939 policy, updates on the County's Diversion achievements, hazardous waste disposal options and other general articles of interest. Additional notices, bill inserts and informational pieces shall be distributed as necessary.

Newsletters shall promote and advertise other features of the Agreement including Christmas Tree recycling information, Holiday Collection Schedule, and Curbside Used Oil Collection. Newsletters will be made available to the City for review prior to distribution.

3. ADDITIONAL OUTREACH EFFORTS

Contractor shall publish and mail informational bill inserts to promote recycling, waste reduction and notify Generator of cleanup information, holiday collection and other relevant information up to four times per year.

In addition, advertisements, or direct billing, shall be run in the Healdsburg Tribune to promote curbside cleanups, Christmas Tree Collection, holiday Collection schedules, and/or other programs.

4. ONGOING EDUCATION AND OUTREACH

A. Multi-Family Complex Education

Multi-Family Complex Customers will receive an annual bill insert describing solid waste and Recycling Service options. Multi-Family Complex managers or owners may request Contractor conduct an on-site evaluation to enhance recycling at no cost to the Multi Family Complex. Outreach staff shall be available to work with Multi-Family complexes to enhance recycling and Diversion programs. Staff is available to evaluate current recycling programs, provide current guides and literature, and can provide presentations to residents on the current waste situation and discuss the importance of recycling.

Contractor shall provide outreach and recycling educational materials to property owners or managers for Multi-Family Complex tenants upon request of manager or owner.

B. Commercial Business Education

Commercial Business Customers will receive an annual bill insert describing solid waste and Recycling service options. Commercial Business managers or owners may request Contractor conduct an on-site evaluation to enhance recycling at no cost to the Commercial Business. Contractor shall provide outreach and recycling educational

materials to Commercial Business owners or managers upon request by owner or manager.

C. Public School Education

Contractor shall visit each public school inside the City limits at least one time per year and shall provide information to each school regarding the availability of recycling education presentations by Contractor for classrooms and school assemblies.

Contractor shall work with students, teachers, administrators and custodial staff at each school to facilitate and implement effective collection and handling system to maximize recycling at each school facility.

D. Public Fairs

Contractor shall periodically staff informational tables at public events within the City to stimulate and enhance recycling programs and provide waste reduction information to the public.

E. City Building Outreach

Outreach staff will visit all City facilities listed in Exhibit F annually to promote recycling and evaluate current service levels. If requested, outreach staff will host presentations about recycling and solid waste issues.

F. Website

Contractor shall have a website that provides Recycling and education information, including information and resources for schools, businesses and residents interested in enhancing their Recycling and waste Diversion efforts. The website shall include downloadable posters and Recycling guides as well as an interactive street sweeping map. The website shall offer an online bill pay option.

EXHIBIT F CITY SERVICE LOCATIONS

City Locations	
Healdsburg Airport	1500 Lytton Springs Road
Animal Control Shelter	570 Westside Road
Healdsburg Chamber of Commerce	217 Healdsburg Avenue
City Hall	401 Grove Street
Corporation Yard	550 Westside Road
Fire Department	601 Healdsburg Avenue
Foss Creek Community Center	1557 Healdsburg Avenue
Healdsburg Library	139 Piper Street
Healdsburg Museum	221 Matheson Street
Senior Center	238 Center Street
Police Station	133 Matheson Street
Waste Water Treatment Plant	340 Foreman Lane
Villa Chanticleer	1248 N. Fitch Mtn. Road

City Parks	
Badger Park	750 Heron Drive
Carson Warner Skate Park	1100 Grove St
Gibbs Park	1520 Prentice Drive
Giorgi Park	540 University Street
Railroad Park	20 Front Street
Recreation Park	515 Piper (at University)
Swimming Pool	360 Monte Vista Avenue
Tayman Park	940 South Fitch Mtn. Road
City Cans – Healdsburg Plaza, Center Street, North Street	

EXHIBIT G

SPECIAL EVENTS SERVICED BY CONTRACTOR

See Exhibit A, Section 13.

EXHIBIT H STREET SWEEPING

Contractor shall perform the following services for the City in an ongoing and timely manner as is necessary to complete the specified work

1. STREET SWEEPING METHODOLOGY

Street cleaning for all Curb miles identified within the City Limits shall be performed consistent to industry standards as follows:

- A.** Contractor shall operate at a speed that is safe will result in adequate cleaning of the streets.
- B.** The Contractor shall operate the equipment per factory specifications to clean a path consistent with the width of the sweeper, from the face of the Curb towards the center of the street including the flow line of the gutter that will result in adequate cleaning of the streets.
- C.** The Contractor shall sweep the City's commercial areas a minimum of twice weekly and include one of the four residential areas per sweeping day to be swept every other week.
- D.** The commercial areas shall be swept beginning at 4 a.m. and be completed by 7:30 a.m. at which time residential sweeping shall begin, to be completed by 2 p.m.
- E.** All asphalt or concrete City streets, regardless of Curb and gutter, shall be swept in the normal sweeping schedule as specified by the City.
- F.** On streets without Curb and gutter, contractor shall clean a path consistent with the width of the sweeper that starts 6 inches to 12 inches for the edge of the pavement and continues toward center of the street.
- G.** The Contractor may utilize fire hydrants for the purpose of filling the sweeper with water, as specified by the City.
- H.** The Contractor may temporarily store the street sweepings in the City's corporation yard as approved by the City. Contractor shall be responsible for removal and Disposal of all street sweepings in a timely manner so as not to interfere with City operations and on a frequency not less than weekly.
- I.** Contractor shall also provide street sweeping as specified in Section 18.B of Exhibit A and four (4) times per year at the Healdsburg Airport, either on a regular schedule as approved by the City or on-call from the City. Contractor shall also provide street

sweeping and temporary portable toilet services on an on-call basis for Special Events as provided in Section 13 of Exhibit A.

2. STREET SWEEPING EQUIPMENT

- A.** The Contractor shall provide street sweeping equipment comparable to, or better than, a TYMCO regenerative air sweeper, on a chassis, comparable to or better than a Ford LN 700 powered by a 6.6 liter Ford diesel.
- B.** The Contractor shall maintain the vehicle in a sound and safe operating condition, per factory specifications, in order to provide optimal performance to the City.
- C.** Any deviation from the above specifications must be authorized in writing from the City.

3. OPERATOR RESPONSIBILITIES

- A.** The Contractor is responsible for pre and post vehicle inspections in order to provide a safe environment to the operators and to residents.
- B.** The Contractor shall operate the street sweeper per factory specifications in order to provide optimal performance to the City.
- C.** The Contractor shall sweep all routes established by the City and maintain the existing schedule unless otherwise directed by the City.
- D.** The Contractor shall be responsible to sweep all missed streets and re-sweep streets that are not cleaned adequately with one pass of the sweeper, at no extra cost to the City.
- E.** Additional sweeping shall be available in a timely manner upon City request.
- F.** The Contractor shall provide the name and telephone number for the Supervisor and Manager responsible for sweeping operations within the City. Contractor is responsible for Customer relations, and any and all concerns shall be referred to the Contractor for mitigation.
- G.** The Contractor shall post the Sweeping Schedule on the Contractors website and will provide copies to residents by mail upon request.
- H.** The Contractor is responsible for submitting quarterly reports to the City documenting sweeping miles, hours worked. any correspondence with the public.
- I.** The City may terminate the street sweeping agreement based on any Complaint, breach or failure to perform, after the Contractor has been given reasonable opportunity to remedy same. In the event City terminates the street sweeping portion of this

Agreement the Contractor shall reimburse the City for any expenses incurred as a result of Contractor's failure to perform the street sweeping services as specified in this Agreement.

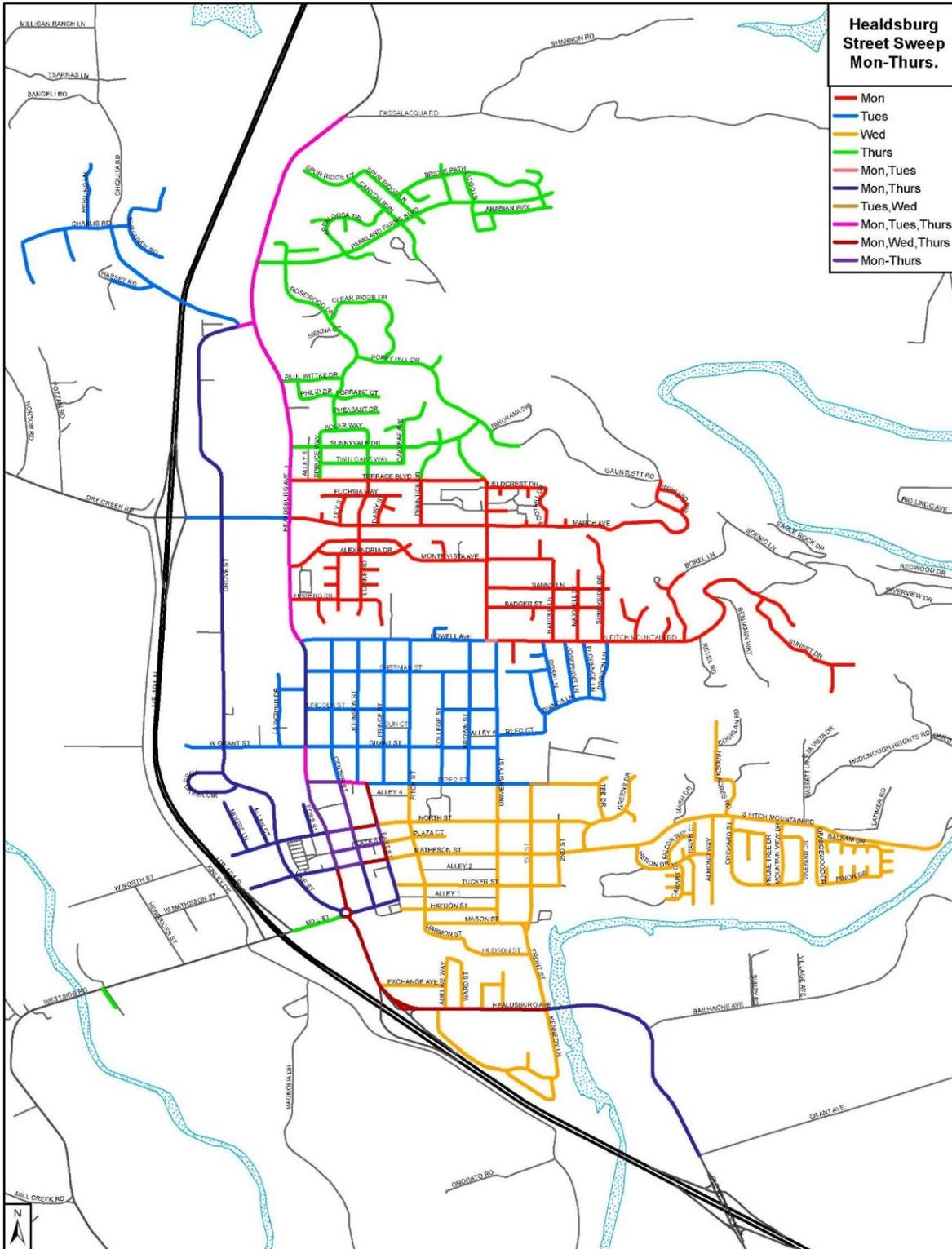


EXHIBIT I SCHEDULE OF APPROVED RATES

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
Residential Cart Collection						
20-Gallon Cart	\$12.01	\$4.06	\$3.60	\$0.00	\$0.00	\$19.67
35-Gallon Cart	\$17.82	\$4.70	\$3.60	\$0.00	\$0.00	\$26.12
60-Gallon Cart	\$27.14	\$6.80	\$3.60	\$0.00	\$0.00	\$37.54
90-Gallon Cart	\$35.40	\$11.99	\$3.60	\$0.00	\$0.00	\$50.99
Commercial Cart and Bin Collection						
20-Gallon Container	\$19.67	\$6.48	\$3.60	\$0.00	\$0.00	\$29.75
35-Gallon Container	\$24.46	\$9.72	\$3.60	\$0.00	\$0.00	\$37.78
60-Gallon Container	\$34.10	\$21.07	\$3.60	\$0.00	\$0.00	\$58.77
90-Gallon Container						
1 pickup per week	\$37.80	\$30.78	\$3.60	\$0.00	\$0.00	\$72.18
2 pickup per week	\$76.28	\$61.57	\$3.60	\$0.00	\$0.00	\$141.45
3 pickup per week	\$114.78	\$92.34	\$3.60	\$0.00	\$0.00	\$210.72
4 pickup per week	\$153.27	\$123.13	\$3.60	\$0.00	\$0.00	\$280.00
5 pickup per week	\$191.72	\$153.91	\$3.60	\$0.00	\$0.00	\$349.23
6 pickup per week	\$230.15	\$184.69	\$3.60	\$0.00	\$0.00	\$418.44
1 Cubic Yards						
1 pickup per week	\$145.62	\$70.16	\$3.60	\$0.00	\$0.00	\$219.38
2 pickup per week	\$276.86	\$140.40	\$3.60	\$0.00	\$0.00	\$420.86
3 pickup per week	\$363.88	\$210.60	\$3.60	\$0.00	\$0.00	\$578.08
4 pickup per week	\$436.90	\$280.80	\$3.60	\$0.00	\$0.00	\$721.30
5 pickup per week	\$453.42	\$351.00	\$3.60	\$0.00	\$0.00	\$808.02
1.5 Cubic Yards						
1 pickup per week	\$226.57	\$105.31	\$3.60	\$0.00	\$0.00	\$335.48
2 pickup per week	\$410.77	\$210.60	\$3.60	\$0.00	\$0.00	\$624.97
3 pickup per week	\$594.75	\$315.90	\$3.60	\$0.00	\$0.00	\$914.25
4 pickup per week	\$779.04	\$421.20	\$3.60	\$0.00	\$0.00	\$1,203.84
5 pickup per week	\$963.49	\$526.50	\$3.60	\$0.00	\$0.00	\$1,493.59
6 pickup per week	\$1,148.19	\$631.80	\$3.60	\$0.00	\$0.00	\$1,783.59
2 Cubic Yards						
1 pickup per week	\$276.80	\$140.40	\$3.60	\$0.00	\$0.00	\$420.80
2 pickup per week	\$468.14	\$280.80	\$3.60	\$0.00	\$0.00	\$752.54

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
3 pickup per week	\$659.71	\$421.20	\$3.60	\$0.00	\$0.00	\$1,084.51
4 pickup per week	\$850.98	\$561.60	\$3.60	\$0.00	\$0.00	\$1,416.18
5 pickup per week	\$1,042.33	\$701.99	\$3.60	\$0.00	\$0.00	\$1,747.92
6 pickup per week	\$1,234.00	\$842.39	\$3.60	\$0.00	\$0.00	\$2,079.99
3 Cubic Yards						
1 pickup per week	\$363.90	\$210.60	\$3.60	\$0.00	\$0.00	\$578.10
2 pickup per week	\$627.15	\$421.20	\$3.60	\$0.00	\$0.00	\$1,051.95
3 pickup per week	\$879.48	\$631.80	\$3.60	\$0.00	\$0.00	\$1,514.88
4 pickup per week	\$1,126.82	\$842.39	\$3.60	\$0.00	\$0.00	\$1,972.81
5 pickup per week	\$1,376.75	\$1,052.99	\$3.60	\$0.00	\$0.00	\$2,433.34
6 pickup per week	\$1,626.27	\$1,263.59	\$3.60	\$0.00	\$0.00	\$2,893.46
4 Cubic Yards						
1 pickup per week	\$436.90	\$280.80	\$3.60	\$0.00	\$0.00	\$721.30
2 pickup per week	\$682.50	\$561.60	\$3.60	\$0.00	\$0.00	\$1,247.70
3 pickup per week	\$928.46	\$842.39	\$3.60	\$0.00	\$0.00	\$1,774.45
4 pickup per week	\$1,173.81	\$1,123.19	\$3.60	\$0.00	\$0.00	\$2,300.60
5 pickup per week	\$1,419.53	\$1,403.99	\$3.60	\$0.00	\$0.00	\$2,827.12
6 pickup per week	\$1,664.50	\$1,684.79	\$3.60	\$0.00	\$0.00	\$3,352.89
6 Cubic Yards						
1 pickup per week	\$497.07	\$421.20	\$3.60	\$0.00	\$0.00	\$921.87
2 pickup per week	\$822.18	\$842.39	\$3.60	\$0.00	\$0.00	\$1,668.17
3 pickup per week	\$977.79	\$1,263.59	\$3.60	\$0.00	\$0.00	\$2,244.98
4 pickup per week	\$1,253.20	\$1,684.79	\$3.60	\$0.00	\$0.00	\$2,941.59
5 pickup per week	\$1,648.79	\$2,105.98	\$3.60	\$0.00	\$0.00	\$3,758.37
6 pickup per week	\$1,941.30	\$2,527.34	\$3.60	\$0.00	\$0.00	\$4,472.24
Commercial Compactor Services						
Backyard Charge	\$53.91					\$53.91
Sideyard for fee service	\$53.91					\$53.91
Key charges	\$21.56					\$21.56
Enclosure charges	\$53.91					\$53.91
Gate service Charges	\$21.56					\$21.56
Long Walk Charges	\$53.91					\$53.91
Off Road Charge	\$17.48					\$17.48
Commercial Overage per cubic yard	\$78.94	\$16.20	\$0.00	\$0.00		\$95.14
4 yd Cleanup Bin (3 Days)	\$310.21	\$64.80	\$0.00	\$0.00		\$375.01

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
Contamination recycle, yard waste or food scrap						
Cart	\$38.11					\$38.11
Bin	\$39.44+ \$71.63/yd					\$39.44+ \$71.63/yd
Cleaning fee for food scrap bin/cart in excess of 1 per year	\$95.26					\$95.26
Replacement carts after 1/year	\$148.58					\$148.58
Replacement bin after 1/year	\$251.47					\$251.47
Same day return trip for blocked or not set at curb bin or cart	\$31.44					\$31.44
Fee to reinstate account closed for nonpayment	\$47.61					\$47.61
Additional Recycle or Yard Waste Cart after 2	\$33.04		\$3.60			\$36.64
Extra Pickups						
20-Gallon Cart	\$27.79	\$0.94	\$0.00	\$0.00		\$28.73
35-Gallon Cart	\$28.30	\$1.09	\$0.00	\$0.00		\$29.39
60-Gallon Cart	\$28.74	\$1.09	\$0.00	\$0.00		\$29.83
90-Gallon Cart	\$29.32	\$2.77	\$0.00	\$0.00		\$32.09
Extra 1 yd Pickup	\$74.21	\$16.20	\$0.00	\$0.00		\$90.41
1.5 Cubic Yard Bin	\$108.49	\$24.30	\$0.00	\$0.00		\$132.79
2 Cubic Yard Bin	\$116.76	\$32.40	\$0.00	\$0.00		\$149.16
3 Cubic Yard Bin	\$140.63	\$48.60	\$0.00	\$0.00		\$189.23
4 Cubic Yard Bin	\$143.57	\$64.80	\$0.00	\$0.00		\$208.37
6 Cubic Yard Bin	\$155.21	\$97.21	\$0.00	\$0.00		\$252.42
Commercial Solid Waste Debris Box Service						
20 yard or less	\$452.97	\$324.02	\$0.00	\$0.00		\$776.99
30 yard & 40 yard	\$506.92	\$324.02	\$0.00	\$0.00		\$830.94
C&D Debris Container >10% recyclables (2 tons charges delivered, excess billed)						
20 yard or less	\$452.97	\$324.02	\$0.00	\$0.00		\$776.99
30 yard & 40 yard	\$506.92	\$324.02	\$0.00	\$0.00		\$830.94
Wood						
20 yard or less	\$228.61	Weight Tag Billed				\$228.61 + Tip Fee
30 yard & 40 yard	\$247.64	Weight Tag Billed				\$247.64 + Tip Fee
Brush						
20 yard or less	\$228.61	Weight Tag Billed				\$228.61 + Tip Fee
30 yard & 40 yard	\$247.64	Weight Tag Billed				\$247.64 + Tip Fee

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
Recycling						
20 yard or less	\$247.64	Weight Tag Billed				\$247.64 + Tip Fee
30 yard & 40 yard	\$247.64	Weight Tag Billed				\$247.64 + Tip Fee
Concrete (1/2 full box allowed)						
20 yard or less	\$495.29	Weight Tag Billed				\$495.29 + Tip Fee
Dirt (1/2 full box allowed)						
20 yard or less	\$247.64	Weight Tag Billed				\$247.64 + Tip Fee
Compactor MSW Solid Waste Collection						
2 yard 1 x week	\$447.25	\$293.11	\$3.60	\$0.00	\$0.00	\$743.96
2 yard 4 x week	\$1,795.28	\$1,172.44	\$14.41	\$0.00	\$0.00	\$2,982.13
3 yard 1 x week	\$504.87	\$399.70	\$3.60	\$0.00	\$0.00	\$908.17
3 yard 2 x week	\$1,011.79	\$799.40	\$7.21	\$0.00	\$0.00	\$1,818.40
3 yard 3 x week	\$1,516.87	\$1,199.09	\$10.81	\$0.00	\$0.00	\$2,726.77
3 yard 4 x week	\$2,019.48	\$1,598.79	\$14.41	\$0.00	\$0.00	\$3,632.68
3 yard 5 x week	\$2,524.35	\$1,998.49	\$18.01	\$0.00	\$0.00	\$4,540.85
Service Fee						
20 Yard or Less Compactor	\$431.39	Weight Tag Billed				\$431.39 + Tip Fee
25 Yard Compactor	\$538.53	Weight Tag Billed				\$538.53 + Tip Fee
30 Yard Compactor	\$647.06	Weight Tag Billed				\$647.06 + Tip Fee
Furniture						
Twin	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Double / Full	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Queen	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
King	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Bed Frame	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Couch (under 6 feet)	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Upholstered Chairs	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Wooden Chairs	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Dinette Tables	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Household						
Rug (9x12)	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Vacuum	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
Appliances						
Water Heater 35 Gallon	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Water Heater 40-50 Gallon	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Water Heater 100 Gallon	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Oven	\$85.06	\$21.38	\$0.00	\$0.00		\$106.44
Oven (Stove Top)	\$85.06	\$21.38	\$0.00	\$0.00		\$106.44
Oven-Stove Unit	\$85.06	\$21.38	\$0.00	\$0.00		\$106.44
Microwave	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Garbage Compactor	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Dishwasher	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Fridge	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Freezer	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Air Conditioner	\$91.49	\$35.62	\$0.00	\$0.00		\$127.11
Washing Machine	\$85.06	\$21.38	\$0.00	\$0.00		\$106.44
Dryer	\$85.06	\$21.38	\$0.00	\$0.00		\$106.44
Building Materials						
Household Doors	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Sink	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Toilets	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Windows (less than 3'by4' only)	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Windows larger than 3x4	\$121.64	\$14.26	\$0.00	\$0.00		\$135.90
Yard & Garden						
Gas Mower (must be drained of gas & oil)	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
BBQ	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Ping Pong Table	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Exercise Bike	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Swing Sets	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Bike	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Electronics						
Computer Monitor or Computer Tower/CPU	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67
Television	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67
Large Screen Television	\$100.55	\$13.98	\$0.00	\$0.00		\$114.53
Console Television	\$100.55	\$13.98	\$0.00	\$0.00		\$114.53
Stereo Equipment	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67
VCR/Home Entertainment	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67

Service Item	A	B	C	D	E	2021 Total Rate Effective 1/1/2021
	Collection Component	Disposal Component	Compostable Component	Retroactive Disposal Component	Retroactive Compostable Component	
	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	
Printer / Fax	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67
Copier (table top)	\$81.69	\$13.98	\$0.00	\$0.00		\$95.67
Copier (small stand alone)	\$122.43	\$104.89	\$0.00	\$0.00		\$227.32
Oversize Office Equipment	Price Varies					
Car Parts						
Engine Block (completely drained of fluids)	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Car Seats	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Bumper / Grill etc.	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Passenger Vehicle Tire	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Truck or Tractor Tire	\$163.70	\$28.52	\$0.00	\$0.00		\$192.22
Additional Items						
Items under 60 lbs.	\$81.85	\$14.26	\$0.00	\$0.00		\$96.11
Items over 60 lbs.	Price Varies					
Items requiring special handling or disposal	Price Varies					

EXHIBIT J

LIQUIDATED DAMAGES

In the event that the Contractor fails to perform fully any of the Contractor's obligations under this Agreement (other than "Events of Default" stipulated in Section 10.2) the Contractor shall be in breach ("Event of Breach") of this Agreement. Upon delivery of written notice to the Contractor and as provided in Section 10.1.C, the City may impose the following Liquidated Damages upon the Contractor, in addition to any other available remedies the City may have.

Should the Liquidated Damages included in this Exhibit J conflict with any Liquidated Damages in the Agreement, then this Exhibit J shall prevail.

Provision of Service to Customers		
1.	Failure to commence service to a new Customer within seven (7) days of receiving order	\$120.00 per incident per day
2.	Failure to provide Carts, Bins, Debris Boxes or other Collection Containers to Customer within seven (7) days of the Customer's request for service	\$120.00 per incident per day
3.	For each Complaint over ten (10) per calendar month to replace emptied Containers upright with lids in-place, and in their original location	\$120.00 per incident
4.	Failure to repair or replace any Cart, Bin, Debris Box or other Collection Container, when so required by this Agreement	\$120.00 per occurrence
5.	Failure to collect a missed pickup within the required times set forth in Section 5.3.C.	\$100.00 per occurrence
	Each Additional 24-hours Workday Day period	\$120.00 per occurrence
6.	Failure to tag materials not collected due to contamination or inappropriate setout	\$120.00 per occurrence
7.	Failure to respond to a Customer Complaint as provided in Section 5.3	\$120.00 per incident per day
8.	Failure to record a response to a Customer Complaint or request within 24 hours of resolution	\$120.00 per occurrence
9.	Discourteous behavior by Contractor staff	\$360.00 per incident
10.	Failure to answer the telephone or answering machine during the Customer service hours specified in Section 5.2.B.	\$220.00 per incident
11.	Additional penalty when Contractor receives more than 25 valid service-related Complaints in any 30-day period	\$600.00 per incident

City Services		
1.	Failure to remedy non collection of Franchise Materials from City Facilities as required by Section 5.3.C.2 or as otherwise arranged with City staff	\$360.00 per incident per day
2.	Failure to remedy non-collection of Franchise Materials from public Containers as required by Section 5.3.C.2 or as otherwise arranged with City staff	\$600.00 per incident per day
3.	Failure to participate in Special Events as specified in Section 4.11 and Exhibit G	\$360.00 per event day

Contractor Operations		
1.	Undertaking Collection operations during hours outside of allowable Collection hours as specified in Section 3.3.C.	\$120.00 per occurrence
2.	Failure to complete at least eighty (80) percent of a scheduled route on the regular scheduled route day	\$600.00 per uncompleted route
3.	Making changes to routes or route days affecting five (5) percent or more of Customers without notice to City or Customers as required in Section 5.4	\$120.00 per incident per day
4.	Conducting street sweeping and Collection of Franchise Materials on the same streets or portions of streets on the same day	\$600.00 per incident per day
5.	Failure to provide street sweeping services at the required frequency at meeting the standards of care expressed in this Agreement	\$600.00 per incident per day
6.	Failure to properly cover materials in Collection vehicles	\$360.00 per incident
7.	Failure to correct leakage or fluids from Collection vehicles upon notice from the City and prior to resuming use of the vehicle within the City	\$360.00 per incident
8.	Failure to clean up spillage or litter caused by Contractor during Collection	\$120.00 per occurrence
9.	Failure to have a vehicle properly licensed, registered, and inspected	\$120.00 per incident
10.	Failure to clean Collection vehicles once per week	\$120.00 per incident
11.	For each occurrence of noise levels in excess of eighty-five (85) decibels at a distance of twenty five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level using the "A" scale of the standard sound level meter at slow response and in excess of 5 incidents annually	\$300.00 per incident
12.	For each occurrence over five (5) per calendar year of noise in excess of the requirements of Section 6.B of Exhibit B	\$360.00
13.	For each occurrence of a collection vehicle exceeding its state or federal legal gross vehicle weight (Exhibit A, Section 20 and Exhibit B, Section 3.D of this Agreement) by more than 3%	\$300.00 per incident

Segregation and Delivery of Franchise Materials		
1.	Failure to keep Solid Waste and Recyclable Materials segregated once Delivered for Collection by Customers, and without City approval	\$1,200.00 per incident
2.	Failure to deliver collected Solid Waste to the Designated Transfer Station or Disposal Facility, and without City approval	\$1,200.00 per incident
3.	Failure to deliver collected Compostable Materials to the Designated Compostable Materials Facility, and without City approval	\$1,200.00 per incident
4.	Delivery of Collected Recyclable Materials to a Disposal facility, rather than to a Recycling Facility or delivery direct to market, and without City approval	\$1,200.00 per incident

Contractor Personnel and Liability		
1.	Failure to have a vehicle driver properly licensed	\$120.00 per incident
2.	Failure to repair damage to Customer property or other private property caused by or resulting from actions of the Contractor or its personnel	\$120.00 per incident per location

Diversion Requirements		
1.	Failure to comply with a substantive requirement or the Diversion Plan contained in Exhibit D	\$600.00 per incident
2.	Failure to comply with a substantive requirement of the Public Education Plan contained in Exhibit E	\$600.00 per incident
3.	Failure to use good faith efforts to achieve and maintain a minimum of fifty (50) percent Diversion of all Franchise Materials collected by the Contractor	\$12,000

Payment and Reporting Requirements		
1.	Failure to remit Monthly Remittance to City by the twentieth (20th) of the month as required in Section 6.5.	\$120.00 per occurrence plus late fees of three-quarters of one percent per month for every month thereafter until paid
2.	Failure to maintain or submit documents and reports as required under the terms of this Agreement after ten days' notice	\$120.00 per incident per day
3.	Failure to submit public education material for review to the City prior to distribution	\$300.00 per incident

Above amounts may be adjusted by the City on each January 1, beginning with January 1, 2022 to reflect changes in the Consumer Price Index or other adjustments as mutually agreed upon for the preceding twelve (12) month period.

In initialing this Exhibit J in the area provide below, representatives of each of the Parties confirms their understanding of each of the above damages, and that each Party has consulted legal counsel, and obtained adequate explanation of the Liquidated Damages prior to the signature date.

Contractor: _____ City: _____

Initial Here: MJS Initial Here: _____

EXHIBIT K PERFORMANCE BOND

The Travelers Casualty and Surety Company of America (hereinafter called the Surety) hereby continues in force its Bond No. 106794725 in the sum of Seven Hundred Thousand Dollars and 00/100 (\$700,000.00) Dollars,

on behalf of Recology Sonoma Marin, dba Recology Santa Rosa

in favor of City of Healdsburg

subject to all the conditions and terms thereof through December 1, 2020 at location of risk.

This Continuation is executed upon the express condition that the Surety's liability shall not be cumulative and shall be limited at all times by the amount of the penalty stated in the bond.

IN WITNESS WHEREOF, the Surety has caused this instrument to be signed by its duly authorized Attorney-in-Fact and its corporate seal to be hereto affixed this 18th day of October, 2019.

Travelers Casualty and Surety Company of America
Surety

By: 
Jennifer J. McComb Attorney-in-Fact



**PERFORMANCE BOND
Annual Form**

**Travelers Casualty and Surety Company of America
Hartford, CT 06183**

Bond No. 106794725

KNOW ALL BY THESE PRESENTS, That we Recology Sonoma Marin, dba Recology Santa Rosa, as Principal, and Travelers Casualty and Surety Company of America, of Connecticut, authorized to do business in the State of IL, as Surety, are held and firmly bound unto City of Healdsburg, as Obligee, in the maximum penal sum of Seven Hundred Thousand Dollars and 00/100 Dollars (700,000.00), lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by this Bond.

WHEREAS, the Principal has entered, or is about to enter, into a written agreement with the Obligee to perform in accordance with the terms and conditions of the City of Healdsburg Franchise Agreement for Solid Waste, Recyclable Materials, Compostable Materials, Construction and Demolition Debris, and Street Sweeping, (hereinafter referred to as the Contract), said Contract is hereby referred to and made a part hereof.

NOW, THEREFORE, the condition of this obligation is such that if the above named Principal, its successors and assigns, shall well and truly perform its obligations as set forth in the above mentioned Contract, then this Bond shall be void; otherwise to remain in full force and effect pursuant to its terms.

Notwithstanding anything to the contrary in the Contract, the Bond is subject to the following express conditions:

1. Whereas, the Obligee has agreed to accept this Bond, this Bond shall be effective for the definite period of December 1, 2017 to December 1, 2018. The Bond may be extended, at the sole option of the Surety, by continuation certificate for additional periods from the expiry date hereof. However, neither: (a) the Surety's decision not to issue a continuation certificate, nor (b) the failure or inability of the Principal to file a replacement bond or other security in the event the Surety exercises its right to not renew this Bond, shall itself constitute a loss to the Obligee recoverable under this Bond or any extension thereof.
2. The above referenced Contract has a term ending December 31, 2020. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, this Bond shall not be extended beyond December 31, 2020, unless earlier nonrenewed pursuant to paragraph 1 above.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this Instrument unless such claim, action, suit or proceeding is brought or instituted upon the Surety within one year from termination or expiration of the bond term.
4. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, the liability of the Surety shall not be cumulative in amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
5. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below. Any demand or request for payment must be made prior to the expiry date of this Bond.

Surety Address: Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183
Attn: Stephanie L. Miller

6. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in the underlying Contract, then the terms of this Bond shall prevail.

SIGNED, SEALED AND DATED this 14th day of November, 2017.

Recology Sonoma Marin, dba Recology Santa Rosa



By: Mark R. Lomelo
Mark R. Lomelo, Executive Vice President & CEO, Principal

James J. Moore
James J. Moore, Attorney-in-Fact

EXHIBIT L BATTERY BUCKET LOCATIONS

Battery Bucket Locations				
#	Location	Address	Phone	Internal Location
1	Fire Station	601 Healdsburg Avenue	(707) 431-3360	In Lobby
2	Foss Creek Community Center	1557 Healdsburg Avenue	(707) 431-3301	In Lobby
3	Police Station	238 Center Street	(707) 431-3360	In Lobby
4	Community Development	401 Grove Street	(707) 431-3346	In Lobby
5	Senior Center	133 Matheson Street	(707) 431-3324	In Lobby
6	Healdsburg Public Library	139 Piper Street	(707) 433-3772	In Lobby
7	Corporation Yard	550 Westside Road		In Lobby

City may direct Contractor to change locations via 30 days advance written notice. Contractor shall collect batteries from all locations unless directed by City to collect at one or more centralized locations.

EXHIBIT M

HEALDSBURG PUBLIC ENTITIES RECEIVING DISCOUNTED SERVICE

Healdsburg Unified Schools	
Account #	Name
2194074	Healdsburg High School
116707	Healdsburg High School
1174329	Healdsburg High Bus Garage
1070986	Healdsburg Junior High School
129536	Healdsburg Unified School District
116947	Healdsburg Unified School District
179223	Fitch Mountain Elementary School
3090990	Healdsburg Elementary School

Healdsburg Hospital	
Account #	Name
3209152	Healdsburg Hospital
116699	Healdsburg Hospital

EXHIBIT N DOWNTOWN STREETS SUBJECT TO COLLECTION HOURS

