

SOLID WASTE FRANCHISE AGREEMENT
BETWEEN
THE COUNTY OF TULARE, CALIFORNIA
AND
PENA'S DISPOSAL INC.

June 16, 2015

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38 franchise be awarded to a qualified Solid Waste enterprise for the collection and recovery of solid waste
39 from certain residential, industrial and commercial areas in Tulare County (the "County");

40 ACCORDINGLY, it is agreed:

ARTICLE 1: GRANT AND ACCEPTANCE OF FRANCHISE

Section 1.1: Grant and Limitations of Exclusive Franchise

By the signing of this Agreement, the County grants to Contractor and Contractor accepts an exclusive franchise within the limits of Franchise Service Area B. Subject to the limitations described in the County Code, the franchise granted to Contractor shall be the exclusive right to collect, transport, handle, process, recycle, and, dispose of all Franchised Materials generated by Residential and Commercial Premises in Franchise Service Area B, as more particularly set out in the scope of services described in Article 4 of this Agreement and subject to the limitations described below in Section 1.1.A and except where otherwise precluded by Federal, State, and local laws and regulations.

A. **Limitations to Exclusivity.** The award of this Agreement shall not preclude the materials listed below from being delivered to and Collected and Transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the County which is otherwise required by law:

1. **Recyclable Materials.** Recyclable Materials that are either donated or sold, by the generator of the materials, to a party other than Contractor. A mere discount or reduction in price of Contractor's charges for the handling of such materials is not a sale or donation within the meaning of this Agreement. The materials shall be deemed "solid waste" within the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such, whether or not they may be potentially recyclable, in either of the following instances: (a) the material is mixed or commingled with other types of solid waste, or (b) the payment of a fee, charge, or other consideration, in any form or amount, is directly or indirectly solicited or received from the generator by any person or combination of persons in exchange for collection, removal, transportation, storage, processing, handling, consulting, container rental or disposal services ("fee for service" recycling), whether or not arranged by or through a subcontractor, broker, agent, consultant, or affiliate of the provider of such service;
2. **Self-Hauled Materials.** A Commercial business Owner or Resident may Dispose of materials generated in or on their own Premises using their own vehicles and equipment, and, with respect to a commercial business, its own employees;
3. **Donated Materials.** Any items which are donated by the Generator to youth, civic, or charitable organizations;
4. **Beverage Containers.** Containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources Code;
5. **Materials Removed by Customer's Contractor as Incidental Part of Services.** Solid Waste and/or Recyclable Materials removed from a Premises by a contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service), using its own employees, vehicles and equipment as an incidental part of the service being performed and such contractor is providing a service which is not included in the scope of this Agreement;

- 81 6. Animal, Grease Waste, and Used Cooking Oil. Animal waste and remains from
82 slaughterhouse or butcher shops, grease, or used cooking oil;
- 83 7. Sewage Treatment By-Product. By-products of sewage treatment, including sludge, sludge
84 ash, grit, and screenings;
- 85 8. Excluded Waste. Excluded Waste regardless of its source;
- 86 9. Materials Generated by State Facilities. Materials generated by State facilities located in the
87 County; and,
- 88 10. Construction and Demolition Debris. C&D hauled by any Person or company licensed,
89 permitted, franchised, or otherwise authorized by the County to perform such activity.

90 Contractor acknowledges and agrees that the County may permit other Persons besides the Contractor
91 to Collect any and all types of materials excluded from the scope of this Franchise, as set forth above,
92 without seeking or obtaining approval of Contractor. If Contractor can produce evidence that other
93 Persons are servicing Collection Containers or are Collecting and Transporting Franchised Materials in a
94 manner that is not consistent with this Agreement or the County Code, it shall report the location, the
95 name and phone number of the Person or company to the County Contract Manager along with
96 Contractor's evidence. In such case, the County may notify the Generator and Person providing service
97 of Contractor's rights under this Agreement.

98 This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law,
99 now and during the Term of the Agreement. If future judicial interpretations of current law or new laws,
100 regulations, or judicial interpretations limit the ability of the County to lawfully contract for the scope of
101 services in the manner and consistent with all provisions as specifically set forth herein, Contractor
102 agrees that the scope of the Agreement will be limited to those services and materials which may be
103 lawfully included herein. To the extent that Contractor can demonstrate lost profits or losses arising out
104 of such future limitations to the scope or provisions of the Agreement set forth herein, Contractor may
105 request a Rate adjustment in accordance with Sections 11.3 and 12.1.C.

106 **ARTICLE 2: REPRESENTATIONS AND WARRANTIES**
107 **OF THE PARTIES**

108 **Section 2.1: Representations and Warranties**

109 The Parties, by acceptance of this Agreement, represent and warrant that:

- 110 A. **Existence and Powers.** The Parties are duly organized and validly existing under the laws of the
111 State of California, with full legal right, power, and authority to enter into and perform their
112 obligations under this Agreement.
- 113 B. **Due Authorization and Binding Obligation.** The Parties have duly authorized the execution and
114 delivery of this Agreement. This Agreement has been duly executed and delivered and constitutes
115 the legal, valid, and binding obligation of the Parties, enforceable against the Parties in accordance
116 with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency,
117 moratorium, and other laws affecting creditors' rights generally.
- 118 C. **No Conflict.** Neither the execution, nor the performance by the Parties of their obligations under
119 this Agreement: (1) conflicts with, violates, or results in a breach of any law or governmental
120 regulations applicable to either Party; or, (2) conflicts with, violates, or results in a breach of any
121 term or condition of any judgment, decree, franchise, agreement (including, without limitation,
122 the certificate of incorporation of the Contractor), or instrument to which the Contractor or any
123 Affiliate is a party or by which the Contractor or any Affiliate or any of their properties or assets
124 are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.
125 The Parties have read and are aware of the provisions of Section 1090 et seq. and Section 87100
126 et seq. of the California Government Code relating to conflicts of interest for public officers and
127 employees. Contractor represents it is unaware of any financial or economic interest of any public
128 officer or employee of the County relating to this Agreement.
- 129 D. **No Litigation.** There is no action, suit, or other proceeding as of the Agreement Date, at law or in
130 equity, before or by any court or governmental authority, pending, or to the Parties' best
131 knowledge, threatened against the either Party which is likely to result in an unfavorable decision,
132 ruling, or finding which would materially and adversely affect the validity or enforceability of this
133 Agreement or any such agreement or instrument entered into by either Party in connection with
134 the transactions contemplated hereby, or which would materially and adversely affect the
135 performance by that Party of its obligations hereunder or by the Contractor under any such other
136 agreement or instrument.
- 137 E. **No Legal Prohibition.** The Parties have no knowledge of any Applicable Law in effect on the
138 Agreement Date which would prohibit the performance by either Party of this Agreement and the
139 transactions contemplated hereby.
- 140 F. **Contractor's Statements.** The Contractor's statements and any other supplementary information
141 submitted to the County, which the County has relied on in awarding and entering this
142 Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit to state a
143 material fact that is necessary in order to make the statements made, in light of the circumstances
144 in which they were made, not misleading.

- 145 G. **Contractor's Investigation.** Contractor has made an independent investigation (satisfactory to it)
146 of the conditions and circumstances surrounding the Agreement and the work to be performed
147 hereunder as of the date of Contractor's execution of this Agreement. Contractor has taken such
148 matters into consideration in entering this Agreement to provide services in exchange for the
149 compensation provided for under the terms of this Agreement.
- 150 H. **Ability to Perform.** Contractor possesses the business, professional, and technical expertise to
151 manage, Collect, Transport, Process, and Dispose of the Franchised Materials; and Contractor
152 possesses the equipment, facility, and employee resources required to perform this Agreement.
- 153 I. **Voluntary Use of Designated Disposal Facility.** The Contractor, without constraint and as a free-
154 market business decision in accepting this Agreement, agrees to use the Designated Disposal
155 Facility for the purposes of Disposing of all Solid Waste Collected in the County. Contractor further
156 agrees to use the Designated Disposal Facility for the purposes of Disposing of all Residual Waste
157 resulting from Processing activities performed by Contractor under this Agreement and/or at
158 Processing Facility(ies) within the County. Such decision by Contractor in no way constitutes a
159 restraint of trade notwithstanding any Change in Law regarding flow control limitations or any
160 definition thereof.

161 **Section 2.2: County Code**

162 Contractor's performance of its obligations hereunder shall conform to the requirements of the Tulare
163 County Code, which is incorporated herein by reference. Notwithstanding the above, the parties
164 acknowledge and agree that this Agreement was the result of arms length negotiations, based on the
165 County Code as it exists as of the Effective Date or as it may be amended as agreed to by the parties in
166 connection with entering into the Agreement. If the County Code is further amended in the future,
167 Contractor would be entitled to additional compensation in the event that the scope of services or
168 Contractor's operations would be modified to comply with such future amendments.

169

170

ARTICLE 3: TERM OF AGREEMENT

171 Section 3.1: Term of Agreement

172 This Agreement shall become effective as of July 1, 2015 and shall expire at 11:59 PM on June 30, 2030
173 unless terminated as provided in this Agreement. The Agreement may be extended in accordance with
174 this Section or terminated pursuant to Article 13.

175 Section 3.2: Option to Extend

176 This Agreement may be extended one or more times by the parties, evidenced by a mutually-executed
177 written amendment for a period of no less than one (1) year and no more than five (5) additional years
178 for a total Term that does not exceed twenty (20) years. If either party desires to extend the Agreement,
179 that party shall provide the other with written notice of its desire to extend the Agreement at least one
180 hundred eighty (180) days before the expiration of the Term.

181 Section 3.3: Termination for Failure to Implement Services

182 The Contractor has agreed herein, through either its own labor, equipment, and facilities or facilities
183 provided by others, to implement various programs in order provide service to Customers under this
184 Agreement. Failure to implement the services described in this Agreement upon the commencement of
185 this Agreement for any reason, shall constitute an Event of Default in accordance with Section 13.1
186 hereof.

187

ARTICLE 4: SCOPE OF SERVICES

188 Contractor shall perform the Services described in this Article 4. This Article 4 describes the
189 requirements for the services to be provided including the types and sizes of Containers to be provided
190 by Contractor, available Service Levels and frequencies, acceptable and prohibited materials, and any
191 additional services to be provided to Customers who subscribe to that program. Failure to specifically
192 require an act necessary to perform the service does not relieve Contractor of its obligation to perform
193 such act.

194 Section 4.1: Residential Services

195 Contractor shall provide the services described in this Section 4.1 to any Residential Customer within the
196 County who subscribes with Contractor for such service. The Residential sector includes Multiple-Unit
197 Dwellings with four (4) or less units.

198 A. **Solid Waste Collection.** Contractor shall Collect Solid Waste in Contractor-provided Carts from
199 Residential Customers and Transport all Solid Waste to the Approved Mixed Waste Processing
200 Facility for Processing and/or Designated Disposal Facility for Disposal. Contractor shall deliver all
201 Solid Waste collected in "foothill" areas to the Approved Mixed Waste Processing Facility.

- 202 **Containers:** Carts
- 203 **Container Sizes:** 95-gallons (or similar size) and 65-gallons (or similar size)
- 204 **Service Frequency:** One (1) time per week
- 205 **Service Location:** Curbside
- 206 **Acceptable Materials:** Solid Waste
- 207 **Prohibited Materials:** Recyclable Materials, Greenwaste, Excluded Waste
- 208 **Additional Service:** Contractor shall provide additional Solid Waste Carts to Residential
209 Customers upon request and may charge the "Additional Solid Waste
210 Cart" Rate approved by the County.

211 B. **Recyclable Materials Collection.** Contractor shall Collect Recyclable Materials in Contractor-
212 provided Containers from Residential Customers in "urban" and "rural" areas and Transport all
213 Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing.

- 214 **Containers:** Carts
- 215 **Container Sizes:** 95-gallons (or similar size)
- 216 **Service Frequency:** One (1) time per week in "urban" areas and one (1) time every other
217 week in "rural" areas; on the same day as Solid Waste Collection
- 218 **Service Location:** Curbside
- 219 **Acceptable Materials:** Recyclable Materials
- 220 **Prohibited Materials:** Solid Waste, Greenwaste, Food Waste, Excluded Waste
- 221 **Additional Service:** Contractor shall provide one (1) additional Recyclable Materials Cart to
222 "rural" Residential Customers upon request at no additional charge, and
223 to "urban" Residential Customers at the "Additional Recyclable
224 Materials Cart" Rate approved by the County.
225 During the first two (2) Collection Days of each year for each Residential
226 Customer, Contractor shall Collect up to an additional five (5) bags of

227 Recyclables set out curbside at no additional cost to the Customer to
228 accommodate additional Recyclables generated during the Holidays.

229 C. **Greenwaste Collection.** Contractor shall Collect Greenwaste in Contractor-provided Containers
230 from Residential Customers and Transport all Greenwaste to the Approved Greenwaste Processing
231 Facility for Processing.

232 **Containers:** Carts
233 **Container Sizes:** 95-gallons (or similar size)
234 **Service Frequency:** One (1) time per week in "urban" areas and one (1) time every other
235 week in "rural" and "foothill" areas; on the same day as Solid Waste
236 Collection
237 **Service Location:** Curbside
238 **Acceptable Materials:** Greenwaste
239 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste
240 **Additional Service:** Contractor shall provide one (1) additional Recyclable Materials Cart to
241 "rural" and "foothill" Residential Customers upon request at no
242 additional charge, and to "urban" Residential Customers at the
243 "Additional Greenwaste Cart" Rate approved by the County.

244 **Section 4.2: Commercial Services**

245 Contractor shall provide the services described in this Section 4.2 to any Commercial Customer within
246 the County who subscribes with Contractor for such service. The Commercial sector includes Multiple-
247 Unit Dwellings where one Customer subscribes to communal service for more than one dwelling unit.

248 A. **Solid Waste Collection.** Contractor shall Collect Solid Waste in Contractor-provided Containers not
249 less than one (1) time per week from Commercial Customers and Transport all Solid Waste to the
250 Approved Mixed Waste Processing Facility for Processing and/or Designated Disposal Facility for
251 Disposal. Contractor shall deliver any and all Solid Waste collected from any Commercial Customer
252 who is not participating in a source separated Recycling program to the Approved Mixed Waste
253 Processing Facility for Processing.

254 **Containers:** Carts, Bins, Drop Boxes, Compactors
255 **Container Sizes:** 95-gallon Carts;
256 1-, 1.5-, 2-, 3-, 4-, and 6- cubic yard Bins; and,
257 Drop Boxes or Compactors (as requested by Customer)
258 **Service Frequency:** Customers in "foothill" areas may be limited to three (3) service days
259 per week, all other Customers may receive service up to six (6) days per
260 week. All service shall be provided at the frequency requested by the
261 Customer.
262 **Service Location:** Curbside; or other Customer-selected service location at the
263 Commercial Premises.
264 **Acceptable Materials:** Solid Waste
265 **Prohibited Materials:** Recyclable Materials, Excluded Waste
266 **Additional Service:** Upon Customer request and to accommodate periodic additional
267 service needs, Contractor shall provide Collection service at a greater
268 frequency than the Customer's regularly scheduled service, up to the

269 maximum Service Frequency and Contractor may charge the
270 appropriate Rate for the higher Service Frequency.
271 Contractor shall provide a Bin exchange to any Commercial Customer
272 for cleaning and maintenance once (1) each year, upon Customer
273 request.
274 **Other Requirements:** Contractor shall, at Customer's request and for an additional charge,
275 open and close gates, push and/or pull Containers, lock and unlock
276 Containers, or perform other services as reasonably necessary to access
277 and empty Containers.

278 B. **Recyclable Materials Collection.** No later than October 1, 2015, Contractor shall distribute
279 Recyclable Materials Containers and educational brochures or flyers informing Customers about
280 the proper use of such Containers to all Commercial and Multi-Family Customers subscribing to
281 Solid Waste Collection service with Contractor. Contractor's default Container size shall be one (1)
282 96-gallon Cart for Customers subscribing to less than four (4) cubic yards of weekly Solid Waste
283 service and one (1) 3-cubic yard bin for Customers subscribing to four (4) cubic yards or more of
284 weekly Solid Waste. Contractor may substitute one type of default Container for another where it
285 best serves Customer needs, after consideration of factors such as amount of Recyclable Materials
286 generated, space constraints or logistics. Contractor shall Collect Recyclable Materials in
287 Contractor-provided Containers not less than one (1) time per week from Commercial Customers
288 and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for
289 Processing.

290 **Containers:** Carts, Bins, Drop Boxes, Compactors
291 **Container Sizes:** 96-gallon Carts; 3-- cubic yard Bins; and,
292 Drop Boxes or Compactors (as requested by Customer)
293 **Service Frequency:** Up to three (3) times per week but not less than one (1) time every
294 week, as requested by Customer
295 **Service Location:** Curbside or other Customer-selected service location at the Premises
296 **Acceptable Materials:** Recyclable Materials
297 **Prohibited Materials:** Solid Waste, Greenwaste, Food Waste, Excluded Waste
298 **Additional Service:** Upon request from Customer or County, Contractor shall provide
299 Recyclable Materials Collection service to Customers up to the
300 equivalent volume of Solid Waste Collection service subscribed by
301 Customer at no additional charge to Customer. In the event a Customer
302 requests Recyclable Materials Collection service in excess of their
303 subscribed level of Solid Waste Collection service, Contractor may
304 charge Customer up to fifty percent (50%) of the Rate for the equivalent
305 level of Solid Waste Collection service approved under this Agreement
306 after adjusting the service level to allow for the amount of service that
307 must be provided at no charge.
308 **Other Requirements:** Contractor shall, at Customer's request and for an additional charge,
309 open and close gates, push and/or pull Containers, lock and unlock
310 Containers, or perform other services as reasonably necessary to access
311 and empty Containers.
312

313 C. **Organic Materials Collection.** On or before the effective date of mandatory Organic Materials
314 recycling requirements as set forth under AB 1826, Contractor shall develop and implement

315 Organic Materials Collection programs for Commercial and Multi-Family Customers. Those
316 programs must comply with the requirements of AB 1826 to the satisfaction of the County
317 Contract Manager. Prior to implementation of the program, Contractor and County shall meet and
318 confer to establish Rates for the services. The Rate for service shall be sixty five percent (65%) of
319 the service portion of the Rate for the equivalent level of Solid Waste Collection service plus an
320 amount to compensate Contractor for the cost of Processing Organic Materials, which shall be
321 based on the tipping fee at the agreed-upon Processing Facility. Contractor shall Collect Organic
322 Materials in Contractor-provided Containers not less than one (1) time per week from Commercial
323 Customers and Transport all Organic Materials to an Organic Materials Processing Facility mutually
324 agreed-upon by the Contractor and County for Processing.

325 **Containers:** Carts, Bins, Compactors
326 **Container Sizes:** 96-gallon Carts; 3-- cubic yard Bins; and,
327 Drop Boxes or Compactors (as requested by Customer)
328 **Service Frequency:** Up to three (3) times per week but not less than one (1) time every
329 week, as requested by Customer
330 **Service Location:** Curbside or other Customer-selected service location at the Premises
331 **Acceptable Materials:** Greenwaste, Food Waste
332 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste
333 **Additional Service:** Upon Customer request and to accommodate periodic additional
334 service needs, Contractor shall provide Collection service at a greater
335 frequency than the Customer's regularly scheduled service, up to the
336 maximum Service Frequency and Contractor may charge the
337 appropriate Rate for the higher Service Frequency.
338 Contractor shall provide a Bin exchange to any Commercial Customer
339 for cleaning and maintenance once (1) each year, upon Customer
340 request.

341 **Other Requirements: Contractor shall, at Customer's request and for an**
342 **additional charge, open and close gates, push and/or pull Containers, lock**
343 **and unlock Containers, or perform other services as reasonably necessary to**
344 **access and empty Containers. Section 4.3: Collection Service Operating**
345 **Requirements**

346 A. **Regular Hours of Service.** The Contractor shall schedule no Collections from any Premises on
347 any day earlier than 5:00 a.m. or later than 6:00 p.m. provided, however, that the County may,
348 at its sole discretion, change the Collection time as required by the needs of the Customers or
349 the Contractor.

350 B. **Emergency Service.** Collections of Solid Waste necessitated by an emergency, which the County
351 Contract Manager determines threatens the public health and safety within the County will be
352 made by the Contractor at the direction of the County Contract Manager. Such Emergency
353 Services may be required outside of the regular Collection hours and schedule. If the County
354 requests the Contractor to provide Emergency Services, the Contractor will use the Contractor's
355 good faith best efforts to respond to such a request. The County shall reimburse the Contractor
356 for all documented and reasonable actual costs incurred in order to comply with the provisions of
357 this Section.

- 358 C. **Noise Levels.** The Contractor shall perform the Collection Services in a manner that minimizes the
 359 noise resulting from its equipment and personnel and shall ensure that it is in compliance with
 360 Applicable Law and the County Code.
- 361 D. **Holidays.** Collection of Solid Waste and Recyclable Materials shall not be required on the following
 362 legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day
 363 and Christmas Day, except in case of emergency or as otherwise required by the County Contract
 364 Manager. Whenever a regular Collection falls on such a holiday, the Collection shall be made on
 365 the following working day, and Collections throughout the County shall become current within
 366 one (1) week thereafter. Written notice of this policy shall be provided to Customers no more than
 367 thirty (30) days prior to such alternative service day. Collection shall not be rescheduled when the
 368 holiday falls on a Saturday or Sunday, unless otherwise agreed to by the County and the
 369 Contractor.
- 370 E. **Preservation of Public Health and Safety.** The Contractor shall at all times operate in such a
 371 manner as to protect the public health and safety. The Contractor agrees to establish procedures
 372 and educate its employees regarding proper methods for the protection of the general public,
 373 including, but not limited to, reporting observed or suspected criminal activities and arranging for
 374 the proper and legal Disposal of hazardous substances encountered during its performance under
 375 this Agreement.

376 **Section 4.4: Other Services**

- 377 A. **Clean-up Events.** Contractor shall offer Bulky Waste drop-off events to Residential and Multiple-
 378 Unit Dwelling Customers two (2) times per year at no additional charge to Customers.
 379 Contractor shall make reasonable efforts to schedule the events during the County's half-price
 380 disposal week and to rotate events annually throughout Contractor's service area. Contractor
 381 shall Collect Bulky Waste from Customers and may Transport the Bulky Waste to a charitable or
 382 thrift organization for re-use, otherwise all Bulky Waste shall be delivered to the Designated
 383 Disposal Facility.

- 384 **Containers:** Up to two (2) 40 cu. yd. Roll-Off boxes per event or equivalent volume
 385 of Bins, provided that accommodations are made by Contractor for
 386 either separate collection or post-collection sorting of each acceptable
 387 material type.
- 388 **Service Level:** Up to three (3) cubic yards of Solid Waste, Greenwaste, Recyclable
 389 Materials, and E-Waste OR up to one (1) Appliance or Bulky Waste Item
 390 per Customer
- 391 **Service Frequency:** Two (2) times per year (additional events may be provided by
 392 Contractor in its discretion)
- 393 **Service Location:** Location within service area selected by Contractor and approved by
 394 County Contract Manager
- 395 **Acceptable Materials:** Solid Waste, Recyclable Materials, Greenwaste, Bulky Waste, E-Waste,
 396 and U-Waste
- 397 **Prohibited Materials:** Excluded Waste or any single item that exceeds two hundred (200) lbs.
 398 in weight

399 **Additional Service:** Contractor shall Collect additional items that exceed the above
400 described service level and may charge the "Additional Bulky Waste
401 Item" Rate approved by the County (as requested by Customer).

402 B. **County Facilities and Events.** Contractor shall Collect Solid Waste and Recyclable Materials from
403 County facilities in the same manner as those services are provided to Commercial Customers.
404 Contractor shall provide service to all County facilities located within Franchise Service Area B as
405 well as any future facilities owned and operated by the County. Provision of such services to
406 County facilities specifically excludes any County-owned Solid Waste transfer station(s) within
407 Service Area B. Contractor shall provide Solid Waste and Recyclable Materials services to County-
408 sponsored public event held within Franchise Service Area B to include, at a minimum, Carts for
409 the collection of both Solid Waste and Recyclable Materials and staffing sufficient to ensure that
410 such Carts are serviced frequently enough to prevent overflowing or spillage. Contractor shall
411 provide these services at no cost to the County or Customers.

412 C. **Christmas Trees.** The Contractor shall Collect all Christmas trees properly placed curbside by
413 Residential (including Multiple-Unit Dwelling) Premises on the first two (2) regularly scheduled
414 Collection days after Christmas Day, or such other days as agreed by the County Contract Manager
415 and the Contractor, free of any additional charge to any Customer.

416 D. **Public Education and Outreach.** The Contractor shall perform all public education and outreach
417 activities appropriate to: inform Customers about their proper participation in the programs and
418 services described in this Agreement; encourage Customers' maximum participation in waste
419 reduction, recycling, and Diversion programs; and, comply, on behalf of the County, with all local
420 government requirements for education and outreach as required by AB 341 and AB 1826. At a
421 minimum, Contractor shall provide:

422 i) A quarterly mailer to all Residential Customers focused on increasing Diversion by educating
423 Customers about the available services (e.g. Bulky Items, Christmas Trees, Accepted/Prohibited
424 Recyclable Materials, etc.);

425 ii) A semi-annual mailer to all Multiple-Unit Dwelling property owners and/or managers focused
426 on ensuring their awareness of and compliance with the requirements of AB 341 and notifying
427 them of the availability of Contractor's staff to assist in developing or improving their recycling
428 programs;

429 iii) A semi-annual mailer to all Commercial Customers focused on ensuring their awareness of and
430 compliance with the requirements of AB 341 (mandatory commercial recycling) and AB 1826
431 (mandatory commercial organics) and notifying them of the availability of Contractor's staff to
432 assist in developing or improving their recycling programs;

433 iv) Graphically-oriented flyers, brochures, adhesive labels, and posters for use in and around Solid
434 Waste and Recyclable Materials Containers and interior receptacles to educate users about the
435 acceptable and prohibited materials for each program;

436 v) A website including a comprehensive listing of Contractor's services and Maximum Rates,
437 acceptable and prohibited materials for each program, and the ability for Customers to contact
438 Contractor; and,

439 vi) An annual visit to each and every Commercial and Multiple-Unit Dwelling Customer to assess
440 their recycling programs, offer suggestions for improvement, adjust service levels, provide
441 collateral educational materials, and inform them of their obligations under AB 341.

442 vii) Beginning three (3) months prior to the commencement of Collection services under this
443 Contract, Contractor shall distribute, once per month, educational information about the proper
444 disposal of Excluded Waste to all Collection Customers. Upon commencement of services,
445 Contractor shall then continue such distribution biannually throughout the Term of this Contract.

446 **Section 4.5: Standard of Performance**

447 Contractor shall at all times comply with Applicable Laws and provide services in a manner that is safe to
448 the public and the Contractor's employees. Except to the extent that a higher performance standard is
449 specified in this Agreement, Contractor shall perform services in accordance with management practices
450 common to the solid waste and recycling industry in California.

451 A. **Clean Up: Avoiding Damage to Property.** The Contractor shall use due care to prevent spills or
452 leaks of material placed for Collection. If any materials are spilled or leaked during Collection or
453 Transportation, the Contractor shall clean up all spills or leaks before leaving the site of the spill.
454 The Contractor shall close all gates after making Collections and shall not do damage to or trespass
455 upon private or public property.

456 B. **Hazardous Waste.** The Contractor acknowledges its obligation to arrange for the Disposal of
457 Hazardous Waste that inadvertently comes into its possession or control. Contractor shall develop
458 a load inspection program to be implemented during Collection. The purpose of the load
459 inspection program is to prevent the Collection of Excluded Waste before it is delivered to the
460 Designated Disposal Facility. The load inspection program shall operate as follows:

461 1. If Contractor determines that Solid Waste placed in any Container for Collection contains
462 Excluded Waste or presents a danger to Contractor's employees, Contractor shall refuse to
463 Collect such Excluded Waste. Contractor shall immediately contact the Generator regarding
464 the presence of Excluded Waste in the Container(s) and the need to arrange for proper
465 Disposal. If the Generator cannot be reached immediately, Contractor shall, before leaving
466 the Premises, leave a notice tag at least two (2) inches by six (6) inches in size, which
467 indicates the reason for refusing to Collect the material and lists the phone numbers of
468 Hazardous Waste facilities that accept Excluded Waste.

469 2. Under no circumstances shall Contractor's employees knowingly Collect Excluded Waste or
470 remove unsafe or poorly containerized Excluded Waste from a Collection Container.

471 3. If Contractor finds Excluded Waste in a Container or Collection area and believes it could
472 possible result in imminent danger to people or property, Contractor shall immediately
473 notify the Fire Department.

474 C. **Employees:**

475 1. **Uniform.** The Contractor shall take all steps necessary to ensure that its employees
476 performing Collection Services conduct themselves in a safe, proper, and workmanlike

- 477 manner, and that they work as quietly as possible. All such employees shall at all times of
 478 employment be dressed in uniforms with suitable identification.
- 479 2. **Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class,
 480 issued by the California Department of Motor Vehicles. Contractor shall use the Class II
 481 California Department of Motor Vehicles employer "Pull Notice Program" to monitor its
 482 drivers for safety.
- 483 3. **Safety Training.** Contractor shall provide suitable operational and safety training for all of
 484 its employees who operate Collection Vehicles or equipment. Contractor shall train its
 485 employees involved in Collection to identify, and not to Collect, Excluded Waste. Upon the
 486 County Contract Manager's request, Contractor shall provide a copy of its safety policy and
 487 safety training program, the name of its safety officer, and the frequency of its trainings.
- 488 4. Contractor's Collection vehicle drivers and route supervisors shall be trained in: (i) the
 489 effects of Hazardous Waste on human health and the environment; (ii) identification of
 490 Excluded Waste; (iii) proper management of Excluded Waste; and (iv) emergency
 491 notification and response procedures.
- 492 D. **Improper Loading of Containers.** The Contractor may decline to Collect any Franchised Materials
 493 that have been loaded or left for Collection in any manner which would prohibit its safe Collection.
- 494 E. **Record of Non-Collection.** When any Franchised Materials placed for Collection are not Collected
 495 by the Contractor, the Contractor shall leave a tag listing the reasons for such non-Collection and a
 496 telephone number at which the Customer may contact the Contractor. This information shall
 497 either be in writing or by means of a checked box on a form. The Contractor shall maintain, at its
 498 place of business, a log book listing all such circumstances in which Collection is denied. The log
 499 book shall contain the names and/or addresses of the Collection Premises involved, the date of
 500 such tagging, the reason for non-Collection, and the date and manner of disposition of each case.
 501 The log book shall be kept so that it may be conveniently inspected by the County Contract
 502 Manager upon request. The log relating to any particular tagging shall be retained for a period of
 503 one (1) year following such tagging.
- 504 F. **Fees and Gratuities.** The Contractor shall not, nor shall it permit any agent, employee, or
 505 Subcontractor employed by it, to request, solicit, or demand either directly or indirectly, any
 506 compensation for the Collection of Franchised Materials or other Collection Services, except such
 507 compensation as is specifically provided for herein as approved by the County. Contractor shall
 508 instruct all such parties that they may not accept any such compensation.
- 509 G. **Compliance with Applicable Law.** Contractor shall provide services in accordance with applicable
 510 Federal, State, and local laws, regulations and directives. With respect to Contractor's employees,
 511 Contractor shall comply with all laws and regulations pertaining to wages and hours, state and
 512 federal income tax, unemployment insurance, Social Security, disability insurance, workers'
 513 compensation insurance, and discrimination in employment. The Contractor shall keep all records
 514 indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make
 515 such records available for inspection by the County Contract Manager upon request.
- 516 H. **Taxes and Utility Charges.** The Contractor shall pay all taxes lawfully levied or assessed upon or in
 517 respect of the Operating Assets or the Collection Services, or upon any part thereof or upon any

518 revenues of the Contractor therefrom, and shall provide and pay the cost of all utilities necessary
519 for the operation of the Operating Assets and the provision of the Collection Services, when the
520 same shall become due.

521 I. **Customer Service.** The Contractor shall, at all times during the term of this Agreement, be
522 available to Customers between the hours of 9:00 a.m. and 5:00 p.m. no less than five (5) days per
523 week to receive service requests, provide education regarding acceptable and prohibited items for
524 each Collection service provided, and to receive Customer complaints and requests for corrective
525 service. At a minimum, Contractor shall provide a local or toll-free telephone number to all
526 Customers. Contractor shall provide for a telephone system and customer service staffing capable
527 of ensuring that any caller may reach a live person to provide service within two (2) minutes.
528 Contractor shall also provide an after-hours voicemail system on the same telephone number and
529 reply to Customers regarding any after-hours requests by noon the next Business Day.

530 Where reasonably practicable, Contractor shall resolve any service complaint including, without
531 limitation, missed Collections, vehicle fluid spills, and failure to clean up litter created during
532 Collection, within one (1) Business Day of receiving such complaint. County understands that it is
533 not always possible to resolve every service complaint in one day. It may not be possible to reach
534 the customer or it may be impractical to physically fix the problem in that time frame. Contractor,
535 however, will make best efforts to resolve the issue in one day and will reach out to the customer
536 as soon as possible.

537 **Section 4.6: Collection Locations**

538 A. **General.** The Contractor shall be responsible for the Collection of all Franchised Materials placed
539 for Collection in a legal manner. The Contractor shall immediately notify the County Contract
540 Manager of any condition at or near any Designated Collection Location which creates a safety
541 hazard or accessibility problem. Upon authorization by the County Contract Manager, the
542 Contractor shall discontinue Collection for any such location until the safety hazard or accessibility
543 problem is corrected.

544 B. **Enclosures.** Where the Designated Collection Location is within an enclosure constructed pursuant
545 to the requirements of any public agency having jurisdiction over the design, construction, and
546 location of such enclosures, the Contractor shall be responsible for the removal and replacement
547 of all Containers placed therein. The Contractor shall use sufficient care in the handling of such
548 Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent
549 facilities or improvements. The Contractor shall promptly repair, at its own expense, any such
550 enclosure or adjacent facilities or improvements damaged by the Contractor. The County shall
551 resolve any disputes relating to such damage, and the Contractor agrees to abide by such decision.

552 C. **Overfilling of Containers.** Where Contractor identifies instances of overfilling of containers by
553 Multi-Family or Commercial Customers receiving Bin service, it will document the overfilling
554 through the use of film or digital photography. Contractor may charge an overage fee approved
555 by the County for cleaning up the container area and placing overfilled material into the collection
556 vehicle. In addition, Contractor will present evidence of the overfilling to both the County and the
557 Customer. Where such evidence was presented to the Customer, and Contractor documents
558 another instance of overfilling within three (3) months of such presentation, Contractor is
559 authorized to charge an overage fee, deliver the next larger-sized container to the Customer, and

560 adjust the service rate to the rate then in effect for the next larger-sized container. Contractor will
561 provide the County Contract Manager or with verbal notification prior to delivering the next
562 larger-sized container and adjusting the service rate.

563 **Section 4.7: Other Wastes**

564 The Parties acknowledge that this Agreement is granted only with respect to the Collection Services and
565 does not include the Collection, Transportation, Processing, or Disposal of Hazardous Waste, Medical
566 Waste, and Liquid Waste. If the Contractor elects to provide any such services with respect to Hazardous
567 Waste, Infectious Waste, or any other waste regulated by the Department of Toxic Substances Control,
568 such services shall be performed by a separate legal entity separately insured and liable, and according
569 to Applicable Law unless otherwise approved in writing by the County's Risk Manager. The Parties
570 further acknowledge that the provision by the Contractor of any services not specifically included within
571 the Agreement are excluded from the protection of this Agreement and may be the subject of
572 competition among any and all legally authorized haulers.

573 **Section 4.8: Changes in Scope of Collection Services**

574 Pursuant to the County Code, the County may modify the scope of services performed by the Contractor
575 pursuant to this Agreement.

576 The County shall provide written notice of any requested modification to the scope of services provided
577 by Contractor pursuant to this Agreement, and the Contractor shall provide the County with any
578 information requested by the County in connection with the proposed changes. The County reserves the
579 right to withdraw its request for a change in scope for any reason prior to a written agreement of the
580 parties to implement such change. The Contractor shall, within sixty (60) days after receipt of such
581 notice by the County, respond to the County's request.

582 **Section 4.9: Billing**

583 Contractor shall bill all Customers and be solely responsible for collecting billings at or below Maximum
584 Rates set in accordance with Article 11. Billing shall be performed on the basis of services rendered and
585 this Agreement shall create no obligation on the part of any Person on the sole basis of the ownership of
586 property.

587 Contractor's website shall provide Customers with the ability to pay their bills through an electronic
588 check or credit card and include the ability for Customer billings to be automatically charged on a
589 recurring basis. Contractor shall prepare, mail, and collect bills from Customers who decline to use such
590 internet-based billing system. Contractor shall make arrangements to allow Customers to pay bills by
591 cash, check, electronic check, money order, and credit card at a location within the County which shall
592 be available to Customers from 8:00 a.m. to 5:00 p.m. Monday through Friday.

593 Contractor shall maintain copies of all billings and receipts, each in chronological order, for the Term of
594 this Agreement, for inspection and verification by the County Contract Manager at any reasonable time
595 but in no case more than ten (10) Business Days after receiving a request to do so.

596 Contractor shall be responsible for collection of payment from Customers with past due accounts ("bad
597 debt"). Contractor shall make reasonable efforts to obtain payment from delinquent accounts through

598 issuance of late payment notices, telephone requests for payments, and assistance from collection
599 agencies.

600 Invoices are due thirty (30) days following the date of the invoice. The date of the invoice shall not be
601 prior to the first day of the service period for the billing. Contractor shall bill Residential Customers on a
602 quarterly basis and Commercial Customers on a monthly basis. In the event that any account becomes
603 more than thirty (30) calendar days past due, Contractor shall notify such Customer of the delinquency
604 via written correspondence and telephone contact. Should any account become more than sixty (60)
605 calendar days past due, Contractor shall provide notice to the Customer via written correspondence,
606 with a copy to the County Contract Manager, that service may be discontinued if the account becomes
607 more than ninety (90) calendar days past due. Should any account become more than ninety (90)
608 calendar days past due, Contractor may discontinue providing service to the Customer. No less than
609 seven (7) calendar days prior to discontinuing service to a Customer, Contractor shall notify the County
610 Contract Manager of the address, Service Level, service frequency, and delinquent billing amount.
611 Contractor may withhold service from a delinquent account until past delinquencies are paid in full.
612 Upon restoring service to a previously delinquent account, Contractor may require a deposit from the
613 Customer not to exceed one (1) month's billings at the Customer's Service Level and a reactivation fee
614 approved by the County. Contractor may charge interest at a rate of one and one-half percent (1 ½%), or
615 the highest rate of interest allowable under law, whichever is less, and non-sufficient funds (NSF)
616 charges, where appropriate, on account balances that are more than thirty (30) calendar days past due.

617 **Section 4.10: Transition to Next Contractor at End of Agreement**

618 If applicable, before expiration or earlier termination of this Agreement, Contractor will take direction
619 from the County and subsequent contractor to assist in a timely and orderly transition of services from
620 Contractor to subsequent contractor. In response to the County's direction, Contractor shall provide
621 then-current route lists, which identify each Customer on the route, its service level (number of
622 Containers, Container sizes, frequency of Collection, scheduled Collection day), and any special
623 Collection notes, and detailed then-current Customer account and billing information. Contractor may,
624 but shall not be obliged to, sell Collection vehicles, equipment, or facilities to the next contractor. Failure
625 to fully comply with this provision, including both errors in fact and of omission, but excluding minor or
626 clerical errors, may result in Liquidated Damages of twenty-five thousand dollars (\$25,000).

ARTICLE 5: PROCESSING AND TRANSFER

627

628 Section 5.1: Processing and Transfer Arrangements

629 The Contractor shall make its own Processing and Transfer arrangements, so long as such arrangements
630 are in full compliance with Applicable Law. The County may order the Contractor to modify or terminate
631 its Processing and/or Transfer arrangements if:

- 632 A. The County determines that such arrangements threaten public health or safety;
- 633 B. The County determines that the County is not adequately protected from liability for the activities
634 of the Processing or Transfer entities;
- 635 C. The County determines that the diversion levels of the particular facility causes the County to be
636 substantially out of compliance with AB 939 or any other regulations regarding Solid Waste and
637 Recyclable Materials management, as determined, for example and not by way of limitation, by a
638 CalRecycle compliance order or failure to achieve minimum standards established by a regulatory
639 agency, following notice and reasonable opportunity to cure where such opportunity to cure may
640 include providing replacement programs which would result in compliance; and/or,
- 641 D. The Contractor is Disposing of Recovered Materials.

642 Section 5.2: Recyclable Materials Marketing

643 The Contractor or their subcontractor shall be responsible for marketing Recyclable Materials Collected
644 in the County. Contractor's marketing strategy shall make reasonable business efforts to promote the
645 highest and best use of materials presented in the waste management hierarchy established by AB 939.
646 Where practical and cost-effective, the marketing strategy should include use of local, regional, and
647 domestic markets for Recyclable Materials. Contractor shall make available to the County Contract
648 Manager any and all documentation of the final disposition of marketed Recyclable Materials as well as
649 certification that such materials have not been landfilled or incinerated.

650 Section 5.3: Title to Recovered Materials

651 As between the Parties, the Contractor has title to and liability for all Recovered Materials, and shall
652 indemnify, defend, and hold harmless the County from any property damage, personal injury, or
653 consequential damages suffered by any Person from exposure to or as a result of Processing any
654 Recovered Materials or subsequent product made from Recovered Materials based on any theory of
655 liability. The Contractor shall promptly notify the County of any claim by any Person arising out of the
656 marketing, Disposal, or reuse of Recovered Materials.

ARTICLE 6: SOLID WASTE DISPOSAL

657

658 Section 6.1: Solid Waste Disposal

659 A. **Disposal Generally.** The Contractor shall Transport and Dispose of all Franchised Materials,
660 including Solid Waste and Residual Waste, which it Collects pursuant to this Agreement, but does
661 not divert from landfill Disposal at the Designated Disposal Facility, in accordance with the
662 requirements of Applicable Law. Contractor shall comply with the requirements, rules and
663 regulations of the Owner or operator of the Designated Disposal Facility. Contractor further agrees
664 to ensure the delivery any Residual Waste from any Approved Processing Facility which is owned
665 or operated by Contractor or its Affiliates and located within the County to the Designated
666 Disposal Facility, regardless of the origin of that Residual Waste.

667 B. **Designated Disposal Facilities.** The County shall have the right during the Term of the Agreement
668 to designate the Designated Disposal Facility, or multiple concurrent Designated Disposal
669 Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any
670 of the Tulare County landfills as approved by the County. The County shall notify the Contractor in
671 writing of any changes in or additions to the Designated Disposal Facility. County acknowledges
672 that the Contractor shall nonetheless be entitled to recover, through the Maximum Rates to be
673 charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred
674 as the result of a change in the Designated Disposal Facility, if such facility is located outside of the
675 County. Additionally, Contractor shall be entitled to recover if there are not two operating
676 landfills in the County at all times, except for temporary emergency closure lasting less than 30
677 days.

678 C. **Disposal Records.** The Contractor shall keep and maintain such logs, records, manifest, bills of
679 lading or other documents as the County may deem to be necessary or appropriate to confirm
680 compliance by the Contractor with this Agreement and shall retain all weight slips or other call
681 information provided to the Contractor's drivers by the Owner or operator of the Designated
682 Disposal Facility.

683 D. **Failure to Transport to Designated Disposal Facility.** The Contractor's failure to properly
684 Transport, or cause to be Transported, Franchised Materials to a Designated Disposal Facility as
685 described herein is an Event of Default, as described in Section 13.1.A of this Agreement, unless
686 the failure to Transport such Franchised Materials to the Designated Disposal Facility is the result
687 of an Uncontrollable Circumstance or such waste has been diverted by means of alternative
688 technology allowing AB 939 diversion credit to the County; provided however, that any Residual
689 Waste from Processing or diversion activities occurring within the County at any Approved Facility
690 owned or operated by Contract or an Affiliate shall be Disposed at the Designated Disposal
691 Facility.

692 E. **Flow Control Covenant.** The Contractor hereby waives any right which it may possess under
693 Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or
694 otherwise: (i) the right, power, or authority of the County to engage in the practice of legal Solid
695 Waste "flow control" under the terms of this Agreement. ; or, (ii) the right, power, or authority of
696 the County to deliver or cause the delivery of all Solid Waste Collected within the County to the
697 Designated Disposal Facility in accordance with this Agreement. Contractor acknowledges that
698 the County is acting through the Agreement as a market participant.

699 **Section 6.2: Excluded Waste Inspection, Handling and Responsibility**

700 A. **Load Acceptance Program.** The County shall develop a load acceptance program to be
701 implemented at the Designated Disposal Facility. The purpose of the load acceptance program is
702 to prevent the Disposal of Excluded Waste at the Designated Disposal Facility. The load
703 acceptance program shall operate as follows:

704 1. Prior to accepting Collected Materials for Disposal at the Designated Disposal Facility, the
705 Designated Disposal Facility operator shall inspect each load for the presence of Excluded
706 Waste. Such inspection procedure shall not directly conflict with any Permit requirements
707 or Applicable Law. If Excluded Waste is detected, then the Designated Disposal Facility
708 operator shall immediately notify Contractor and reject that portion of materials
709 contaminated with Excluded Waste.

710 2. County personnel in charge of inspecting and accepting loads for Disposal shall be trained in:
711 (i) the effects of Hazardous Waste on human health and the environment; (ii) identification
712 of Excluded Waste; (iii) proper management of Excluded Waste; and (iv) emergency
713 notification and response procedures.

714 B. **Responsibility for Excluded Waste.**

715 1. If the Designated Disposal Facility operator rejects the load due to the presence of Excluded
716 Waste, then Contractor shall assume all liabilities for such Excluded Waste. In this
717 circumstance, Contractor agrees to indemnify the County, its elected officials, officers,
718 employees, agents, successors, and assigns, from any claims, liabilities, actions, demands,
719 orders, damages, penalties, expenses, and costs (including, but not limited to, the costs of
720 proper handling or remediation of the Excluded Waste), arising from or in connection with
721 the Excluded Waste that was rejected.

722 2. If the Designated Disposal Facility operator accepts the load for Disposal and later identifies
723 materials contaminated with Excluded Waste at the Designated Disposal Facility, then the
724 County shall assume all liabilities for such Excluded Waste, only to the extent such failure to
725 identify the contaminated load was due to the negligence or willful misconduct or omission
726 of the County, its officers, employees, and/or agents. In the event such failure was due to
727 the foregoing negligence or willful misconduct, then the County agrees to indemnify
728 Contractor, its officers, directors, employees, agents, successors, and assigns, from any
729 claims, liabilities, actions, demands, orders, damages, penalties, expenses, and costs
730 (including, but not limited to, the costs of proper handling or remediation of the Excluded
731 Waste), arising from or in connection with the Excluded Waste that was accepted.

732 **Section 6.3: County's Covenant Not to Sue**

733 A. **Covenant Not to Sue.** The County hereby covenants not to sue Contractor, its officers,
734 directors, employees, agents, successors, and assigns, for any liabilities arising from or in
735 connection with any Solid Waste that Contractor delivers to the Designated Disposal Facility
736 owned or operated by County and delivered pursuant to this Contract, or as required to be
737 delivered at any time in accordance with any County ordinance or resolution, except as provided
738 below.

739 1. Notwithstanding the foregoing, the County’s covenant not to sue excludes and does not
740 apply to claims, enforcement actions, suits, whether injunctive, or cost recovery or for
741 damages, for any solid waste or other waste delivered by Contractor to the Designated
742 Disposal Facility that is not delivered pursuant to this Contract; and

743 2. Furthermore, the County’s covenant not to sue shall become void in the event any
744 complaint, cross-complaint, cross-claim, or counter-claim for cost recovery, contribution, or
745 indemnity is brought by or on behalf of Contractor against the County related to closure,
746 post-closure, or other environmental liability arising from the Designated Disposal Facility
747 that was used by Contractor pursuant to this Contract.

748 **B. Allocation of Tonnages.**

749 1. In the event the County’s covenant not to sue does not apply under Section 6.3(A) and the
750 County files a complaint, cross-complaint, cross-claim, or counter-claim for cost recovery,
751 contribution, or indemnity against Contractor related to closure, post-closure, or other
752 environmental liability arising from the Designated Disposal Facility, County agrees to
753 forbear from claiming or arguing that Contractor should be allocated liability for the
754 tonnages of Solid Waste that Contractor delivered to the Designated Disposal Facility
755 pursuant to this Contract.

756 **Section 6.4: Cooperative Defense Related to Designated Disposal Facility**

757 In the event of any Third Party Action including but not limited to Third Party Actions brought under the
758 Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et
759 seq., then the Contractor and County, subject to the County’s covenant not to sue, shall meet and
760 confer to potentially consider some manner of cooperative defense, including but not limited to
761 entering into a joint defense agreement, sharing of defense costs, waiving or tolling of cross claims, or
762 other cooperative efforts. However, nothing in this paragraph shall abrogate the County’s covenant and
763 rights under Section 6.3.

ARTICLE 7: RECYCLING PROGRAMS

764

765 **Section 7.1: The Contractor's Responsibility for Implementation**

766 Contractor shall develop a Recycling Plan to be reviewed and, subject to changes required by the County
767 Contract Manager, approved by the County Contract Manager. In the event that the State of California
768 diversion, recycling or disposal reduction requirements or goals in existence at the time this Agreement
769 is effective are increased, revised, or the methods for obtaining or measuring compliance with existing
770 requirements or goals are changed, the Contractor will be obligated to amend the Recycling Plan to the
771 extent necessary to comply with diversion requirements, including estimated costs of implementation
772 and targeted diversion rates by program. In the event the County's SRRE is revised in response to the
773 increased requirements, the Contractor will, at the request of the County Contract Manager, develop
774 and submit for the County's approval suggested revisions to the Recycling Plan designed to enable the
775 County to meet the revised requirements, including estimated costs of implementation and targeted
776 diversion rates. After approval by the County, the Recycling Plan will be revised and the Contractor will
777 implement such revised Recycling Plan. County acknowledges that the Contractor shall nonetheless be
778 entitled to recover, through the Maximum Rates to be charged and authorized to be imposed
779 hereunder, the reasonable costs of the Contractor incurred as the result of implementation of the
780 revised Recycling Plan plus ten percent (10%) pre-tax profit, whether prepared by Contractor to address
781 increased diversion goals or changes in methodologies or methods of measurement, or in response to a
782 revision to the County's SRRE.

783 **Section 7.2: Recycling Plan**

784 The Contractor is responsible for developing and implementing Residential and Commercial source
785 reduction, Recycling, education, and outreach programs to all Customers in the County. The Contractor's
786 initial Recycling Plan shall be submitted to the County Contract Manager within ninety (90) days of the
787 effective date of this Agreement. Any amendment to the Recycling Plan must be approved by the
788 County Contract Manager.

789 **Section 7.3: Public Awareness**

790 The Contractor agrees, at its own expense, to provide information to Customers as required by Section
791 4.4.D. All printed or digitally distributed materials produced for Customers must be approved in advance
792 by the County Contract Manager. To the extent reasonably possible, the Contractor shall accommodate
793 the inclusion of any County-directed information on its regular billing statements upon the request of
794 the County Contract Manager without cost to the County. If the County requests the distribution of
795 information on a topic other than that required for compliance with the Recycling Plan in a form that
796 cannot be printed or included with the Contractor's regular bill, the County and Contractor will share in
797 the cost of printing and distribution.

798 At least thirty (30) calendar days prior to an adjustment in rates, Contractor shall notify all of its then-
799 current Customers of the change including the current and proposed rates for all Service Levels available
800 to that Customer Type.

ARTICLE 8: OPERATING ASSETS

801

802 Section 8.1: Operating Assets

803 A. **Obligation to Provide.** The Contractor shall acquire and maintain at its own cost and expense,
804 Operating Assets which in number, nature, and capacity shall be sufficient to enable the
805 Contractor to provide the Collection Services in accordance with the terms hereof and such assets
806 shall be subject to inspection upon two (2) Business Days' notice by the County Contract Manager.

807 B. **Vehicle and Equipment Identification.** The Contractor's name, phone number, and Vehicle or
808 equipment number shall be visibly displayed in letters not less than three (3) inches in height on
809 both sides of its Vehicles or other Collection equipment used by the Contractor.

810 C. **Vehicle Specifications, Maintenance, and Appearance.** All Vehicles shall be properly registered
811 with the Department of Motor Vehicles of the State of California, shall be properly insured, shall
812 be of a type approved by the County, shall be kept clean and in good repair, and shall be
813 continuously maintained in a watertight condition. Vehicles used to Collect or Transport Solid
814 Waste shall be kept covered at all times except when such material is actually being loaded or
815 unloaded, or when the Vehicles are moving along a Collection route in the course of Collection. All
816 Vehicles shall carry a broom, shovel, and operable fire extinguisher. Solid Waste Collection
817 Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required
818 to maintain a clean appearance. All Vehicles must be made available for inspection upon two (2)
819 Business Days' notice by the County Contract Manager.

820 D. **Spillage.** Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall,
821 or leak out of the Vehicle onto the street. In the event of a spill, leak, or loss of payload during
822 transit, the Contractor shall immediately arrange for the clean up and Transportation of the
823 payload to the appropriate facility at the Contractor's sole cost and expense, shall pay any
824 resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and
825 hold harmless the County in accordance with the procedures provided in Section 12.1 hereof from
826 all loss-and-expense resulting therefrom.

827 E. **Computer System Compatibility.** The Contractor shall maintain records and data in an electronic
828 format compatible with the versions of Microsoft Word and Excel currently in use by the County
829 as of the date of execution of this Agreement. The Contractor will, at its cost and expense, if
830 requested by the County Contract Manager, provide any reports or data required by this
831 Agreement via email, on computer disc, or through other electronic format. Raw or printed data
832 may not be submitted as a substitute to the Contractor's obligation to provide various reports
833 under this Agreement.

834 Section 8.2: Operation and Maintenance of the Operating Assets

835 The Contractor, at its cost and expense, shall at all times: 1) operate the Operating Assets properly and
836 in a safe, sound, and economical manner; 2) shall maintain, preserve, and keep the Operating Assets in
837 good repair, working order, and condition; 3) shall staff the Operating Assets with the appropriate
838 number of licensed employees consistent with good management practice; and, 4) shall make all
839 necessary and proper repairs, replacements, and renewals, so that at all times the operation of the
840 Operating Assets may be properly and advantageously conducted. The Contractor shall maintain the

841 safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements,
842 and prudent Solid Waste management practices.

843 **Section 8.3: Containers**

844 A. **County Regulations.** The County shall approve the number, type, size, and other specific physical
845 requirements for Containers. The Contractor shall not be required to Collect Franchised Materials
846 from Containers which have not been approved by the County.

847 B. **General Requirements.** Unless already provided by Customers, the Contractor shall supply the
848 Containers for each Customer free of charge upon inception of Collection Services. After emptying
849 any Container, the Contractor shall replace the Container in an upright position at the place where
850 such Container was placed for Collection. The Contractor shall handle Containers in a manner so
851 as to prevent damage or spillage, and shall not throw, drop, or otherwise mishandle Containers
852 during or after emptying them. The Contractor shall repair or replace, at its own expense and
853 within five (5) days, any Container which is damaged by the Contractor and which is no longer
854 serviceable (e.g. broken wheels, cracked lid, broken axle, cracked or leaking body, etc.).

855 C. **Containers for Residential Customers.** The Contractor shall supply all Containers required for the
856 services provided under this Agreement. The Containers shall be sturdy, water tight, and equipped
857 with heavy-duty wheels and closeable lids. The Contractor shall maintain the Containers in good
858 repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed.
859 The Contractor may charge a fee to Customers that have Containers that must be repaired or
860 replaced due to other than normal wear and tear and will notify the County Contract Manager if
861 such fee has been charged. If repairs require removal of the Container from a Customer's
862 Premises, the Contractor shall supply the Customer with a replacement Container or "loaner"
863 Container. The Contractor shall, within seven (7) days, repair or replace damaged or dilapidated
864 Containers. The Contractor shall provide the Containers required pursuant to this Section at its
865 own cost and expense and any such Containers shall constitute Operating Assets. The Contractor
866 shall promptly replace stolen Containers, provided that the Contractor shall only bear the cost of
867 replacement of such Container the first time it is stolen; and, thereafter such cost of replacement
868 shall be borne by the Customer.

869 D. **Containers for Commercial Customers.** The Contractor shall provide, as an Operating Asset the
870 Containers required pursuant to Section 8.3 at its own cost and expense. Each such Container shall
871 be identified with the Contractor's name and phone number, and be equipped with heavy-duty
872 casters and closeable lids. Each such Container shall be watertight. The Contractor shall be
873 responsible for the general maintenance and repair of Containers so provided, and shall provide
874 an equivalent Container as replacement during repairs and maintenance. If repairing,
875 maintenance, steam cleaning, and/or repainting is required as a result of abuse, neglect, or misuse
876 on the part of any Customer, the Contractor may charge the Customer a fee, to compensate for
877 the cost thereof. The Contractor shall, within seven (7) days, repair or replace any stolen,
878 damaged or dilapidated Container, provided that the Contractor shall only bear the cost of
879 replacement of such Container the first time it is stolen and thereafter such cost of replacement
880 shall be borne by the Customer.

881 **Section 8.4: Vehicle Requirements**

882 Contractor shall provide a fleet of Collection Vehicles sufficient in number and capacity to efficiently
883 perform the work required by the Agreement in strict accordance with its terms. Contractor shall have
884 available sufficient back-up Vehicles for each type of Collection Vehicle used to respond to scheduled
885 and unscheduled maintenance, service requests, complaints, and emergencies. All such Vehicles shall
886 have watertight bodies designed to prevent leakage, spillage, or overflow. Contractor specifically
887 acknowledges that the County is within an "Extreme Non-Attainment Area" for criteria pollutants that
888 are associated with, among other things, the operation of heavy duty vehicle fleets. All such Vehicles
889 shall comply with all Federal, State, and local laws and regulations including, without limitation, safety
890 and emissions. Contractor has represented to the County that Contractor's fleet is compliant with all
891 such Applicable Laws at the date of the execution of this Agreement. Contractor may not seek any
892 compensation from County or through the Rates charged to Customers to come into compliance with
893 any Applicable Law in effect as of the date of the execution of this Agreement.

894 Collection Vehicles shall present a clean appearance while providing service under this Agreement.
895 Contractor shall inspect each Vehicle daily to ensure that all equipment is operating properly. Vehicles
896 that are not operating properly shall be taken out of service until they are repaired and operate
897 properly. Contractor shall repair, or arrange for the repair of, all of its Vehicles and equipment for which
898 repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment
899 in a safe and operable condition.

ARTICLE 9: GENERAL REQUIREMENTS

900

901 Section 9.1: Public Access to the Contractor

902 A. **Office Facilities.** The Contractor shall establish and maintain an office accessible by means of a
903 toll-free telephone number through which the Contractor's representatives may be contacted,
904 and where customers can obtain customer services (e.g. change services, missed pickups, etc).

905 B. **Office Hours.** The Contractor's office hours shall be, at a minimum, from 8:00 a.m. to 5:00 p.m.
906 daily except Saturdays, Sundays, and holidays. These hours may be altered with the approval of
907 the County Contract Manager.

908 C. **Emergency Telephone Number.** The Contractor shall provide the County with an emergency
909 telephone number for use by the County Contract Manager outside normal business hours. The
910 Contractor shall have a representative, or an answering service to contact such representative,
911 available at the emergency telephone number during all hours other than normal office hours.

912 Section 9.2: Service Complaints

913 A. **Complaints to Contractor.** The Contractor shall maintain during office hours a complaint service
914 and telephone answering system having an answering capacity satisfactory to the County Contract
915 Manager. All service complaints and billing complaints will be directed to the Contractor. The
916 Contractor shall record all complaints in a log, including date, complainant name and address, and
917 nature and resolution of complaint. This log shall be available for inspection by the County
918 Contract Manager during the Contractor's regular office hours. Copies thereof shall be furnished
919 to the County Contract Manager upon request.

920 B. **Required Response to Complaints.** The Contractor, within one (1) Business Day of its receipt of
921 notice from a Customer or the County Contract Manager of a failure to provide any service(s) as
922 required by the terms of this Agreement, shall provide such service in a manner consistent with
923 the requirements of this Agreement.

924 Section 9.3: Accounting and Records

925 A. **Maintenance and Audit of Records.** The Contractor shall maintain in its principal office in the
926 County full and complete financial statements, accounting records, and other records related to
927 operations under this Agreement. Contractor shall account for revenues received and expenses
928 incurred as a result of this Agreement separate from the accounting for other operations
929 performed by Contractor or its affiliates. Contractor shall maintain complete and accurate
930 records with respect to any payments to employees or subcontractors. All such records shall be
931 prepared in accordance with generally accepted accounting procedures, shall be clearly
932 identified, and shall be kept readily accessible. Upon request, Contractor shall make such
933 records available within Tulare County to the County Contract Manager and to his agents and
934 representatives, for the sole purpose of verifying the performance of Contractor's obligations
935 hereunder, for a period of five (5) years from the date of final payment under this Agreement.

936 The Gross Receipts derived from the Collection Services under this Agreement, whether such
937 services are performed by the Contractor or by a Subcontractor, shall be recorded as revenues in
938 the accounts of the Contractor. Upon demand, the Contractor shall permit the County Contract
939 Manager to examine and audit the books of account of the Contractor at any and all reasonable
940 times for the purpose of verifying Contractor's performance under this Agreement. Upon request,
941 the Contractor shall allow the County Contract Manager to examine the reports of Gross Receipts
942 and the invoices pertaining to any maximum fee or charge approved by the County Board of
943 Supervisors for Services provided under this Agreement. Such request shall be made at reasonable
944 times and with reasonable notice.

945 In the event that a Special Circumstance Rate adjustment is requested, such records shall be
946 subject to review in accordance with appropriate professional standards, and inspection, for the
947 primary purpose of reviewing changes in costs to the Contractor attributable to the Special
948 Circumstance request, at any reasonable time by an independent third party. The selection of the
949 independent third party as well as the scope of work for such review shall be approved in advance
950 by the County Contract Manager. The independent reviewer shall provide any and all drafts of its
951 review to the County and the Contractor. The Party requesting the Special Circumstance Rate
952 review shall bear the cost of the review.

953 The Contractor shall maintain and preserve all cash, billing, and Disposal records throughout the
954 Term of this Agreement and for a period of not less than three (3) years following expiration or
955 early termination of the Agreement. The Contractor shall obtain, within one hundred twenty (120)
956 days of a request by the County Contract Manager, complete independently audited financial
957 statements for the prior calendar year for itself, or where applicable, its parent entity, including its
958 balance sheet, statement of revenues and expenses, and statement of changes in cash position,
959 and provide such financial statements to the County Contract Manager.

960 B. **Confidentiality.** Contractor understands that although all materials received by the County in
961 connection with this Agreement are intended for the use of the County, they are potentially
962 subject to disclosure under the provisions of the Public Records Act. The County agrees to hold
963 financial statements delivered pursuant to this Section as confidential and shall not disclose the
964 same unless and to the extent disclosure is required pursuant to Applicable Law. In the event such
965 financial statements are requested by any party, County shall notify Contractor of the request and
966 shall thereafter disclose the requested information unless Contractor, within five (5) Business Days
967 of receiving notice of the disclosure request: a) requests nondisclosure; b) provides County a
968 legally sound basis for the nondisclosure; and, c) agrees to indemnify, defend, and hold the County
969 harmless in any/all actions brought to require disclosure. The County shall not be liable to the
970 Contractor in the event County fails to notify Contractor of any such disclosure request. This
971 provision shall not be construed to create any legal right or claim that does not exist under the
972 operation of state law.

973 **Section 9.4: Reporting**

974 The Contractor shall maintain on file at its business premises documentation setting forth its Routing
975 and Collection System, a list of all Collection Premises in the County, organized alphabetically or by
976 address, and the identification of all services each receives. This information shall be updated and
977 provided at no additional cost to the County along with Contractor's annual report (as required in
978 Exhibit D) to the County and any time upon request of the County Contract Manager. The Contractor

979 shall cooperate with the County to periodically monitor the average volume of each type of Franchised
980 Materials generated from each Collection Premises. Customer-specific records are subject to inspection,
981 and copying by the County during regular business hours with reasonable advance notice. Contractor
982 agrees that by virtue of the exclusive rights conferred herein, Customer-specific information does not
983 represent proprietary information or a trade secret.

984 **Section 9.5: Integrated Waste Management Act (AB 939) Compliance**

985 The Contractor shall provide, upon request, all necessary reporting data requested by the County
986 relating to the County's compliance requirements pertaining to AB 939, SB 1016, AB 341, or AB 1826 as
987 it affects the County's Integrated Waste Management Plan and the County's SRRE. Such report shall be
988 provided to the County within thirty (30) days of such a request. The Contractor shall cooperate in
989 activities requested by the County to measure diversion of Solid Waste from landfills including, but not
990 limited to, providing a location for conducting waste sorting at the Contractor's facility, re-routing trucks
991 on a temporary basis to facilitate composition analysis. Such report shall include throughput, recovery
992 rates per material type, residue, costs, Recyclable Material commodity values, and final disposition of
993 Recyclable Materials. The Contractor shall also supply any other information reasonably requested by
994 the County to meet State or Federal regulatory requirements and the reporting requirements of the
995 County's SRRE, as those requirements may be amended from time to time.

996 **Section 9.6: Personnel and Subcontractors**

- 997 A. **Employment Practices.** The Contractor shall at all times maintain and follow employment
998 practices in accordance with all state and federal laws and regulations, and shall indemnify the
999 County for any Legal Proceeding relating to its noncompliance with such laws or regulations.
- 1000 B. **Non-Discrimination.** In the performance of the terms of this Agreement, the Contractor agrees
1001 that it will not engage in nor permit such Subcontractors as it may employ to engage in
1002 discrimination against any employee or applicant for employment on the basis of race, sex, color,
1003 religion, ancestry, national origin, marital status, age or as a qualified individual with a disability.
1004 This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment
1005 advertising; layoff or termination; rates of pay and other forms of compensation; selection for
1006 training, including apprenticeship, and any other action or inaction pertaining to employment
1007 matters.
- 1008 C. **Personnel.** The Contractor shall employ personnel sufficient in number, training, experience, and
1009 capability to ensure that the Collection Services required to be performed under this Agreement
1010 are properly carried out.
- 1011 D. **Subcontractors.** The Contractor shall not utilize any Affiliates or Subcontractors for the
1012 performance of the Collection Services except with the consent of the County Contract Manager,
1013 which may be withheld or delayed if the County Contract Manager determines, in their sole
1014 discretion, that such consent is not in the best interest of the public health, safety, or general
1015 welfare. In the event Subcontractors are utilized, the Contractor shall provide the County with
1016 direct access to a designated representative from the Subcontractor, such designation not to be
1017 changed without prior approval of the County Contract Manager, except in cases of termination of
1018 the employee. The Parties acknowledge the County's direct contact with any Subcontractors in no
1019 way eliminates the Contractor's responsibility to fulfill its obligations under this Agreement.

1020 **Section 9.7: County Contract Manager**

1021 The County has designated the County Contract Manager to be responsible for the monitoring and
1022 administration of this Agreement. Contractor shall meet and confer with the County Contract Manager
1023 to resolve differences of interpretation and implement and execute the requirements of this Agreement
1024 in an efficient and effective manner that is consistent with the stated objectives of this Agreement.

1025 From time to time the County Contract Manager may designate other employees or agents of the
1026 County to work with Contractor on specific matters. In such cases, those individuals should be
1027 considered designates of the County Contract Manager for those matters to which they have been
1028 engaged. Such designates shall be afforded all of the rights and access granted thereto. In the event of a
1029 dispute between the County Contract Manager's designate and Contractor, the County Contract
1030 Manager's determination shall be conclusive.

1031 In the event of dispute between the County Contract Manager and the Contractor regarding the
1032 interpretation of or the performance of services under this Agreement, the County Contract Manager's
1033 determination shall be conclusive except where each such determination results in a material impact to
1034 the Contractor's revenue and/or cost of operations. In the event of a dispute between the County
1035 Contract Manager and the Contractor that results in such material impact to the Contractor, Contractor
1036 may contest the determination of the County Contract Manager, subject to the dispute resolution
1037 procedures described in Article 14. For the purposes of this definition, "material impact" is an amount
1038 equal to or greater than one (1) percent of Contractor's annual Gross Receipts under this Agreement,
1039 which includes the cumulative impact of all such determinations within a consecutive twenty four (24)
1040 month period.

1041 County Contract Manager or their designate shall have the right to observe and review Contractor
1042 operations and Processing Facilities and enter Premises for the purposes of such observation and
1043 review, including review of Contractor's records, during reasonable hours with reasonable notice. In no
1044 event shall Contractor prevent access to such Premises for a period of more than three (3) calendar days
1045 after receiving such a request.

1046 The County Contract Manager is authorized and empowered to adjust, settle, or compromise any
1047 controversy or charge arising from the operations under this Agreement, either on behalf of the County,
1048 contractor, or the public.

1049 **ARTICLE 10: COUNTY FEES**

1050 **Section 10.1: County Fees**

1051 A. **Franchise Fees.** In consideration of the exclusive rights provided Contractor herein, Contractor
1052 agrees to pay the negotiated amount of Franchise Fees to the County each quarter equal to five
1053 percent (5%) of Gross Receipts for all services performed under this Agreement. Contractor and
1054 County agree that this is a fair and appropriate sum for the commercial entitlements provided to
1055 Contractor herein.

1056 B. **Other Fees.** The County shall reserve the right to set other fees as it deems necessary, subject to
1057 County Board of Supervisors approval. The time and method of payment shall be consistent with
1058 those for the Franchise Fee, and the fee adjustment process shall be consistent with that specified
1059 in Section 10.2.

1060 **Section 10.2: Adjustment to Fees**

1061 The County may adjust the fees established in this Article from time-to-time during the Term of this
1062 Agreement and such adjustments shall be included in the adjustment of Maximum Rates as described in
1063 Section 11.2 and Exhibit B. The County acknowledges that the Contractor shall be entitled to recover,
1064 through the Maximum Rates to be charged and authorized to be imposed hereunder, the reasonable
1065 costs of the Contractor incurred due to the adjustment in the fees.

1066 The amounts of the fees described in Section 10.1 for subsequent Rate Periods shall be adjusted
1067 annually in accordance with the adjustment method described in Exhibit B, or shall be the amount
1068 specified by the County. The County acknowledges that the Contractor shall be entitled to recover,
1069 through the Maximum Rates to be charged and authorized to be imposed hereunder, the reasonable
1070 costs of the Contractor incurred due to the adjustment in the fees.

1071 **Section 10.3: Payment Schedule and Late Fees**

1072 Within thirty (30) days of the end of each calendar quarter, during the Term of this Agreement and
1073 including the final calendar quarter or portions thereof at the end of the Term of this Agreement,
1074 Contractor shall remit to County all fees as described in this Article. Such fees shall be payable to County
1075 and sent or delivered to the County Contract Manager.

1076 If such remittance is not paid to County on or before the thirtieth (30th) day following the end of a
1077 calendar quarter, all fees dues shall be subject to a delinquency penalty of three percent (3%), which
1078 attaches on the first day of delinquency. The delinquency penalty shall be increased an additional three
1079 percent (3%) and applied to both the original amount due as well as any delinquency penalties
1080 previously applied for each additional month the payment remains delinquent. For example, if the
1081 amount of the original fees owed equals one hundred thousand dollars (\$100,000) the initial
1082 delinquency amount applied on the first day of delinquency will be three thousand dollars (\$3,000)
1083 bringing the total amount to one hundred three thousand dollars (\$103,000). If that amount becomes
1084 past due for an additional month, the additional delinquency penalty shall be applied to the one
1085 hundred three thousand dollars (\$103,000) therefore, the new total amount due would be one hundred
1086 six thousand ninety dollars (\$106,090).

1087 Each quarterly remittance to the County shall be accompanied by a statement listing the amount of each
1088 fee paid; calculation of each fee; and, statement of Gross Receipts, by Customer Type for the period
1089 Collected from all operations conducted or permitted by this Agreement. The County Contract Manager
1090 may, at any time during the Term, request a detailed calculation of Gross Receipts which may include,
1091 but is not necessarily limited to, the number of Customers charged at each Service Level and Rate for
1092 each billing period.

1093 The County Contract Manager may, at any time during the Term or within three years following the
1094 expiration or early termination of this Agreement, perform an audit of Contractor's billings and payment
1095 of fees. Contractor shall fully cooperate with the County Contract Manager in any such audit. Should the
1096 County or its agent perform this review and identify billing errors or other errors in payment of fees
1097 resulting in an overbilling to customers or an underpayment of fees of: i) fifty thousand dollars
1098 (\$50,000); or, ii) two (2%) percent or more of Gross Receipts, Contractor shall, in addition to
1099 compensating the County for lost fees and applicable delinquency penalties, reimburse the County's
1100 cost of the review within one hundred eighty (180) days of Contractor's receipt of an invoice from
1101 County.

1102 In the event the audit discloses an overpayment of fees by Contractor, Contractor may use the amount
1103 of the overpayment as a credit against future payment of franchise fees. However, if the remaining
1104 term of this Agreement is insufficient to fully reimburse Contractor through use of the credit, County
1105 and Contractor shall meet and confer to develop an estimate of the unreimbursed overpayment as of
1106 the end of the term, and County shall directly reimburse Contractor for the mutually agreed-upon
1107 unreimbursed overpayment of fees within one hundred eighty (180) days of County's receipt of an
1108 invoice from Contractor. Thereafter, within sixty (60) days following the end of the term, the parties will
1109 undertake a final reconciliation of franchise fee amounts due and amounts paid (which shall consider
1110 the County's payment of the unreimbursed overpayment), and County or Contractor shall reimburse the
1111 other, as the case may be. Contractor's claim for such an overpayment shall be limited to no more than
1112 twenty four (24) months.

1113 **ARTICLE 11: CONTRACTOR’S COMPENSATION AND RATE SETTING**

1114 **Section 11.1: General**

1115 The Contractor’s compensation for performance of all its obligations under this Agreement shall be
1116 Gross Receipts. Contractor’s compensation provided for in this Article shall be the full, entire and
1117 complete compensation due to Contractor pursuant to this Agreement for all labor, equipment,
1118 materials and supplies, Processing and Disposal fees, fees due to the County, taxes, insurance, bonds,
1119 overhead, operations, profit, and all other things necessary to perform all the services required by this
1120 Agreement in the manner and at the times prescribed. Nothing herein shall obligate the County to
1121 provide any compensation to Contractor beyond Gross Receipts.

1122 If Contractor’s actual costs, including fees due to the County, are more than Gross Receipts, Contractor
1123 shall not be compensated for the difference in actual costs and actual Gross Receipts, except in the
1124 events considered under Section 11.3 of this Agreement. If Contractor’s actual costs, including fees due
1125 to the County, are less than the actual Gross Receipts, Contractor shall retain the difference.

1126 Under this Agreement, Contractor shall have the right and obligation to charge and collect from
1127 Customers, Maximum Rates that are authorized by the County pursuant to the County Code for
1128 provision of services to Customers. The Maximum Rates for Rate Period One are presented in Exhibit C1.
1129 The rates authorized by the County are maximum Rates and Contractor may, in its sole discretion,
1130 charge Customers any amount up to and including the approved maximum Rate for a given level of
1131 service.

1132 Revenues received for the sale of Recyclable Materials including California Redemption Value revenues
1133 have been considered in the establishment of Maximum Rates for services provided under this
1134 Agreement. Neither Contractor nor the Approved Recyclable Materials Processing Facility are entitled
1135 to grant funds available from CalRecycle through its "County/County Payment Program" pursuant to
1136 Section 14581(a)(5)(A) of the California Beverage Container Recycling and Litter Reduction Act.

1137 **Section 11.2: Rates and Annual Adjustments**

1138 **A. General.** The County Board of Supervisors, through a resolution, shall be responsible for
1139 approving adjustments to the Maximum Rates as described in this Article. If at any time during
1140 the Term of the Agreement, the Contractor determines the need for a Rate that does not appear
1141 on the County-approved Rate schedule in Exhibit C1, Contractor shall immediately notify the
1142 County Contract Manager and request establishment of such Rate. For example, if a Customer
1143 requires Collection of Recyclable Materials in a fifteen (15) cubic yard Compactor five (5) times
1144 per week and the County-approved Rate schedule does not include this level of service, the
1145 Contractor must request that the County Board of Supervisors approve a Rate for this level of
1146 service. Contractor may provide services to the public which are not within Contractor’s
1147 exclusive rights under this Agreement and Contractor’s charges or rates for those services shall
1148 not require approval by the County.

1149 **B. Maximum Rates for Rate Period One.** Maximum Rates for Rate Period One, which are
1150 presented in Exhibit C1, were determined by Contractor and were approved by the County with
1151 the execution of this Agreement. The maximum Rates for Rate Period One shall be effective
1152 from the Commencement Date of this Agreement through June 30, 2015.

1153 C. **Rates for Subsequent Rate Periods.** Maximum Rates for subsequent Rate Periods shall be
1154 adjusted annually in accordance with this Section 11.2 and Exhibit B.

1155 The multi-index based adjustment, which is described in Exhibit B, involves use of various cost
1156 adjustment factors (such as the percentage change in the Consumer Price Index, the percentage
1157 change in the Fuel Index, and percentage change in the Designated Disposal Facility Tipping
1158 Fees) to calculate adjusted Rates. Such rate adjustment calculations shall be performed in strict
1159 conformance to the procedures described in Exhibit B.

1160 D. **Rate Structure.** The County and Contractor shall meet and confer to change the relationship of
1161 individual rates in comparison with other rates. Any such changes would occur in conjunction
1162 with the annual Maximum Rate adjustment process described in Section 11.2.C or in
1163 conjunction with a Maximum Rate adjustment resulting from an extraordinary rate adjustment
1164 in accordance with Section 11.3. Changes to the rates charged under the new structure shall be
1165 calculated in such a way that the revised Maximum Rate structure generates at least the same
1166 amount of total revenue when the number of accounts at each Service Level are multiplied by
1167 the rates charged for each Service Level and the resulting revenue for all Service Levels are
1168 summed.

1169 **Section 11.3: Special Circumstances Rate Adjustments**

1170 It is understood that the Contractor accepts the risk for changes in cost of providing services and the
1171 Service Levels requested by Customers and therefore the Special Circumstance adjustments to
1172 Maximum Rates shall be limited to:

- 1173 (i) a Change in Law (as defined in Exhibit A);
- 1174 (ii) an increase or decrease in a direct per ton surcharge assessed on the collection,
1175 transportation, processing or disposal of Franchised Materials by Federal, State or local
1176 regulatory agencies after the Effective Date of the Agreement (Surcharge);
- 1177 (iii) Acts of God as described in the definition of Uncontrollable Circumstances; or,
- 1178 (iv) a positive or negative change in the market value of Recyclable Materials of more than
1179 twenty five percent (25%) on the average annual market value as demonstrated by a
1180 recognized third party index tracking such values where such percentage change is
1181 calculated from either the date of execution of this Agreement or the date of a prior
1182 adjustment for the same reason (Change in Market Value).

1183 If a Change in Law, Surcharge, Change in Market Value, or a County-directed change in scope occurs, the
1184 Contractor or County Contract Manager may petition the County Board of Supervisors for an adjustment
1185 to the Maximum Rates (either increasing or decreasing the rates) calculated in accordance with Section
1186 11.2. The request shall be prepared in a form acceptable to the County Contract Manager with support
1187 for all assumptions made by Contractor in preparing the estimate. Notwithstanding the foregoing, with
1188 respect to a request by Contractor for a rate adjustment arising from a County-directed change in scope
1189 (Section 4.8) or a County-directed change to an out of County Designated Disposal Facility (Section
1190 6.1.B) or in the event that there is only one operating County Disposal Facility at any given time (Section
1191 6.1.B), the rates shall be increased (or decreased) to fully reflect the increase (or decrease) or

1192 incremental increase (or incremental decrease), as the case may be, in the demonstrable costs (i.e., on
1193 any direct or indirect cost, whether fixed or variable) associated with the County's directive.

1194 Contractor shall prepare an application for the Special Circumstance Rate adjustment calculating the net
1195 financial effect on its operations (both increases and decreases of costs and revenues) resulting from the
1196 Change in Law, Surcharge, Change in Market Value, or County Directed Change in Scope (but not
1197 resulting from unrelated changes in costs and revenues), clearly identifying all assumptions related to
1198 such calculations and providing the underlying documentation supporting the assumptions. County
1199 Contract Manager shall evaluate the application for reasonableness. As part of that review, the County
1200 Contract Manager may request access to the financial statements and accounting records required to be
1201 maintained by the Contractor (pursuant to Section 9.3) in order to determine the reasonableness of the
1202 Contractor's application. Should the Contractor not grant such access, then the County may rely on
1203 other information available to it as the basis for making reasonable assumptions regarding the
1204 reasonableness of the Contractor's application. In the event that Contractor requests the Special
1205 Circumstance Rate adjustment, Contractor shall pay all reasonable costs incurred by the County,
1206 including the costs of outside accountants, attorneys, and/or consultants, in order to make a
1207 determination of the reasonableness of the requested Rate adjustment. In the event of such an
1208 application for Special Circumstances Rate adjustment, it is understood that the Party requesting the
1209 adjustment, shall have the burden of demonstrating the reasonableness of the requested adjustment

1210 With respect to a Special Circumstance Rate adjustment the County Board of Supervisors shall make the
1211 final determination as to whether an adjustment to the Maximum Rates will be made, and if a rate
1212 adjustment is permitted, the amount of the rate adjustment. The approval of an adjustment to the
1213 Maximum Rates shall not be unreasonably withheld if the adjustment is a result of a request relating to
1214 items (i), (ii), and/or (iii) above.

1215 **Section 11.4: Publication of Rates**

1216 The Contractor shall provide written notice to Customers of proposed rate changes no less than thirty
1217 (30) days prior to implementing such changes. Such written notice shall be delivered to all Customers as
1218 part of the normal billing statement which Contractor sends to Customers. Contractor shall also publish
1219 such Rates in a convenient and easily found location on its website.

1220 **ARTICLE 12: INDEMNITY, INSURANCE, AND PERFORMANCE**
1221 **BOND**

1222 **Section 12.1: Indemnification**

1223 **A. General.** Contractor shall indemnify, defend with counsel acceptable to County, and hold
1224 harmless (to the full extent permitted by law) County and its officers, officials, employees,
1225 volunteers, and agents from and against any and all claims, liability, loss, injuries, damage,
1226 expense, and costs (including without limitation costs and fees of litigation, including attorneys'
1227 and expert witness fees) (collectively, "Damages") of every nature arising out of or in connection
1228 with Contractor's performance under this Agreement, or its failure to comply with any of its
1229 obligations contained in the Agreement, except to the extent such loss or damage was caused
1230 by the active negligence or willful misconduct of the County.

1231 **B. Excluded Waste.** Contractor shall not store, Transport, use, or Dispose of any Excluded Waste
1232 except in strict compliance with all Applicable Laws.

1233 In the event that Contractor negligently or willfully mishandles Excluded Waste in the course of
1234 carrying out its activities under this Agreement, Contractor shall at its sole expense promptly
1235 take all investigatory and/or remedial action reasonably required for the remediation of such
1236 environmental contamination. Prior to undertaking any investigatory or remedial action,
1237 however, Contractor shall first obtain the County Contract Manager's approval of any proposed
1238 investigatory or remedial action. Should Contractor fail at any time to promptly take such action,
1239 the County may undertake such action at Contractor's sole cost and expense, and Contractor
1240 shall reimburse the County for all such expenses within thirty (30) calendar days of being billed
1241 for those expenses, and any amount not paid within that thirty (30) calendar day period shall
1242 thereafter be deemed delinquent and subject to the delinquent fee payment provision of
1243 Section 10.3. These obligations are in addition to any defense and indemnity obligations that
1244 Contractor may have under this Agreement. The provisions of this Section shall survive the
1245 termination or expiration of this Agreement.

1246 Notwithstanding the foregoing, Contractor's duties under this subsection shall not extend to any
1247 claims arising from the Disposal of Solid Waste at the Designated Disposal Facility, including, but
1248 not limited to, claims arising under Comprehensive Environmental Response, Compensation and
1249 Liability Act (CERCLA) unless such claim is a direct result of Contractor's negligence or willful
1250 misconduct.

1251 **C. Obligation to Provide Service and Allocation of Risk**

1252 County and Contractor agree, as more fully set forth in the Recitals to this Agreement, that
1253 proper collection, processing, diversion, and Disposal of Franchised Materials is fundamental to
1254 the protection of the public health, safety and the well-being of County's residents, businesses.
1255 County's responsibility for ensuring the adequacy of these services in part provides the
1256 justification for the granting of a Franchise to Contractor. This Franchise creates an obligation
1257 that such services continue to be provided even under difficult, adverse, or unforeseeable
1258 circumstances, such as but not limited to any period where legal actions, future judicial
1259 interpretations of current law, or new laws or regulations impact the effectiveness of portions of

1260 this Agreement.

1261 While County reserves all powers afforded to counties generally under the provisions of
1262 applicable law, this Agreement, including the rate adjustment elements hereof, has been agreed
1263 to by the parties following arms-length negotiations and upon advice of counsel, for the dual
1264 purposes of safeguarding public health and facilitating the performance of obligations
1265 undertaken by Contractor on County's behalf and for its benefit. Accordingly, the County will
1266 exercise its powers reasonably and in good faith, and shall favorably consider and shall approve
1267 a rate adjustment proposal if accompanied by substantial supporting evidence. In addition, and
1268 notwithstanding the above, the County shall not be in default of this Agreement nor bear any
1269 liability to Contractor for any damages suffered by Contractor as a result of the failure to
1270 implement any rate adjustment authorized pursuant to this Agreement, any other adjustment
1271 to the overall fees and charges to Customers, or the imposition and collection of the Franchise
1272 Fee or other fees, due to one or more of the events set forth below.

1273 In such events, it shall be the responsibility of County and Contractor to mitigate any potential
1274 damages as much as possible. For example:

1275 1. Should a court of competent jurisdiction or other regulatory agency set aside, invalidate
1276 or stay all or a portion of the Maximum Rates approved by County, Contractor agrees to
1277 continue to perform its obligations as otherwise set forth herein, and County and/or
1278 Contractor may take such urgency actions necessary to facilitate Contractor's
1279 continuation of Collection Services.

1280 2. Should there be a Change in Law or a new judicial interpretation of Applicable Law,
1281 including, but not limited to, Articles XIII C and D of the California Constitution which
1282 impacts the Maximum Rates for the Collection Services established in accordance with
1283 this Agreement, Contractor agrees to meet and confer with County to discuss the
1284 impact of such Change in Law on either Party's ability to perform under this Agreement.

1285 3. If, as a result of a legal action, Contractor is unable to include Franchise Fees, other
1286 County fees or expenses, governmental fees or charges in the rates it charges
1287 Customers for its services, then Contractor agrees, upon direction from County, to
1288 reduce its rates in an amount corresponding to the disallowed fee or charge, and shall
1289 thereafter not be required to remit the amount of the disallowed fee or charge,
1290 provided it is not collected from Customers.

1291 a. Nothing herein is intended to imply that California Constitution Articles XIII(C) or
1292 (D) apply to the Maximum Rates established for services provided under this
1293 Agreement. The foregoing paragraphs are merely intended as a contractual
1294 allocation of risks between the Parties.

1295 b. This Section shall survive the expiration or earlier termination of this Agreement
1296 and shall not be construed as a waiver of rights by County to contribution or
1297 indemnity from third parties.

1298 c. This provision is intended to be consistent with and limited by California Public
1299 Resources Code Section 40059.2.

- 1300 4. If an adjustment to the rates is not approved as requested by Contractor, for any
 1301 reason, Contractor shall have the right, within sixty (60) days after the disapproval, to
 1302 request, in writing, the County negotiate in good faith regarding reductions in programs,
 1303 services, or fees to compensate for any financial impact on Contractor's business
 1304 operations. If the parties are unable within sixty (60) consecutive days of County's
 1305 receipt of notice to, in good faith, negotiate changes in terms and conditions to
 1306 compensate Contractor for any financial impact, then Contractor may terminate this
 1307 Agreement no earlier than one hundred eighty (180) days following written notice to
 1308 County.
- 1309 5. Subject to the process set forth in subsection 4 above, neither County nor Contractor
 1310 shall have the right to obtain payment from the other Party for losses either may sustain
 1311 due to a court of competent jurisdiction or other regulatory agency invalidating, setting
 1312 aside, or staying the collection of all or a portion of the Maximum Rates authorized
 1313 hereunder.
- 1314 **D. Survival.** This Section 12.1 will survive the expiration or earlier termination of this Agreement
 1315 and shall not be construed as a waiver of rights by the County to contribution or indemnity from
 1316 third parties. Litigation of this nature shall not constitute an Uncontrollable Circumstance or
 1317 force majeure and shall not excuse Contractor's performance under this Agreement.

1318 **Section 12.2: Insurance**

1319 **General Requirements.** Contractor shall, without additional charge to County or Customers, maintain in
 1320 effect at all times during the Term of this Agreement not less than the following coverage and limits of
 1321 insurance:

1322 **A. Coverages and Requirements.** During the Term of this Agreement, Contractor shall at all times
 1323 maintain, at its expense, the following coverages and requirements. The comprehensive general
 1324 liability insurance shall include broad form property damage insurance.

1325 1. Insurance coverage shall be with limits not less than the following:

1326 **Comprehensive General Liability** – \$2,000,000 combined single limit per occurrence for
 1327 bodily injury, personal injury, and property damage.

1328 **Automobile Liability** – \$2,000,000 combined single limit per accident for bodily injury
 1329 and property damage (include coverage for Hired and Non-owned Vehicles).

1330 **Workers' Compensation – Statutory Limits/Employers' Liability** - \$1,000,000/accident
 1331 for bodily injury or disease.

1332 **Employee Blanket Fidelity Bond** – \$500,000 per employee covering dishonesty, forgery,
 1333 alteration, theft, disappearance, and destruction (inside or outside).

1334 **Pollution Legal Liability** - \$1,000,000 per claim/occurrence and \$2,000,000 aggregate
 1335 for bodily injury, property damage, and remediation of contaminated site.

1336 2. The County, its officers, agents, employees, and volunteers shall be named as additional

- 1337 insured on all but the workers' compensation and pollution liability coverages.
- 1338 3. Said policies shall remain in force through the life of this Agreement and, with the
1339 exception of pollution liability coverage, shall be payable on a "per occurrence" basis
1340 unless the County's Risk Manager specifically consents in writing to a "claims made"
1341 basis. For all "claims made" coverage, in the event that the Contractor changes
1342 insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for
1343 continuous coverage covering the Term of this Agreement and not less than three (3)
1344 years thereafter. Proof of such "tail" or other continuous coverage shall be required at
1345 any time that the Contractor changes to a new carrier prior to receipt of any payments
1346 due.
- 1347 4. The Contractor shall declare all aggregate limits on the coverage before commencing
1348 performance of this Agreement, and the County's Risk Manager reserves the right to
1349 require higher aggregate limits to ensure that the coverage limits required for this
1350 Agreement as set forth above are available throughout the performance of this
1351 Agreement.
- 1352 5. The deductibles or self-insured retentions are for the account of Contractor and shall be
1353 the sole responsibility of the Contractor.
- 1354 6. Contractor shall notify County Contract Manager in writing within thirty (30) calendar
1355 days of any planned nonpayment of premium or planned reduction in coverage.
- 1356 7. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than
1357 A-VII, unless otherwise approved by the County Risk Manager.
- 1358 8. The policies shall cover all activities of Contractor, its officers, employees, agents and
1359 volunteers arising out of or in connection with this Agreement.
- 1360 9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be
1361 primary, including as respects the County, its officers, agents, employees, and
1362 volunteers. Any insurance maintained by the County shall apply in excess of, and not
1363 contribute with, insurance provided by Contractor's liability insurance policy.
- 1364 10. The Contractor shall waive all rights of subrogation against the County, its officers,
1365 employees, agents, and volunteers related to the performance of services under this
1366 Agreement.
- 1367 **B. Endorsements.** Prior to the effective date pursuant to this Agreement, Contractor shall furnish
1368 the County Contract Manager with certificates or original endorsements reflecting coverage
1369 required by this Agreement. The certificates or endorsements are to be signed by a Person
1370 authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to
1371 be received by, and are subject to the approval of, the County Risk Manager before work
1372 commences.
- 1373 **C. Renewals.** During the Term of this Agreement, Contractor shall furnish the County Contract
1374 Manager with certificates or original endorsements reflecting renewals, changes in insurance
1375 companies, and any other documents reflecting the maintenance of the required coverage

1376 throughout the entire Term of this Agreement. The certificates or endorsements are to be
1377 signed by a Person authorized by that insurer to bind coverage on its behalf.

1378 **D. Workers' Compensation.** Contractor shall provide workers' compensation coverage as required
1379 by State law, and prior to the effective date pursuant to this Agreement, Contractor shall file the
1380 following statement with the County.

1381 "I am aware of the provisions of Paragraph 3700 of the Labor Code that require every employer
1382 to be insured against liability for workers' compensation or to undertake self-insurance in
1383 accordance with the provisions of that code, and I will comply with such provisions before
1384 commencing any services required by this Agreement.

1385 The Person executing this Certificate on behalf of Contractor affirmatively represents that
1386 she/he has the requisite legal authority to do so on behalf of Contractor, and both the Person
1387 executing this Agreement on behalf of Contractor and Contractor understand that the County is
1388 relying on this representation in entering into this Agreement."

1389 **Section 12.3: Performance Bond**

1390 Within seven (7) calendar days of the County's notification to Contractor that the County has executed
1391 this Agreement, Contractor shall file with the County a bond, payable to the County, securing the
1392 Contractor's performance of its obligations under this Agreement and such bond shall be renewed
1393 annually if necessary so that the performance bond is maintained at all times during the Term. The
1394 principal sum of the bond shall be the lesser of fifty thousand dollars (\$50,000) or twenty five percent
1395 (25%) of Contractor's annual Gross Receipts under this Agreement. The bond shall be executed as surety
1396 by a corporation authorized to issue surety bonds in the State of California that has a rating of A or
1397 better in the most recent edition of Best's Key Rating Guide, and that has a record of service and
1398 financial condition satisfactory to the County. The bond shall be in the form attached as Exhibit E. The
1399 County shall accept an alternative form of surety, in a form approved by the County's Risk Manager, if
1400 desired by the Contractor (e.g. a letter of credit or certificate of deposit) and may require a higher surety
1401 amount in such case.

ARTICLE 13: DEFAULT, REMEDIES AND TERMINATION

Section 13.1: Default and Remedies

A. **Events of Default.** Each of the following shall constitute an Event of Default:

1. Any transaction, without any requirement of notice or cure opportunity, not complying with the requirements of Section 15.7 hereof.
2. The failure by the Contractor, unless specifically excused in writing by the County Contract Manager, to deliver to the Designated Disposal Facility: i) Solid Waste Collected by the Contractor; and/or, ii) Residual Waste from in-County Processing facilities or other Processing facilities receiving Franchised Materials.
3. Failure or refusal of the Contractor to perform any material term, covenant, obligation or condition in this Agreement other than a failure or refusal described in items (1) or (2) above, except that no such failure or refusal shall give the County the right to terminate this Agreement under this Section unless:
 - (i) The County has given prior written notice to the Contractor, stating the existence of a specific failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the Contractor and which will, in the County's opinion, give the County a right to terminate this Agreement for cause under this Section unless such default is corrected within fifteen (15) days, and
 - (ii) The Contractor has neither challenged in an appropriate forum the County's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to the clause (i) of this subsection (but if the Contractor shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Contractor is continuing to take such steps to correct such default in a timely manner).
4. The written admission by the Contractor that it is bankrupt, or the filing by the Contractor of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Contractor or either Guarantor to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Contractor or either Guarantor of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Contractor's property or business, where such events cause a disruption in service.
5. The final adjudication of the Contractor as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, but no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Contractor nor until the order of the adjudication is no longer appealable.

- 1440 6. The failure of the Contractor to provide or maintain the Performance Bond required
1441 pursuant to Section 12.3 hereof. Note: Or LOC.
- 1442 7. Any failure by the Contractor to comply with Applicable Law so as to materially prevent
1443 Contractor's performance of its obligations hereunder, where the time period for remedying
1444 non-compliance established by the agency is not achieved, without any requirement of
1445 notice or cure opportunity.
- 1446 8. Failure of the Contractor to timely implement the operational changes and adjusted
1447 maximum Rates resulting from the Change of Law or County-directed Change in Scope. The
1448 Contractor shall have 30 days after notice of breach from the County to implement the
1449 operational changes. Should the Contractor thereafter not implement the operational
1450 changes it shall be in default of the Agreement. In addition to being liable for all damages
1451 and penalties to the County resulting from such default, the County may terminate the
1452 Agreement in accordance with Section 13.1.B.
- 1453 B. **Right to Terminate Upon Default.** Upon a determination by the County Contract Manager that an
1454 Event of Default has occurred, the County Board of Supervisors shall conduct a hearing upon no
1455 less than ten (10) days notice to the Contractor to determine if an Event of Default has occurred,
1456 and if so, if termination of the Agreement is in the best interests of the public health, safety, and
1457 general welfare of the citizens of the County. If the County Board of Supervisors makes such a
1458 determination, the Contractor shall be deemed to have waived any right it may have under
1459 Applicable Law to notice of termination in excess of those notice provisions explicitly set forth
1460 herein.
- 1461 C. **County's Remedies Cumulative: Specific Performance.** The County's right to terminate this
1462 Agreement under this Section 13.1 is not exclusive, and the County's termination of the
1463 Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any
1464 and all other legal and equitable rights and remedies which the County may have, including but
1465 not limited to specific performance, and fees and expenses incurred by or on behalf of the County
1466 in enforcing payment or performance of the Contractor's obligations hereunder if such non-
1467 performance results in a judicially determined Event of Default by the Contractor.
- 1468 D. **Possession of Property upon Termination or Suspension.** In the event of termination or
1469 suspension for default, the County shall have the right to take possession of any and all of
1470 Contractor's equipment and other property used or useful in the Collection, Transportation,
1471 Processing, and Disposal of Solid Waste or Recyclable Materials and the billing and collection of
1472 fees for these services and to use such property. The County shall have the right to retain the
1473 possession of such property until such time as Contractor remedies the default or substitute
1474 services can be provided by another contractor. If the County retains possession of Contractor's
1475 equipment or other property after the period of time for which Contractor has already been paid
1476 by means of bills issued in advance of providing service for the service involved, the Contractor
1477 shall be entitled to the reasonable rental value of such property (which shall be offset against any
1478 damages due the County for the Contractor's default). Contractor shall furnish the County with
1479 immediate access to all of its business records related to its Customers and billing of accounts for
1480 Collection services.}

1481 **Section 13.2: Liquidated Damages**

1482 In addition to any other remedies provided for in this Agreement, the County Contract Manager may
1483 levy a charge in the amounts listed below for the Contractor's failure to meet the requirements
1484 enumerated below that constitute a breach of the terms and conditions of this Agreement. The County
1485 Contract Manager's decision to levy such a charge shall not be deemed an election of remedies, but shall
1486 be cumulative with any other remedies provided for in this Agreement. The County Contract Manager's
1487 decision not to levy any such charge shall not be deemed a waiver of any breach by Contractor under
1488 this Agreement. The Parties agree that the following Liquidated Damages represent a reasonable
1489 estimate of the amount of such damages, considering all of the circumstances existing on the date of the
1490 Agreement, including the relationship of the sums to the range of harm to the County that reasonably
1491 could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In
1492 signing this Agreement, each Party specifically confirms the accuracy of the statements made above and
1493 the fact that each Party had ample opportunity to consult with legal counsel and obtain an explanation
1494 of this Liquidated Damage provision at the time that this Agreement was entered into.

1495 Initials: _____

1496 A. Excessive complaints. When Contractor or the County Contract Manager receives complaints from
1497 more than one percent (1%) of its client base within a six (6) month period, Contractor will be
1498 assessed twenty-five (\$25) per complaint per occurrence during that period; and an additional
1499 twenty-five (\$25) each twenty-four (24) hours until the complaint is reasonably resolved. For
1500 purposes of this section, "complaints" shall mean substantive and credible Customer notifications
1501 to the Contractor or the County Contract Manager of missed pick-ups, property damage, missed
1502 commitments, employee misconduct or poor quality of service (e.g. litter on property or public
1503 right-of-way or misplacement of Containers).

1504 B. Failure to remit the County Fees, or file required reports in an accurate and complete manner by
1505 the fifth working day following the due date of such fees or reports: fifty dollars (\$50) per day for
1506 the first five (5) days, then five hundred dollars (\$500) per day for each day after the first five (5)
1507 days.

1508 C. Failure to provide access to Operating Assets or any other documents or information within
1509 fourteen (14) days of a request by the County Contract Manager: one hundred dollars (\$100) per
1510 day per occurrence.

1511 D. Failure to charge a Customer at or below the maximum approved Rate, where not refunded on
1512 the next invoice: fifty dollars (\$50) per occurrence per Customer where the number of Customers
1513 overcharged is less than twenty-five (25); five hundred dollars (\$500) per occurrence per
1514 Customer where the number of Customers overcharged is twenty-five (25) or more. In addition,
1515 Contractor shall be responsible for refunding any amount overcharged to each Customer
1516 determined to be overcharged. Contractor shall not be entitled to any refund from the County for
1517 Franchise Fees or other fees paid on overcharged amounts.

1518 E. Failure to implement any one of the strategies listed in the Recycling Plan: fifty dollars (\$50) per
1519 day for each day in excess of fifteen (15) days following Contractor's receipt of written notice from
1520 County.

1521 F. Collection outside permitted hours: one hundred dollars (\$100) per occurrence.

1522 G. Failure to provide Collection services on the scheduled service day to 99% of Customers: ten
1523 dollars (\$10) per Container not served.

1524 H. Failure to Collect a Container in response to a Customer complaint regarding a missed pick-up
1525 within one (1) Business Day: ten dollars (\$10) per Container.

1526 In the event the Liquidated Damages permitted to be imposed under this Section exceed two thousand
1527 five hundred dollars (\$2,500) during any three hundred sixty five (365) day period or the Contractor has
1528 violated the requirements for a particular service indicator more than four (4) times in an Agreement
1529 Year, the County Contract Manager may impose an additional penalty of twenty-five percent (25%) of
1530 the original amount of Liquidated Damages. For example, if the original amount of the Liquidated
1531 Damages totals one thousand dollars (\$1,000) the penalty amount would be two hundred fifty dollars
1532 (\$250).

1533 The County Contract Manager shall give the Contractor written notice of charges levied pursuant to this
1534 Section. Any such damages shall be paid directly to the County, and may not be included by the
1535 Contractor as justification for an upward adjustment in the Rate schedule or offset against any fees.

1536 The decision of the County Contract Manager shall be final and binding on the Contractor unless the
1537 Contractor files with the Clerk of the County Board of Supervisors a Notice of Appeal within fifteen (15)
1538 days of receipt of the County Contract Manager's decision. The Notice of Appeal shall be in writing and
1539 shall contain a detailed statement of the basis for the appeal. Upon receipt of the Notice of Appeal, the
1540 matter shall be mediated consistent with the provisions of Article 14 (Resolution of Disputes). Failing
1541 resolution through the mediation process, the County Contract Manager shall set the matter for a public
1542 hearing within sixty (60) days. The County Contract Manager shall give the Contractor and any
1543 interested Person requesting the same, ten (10) days written notice of the time and place of the
1544 hearing. At the hearing, the County Board of Supervisors shall determine, based on the record, the
1545 appropriate action to be taken. The decision of the County Board of Supervisors shall be final and
1546 conclusive.

1547 **Section 13.3: Uncontrollable Circumstances**

1548 A. **Excuse from Performance.** In the event that a Party is prevented from performing its obligations
1549 under this Agreement by an Uncontrollable Circumstance, it shall not constitute a default of this
1550 Agreement, so long as the Party in good faith has used its best efforts to perform its respective
1551 obligations.

1552 The Party claiming excuse from performance shall, within five (5) days after such Party has notice
1553 of the effect of such cause, give the other Party notice of the facts constituting such cause and
1554 asserting its claim to excuse under this Section. Specifically, such information shall include the
1555 following:

- 1556 1. The Uncontrollable Circumstance and the cause thereof (to the extent known);
- 1557 2. The date the Uncontrollable Circumstance began and the cause thereof, its estimated
1558 duration" the estimated time during which the performance of such Party's obligations
1559 hereunder will be delayed;
- 1560 3. Its estimated impact on the other obligations of such Party under this Agreement; and

1561 4. Potential mitigating actions which might be taken by the Contractor or County and any areas
1562 where costs might be reduced and the approximate amount of such cost reductions.

1563 While the delay continues, the Contractor or County shall give daily notice to the other Party
1564 updating the information previously submitted.

1565 In the event that either Party validly exercises its rights under this Section 13.3.A, the Parties
1566 hereby waive any claim against each other for any damages sustained thereby.

1567 B. **County's Right to Terminate.** The partial or complete interruption or discontinuance of the
1568 Contractor's services caused by one (1) or more of the events described in this Section 13.3 shall
1569 not constitute a default by the Contractor under this Agreement. Notwithstanding the foregoing,
1570 however, if the Contractor is excused from performing its obligations hereunder because of any
1571 Uncontrollable Circumstance for a period of thirty (30) days or more, the County shall
1572 nevertheless have the right, in its sole discretion, to terminate this Agreement by giving sixty (60)
1573 days notice. Such notice shall be revoked by County if, prior to the expiration of the sixty (60) day
1574 period, Contractor performs or causes the performance of the subject services.

1575 C. **Work Stoppages Resulting in Failure to Perform.** Notwithstanding anything in this Agreement to
1576 the contrary, any strikes, work stoppages, lock-outs, or other labor disputes or disturbances
1577 occurring with respect to an activity performed or to be performed by the Contractor or any of the
1578 Contractor's Subcontractors in connection with the Operating Assets or the Collection Services
1579 and which last beyond fifteen (15) Business Days and result in any failure to perform shall
1580 constitute an Event of Default under Section 13.1.A and may result in termination. In the event of
1581 any such failure to perform during a labor disturbance, the County Contract Manager shall notify
1582 Contractor of the potential Default and provide Contractor up to five (5) Business Days to perform
1583 or cause the performance of services under this Agreement prior to the County Board of
1584 Supervisors finding the Agreement in Default and terminating the Agreement. Contractor may
1585 request and the County Contract Manager or Board of Supervisors may, in their sole discretion,
1586 grant up to one or more extensions not to exceed a total of fifteen (15) days to the cure period
1587 considered in this Section 13.3.C.

1588 However, in the event of such occurrence which prevents or diminishes the ability of Contractor to
1589 Collect, Transport and Dispose of any or all the Franchised Materials which it is obligated under
1590 this Agreement to Collect, Transport or Dispose of for a period of more than seventy-two (72)
1591 hours and the County Contract Manager, in their sole discretion, should find that such
1592 accumulation endangers or menaces the public health, safety or welfare, then County shall have
1593 the right, upon twenty-four (24) hours notice to Contractor, to find the Contractor in Default and
1594 to contract with any other third parties to Collect and Transport any and all Franchised Materials
1595 which Contractor would otherwise be obligated to Collect and Transport pursuant to this
1596 Agreement. Contractor agrees that in such event, it will fully cooperate with County and its third-
1597 party contractor to affect such transfer of operations in as smooth and efficient a fashion as is
1598 practicable during the pendency of the event causing the work stoppage. All costs, fees, rates or
1599 other expenses incurred by County and/or its third-party contractor that exceed those that would
1600 have been incurred by County had no such emergency arisen shall be the responsibility of the
1601 Contractor and shall be paid to County within thirty (30) days of receipt of written notice to pay.
1602 This is intended to serve as a temporary service during the pendency of the event and not as a
1603 long-term replacement for Contractor's service.

1604 **Section 13.4: Right to Demand Assurances of Performance**

1605 If the County believes in good faith that the Contractor's ability to perform under the Agreement has
1606 been placed in substantial jeopardy by one (1) of the events enumerated below, the County Contract
1607 Manager may, at his option and in addition to all other remedies the County may have, require that
1608 Contractor provide County Contract Manager with a financial surety instrument exceeding the
1609 performance bond amount provided under Section 12.3 and/or sufficient proof that none of the events
1610 enumerated below will in fact impair Contractor from performing its obligations under the Agreement:

1611 A. Contractor is the subject of any labor unrest, including work stoppages or slowdown, sick-out,
1612 picketing, or other concerted job action;

1613 B. Contractor appears, in the reasonable judgment of the County, to be unable to regularly pay its
1614 bills as they become due; or,

1615 C. Contractor is the subject of a civil or criminal judgment or order entered by a federal, state,
1616 regional, or local agency for violation of Applicable Law.

1617 If the Contractor fails or refuses to provide to the County adequate information to establish its ability to
1618 perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of
1619 Section 13.1.A.

1620

ARTICLE 14: RESOLUTION OF DISPUTES

1621 If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot
1622 be settled through negotiation, the parties agree first to try in good faith to settle the dispute by
1623 non-binding mediation before resorting to an appeal to the Board of Supervisors, litigation or some
1624 other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be
1625 mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from
1626 among two nominations provided by each party. All costs and fees required by the mediator shall be
1627 split equally by the parties, otherwise each party shall bear its own costs of mediation. Mediation
1628 proceedings shall be held in the strictest confidence during the pendency of such proceedings. If
1629 mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the
1630 dispute.

1631 **ARTICLE 15: MISCELLANEOUS PROVISIONS**

1632 **Section 15.1: Relationship of the Parties**

- 1633 A. This Agreement is entered into by both parties with the express understanding that CONTRACTOR
1634 will perform all services required under this Agreement as an independent contractor. Nothing in
1635 this Agreement shall be construed to constitute the CONTRACTOR or any of its agents, employees
1636 or officers as an agent, employee or officer of COUNTY.
- 1637 B. CONTRACTOR agrees to advise everyone it assigns or hires to perform any duty under this
1638 agreement that they are not employees of COUNTY. Subject to any performance criteria
1639 contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means
1640 and methods of performing the specified services and COUNTY shall have no right to control or
1641 exercise any supervision over CONTRACTOR as to how the services will be performed. As
1642 CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required
1643 state and federal taxes. In particular, COUNTY will not:
- 1644 1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
 - 1645 2. Make state or federal unemployment insurance contributions on
1646 CONTRACTOR'S behalf.
 - 1647 3. Withhold state or federal income tax from payments to CONTRACTOR.
 - 1648 4. Make disability insurance contributions on behalf of CONTRACTOR.
 - 1649 5. Obtain unemployment compensation insurance on behalf of
1650 CONTRACTOR.
- 1651 C. Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor
1652 and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

1653 **Section 15.2: Notice to Parties**

- 1654 A. Except as may be otherwise required by law, any notice to be given shall be written and shall be
1655 either personally delivered, emailed (with confirmation of receipt), sent by facsimile transmission
1656 or sent by first class mail, postage prepaid and addressed as follows:

1657 **COUNTY:**

1658
1659 **Phone No.:** 559-624-7195
1660 **Fax No.:** 559-624-1041
1661

With A Copy To:

Tulare County Solid Waste Dept
5955 S Mooney Blvd
Visalia, CA 93277

1662
1663 **CONTRACTOR:**

1664
1665 **Phone No.:** 559-528-3909
1666 **Fax No.:** 559-528-4030
1667

Pena's Disposal Inc
12094 Ave 408
Cutler, CA 93615

- 1668 B. Notice personally delivered or email with confirmation of receipt is effective when delivered.
1669 Notice sent by facsimile transmission is deemed to be received upon successful transmission.
1670 Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing.
1671 Either party may change the above address by giving written notice pursuant to this paragraph.

1672 **Section 15.3: Actions of the County in its Governmental Capacity**

1673 Nothing in this Agreement shall be interpreted as limiting the rights and obligations of the County in its
1674 governmental or regulatory capacity, or as limiting the right of the Contractor to bring any legal action
1675 against the County, not based on the provisions set forth in this Agreement, arising out of any act or
1676 omission of the County in its governmental or regulatory capacity.

1677 **Section 15.4: Binding Effect**

1678 This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee
1679 acquiring an interest hereunder consistent with the provisions hereof.

1680 **Section 15.5: Amendments**

1681 Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except
1682 by written agreement duly executed by both Parties.

1683 **Section 15.6: Further Assurance**

1684 Each party will execute any additional documents and perform any further acts that may be reasonably
1685 required to affect the purposes of this Agreement.

1686 **Section 15.7: Assignment and Transfer of Agreement**

1687 A. **Consent of the County Required.** This Agreement shall not be transferred, sold, pledged,
1688 hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred,
1689 sold, pledged, hypothecated, leased, or assigned, either in whole or in part, nor shall title hereto
1690 or thereto, either legal or equitable, or any right, interest or property herein or therein, pass to or
1691 vest in any Person, except the Contractor, either by action or inaction of the Contractor, or by
1692 operation of law, without the prior written consent of the County, which may be withheld or
1693 delayed in County's discretion.

1694 The Contractor shall provide written notice of any request to assign or transfer this Agreement,
1695 and shall provide the County with any information requested by the County in connection with the
1696 proposed transfer, included but not limited to information regarding the general business
1697 qualifications of the proposed assignee, as well as its ability to perform the Collection Services and
1698 a statement of its financial resources. The Contractor's notice of intention to assign this
1699 Agreement shall contain a statement of the allocation of dollars in the consideration to be paid by
1700 the assignee to the Contractor for (a) goodwill, (b) equipment, and (c) any other asset transfer
1701 which has any connection with said assignment, all as agreed upon by the Contractor and the
1702 assignee. The notice shall also contain a statement showing the method of payment for the
1703 consideration and whether the Contractor proposes to hold some security interest as security for
1704 the payment of the unpaid balance of the consideration. Notwithstanding any provision herein to
1705 the contrary, a consolidation, an assignment or transfer of this Agreement from Contractor (i) to
1706 an Affiliate who is an Affiliate on the date of execution of this Agreement, (ii) between Contractor
1707 or members of their immediate family, (iii) between members of the same immediate family, or
1708 (iv) to a trust, testamentary or otherwise does not require the prior written consent of the County

1709 and is not subject to any requirement herein for submittal of information, reimbursement of costs
1710 or the transfer fee.

1711 The County shall respond to any such request within ninety (90) days after receipt of any
1712 information requested by the County pursuant to the preceding sentence. The Contractor
1713 acknowledges that, prior to approving such a transfer, the County must find that such a transfer is
1714 in the best interests of the public health, safety, and general welfare. Any attempt by the
1715 Contractor to effectuate any of the foregoing without such consent of the County shall be null and
1716 void, and any effectuation of any of the foregoing without such consent of the County shall
1717 constitute an Event of Default resulting in the immediate termination of this Agreement as
1718 provided in Section 13.1.A hereof.

1719 B. **Consolidation, Merger, Sale, Transfer, and Change in Control.** Subject to the provisions of section
1720 3.7.A above, the Contractor shall not, without the prior written consent of the County which may
1721 be withheld or delayed in its sole and absolute discretion, consolidate with or merge with another
1722 entity or permit one (1) or more other entities to consolidate with or merge into it.
1723 Notwithstanding any provision herein to the contrary, a consolidation, merger, sale, transfer, or
1724 change of control from Contractor (i) to an Affiliate who is an Affiliate on the date of execution of
1725 this Agreement, (ii) between Contractor or members of their immediate family, (iii) between
1726 members of the same immediate family, or (iv) to a trust, testamentary or otherwise does not
1727 require the prior written consent of the County and is not subject to any requirement herein for
1728 submittal of information, reimbursement of costs or the transfer fee.

1729 C. **Transfer of Voting Stock.** The County's prior written consent, which may be withheld or delayed in
1730 its sole and absolute discretion, shall be required for the sale or transfer by any means, whether
1731 by agreement or by operation of law (including transfers resulting from death, bankruptcy or
1732 divorce), of any of the voting stock of the Contractor. Notwithstanding any provision herein to the
1733 contrary, a transfer of voting stock from (i) Contractor to an Affiliate who is an Affiliate on the date
1734 of execution of this Agreement, (ii) between Contractor or members of their immediate family, (iii)
1735 between members of the same immediate family, or (iv) to a trust, testamentary or otherwise
1736 does not require the prior written consent of the County and is not subject to any requirement
1737 herein for submittal of information, reimbursement of costs or the transfer fee.

1738 D. **Reimbursement of Cost Related to Assignment Review.** If the Contractor requests the consent of
1739 the County for any transaction described in Section 15.7 hereof, the proposed assignee, as a
1740 condition of assignment, shall reimburse the County for all costs and expenses incurred by the
1741 County in reviewing, examining, and analyzing the request, including all direct and indirect
1742 administrative expenses of the County and consultants and attorney's fees and expenses. Along
1743 with its written request for the review of the assignment, Contractor shall remit to County an
1744 assignment review fee in the amount of one hundred thousand dollars (\$100,000) which shall be
1745 intended to compensate the County of the costs of its review of the requested assignment. Such
1746 fee shall not be refundable to the Contractor in the event that the County determines, in its sole
1747 discretion, that the proposed assignment is unacceptable. In the event that the County's total
1748 costs for the review of the assignment exceed one hundred thousand dollars (\$100,000) the
1749 assignee shall compensate the County for its actual and reasonable costs within thirty (30) days of
1750 receiving the County's invoice. Such costs shall be supported with evidence of the expense or cost
1751 incurred.

1752 E. **Transfer Fee.** On the date the County approves the Contractor's written request for an
1753 assignment, Contractor shall pay the County a transfer fee in the amount of one percent (1%) of
1754 the Gross Receipts for the most-recently completed Rate Period. The County's approval of such an
1755 assignment shall be conditioned on the receipt of the transfer fee.

1756 **Section 15.8: Interpretation**

1757 In this Agreement, unless the context otherwise requires:

1758 A. **References Hereto.** The terms "hereby," "hereof," "herein," hereunder," and any similar terms
1759 refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means
1760 before, the date of execution of this Agreement.

1761 B. **Gender and Plurality.** Words of the masculine gender mean and include correlative words of the
1762 feminine and neuter genders, and words importing the singular number mean and include the
1763 plural number and vice versa.

1764 C. **Persons.** Words importing Persons include firms, companies, associations, general partnerships,
1765 limited partnerships, trusts, business trusts, corporations, non-profit corporations, and other legal
1766 entitles, including Governmental Bodies, as well as individuals.

1767 D. **Construction:** This Agreement reflects the contributions of all undersigned parties and
1768 accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any
1769 alleged uncertainty or ambiguity.

1770 E. **Headings.** The table of contents and Section headings are provided for organizational purposes
1771 only and do not in any manner affect the scope, meaning or intent of the provisions under the
1772 headings.

1773 F. **Reference to Days.** All references to days herein are to calendar days, including Saturdays,
1774 Sundays, and holidays, except as otherwise specifically provided.

1775 G. **Units of Measure.** Weights or volumes described herein may be reported in either metric or U.S.
1776 Standard terms of measurement, unless State or Federal law or regulation specifies the system of
1777 measurement to be used.

1778 H. **Counterparts.** This Agreement may be executed in any number of original counterparts. All such
1779 counterparts shall constitute but one and the same Agreement.

1780 I. **Applicable Law.** This Agreement shall be governed by and construed in accordance with
1781 Applicable Law. This Agreement is intended to be fully consistent with the requirements of the
1782 County Code and any subsequent amendments thereto. In the event there is an inconsistency or
1783 conflict between this Agreement and the County Code, the County Code is controlling and shall
1784 substitute for the inconsistent provision.

1785 J. **Severability.** If any clause, provision, subsection, section, or article of this Agreement shall be
1786 determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- 1787 1. Promptly meet and negotiate a substitute for such clause, provision, section, or article
1788 which shall, to the greatest extent legally permissible, effect the intent of the Parties
1789 therein.
- 1790 2. If necessary or desirable to accomplish item (1) above, apply to the court having declared
1791 such invalidity for a judicial construction of the invalidated portion of this Agreement.
- 1792 3. Negotiate such changes in, substitutions for or additions to, the remaining provisions of this
1793 Agreement as may be necessary in addition to and in conjunction with items (1) and (2)
1794 above, to effect the intent of the Parties in the invalid provision. The invalidity of such
1795 clause, provision, subsection, section, or article shall not affect any of the remaining
1796 provisions hereof, and this Agreement shall be construed and enforced as if such invalid
1797 portion did not exist. }

1798 **Section 15.9 Jurisdiction**

1799 This Agreement shall be interpreted and governed under the laws of the State of California without
1800 reference to California conflicts of law principles. Any lawsuits between the Parties arising out of this
1801 Agreement shall be brought and concluded in the courts of Tulare County in the State of California,
1802 which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that
1803 this Agreement is made in and will be performed in Tulare County.

1804 **Section 15.10 Assurances of Non-Discrimination**

1805 Contractor shall not discriminate in employment or in the provision of services on the basis of any
1806 characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

1807 It is recognized that both the Contractor and the County have the responsibility to protect County
1808 employees, Customers, and clients from unlawful activities, including discrimination and sexual
1809 harassment in the workplace. Accordingly, Contractor agrees to provide appropriate training to its
1810 employees regarding discrimination and sexual harassment issues, and to promptly and appropriately
1811 investigate any allegations that any of its employees may have engaged in improper discrimination or
1812 harassment activities. The County, in its sole discretion, has the right to require Contractor to replace
1813 any employee who provides services of any kind to County pursuant to this Agreement with other
1814 employees where County is concerned that its employees or clients may have been or may be the
1815 subjects of discrimination or harassment by such employees. The right to require replacement of
1816 employees as aforesaid shall not preclude County from terminating this Agreement with or without
1817 cause as provided for herein.

1818 **Section 15.11 Conflict of Interest**

1819 A. Contractor agrees to, at all times during the performance of this Agreement, comply with the
1820 law of the State of California regarding conflicts of interests and appearance of conflicts of
1821 interests, including, but not limited to Government Code Section 1090 et seq., and the Political
1822 Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant
1823 thereto by the California Fair Political Practices Commission. The statutes, regulations and laws
1824 previously referenced include, but are not limited to, prohibitions against any public officer or
1825 employee from making any decision on behalf of COUNTY in which such officer or employee has

1826 a direct or indirect financial interest. A violation can occur if the public officer, employee or
1827 consultant/contractor participates in or influences any COUNTY decision which has the potential
1828 to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR
1829 has an interest, with certain narrow exceptions.

1830 B. Contractor agrees that if any facts come to its attention which raise any questions as to the
1831 applicability of conflicts of interests laws, it will immediately inform the COUNTY designated
1832 representative and provide all information needed for resolution of this question.

1833 **Section 15.12: Compliance with Applicable Laws**

1834 Contractor acknowledges that it is responsible for compliance during the entire Term of this Agreement
1835 with all Applicable Laws including, without limitation, laws related to handling of Excluded Waste.

1836 **Section 15.13: Waivers**

1837 The failure of either party to insist on strict compliance with any provision of this Agreement shall not be
1838 considered a waiver of any right to do so, whether for that breach or any subsequent breach. The
1839 acceptance by either party of either performance or payment shall not be considered to be a waiver of
1840 any preceding breach of the Agreement by the other party.

1841 **Section 15.14: Entire Agreement**

1842 This Agreement represents the entire agreement between Contractor and County as to its subject
1843 matter and no prior oral or written understanding shall be of any force or effect. The recitals and the
1844 exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement. No part
1845 of this Agreement may be modified without the written consent of both parties. Unless specifically set
1846 forth, the parties to this Agreement do not intend to provide any other party with any benefit or
1847 enforceable legal or equitable right or remedy.

1848

1849

1850 **THE PARTIES**, having read and considered the above provisions, indicate their agreement by their
1851 authorized signatures below.

1852 **COUNTY OF TULARE**

1853 Date: BY

1854 Chairman, Board of Supervisors

1855 ATTEST: JEAN M. ROUSSEAU
1856 County Administrative Officer/Clerk of the Board
1857 of Supervisors of the County of Tulare

1858

1859

1860 By _____
1861 Deputy Clerk

1862 **CONTRACTOR**

1863 Date: By

1864 TITLE _____

1865 Date: By

1866 TITLE _____

1867 Corporations Code section 313 requires that contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the
1868 president or any vice-president, and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer, unless the
1869 contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

1870

1871 Approved as to Form
1872 County Counsel

1873

1874 By _____
1875 Deputy

1876

1877 Date _____

1878

Exhibit A Definitions

1879 For purposes of this Agreement, unless a different meaning is clearly required, the following words and
1880 phrases shall have the following meanings respectively ascribed to them by this Exhibit and shall be
1881 capitalized throughout this Agreement:

1882 **"AB 939"** means the California Integrated Waste Management Act of 1989 (Division 30 of the California
1883 Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented,
1884 superseded, and replaced from time to time.

1885 **"AB 341"** means the Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 modifying Division
1886 30 of the California Public Resources Code), also commonly referred to as "AB 341," as amended,
1887 supplemented, superseded, and replaced from time to time.

1888 **"AB 1826"** means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying
1889 Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as
1890 amended, supplemented, superseded, and replaced from time to time.

1891 **"Affiliate(s)"** means any person, corporation or other entity directly or indirectly controlling or
1892 controlled by another person, corporation or other entity, or under direct or indirect common
1893 management or control with such person, corporation or other entity. As between any two (2) or more
1894 persons or entities, when ten percent (10%) of one is owned, managed, or controlled by another, they
1895 are hereunder Affiliates of one another.

1896 **"Agreement"** means this Franchise Agreement between the County and the Contractor.

1897 **"Agreement Date"** means the date of approval of this Solid Waste Management Agreement by the
1898 County.

1899 **"Agreement Year"** means a twelve-month period beginning on July 1 of each year and ending on the
1900 following June 30 each year during the Term of this Agreement, provided however, that the first
1901 Agreement Year will commence on the Agreement Date and the last Agreement Year will end on the
1902 date of termination of this Agreement.

1903 **"Annual Percentage Change"** means the average of the percentage monthly changes in the value of an
1904 index for the 12-month period ending December of the then-current Rate Period minus the average of
1905 the percentage monthly changes in the index value for the 12-month period ending December of the
1906 most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest
1907 thousandth (1,000th).

1908 For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period
1909 2, the Annual Percentage Change in CPI shall be calculated as follows: $[(\text{Average CPI for January 2015 through December 2015}) - (\text{Average CPI for January 2014 through December 2014})] / (\text{Average CPI for January 2014 through December 2014})$.

1912 **"Applicable Law"** means any law, rule, regulation, requirement, guideline, permit, action,
1913 determination, or order of any Governmental Body having jurisdiction, applicable from time to time to
1914 the Collection Services; the Operating Assets; the siting, design, acquisition, permitting, construction,
1915 equipping, financing, Ownership, possession, shakedown, testing, operation, or maintenance of any of
1916 the Operating Assets; or any other transaction or matter contemplated hereby (including any of the
1917 foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled,

Exhibit A Definitions

1918 labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of
1919 minimum wages, the payment of per-ton charges on solid waste facilities imposed by a governmental
1920 entity other than the County, and further including the County Code and the County Integrated Waste
1921 Management Plan and the County's SRRE).

1922 **"Approved Mixed Waste Processing Facility"** Means the Pena's Disposal Inc located at 12094 Ave 408
1923 Cutler, CA 93615.

1924 **"Approved Organic Materials Processing Facility"** Means the Pena's Disposal Inc located at 12094 Ave
1925 408 Cutler, CA 93615.

1926 **"Approved Recyclable Materials Processing Facility"** Means the Pena's Disposal Inc located at 12094
1927 Ave 408 Cutler, CA 93615.

1928 **"Base Rate"** means the Rate charged for basic Collection Service of Solid Waste including Recyclable
1929 Materials in a specified area, as authorized by the County, absent any discounts offered by the
1930 Contractor as specified in Appendix 2.

1931 **"Bureau of Labor Statistics (BLS)"** shall mean the U.S. Department of Labor, Bureau of Labor Statistics or
1932 its successor agency.

1933 **"Bin"** means a Container with capacity of approximately one (1) to six (6) cubic yards, with a hinged lid,
1934 and with wheels (where appropriate), that is serviced by a front end-loading collection Vehicle.

1935 **"Bulky Waste"** means large and small household appliances, furniture, tires, carpets, mattresses, and
1936 similar large items of Solid Waste which cannot be contained within a standard Container, or which does
1937 not fit in or causes harm to collection Vehicles.

1938 **"Business Days"** mean days during which the County offices are open to do business with the public.

1939 **"CalRecycle"** means the Department of Resources Recycling and Recovery, and any Governmental Body
1940 which succeeds to its duties and powers under Applicable Law.

1941 **"Cart"** means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-
1942 automated Collection vehicle. A Cart has capacity of 96 gallons (or similar volumes).

1943 **"CEQA"** means the California Environmental Quality Act codified at California Public Resources Code
1944 Section 21000 et seq., as amended or superseded, and the regulations promulgated thereunder.

1945 **"Change in Law"** means any of the following events or conditions which has a material and adverse
1946 effect on the performance by the Contractor of the Collection Services (except for payment obligations):

- 1947
- The enactment, adoption, promulgation, issuance, modification, or written change in
1948 administrative or judicial interpretation on or after the Agreement Date of any Applicable Law;
1949 or,
 - The order or judgment of any Governmental Body, on or after the Agreement Date. to the
1950 extent such order or judgment is not the result of willful or negligent action, error or omission or
1951 lack of reasonable diligence of the County or of the Contractor, whichever is asserting the
1952

Exhibit A Definitions

- 1953 occurrence of a Change in Law provided, however, that the contesting in good faith or the
1954 failure in good faith to contest any such order or judgment shall not constitute or be construed
1955 as such a willful or negligent action, error or omission or lack of reasonable diligence.
- 1956 **"Collect" or "Collection" (or any variation thereof)** means the act of collecting Solid Waste and
1957 Recyclable Materials at the place of generation in Franchise Service Area.
- 1958 **"Collection Premises"** means the Residential Premises, Non-Residential Premises, or both for which the
1959 Contractor is authorized to provide Collection Services.
- 1960 **"Collection Services"** means all of the duties and obligations of the Contractor hereunder.
- 1961 **"Commercial"** shall mean of, from or pertaining to non-Residential Premises where business activity is
1962 conducted, including, but not limited to, retail sales, services, wholesale operations, manufacturing, and
1963 industrial operations, but excluding businesses conducted upon Residential property, which are
1964 permitted under applicable zoning regulations and are not the primary use of the property. For the
1965 purposes of this Agreement, Commercial also includes Multiple-Unit Dwellings with five (5) or more
1966 units.
- 1967 **"Compactor"** means a mechanical apparatus that compresses materials together with the Container
1968 that holds the compressed materials or the Container that holds the compressed materials if it is
1969 detached from the mechanical compaction apparatus. Compactors include two (2) to eight (8) cubic
1970 yard Bin Compactors serviced by front-end loader Collection Vehicles and ten (10) to fifty (50) cubic yard
1971 Drop Box Compactors serviced by roll-off Collection Vehicles.
- 1972 **"Construction and Demolition Debris (C&D)"** includes discarded building materials, packaging, debris,
1973 and rubble resulting from construction, alteration, remodeling, repair or demolition operations on any
1974 pavements, excavation projects, houses, Commercial buildings, or other structures, excluding Excluded
1975 Waste.
- 1976 **"Consumer Price Index (CPI)"** shall mean the All Urban Consumers Index (CPI-U) compiled and published
1977 by the BLS, using the following parameters:
- 1978 • Area – Los Angeles-Riverside-Orange County, CA
 - 1979 • Item – All Items
 - 1980 • Base Period – 1982-1984=100
 - 1981 • Not seasonally adjusted
 - 1982 • Periodicity – Monthly
 - 1983 • Series Identification Number – CUURA421SAO
- 1984 **"Container(s)"** mean Bins, Carts, Compactors, and Drop Boxes.
- 1985 **"Contractor"** means {Insert Company Name} organized and operating under the laws of the State and its
1986 officers, directors, employees, agents, companies, related-parties, affiliates, subsidiaries, and
1987 Subcontractors.
- 1988 **"County"** means the County of Tulare, California, a political subdivision of the State, acting through its
1989 Board of Supervisors.

Exhibit A Definitions

- 1990 "County Code" means the County's Codified Ordinances, as the same may be amended, supplemented,
1991 or modified from time to time.
- 1992 "County Contract Manager" means the County Solid Waste Director or their designated representative
1993 who is responsible for the administrative management of this Agreement.
- 1994 "County Fees" shall mean those fees described in Section 3.4 of this Agreement.
- 1995 "Customer" means Person who subscribes for service with Contractor.
- 1996 "Customer Type" means the Customer's sector category including, but not limited to, Residential,
1997 Commercial and County Facilities.
- 1998 "Designated Collection Location" refers to the location, at each Collection Premises where Containers
1999 of Solid Waste and Recyclable Materials are customarily placed for collection, all in accordance with
2000 Section 4.5 herein.
- 2001 "Designated Disposal Facility" means the County-owned landfill(s) designated by the County Contract
2002 Manager to which the Contractor shall transport Solid Waste and Residual Waste.
- 2003 "Dispose" or "Disposal" (or any variation thereof) means the final disposition of Solid Waste at a
2004 Disposal site.
- 2005 "Drop Box" means an open-top Container with a capacity of ten (10) to fifty (50) cubic yards that is
2006 serviced by a roll-off Collection Vehicle.
- 2007 "Electronic Waste (E-Waste)" means discarded electronic equipment including, but not limited to,
2008 televisions, computer monitors, central processing units (CPUs), laptop computers, computer
2009 peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile
2010 machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular
2011 telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous
2012 Waste and thus require special handling, Processing, or Disposal.
- 2013 "Emergency Services" means Solid Waste Collection Services, other than those specified under this
2014 grant of Agreement, provided during or as a result of an emergency which threatens the public health or
2015 safety, as determined by the County Contract Manager.
- 2016 "Employment Cost Index (ECI)" shall mean the index, compiled and published by the BLS with the
2017 following parameters:
- 2018 • Compensation – Total Compensation
2019 • Ownership – Private Industry
2020 • Periodicity – Index Number
2021 • Group – 210 - Service-Providing Industries
2022 • Seasonally Adjusted
- 2023 "Event of Default" means only the events described in Sections 7.4 and 12.1.A.

Exhibit A Definitions

2024 **"Excluded Waste"** means Hazardous Waste, Infectious Waste, U-Waste, E-Waste, volatile, corrosive,
2025 biomedical, infectious, biohazardous, and toxic substances or material, waste that Contractor
2026 reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law,
2027 regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of
2028 in Class III landfills, waste that in Contractor's reasonable opinion would present a significant risk to
2029 human health or the environment, cause a nuisance or otherwise create or expose Contractor or County
2030 to potential liability; but not including de minimis volumes or concentrations of waste of a type and
2031 amount normally found in Residential Solid Waste after implementation of programs for the safe
2032 Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500
2033 and 41802 of the California Public Resources Code.

2034 **"Food Waste"** means any Residentially- or Commercially-generated discards resulting from food
2035 preparation or left over after consumption which may or may not be separated by the Generator.

2036 **"Franchise Fee"** means the fee paid by Contractor to the County for the privilege to hold the rights
2037 granted by this Agreement.

2038 **"Franchise Service Area"** means the specific geographic areas identified in Exhibit F to this agreement
2039 which are numbered A through J, for which franchises have been issued to different companies. This
2040 Franchise Agreement is exclusive to Franchise Service Area B.

2041 **"Franchised Materials"** means Solid Waste, Organic Materials, and/or Recyclable Materials. Franchised
2042 Materials specifically excludes those materials identified in Section 1.1.A of this Agreement.

2043 **"Fuel Index"** shall mean the Producer Price Index-Commodities for #2 Diesel Fuel compiled and
2044 published by the BLS, using the following parameters:

- 2045 • Not Seasonally Adjusted
- 2046 • Group – Fuels and Related Products and Power
- 2047 • Item – #2 Diesel Fuel
- 2048 • Base Date – 8200

2049 **"Generator"** means any person that generates, produces, or discards Solid Waste and Recyclable
2050 Materials.

2051 **"Governmental Body"** means any federal, state, county, or regional legislative, executive, judicial or
2052 other governmental board, agency, authority, commission, administration, court or other body, or any
2053 officer thereof acting within the scope of his or her authority.

2054 **"Governmental Fee"** shall mean any fee or surcharge imposed by a governmental entity including
2055 without limitation the State, County, or Local Enforcement Agency. Governmental Fees are a
2056 component of the Tipping Fee.

2057 **"Greenwaste"** means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of
2058 organic materials generated from landscapes or gardens, separated from other Solid Waste.

2059 **"Gross Receipts"** shall mean total cash receipts collected from Customers by the Contractor for the
2060 provision of services pursuant to this Agreement, without any deductions. Gross Receipts do not include
2061 revenues from the sale of Recyclable Materials.

Exhibit A Definitions

2062 **"Hazardous Waste"** means:

2063 A. Any waste which by reason of its quality, concentration, composition, or physical, chemical, or
2064 infectious characteristics may do either of the following: cause, or significantly contribute to, an
2065 increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or
2066 pose a substantial threat or potential hazard to human health or the environment when
2067 improperly treated, stored, transported, or disposed of, or otherwise mismanaged, or any waste
2068 which is defined or regulated as a Hazardous Waste, toxic substance, hazardous chemical
2069 substance or mixture, or asbestos under Applicable Law, as amended from time to time, including,
2070 but not limited to:

2071 1. The Resource Conservation and Recovery Act and the regulations contained in 40 CFR Parts
2072 260-281.

2073 2. The Toxic Substance Control Act (15 U.S.C. Section 2601 et seq.) and the regulations
2074 contained in 40 CFR Parts 761-766.

2075 3. The California Health & Safety Code Section 25117 (west 1992 & Supp. 1998).

2076 4. The California Public Resources Code Section 40141 (West 1996).

2077 5. Future additional or substitute federal, state or local laws pertaining to the identification,
2078 treatment, storage, or disposal of toxic substances or Hazardous Wastes.

2079 B. Radioactive materials which are source, special nuclear, or by-product material as defined by the
2080 Atomic Energy Act of 1954 (42 U.S.C. Section 2011 et seq.) and the regulations contained in 10 CFR
2081 Part 40.

2082 **"Household Hazardous Waste"** means waste materials determined by CalRecycle, the Department of
2083 Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

2084 A. Of a nature that they must be listed as hazardous in State statutes and regulations;

2085 B. Toxic/ignitable/corrosive/reactive; and,

2086 C. Carcinogenic/mutagenic/teratogenic

2087 which are discarded from Residential Premises as opposed to businesses.

2088 **"Infectious Waste"** means biomedical waste generated at hospitals, public or private medical clinics,
2089 dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary
2090 facilities and other similar establishments that are identified in Health and Safety Code Section 25117.5
2091 as may be amended from time to time.

2092 **"Insurance Requirement"** means any rule, regulation, code, or requirement issued by any fire insurance
2093 rating bureau or anybody having similar functions or by any insurance company which has issued a
2094 policy with respect to the Operating Assets or the Collection Services.

Exhibit A Definitions

- 2095 **"Legal Proceeding"** means every action, suit, litigation, arbitration, administrative proceeding, and other
2096 legal or equitable proceeding having a bearing upon this Agreement.
- 2097 **"Line of Business"** means any of the following services provided by the Contractor: Residential Solid
2098 Waste, Residential Recycling, Commercial Solid Waste, Commercial Recycling,
- 2099 **"Liquid Waste"** means watered or dewatered sewage or sludge.
- 2100 **"Liquidated Damages"** means the amounts due by Contractor for failure to meet specific quantifiable
2101 standards of performance as described in Section 12.2.
- 2102 **"Medical Waste"** means waste capable of producing an infection or pertaining to or characterized by
2103 the presence of pathogens, including without limitation certain wastes generated by medical
2104 practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians,
2105 veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from
2106 slaughterhouses or rendering plants.
- 2107 **"Multiple-Unit Dwelling" or "Multi-Family"** means any building in the unincorporated areas of the
2108 County, other than a Single-Unit Dwelling, lawfully occupied for human shelter.
- 2109 **"Operating Assets"** means all real and personal property of all kind, which is owned, leased, managed,
2110 or operated by or under contract to the Contractor for providing the Collection Services, including
2111 without limitation the Containers, Vehicles, Transfer stations, maintenance and storage facilities,
2112 administrative facilities, and other equipment, machinery, parts, supplies and tools.
- 2113 **"Organic Materials"** means Greenwaste and Food Waste which are specifically accepted at the
2114 Approved Organic Materials Processing Facility. No Discarded Material shall be considered to be
2115 Organic Materials, however, unless it is separated from Solid Waste and Recyclable Material.
- 2116 **"Owner"** means the person holding the legal title or having a right to possession of the real property
2117 constituting the Collection Premises to which Solid Waste and Recyclable Materials Collection Service is
2118 provided or required to be provided hereunder.
- 2119 **"Party or Parties"** refers to the County and Contractor, individually or together.
- 2120 **"Pass-Through Cost"** means those County Fees, Tipping Fees, Governmental Fees, and other costs, as
2121 specifically identified in Exhibit B, that Contractor may include in the determination of Contractor's
2122 Compensation, however, Contractor may not mark-up or otherwise add to the direct costs of such Pass
2123 Through Costs for their profit, corporate overhead allocation, or any other purpose.
- 2124 **"Person(s)"** means any individual, firm, association, organization, partnership, corporation, trust, joint
2125 venture, or public entity.
- 2126 **"Premises"** means any land or building in the Franchise Service Area where Solid Waste and Recyclable
2127 Materials are generated or accumulated.
- 2128 **"Process" or "Processing"** refers to the removal of Recyclable Materials from Solid Waste prior to the
2129 delivery of such Solid Waste to the Designated Disposal Facility.

Exhibit A Definitions

2130 **"Processing Facility"** refers to any facility that removes Recyclable Materials from Solid Waste and
2131 Recyclable Materials prior to the delivery of Solid Waste and Recyclable Materials to the County Disposal
2132 System.

2133 **"Rate"** means the maximum amount, expressed as a dollar unit, approved by the County that the
2134 Contractor may bill a Customer for providing services under this Agreement. A Rate has been
2135 established for each individual Service Level and the initial Rates for Rate Period One are presented in
2136 Exhibit C. The Rates approved by County are the maximum Rate that Contractor may charge a Customer
2137 and Contractor may, in its sole discretion, charge any amount up to and including the maximum Rate
2138 approved by the County.

2139 **"Rate Adjustment Factor"** shall mean the amount, expressed as a percentage, by which each of the
2140 operating, disposal, processing, and fee components of each Rate are adjusted. The Rate Adjustment
2141 Factor for each component shall be calculated separately.

2142 **"Rate Period"** means a twelve (12) month period, commencing July 1 and concluding June 30, excepting
2143 Rate Period One.

2144 **"Rate Period One"** means the first Rate Period covered by this Agreement. Rate Period One shall begin
2145 on the effective date of this Agreement and shall end on June 30, 2016.

2146 **"Recovered Materials"** means the products, excluding Residual Waste, produced by the Processing of
2147 Recyclable Materials.

2148 **"Recyclable Materials"** means materials that through processing are capable of being returned to the
2149 economic mainstream, through processing and available markets, in the form of raw material for new,
2150 reused, or reconstituted products, including newspaper, cardboard, mixed color paper, white paper,
2151 junk mail, magazines, telephone books, paper bags, cereal and food boxes, egg cartons, plastic bottles
2152 and containers, plastic milk containers, plastic bags, detergent containers, clear, brown, and green food
2153 and beverage container glass, cans of aluminum, steel, tin, food cans, empty aerosol cans, pipe tins or
2154 other materials contained within a load of Recyclable Materials, and may also include any other type of
2155 recyclable waste material agreed on by the Parties.

2156 **"Recycle," "Recycled," or "Recycling"** means the Process of collecting, sorting, cleansing, treating,
2157 reconstituting, or otherwise Processing materials that are or would otherwise become Solid Waste and
2158 returning them to the economic mainstream in the form of raw material for new, reused, or
2159 reconstituted products which meet the quality standards necessary to be used in the marketplace.

2160 **"Recycling Plan"** is the Contractor's recycling plan which must be reviewed and approved by the County
2161 Contract Manager.

2162 **"Residential"** shall mean of, from, or pertaining to a Single-Unit Dwelling Premises or Multi-Unit
2163 Dwelling Premises including Single-Family homes, apartments, condominiums, townhouse complexes,
2164 mobile home parks, and cooperative apartments.

2165 **"Residual Waste"** means any material remaining after the Processing, by any means and to any extent
2166 of Solid Waste and Recyclable Materials.

Exhibit A Definitions

- 2167 **"Roll-Off"** means Solid Waste pick-ups using Bulk Containers mounted on rail wheels or similar wheels
2168 and using special trucking equipment for transporting the Bins and Containers.
- 2169 **"Routing and Collection System"** means the Routing and Collection System for Solid Waste and
2170 Recyclable Materials which is in effect as of the effective date of this Agreement.
- 2171 **"Scrap Materials"** means any materials which are separated by type of Generator thereof from
2172 materials which otherwise are discarded or rejected by the Generator as Solid Waste and Recyclable
2173 Materials and which are sold or donated by the Generator to a private Recycler, scrap dealer, or salvager
2174 and Recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste
2175 and Recyclable Materials, or (2) are not commingled with Solid Waste and Recyclable Materials, but
2176 which are collected by any person other than the Contractor as part of any transaction or arrangement
2177 involving Solid Waste and Recyclable Materials, irrespective of whether the Generator pays or receives
2178 consideration in connection with such transaction or arrangement.
- 2179 **"Service Level"** refers to the size of a Customer's Container and the frequency of Collection Services.
- 2180 **"Single-Unit Dwelling"** means a dwelling designed for or occupied exclusively for human shelter by one
2181 (1) family.
- 2182 **"Solid Waste"** means all garbage, refuse, rubbish, and other materials and substances discarded or
2183 rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such
2184 discard or rejection and which are normally discarded by or collected from Residential Premises, Non-
2185 Residential Premises and institutional establishments, which are acceptable at Class III landfills under
2186 Applicable Law, and which are originally discarded by the first Generator thereof and have not been
2187 previously Processed. Solid Waste includes Greenwaste and food waste, if not source separated by
2188 Customers, but does not include Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials,
2189 construction and demolition debris, or self-hauled waste. Solid Waste includes only those materials
2190 which were originally discarded by the first Generator thereof, prior to any Processing at any Collection
2191 Premises within the County.
- 2192 **"Special Circumstance"** means a circumstance which, when occurring, permits, but does not require the
2193 Contractor or the County to seek an adjustment in the Rates for Service, and which then requires County
2194 Contract Manager to review such application and make a recommendation to the County Board of
2195 Supervisors as to whether the Base Rate should be adjusted up or down, or remain unchanged. The
2196 continuing need for any and all previously-approved Special Circumstance Rate adjustments shall be
2197 reviewed at the time of each subsequent Rate adjustment.
- 2198 **"Special Service"** means a level of Solid Waste Collection Service in excess of that offered by the
2199 Contractor as its basic level of service, at an additional cost to the Customer and may include, but is not
2200 limited to, backyard pickup, additional Containers, or more frequent collections. "Special Service" does
2201 not mean the reasonable accommodation of an individual with a disability. The charge for any Special
2202 Service shall be reviewed by the County Contract Manager.
- 2203 **"SRRE"** means the County's Source Reduction and Recycling Element approved by CalRecycle, as the
2204 element may be amended from time to time, all in accordance with AB 939 and regulations related
2205 thereto, as they may be amended from time to time.

Exhibit A Definitions

2206 **"Subcontractor"** means every person (other than employees of the Contractor) employed or engaged by
2207 the Contractor or any person directly or indirectly in privity with the Contractor (including every
2208 Subcontractor of whatever tier) for any portion of the Collection Services, whether for the furnishing of
2209 labor, materials, equipment, supplies, services, or otherwise.

2210 **"Term"** means the Term of this Agreement, including extension periods if granted, as provided for in
2211 Section 3.2.

2212 **"Tipping Fee"** shall mean the Rate or Tipping Fee charged for each Ton or unit of material delivered to
2213 the Designated Disposal Facility or the Approved Recyclable Materials Processing Facility. The Parties
2214 acknowledge that the timing of changes to the Tipping Fees that are not owned or operated by
2215 Contractor or their subcontractor may not align with the review and adjustment of Rates under this
2216 Agreement. In the event that the Contractor begins to pay new Tipping Fees at another facility approved
2217 by the County, other than one owned and operated by Contractor or their Subcontractor, prior to the
2218 adjustment of Rates under this Agreement, the adjustment to the Rate Adjustment Factor shall consider
2219 that period. Alternatively, the County reserves the right to adjust Rates at any time during the year in
2220 order to address changes in Tipping Fees alone without adjusting any other component of Rates. The
2221 "current approved" Tipping Fees shall be the Tipping Fees in place on March 1 immediately preceding
2222 the submission of the Rate Application. In addition, if a change in the Tipping Fee is anticipated or
2223 expected subsequent to the February immediately preceding the date of the rate adjustment through
2224 the subsequent Rate Year, that change shall be considered on a pro rata basis.

2225 **"Ton" or "Tonnage"** means a unit of measure for weight equivalent to two thousand (2,000) standard
2226 pounds where each pound contains sixteen (16) ounces.

2227 **"Total Contractor's Compensation"** shall mean the total amount to be used as a basis for determining
2228 the Rate Adjustment Factor. The Total Contractor's Compensation does not reflect or in any way
2229 guarantee the Gross Receipts that are to be generated by Rates or retained by the Contractor.

2230 **"Transfer"** means the act of transferring the materials Collected by Contractor in their route vehicles
2231 into larger vehicles for Transport to other facilities for the purpose of Recycling or Disposing of such
2232 materials.

2233 **"Transport" or "Transportation" (or any variation thereof)** means the act of conveyance from one place
2234 to another or state of being Transported.

2235 **"Uncontrollable Circumstance"** means one (1) or more of the following types of specified acts, events,
2236 or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated
2237 Disposal Facility, the County, or the Contractor, and are beyond Contractor's reasonable control, that
2238 materially and adversely affects the ability of the Contractor to perform any obligation under the
2239 Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable
2240 control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise
2241 reasonable diligence on the part of the Contractor, provided however, that the contesting in good faith
2242 or the failure in good faith to contest such action or inaction shall not be construed as willful or
2243 negligent action or a lack of reasonable diligence of the Contractor:

2244 A. An act of God (but not including reasonably anticipated weather conditions for the County),
2245 hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence,

**Exhibit A
Definitions**

2246 acts of a public enemy, extortion, war, blockade or insurrection, riot, civil disturbance or
2247 pandemic, or the threat of same.

2248 B. A Change in Law (as defined herein).

2249 C. Preemption of materials or services by a Governmental Body in connection with a public
2250 emergency or any condemnation or other taking by eminent domain of any portion of the
2251 Operating Assets.

2252 D. The first fifteen (15) days of a strike, work stoppage, or other labor dispute or disturbance
2253 occurring with respect to any activity performed or to be performed by the Contractor or any of
2254 the Contractor's Subcontractors in connection with the Operating Assets or the Collection
2255 Services, provided the Contractor has implemented the contingency plan in accordance with
2256 Section 13.2.C.

2257 E. Strikes, labor unrest or labor disturbances not related to the Operating Assets or the Collection
2258 Services or not directed at Contractor.

2259 F. Embargoes or delays in transportation.

2260 It is specifically understood that only the acts or conditions specified above shall constitute
2261 Uncontrollable Circumstances. Without limiting the generality of the foregoing, the Parties acknowledge
2262 that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

2263 1. General economic conditions, interest or inflation rates, currency fluctuations or changes in the
2264 cost or availability of fuel, commodities, supplies, or equipment;

2265 2. Changes in the financial condition of the Contractor, or any of its Affiliates, or any Subcontractor
2266 affecting their ability to perform their obligations;

2267 3. The consequences of errors, neglect, or omission by the Contractor, any of its Affiliates, or any
2268 Subcontractor of any tier in the performance of the Collection Services;

2269 4. The failure of the Contractor to secure patents or licenses in connection with the technology
2270 necessary to perform its obligations hereunder;

2271 5. Union work rules, requirements, or demands which have the effect of increasing the number of
2272 employees employed in connection with the Operating Assets, or otherwise increase the cost to
2273 the Contractor of operating and maintaining the Operating Assets or providing the Collection
2274 Services;

2275 6. Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any
2276 activity performed or to be performed by the Contractor or any of the Contractor's Subcontractors
2277 in connection with the Operating Assets or the Collection Services and which last beyond fifteen
2278 (15) days;

2279 7. Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason
2280 within its reasonable control;

**Exhibit A
Definitions**

2281 8. Vehicle or equipment failure;

2282 9. Any impact of prevailing wage law, customs, or practices on the Contractor's construction or
2283 operating costs; or,

2284 "**Universal Waste (U-Waste)**" means all wastes as defined by Title 22, Subsections 66273.1 through
2285 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries,
2286 fluorescent light bulbs, mercury switches, and E-Waste.

2287 "**Vehicle**" means any truck, rolling stock, or other Vehicle used by the Contractor in connection with
2288 Collection Services.

EXHIBIT B RATE ADJUSTMENT METHODOLOGY

2289 General

2290 Subject to the terms herein, the Contractor shall be entitled to an annual adjustment of all Rates. Each
2291 Rate, excluding special charges, includes an "Operating Component", "Disposal Component",
2292 "Processing Component", and "Fee Component", which are annually adjusted.

2293 Contractor shall submit its calculation of a Rate adjustment to the County Contract Manager on or
2294 before April 1 of each Rate Period. Contractor's Rate calculations shall include all supporting schedules,
2295 documentation of Disposal or Processing Facility Tipping Fee changes, documentation of changes in
2296 Governmental Fees and County Fees, and any other documentation or evidence determined by the
2297 County Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments
2298 has been performed in strict conformance to the requirements of this Exhibit B.

2299 The County Board of Supervisors shall make a good faith effort to approve Rates by June 1 of each year,
2300 and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1 due to a
2301 delay caused solely by the County, County shall allow Contractor to retroactively bill Customers for the
2302 amount of the Rate increase for any period of said delay that is solely caused by the County. If Rates are
2303 not effective by July 1 as a result of Contractor's delay in submitting the Rate calculations in a complete
2304 and accurate form, then prior Rates remain in effect until such adjustment is made.

2305 Multi-Index Rate Adjustment

2306 The multi-index Rate adjustment methodology involves adjusting: (1) the operating component of Rates
2307 for the current Rate Period by the CPI, ECI, and Fuel Index; and, (2) the disposal, processing, and fee
2308 components of the Rates by the actual changes to those components, to determine the Rates for the
2309 coming Rate Period. The intent of performing the multi-index-based adjustment is to allow Contractor's
2310 Compensation to be adjusted throughout the Term of this Agreement (giving consideration to those
2311 specific cost categories of "fuel" and "labor" that may be more volatile than the CPI) using simple,
2312 readily available surrogates for the actual changes in Contractor's costs for providing service.

2313 If the ECI, CPI, or Fuel Index is/are discontinued or revised during the Term by the BLS, such other
2314 government index or computation with which it is replaced shall be used in order to obtain substantially
2315 the same result as would be obtained if said index had not been discontinued or revised.

2316 As of the Effective Date of this Agreement, the posted disposal rate at the Designated Disposal Facility is
2317 \$34.00 per ton, but that the County has offered a discounted disposal rate to certain Contractors. In
2318 order to provide parity between all Collection Contractors, notwithstanding any provision herein to the
2319 contrary, the calculation of future annual adjustments to the disposal component will not consider (i) for
2320 those Contractors with a discounted disposal rate, any rate change at the County Disposal Facility that
2321 results in a disposal rate for those Contractors of less than \$34.00 per ton, and (ii) any disposal rate
2322 discount below \$34.00 per ton offered by the County to any Contractor in the future.

2323 Calculation

2324 Contractor shall calculate the adjustment to its Rates using the following methodology:

2325 **Step 1:** Calculate the "Operating Component Factor" or "OCF". If the OCF is greater than five percent
2326 (5%), the OCF shall be set equal to five percent (5%).

EXHIBIT B RATE ADJUSTMENT METHODOLOGY

2327 **Step 1a:** Determine the Labor-Related Factor of the OCF by calculating eighty percent (80%) of
2328 the Annual Percentage Change in the ECI. The factor shall be rounded to the nearest tenth
2329 (percent (0.1%).

2330 **Step 1b:** Determine the Fuel Factor of the OCF by calculating the Annual Percentage Change in
2331 the Fuel Index. The factor shall be rounded to the nearest tenth percent (0.1%).

2332 **Step 1c:** Determine the Other Factor of the OCF by calculating eighty percent (80%) of the
2333 Annual Percentage Change in the CPI. The factor shall be rounded to the nearest tenth percent
2334 (0.1%).

2335 **Step 1d:** Determine the OCF, rounded to the nearest tenth percent (0.1%), as follows :

2336 $OCF = (30\% \times \text{Labor-Related Factor calculated in Step 1a above}) + (9\% \times \text{Fuel Factor calculated in}$
2337 $\text{Step 1b above}) + (61\% \times \text{Other Factor calculated in Step 1c above})$

2338 For example, assuming:

2339 1.Labor-Related Factor = 3% (calculated in Step 1a)

2340 2.Fuel Factor = 17% (calculated in Step 1b)

2341 3.Other Factor = 1% (calculated in Step 1c)

2342 4. $OCF = (30\% \times 3\%) + (9\% \times 17\%) + (61\% \times 1\%) = 0.0304 = 3.04\%$

2343 5. $3.04\% < 5.00\%$, therefore, $OCF = 3.04\%$

2344 **Step 2:** Calculate the adjusted Operating Component, rounded to the nearest cent, for each Rate as
2345 follows:

2346 $\text{Adjusted Operating Component} = \text{Then-current Operating Component} \times (1 + OCF)$

2347 For example, assuming:

2348 1.Then-current Operating Component = \$50.00

2349 2.OCF = 3.04%

2350 3.Adjusted Operating Component = $\$50.00 \times (1 + 0.0304) = \51.52

2351 **Step 3:** Calculate the adjusted Disposal Component, rounded to the nearest cent, for each Rate to
2352 reflect any percentage change in the Tipping Fee charge at the approved Disposal Facility. This "step 3"
2353 shall only be applied to Solid Waste Rates. The adjustment shall be calculated as follows:

2354 $\text{Adjusted Disposal Component} = \text{Then-current Disposal Component} \times [(\text{Current Approved}$
2355 $\text{Disposal Facility Tipping Fee} \times \text{Most Recent 12-month Tonnage} + \text{Interim Tipping Fee Increment}$
2356 $\times \text{Actual Tonnage at Interim Tipping Fee}) / (\text{Prior Approved Disposal Facility Tipping Fee} \times \text{Prior}$
2357 $\text{12-month Tonnage})]$

2358 For example, assuming:

2359 1.Then-current Disposal Component = \$20.00

2360 2.Current Approved Disposal Facility Tipping Fee = \$50.00 per Ton

2361 3.Most Recent 12-month Tonnage = 1,050

2362 4.Interim Tipping Fee Increment = \$3.75

EXHIBIT B RATE ADJUSTMENT METHODOLOGY

2363 5. Actual Tonnage at Interim Tipping Fee = 525
2364 6. Prior Approved Disposal Facility Tipping Fee = \$46.25 per Ton
2365 7. Prior 12-month Tonnage = 1,000
2366 Adjusted Disposal Component = $\$20.00 \times [(\$50.00 \times 1,050 + \$3.75 \times 525) / (\$46.25 \times 1,000)] =$
2367 \$23.55

2368 **Step 4:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to
2369 reflect any percentage change in the Tipping Fee charge at an approved Processing Facility. This "step
2370 4" shall not be applied to Solid Waste Rates. The processing component Rate Adjustment Factor shall
2371 not exceed the Annual Percentage Change in CPI for any facility owned and operated by Contractor or
2372 their Subcontractor. The adjustment shall be calculated as follows:

2373 Adjusted Processing Component = Then-current Processing Component x [(Current Approved
2374 Processing Facility Tipping Fee x Most Recent 12-month Tonnage + Interim Tipping Fee
2375 Increment x Actual Tonnage at Interim Tipping Fee) / (Prior Approved Processing Facility Tipping
2376 Fee x Prior 12-month Tonnage)]

2377 For example, assuming:

2378 1. Then-current Processing Component = \$2.00
2379 2. Current Approved Processing Facility Tipping Fee = \$16.00 per Ton
2380 3. Most Recent 12-month Tonnage = 900
2381 4. Interim Tipping Fee Increment = \$1.00
2382 5. Actual Tonnage at Interim Tipping Fee = 500
2383 6. Prior Approved Processing Facility Tipping Fee = \$15.00 per Ton
2384 7. Prior 12-month Tonnage = 1,000
2385 Adjusted Processing Component = $\$2.00 \times [(\$16.00 \times 900 + \$1.00 \times 500) / (\$15.00 \times 1,000)] =$
2386 \$1.99

2387 **Step 5:** Calculate the adjusted Fee Component, rounded to the nearest cent, for each Rate. The adjusted
2388 Fee Component of each Rate shall equal the then current cumulative County Fee percentage multiplied
2389 by the Rate resulting from all above changes.

2390 **Step 6:** Calculate the adjusted value for each Rate charged under this Agreement. Adjusted Rates shall
2391 be calculated as follows:

2392 Adjusted Rate = Adjusted Operating Component + (Adjusted Disposal Component OR Adjusted
2393 Processing Component) + Adjusted Fee Component

2394 For example, assuming:

2395 1. The Rate being adjusted is a Solid Waste Collection Rate
2396 2. Adjusted Operating Component = \$51.52 (as calculated in Step 2)
2397 3. Adjusted Disposal Component = \$23.55 (as calculated in Step 3)
2398 4. Adjusted Fee Component = \$3.13 (as calculated in Step 5 assuming a 4% County Fee
2399 percentage)
2400 5. Adjusted Rate = $\$51.52 + \$23.55 + \$3.13 = \78.20

EXHIBIT D REPORTING REQUIREMENTS

2401 Records shall be maintained in forms and by methods that facilitate flexible use of data contained in
2402 them to structure reports, as needed. Reports are intended to compile recorded data into useful forms
2403 of information that can be used to, among other things:

- 2404 1. Determine and set Rates and evaluate the financial efficacy of operations.
- 2405 2. Evaluate past and expected progress towards achieving the Contractor's Diversion goals and
2406 objectives.
- 2407 3. Provide concise and comprehensive program information and metrics for use in fulfilling
2408 reporting requirements under the Act.
- 2409 4. Determine needs for adjustment to programs.
- 2410 5. Evaluate Customer service and complaints.

2411 **Quarterly Report Content**

2412 Quarterly reports shall be presented by Contractor to show the following information for each month in
2413 the reported quarter and include a quarterly average. In addition, each quarterly report shall show the
2414 past four (4) quarters average for data comparison (the first three (3) quarters of the Agreement shall
2415 only include the available quarterly information).

2416 **1. Tonnage Report**

- 2417 A. Tonnage delivered to each Approved Facility by Customer Type, subtotaling and clearly
2418 identifying those Tons that are Disposed and those that are Diverted.
- 2419 B. Units of Bulky Items Collected by Customer Type.
- 2420 C. Recyclable Materials Tonnage Marketed (by commodity and including average commodity value
2421 for each) and Processing Residue Tonnage Disposed.

2422 **2. Customer Report**

- 2423 A. Number of Customers by Customer Type.
- 2424 B. Number of Containers at each Service Level by Customer Type and program. Summarizing the
2425 total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of Drop
2426 Box and Compactor service by Customer Type. Report should calculate the average volume of
2427 service received per Single-Family Customer and Commercial Customer.
- 2428 C. Number of Bulky Item Collection events by Customer Type.
- 2429 D. Participation percentage by program and Customer Type where the participation percentage is
2430 calculated as the number of Customers who have subscribed to or requested service under the
2431 program relative to the number of Customers of that Customer Type subscribing to Solid Waste
2432 service. Contractor shall not be required to submit participant Customer names and addresses
2433 as part of the regular reporting; however, such information shall be provided to the County
2434 Contract Manager upon request.

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2435 **3. County Services Report**

2436 County facility Diversion rate report (i.e., volume of service by Service Type received by each Disposal
2437 and/or Processing Facility and the percentage of the total Service Levels that are for Diversion services
2438 relative to the total).

2439 **4. Customer Service Report**

2440 A. Number of Customer calls listed separately by complaints and inquiries (where inquiries include
2441 requests for Recycling information, Rate information, etc.). For complaints, list the number of
2442 calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage
2443 claims, etc.).

2444 B. Number of new service requests for each Customer Type and program.

2445 C. Number of events of Discarded Materials being tagged for non-Collection summarized by the
2446 reason for tagging (e.g., inclusion of non-Recyclable materials, improper setout, Hazardous
2447 Waste, etc.).

2448 D. Number of hits and unique visitors to the Contractor's website.

2449 **5. Education and Outreach Report**

2450 A. Provide a status report of Contractor's actual activities completed compared to the annual
2451 public education plan. For each completed item, document the results including what date the
2452 activity was performed, how many Customers were targeted or participated, and what methods
2453 were used to accomplish the task, if different from the plan.

2454 B. Summarize the Recycling opportunity assessments provided to Customers by identifying the
2455 number of Recycling opportunity assessments conducted each month in the most-recently
2456 completed quarter, and contact information including address, contact names, and telephone
2457 number of Persons contacted. Include any Service Level changes resulting from such visits.

2458 C. Dates, times, and group names of meetings and events attended.

2459 **6. Pilot and New Programs Report**

2460 For each pilot and/or new program, provide activity related and narrative reports on goals, milestones,
2461 and accomplishments. Describe problems encountered, actions taken and any recommendations to
2462 facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.

2463 **7. Revenue Report**

2464 A. Provide a statement detailing Gross Receipts from all operations conducted or permitted
2465 pursuant to this Agreement as required by Section 7.8.

2466 B. Maintain a list of Customers that are sixty (60) or more calendar days past due and include the
2467 following information for each delinquent account: name; service address; contact information;
2468 number of days the account is delinquent; method(s) the Contractor has used to attempt

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2469 collection of the bad debt including date of such attempt(s); and, identification, if, and when the
2470 Contractor plans to or did stop service to a delinquent account.

2471 **Annual Report Content**

2472 The annual report shall be the fourth quarterly report plus the following additional information.

2473 **8. Summary Assessment**

2474 Provide a summary assessment of the programs performed under this Agreement from Contractor's
2475 perspective relative to the financial and physical status of the program. The physical status assessment
2476 shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in
2477 meeting all the goals and objectives of this Agreement, particularly the Contractor's Diversion goals.
2478 Provide recommendations and plans to improve. Highlight significant accomplishments and problems.
2479 Results shall be compared to other similar size communities served by the Contactor in the State.

2480 **9. Vehicle Inventory**

2481 Provide a listing of all vehicles used in performing services under this Agreement including the license
2482 plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if
2483 applicable), and mileage at December 31.

2484 **10. Recyclables Markets**

2485 Contractor shall include a listing of markets for Recyclable Materials and the end use of these materials.
2486 This type of information is intended to help the County gauge the sustainability of Recycling markets and
2487 the ultimate Disposal of all types of materials Collected.

2488 **11. Operational Information:**

2489 **A. Routes by Customer Type:**

- 2490 i. Number of routes per day.
- 2491 ii. Types of vehicles.
- 2492 iii. Crew size per route.
- 2493 iv. Number of full time equivalent (FTE) routes.
- 2494 v. Number of accounts and cubic yards scheduled per route.
- 2495 vi. Total route hours per Customer Type per year.
- 2496 vii. Average cost per route.

2497 **B. Personnel:**

- 2498 i. Organizational chart.
- 2499 ii. Job classifications and number of employees (e.g., administrative, Customer service
2500 representatives, drivers, supervisors, educational staff).
- 2501 iii. Wages by job classification.
- 2502 iv. Number of FTE positions for each job classification.
- 2503 v. Number of hours per job classification per year.

2504 **C. Productivity Statistics:**

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- 2505 i. Average Number of accounts per route per day by Customer Type.
- 2506 ii. Average number of setouts per route per day by Customer Type.
- 2507 iii. Average Tons per route per day by vehicle type (i.e. side-loader, front-loader, roll-off).
- 2508 iv. Average cubic yards of Collection scheduled per route.

2509 **D. Vehicles:**

- 2510 i. List of collection vehicles including year purchased and mileage.
- 2511 ii. Average age of mobile equipment with oldest and newest.

2512 **E. Operational Changes:**

- 2513 i. Number of routes.
- 2514 ii. Staffing.
- 2515 iii. Supervision.
- 2516 iv. Collection services.

2517 **12. Variance Analysis**

2518 Provide the following variance analysis for each Customer Type. For any variances greater than five
2519 percent (5%) annually, Contractor shall provide sufficient rationale to support variance:

- 2520 A. Variance analysis comparing current Rate Period to each of the prior Rate Periods of
2521 Agreement
- 2522 B. Variance analysis comparing current Rate Period to each of the future projected Rate Periods.