

SECOND AMENDED AND RESTATED  
AGREEMENT FOR SOLID WASTE, RECYCLABLE  
MATERIALS, AND COMPOSTABLE MATERIALS  
COLLECTION AND PROCESSING SERVICES

BETWEEN

THE CITY OF PALO ALTO

AND

GREENWASTE OF PALO ALTO

October 2008

As Amended and Restated as of January 2019

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**SECOND AMENDED AND RESTATED AGREEMENT FOR SOLID WASTE, RECYCLABLE MATERIALS, AND COMPOSTABLE MATERIALS COLLECTION AND PROCESSING SERVICES**

THIS AGREEMENT is made as of this 20th day of October, 2008, as amended and restated as of January \_\_\_, 2019, by and between the CITY OF PALO ALTO, a chartered California municipal corporation ("City"), and GREENWASTE OF PALO ALTO, a California joint venture ("Contractor").

**RECITALS**

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties:

1. The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the California Integrated Waste Management Act of 1989, now codified as Public Resources Code Section 40000, *et seq.* (the "Act"), directed the California Integrated Waste Management Board, and local agencies, to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed of in landfills. The City has already achieved a level of waste diversion from landfill disposal that exceeds the level required by the Act.

2. In October 2005, the City Council approved a Zero Waste Strategic Plan developed by a task force of City residents and businesses. The City has since then formulated a Zero Waste Operational Plan, whose purposes are to reduce significantly the amount of waste produced by residents, businesses and institutions within the City, to reduce the toxicity of the disposed waste stream, and to maximize diversion of recyclable and compostable materials generated within the City.

3. On February 29, 2008, the City issued a Request for Proposals ("RFP") seeking proposals from qualified companies to provide the collection of Solid Waste,

Recyclable Materials, Organic Materials and Yard Trimmings, the processing of Recyclable Materials for reuse, the delivery of Yard Trimmings and Organic Materials for composting, the marketing of such materials and the transport of non-recyclable waste materials for disposal. The RFP requested proposals for new and expanded recycling services intended to implement the goals of the Zero Waste Operational Plan in an aggressive, cost-effective manner.

4. The City evaluated all proposals submitted and determined that the Contractor proposed to provide the required services in a manner and on terms that are in the best interests of the City, taking into account (a) the Contractor's qualifications and experience, (b) its commitment to recycling, (c) its understanding of the flexibility that will be required to accommodate the number of changes that will occur during the term of the Agreement due to closure of the City's landfill and associated facilities, as well as the introduction and evolution of new programs intended to implement the Zero Waste Operational Plan, and (d) the cost of providing such services.

5. The City and Contractor (collectively, the "Parties") entered into this Agreement dated October 20, 2008 for an initial term to expire June 30, 2017 with options to extend up to and through June 30, 2021. Service was fully implemented on July 1, 2009.

6. The Parties entered into Amendment No. 1 to the Agreement on December 8, 2008 and Letters of Intent on July 1, 2009 and September 23, 2009, to amend or clarify collection vehicle information, issues related to back/side yard collection services, and issues related to electronic access to the City's Utilities bill and privacy protection of this information, respectively.

7. In 2011, the Act was amended by AB 341 to establish a policy goal that at least 75 percent of generated solid waste be reduced, recycled, or composted by the year 2020 and included mandatory commercial recycling. In 2014, the Act was further amended by AB 1826 to require jurisdictions, on and after January 1, 2016, to implement an organic waste recycling program that is appropriate for that jurisdiction, designed specifically to divert organic waste from those entities that generate it and requires local jurisdictions to engage in education, outreach, and monitoring of

businesses. AB 1826 enacted Cal. Pub. Resources Code § 42649.82 which requires organic waste recycling programs to inventory existing facilities and programs, potential opportunities for new organic waste recycling facilities, and barriers to new or expanded compostable materials handling operations.

8. The Parties amended and restated the Agreement in June 2015 to extend the term through June 2021 and add services including implementation of a new residential food scraps collection program, anaerobic digestion of all compostable materials at the Zero Waste Energy Development Facility (ZWED) producing both compost and renewable energy, a new commercial recycling and composting ordinance, the purchase of new automated collection vehicles to replace older collection vehicles, and other minor modifications, all to support the City's Zero Waste goals.

9. In 2016, SB 1383 established methane emissions reduction targets to reduce statewide emissions of short-lived climate pollutants including establishing a 50 percent reduction of disposed organic waste from 2014 levels by 2020 and a 75 percent reduction by 2025; and the target to reduce 20 percent of disposed edible food by 2025.

10. In January 2016, the City Council adopted an Ordinance amending Title 5 (Health and Sanitation) and Title 18 (Zoning) of the Palo Alto Municipal Code to require all businesses to subscribe to recycling and compost services and comply with refuse sorting requirements.

11. In November 2016, the City Council adopted the Sustainability/Climate Action Plan (S/CAP) Framework, including goals, guiding principles, decision criteria, and design principles. The Zero Waste goals of this framework are to divert 95% of waste from landfills by 2030, and ultimately achieve Zero Waste to landfills and to minimize energy use and pollutant formation from waste collection, transportation and processing.

12. In 2018, the City revised its Zero Waste Plan to further significantly reduce the amount of waste produced by residents, businesses and institutions within the City, to reduce the toxicity of the disposed waste stream, and to maximize diversion of recyclable and compostable materials generated within the City.

13. In August 2018, City Council directed staff to develop a proposed contract extension with Contractor to add scope and extend the term of the current in order to implement the short-term goals in the new Zero Waste Plan.

14. In furtherance of the Act, as amended by recent legislative amendments, and the City's Zero Waste Plan, the Parties now wish to further amend and restate this Agreement to extend the term an additional five years through June 30, 2026, and increase services including (a) new construction related material management, (b) expand enforcement support to the City, (c) expand the Clean Up Day program to accept and manage more recyclables, reusable items, and construction materials, and (d) clean recyclables management .

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained in this Agreement and for other good and valuable consideration the Parties agree as follows:

## **ARTICLE 1. DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this Agreement will have the meanings specified in Attachment A.

Other capitalized terms, not defined in Attachment A, will have the meanings set forth in the definitions in Section 5.20.010 of the Municipal Code, which are incorporated herein by this reference.

If a term is neither defined in Attachment A nor in the Municipal Code, that term will have the same meaning as the definition of the term contained in the Act.



## **ARTICLE 2. TERM OF AGREEMENT**

**2.01 Effective Date.** The effective date of this Agreement shall be November 24, 2008 ("Effective Date").

**2.02 Term.** The initial Term of the Agreement shall commence on the Effective Date and shall end at midnight on June 30, 2017 ("Term"). Contractor's obligation to collect Solid Waste and Recyclable Materials and provide other services to customers as required by this Agreement shall commence July 1, 2009. The Term has been extended through June 30, 2021 as provided in Section 2.03. Pursuant to City Council action on January \_\_, 2018, the Parties now further agree to extend the Term for an additional five years through midnight on June 30, 2026.

**2.03 Option to Extend Term.** The City may extend the Term of this Agreement for one (1) or more periods of twelve (12) months, up to a maximum of four (4) years, on the same terms and conditions. If City wishes to extend the Term it shall deliver a written notice to Contractor at least six (6) months before the expiration of the Term (i.e. on or before December 31, 2025) specifying the number of additional months by which it wishes to extend the Term. If the City initially elects to extend the Term for less than four (4) years, it may subsequently elect to further extend the Term in increments of twelve (12) months, up to a total of four (4) years, i.e. until June 30, 2030. If the City wishes to further extend the term in this fashion it shall deliver a written notice to Contractor at least thirty (30) days prior to the expiration of the extended term. Pursuant to this Section and City Council action on June 15, 2015, the Parties agreed to extend Term four years through midnight on June 30, 2021.

**2.04 Conditions to Effectiveness of Agreement.** The obligation of the City to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of each and all of the conditions set out below, which may be waived in whole or in part by City:

**A. Accuracy of Representations.** The representations and warranties made by Contractor in Article 3 of this Agreement shall be true and correct on and as of the Effective Date, and a certification to that effect dated as of the Effective Date shall be delivered by Contractor to City on the Effective Date.

**B. Absence of Litigation.** There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement or seeking to restrain or enjoin its performance.

**C. Furnishing of Bond and Guaranty.** Contractor has furnished the Performance Bond required by Section 10.03, or alternative security described in Section 10.04 if approved by City, and the Guaranty required by Section 10.07.

**D. Effectiveness of City's Approval.** The City's approval of this Agreement shall have become effective, pursuant to California law, on or before the Effective Date.

In the event that any condition set forth in this Section 2.04 is not satisfied or waived by the Effective Date by the City, this Agreement shall be void and shall have no further force or effect. City may waive the satisfaction of conditions described in Section 2.04, allow this Agreement to become effective, and exercise its rights and remedies under this Agreement for Contractor's failure to deliver the Performance Bond, alternative security, or Guaranty. Each party is obligated to perform in good faith the actions, if any, which this Agreement requires it to perform before the Effective Date and to cooperate towards the satisfaction of the conditions set forth above.

### **ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR**

**3.01      Corporate Status.** Contractor is a general partnership duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to do business in the State of California. It has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

**3.02      Corporate Authorization.** Contractor has the authority to enter into and perform its obligations under this Agreement. The board of directors, the shareholders, and general partner of the Contractor's two partners have taken all actions required by law, their articles of incorporation and bylaws, and their partnership agreements or otherwise to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so.

**3.03      Statements and Information in Proposal.** The Proposal and information submitted by Contractor to the City supplementary thereto, on which City has relied in entering into this Agreement does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

**3.04      No Conflict with Applicable Law or Other Documents.** Neither the execution and delivery by Contractor of this Agreement, nor the performance by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a violation of any existing applicable law; or (ii) conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor or its partners are a party, or by which Contractor or its partners are bound.

**3.05      No Litigation.** There is no action, suit, proceeding, or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against Contractor or its partners, or otherwise affecting Contractor or its partners, wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would materially adversely affect Contractor's performance hereunder, or

which, in any way, would adversely affect the validity or enforceability of this Agreement, or which would have a material adverse effect on the financial condition of Contractor or its partners.

**3.06      Financial Condition.** Contractor has made available to City information on its financial condition, and that of its partners. Contractor recognizes that City has relied on this information in evaluating the sufficiency of Contractor's financial resources to perform this Agreement and of its partners to guaranty such performance. To the best of Contractor's knowledge, this information is complete and accurate, does not contain any material misstatement of fact and does not omit any fact necessary to prevent the information provided from being materially misleading.

**3.07      Expertise.** Contractor has the expertise and professional and technical capability to perform all of its obligations under this Agreement and is ready, willing and able to so perform.

**ARTICLE 4. COLLECTION OF SOLID WASTE, RECYCLABLE MATERIALS,  
AND COMPOSTABLE MATERIALS**

**4.01      Scope of Work - General.** The work to be done by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required by the Agreement in a thorough, workmanlike, cost-effective and efficient matter, so that residents, businesses and institutions within the City are provided reliable, courteous and high-quality services at all times. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others that may be required, whether enumerated or not.

Contractor shall perform all work in accordance with Attachments C and E, all provisions of which are incorporated herein whether or not such provisions are specifically referred to in any other section of this Agreement. In addition, to the extent that Contractor's Proposal includes promises to perform services in addition to, or at a higher standard of service than those required by the Request for Proposals, those promises are incorporated into this Agreement and Contractor hereby ratifies its agreement to perform as promised.

**4.02      [Reserved]** Prior to commencement of collection operations, Contractor prepared a detailed transition and implementation plan addressing the steps Contractor will take, and the schedule on which it will take them, to prepare for commencement of collection operations, which is attached as Attachment B.

**4.03      Grant of Exclusive and Non-Exclusive Rights**

**A.      Exclusive Rights.** Subject to the terms and conditions of this Agreement and State laws (including the right of State agencies and public schools to use a Solid Waste enterprise other than Contractor), and except as otherwise specifically provided herein, City grants to Contractor for the Term the exclusive authority, right and privilege to collect, transport and dispose of all Solid Waste generated by or accumulated on all Residential and Commercial/Industrial Premises in the City and to collect, transport and process mixed Recyclable Materials and collect and transport Compostable Materials from Residential Premises only. The City retains

the right to direct how and where Compostable Materials are processed. The City further shall have the right to direct where Recyclable Materials are processed after June 30, 2021. The grant described in this subsection A of Section 4.03 is also subject to the exceptions and exclusions provided in Section 5.20.110 of the Municipal Code.

**B. Non-Exclusive Rights.** Subject to the terms and conditions of this Agreement and State laws, and except as otherwise specifically provided herein, City grants to Contractor for the Term the non-exclusive right to collect, transport and recycle Recyclable Materials, Compostable Materials and Yard Trimmings from Commercial/Industrial Premises. The City retains the right to direct where the Recyclable Materials are processed after June 30, 2021.

#### **4.04 Collection of Solid Waste**

**A. Single Family Residential Premises.** Contractor shall collect all Solid Waste generated at Single Family Residential Premises within the City and placed for collection on the street next to the curb or at sideyard/backyard locations of Customers with physical limitations who subscribe for such collection or who are eligible for such collection under policies adopted by City from time to time. Solid Waste shall be collected at the frequencies and in the manner specified in Attachment C, Section 1.A.

**B. Multiple Family Residential Premises.** Contractor shall collect all Solid Waste generated at Multiple Family Residential Premises within the City and placed for collection. Solid Waste shall be collected at the frequencies and in the manner specified in Attachment C, Section 1.B.

**C. Commercial/Industrial Premises.** Contractor shall collect all Solid Waste generated at Commercial/Industrial Premises within the City and placed for collection. Solid Waste shall be collected at the frequencies and in the manner specified in Attachment C, Section 1.C.

**D. City Facilities and City-Furnished Public Litter Receptacles.** Contractor shall collect all Solid Waste generated at City Facilities and placed for collection. The current City Facilities to be served, the frequency of collection and the

number and capacity of containers to be collected are listed on Attachment D-1. The number and location of City Facilities to be provided service may change during the Term, as may change the number and capacity of containers at each facility. Contractor shall also collect all Solid Waste deposited in City-owned receptacles, including those receptacles placed at bus stops. The approximate number of public Solid Waste receptacles, their current locations and collection frequencies are shown on Attachment D-2, each of which may change during the Term. Public Solid Waste receptacles shall be provided service at the frequencies and in the manner specified in Attachment C, Section 1.D, but will change during the Term.

#### **4.05      Collection of Recyclable Materials and Compostable Materials.**

**A.      Single Family Residential Premises.** Contractor shall collect Recyclable Materials and Compostable Materials from all Single Family Residential Premises within the City placed for collection on the street or at sideyard/backyard locations of Customers with physical limitations who are eligible for such collection under policies adopted by the City from time to time. Recyclable Materials and Compostable Materials shall be collected at the frequencies and in the manner specified in Attachment C, Section 2.A and Section 3.A.

**B.      Multiple Family Residential Premises.** Contractor shall collect Recyclable Materials and Compostable Materials from all Multiple Family Residential Premises within the City placed for collection. Recyclable Materials and Compostable Materials shall be collected at the frequencies and in the manner specified in Attachment C, Section 2.B and Section 3.B.

**C.      Commercial/Industrial Premises.** Contractor shall collect Recyclable Materials from all participating Commercial/Industrial Premises that are placed for collection in Contractor-furnished containers. Contractor shall collect Compostable Materials from all participating Commercial/Industrial Premises that are placed for collection in approved containers. Contractor shall also collect cardboard from shared containers in the business districts and wooden pallets. Recyclable Materials and Compostable Materials shall be collected at the frequencies and in the

manner specified in Attachment C, Section 2.C and Section 3.C, but will change during the Term.

**D. City Facilities and City-Furnished Recycling Receptacles.**

Contractor shall collect Recyclable Materials placed for collection at the City Facilities listed on Attachment D-1 and as specified in Attachment C, Section 2.D. Contractor shall collect Recyclable Materials and Compostable Materials deposited in City-owned Recycling and Composting Receptacles at City Hall and other locations in Palo Alto, the number and location of which are shown on Attachment D-1 and D-2, but will change during the Term.

**4.06** [Reserved]

**4.07 Drop-Box Collection Services.**

**A. Solid Waste.** Contractor shall collect Solid Waste deposited in Contractor-furnished drop boxes (7, 15, 20, 30 and 40 cubic yard capacities) on an on-call basis and on a monthly scheduled service basis, as requested by Customer. The drop boxes shall be provided and collected as specified in Attachment C, Section 4.

**B. Construction Related Materials for Recycling.** Contractor shall collect Construction Related Materials deposited in Contractor-furnished drop boxes (7, 15, 20, 30 and 40 cubic yard capacities) and smaller bins on an on-call basis. The drop boxes shall be provided and collected as specified in Attachment C, Section 4. The availability of smaller bins is dependent on City approval of new Deconstruction program.

**C. Single-Source Separated Recyclables.** Contractor shall collect Single-Source Separated Recyclables deposited in Contractor-furnished drop boxes (7, 15, 20, 30 and 40 cubic yard capacities) on an on-call and monthly scheduled service basis, as requested by Customer. The drop boxes shall be provided and collected as specified in Attachment C. Section 4.

**D. Yard Trimmings.** Contractor shall collect Yard Trimmings deposited in Contractor-furnished drop boxes (15, 20, and 30 cubic yard capacities) on



an on-call and on a monthly scheduled service basis, as requested by Customer. The drop boxes shall be provided and collected as specified in Attachment C, Section 4.

**4.08 Special Services.** Contractor shall provide the following special services as specified in Attachment C, Section 5, Section 10 and Section 11.

- Solid Waste and Recyclables Collection at the Household Hazardous Waste Station
- Pullout Service
- Community Clean Up Program
- Special Events
- Physical Limitations Program
- Construction Related Materials (Deconstruction and Source Separation) Program
- Collection of Contaminated Recyclable Materials

**4.09 Other Collection-Related Services.** Contractor shall provide the following services:

**A. General**

- Performance Audits
- Route Audits
- Waste Generation/Characterization on Recyclable Materials
- Waste Audits for Green Business Certifications
- Program Evaluation Audits
- Customer Public Opinion Surveys

Details of each of the above are described in Attachment C, Section 5.G.

**B. Cleaning of Public Receptacles.** All public receptacles listed on Attachments D-2, including lids and metal liners, shall be thoroughly power-washed (with high pressure water and a strong detergent) twice a year. Contractor shall provide

a list of dates for cleaning to the Director for approval thirty (30) days in advance of the first scheduled date. In addition, Contractor shall wipe the exteriors and lids of all public receptacles listed on Attachments D-2 with water and detergent every two weeks, on a schedule approved by the Director. Contractor shall clean the interiors of public receptacles whenever needed to avoid odors and shall collect any materials that have accumulated within or around the receptacles.

**C. Building Plan Review.** Contractor shall provide assistance to City by reviewing and providing comments on applications for City permits to construct new buildings or to remodel existing buildings. Contractor shall review building plans for adequate space to accommodate the number and size of containers for Solid Waste, Recyclable Materials, and Compostable Materials for adequate collection vehicle access and turnaround. Contractor shall provide City, within five (5) Business Days of receiving the plans, its written evaluation of the plans and any recommendations to improve safety and assure sufficient storage space and convenient access.

**D. Program Evaluation.** Contractor shall periodically conduct surveys of the Single-Family Residential, Multi-Family Residential, and Commercial Solid Waste, Recyclable Materials, and Compostable Materials Collection programs to assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per customer, average volume of Compostable Materials per setout per customer, participation level (i.e., number of Customers setting out Containers per week), contamination levels, etc. Contractor shall perform up to five (5) days of route surveys each rate period. The City and Contractor shall meet and discuss the purpose of the survey and the method, scope, and data to be provided by the Contractor.

**4.10 Hours of Collection.** Collection of Solid Waste, Recyclable Materials, and Compostable Materials, may occur only within hours authorized by the City. The Municipal Code currently prohibits collection of Solid Waste, Recyclable Materials or Compostable Materials (1) earlier than 6:00 a.m. or later than 6:00 p.m. in residential districts and at schools, churches and commercial premises adjacent to residential districts, and (2) earlier than 4:00 a.m. or later than 9:00 p.m. in commercial districts subject to reasonable modification made by the Director.

#### **4.11      Collection Standards.**

**A.      Care of Private Property.** Contractor shall use due care when handling Solid Waste, Recyclable Materials, and Compostable Materials Containers. Containers shall not be thrown from trucks, roughly handled, damaged or broken. Containers shall be returned to the collection point upright, with lids properly closed.

Contractor shall ensure that its employees close all gates opened by them in making collections, unless otherwise directed by the Customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences.

City will refer complaints about damage to private property, including common areas in common-area subdivisions, to Contractor. Contractor shall promptly repair, or arrange for the repair of, all damage to private property caused by its employees within ten (10) days of the complaint being received.

**B.      Noise.** All collection operations shall be conducted as quietly as possible and shall conform to any federal, state, County and City noise level regulations. The noise level shall not exceed 95 decibels at a distance of 25 feet from the collection vehicle, as provided in Municipal Code Section 9.10.060(h). The City may conduct random checks of noise emission levels to ensure such compliance.

**C.      Service Quality.** Contractor shall promptly (within ten (10) days) and courteously respond to, and satisfactorily resolve, Customer complaints relating to: missed pick-ups, spills and litter resulting from collection; collection schedule changes; broken or missing containers; improper set-outs; noise; obstruction of traffic or sidewalks during collection; and collection vehicle operation, including safety.

#### **4.12      Litter Abatement.**

**A.      Minimization of Spills.** Contractor shall use due care to prevent Solid Waste, Recyclable Materials, or Compostable Materials, from being spilled or scattered during the collection or transportation process. If any Solid Waste, Recyclable Materials, or Compostable Materials, is spilled, Contractor shall promptly notify the City

and clean up all spilled materials, whether on private or public property. Each collection vehicle shall carry a broom and shovel at all times for this purpose.

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

**B. Clean Up.** Contractor shall clean up litter in the immediate vicinity of any Solid Waste, Recyclable Materials, or Compostable Materials, storage area (including the areas where collection containers or bins and debris boxes are placed for collection) whether or not Contractor has caused the litter. Contractor shall notify the Customer when such event occurs at a specific Premise. On the second or later occurrences, Contractor will collect the material, notify customer and assess a charge to the Customer for the additional services provided. City may require the Customer to accept and pay for increased service (i.e., a larger bin or more frequent collections).

#### **4.13 Hazardous Waste**

**A. General.** Contractor shall be aware of, and comply with, all laws and regulations relating to the handling and transportation of Hazardous Waste and hazardous materials, including those regarding training and documentation.

**B. Notice to Customers.** Contractor shall notify all Customers at least once a year of (i) the prohibition against the disposal of Hazardous Waste in containers placed for collection by Contractor, (ii) the obligation of each Customer to provide for the proper handling and disposition of Hazardous Waste, and (iii) options available to Customers for the collection and appropriate processing of Hazardous Waste. To the extent that Contractor has actual knowledge of the existence of such Hazardous Waste in a container placed for collection, Contractor shall not collect such container. Contractor shall, prior to leaving the location where such Hazardous Waste has been observed, leave a tag at least 3" x 6" which informs the Customer why the collection was not made and lists the telephone number for the City of Palo Alto Household Hazardous Waste Management Program.

**C. Contractor to Segregate and Dispose.** In the event Contractor inadvertently collects any Hazardous Waste and during the course of transportation and disposition becomes actually aware that it has collected such Hazardous Waste, Contractor shall segregate the Hazardous Waste, and shall arrange for its transport to a properly permitted recycling, treatment or disposal facility of Contractor's choosing. Contractor shall be solely responsible for the transport and appropriate disposition of all Hazardous Waste that is collected by the Contractor. Contractor shall cooperate with City attempts to locate and collect from the responsible Customer.

**D. Operating Procedures and Employee Training.** Contractor shall establish, implement and maintain written operating procedures designed to ensure Contractor's utilization of techniques generally accepted in the waste hauling industry for cities of the size and demographic composition of the City of Palo Alto, to handle and dispose of Hazardous Waste and its compliance with the provisions of this Section 4.12. Contractor shall establish, implement and maintain an employee training program and shall ensure that employees responsible for the identification of Hazardous Waste are fully trained. Contractor shall maintain documentation which describes the training received by its employees.

**4.14 Provision of Emergency Services.** Contractor shall provide emergency services at the City's request in the event of major accidents, disruptions, or natural calamities. Emergency services may include, but are not limited to: assistance handling, salvaging, processing, composting, or recycling materials; and disposing of Solid Waste. Contractor shall be capable of providing emergency services within twenty-four (24) hours of notification by the City or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services which exceed the Contractor's obligations shall be compensated in accordance with Article 9. If Contractor cannot provide the requested emergency services, the City will have the right to take possession of the Contractor's equipment for the purposes of providing emergency services.

Contractor shall annually submit to City, a written contingency plan demonstrating Contractor's arrangements to provide vehicles and personnel and to maintain uninterrupted service in case of natural disaster or other emergency,

including the events described in this Section and Section 11.10. Contractor shall continue to update this emergency plan annually or as needed to identify changes in contact information, updated equipment, a new available processing site or additional availability of resources.

#### **4.15      Public/Customer Service and Accessibility**

**A.      Office.** Contractor shall establish and maintain a satellite office and storage yard at the former Los Altos Treatment Plant (LATP) site located at 1237 San Antonio Road, Palo Alto (“Satellite Office”). If the City determines the LATP site is needed for other purposes, Contractor shall relocate within sixty (60) days of notice from City. New location shall have the capacity to provide the same level of service and shall be approved by the Director. Contractor shall maintain a primary office and operations at a corporation yard located at 2765 Lafayette Street in Santa Clara (“Primary Office”).

**B.      Office Hours.** Contractor’s Primary Office shall be open to the public from 8 a.m. to 5 p.m. Monday through Friday. On those Saturdays on which collection services are performed, all phone calls and voicemails shall be fielded by the on-duty Contractor’s Route Supervisor. If a customer needs assistance at the office, the on-duty Supervisor shall make himself available until all collection routes have been completed. The office may be closed on Sundays and holidays, as defined.

**C.      Staffing.** At least two (2) thoroughly trained and knowledgeable customer service representatives shall be present at the Contractor’s Primary Office whenever it is open to communicate with the City, and assist members of the public with questions, complaints about service, initiating and terminating service, paying bills, and other similar matters. Contractor’s staff needing to access the City’s network shall, prior to being issued access, have background checks using the City’s fingerprinting resources.

**D.      Telephone.** Contractor’s Primary Office shall be equipped with telephone equipment sufficient in number and capacity to allow calls received during office hours to be answered by an employee within five (5) rings. Any caller on hold for more than ninety (90) seconds shall have the option of remaining on hold or being

switched to a message center where the caller may leave a message. Callers “on hold” shall be connected to a customer service representative within an additional ninety (90) seconds. All messages left shall be responded to within sixty (60) minutes. If these standards are not consistently met, or if an excessive number of callers are placed on hold, City may require Contractor to install additional telephone lines or provide additional staff coverage.

Calls received when the Primary Office is closed shall be recorded and answered before 12 noon on the following workday.

Contractor shall arrange for its telephone number to be listed in all telephone directories generally distributed in the City, on all written materials distributed by Contractor, and on Contractor’s web site.

Contractor shall be capable of responding to telephone calls in English, Spanish [and such other languages as City may require].

Contractor shall use its best efforts to secure the same telephone number as the predecessor service provider.

**E. Correspondence.** Contractor shall respond to all written correspondence, including those sent electronically (“email”), from City or Customers within three (3) business Days.

**F. Emergency Contact.** Contractor shall provide the City with an emergency telephone number so that the City can reach a representative of Contractor, authorized to act on Contractor’s behalf outside of office hours. The emergency representative shall respond to any call from City within one (1) hour.

**G. Web Site and Social Media.** Contractor shall establish and maintain a web site specific to the City which will provide at least the following services and capabilities: (1) provide answers to frequently asked questions; (2) list the Contractor’s office address, mailing address (if different), telephone and email contact information; (3) a current schedule of collection days and routes; (4) a schedule or link of the current City-approved rates and charges, (5) lists of materials that may (or should

not) be placed in Solid Waste, Recyclable Materials and Compostable Materials containers; (6) allow Customers to schedule services and request changes in service, including cancellation, and to file complaints; and (7) contain a link to the City's web site. As mutually agreed upon by City and Contractor, additional Zero Waste resources shall be included on the Contractor's website and social media sites, including, but not limited to, reuse resources, RecycleWhere integration, options for purchasing waste management materials, and best management practices for customers such as waste sorting for janitorial services. Resources included on Contractor's website must be relevant to services provided and supported by Contractor and collaborated on with City. In addition, Contractor shall maintain appropriate social media sites to further provide outreach messaging to the community. The information posted on Contractor's web site and social media sites shall be consistent with City's web site information, unless otherwise approved by City. Information shall be regularly maintained and updated.

**H. Large Customers.** Contractor shall designate specific employee(s) to be responsible for large customers (the top 50 waste generators) in order to maintain a good working relationship with the Customer and resolve problems in a timely manner. Large customers shall be provided an itemized list of charges by address of each customer's facilities, within 24 hours of a request.

#### **4.16 Billing and Collecting For Regular and Special Services Commercial/Industrial.**

**A. General.** If directed by the City, Contractor shall be responsible for billing and collecting fees for all Commercial/Industrial Customers for all services as well as for special services. Contractor will maintain accurate billing and payment records, establish billing and collection procedures, and periodically notify the City of delinquent accounts as described in more detail below. City will continue to bill and collect for all other Customers.

**B. Special Services.** When Contractor is requested to provide special services (primarily on-call drop box service and construction related waste collection services), it shall determine whether the Customer has a utility account in good



standing with City. If so, Contractor will provide the service and bill the Customer. If the Customer does not have a utility account in good standing with the City, Contractor shall require payment prior to delivery of the service (i.e., before or when the drop box is delivered to the site). Payment will be accepted in cash, certified check payable to Contractor, or credit card. Contractor shall notify City of the service provided and the amount collected and shall remit all funds collected to City.

**C. Regular Services.** Should the City decide to have Contractor manage billing and collection of fees, the Contractor shall provide billing and collection for regular and additional services for Commercial/Industrial customers at the rates established by the City Council from time to time. Customers shall be billed once a month using a billing format subject to City approval. When Contractor is requested to provide regular services, it shall determine whether the Customer has a utility account in good standing with City. If so, Contractor will provide service and bill the customer. If the Customer does not have a utility account in good standing with the City, Contractor shall not set up the service and will contact the City for direction.

The bill shall include the service levels for the customer (Solid Waste, Compost, and Recycling) as well as any special charges (push service, lock service, bin rental), and additional services (additional refuse pickups or debris box service). The Contractor shall provide the customers with the option of receiving an electronic bill in lieu of a paper bill if technology allows or becomes available. The Contractor shall provide for customers to make electronic payments from a website. Payment will be accepted in cash, check payable to Contractor, or credit card.

All billing inquiries will be handled by the Contractor. The Contractor will process debits and credits to customer accounts. Any debits or credits that exceed \$1,000 for a customer (either one time or cumulatively in a 12-month period) will require authorization from the City. Customer payments will be sent directly to a bank lockbox set up by the Contractor in partnership with the City with funds deposited daily into a City bank account. Contractor shall coordinate with the lockbox vendor on matching billings with payments received and identification of returned checks, miscued items and unreadable checks. The Contractor shall assign the received funds against the customer accounts and maintain an accounts receivable (A/R) database.

**D. Delinquent Accounts.** Contractor shall be responsible for collecting delinquent charges for services it renders to customers. The Contractor shall employ measures, consistent with federal and California laws regulating the collection of debts, to attempt to collect payment from past due accounts. Contractor shall not (1) assign delinquent accounts to a third party collection agency, or (2) initiate a Small Claims Court action without the prior written approval from the City Attorney.

Should an account exceed ninety (90) days past due, the account will be transferred to the City for collection of funds. Contractor shall designate a representative to attend administrative or other hearings as scheduled by City to address delinquent charges for services rendered to any customer by Contractor and/or legal proceedings initiated by the City to collect such charges. Contractor's representative shall provide the customer's account records to the City, together with a record of communications with the past due customer and any other documents requested by the City. The Contractor shall not be responsible for past due accounts. The City will manage all refuse service suspension whether due to suspension of business operations or failure of a customer to pay.

**E. Bill Inserts.** The Contractor shall provide the ability to include monthly bill inserts with content provided by the City at no additional cost to the City. City will design, print and deliver bill inserts to Contractor for insertion into printed bill.

**F. Billing Records.** Contractor shall keep records of all billing documents and customer account records including, but not limited to, invoices, customer payment coupons mailed with the invoice and collection notices, for a period of three (3) years after the date of receipt or issuance. Contractor may, at its option, maintain those records in computer or digital form, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

**G. Billing Related Reports.** On a monthly basis, Contractor shall provide the City with the reports listed in Attachment K-1. Should the City decide for

additional reporting data, Contractor will obtain necessary programing resources to provide the reporting data.

**H. City Access to Billing Information.** Contractor shall provide City with prompt access to all current and up-to-date billing information necessary to allow the City to collect delinquent bills pursuant to the Municipal Code. In addition, Contractor will cooperate fully and actively with City staff to effectuate transfer of billing information from the City to Contractor.

## **ARTICLE 5. TRANSPORTATION OF MATERIALS**

**5.01      General.** Contractor shall transport all Solid Waste, Recyclable Materials, including Construction Related Material to be Recycled, and Compostable Materials collected pursuant to this Agreement to the facilities identified in this Article 5. Contractor will deliver material collected in the City directly to each of the facilities described below and will not commingle any material collected from outside the City in the vehicles used to deliver City materials to these facilities. Contractor shall not deliver Solid Waste, Recyclable Materials, including qualifying loads of Construction Related Material, or Compostable Materials to facilities other than those identified in this Article without the prior written approval of City.

**5.02      Transportation of Solid Waste.** Contractor shall transport and deliver all Solid Waste collected pursuant to this Agreement to the Sunnyvale Materials Recovery and Transport Station ("SMART Station") in Sunnyvale, or other facility as directed by the City

Contractor shall cooperate with the operators of the SMART Station or other facility designated by the City with regard to operations therein including, by way of example, complying with directions from the operator to unload collection vehicles in designated areas, accommodating to maintenance operations and construction of new facilities, and cooperating with the operator's hazardous waste exclusion program and tonnage tracking system.

**5.03      Transportation of Recyclable Materials.** Contractor shall transport and deliver all Recyclable Materials collected pursuant to this Agreement to the GreenWaste Recovery Material Recovery Facility (GreenWaste MRF) located at 625 Charles Street, San Jose. City reserves the right to direct Contractor to transport and deliver Recyclable Materials to another facility beginning July 1, 2021. Contractor will be compensated for additional transportation costs associated with an alternative processing facility.

**5.04      Transportation of Residential Compostable Materials.** Contractor shall transport and deliver all Residential Compostable Materials collected pursuant to

this Agreement to the Zero Waste Energy Development Corporation Dry Anaerobic Digestion Facility (ZWED) located at 685 Los Esteros Road, in San Jose.

**5.05      Transportation of Construction Related Material for Recycling.**

Contractor shall transport and deliver all Construction Related Material collected pursuant to this Agreement to the Zanker Road Materials Processing Facility located at 675 Los Esteros Road, San Jose or to the Zanker Road Resource Recovery Operation and Landfill, located at 705 Los Esteros Road, San Jose for Recycling. If directed by the City, Contractor shall stage and transfer small quantities of this material at the LATP site as directed by the City.

**5.06      Transportation of Commercial/Industrial Compostable Materials.**

Contractor shall transport and deliver Compostable Materials collected from Commercial/Industrial Premises and Compostable Materials collected at special events to ZWED located at 685 Los Esteros Road, San Jose.

**ARTICLE 6. PROCESSING OF MATERIALS FOR RECOVERY AND REUSE**

**6.01      General.** Contractor recognizes that the City Council has adopted, as a matter of municipal policy, the goal of minimizing the amount of materials that are disposed of in landfills and that the activities described in this Article are essential components of achieving that goal. A major factor in the City's decision to award and now amend and extend this Agreement with Contractor has been the Contractor's representations and assurances as to the levels of recovery and reuse that will be achieved by processing at the facilities identified in this Article. Contractor shall secure updated written assurances as described below within thirty (30) days of the City Council's action approving the term extension.

**6.02      Recyclable Material Processing**

**A.      Capacity and Priority Assurances.** Contractor shall secure by the Effective Date a written assurance from the owner/operator of the GreenWaste MRF that (1) it has the physical capacity to accept and effectively process all Recyclable Materials delivered to the facility from the City in addition to any Recyclable Material which it is currently contractually committed to accept and process; (2) its solid waste facility permit, and all other permits from governmental agencies necessary for it to operate, authorize it to accept and process the Recyclable Materials expected to be delivered from the City in addition to any Recyclable Material which it is currently contractually committed to accept and process; and (3) it has committed, or will commit, to assign Recyclable Materials collected in the City by Contractor and delivered to the facility higher priority in processing and marketing than all similar materials, other than those which are delivered under contracts which the facility owner/operator entered into before the Effective Date.

**B.      Processing.** Contractor shall assure that all Recyclable Materials delivered to the GreenWaste MRF are processed (sorted, cleaned and baled) for Recycling and/or reuse in accordance with the Processing Standards set forth in Attachment E.

**C. No Disposal/Residue Limit.** Contractor shall ensure that Recyclable Materials it delivers to the GreenWaste MRF are not incinerated or disposed of at a landfill, except as provided in the following sentence. Unmarketable materials and residue may be disposed of at a permitted disposal site. Contractor shall make every effort to market all Recyclable Material delivered to the GreenWaste MRF, however, Contractor will not have a responsibility to recycle non-recyclable material, previously Recyclable Materials that have been degraded by food or liquids, or previously Recyclables Materials that have lost a viable market where materials are no longer able to be recycled or if there is not a buyer or broker for the material. Contractor shall inform City of any Recyclable Materials that have lost a viable market and prior to disposal of any Recyclable Materials.

**D. Marketing.** Contractor shall ensure that no less than ninety two percent (92%) by weight of marketable Recyclable Materials delivered to the GreenWaste MRF is marketed for Recycling or reuse, such that those materials will qualify as having been diverted under California's Department of Resources Recycling and Recovery (CalRecycle) regulations.

**E. Weighing.** Contractor shall ensure that the owner/operator of the GreenWaste MRF operates scales at the facility that are registered with the County Department of Weights & Measures. The scales shall be regularly maintained to ensure their reliability and accuracy. Inspection reports and maintenance records shall be made available for review by City on request. All Recyclable Materials delivered to the GreenWaste MRF will be weighed upon initial delivery. Gross, tare and net weights will be recorded, along with vehicle number, date and time of delivery.

**F. Reporting.** Contractor will arrange for accurate, complete and timely reports on Tons of Recyclable Materials delivered to GreenWaste MRF, Tons of Recycled Materials marketed and prices received, and Tons of residue disposed to be produced by the owner/operator of the facility and furnished to City as provided in Attachment E.

**G. Inspection.** Contractor shall arrange for City to have free access to inspect the GreenWaste MRF during business hours.

### **6.03      Construction Related Material Processing**

**A.      Capacity and Priority Assurances.** Contractor shall secure by the Effective Date a written assurance from the owner/operator of the Zanker Materials Processing Facility (ZMPF) and the Zanker Road Resource Recovery Operation and Landfill (ZRRROL) that (1) each facility has the physical capacity to accept and effectively process all Construction Related Material delivered to the facility from the City in addition to any Construction Related Material which they are currently contractually committed to accept and process; (2) the solid waste facility permits, and all other permits from governmental agencies necessary for each facility to operate, authorize them to accept and process the Construction Related Material expected to be delivered from the City in addition to any Construction Related Material which they are currently contractually committed to accept and process; and (3) it has committed, or will commit, to assign Construction Related Material collected in the City by Contractor and delivered to either facility higher priority in processing and marketing than all similar materials, other than those which are delivered under contracts which the facility owner/operator entered into before the Effective Date of this Agreement.

**B.      Processing.** Contractor shall assure that all Construction Related Material delivered to the ZMPF or the ZRRROL is processed (sorted, cleaned and baled) for Recycling and/or reuse in accordance with the Processing Standards set forth in Attachment E.

**C.      No Disposal/Residue Limit.** Contractor shall ensure that Construction Related Material it delivers to the ZMPF or the ZRRROL is not disposed of at a landfill, except as provided in the following sentence. Unmarketable residue, not to exceed twenty five percent (25%) by weight of the total combined mixed and single source separated Construction Related Material delivered from City to both facilities, measured as provided in Attachment E, may disposed of at a permitted Landfill.

**D.      Marketing.** Contractor shall ensure that no less than seventy five percent (75%) by weight of the total combined mixed and single source separated Construction Related Material delivered from City to both facilities is marketed for



Recycling or reuse, such that those materials will qualify as having been diverted under CalRecycle regulations.

**E. Weighing.** Contractor shall ensure that the owner/operator of the ZMPF and the ZRRROL operates scales at each facility that are registered with the County Department of Weights & Measures. The scales shall be regularly maintained to ensure their reliability and accuracy. Inspection reports and maintenance records shall be made available for review by City on request. All C&D Debris delivered to the ZMPF or the ZRRROL will be weighed upon initial delivery. Gross, tare and net weights will be recorded, along with vehicle number, date and time of delivery.

**F. Reporting.** Contractor will arrange for accurate, complete and timely reports on Tons of Construction Related Material delivered to ZMPF or the ZRRROL, Tons of C&D Debris marketed and prices received, and Tons of residue disposed to be produced by the owner/operator of the ZMPF and the ZRRROL and furnished to City as provided in Attachment E.

**G. Inspection.** Contractor shall arrange for City to have free access to inspect the ZMPF and the ZRRROL during business hours.

#### **6.04 Compostable Materials Processing**

**A. Capacity and Priority Assurances.** Contractor shall secure within 30 days of City action approving this Amendment a written assurance from the owner/operator of the ZWED Facility that (1) it has the physical capacity to accept and effectively process all Compostable Materials delivered to the facility from the City in addition to any Compostable Materials which it is currently contractually committed to accept and process; (2) its solid waste facility permit, and all other permits from governmental agencies necessary for it to operate, authorize it to accept and process the Compostable Materials expected to be delivered from the City in addition to any Compostable Materials which it is currently contractually committed to accept and process; and (3) it has committed, or will commit, to assign Compostable Materials collected in the City by Contractor and delivered to the facility higher priority in processing and marketing than all similar materials, other than those which are

delivered under contracts which the facility owner/operator entered into before January 2019.

**B. Processing.** Contractor shall assure that all Compostable Materials delivered ZWED are processed for use as energy, compost, mulch, or soil amendment in accordance with the Processing Standards set forth in Attachment E.

**C. No Disposal or Use as ADC.** Contractor shall ensure that the Compostable Materials it delivers to ZWED are not disposed of at a landfill or used as alternative daily cover (ADC) at a landfill. Inorganic contamination, not to exceed ten percent (10%) by weight of Compostable Materials delivered from City, measured as provided in Attachment E, may be disposed of at a permitted disposal site.

**D. Marketing.** Contractor shall ensure that no less than ninety percent (90%) by weight of the Compostable Materials collected in City and delivered to ZWED is processed for use as energy, compost, mulch, or soil amendment such that those materials will qualify as having been diverted under CalRecycle regulations.

**E. Weighing.** All Compostable Materials delivered to ZWED shall be weighed upon initial delivery.

**F. Reporting.** Contractor will arrange for accurate, complete and timely reports on Tons of Compostable Materials delivered to ZWED, Tons of Compostable Materials marketed and prices received, and Tons of residue disposed to be produced by the owners/operators of the ZWED, and furnished to City as provided in Attachment E.

**G. Inspection.** Contractor shall arrange for City to have free access to inspect Z-BEST or ZWED during business hours.

## **ARTICLE 7. EQUIPMENT, PERSONNEL AND FACILITIES**

**7.01      General.** Contractor shall furnish all equipment necessary to perform safely and efficiently the services required by this Agreement except for the Containers furnished by the City which are listed on Attachment F.

### **7.02      Vehicles.**

**A.      General.** Contractor shall provide collection and auxiliary vehicles of the type, size and configuration, and in the quantities shown on Attachment G. All such vehicles shall be suitable in design and construction for arduous heavy-duty service. All vehicles shall comply with all laws and regulations including but not limited to the California Air Resources Board regulations for solid waste collection vehicles codified at 13 CCR Section 2020 *et seq.*

#### **B.      Purchase of Vehicles.**

1.      Purchase of New Vehicles. All of the vehicles placed in service on July 1, 2009 shall be new and unused, other than those purchased from Palo Alto Sanitation Company (PASCO), the previous service provider. Use of newly acquired vehicles for weekend training of drivers to be employed by Contractor and dedicated to service in City shall not disqualify such vehicles from being “new and unused.”

City will provide Contractor with compressed natural gas (CNG) at no cost, at its fueling facility located at 3201 East Bayshore Road, Palo Alto. Concurrently with the approval of this Agreement by City, Contractor will be issued a fueling permit, as amended as of 2015 and 2019, by City containing the terms and conditions of Contractor’s use of that facility.

2.      Purchase of Replacement Vehicles. Any vehicles purchased during the Term, as extended, shall be new and unused. If it becomes necessary, a used vehicle may be placed into service on a temporary basis (i.e., no more than 90 days), provided that it is safe, in good operating condition, equivalent in design and capacity to vehicles in regular service and approved by the City.

**C. Vehicle Identification.** The name of City and Contractor, Contractor's local telephone number, and a unique vehicle identification number for each vehicle shall be prominently displayed on all vehicles. City shall approve all details, including size, color and location of text, I.D. numbers and logo.

**D. Cleaning and Maintenance.**

1. General. Contractor shall maintain all of its equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all times.

2. Cleaning. The exterior and interior of vehicles used in the collection of Solid Waste, Recyclable Materials, and Compostable Materials shall be thoroughly washed by Contractor a minimum of twice per week and thoroughly steam cleaned at least once every week. City may inspect vehicles at any time to determine compliance with sanitation requirements and aesthetic conditions. Contractor shall make vehicles available to the City, the Santa Clara County Department of Environmental Management and the Local Enforcement Agency for inspection, at any frequency they request.

3. Painting. All vehicles used in collection of Solid Waste, Recyclable Materials, and Compostable Materials shall be repainted by Contractor at least once every five years, unless the City determines that repainting a specific vehicle at that frequency is not necessary because the vehicle's appearance is satisfactory or unless the City determines that repainting a specific vehicle earlier (due to graffiti damage, etc.) is necessary to ensure that the vehicle gives the appearance of having been repainted within the preceding twenty four (24) months.

4. Maintenance. Contractor shall (i) inspect each vehicle daily to ensure that the vehicle and all equipment is operating properly; and (ii) perform or cause to be performed all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly. Contractor shall keep accurate records of all vehicle maintenance, recorded according to vehicle or

part I.D., date, and mileage, and shall make such records available to the City and the California Highway Patrol upon request.

5. **Repairs.** Contractor shall repair, or arrange for the repair of, all vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all vehicles and equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include the vehicle or part I.D., date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

6. **Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s). Vehicles shall be stored at Contractor's corporation yard identified in Section 7.09 or at another location arranged by Contractor and approved, in advance and in writing, by City. Facilities used for storage or maintenance shall comply with all zoning and land use requirements applicable to the facility. City shall have access to the facilities at all times. Vehicles may not be stored (e.g., parked overnight) on City streets.

**E. Operation.** Vehicles shall be operated in compliance with the California Vehicle Code and all applicable safety regulations and City ordinances. Vehicles shall be operated only by employees of Contractor who are appropriately licensed by the California Department of Motor Vehicles. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles. Contractor shall be solely responsible for paying any fines imposed by the California Highway Patrol, or other regulatory agencies, for violation of these requirements.

**F. Sale.** If Contractor sells a vehicle or other equipment during the Term, its remaining undepreciated value shall be removed from the calculation of Contractor's Compensation. If the equipment was fully depreciated before its sale, the revenue received by Contractor from its sale shall be reported to City and deducted from Contractor's Compensation. If such vehicle or equipment must be replaced by a similar

vehicle or equipment, depreciation on the new vehicle and/or equipment, based on the remaining Term, shall be included in Contractor's Compensation.

**7.03      Solid Waste, Recycling, Compostable, Construction Related Material Containers.**

**A.      General.** Contractor shall purchase, assemble, and deliver to Customers containers for storage of (i) Solid Waste, (ii) Recyclable Materials, (iii) Compostable Materials, (iv) Construction Related Material, (v) "Recycling Buddies" for Multi-Family Premises, the type, size and initial quantities or minimum inventory of which are shown in Attachment H. City will purchase kitchen buckets to be distributed by Contractor to residential Customers with Compostable Materials collection. All such containers shall be new and unused. The type, size and number of containers provided to each Customer shall be sufficient to contain, with the lid closed, all Solid Waste, Recyclable Materials and Compostable Materials generated between collections.

**B.      Repair and Replacement.** Contractor shall repair or replace all containers damaged by collection operations or which do not meet vendors' warranties. Customers shall be provided with adequate numbers of containers available for use during all times between scheduled collection days.

**C.      Cleaning, Painting and Maintenance of Contractor-Furnished Containers.** Contractor shall maintain all Contractor-furnished containers in a functional condition and so as to present a clean and attractive appearance in the opinion of the Director. Such containers shall be painted and repainted as requested by City. Contractor-furnished containers that have been marked with graffiti shall be cleaned, repainted or removed from the Premises by Contractor within twenty-four (24) hours of notification by the Customer or City. At the same time as such containers are removed, they shall be replaced by clean, like-sized containers furnished by Contractor. Contractor shall clean and maintain all Contractor-furnished containers in a safe and sanitary condition and whenever the City, or another agency with jurisdiction as a regulator, determines that cleaning is required to abate a health concern or nuisance condition.

**D. Other.** Additional requirements related to containers are included in Attachment C.

**7.04 City Right to Purchase Equipment, Sales of Equipment.** The City may purchase any or all equipment owned by Contractor at the expiration or earlier termination of this Agreement, at its net book value as shown on Contractor's financial statements, which shall be no greater than the purchase price less the accumulated depreciation allowed for such equipment in payments of Contractor's Compensation pursuant to Article 9. Contractor shall, prior to August 1, 2009, deliver to the City properly signed UCC-1 Financing Statements and all other documents necessary or appropriate for the City to secure its purchase options and shall file, or allow the City to file, such Statements and other documentation as provided in California Commercial Code. As new or replacement equipment is purchased, similar documentation covering it shall be provided by Contractor within thirty (30) days of purchase.

If Contractor wishes to lease (rather than purchase) the equipment which it is to furnish, it shall request City's permission to do so and provide to City, for its approval, complete and accurate copies of all equipment leases which it proposes to enter into. The leases must provide that the lessor will, if requested, consent to their assignment to City without charge upon the expiration or earlier termination of this Agreement and must provide adequate mechanisms for the City to acquire title to equipment.

Upon the City's exercise of its option to purchase, Contractor shall sign and deliver bills of sale or other documents reasonably requested by City to evidence the transfer of title to all equipment purchased.

City has no obligation to acquire Contractor's vehicles, or any other Contractor equipment, at the end of the initial Term or as it may be extended, nor to pay the undepreciated value (net book value) of such vehicles or equipment then or upon the earlier termination of this Agreement.

**7.05 Personnel.**

**A. General.** Contractor shall furnish competent and qualified drivers, mechanics, laborers, managerial, supervisory, clerical, and other personnel in sufficient

numbers to provide the services required by this Agreement in a safe and efficient manner. The minimum complement of full time personnel which Contractor will provide for the scope of work described in this Agreement shall be as shown on Attachment I. Contractor may only make changes to the minimum complement of personnel with written Director approval.

Contractor shall maintain a complete roster of employees providing service under this Agreement. The roster shall contain the name, home address, phone number, social security number, job classification, date of hire, driver's license number, and such other information as City may require. The City may inspect the roster, and make a copy thereof at Contractor's expense.

**B. Driver Qualifications.** All drivers shall be trained and qualified in the operation of waste collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Each driver shall carry his/her license during work hours. Drivers must be proficient in the English language.

**C. Uniforms.** Contractor shall require its drivers, and all other employees who come into contact with the public in the City during working hours, to wear standardized uniforms bearing the Contractor's name, and to carry an identification badge or other means of identifying the employee. The City will have the right to approve the style and color of the uniforms. Such uniforms shall present a freshly cleaned appearance. Employees shall be instructed to present employment identification cards to City staff, customers, security guards and law enforcement officers upon request, during work hours.

**D. Safety Training.** Contractor shall provide, at least annually, comprehensive operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection or processing of Solid Waste, Recyclable Materials and Yard Trimmings, or who are otherwise directly involved in such collection or processing. Contractor shall train its employees involved in collection to identify, and not collect, Hazardous Waste or Infectious Waste and shall make clear that any scavenging of loads is prohibited. Contractor shall provide the name of its safety officer,



the frequency of its training, and a copy of its training policy and safety training program to City upon request.

**E. No Gratuities.** Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public for the collection of Solid Waste, Recyclable Materials and Compostable Materials.

**F. Employee Conduct and Courtesy.** Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly (at least annually) train its employees in customer courtesy, shall prohibit the use of loud or profane language and the removal of any materials from loads, and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall take all necessary corrective measures, including, but not limited to, transfer, discipline or termination. If City has notified Contractor of a complaint related to discourteous behavior, Contractor shall, upon request of City, reassign the employee to duties not entailing contact with the public while the Contractor is pursuing its investigation, disciplinary, and retraining process.

**G. Provision of Outreach/Public Education Manager.** Contractor shall designate one qualified employee as specialist of outreach and public education activities. The manager will devote all of his or her time to these activities, some of which are described in Attachment C. Contractor shall notify City, in writing, of the name of the manager prior to commencing operations and whenever there is a change in the staffing of the position.

**H. Ongoing Training and Testing.** Contractor shall provide safety training on an ongoing basis and shall conduct random drug and alcohol testing of employees in safety-sensitive positions in compliance with regulations issued by the U.S. Department of Transportation. Contractor shall furnish City with a copy of its training manual and schedule of training of employees; City may require Contractor to

include specific topics in such manual and training program. City may attend and observe any safety or operational training classes.

**I. Sober and Drug-Free Workplace.** Contractor shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time. Further, the policies and procedures shall prohibit an employee from operating either City or Contractor equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Contractor's service to Customers.

**J. City Role in Hiring of Key Management Employees.** Before extending an offer of employment for the position of general manager, operations manager, customer service supervisor, or education/outreach manager, Contractor shall provide the City with proposed position descriptions and an opportunity to review information about the background and experience of the person(s) being considered, as well as an opportunity to meet with those persons. Contractor shall give thoughtful consideration to City's comments on the job descriptions and to its advice about each candidate, but shall have the ultimate right to make employment decisions in its best business judgment. This provision applies to the initial hiring for these three positions and to subsequent hirings during the Term if and when such position(s) become vacant.

**7.06 Use of Workers Not Employed by Contractor.** All drivers, mechanics, customer service representatives, supervisory and managerial workers shall be direct employees of Contractor. If Contractor engages any workers through an independent contractor, such as an employment agency, it shall ensure that such contractor or agency:

1. Provides all such workers compensation equal to that which Section 7.08 would require Contractor to pay if the workers had been hired as its own employees.

2. Complies with the nondiscrimination requirements imposed on Contractor by Section 12.14.

3. Maintains comprehensive general liability, workers compensation and employer's liability insurance covering such workers in the amount required by Section 10.02 and with policies meeting the other requirements of Section 10.02.

Contractor shall be responsible for providing qualified and competent workers, whether as direct employees or through workers furnished by an independent contractor. Contractor shall also be responsible for providing sufficient training to all workers so that they can perform the work in a safe and competent manner and are thoroughly familiar with the work which Contractor is required to perform and the standards it is required to meet by this Agreement.

If workers provided by a particular independent contractor prove persistently unsatisfactory, City may require that Contractor either secure workers through a different independent contractor or hire qualified and competent employees directly. Contractor shall defend and indemnify City from and against any claim or suit filed by any independent contractor furnishing workers to Contractor.

**7.07 Initial Hiring.**

A. Contractor shall fill the positions required to perform the work required by this Agreement, in the job classifications listed in subsection C below, by first offering employment to those employees of the predecessor contractor (Palo Alto Sanitation Company) (1) who have been working continuously from January 1, 2009 in one or more of the listed job classifications, (2) who are eligible for employment under federal and state law, (3) who meet the Contractor's minimum employment standards for new employees related to California Vehicle Code violations and driving safety, (4) who have not been convicted of a crime that is related to the job or job performance, and (5) who do not present a demonstrable danger to customers, co-workers or City employees.

B. If Contractor does not have enough positions available in the listed job classifications to offer employment to all of the predecessor contractor's employees who are eligible for employment under subsection A, Contractor shall maintain a list of the predecessor contractor's employees who were not offered employment. If any positions become available during the first six (6) months of operation (i.e., from July 1, 2009 through December 31, 2009), Contractor shall offer employment to persons on the list by seniority within each job classification.

C. The job classifications covered by this section are drivers, mechanics, laborers, field supervisors, and customer service representatives. It does not apply to management, or other administrative or clerical employees.

#### **7.08 Wages and Benefits.**

A. Upon commencement of operations on July 1, 2009, Contractor shall pay employees wages and benefits no less than the total hourly wage shown on Attachment J-1, increased in each case by the same percentage that the Consumer Price Index, All Urban Consumers for the San Francisco-Oakland-San Jose Metropolitan Area ("Index") has increased between April 2008 (i.e., 222.074) and April 2009. The total hourly wage in each job classification shall be increased on July 1, 2010 and on July 1 of each year thereafter by an amount not less than the percentage that the Index has increased between April 2009 and April 2010, in the case of the adjustment to be made on July 1, 2010, and between the corresponding Aprils in succeeding years.

B. Contractor must provide a health benefit program for employees in the job classifications listed in Section 7.07.C, substantially identical to the program described in its Proposal.

C. The hourly cash equivalent of benefits such as sick leave, vacation/holiday, and health insurance will be determined as shown on Attachment J-2. Subject to the requirement in subsection B for a health insurance program, Contractor may provide any combination of wages and benefits so long as the hourly cash equivalent of such combination equals the "total hourly wage" shown on Attachment J-1, as adjusted.

D. Contractor will (1) recognize vacation accrual rates based on seniority earned by employees during their service with the current collector; and (2) allow employees who worked for the current collector and who had previously scheduled vacation during July through September 2009 to take up to ten (10) working days of that vacation as scheduled despite not having accrued sufficient vacation with Contractor, provided such employees agree that subsequent accruals of vacation will first be applied to offsetting the vacation advanced by Contractor.

E. Contractor shall promptly furnish the City information that it requests, including certified payrolls, to verify Contractor's compliance with this section.

**7.09 Facilities.** Contractor shall provide all facilities necessary for vehicle parking and maintenance, container storage and maintenance, employee parking, administration and all other activities required to provide the services required by this Agreement. Contractor shall own or lease the facilities; secure all permits needed to conduct operations at the facilities and operate in compliance with such permits; design, finance and construct any site improvements; and maintain the facilities in good condition.

The Contractor's corporation yard is located at 2765 Lafayette Street in Santa Clara. Contractor shall lease the corporation yard and provide City a copy of the fully-executed lease. Contractor shall comply with the terms of the lease for the corporation yard. Contractor shall not move its operations to a different site without prior notice to, and written approval of City. Rental payments are included in Contractor's Compensation, shown on Attachment N-1, as a pass-through cost.

Contractor will continue to use the approximately 1.1 acre parcel of City-owned property at the LATP unless notified by the City. This property is to be used for limited storage of containers such as boxes, bins and wheeled carts to be delivered to customers, and if approved by City, for consolidating Construction Related Materials and source separated materials. Contractor shall comply with the terms of the lease for the LATP site.

If the City elects to utilize the LATP property for an alternative use, the Contractor storage site shall be relocated with approval from Director, and City will compensate Contractor's reasonable relocation costs, as negotiated and agreed upon with the City. Relocation costs would involve Contractor's cost to transport stored boxes, bins, carts and equipment from the LATP property to alternate locations as well as to demobilize Contractor's trailer and remove all other materials and debris from the site. City is responsible for infrastructure removal such as charging stations. The main corporation yard and offices to be used for administrative purposes and storage of containers and vehicles is located at 2765 Lafayette St in Santa Clara.

## **ARTICLE 8. RECORD KEEPING, REPORTING AND INSPECTIONS**

**8.01      General.** Contractor recognizes that maintenance of complete, accurate, reliable and verifiable records of its operations and timely submission to City of accurate and complete reports is an essential aspect of the service to be provided by it under this Agreement.

**8.02      Record Keeping; Audit.** Contractor shall maintain accurate records of its operations in sufficient detail to allow for accurate determinations of all matters that require periodic determination under this Agreement. These records shall cover (i) personnel, (ii) equipment, (iii) collection operations, (iv) customer service (name, address, service level and changes, special collection details, etc.), (v) recycling operations, (vi) financial transactions, (vii) billings by Contractor for services provided and other matters, in such detail and format necessary to compile the reports required by this Agreement, including those identified in Attachment K-1. City may review and make copies (at Contractor's expense), of all of Contractor's operational and business records related to this Agreement, including those described in this section.

City may, at any reasonable time during the Term and for three (3) years thereafter, audit Contractor's records pertaining to matters covered by this Agreement. Contractor shall maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

Contractor shall maintain record security sufficient to preserve records from destruction or damage from reasonably foreseeable events including fire, earthquake and theft. Data maintained in an electronic medium shall be protected, and backed up, with a copy stored at a separate site from the original data. Contractor may utilize a record storage service to store at a secure off-site location those records to which immediate access is not needed, so long as those records can reliably be retrieved within 24 hours after a request by Contractor or City.

**8.03      Data Management; Billing Support.** Contractor shall provide a data management system capable of supporting City's delivery of accurate and timely bills to Customers. Should the City elect to have Contractor bill Commercial/Industrial Customers directly, the Contractor shall provide detailing A/R aging reports and service

level reports to the City. The specific capabilities of Contractor's data management system are described on Attachment K-2.

**8.04      Reporting.** Contractor shall compile and submit complete and accurate reports required by this Agreement, including those identified in Attachment K-1, in the format and at the frequencies specified. Reports identified on Attachment K-1 shall contain a statement, signed by the Contractor's representative designated pursuant to Section 12.12.B, that the report is complete and accurate to the representative's knowledge, after due inquiry.

**8.05      Right to Inspect Operations.** City will have the right, but not the obligation, to observe and inspect all of the Contractor's operations involved in providing service under this Agreement. Contractor shall cooperate fully with such inspections. In connection therewith, City will have the right to enter any facilities operated or used by Contractor during operating hours, speak to any of Contractor's employees (and those of any subcontractor) and receive accurate responses from such employees to any inquiries directed to such employees. In addition, upon reasonable notice and without interference with Contractor's operations, City may review and copy any of Contractor's operational and business records related to this Agreement. If City so requests, Contractor shall make specified personnel available to accompany City employees on inspections and shall provide electronic copies of records stored in electronic media.

**8.06      Compliance Reporting.** Contractor shall submit monthly, quarterly and annual reports to the City documenting the disposition of Solid Waste, Recyclable Materials, and Compostable Materials and shall format such reports so that they may be used by the City to demonstrate compliance with the reporting requirements of the Act or any other subsequently enacted federal or state laws or regulations governing integrated waste management.

**8.07      Reports as Public Records.** The reports, records and other information submitted (or required to be submitted) by Contractor to City are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 *et seq.* Unless a particular record is exempted from



disclosure by the California Public Records Act, it will be disclosed to the public by the City upon request.

## **ARTICLE 9. COMPENSATION**

**9.01      General.** Contractor's Compensation provided for in this Article shall be the full, entire, and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, cost of capital, payments to processors, payments to subcontractors, taxes, insurance, bonds, overhead, profit, and all other things necessary to perform all the services in the manner required by this Agreement.

Base Compensation for the first two years of the Agreement (FY 2009/10 and FY 2010/11) were established based on Contractor's Proposal, as refined to reflect the final scope of services, which includes Zero Waste Services as well as Baseline Services. The costs associated with providing the services to be covered by Base Compensation for FY 2009/10 through FY 2017/18 were set out in prior versions of Attachment N-1.

In connection with the second Term extension and amendment and restatement of this Agreement, Contractor has carefully reviewed the revised Attachment N-1 reflecting compensation for rate periods Ten, FY 2018/19, and Eleven, FY 2019/20, immediately before executing this Agreement. Contractor is satisfied that those costs, and the net revenue from sales of Recyclable Materials, are accurate and acknowledges that the Base Compensation set out in Section 9.03, adjusted as provided in Section 9.04 and supplemented as provided in Section 9.05, represents the entire compensation due Contractor.

In subsequent years, for rate periods 12, FY 2020/21, through 17, FY 2025/26, Base Compensation will be adjusted annually, based on the application of specified indices produced by the U.S. Department of Labor, Bureau of Labor Statistics to specified cost pools and to the profit allowance, which together comprise Base Compensation. Both parties recognize that in some or all years Contractor's actual costs may increase or decrease at rates different from the rates at which the various indices change. If Contractor's actual costs are less than the costs adjusted by the specified indices, Contractor will be entitled to retain the difference. Conversely, if Contractor's costs are greater than the costs as adjusted by the specified indices, Contractor will not be entitled to additional compensation to make up the difference.

A fundamental principle underlying this Agreement, as applicable to the initial Term through the effective date of the Second Amended and Restated Agreement, is that Contractor is entitled to one hundred percent (100%) of the revenues it receives from the sale of Recyclable Materials and other materials that it collects from within the City, including CRV revenues. As with costs, both Parties recognize that actual revenues from the sale of Recyclable Materials may exceed, or fall short of, the calculated amounts in Rate Period Three and thereafter. As with costs, if such revenues exceed the calculated amount, Contractor is entitled to retain them, while if they fall short, City is not obligated to offset the shortfall. As of January \_\_\_\_2019, the effective date of this Agreement as amended and restated, the compensation and sale proceeds related to Recyclable Materials shall be modified as described in Section 9.06

The cost of providing certain services is difficult to forecast because the extent to which such services will be demanded by customers is uncertain. For that reason, they are excluded from Base Compensation and will be compensated on a unit price and/or allowance basis as provided in Section 9.05.

**9.02      Total Compensation.** The Contractor's Total Annual Compensation shall equal the sum of the following:

- Base Compensation (Sections 9.03 and 9.04), including calculated net revenues from the sale of Recyclable Materials (including CRV Revenues) only until June 30, 2021, and
- Additional compensation for extra services provided which are compensated on a unit-price basis pursuant to Section 9.05 (Extra Service Compensation); and,
- Adjustment (reduction) for revenues/fees collected by Contractor from on-call service provided to Customers.

**9.03      Compensation for Rate Periods One and Ten.**

**A.      Rate Period One.** For illustration purposes for this amendment and restatement, Contractor's Base Compensation for Rate Period One, which is the 12-

month period commencing July 1, 2009 and ending on June 30, 2010, was Ten Million Three Hundred Sixty Seven Thousand Two Hundred Seventy Nine Dollars (\$10,367,279) as detailed in Attachment N-1 showing the base compensation to the Agreement.

Contractor's Total Annual Compensation for Rate Period One equaled the sum of (i) Base Compensation for Rate Period One, (ii) Extra Service Compensation, and (iii) City Landfill Adjustment, if any.

**B. Rate Period Ten.** In accordance with this amendment and restatement of the Agreement, Contractor's Base Compensation for that portion of Rate Period Ten after execution of this Second Amended and Restated Agreement, shall be Ten Million One Hundred Ninety Eight Thousand One Hundred Nineteen Dollars (\$10,198,119), as detailed in revised Attachment N-1. Rate Period Ten is the period July 1, 2018 to June 30, 2019, which is the 12 month period following Rate Period Nine.

Contractor's Total Annual Compensation for Rate Period Ten shall equal the sum of (i) Base Compensation for Rate Period Ten and (ii) Extra Service Compensation and (iii) compensation for new vehicles estimated to be received during Rate Period 10 as approved by the City

**9.04 Compensation for Subsequent Rate Periods.** Contractor's Base Compensation for all Rate Periods following Rate Period Ten shall be determined using the index-based adjustment method presented in Attachment N-2. The method involves use of specified cost adjustment factors (the percentage change in various consumer price indices) to calculate changes in the Contractor's Base Compensation. The percentage change in the applicable indices is applied to the calculated cost pools and calculated net revenues from sale of materials collected that comprise the Contractor's Base Compensation for the then-current Rate Period to determine the Contractor's Base Compensation for the coming Rate Period. For example, in January 2012 when calculating Contractor's Base Compensation for Rate Period Four (FY 2012/2013), the percentage change in cost indices will be applied to the calculated Rate Period Three cost pools to calculate Rate Period Four costs. The revised N-1 details this for Rate Periods Ten and Eleven.

The Contractor's Total Annual Compensation for all Rate Periods following Rate Period Eleven, FY 2019/20 shall equal the sum of the following:

- Base Compensation calculated using the formula presented in Attachment N-2 and one-time costs identified on Attachment N-1; and
- Extra Service Compensation for extra services performed during the Rate Period; and,
- Adjustment (reduction) for revenues/fees collected by Contractor from on-call service provided to Customers.

**9.05      Compensation for Extra Services.** Contractor's Extra Service Compensation shall be the compensation provided to Contractor for services that are not included in the Base Compensation. These services include:

- A. Backyard/Sideyard Collection of Solid Waste from Single-Family Premises.
- B. Drop box service (scheduled and on-call).
- C. Residential and Commercial/Industrial Compostable Materials processed.
- D. Overweight debris boxes (boxes weighing over 5 tons).
- E. Compost supplied by Contractor for Giveaways
- F. Contaminated Recyclable Materials
- G. Construction Related Materials as detailed in Attachment T
- H. Miscellaneous construction material; and
- I. New Recyclable Materials fees beginning on July 1, 2021 as described in Section 9.06.

The Contractor shall be compensated on a unit-price basis for each of the extra services performed. Following completion of each calendar quarter, the Extra Service Compensation shall be calculated by the Contractor based on its billing records and billing reports submitted. The Extra Services Compensation shall equal the sum of each unit-price fee multiplied by the number of extra services performed by Contractor during each month in the most-recently completed calendar quarter. The City will pay the Contractor on a quarterly basis in arrears for all extra service performed.

The Contractor's unit-prices for Rate Periods One and Two were based on the Contractor's Proposal and were presented in Attachment N-1 to the original Agreement. These unit prices are adjusted annually to reflect changes in a specified cost index in accordance with the procedures described in Attachment N-2. Revised Attachment N-1 shows the adjusted prices for Rate Periods Ten and Eleven and the unit prices for the extra services added through this Agreement as amended and restated.

Contractor shall not be compensated for extra services other than those specified in this Section. The City may charge Customers additional fees for services such as collection of extra Bulky Items, but Contractor shall not receive extra compensation for these services.

Contractor shall keep accurate and complete records of services billed by Contractor to allow City to verify the accuracy of Contractor's billing reports and to calculate compensation for extra services.

**9.06      Compensation for Recyclable Materials.** Contaminated Recyclable Materials. As of January \_\_, 2019, the effective date of this Second Amended and Restated Agreement, through June 30, 2020, City shall compensate Contractor for the processing of contaminated commercial Recyclable Materials at a flat annual rate of Two Hundred Thirty-Four Thousand Dollars (\$234,000), which is based on the assumption that 2,600 tons of commercial recyclables will be processed as contaminated recyclables per fiscal year until the end of fiscal year 2020 at a fee of \$90 per ton (adjusted annually by CPI starting in rate period 11, fiscal year 2019/20). Although the number of commercial customers and tons subject to the contaminated recyclables collection may fluctuate, the fee will remain flat until the end of fiscal year

2021. Starting July 1, 2021, fiscal year 2020/21, the compensation will be based on actual tons of contaminated Recyclable Materials collected.

**Recyclable Materials Processing Cost.** At the end of the initial term extension, on June 30, 2021, the processing Recyclable Materials revenue credit to the City will be removed from the Base Compensation. Furthermore, as of July 1, 2021, the City will pay Contractor \$25 per ton for Recyclable Materials delivered to the GreenWaste MRF for processing, increased annually by CPI. Contaminated or otherwise unmarketable Recyclable Material collected separately and delivered to the GreenWaste MRF may be subject to the contaminated recyclables processing surcharge of \$90 per ton (in lieu of the base rate of \$25 per ton) as described above and in Attachment C, Section D.2.

On and after July 1, 2021, City shall pay Contractor for the processing of contaminated commercial Recyclable Materials at the rate of \$90 per ton (subject to CPI increases) and non-contaminated commercial Recyclable Materials at the rate of \$25 per ton (subject to CPI increases). Customers may be added to or subtracted from the list of contaminated recyclables contributors (referred to herein as the “2,600 ton list”) through the approved process in Attachment C. If additional tonnage is added then the City will pay the \$90 fee per ton (subject to CPI increases). If the Customers clean and correctly sort their Recyclable Materials and are removed from the list, then the City would pay Contractor \$25 per ton for processing of Recyclable Materials (subject to revenue sharing provisions described below).

**Recyclable Materials Revenue/Profit Sharing.** Should Contractor be profiting from the sale of Recyclable Materials, as determined annually through the methodology outlined in Attachment U, Contractor shall evenly share the previous year’s average profit with the City during the forthcoming year, on a quarterly basis. Should Contractor experience three consecutive months of loss during a year in which it is sharing profit with the City, City and Contractor shall void the recyclables credit until a profitable market reoccurs, or the credit is reestablished in the following fiscal year. Alternatively, after June 30, 2021 the City retains the right to have Recyclable Materials processed at an alternative facility should the City locate a better rate or for any other reason. Contractor will be compensated for additional transportation costs associated with an alternative processing facility.

## **9.07      Compensation Adjustment Process**

**A.      Adjustment Calculations.** On or before January 31 of each year commencing with January 2011, the Director will calculate the annual percentage change in the indices specified in Attachment N-2; Contractor's Base Compensation for the coming Rate Period and adjusted unit prices for extra services.. The Director will submit electronically a copy of the City's calculated compensation adjustment and supporting documentation for the coming Rate Period to Contractor on or before January 31. For example, on or before January 31, 2016, the Director will submit to the Contractor an electronic copy of the City's calculated compensation adjustment to be effective for Rate Period Eight (July 1, 2016 through June 30, 2017).

**B.      Contractor Review of Adjustments.** The Contractor shall promptly review the City's calculated Base Compensation and unit price adjustments and will provide written notice to the Director on or before February 28 of its acceptance of such calculations or of any objections. The Director and Contractor shall discuss Contractor's objections and may agree on changes to the City's calculations.

**C.      City Manager Action.** The City Manager will provide Contractor an opportunity to meet to present any objections to the adjustment calculated by the Director. The City Manager will take formal action to adjust Contractor's Base Compensation and unit prices for extra services before July 1 of each year commencing with July 2011. The decision of the City Manager will be final, subject to Contractor's rights referred to in subsection D.

**D.      Resolution of Disputes.** If Contractor believes the City has made an error in calculating any of the adjustments, it may seek review of the City's action through arbitration initiated in the manner and within the time prescribed in Attachment Q.

**9.08      Monthly Payment of Contractor's Compensation.** Within ten business days or on the fifteenth day of each month, whichever is later commencing in August 2009, the City will remit to the Contractor a payment for Contractor's Compensation. The monthly payment will be calculated as follows.



**A. Monthly Base Compensation.** Monthly Base Compensation will equal 1/12 of the Contractor's Base Compensation for the then-current Rate Period; plus

**B. Extra Service Compensation.** Extra Service Compensation for extra services performed in the most-recently completed quarter will be calculated pursuant to Section 9.05 and will be included in the monthly compensation determined in January, April, July, and October; less

**C. Total Monthly Payment.** The total monthly payment to Contractor will equal the sum of the monthly Base Compensation plus Extra Services Compensation (if applicable), minus revenues collected by Contractor from non-account Utility Customers.

#### **9.09 Special Compensation Review**

**A. Eligible Items.** The Contractor may apply to the City for consideration of a special review of Contractor's Compensation, and the City may initiate such a review, if one or more of the following events occur:

1. Provision of emergency services pursuant to Section 4.14.
2. Flood, earthquake, other acts of nature or other similar catastrophic events which are beyond the control of and not the fault of the Contractor.
3. Change in Law occurring after the Effective Date.

In addition, City may initiate a special compensation review prior to any extension of the Term and may consider the results of such a review in its determination of whether to extend the Term and, if so, for what period.

**B. Ineligible Items.** A special review of Contractor's Compensation may not be initiated for any of the following reasons:

1. Increases or decreases in the cost of Solid Waste, Recyclable Materials, Compostable Materials, or Construction and Demolition Materials Collection,

transportation, or Processing in excess of the increases or decreases provided through the annual adjustment mechanism described in Attachment N-1, unless such cost increases or decreases are caused by eligible items listed in subsection A above.

2. Increases or decreases in the cost of Solid Waste, Recyclable Materials, Compostable Materials or Construction and Demolition Materials Collection, transportation, or Processing caused by change in the Recyclable Materials Processing Site, Composting Site, or Construction and Demolition Materials Processing Site or by changes in operating conditions at these sites, unless such change is initiated by or at the direction of the City.

3. Increases or decreases in revenues from the sale of Recyclable Materials (including CRV revenues), Compostable Materials, or Construction and Demolition Materials.

4. Increases or decreases in the number of Customers or their subscription levels, including any changes resulting from City's implementation of a mandatory customer recycling/diversion ordinance.

5. Changes in the Tonnage or composition of Solid Waste, Recyclable Materials, Compostable Materials, or Construction and Demolition Materials.

6. Inability of Contractor to secure the right to use the property described in Section 7.09 for its corporation yard.

**C. Submittal of Request.** If the Contractor is requesting a special review of Contractor's Compensation, the Contractor must submit its request for a special review, and supporting cost and operational data, in a form and manner specified by the City. The financial and operational data that City is likely to require include, but are not limited to, audited financial statements, detailed customer account information, route data, tonnage reports, and other transactional data.

If City is requesting a special compensation review, the City will notify the Contractor and the Contractor shall, within thirty (30) days, submit cost and operational data as requested by the City, in a form and manner specified by the City.

**D. Review of Costs.** If the Contractor or the City requests a special review of Contractor's Compensation, the City will have the right to review any and all financial and operating records of Contractor and its Affiliates the City considers necessary to determine the cost impacts to Contractor's operations. Contractor shall ensure that such records are accurate, reliable and verifiable.

**E. Burden of Justification.** Contractor shall bear the burden of justifying to the City by substantial evidence its entitlement to continuation of current, as well as any increases in, Contractor's Compensation. If the Director determines that the Contractor has not met its burden, he/she will notify the Contractor that he/she is prepared to deny Contractor's request for additional compensation or to proceed with a reduction in compensation. If the Contractor requests, the City will provide Contractor a hearing before the Director at which it may produce additional evidence.

**F. Decision.** Based on the evidence, including but not limited to that submitted by the Contractor, the Director may grant some, all, or none of the requested increase. The City Manager will provide Contractor an opportunity to meet to present any objections to the Director's decision. The City Manager's decision will be final; subject to Contractor's rights referred to in subsection G.

**G. Review.** If Contractor is dissatisfied with the City Manager's decision, it may initiate arbitration as provided in Attachment Q.

**9.10 Compensation Adjustments for Changes in Service.** Within thirty (30) days of a request by City to initiate a change in service, Contractor shall submit a report containing projected operational and financial data sufficient for City to evaluate the cost-effectiveness of such a change and to calculate the adjustment to Contractor's Compensation associated with implementation of the change. The report shall contain the following types of information, to the extent applicable:

1. Collection and/or processing methodology to be employed.
2. Equipment to be utilized (number of vehicles, types, capacity, etc.).

3. Labor requirements (number of employees by classification).
4. Number and capacity of containers to be used.
5. Public education/outreach materials to be developed to implement program change.
6. Estimate of additional tonnage to be diverted, together with methodology used for estimating diversion.
7. End uses of diverted materials and revenues expected to be received by Contractor.
8. Projection of financial impact of changes (i.e., increase or decrease in Contractor's Compensation).
9. Other information requested by City.

If City directs a change as provided in Section 12.16, an equitable adjustment in Contractor's Compensation will be made, effective with the commencement of the change, to reflect increases or decreases in Contractor's costs and other revenues. For purposes of adjusting the profit allowance, an operating ratio of eighty eight percent (88%) shall be applied to the increase or decrease in necessary and reasonable costs (exclusive of interest expense and direct and allocated lease costs) of the change.

The data compiled in Attachment N-3 represent the Contractor's detailed cost and operational estimates underlying its compensation for the first two years of the Term. Those data may be consulted in determining an equitable adjustment in Contractor's Compensation for specific changes in service directed by City.

#### **9.11 Rate-Setting Process**

**A. General.** The City will be solely responsible for establishing rates charged to Customers for services provided by Contractor. The City will also be solely responsible for billing Residential Customers and collecting rate revenues. City may elect to have Contractor be responsible for billing Commercial/Industrial customers. In

such case, the City would continue setting rates, Contractor would collect fees from Commercial/Industrial customers as described in Section 4.16, Contractor would pay the City the entire fee amount, and the City would pay Contractor for billing services.

The Contractor shall establish accounts and bill Customers who do not have utility accounts with the City, as described in Section 4.16.

**B. Rate Structure.** The City will have the sole and exclusive right to change the relationship of individual rates in comparison with other rates, as City deems appropriate.

**C. Rate Categories.** If the Contractor determines the need for a rate category that does not appear on the City-approved rate schedule, Contractor shall notify the City and request establishment of such a rate category. For example, if a Customer requires Collection of a 15-cubic-yard Compactor 5 times per week and the City-approved rate schedule does not include this level of service, the Contractor shall notify the City that a rate category for this level of service would be appropriate.

**9.12 City Payment of Fees for Solid Waste Disposal.** The City will pay charges assessed by Sunnyvale for delivery of Solid Waste to the SMART Station or a future processing site.

This section does not apply to Residue from processing of Recyclable Materials, including Construction Related Materials, or Compostable Materials processed at the GreenWaste MRF, Zanker, Z-Best, ZWED or materials collected from special events.

**9.13 Compensation After Initial Term.** For the period after the initial Term, the Contractor's Compensation will continue to be determined as provided in this Article, with the exception that, as provided in Attachment N-1, no depreciation on vehicles or equipment fully depreciated during the initial Term will be included in the calculation. If vehicles or other equipment must be replaced during the initial Term or thereafter, depreciation on the new vehicles and/or equipment shall be included in Contractor's Compensation for the remainder of the Term as extended, or for an abbreviated depreciation term within the extended Contract Term, as agreed by City and Contractor.

**9.14      Additional Financial Incentives for Zero Waste Program**  
**Implementation**

**A.      General.** City has relied on Contractor's representations about its experience in, and commitment to, recycling and composting in awarding this Agreement to it. City will incur significant costs to implement the Zero Waste programs, primarily in payments to Contractor. If expected amounts of materials are not collected and subsequently diverted from landfill disposal through these programs, City will incur additional costs for those materials to be processed at the SMART Station and transferred to the Kirby Canyon landfill.

In light of these considerations, the Parties have agreed to the following financial arrangements to provide additional incentives for Contractor to exert its full efforts in implementing two elements of the Zero Waste programs.

As amended and restated as of July 1, 2015, both the City and Contractor agree to annul the annual financial incentives and/or penalties due for Recyclable Materials and Compostable Materials from Rate Period One through Rate Period Five (i.e., from July 1, 2009 through June 30, 2015).

**B.      Recycling.** The minimum amounts of Recyclable Materials which Contractor will strive to collect, process and recycle will be 17,480 tons per year. There shall be no penalty for not achieving the tonnage goals for FY 2018-19 and subsequent years.

The number of Tons which Contractor has collected, processed and recycled will be determined by multiplying the Tons of Recyclable Materials collected in the City and delivered to the GreenWaste MRF (net weight at gate scale) by the percentage that reflects the average facility recovery rate during the year in question, based on the annual facility recovery rate data required by Attachment E, Section A.2.c. For example, the percentage to be used for Year Two will be based on the facility recovery rate achieved during FY 2010-11, as shown by the audit conducted during FY 2010-11. The percentage to be used for Year One (FY 2009-10) will be ninety two percent (92%).

The materials accepted to be included in the tonnage collected include those identified in Attachment C, Section 2, including Recyclable Materials collected annually through the Clean Up Day.

**Commercial/Industrial Compostable Materials.** The minimum amount of Compostable Materials to be collected from Commercial/Industrial customers and processed into compost is 12,000 Tons in fiscal year 2015-16, and 13,000 Tons in subsequent years. Tonnage amounts will be calculated based on total tonnage collected and delivered to composting facility. City will compensate Contractor quarterly for processing all gross tons collected using Fiscal Year 2015-16 payment of \$81.00 per Ton for total tonnage collected. The per Ton payment will be adjusted annually through June 30, 2021 by the same percentage that the labor-related cost component of Contractor's Compensation is adjusted for that year per Attachment N-2. As of July 1, 2021 this per Ton payment calculation will no longer be in effect for Commercial/Industrial Compostable Materials.

Starting July 1, 2021 City will compensate Contractor quarterly for processing all gross commercial Compostable Materials tons collected using the Fiscal Year 2017-18 rate of \$92.00 per Ton, as annually adjusted through Fiscal Year 2021-22. To establish Fiscal Year 2021-22 rate, the compounding percentages that the labor-related cost component of Contractor's Compensation was adjusted in Fiscal Years 2018-19, 2019-20 and 2020-21, per Attachment N-2, shall be applied to the \$92.00 per Ton rate. The per Ton payment will continue to be adjusted annually through June 30, 2026 by the same percentage that the labor-related cost component of Contractor's Compensation is adjusted for that year per Attachment N-2.

There shall be no penalty for not achieving the tonnage goals for FY 2015-16 and subsequent years. Contractor shall aim to limit residuals in Compostable Materials to ten percent (10%).

## **ARTICLE 10. INDEMNITY, INSURANCE, PERFORMANCE BOND, GUARANTY**

**10.01     Indemnification.** Contractor shall indemnify, defend and hold harmless City, its councilmembers, officers, employees and agents, (collectively the “Indemnitees”) from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to and death of any person and damage to property or for contribution or indemnity claimed by third parties (collectively, the “Claims”), arising out of or occasioned in any way by, directly or indirectly, Contractor’s performance of, or its failure to perform, its obligations under this Agreement. Attorneys’ fees, expert witness fees, court costs and disbursements incurred by City, or for which City may be liable, are included within the scope of the Contractor’s indemnity obligation. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of the Indemnitees, but shall apply if the Claim is caused by the joint negligence of Contractor or other persons, including any of the Indemnitees. Upon the occurrence of any Claim, Contractor, at Contractor’s sole cost and expense, shall defend (with attorneys reasonably acceptable to City) City, council members, its officers, employees, and agents. Contractor’s duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

### **10.02     Insurance.**

**A.     Types and Amounts of Coverage.** Contractor shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1.     Workers’ Compensation and Employer’s Liability. Contractor shall maintain workers’ compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Contractor shall maintain employer’s liability insurance in an amount not less than One Million Dollars (\$1,000,000) per accident or disease. Contractor shall not be obligated to carry workers compensation insurance if (i) it qualifies under California law and continuously complies with all statutory obligations to self-insure against such



risks; (ii) furnishes a certificate of Permission to Self-Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self-Insure periodically to evidence continuous self-insurance, at least ten (10) days before the expiration of the previous certificate.

2. General Liability (and Automobile Liability). Contractor shall maintain comprehensive general liability insurance with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, services under this Agreement.

The insurance required by this subsection shall include:

- (i) Premises Operations (including use of owned and non-owned equipment);
- (ii) Products and Completed Operations (including protection against liability resulting from use of Recyclable Materials by another person);
- (iii) Personal Injury Liability with employment exclusion deleted;
- (iv) Broad Form Blanket Contractual with no exclusions for bodily injury, personal injury or property damage (including coverage for the indemnity obligations contained herein);
- (v) Owned, Non-Owned, and Hired Motor Vehicles;
- (vi) Broad Form Property Damage.

The comprehensive general liability insurance shall be written on an "occurrence" basis (rather than a "claims made" basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001). If occurrence coverage is not obtainable, Contractor must arrange for "tail coverage" on a claims made policy to protect City from claims filed within four years after the expiration or termination of this Agreement relating to incidents that occurred prior to such expiration or termination. Any excess or umbrella policies shall be on a "following form" basis.

3. Pollution Liability. Contractor shall maintain pollution liability insurance with limits in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence and annual aggregate covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this Agreement.

4. Hazardous Materials Storage and Transport. Contractor shall maintain insurance coverage of not less than Two Million Dollars (\$2,000,000) for personal injury, bodily injury and property damage arising out of the sudden and accidental release of any hazardous materials or wastes during storage at facilities operated by Contractor or transport of such materials by vehicles owned, operated or controlled by Contractor in the performance of the services required under this Agreement.

5. Physical Damage. Contractor shall maintain comprehensive (fire, theft and collision) physical damage insurance covering the vehicles and equipment used in providing service to City under this Agreement, with a deductible or self-insured retention not greater than Fifty Thousand Dollars (\$50,000). Notwithstanding the foregoing, Contractor shall be allowed to self-insure for physical damage to its vehicles provided Contractor provides adequate audited financial information to City and City is reasonably satisfied that Contractor has the financial net worth to cover any losses.

**B. Acceptability of Insureds.** The insurance policies required by this section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A-1 or better.

**C. Required Endorsements.** Without limiting the generality of Sections 10.02.A and B, the policies shall contain endorsements in substantially the following form:

1. Workers' Compensation and Employers' Liability Policy.

"Thirty (30) days prior written notice shall be given to the City of Palo Alto in the event of cancellation or non-renewal of this policy. Such notice shall be sent to:

City of Palo Alto  
Administrative Services Department  
P.O. Box 10250  
Palo Alto, CA 94303  
Attention: Purchasing Manager

"Insurer waives all right of subrogation against City and its officers and employees for injuries or illnesses arising from work performed for City."

2. General Liability Policy; Pollution Liability Policy; Hazardous Materials Policy.

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

City of Palo Alto  
Administrative Services Department  
P.O. Box 10250  
Palo Alto, CA 94303  
Attention: Purchasing Manager

- (ii) "The City of Palo Alto, its officers, employees, and agents, are additional insureds on this policy."

- (iii) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City of Palo Alto, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

- (iv) "Inclusion of the City of Palo Alto as an insured shall not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to

which the company would have been liable if only one party had been named as an insured.”

3. Physical Damage Policy.
  - (i) Notice of cancellation, reduction in coverage or non-renewal, as provided in Subsection C.2(a).
  - (ii) Cross liability endorsement, as provided in Subsection C.2(d).
  - (iii) Waiver of subrogation against City.

**D. Delivery of Proof of Coverage.** No later than sixty (60) days before the commencement of operations (i.e., on or before May 1, 2009), Contractor shall furnish City one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder are in force, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. If City requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City.

Contractor shall furnish renewal certificates to City prior to July 1 of each year to demonstrate maintenance of the required coverages continuously throughout the Term.

**E. Other Insurance Requirements**

1. In the event performance of any services is delegated to a subcontractor, Contractor shall require such subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the subcontractor's employees engaged in the work. The liability insurance required by Subsection 10.02.A.2 shall cover all subcontractors or the subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 10.02.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any

obligation under this Agreement, including those imposed by Sections 10.01, 10.05, and 10.06. If any claim is made by any third person against Contractor or any subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to the City.

3. If Contractor fails to procure and maintain any insurance required by this Agreement, City may take out and maintain, at Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due Contractor. Alternatively, the City may treat the failure as a Contractor Default under Section 11.01.

4. City is not responsible for payment of premiums for or deductibles under any required insurance coverages.

**10.03 Faithful Performance Bond.** Not later than ten (10) days before the Effective Date (i.e., on or before October 31, 2008), Contractor shall deliver to City a bond securing the Contractor's faithful performance of its obligations under this Agreement. The principal sum of the bond shall be Five Million Dollars (\$5,000,000). The form of the bond shall be as set out in Attachment L-1. The bond shall be executed as surety by a corporation admitted to issue surety bonds in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to City.

The term of the bond shall be not less than twenty-four (24) months, or until June 30, 2010, whichever occurs first. The bond shall be extended, or replaced by a new bond in the same principal sum, for the same term (i.e., twenty-four (24) months) and in the same form, bi-annually thereafter, subject to the last paragraph of this section. Not less than ninety (90) days before the expiration of the initial bond, the Contractor shall furnish either a replacement bond or a continuation certificate substantially in the form attached as Attachment L-2, executed by the surety.

It is the intention of this Section that there be in full force and effect at all times a bond securing the Contractor's faithful performance of the Agreement, throughout its Term, provided, however, that the surety shall not be liable to City for its non-renewal of the bond or for Contractor's failure or inability to secure a replacement bond.

After Year Two, Contractor may request that the principal amount of the bond be reduced, together with a corresponding reduction in the premium for the bond. City will consider such a request in good faith, taking into account whether Contractor has performed to the satisfaction of City, but has no obligation to agree to a reduction in the bond amount. The principal amount of the bond may not be reduced below Two Million Dollars (\$2,000,000) without approval of the City Council.

**10.04 Alternative Security.** City may, in its sole discretion, allow Contractor to provide alternative security in the amount set forth in Section 10.03, in the form of (a) a prepaid irrevocable standby letter of credit in form and substance satisfactory to City and approved by the City Attorney and City's Administrative Services Director and issued by a financial institution acceptable to City, or (b) a certificate of deposit in the name of the City with a term satisfactory to City and with a financial institution acceptable to City.

**10.05 Hazardous Waste Indemnification.** Contractor shall indemnify, defend with Counsel approved by the City, protect and hold harmless the Indemnitees against all claims, of any kind whatsoever paid, incurred or suffered by, or asserted against Indemnitees arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Wastes at any place where Contractor stores or disposes of Hazardous Wastes pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from liability.

**10.06 Integrated Waste Management Act Indemnification.** Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed by the CalRecycle or the Local Enforcement Agency (LEA): a) based on Contractor's failure to comply with laws, regulations or permits issued or enforced by the CalRecycle or the LEA; b) caused or contributed to by the Contractor's failure to perform obligations under this Agreement. This indemnity obligation is subject to the

limitations and conditions in Public Resource Code Section 40059.1 but is enforceable to the maximum extent allowable by that Section.

**10.07     Guaranty.** Not later than ten (10) days before the Effective Date (i.e., on or before October 31, 2008), Contractor shall deliver to City a Guaranty in the form attached as Attachment M, properly executed by the Guarantor(s). Contractor shall deliver an updated Guaranty in the form attached as Attachment M, reflecting the amendment and restatement of this Agreement, to City within 10 days of the City Council's action approving the Term extension.

## **ARTICLE 11. DEFAULT AND REMEDIES**

**11.01 Contractor Default.** Each of the following shall constitute an event of default ("Contractor Default"):

A. Contractor fails to perform any of its obligations under Article 4, 5 or 6 of this Agreement and its failure to perform is not cured within ten (10) days after written notice from City, provided that neither notice nor opportunity to cure applies to events described in subsection C.

B. Contractor fails to perform any of its obligations under any other Article of this Agreement and its failure to perform is not cured within thirty (30) days after written notice from City, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, Contractor shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure within ninety (90) days after notice, and provided further that neither notice nor opportunity to cure applies to events described in subsections D through H.

C. Contractor ceases to collect Solid Waste, Recyclable Materials, or Compostable Materials for a period of five (5) consecutive days (or on a total of five (5) days during any calendar year) on which collections are to be provided for any reason within the Contractor's control, including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action by Contractor's employees.

D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or similar law.

E. An involuntary petition is brought against Contractor under any bankruptcy, insolvency or similar law which remains undismissed or unstayed for ninety (90) days.

F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than ninety (90) days before expiration of the performance bond, as required by Section 10.03 or fails to maintain all required insurance coverages in force.



G. Contractor fails to provide reasonable assurance of performance within ten (10) days of a request by City under Section 11.12.

H. A representation or warranty contained in Article 3 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

I. A report submitted by Contractor under this Agreement proves to contain a material misstatement of fact, omission, or other inaccuracy.

On the occurrence of a default by Contractor, City will have the right to any one or more of the remedies described in this Article, in addition to any remedies now or later available to City at law or in equity.

**11.02 Right to Suspend or Terminate Upon Default.**

A. Upon any Contractor Default, City may terminate this Agreement or suspend it, in whole or in part. Such suspension or termination shall be effective thirty (30) days after City has given notice of suspension or termination to Contractor, except that such notice may be effective in a shorter period of time, or immediately, if the Contractor Default is one which in the opinion of the City endangers the health, welfare or safety of the public, such as the failure to collect Solid Waste or Recyclable Materials and arrange for their prompt disposal or recycling. Contractor shall continue to perform the portions of the Agreement, if any, not suspended, in full conformity with its terms.

B. City may also suspend or terminate this Agreement, upon the same notice provisions, if Contractor's ability to perform is prevented or materially interfered with by a cause which excuses nonperformance under Section 11.10, despite the fact that nonperformance in such a case is neither a breach nor a Contractor Default.

**11.03 Specific Performance.** By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service and the lead time required to effect alternative service, the remedy of damages for a breach hereof by Contractor is inadequate and City shall be entitled to injunctive and other equitable relief.

**11.04 City's Right to Cure.** In the event that Contractor fails to perform any of its obligations under Articles 4, 5, or 6 and does not cure such failure within ten (10) days after notice from City, City may (but will not be obligated to) perform the required work, or engage a third party to do so. Contractor shall upon demand reimburse City for all costs thereof, including any payments to a third party, with interest after thirty (30) days at prime rate (as established by the Bank of America "reference rate") plus two percent (2%) but not in excess of the maximum interest rate allowed by law. If Contractor fails to make such reimbursement, City may deduct the amounts due from subsequent payments to Contractor under Article 9.

**11.05 City's Right to Perform.** If this Agreement is suspended or terminated due to a Contractor Default, City will have the right to perform and complete, by agreement or otherwise, the work herein or such part thereof as it may deem necessary and to procure labor, equipment, and materials and incur all other expenses necessary for completion of the work. If such expenses exceed the amounts which would have been payable to Contractor under this Agreement if it had been fully performed by Contractor, then Contractor shall pay the amount of such excess to City.

**11.06 City's Use of Property Upon Default.** In the event of Contractor's Default, the City will have the right to use any of Contractor's equipment, facilities and other property reasonably necessary for the provision of services hereunder and the billing and collection of fees for those services. The City may continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of an agreement to another service provider. If the City continues use thereof after the period of time for which Contractor has already been paid, Contractor will be entitled to the reasonable rental value of such property, which shall be offset against the damages due the City as a result of Contractor's Default. Contractor shall fully cooperate with the City to effect the City's use of such property. The City may immediately engage all or any personnel necessary for the provision of services, including, if the City so desires, employees previously employed by Contractor. Contractor further agrees, if the City so requests, to assist the City in securing the services of any or all management or office personnel employed by Contractor whose skills are reasonably necessary for the continuation of services. The City agrees that it assumes responsibility for the proper, normal use of such equipment


and facilities while in its possession. Contractor agrees that the City's exercise of its rights under this section: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any liability on the part of the City to Contractor other than the payment of reasonable rental value as provided for in this subsection; (iii) does not exempt Contractor from the indemnity provisions of Article 10 which are meant to extend to circumstances arising under this Section.

**11.07 Damages.** Contractor shall be liable to City for all direct, indirect, special and consequential damages arising out of Contractor's Default. This section is intended to be declarative of existing California law. The City may offset such damages against such which would otherwise be due to Contractor.

**11.08 City's Remedies Cumulative.** City's rights to suspend or terminate the Agreement under Section 11.02, to obtain specific performance under Section 11.03, to cure under Section 11.04, and to perform under Section 11.05 are not exclusive, and City's exercise of one such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that City may have, including a legal action for damages under Section 11.07 or imposition of liquidated damages under Section 11.09.

**11.09 Liquidated Damages.** The Parties acknowledge that efficient, consistent, and courteous collection of Solid Waste, Recyclable Materials, and Compostable Materials is of utmost importance and City has considered and relied on Contractor's representations as to its quality of service commitment in entering into this Agreement. The Parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The Parties further recognize that if Contractor fails to achieve the performance standards, City will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of those damages that City will suffer. Therefore, the Parties agree that the liquidated damage amounts listed on Attachment O represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements

made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

Contractor Initial Here:  City Initial Here: \_\_\_\_\_

Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts set forth on Attachment O and further agrees that these amounts may be deducted by City from payments to Contractor otherwise due.

City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees, agents or representatives or through investigation of reports by third parties. Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all non-confidential information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the Director or his or her designee. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The Director or his or her designee will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director or his or her designee shall be final.

City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement. Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If payment is not received by that date, City may deduct the amount of liquidated damages from the next monthly payment of Contractor's Compensation.

City's right to recover liquidated damages for Contractor's failure to meet the service performance standards shall not preclude City from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

### **11.10 Force Majeure.**

**A. Excuse from Performance.** Neither party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an “act of God” (including, but not limited to, flood, earthquake or other catastrophic events), civil disturbance, labor unrest of other than the party’s employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), or other similar cause affecting Santa Clara County, not the fault of, and beyond the reasonable control of, the party claiming excuse. A party claiming excuse under this Section must (1) have taken reasonable precautions, if possible, to avoid being affected by the cause and (2) notify the other party as required by subsection C.

**B. Obligation to Restore Ability to Perform.** Any suspension of performance by a party pursuant to this Section shall be only to the extent, and for a period of no longer duration than, required by the nature of the event, and the party claiming excuse from obligation shall use its best efforts in an expeditious manner to remedy its inability to perform, and mitigate damages that may occur as result of the event.

**C. Notice.** The party claiming excuse shall deliver to the other party a written notice of intent to claim excuse from performance under this Agreement by reason of an event of Force Majeure. Notice required by this Section shall be given promptly in light of the circumstances, but in any event not later than five (5) days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the party expects to be prevented from performing, the steps which the party intends to take to restore its ability to perform, and such other information as the other party reasonably requests.

**D. City’s Rights in the Event of Force Majeure.** The partial or complete interruption or discontinuance of Contractor’s services caused by an event of Force Majeure shall not constitute an event of default under this Agreement. Notwithstanding the foregoing, in the event of non-performance excused by Force Majeure: (i) the City shall have the right to make use of Contractor’s facilities and

equipment in the same manner as described in Section 11.06 of this Agreement; (ii) if Contractor's excuse from performance by reason of Force Majeure continues for a period of thirty (30) days or more, the City shall have the right to terminate this Agreement; (iii) if Contractor's inability to collect Solid Waste, Recyclable Materials, and Compostable Materials continues for ten (10) days or more from the date by which Contractor gave or should have given notice under Subsection C, the City may terminate this Agreement.

**11.11 City Default.** City shall be in default under this Agreement ("City Default") in the event City commits a material breach of the Agreement and fails to cure such breach within thirty (30) days after receiving notice from the Contractor specifying the breach, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, City shall not be in default so long as City promptly commences the cure and diligently proceeds to completion of the cure.

In the event of an asserted City Default, Contractor shall continue to perform all of its obligations hereunder until a court of competent jurisdiction has issued a final judgment declaring that City is in Default.

**11.12 Assurance of Performance.** If Contractor (1) persistently suffers the imposition of liquidated damages under Section 11.09; (2) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (3) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; (4) is the subject of a civil or criminal proceeding brought by a federal, state, regional or local agency for violation of laws (including the Environmental Laws), regulations or permits in the performance of this Agreement, or (5) performs in a manner that causes City to be uncertain about Contractor's ability and intention to comply with this Agreement, City may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City may require. Contractor shall provide such assurances within ten (10) days of the City's request.

## **ARTICLE 12. OTHER AGREEMENTS OF THE PARTIES**

**12.01     Relationship of Parties.** The parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by City and not as an officer or employee of City nor as a partner of or joint venturer with City. No employee or agent of Contractor shall be deemed to be an employee of City, nor an agent of City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City.

**12.02     Compliance with Law.** In providing the services required under this Agreement, Contractor shall at all times comply with all applicable laws of the United States, the State of California and City, and with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term and all permits affecting the services to be provided. Contractor shall procure all permits and licenses, pay all charges and fees, and give all notices required by law.

**12.03     Property Damage.** Normal wear and tear from general vehicular traffic excepted, Contractor shall be responsible for damage to all public and private property in the City, including but not limited to streets, roads and ways (whether or not paved), and trees resulting from the operation of Contractor's vehicles or the actions of Contractor's employees in providing collection services within City. Any physical damage caused by the intentionally wrongful or negligent acts or omissions of employees or agents of Contractor to public or private property in the City shall be immediately repaired or replaced by Contractor.

**12.04     Grants.** Contractor shall, upon request, assist City in the preparation of applications to federal, state, regional and other governmental agencies and private sector organizations for grants and loans associated with recycling and reuse programs and projects. Contractor shall compile accurate and complete data, information and

documents as requested by City to apply for such grants and loans, and shall comply with any requirements to which the City is required to adhere as a condition of receiving such grants and loans. Contractor shall not apply for grants directly, in its own name, without prior notice to and written approval by City.

**12.05 Assignment.** Contractor acknowledges that this Agreement involves rendering a vital service to the City's residents and businesses, and that the City has selected Contractor to perform the services specified herein based on (i) Contractor's experience, skill and reputation for conducting its operations in a safe, effective and responsible fashion, and (ii) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to the City under this Agreement. The City has relied on each of these factors, among others, in choosing Contractor to perform the services to be provided by Contractor under this Agreement.

**A. City Consent Required.** Contractor shall not assign all or any of its rights or delegate or otherwise transfer all or any of its obligations under this Agreement to any other Person without the prior express written consent of City. City may refuse to consent to a proposed assignment unless it is satisfied that the proposed assignee is ready, willing and able to provide services in a manner equal to or better than the Contractor. Any such assignment, delegation or transfer made without the prior express written consent of City shall be void and the attempted assignment shall constitute a material breach of this Agreement.

**B. Assignment Defined.** For the purpose of this Section, "assignment" shall include, but not be limited to, (1) a documentary assignment of Contractor's interest in and obligations under this Agreement; (2) a sale, exchange or other transfer to a third party of substantially all of Contractor's assets dedicated to service under this Agreement or of any processing facilities identified in Article VI currently owned by Contractor's partners; (3) any reorganization, consolidation, merger, or other transaction to which Contractor or either of its partners are a party which results in a change of Control of Contractor (e.g., the inclusion of a new partner); (4) any combination of the foregoing, whether or not in related or contemporaneous transactions which results in a change of Control of Contractor. A merger of Greenwaste Recovery, Inc. and Zanker Road Resource Management, Ltd., shall not constitute an "assignment" requiring the City's approval. However, Contractor shall



provide City at least 90 days notice of such a proposed merger and the consolidated entity shall provide City a new Guaranty substantially in the form of Attachment M within two business days after the merger or consolidation.

**C. City Review of Requests to Consent to a Proposed Assignment.**

1. City need not consider a request to consent to an assignment made while Contractor is in default of its obligations under this Agreement;

2. Contractor shall be required to pay the City's reasonable expenses, including attorneys' fees and consultants' costs, necessary to investigate the suitability of any proposed assignee and to review and finalize any documentation required as a condition of approving any such assignment;

3. Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the three (3) immediately preceding operating years;

4. Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of municipal solid waste/recycling management experience on a scale equal to or exceeding the scale of operations conducted by Contractor for the City; (ii) that in the last five (5) years, the proposed assignee has not been subject to any administrative or judicial proceedings initiated by any federal, state or local agency having jurisdiction over its municipal solid waste/recycling operations due to any significant failure to comply with state, federal or local laws and that the Contractor has provided City with a complete list of such proceedings and their status; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its municipal solid waste management operations in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the collection and disposal of waste, including all Environmental Laws; (v) of any other information required by City to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner;

5. Any permitted assignee must assume Contractor's responsibilities under this Agreement.

**12.06 Subcontracting.** Contractor shall not engage any subcontractors, for development of public information materials as described in Attachment C without the prior express written consent of City. Contractor shall notify the City at least thirty (30) days prior to the date on which it proposes to enter into a subcontract. City may approve or deny any such request in its sole discretion and may require the submission of the information described in Section 10.05.C and the payment of the City's expenses in evaluating the acceptability of the proposed subcontractor.

Contractor may, in cases of emergency, engage subcontractors for up to seven (7) consecutive days. Contractor shall give prompt notice to City of any such emergency subcontracting and any such engagement must be approved by City in writing if it is to extend beyond seven (7) days. Contractor shall be responsible for directing the work of any subcontractors and for any compensation due to subcontractors. City assumes no responsibility whatsoever concerning compensation. Contractor shall be fully responsible to City for all acts and omissions of a subcontractor.

**12.07 Binding on Successors.** The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

**12.08 Parties in Interest.** Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the parties to it and their representatives, successors and permitted assigns. There are no third party beneficiaries of this Agreement.

**12.09 Waiver.** The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision.

**12.10 Contractor's Investigation; No Warranties by City.** Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it, including the nature and amount of the Solid Waste, Recyclable and Compostable

Materials generated within the City, the recycling and source reduction programs now in effect in or planned by the City, and the SMART Station. The Agreement accurately and fairly represents the intentions of Contractor, and Contractor enters into the Agreement on the basis of that independent investigation and analysis.

Contractor has carefully reviewed the information in the Request for Proposals and Addenda, if any. While City believes that the information contained in the Request for Proposals is substantially correct, City makes no warranties in connection with this Agreement, including but not limited to the information contained in the Request for Proposals. The City expressly disclaims any warranties, either express or implied, as to the merchantability or fitness for any particular purpose of Recyclable Materials made available for collection by Contractor.

**12.11     Condemnation.** City reserves the rights to acquire the Contractor's property utilized in the performance of this Agreement through the exercise of the right of eminent domain.

**12.12     Representatives of the Parties.**

**A.     Representative of City.** Subject to the authority conferred on the City Manager by Section 5.20.080 of the Municipal Code, the representative of the City who is primarily responsible for the administration of this Agreement and to whom notices, demands and other formal communications shall be given is the Director of Public Works.

**B.     Representative of Contractor.** The representative of the Contractor who is primarily responsible for the administration of this Agreement, and to whom notices, demands and other formal communications shall be given is Frank Weigel, Chief Operating Officer. City may rely upon actions taken and decisions made by the Contractor's designated representative as actions and decisions of the Contractor unless they are outside the scope of the authority delegated to such representative, which limitations on authority have been previously communicated to City in writing.

**12.13     Notice.** Notices, demands and other formal communications shall be in writing and shall either be personally delivered to the designated representative of

the party or deposited in the United States mail, first class postage prepaid and sent certified mail return receipt requested, addressed as follows:

If to City:

By Personal Delivery  
Director of Public Works  
City Hall  
250 Hamilton Avenue  
Palo Alto, CA 94301

By U.S. Mail  
Director of Public Works  
P.O. Box 10250  
Palo Alto, CA 94303

With a copy to:

City Manager  
City of Palo Alto  
250 Hamilton Avenue  
Palo Alto, CA 94301

If to Contractor:

By Personal Delivery  
Mr. Frank Weigel, Chief Operating Officer  
GreenWaste of Palo Alto  
1500 Berger Drive  
San Jose, CA 95112

By U.S. Mail  
GreenWaste of Palo Alto  
1500 Berger Drive  
San Jose, CA 95112  
Attention: Mr. Frank Weigel, Chief Operating Officer

Routine, day-to-day communications between the parties may be exchanged in a manner and between subordinate employees as the designated representatives of each party may agree.

Notices, demands and other formal communications shall be deemed to have been given upon personal delivery or upon attempted delivery as shown on the U.S. Postal Service certified mail return receipt.

If the name of the principal representative or others designated to receive the notices, demands and other formal communications or the address of such person changes, written notice shall be given to the other party by means of a notice given in accordance with this section.

**12.14 Duty of Contractor Not to Discriminate.** Contractor shall not discriminate, nor permit any subcontractor to discriminate, in the employment of persons engaged in the performance of this Agreement or in the provision of service to customers on account of race, skin color, national origin, ancestry, sex, age, height, weight, disability, medical condition, sexual orientation, religion, marital status, familial status, or housing status in violation of any applicable federal or state law. Contractor acknowledges that it has read and understands the provisions of Section 2.30.510 of the Municipal Code relating to non-discrimination requirements and the penalties for violation thereof and shall comply with all such requirements, including those contained in Attachment R.

**12.15 City Environmental Policies.** Contractor and any subcontractors shall comply with City's Environmental Purchasing Policies, as may be amended from time to time.

**12.16 Right of City to Make Changes.** City may, without amending this Agreement, direct Contractor to cease performing one or more types of service described in Articles 4, 5 and 6, may direct Contractor to modify the scope of one or more such services, may direct Contractor to add new services and initiate pilot programs, or may otherwise direct Contractor to modify its performance under any other section of this Agreement or purchase vehicles or equipment. All such directions shall be in writing, signed by the Director. Contractor shall promptly and cooperatively comply with such direction.

If such changes cause an increase or decrease in the cost of performing the services, an equitable adjustment in the Contractor's compensation shall be made. Contractor will continue to perform the new or changed service while the appropriate adjustment in the Contractor's compensation is being determined.

If City has directed a change in the scope of work under this Section and either party believes that such change will increase or decrease the costs of providing service, the party which believes the Contractor's compensation should be adjusted shall within thirty (30) calendar days submit to the other party a proposed adjustment and the parties shall thereafter meet and discuss the matter. Contractor shall promptly provide all relevant schedules, supporting documentation and other financial information

requested by City to evaluate the necessity for an adjustment and the amount thereof. City's Director of Public Works will participate in key meetings regarding those adjustments. Within ninety (90) days of the submission of the proposed adjustment, City will determine the amount of the adjustment, if any, and will thereafter adjust the Contractor's compensation accordingly. Any adjustments will be made effective as of the date the change in service is implemented.

If the Contractor is dissatisfied with the decision of the City, any dispute shall be referred to and resolved by arbitration conducted pursuant to the procedures set forth in Attachment Q.

**12.17 Cooperation During Transition.** At the expiration of the Term or earlier termination of the Agreement, or upon City's approval of a proposed assignment, Contractor shall cooperate fully with City to ensure an orderly transition to any and all new service providers. Contractor shall provide, within ten (10) days of a written request by City, then-current electronic customer database and route lists, which identify each Customer on the route, its service level and history (number of containers, container sizes, frequency of collection, scheduled collection day), any special collection details, and detailed then-current Customer account and billing information. Contractor shall, upon request by City, sell collection vehicles and containers to the next service provider at their net book value.

Contractor shall, commencing one hundred eighty (180) days prior to the transition of services, attend meetings with the next service provider and with City staff and consultants to plan for the transition of customers database with all service and billing data, the recovery of Contractor's containers and placement of new containers. Contractor shall perform in accordance with such plan and direct route supervisors to provide "ride-alongs" so that the new service provider's employees may ride with drivers in Collection vehicles during collection operations. Contractor shall direct its customer service staff, managers, drivers and other employees to provide accurate information to the new provider about routing and Customers

**12.18 Protection of Customer Privacy.** Contractor shall strictly observe and protect the rights of privacy of Customers and shall not market or otherwise distribute mailing lists with the names and addresses of residential customers. If,

pursuant to this Agreement with Contractor, City shares with Contractor personal information as defined in California Civil Code section 1798.81.5(d) about a California resident or commercial owner ("Personal Information"), Contractor shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. Contractor shall not use Personal Information for direct marketing purposes without City's express written consent.

**12.19 Use of Recycled Materials.**

**A. Recycled Paper.** Contractor shall purchase and use recycled paper products with a minimum of thirty percent (30%) post-consumer recycled content for uncoated paper and ten percent (10%) post-consumer recycled content for coated paper for all services provided under this Agreement, including office administration, reports, and communications with customers. All materials prepared by Contractor for distribution to Customers shall state "Printed on Recycled Paper."

**B. Re-Refined Motor Oil.** Contractor shall use its best effort to use re-refined motor oil for its vehicles.

**C. Recycled Plastic.** Contractor shall purchase carts that contain the minimum post-consumer recycled content specified in Attachment H.

Upon City's request, Contractor shall document its on-going compliance with these requirements.

**12.20 Municipal Code.** Contractor shall comply with all applicable provisions of the Municipal Code, including Chapter 5.20 and Chapter 9.10, and with all rules and regulations adopted by the City Manager pursuant to Section 5.20.280 of the Municipal Code. Contractor acknowledges having received a copy of Chapters 5.20 and 9.10 of the Municipal Code.

**12.21 No Damages for Invalidity of Agreement.** If a final judgment of a court of competent jurisdiction determines that this Agreement is illegal or was

unlawfully entered into by City, neither party shall have any claim against the other for damages of any kind (including but not limited to loss of profits) on any theory.

**12.22 Indemnity Regarding Challenge to Award of Contract.** Contractor shall indemnify, defend and hold harmless City and its officers, employees and agents (collectively, the “Indemnitees”) from and against any and all liability, claim, demand, action, proceeding or suit of any and every kind and description brought by a third person challenging the process by which proposals were solicited and evaluated, or this Agreement was negotiated or awarded, including City’s compliance with the California Environmental Quality Act in connection with the award of this Agreement, but only to the extent that such liability, claim, demand, action, proceeding or suit was caused by Contractor’s failure to comply with applicable law or with the written instructions of any of the Indemnitees with respect to such matters.

**12.23 Fiscal Provisions.** This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other term, condition, or provision of this Agreement.

**12.24 Affiliated Entity.** Contractor will not form or use any Affiliate to perform any of the services or activities which Contractor is required or allowed to perform under this Agreement, other than as a subcontractor approved by the City under Section 12.06.

If Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital related to the furnishing of service under this Agreement, or for the purchase of Recyclable Materials, that relationship shall be disclosed to the City, and in the financial reports submitted to the City. In such event, the City’s rights to inspect records and obtain financial data shall extend to such Affiliate.



### **ARTICLE 13. MISCELLANEOUS AGREEMENTS**

**13.01 Attachments.** Each of the Attachments, identified as Attachments “A” through “S,” is attached hereto and incorporated herein and made a part hereof by this reference. Any additional attachments, appendices, addenda and schedules which are attached to any duly executed amendment to this Agreement are similarly to be incorporated herein as a part of this Agreement.

**13.02 Entire Agreement.** This Agreement, including the Attachments, represents the full and entire Agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

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

**13.04 Interpretation.** Each party has participated in the preparation of this Agreement with the assistance of legal counsel to the extent desired. Accordingly, this Agreement shall be interpreted and construed reasonably and neither for nor against either party.

**13.05 Amendment.** This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

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

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

**13.08 Jurisdiction.** Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the

parties agree that this Agreement is made in and will be performed in Santa Clara County.

**13.09     No Attorneys' Fees.** The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs expended in connection with such an action from the other party. Each party shall bear its own attorneys' fees.

**13.10     References to Laws.** All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified. In addition, references to specific governmental agencies shall be understood to include agencies that succeed to or assume the functions the named agencies are currently performing.

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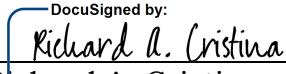
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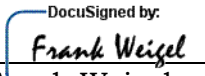
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IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first above written.

GREENWASTE OF PALO ALTO,  
a California joint venture

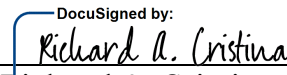
By: GreenWaste Recovery, Inc.,  
a California corporation

By:   
Name: Richard A. Cristina  
Title: President

By:   
Name: Frank Weigel  
Title: Secretary

By: Zanker Road Resource Management,  
Ltd., a California limited partnership

By: Zanker Road Resource Recovery,  
Inc., a California corporation,  
its General Partner

By:   
Name: Richard A. Cristina  
Title: President

CITY OF PALO ALTO

By: \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

APPROVED:

\_\_\_\_\_  
Director, Administrative Services

APPROVED:

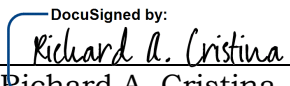
\_\_\_\_\_  
Director, Public Works

**SUPPLEMENTARY ASSURANCES**  
**BY ZANKER ROAD RESOURCE MANAGEMENT, LTD**  
**AND GREENWASTE RECOVERY, INC.**

Zanker Road Resource Management, Ltd, and GreenWaste Recovery, Inc., partners in Contractor, in order to induce City to enter into this Agreement with Contractor, hereby ratify the commitments made in Contractor's Proposal regarding processing at the facilities which they own, and agree to process materials collected in Palo Alto and delivered to those facilities as necessary for Contractor to fulfill its agreements in Article 6 of this Agreement.

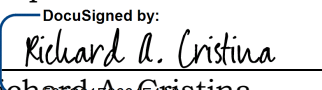
By: Zanker Road Resource Management,  
Ltd., a California limited partnership

By: Zanker Road Resource Recovery,  
Inc., a California corporation,  
its General Partner

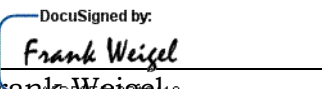
By:   
Name: Richard A. Cristina  
Title: President

Date: 1/4/2019

By: GreenWaste Recovery, Inc.,  
a California corporation

By:   
Name: Richard A. Cristina  
Title: President

Date: 1/4/2019

By:   
Name: Frank Weigel  
Title: Secretary

Date: 1/3/2019

## **ATTACHMENT A - DEFINITIONS**

Subject to Article 1, capitalized terms used in this Agreement will have the meanings specified in this Attachment.

**Act.** "Act" means the California Integrated Waste Management Act of 1989 (AB 939) Public Resources Code, Section 40000 et seq.

**Affiliate.** "Affiliate" means a Person which is related to Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate includes a Person in which Contractor owns a direct or indirect ownership interest, a Person which has a direct or indirect ownership interest in Contractor and/or a person which is also owned, controlled or managed by any Person or individual which has a direct or indirect ownership interest in Contractor. The partners which comprise Contractor are Affiliates.

**Agreement.** "Agreement" means this Agreement, including the attachments.

**Applicable Law.** "Applicable Law" means all federal, State, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over the Collection, transportation, processing, and disposal of Solid Waste, Recyclable Materials, Organic Materials, Yard Trimmings and other materials Collected pursuant to this Agreement that are in force on the Effective Date and as they may be enacted, issued or amended during the Term.

**Baseline Programs.** "Baseline Programs" includes Solid Waste, Recyclable Materials, and Compostable Materials collection and processing programs conducted by the incumbent contractor as of the Effective Date and described in the Request for Proposals issued by City in February 2008. Starting on July 1, 2015, Baseline Programs will also include the collection services and placement of waste stations at all special events, the collection service in all hard to service areas, and the purchase of all Containers (except kitchen buckets for Residential customers), including wheeled carts for all materials collected.

**Bulky Items.** "Bulky Items" means large discarded items including Major Appliances, furniture, tires, carpets, mattresses, and other oversize materials whose large size precludes or complicates their handling by normal Collection. Bulky Items do not include abandoned automobiles, large auto parts, or trees.

**Business Day.** "Business Day" means a day during which Contractor's office is required to be open to do business with the public. Also "Work Day."

**Can.** "Can" means a metallic or plastic container with a close-fitting cover and handles and a capacity of not more than 32 gallons, provided by a Customer.

**Change in Law.** "Change in Law" means the enactment of a statute introduced after the Effective Date, or the promulgation of a new regulation (or amendment to an existing regulation) proposed after the Effective Date and includes the Proposed Organic Waste Reduction Regulations to implement the organic waste landfill reduction requirements of SB 1383 that have not been finalized as of the date of this Second Amended and Restated

Agreement but does not include any changes in the California Air Resources Board emissions regulations for vehicles or changes in environmental regulations affecting the operation of the facilities at which Recyclable Materials, Organic Materials or Yard Trimmings collected in the City are processed.

**City.** “City”, when used in reference to a local government, means the City of Palo Alto. When used in reference to a geographic area in which Collection services are to be provided by Contractor, it means the area within the corporate boundaries of the City of Palo Alto together with areas owned by Stanford University and serviced by the Contractor’s predecessor including Stanford Hospital, Stanford Research Park, Stanford Mall and apartments on Sand Hill Road, all as shown on maps maintained by the Director.

**Collect/Collection.** “Collect” or “Collection” means to take physical possession, transport, and remove Solid Waste, Recyclable Materials, Organic Materials, Yard Trimmings, Construction related material or other materials pursuant to this Agreement from within the City.

**Commencement Date.** “Commencement Date” means the date specified in Section 2.02 when the Contractor is to begin providing Collection services required by this Agreement.

**Compactor.** “Compactor” means a mechanical apparatus that compresses materials and/or the Container that holds the compressed materials. Compactors include bin compactors of any size serviced by front-loading collection vehicles and drop box compactors of any size serviced by drop box collection vehicles.

**Compost or Compostable Material.** “Compost” means the controlled biological decomposition of Organic Materials and Yard Trimmings and the product resulting from that process. Composting does not include Transformation.

**Compostable Materials.** “Compostable Materials” means the material identified as “Compostables and/or Organics” throughout the agreement and attachments, including Section 3 in Attachment C.

**Composting Facility.** “Composting Facility” means the Z-Best Composting Facility in Gilroy, California, or the Zero Waste Energy Development Company (ZWED) Anaerobic Digestion (AD) Facility in San Jose, CA.

**Construction Related Material.** “Construction Related Material” means materials resulting from the construction, deconstruction, remodeling, repair or demolition of a building, structure, pavement or other improvement, including building components, packaging, and rubble but excluding liquid wastes and hazardous wastes.

**Construction and Demolition Debris Recovery Facility.** “Construction and Demolition Debris Recovery Facility” means the Zanker Road Materials Processing Facility located at 675 Los Esteros Road in San Jose, California, or the Zanker Road Resource Recovery Operation and Landfill located at 705 Los Esteros Road in San Jose, California.

**Container.** "Container" means any receptacle used for storage of Solid Waste, Recyclable Materials, Compostable Materials, Yard Trimmings, Construction and Demolition Debris and other materials Collected pursuant to this Agreement including metal or plastic Cans, carts, bins, Compactors, kitchen buckets, recycling buddy, and drop boxes.

**Contamination.** "Contamination" means (i) materials other than those defined as targeted Recyclable Materials that were Collected by Contractor with Recyclable Materials, including but not limited to Recyclable Materials degraded by food and/or liquid; or (ii) all materials other than those defined as Organic Materials Collected by Contractor with Organic Materials.

**Contractor.** "Contractor" means Greenwaste of Palo Alto. The Contractor is a "Collector" for purposes of Municipal Code Section 5.20.010.

**Contractor's Proposal.** "Contractor's Proposal" means the proposal dated April 28, 2008, submitted by Contractor in response to the Request for Proposals issued by City in February 2008, certain supplemental written materials submitted by Contractor between May 1 and July 7, 2008, and supplemental written and electronic proposed changes submitted by Contractor in 2014, 2015 and 2018.

**Control.** "Control" means, for purposes of Article 12, the direct or indirect possession of the power to direct, or cause the direction of, the management and policies of a corporation, partnership, limited liability company, joint venture or other Person.

**County.** "County" means the County of Santa Clara.

**CRV Revenues.** "CRV Revenues" means the revenues received by the Contractor from the California Department of Conservation for returned beverage containers.

**Curbside.** "Curbside" means the location designated for Collection, where Containers or loose materials are to be placed.

**Customer.** "Customer" means the Person to whom Contractor provides Collection services. The Customer may be the Occupant or Owner of the Premises.

**Day.** "Day" means calendar day unless otherwise specified.

**Director.** Means the Director of Public Works for the City of Palo Alto or the Director's designee.

**Discarded.** "Discarded" means Solid Waste, Recyclable Materials, Organic Materials and Yard Trimmings placed in a Container and/or at a location that is designated for Collection.

**Effective Date.** "Effective Date" means the date identified in Section 2.01.

**Electronic Waste (or E-Waste).** "Electronic Waste" or "E-Waste" means "Covered Electronic Wastes" as defined in Act (Section 42463 of Public Resources Code) including discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop computers, and peripherals (e.g.,

external computer hard drives, computer keyboards, computer mice, and computer printers).

**Environmental Laws.** “Environmental Laws” means all federal and State statutes, County and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 *et seq.*; the Resource Conservation and Recovery Act, 42 USC §6902 *et seq.*; the Federal Clean Water Act, 33 USC §1251 *et seq.*; the Toxic Substances Control Act, 15 USC §1601 *et seq.*; the Occupational Safety and Health Act, 29 USC §651 *et seq.*; the California Hazardous Waste Control Act, California Health and Safety Code §25100 *et seq.*; the California Toxic Substances Control Act, California Health and Safety Code §25300 *et seq.*; the Porter-Cologne Water Quality Control Act, California Water Code §13000 *et seq.*; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 *et seq.*; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

**Facility/Facilities.** “Facility/Facilities” means any plant or site, owned or leased and maintained, operated or used by Contractor for purposes of performing Contractor’s obligations under this Agreement (e.g., facilities for parking and maintaining vehicles, administration offices, and customer service offices, etc.).

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

**Fiscal Year.** “Fiscal Year” has the same meaning as “Rate Period”.

**Guarantors.** “Guarantors” means Greenwaste Recovery, Inc. and Zanker Road Resource Recovery, Inc.

**Guaranty.** “Guaranty” means the agreement to be executed by the Guarantors in the form of Attachment M.

**Holidays.** “Holidays” means New Year’s Day, Thanksgiving Day, and Christmas Day.

**Holiday Schedule.** “Holiday Schedule” means the modified service schedule for the days following a Holiday. If a Holiday falls on Monday, Tuesday, Wednesday, Thursday or Friday, the service is to be provided the immediately following day. If a Holiday falls on Saturday, the service is to be provided the following Monday.

**Holiday Trees.** “Holiday Trees” means trees targeted for diversion that were used in celebration of Christmas and other holidays in December and January.

**Household Batteries.** “Household Batteries” means disposable or rechargeable dry cells (e.g., A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, , magnesium, manganese, and carbon-zinc batteries, but excluding lithium, lithium ion automotive lead acid batteries.

**Household Hazardous Waste.** “Household Hazardous Waste” means Hazardous Waste generated at Residential Premises.



**Including.** “Including” means including but not limited to.

**Liquidated Damages.** “Liquidated Damages” means the amounts owed by Contractor to the City for failure to meet specific standards of performance as described in Section 11.09.

**Major Appliances.** “Major Appliances” means any device including washing machines, clothes dryer, hot water heaters, dehumidifiers, conventional ovens, microwave ovens, stoves, refrigerators, freezers, air-conditioners, trash compactors, and residential furnaces discarded by Residential Generators. Major Appliances are commonly referred to as White Goods.

**Marketable.** “Marketable” designates the category of Recyclable Materials for which Contractor can secure reasonable markets. Marketable materials are fit to be sold.

**Materials Recovery Facility.** “Materials Recovery Facility” means a permitted facility where materials are cleaned, processed, sorted and baled for the purposes of recovering reusable or Recyclable Materials. Contractor will deliver Recyclable Materials collected in the City to the GreenWaste Materials Recovery Facility (also referred to as GreenWaste MRF) located at 625 Charles Street in San Jose, California, for processing.

**Multiple-Family Residential Premises.** “Multiple-Family Residential Premises”, also referred as Multi-family, means building(s) containing five (5) or more individual residential dwelling units. Such Premises normally have centralized Solid Waste, Recyclable Materials, and Compostable Materials Collection service for all units in the building(s) and are billed to one address (typically the Owner or property manager).

**Municipal Code.** “Municipal Code” means the Palo Alto Municipal Code.

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

**On-Call Services.** “On-Call Services” means the collection service shall be provided as arranged or requested by Customers or City.

**Operating Ratio.** “Operating Ratio” or “OR” means the relationship, expressed as a percentage, between Contractor’s total annual cost of operations and the Contractor’s total annual cost of operations plus profit. The OR for purposes of this Agreement is 88 percent. The formula by which profit is calculated is shown in Attachment N-2, Section 3.B.

**Pullout Service.** “Pullout Service” means service rendered at a Premises each service day by Contractor in which route personnel push, pull or otherwise move a wheeled Container more than twenty-five (25) feet from its storage location to a serviceable location and then return the Container to its storage location.

**Overage.** “Overage” means the amount of Solid Waste, Recyclable Materials, Organic Materials and Yard Trimmings placed in or adjacent to a Collection Container that is in excess of the Container capacity.

**Owner.** “Owner” means the Person holding legal title to the real property constituting the Premises to which Solid Waste, Recyclable Materials, Organic Materials and/or Yard Trimmings Collection service is provided.

**Party(ies).** “Party(ies)” refers to the City and Contractor, individually or together.

**Pass-Through Cost.** “Pass-Through Cost” means a cost to which no element of overhead, administrative expense, or profit is added.

**Person.** “Person” means any individual, firm, company, association, organization, partnership, corporation, trust, joint venture, the United States, the State, the County, towns, cities, or special purpose districts.

**Premises.** “Premises” means any land or building where Solid Waste, Recyclable Materials, Organic Materials or Yard Trimmings are generated or accumulated.

**Rate Period.** “Rate Period” means the twelve-month period, commencing July 1 of one year and concluding June 30 of the next year.

**Recyclable Materials.** “Recyclable Materials” means the materials identified in Attachment C, Section 2, as well as materials subsequently added to the foregoing list by regulation of the City Manager issued pursuant to Section 5.20.280 of the Municipal Code or by sixty (60) days written notice to Contractor by the Director. No Discarded Materials shall be considered “Recyclable Materials” unless such material is separated from Solid Waste, and Organic Materials. The list of materials included as “Recyclable Materials” is subject change in accordance with the process described in Attachment C, Section 2 of this Agreement.

**Single-Family Residential Premises.** “Single-Family Residential Premises” means a Premises used as a residential dwelling other than a Multiple-Family Residential Premises and includes each unit of a duplex, triplex, fourplex or townhouse condominium at which there are no more than four (4) dwelling units and where individual Solid Waste, Recyclable Materials, and Compostable Materials Collection is provided separately to each dwelling unit and each dwelling unit is billed separately.

**SMART Station.** “SMART Station” means the Sunnyvale Materials Recovery and Transfer Station located at 301 Carl Road in Sunnyvale, California. Contractor will deliver Solid Waste and Yard Trimmings to the SMART Station unless otherwise directed by City.

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

**Subcontractor.** “Subcontractor” means a Person that has entered into a contract with the Contractor for the performance of work that is necessary for the Contractor’s fulfillment of its obligations under this Agreement.

**Term.** “Term” means the Term of this Agreement.

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

**Universal Waste (or U-Waste).** “Universal Waste,” or “U-Waste,” means all wastes defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste.

**Used Motor Oil.** “Used Motor Oil” means used motor oil from automobiles and other light duty vehicles intended for personal use which is removed from cars at a Residential Premises and not as a part of a for-profit or other business activity.

**Used Motor Oil Filter.** “Used Motor Oil Filter” means a used motor oil filter from automobiles and other light duty vehicles intended for personal use which is removed from the vehicle at a Residential Premises and not as a part of a for-profit or other business activity.

**White Goods.** “White Goods” means Major Appliances.

**Yard Trimmings.** “Yard Trimmings” means the materials identified as Yard Trimmings in Attachment C, Section 3.

**Zero Waste Services.** “Zero Waste Services” means the elements of the City’s Zero Waste Operational Plan that are to be implemented through this Agreement, including (1) collection for composting of Organic Materials from Commercial/Industrial Customers, (2) expansion of the types of materials collected for recycling from all categories of Customers, (3) expansion of the types and quantities of materials collected for reuse and recycling through the Annual On-Call Community Clean Up Program, (4) increasing the amount of Construction Related Material that is diverted from landfill disposal, (5) implementing mandatory participation in recycling programs , and (6) public information and outreach efforts to encourage participation in all of the foregoing.

**ATTACHMENT B**  
**TRANSITION AND IMPLEMENTATION PLAN**

**1. ADMINISTRATION**

**Office and Storage Yard Lease(s):**

GWR must secure facilities for a local administrative office, our Palo Alto Customer Service Center and a yard large enough to store, maintain and wash vehicles and containers. GWR and the City anticipate GWR taking over the Geng Road site from PASCO/Waste Management to support the establishment of a local administrative office and provide enough local storage area for some containers for quick turnover of requests. The Geng Road site does not, however, include sufficient room to store, maintain and wash all the trucks and containers for the City.

We are currently seeking alternative sites in Santa Clara that can accommodate the balance of our needs for Palo Alto operations. If the Geng Road site is available and a lease has been signed on or before December 31, 2008, GWR will use the Geng Road site to accommodate our administrative office space needs and the storage of limited containers. If the Geng Road site is not available and a lease has not been signed on or before December 31, 2008, GWR will make arrangements for an alternative site within the City or within two (2) miles of the City boundary to provide for a local administrative office.

Regardless of the location(s) of our facilities, the process of setting up the office remains virtually the same. Office facilities will be set-up prior to or concurrent with the hire and training of the new Customer Service Representative team. Office furniture, supplies and additional resources needed to support staff will be ordered to accommodate the space and ensure the comfort and productivity of staff. The phone and computer systems will be set-up by our experienced IT Manager and tested for any inconsistencies in performance and use. It is the goal of GWR to retain the same customer service phone number as is currently being used by PASCO. The GWR office in San Jose will be used as a back-up location for customer service support and the Charles Street location will serve as a back-up and overflow location for the storage of trucks and containers.

**Customer Service and Call Center Activities:**

Three (3) Customer Service Representatives and one Supervisor will be hired. New CSRs will be trained by the existing CSR staff and each CSR's electronic operations will be set-up will be in coordination with our IT Manager. New CSR staff will be required to participate in a training course using proven techniques to support a smooth transition. We will be making offers of employment to displaced employees and remain hopeful that they will accept. Utilizing customer service staff from the previous hauler provides an additional advantage of reducing start-up costs associated with training staff; they are already familiar with the area, the routes and the customer service process for this sector. New customer service staff will need to be trained on the RAMS system and GWR customer service expectations.

The orientation and training process for Customer Service Representatives will be overseen by our Customer Service Manager and coordinated with our IT Manager. All CSRs new to GWR will be trained on the RAMS systems and its integration with the On-Route system in all the collection trucks. It will be imperative that CSRs are well versed in the use and troubleshooting of the RAMS system and the generation and tracking of work orders.

We anticipate and are prepared to manage a high call volume during this transition. We will utilize our existing Customer Service Manager and Customer Service Supervisor to provide support to and take calls at the new call center. If call volume proves to be higher than anticipated or customer service requests are more complicated than we expect, we will pull from existing staff to answer calls, in order to relieve the new CSRs and utilize existing Management and Supervisory staff to handle the more complicated service requests.

#### Billing System Coordination with the City& PASCO

It is critical that GWR and the City coordinate tracking and implementation processes and integrate the operational aspects of customer billing. The City utilizes a refuse module of the SAP system for tracking of services and billing customers. GWR utilizes a RAMS system to maintain customer data and track work orders. It is imperative that these two systems are compatible in order to provide seamless customer service, accurate and timely billing and prompt delivery of services. System integration and data synchronization will ensure that all services and items provided to Customers that are charged and for which GWR is compensated on a per unit basis, will be accurately tracked for the City to bill Customers and for GWR to submit requests to the City for payment.

GWR has experience in the integration of our RAMS system with a SAP system, as demonstrated by the successful development, testing and implementation of our contract with the City of San Jose. GWR staff has been working internally to coordinate services and needs (technology, customer service, finances, operations) in anticipation of providing data in a format that allow the City to integrate service charges into the City billing system. The GWR Office Manager, IT Manager, Controller and Community Relations Manager are working with the City Utilities Billing SAP Team and the SAP Consultant Team from Axon to identify the parameters for integrating a system interface that is updated at frequent intervals throughout the day. This goal of a frequently-updated interface is to allow GWR to generate and complete customer work orders, export that data from RAMS, transmit an encrypted flat-file to the City via secure means and allow the City to convert the RAMS data into a format that is accepted by the City Refuse Module of the SAP system. This team has begun coordinating efforts and identifying a strategy for integration and will continue to work together to design, test and implement an integrated system. The City does not have a call center so all customer service calls will be routed directly to the GWR Customer Service Center. Accordingly, there will be no City-generated work orders, which make the system integration much easier. Data first needs to be transferred in one direction, from GWR to the City. It is likely that a second data transfer needs to occur from the City to GWR for updated information, such as changes to account information and updated rates.

The exact methods, schedule and costs associated with integrating the RAMS system and the SAP system have not been finalized. GWR will be responsible for developing an application that

will allow GWR to collect specific information on Palo Alto Customers and provide the information in a fixed flat-file length and transmit that flat-file to the City's system via secure means. The system may be designed for unidirectional or bidirectional data transmission. There are limited needs for bidirectional data specific to the addition of new premises and billing related inquiries. The portal currently under development by Axon will provide GWR with information on the addition of new premises. Sufficient access to customer billing information will need to be provided to GWR so CSRs have the ability to answer specific billing questions from customers and issue credits to customers. GWR CSRs may also perform some limited and infrequent manual entering of data into the City's SAP system.

Beginning in October 2008, GWR staff will identify the specific data types to be transmitted to the City for tracking of contractual requirements. GWR will rely on the City's input throughout this process to confirm that the data needs are accurate and to add additional data types based on the integration needs with the SAP system. GWR staff will be available to the SAP Team throughout this process of defining and refining the data needs and parameters of the system interface.

GWR has provided the City with details regarding the process of RAMS-SAP integration and the different components involved in the interface solution. The target date for the City's SAP implementation is February 2009. It is likely the City will not invest significant resources in the Refuse module and integration with a GWR application until after that date. GWR will need the assistance of the City SAP Team prior to February 2009 in order to sufficiently and accurately outline the parameters of the application that will be written to pull specific data from RAMS and to accept billing related data from SAP.

It is also critical that GWR, the City and the current hauler (PASCO/Waste Management) coordinate to ensure the records and data of existing customers and services are accurate and complete when transferred to GWR to enable routes to be developed and finalized prior to the transition. The City is currently working with PASCO/Waste Management to reconcile the existing data set and ensure the highest degree of accuracy obtainable.

*Potential Obstacles & Contingencies: Administration*

- *Depending on the ability of the City and GWR to sign a lease for the Geng Road site on or before December 31, 2008, GWR may need to identify and secure an alternative site for our local administrative office. Securing a local administrative office is a critical path for success. The potential downside of utilizing a different site for the GWR local administrative office is the comfort of customers familiar with the location of the Geng Road site, which would be addressed by integrating a change in facility location announcement into existing public education materials.*
- *Ensuring our Customer Service Center has a facility that is up and running on the date of the transition is a critical path to our ability to provide exemplary customer service in this time of transition. The Geng Road site is currently occupied by the PASCO/Waste Management Customer Service Center. If this site is secured for the Customer Service Center, it is unreasonable to expect they could transition out and GWR could set-up our operations in a single day without significant service disruption. Depending on the*

*location of the facility, there are a few appropriate and feasible mitigation measures to address this potential obstacle.*

- If the Geng Road site is available and secured, the GWR Customer Service Center may be set-up at the Geng Road site while it is being operated by PASCO. This would prove complicated, however would allow for the GWR Customer Service Center to be fully operational prior to the transition date. The second is to initially set-up in the San Jose office and then transition into the office at the Geng Road site.*
  - If the Geng Road site is not available and an alternative site must be secured, GWR will have adequate time to set-up the administrative office and Customer Service Center prior to the date of transition.*
- Customer Service Representatives with PASCO/Waste Management will be offered employment and their acceptance is a critical path to a smooth transition. If existing employees accept the Customer Service Representative positions, their training needs will be significantly reduced; if they do not, GWR will need to hire new employees and provide additional training in Customer Service methodology specific to GWR and the industry. An appropriate and feasible mitigation measure to address this potential obstacle is to conduct outreach and recruitment early enough to secure commitments and/or hire new employees and begin additional training.*
- Obtaining accurate and complete data from PASCO/Waste Management on routes, customers, services and employees is a critical path to a seamless transition. Based on past experience, incomplete and/or incorrect data can be the greatest threat to a seamless transition.*
  - There are two feasible and appropriate mitigation measures we can employ to address the route/customer/services data portion of this potential obstacle. The first is to conduct route surveys and field audits as early as possible, to allow time to ground-truth the accuracy of the route maps and services provided. The second is to have Customer Service Representatives on hand and prepared to receive increased customer calls and expeditiously deploy work orders to the operations team.*
  - There are two feasible and appropriate mitigation measures we can employ to address the employee data and recruitment portion of this potential obstacle. The first is to obtain information on existing employees as soon as it is made available to us and the second is to begin outreach efforts to employees at the storage yard as quickly as possible.*

## **2. PERSONNEL (Hiring & Training)**

### Management Team - Roles and Responsibilities

GWR has assembled an experienced and hands-on Management Team unparalleled in the industry. The Management Team has extensive experience in all administrative, financial and operational aspects of collection, hauling, processing and disposal. In order to ensure a successful and smooth transition, the GWR Management Team recognizes the importance

dedicating resources to the transition and is committed to providing the resources needed and expertise necessary for the transition. Following the successful transition of GWR into Palo Alto, the Management Team will also provide continued support to staff and will manage the contract through completion.

The Management Team includes:  
Richard Cristina, President  
Murray Hall, Vice-President  
Jesse Weigel, Secretary/Treasurer  
Frank Weigel, Chief Operating Officer  
Don Dean, Chief Financial Officer

#### Transition Team – Roles and Responsibilities

GWR has assembled an incredibly dynamic and experienced Transition Team that will train and provide ongoing support to new employees in their respective area of expertise. The Transition Team will be supported by the Management Team to ensure time dedicated to the transition does not negatively affect their ability to continue providing the high level of service and performance expected of GWR employees.

The Transition Team will play a prominent role in orientation, training and support of new employees and is committed to and has the resources available to dedicate the time, energy and expertise necessary to ensure a successful transition. We anticipate the Transition Team will dedicate 50%-100% of their time to the transition including intermittent direct support after collection service begins and the Zero Waste phased implementation is complete. Following the successful transition, the Transition Team will reduce their time dedicated to the Palo Alto contract and support the new employees hired.

#### *Tracy Adams, Controller*

Mr. Adams worked extensively on the Santa Cruz County transition and will provide assistance with the conversion of files and set-up of new customer accounts.

#### *Colin Beall, San Jose Operations Manager*

Mr. Beall has managed transitions in Tehama County, Red Bluff and San Jose Yardwaste and has provided assistance and support to many more. Mr. Beall will be responsible for training the Palo Alto General Manager and Operations Manager on GWR systems and procedures. He will also lead the driver training program and provide assistance during bin distribution

#### *Barry Christina, Human Resource Manager*

Mr. Cristina has been involved in all phases of GWR's transitions from Petaluma to Santa Cruz County and contract compliance. Mr. Cristina will be responsible for coordinating the job offers to the current PASCO/Waste Management employees working on the Palo Alto contract. He will also provide support and assistance to Frank Weigel in other transition phases.



*Jeff Cristina, Outreach Coordinator, Zanker*

Mr. Cristina will be responsible for the outreach for commercial recycling and the expanded organics/food waste as part of the “Zero Waste” program. He has been involved in marketing Zanker’s recycling products to all types of commercial customers.

*Burton Crosby, IT Manager*

Mr. Crosby manages all aspects of the GWR Information Technology systems. He has been intimately involved in the contract turn-ups and system integrations in the past for GWR including transitions in the County of Santa Cruz and City of San Jose.

*Valarie Enyart, Office Manager*

Ms. Enyart leads GWR’s Customer Service team and management of the San Jose office. Ms. Enyart has been a key asset in successful transitions, including the transfer of databases from prior haulers. Ms. Enyart will provide the necessary support for the Customer Service Representatives. Ms. Enyart will provide internal and outside resources and training opportunities to the new CSR’s in GWR’s exceptional approach to Customer Service and comprehensive use of the RAMS system. She will also coordinate with the IT Manager and Controller to ensure a smooth transition of data from the previous hauler.

*Emily Hanson, Community Relations Manager*

Ms. Hanson is the newest member of GWR team and has extensive experience in contract management, community and government relations and managing the development and implementation of successful public education and outreach programs. Ms. Hanson will provide support and assistance to Frank Weigel in other phases of the transition.

*Jose Ortiz, Operations Supervisor*

Mr. Ortiz is experienced in routing and the efficient delivery and pick-up of residential carts, has been involved in all operational phases of GWR’s collection business and as back up for our operation managers and supervisors. Mr. Ortiz has managed cart distribution and route auditing and been involved in driver training and field customer service and has worked on transitions for San Jose Yardwaste, Petaluma, Burbank Sanitary District, Portola Valley, Santa Cruz County, Capitola, Scotts Valley and Lexington Hills. Mr. Ortiz will be in charge of cart and bin distribution and exchange for the City of Palo Alto Contract.

Hiring and Training of Staff

GWR is committed to giving priority hiring to displaced PASCO employees. It is the goal of GWR to hire outside the existing pool of displaced employees only if GWR has more positions to fill than the total number of interested people qualified for the position to which they are applying or if a displaced employee chooses to stay with Waste Management. GWR Management has already met with the drivers to provide employment assurances and answer questions current employees have. While some discussions have already begun with other

positions, the formal and coordinated discussions will begin with the remainder of the positions (managers, supervisors, coordinators, CSRs, recycle center employees, etc...) over the next few months. Additional outreach will continue through the formal employment offer phase.

GWR will obtain a list of current employees from PASCO and begin conducting outreach to provide assurances that employment opportunities will be offered to displaced employees. Approximately four (4) months before the transition date, GWR will offer employment to displaced employees for the jobs which they are qualified and will require acceptance on or before April 1, 2009. This timeline will allow GWR to hire and train new employees without interfering with our ability to affect a smooth and seamless transition.

Approximately two (2) months before the transition date, we will begin our “off-truck” and “on-truck training” for route personnel, including drivers and mechanics. Training will also commence for the use of the CNG fueling station by City staff. It is imperative that all displaced employees who have accepted positions with GWR are oriented on the GWR Drug & Alcohol Policy, Sexual Harassment Policy, Injury and Illness Prevention Program, Emergency Action Plan, Safety Rules and Discipline Program and Accident and Injury Reporting Program. Employees are also required to participate in and complete an intensive training program covering topics including, but not limited to commercial driver safe work practices, PPE, hazard communication, seat belt requirements, confined spaces, and lockout/tag out requirements and procedures. Prospective employees must pass this series with management approval to achieve permanent employment. To accommodate schedules, trainings will be held each Saturday leading up to the transition date and participants will be paid for their time spent participating in these trainings at their regular hourly rate.

- Route Personnel - Dispatchers, Drivers & Mechanics

In addition to the route personnel positions (drivers and mechanics) the following positions will also need to be filled. Priority will be given to displaced employees who meet the qualifications of the position being applied for, however if none of the positions are applied for or the applicants are not qualified, GWR will seek outside applicants.

- Management:
  - General Manager (1)
  - Operations Manager (1)
  - Environmental Outreach Manager (1)
- Supervisors:
  - Route Supervisors (3)
  - Maintenance Supervisor (1)
  - Customer Service Supervisor (1)
- Customer Service Representatives (3)
- Environmental Outreach Coordinators

- Recycle Center Employees (2)
- Container Distribution (1)

*Potential Obstacles & Contingencies: Personnel*

- *The only obstacle anticipated is an unforeseen delay in hiring from outside the pool of displaced employees. The most appropriate mitigations measure is to impose an acceptance date for displaced employees to provide GWR some level of assurance that we do not need to seek applicants for positions that have been accepted.*

### **3. OPERATIONS (Equipment & Routes)**

Truck and Container Ordering and Delivery

It is imperative that new trucks and additional vehicles needed for operations are available for use prior to the date of transition. Accordingly, GWR has already placed the order for vehicles that will be used for residential, multi-family and commercial Solid Waste, Recyclable Materials, Yard Trimmings and Organics collection. Prior to October 31, 2008 body color and additional trim details will be discussed with the City, finalized and submitted to the factory. Prior to November 30, 2008 the remaining details for the vehicles (logos, colors, placement, vehicle identification numbers and additional text) will be discussed with the City and finalized. The factory will begin building the chassis for all trucks (including the Recycle Center forklift – to be ordered in October 2008) and will phase the delivery for the body construction between the December 1, 2008 and January 31, 2009. The construction of the bodies will occur as the chassis are received. All trucks will be completed and delivered between May 1, 2009 and May 31, 2009, with complete delivery on or before June 1, 2009. GWR has also agreed to purchase trucks from PASCO at the net book value as per the City's agreement with PASCO. The trucks must be provided to GWR in good condition and ready for service on or before July 1, 2009. All drivers utilizing CNG vehicles will be trained on the use of the City fueling facility before operating the vehicles.

GWR will be utilizing the existing carts for residential and some multi-family Solid Waste, Recyclable Materials, Yard Trimmings and Organics collection. The colors, sizes, logos, text and text placement and container identification numbers for residential carts will be discussed with the City and finalized on or before December 31, 2008. GWR will maintain an adequate inventory of extra containers to replace residential carts. On an as-needed basis, GWR will deliver additional or replacement carts to existing customers within seven (7) days of their request for a different cart capacity, additional cart(s) or replacement carts. Replacement carts will be delivered to customers within five (5) days of notification to GWR. When carts are delivered GWR will remove all carts that have been damaged or are no longer in use, as appropriate. As new premises are added or service levels change, GWR will provide customers with carts to reflect their level of requested service.

GWR will be ordering new containers (bins & drop boxes) for commercial and multi-family Solid Waste and Recyclable Materials collection (including "recycling buddies") for Organics collection and also for the Recycle Center. The colors, sizes, logos, text and text placement and container identification numbers for containers will be discussed with the City and finalized on

or before December 31, 2008. On or before July 1, 2009, GWR will begin to remove existing containers for solid waste collection and replace them with new containers as per the specifications of each Customer. Delivery of “recycling buddies” to multi-family customers will occur with the delivery of solid waste collection containers. On or before July 1, 2009, GWR will begin delivery of new carts and bins to commercial Customers for expanded single stream recyclables and organics in support of the new Zero Waste program. Delivery routes will be planned to minimize vehicle travel and expedite the replacement of carts to customers. Drop boxes will be purchased to replace existing drop-boxes and delivery will occur as orders for services are placed.

Discussions have already occurred with the manufacturer and following our receipt of data on existing commercial containers and anticipated needs, GWR will finalize the count and firm up the order the new containers, including colors and signage. GWR will maintain an inventory of extra commercial containers with varying capacities in the event initial demand is greater than anticipated. Excess inventory will be stored at our storage yard. The new carts and containers will be purchased before July 1, 2009 and will meet the requirements in Attachment C. Payment from the City for these per-unit costs will occur after July 1, 2009. All carts and containers will have logos indicating exclusive use in Palo Alto. Accompanying the payment request, GWR will provide the City with the purchase order and proof of receipt.

#### Route Planning and Development

GWR utilizes On-Route system technology on all trucks. On-Route is fully integrated and maintains a virtual real-time connection with RAMS software to ensure customer service requests and work orders generated through RAMS are provided to the drivers via On-Route. Full integration of these two systems also enables drivers to enter any additional services or alterations in service into On-Route, causing additional charges on their account as appropriate.

GWR will request and arrange for the transfer of route maps and sequential route sheets from the City and PASCO/Waste Management for input into the RAMS system. GWR will then conduct route surveys and field audits to ground-truth the data obtained. Routes will be developed utilizing this data and dry runs will be conducted prior to finalizing the routes. Once the data has been proven accurate, routes will be finalized in the two (2) months preceding the transition. Minor calibration of the routes will be ongoing. Notification will be given to the City and Customers if more significant changes are made, including, but not limited to holiday schedules, regular service days or the addition of new premises.

#### Potential Obstacles & Contingencies: Operations

- *Obtaining accurate data for existing route maps and sequential route sheets is a critical path to a smooth transition. See mitigation measure in Administration section above.*

## **4. OUTREACH & EDUCATION**

GWR staff will begin developing a Public Education and Outreach Plan beginning October 2008. The Plan will identify the target audience for services provided, program objectives, individual tasks, public educational materials to be developed and timelines for Plan implementation. Input will be solicited from City and Plan implementation success will be measured by deadlines and

products developed. GWR staff will modify existing public educations to target and promote the use of services provided to residential, multi-family and commercial customers. Educational materials will include, but are not limited to notification of GWR as the new hauler, service verification requests, expanded and/or modified services, and notification and promotion of the expanded services provided under the City's zero waste program.

*Potential Obstacles & Contingencies: Outreach & Education*

- *GWR does not anticipate any potential obstacles that would hinder GWR's progress.*

As described in Attachment C, during the transition Contractor will place advertisements in local newspapers and use direct mailings to inform residents and businesses about the new solid waste, recyclable materials and organics collection programs. The introductory mailer will also include a return mail postcard requesting Customers to select their solid waste, recycling and organics cart/bin sizes (if necessary). Shortly thereafter, as a follow-up, Contractor will send a direct mail piece to each Customer which will: verify billing information and collection day and provide information on the holiday collection schedule, holiday tree collection, and Clean-Up Program (where applicable).

In the few months prior to start-up and in accordance with the City's schedule, the Environmental Outreach Manager will attend community workshops and community events to educate Customers on the new collection programs and answer questions.

The following public education and outreach materials will be produced for the start-up of collection services:

- Newspaper advertisement explaining new programs – Mercury News and local paper (2 advertisements each)
- Press Releases about the new program (3)
- Press Release about the start of the program (1)
- Press Release after first week of program (1)
- Press Release after first month of program (1)
- Initial (one time) direct mailing to inform Customers of the new program (approximately 26,000 pieces)
- Second (one time) direct mailing informing Customers about holiday/clean up schedule (approximately 26,000 pieces)
- Residential – Solid Waste, Recycling and Yard Trimmings “How To” Guide one time to all residents at beginning of start-up (approximately 35,000 pieces)
- Commercial – Solid Waste, Recycling and Organics “How To” Guide one time to all businesses at beginning of start-up (approximately 1,500 pieces)
- Clean Organics Program. Commercial (approximately 500 pieces)
- Commercial & MFD – Laminated Recycling Posters (approximately 2,000 pieces)
- Residential – Solid Waste, Recycling and Yard Trimmings “How To” Guide annually by request, at community events, presentations and other community activities (approximately 5,000 pieces)

In addition, a training packet for commercial and industrial Customers will include how-to information for direct distribution to their employees, outreach materials suitable for bulletin-

board posting in common areas, and signage for internal collection points. EOCs will conduct on-site workshops upon request by a Customer or City.

The following public education and outreach materials will be produced with City approval for the start-up of collection services, and will be repeated periodically, as needed or upon City request during the Term:

- Description of annual Clean-Up Program, including options for reuse and recycling. Contractor shall provide separate outreach materials for single family and commercial customers.
- Zanker 10% off coupon
- Press Releases
- Company newsletter, Quarterly
- Door hangers, Annually
- Corrective Action Notice
- Recyclable Materials Resource Guide

#### **4. ZERO WASTE SERVICE (Phase-in)**

##### Expanded Organics Collection & Processing

The expanded organics collection and processing for commercial customers will be phased in over a 90-day period beginning July 1, 2009 and concluding September 30, 2009.

##### Expanding Single-Stream Materials

Expanded single-stream materials collection for residential customers will commence July 1, 2009.

Expanded single stream materials collection for commercial customers will be phased in over a 90-day period beginning July 1, 2009 and concluding September 30, 2009.

##### Expanding Clean-up Day Collection

This service will commence July 1, 2009. Outreach and educational materials will explain this expanded service to customers and will highlight this once per year service provided to customers including notification that the request must be received by the CSRs at the call center at least one week in advance. This advance notice allows the CSRs to input the request into the RAMS system and dispatch the appropriate vehicle on the day of the customer's regularly scheduled pick-up.

Following the hire of Environmental Outreach Coordinators and as part of GWRs reuse and recycle program, corporate partnerships will be explored and developed with non-profit entities, such as Goodwill and the Salvation Army, that support and promote the reuse of materials in the areas served by GWR. EOCs will work with these entities to develop a process that is conducive to the highest level of reuse. GWR will only store items that have a high potential for reuse. Prior to July 1, 2009, a specific area at the MRF will be set-aside for the collection of bulky items by type. Any items collected through the Expanded Clean-up Day Collection that may be desirable to reuse will be collected and brought to the Zanker Materials Recovery Facility before the close

of business on the day they are collected for regional non-profit entities and the general public to examine and take any items for reuse at no charge.

### Implementation of Mandatory Participation

The Contractor shall implement a mandatory participation program that requires single family, multi-family, and commercial/industrial Customers to place Recyclable Materials, Yard Trimmings and Organics in the appropriate collection containers.

- In the first year, commencing July 1, 2009, Contractor shall educate customers on how to comply with the new mandatory participation and phase-in schedule requirements;  
Phasing approach:
  1. Development of Mandatory Ordinance  
Upon request by the City, the Contractor shall provide assistance in the development and implementation of the ordinance as needed.
  2. First Year  
Contractor shall conduct an extensive outreach and educational program to educate customers on how to comply with the new mandatory participation program and phase-in schedule requirements. This phase shall include the following minimum requirements:
    - a. Customers serviced in carts or cans for Solid Waste:
      - Outreach material attached to each Solid Waste cart or can in July 2009, January 2010 and June 2010.
      - Information included in the first mailings
      - Information shared at public events
      - Additional Outreach materials as needed (newspaper ads, brochures, newsletters, utility bills, posters, etc.).
    - b. Customers serviced in bins for solid waste:
      - Outreach material attached to each Solid Waste container in July 2009, January 2010 and June 2010.
      - Site visits or contact to each customer for the purpose of informing customers of the new mandatory participation requirements.
      - Information included in pre-transition mailings.
      - Additional outreach materials as needed (newspaper ads, brochures, newsletters, utility bills, posters, etc.).

### Increasing C&D Debris Diversion

C&D Debris Diversion will begin July 1, 2009. All roll-off boxes containing C&D debris, mixed debris, clean-up debris from homeowners and compactors that contain no putrescible organics will be transported to the Zanker MRF or the Zanker Landfill for processing and recycling.

### Enhancing Commercial Recycling

Enhancing Commercial Recycling will be phased in over a 90-day period beginning July 1, 2009 and concluding September 30, 2009. These expanded services will be provided for commercial, school and multi-family customers beginning with public outreach and education and waste audits beginning in May 2009.



## ATTACHMENT C

### **COLLECTION SCOPE OF WORK**

#### 1. **SOLID WASTE**

- A. **Single Family Residential Premises.** Contractor shall collect Solid Waste from Single Family Residential Premises at least once per week on the same day each week. Standard service is one 32-gallon capacity cart. Customers may also subscribe for minimum service (a 20-gallon capacity cart) or for additional capacity such as larger carts (64 and 96-gallon capacity). Solid Waste will not be collected on Saturday or Sundays without the prior permission of the Director.

Standard collection location is curbside. Backyard service is provided to (i) existing Customers as of the end of fiscal year 2015, who subscribe to backyard service (and pay an additional charge if required by the City), and (ii) to Customers with physical limitations who qualify for backyard service (as described in Section 5F). In both cases, Contractor shall collect Solid Waste in carts from an alternative service location (sideyard or backyard) as requested by the Customer, and which is accessible via a safe pathway. Contractor is not required to enter private garages or other buildings to collect containers.

- B. **Multiple-Family Residential Premises.** Contractor shall collect Solid Waste from Multi-Family Residential Premises a minimum of once per week and up to a maximum of five (5) days per week for cart Customers. Standard service is two 32-gallon capacity cart or a 64-gallon cart.

Contractor shall also collect Solid Waste from Multi-Family Residential Premises in bins a minimum of once per week and a maximum of six (6) days per week on the same day(s) of each week. Solid Waste will not be collected on Sundays without the prior permission of the Director.

Customers may subscribe for minimum service (32-gallon cart) or for additional capacity such as multiple or a variety of carts (32, 64 and 96 gallon capacities) and bins (1, 1.5, 2, 3, 4, 5, 6 and 8 cubic yard capacities) provided that no less than thirty two (32) gallons of capacity are provided for every occupied dwelling unit in the Multi-Family Residential complex.

1. **Scheduled Service Drop Boxes and Compactors.** Contractor shall allow Customer to use a Drop Box or Compactor for Solid Waste Collection to meet the Customer's disposal needs. In such case, Contractor shall provide Customer with a choice of container capacities ranging from seven (7) to forty (40) cubic yards. Contractor shall offer Customers the option to purchase or lease compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Customer (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.

- C. Commercial/Industrial Premises. Contractor shall collect Solid Waste from Commercial/and Industrial Customers a minimum of once per week and up to a maximum of six (6) days per week, on the same day(s) of each week. Solid Waste will not be collected on Sundays without the prior permission of the Director.

Standard service is two 32-gallon capacity cart or a 64-gallon cart. Minimum service is one 32-gallon capacity or cart, unless the customer qualifies for a De Minimus exception from the City. For Commercial Customers with space constraints, Contractor shall provide an alternative collection container that is non-breakable, reusable, and weather resistant. Contractor shall work closely with each Customer to determine the best collection service solution that could include multiple pickups per day and in extreme cases going on premises, such as in a closet or back door to retrieve the materials.

Contractor shall also offer Commercial/Industrial Customers the following service options:

1. Individual Cart or Bin Service. Contractor shall provide each Customer with a choice of one or more carts or bins in the same capacities specified in Section 1.B. above.
2. Centralized Cart or Bin Service. Contractor shall allow each Commercial Premises to use carts or bins (in the same capacities as specified in Section 1.B. above) that are shared by the occupants of two or more adjacent Commercial/Industrial Premises. In such case, Contractor shall provide one or more carts or bins as requested by the Customer, provided that no less than one thirty-two (32) gallons of container capacity are provided for each Commercial/Industrial Premises.
3. Scheduled Service Drop Boxes and Compactors. Contractor shall allow a Customer to use a Drop Box or Compactor for Solid Waste Collection to meet the Customer's disposal needs. In such case, Contractor shall provide Customer with a choice of container capacities ranging from seven (7) to forty (40) cubic yards. Contractor shall offer Customers the option to purchase or lease compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Customer (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.
4. De Minimus Exception. Contractor will collaboratively follow the City's established process for determining when Customers qualify for this exception.

Contractor shall proactively and continually work to "right size" Solid Waste service for Commercial/Industrial Customers. As individual Customers increase recycling and/or add Compostable Materials collection, Contractor shall seek

opportunities to decrease the container size and/or frequency of Customer's Solid Waste service in a manner that best meets Customer's needs and at the least cost to Customer.

- D. City Facilities and City-Furnished Public Receptacles. Contractor shall collect Solid Waste from City facilities a minimum of once per week and up to a maximum of six (6) days per week, on the same day(s) of each week. The location of City facilities to be serviced; the type, number and capacity of Containers at each location; and the frequency of collection are listed on Attachment D-1, but may change throughout the Term of contract.

Contractor shall collect Solid Waste from City-furnished public receptacles a minimum of once per week and up to a maximum of six (6) days per week, on the same day(s) of each week between 4 a.m. and 11:30 a.m. If a receptacle is filled to overflowing, it must be collected more frequently or as requested by Director. Public receptacles to be serviced are listed on Attachment D-2, but may change throughout the Term of contract. City-furnished public receptacles may be collected as Compostable Material, upon approval by City, if Contractor determines by a periodic waste characterization study that the contents are a minimum of 75% Compostable Materials.

Contractor shall maintain the area around each public receptacle by cleaning up and/or collecting any litter or overflowing materials around each receptacle. Contractor shall report any damaged receptacles to the Director immediately and shall identify any receptacle locations that were not serviced (and the reason) to the Director in Contractor's monthly report. Director will notify Contractor when receptacles are added, relocated or removed from service. Contractor shall report to the City any additions, relocations and removal of receptacles and their locations.

- E. Hard to Service Areas. When Single-Family Residential Premises and Multiple-Family Residential Premises cannot be serviced by standard vehicles collection Solid Waste, it may be determined that the Premise is within a hard to service area to be serviced by the Contractor's smaller collection vehicles. These customers shall receive the same service as described above. A premise may be considered a "Hard to Service Area" if one or more of the following conditions occur on a routine basis: a) Limited access on private streets or alleys; b) Physical conditions such as narrow roadways make use of standard collection vehicles unsafe or create the potential for damage to property and equipment.

## 2. RECYCLABLE MATERIALS

Contractor at a minimum shall collect the following Recyclable Materials:

- Corrugated cardboard
- Newsprint
- Mixed paper (including magazines, catalogues, envelopes, junk mail, paperboard, shredded paper, non-metallic wrapping paper, Kraft brown bags

and paper, paper egg cartons, office ledger paper, self-stick notes, and telephone books)

- Hard and soft cover books
- Glass bottles and jars
- Aluminum beverage containers
- Small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two feet in any dimension for any single item)
- Steel including “tin” cans and small scrap (not exceeding forty (40) pounds in weight nor (2) two feet in any dimension for any single item)
- Bimetal containers
- Mixed plastics (including plastic bags, plastic film, plastic containers (#1-7) and bottles including containers made of HDPE, LDPE, PET, or PVC)
- Rigid plastics (kids toys, buckets, etc.),
- Electronic waste peripherals (including printers, key boards, lap tops, printer cartridges,

In addition to Recyclable Materials placed in carts, Contractor shall also collect the following materials when they are set out during Clean Up events:

- Used motor oil placed in a clear, one-gallon plastic container with a tight-fitting lid,
- Used motor oil filters placed in tear-resistant bags,
- Household batteries placed in a bag, excluding lithium batteries
- Scrap metal (toaster-size or smaller) placed in a box

If Contractor concludes upon visual inspection that the Recyclables placed in customer receptacles have a Contamination level greater than that which is acceptable. Contractor shall collect the materials in accordance with the contents of the container and the associated highest and best processing means. Materials may be collected as Contaminated Recyclables, which will undergo more extensive sorting at the processing facility, Solid Waste, or Compostables. Contractor shall periodically review Contamination levels and processing methods with the City.

Contractor will work collaboratively with the City to determine a process to remove recycling containers from the “contaminated recycling” route as Contamination is reduced to acceptable levels from those containers on a lasting basis, as described in Section 8.

Non-Existent Market(s). If Contractor determines that it cannot secure market(s) for one or more materials included in the list of Recyclable Materials, Contractor may submit a written request to the City to have the material removed from the definition of Recyclable Materials. In such case, Contractor's request shall demonstrate its attempt(s) at identifying and securing market(s) for the materials; information on the market conditions from relevant industry sources supporting the lack of market(s); and an estimated timeframe for the market conditions. The City will review Contractor's request and provide a response within thirty (30) calendar days of receipt of the request. If the

City agrees that the material shall no longer be included in the Recyclable Materials list, Contractor shall not be obligated to Collect the material as a Recyclable Material. Should it be reasonably proven that there is a non-existent market, Contractor shall not be responsible for marketing the material, whether or not it is removed from the list of Recyclable Materials. Contractor will provide outreach informing the community if there are any changes to the list of Recyclable Materials.

- A. Single Family Residential Premises. Contractor shall collect Recyclable Materials from all Single Family Residential Premises once per week, on the same day that Solid Waste is collected. Standard service is one 64-gallon capacity cart. Standard collection location is curbside. Customers may request carts in other sizes including 32 gallon or 96 gallon cart capacities. Backyard service is provided to Customers with physical limitations who qualify for backyard service at standard rates (as described in Section 5F).

Contractor shall collect additional Recyclable Materials placed by Customers in biodegradable containers (e.g., Kraft paper bag or cardboard box) next to the cart, provided such containers do not weigh more than 60 pounds each.

- B. Multiple-Family Residential Premises. Contractor shall collect Recyclable Materials from Multi-Family Residential Premises a minimum of once per week and up to a maximum of five (5) days per week for cart Customers on the same day of the week as Solid Waste is collected.

Contractor shall also collect all Recyclable Materials and may collect source separated cardboard (as appropriate) from Multi-Family Residential Premises in bins a minimum of once per week and a maximum of six (6) days per week on the same day(s) of each week. Recyclable Materials and source separated cardboard will not be collected on Sundays without the prior permission of the Director.

Standard service is one 96-gallon capacity cart. Customers may request a 64-gallon or 32-gallon capacity cart. Customers may also request additional carts or bins (1, 2, 3, 4, 5, 6 cubic yard capacities).

Should a customer request additional service for a temporary influx of Recyclables Materials, Contractor shall work with the customer to reasonably accommodate that request via either additional service days or additional containers at no additional charge to the customer or as established in the City's rates.

Contractor shall purchase and distribute one 6-gallon "recycling buddy" container to each residential unit in Multi-Family Residential Premises by October 1, 2009. The purpose of the "recycling buddy" is to facilitate residents' storing of Recyclable Materials and transporting them to the centralized carts or bins for each building. The recycling buddy program is subject to City approval including

type of container, how it will be distributed and to whom, replacement requirements, and education material to be distributed with container.

- C. Commercial/Industrial Premises. Contractor shall collect all Recyclable Material (including wooden pallets), except used motor oil, used oil filters or batteries. Contractor may collect source separated cardboard (as appropriate) from Commercial/Industrial Premises a minimum of once per week and up to a maximum of six (6) days per week. Recyclable Materials and source separated cardboard will not be collected on Sundays without the prior permission of the Director

Standard service for Recyclable Materials is one 96-gallon capacity cart. Customers may request up to five (5) carts (96-gallon capacity) or one four (4) cubic yard bin for no additional rate. Additional carts or bins (1, 2, 3, 4, 5, 6 cubic yard capacities) may be requested. For Commercial Customers with space constraints, Contractor shall provide an alternative collection container that is non-breakable, reusable, and weather resistant. Contractor shall work closely with each Customer to determine the best collection service solution that could include multiple collections per day and in extreme cases going on premises, such as in a closet or back door to retrieve the materials.

Should a customer request additional service for a temporary influx of Recyclables Materials, Contractor shall work with the customer to reasonably accommodate that request via either additional service days or additional containers at no additional charge to the customer or as established in the City's rates.

Pallets will be collected as needed at least once per week Monday through Friday. The pallets will be loaded onto the truck and secured for delivery to the City approved processing facilities.

- D. City Facilities, City-Furnished Recycling Containers, and Parks. Contractor shall collect Recyclable Materials from City facilities a minimum of once per week and up to a maximum of six (6) days per week. The location of City facilities to be serviced, the type, number and capacity of Containers at each location, and the frequency of collection are listed on Attachment D-1, but may change throughout the Term.

Contractor shall collect Recyclable Materials from public receptacles a minimum of once per week and up to five times per week Monday through Friday from all downtown and California Avenue locations as listed in Attachment D-2. These locations, containers, and service needs may change throughout the Term.

Contractor shall collect Recyclable Materials at City parks a minimum of once per week and up to five days per week, Monday through Friday. The location of City

parks and current service is listed in Attachment D-1. These locations, containers, and service needs may change throughout the Term.

- E. Hard to Service Areas. When Single-Family Residential Premises and Multiple-Family Residential Premises cannot be serviced by standard vehicles collecting Recyclable Materials, it may be determined that the Premise is within a hard to service area to be serviced by the Contractor's smaller collection vehicles. These customers shall receive the same service as described above. A premise may be considered a "Hard to Service Area" if one or more of the following conditions occur on a routine basis: a) Limited access on private streets or alleys; b) Physical conditions such as narrow roadways make use of standard collection vehicles unsafe or create the potential for damage to property and equipment.

### 3. COMPOSTABLE MATERIALS

Contractor at a minimum shall collect the following Yard Trimmings as Compostable Materials:

- Grass clippings
- Plant trimmings
- Tree trimmings
- Leaves
- Shrubs and plants
- Ivy
- Succulents/ice plant
- Flowers
- Branches and stumps
- Untreated and unpainted lumber, wood chips and sawdust

The following materials shall also be accepted:

- Food scraps (meat, poultry, fish, shellfish, bones, eggs, dairy products, fruits, vegetables, bread, dough, pasta, grains, coffee grounds, filters, tea bags),
- Compostable paper (kitchen paper towels, paper napkins, uncoated paper take-out containers, pizza delivery boxes, waxed cardboard and paper, uncoated used paper cups and plates, tissues, and other food contaminated paper such as ice cream cartons and frozen food boxes),
- Compostable plastics,
- Compostable plastic bags,
- Plants, grass, leaves, plant trimmings, flowers, crates, landscape vegetation, sod,
- Untreated wood, wood chips, wood wastes, sawdust

The following materials will not be accepted as Compostable Materials:

- Dirt, rocks, soil
- Painted and treated wood
- Plastic plates and utensils

- Plastic bottles
- Plastic wrap
- Plastic bags
- Coated containers
- Glass bottles
- Metal
- Burlap
- Corks
- Wire
- Rubber bands
- Styrofoam
- Latex gloves
- Grease
- Soda cans
- Foil
- Hazardous waste
- Pet waste, manure
- Trash, rubbish
- Tan bark
- Construction lumber – except small amounts of unpainted or unstained lumber scraps
- Branches over 6 inches diameter or 4 feet in length
- Bamboo, pampas grass
- Palm, yucca, flax
- Cactus, poison oak

- A. Single Family Residential Premises. Contractor shall collect Compostable Materials from all Single Family Residential Premises once per week on the same day of the week that Solid Waste and Recyclable Materials are collected. Standard service is one 96-gallon capacity cart. Customers may request up to two (2) additional 96-gallon carts at no additional rate for a total of three carts. Customers with space constraints may request carts in other sizes (20-gallon, 32-gallon or 64-gallon, as available). Contractor shall supply and service additional carts, beyond the standard three carts, and shall notify Director of such requests. Additional carts may be subject to a rental fee at City established rates.

Contractor shall collect additional Yard Trimmings placed by Customers in cans, a tied bundle or biodegradable container (e.g., Kraft paper bag or cardboard box) next to the cart, provided such bundles/containers do not weigh more than 60 pounds each and do not exceed 2 feet by 4 feet by 4 feet (or equivalent).

Contractor shall also collect Holiday trees that are placed curbside in or next to compostable cart up to four weeks after Christmas Day.



Standard collection location is curbside. Backyard service is provided to Customers with physical limitations who qualify for backyard service (as described in Section 5F). Contractor shall provide all new Customers to a Premise with a food scraps bucket for the purpose of interior storage of food scraps by Customer. Bucket shall be delivered to Customers upon request.

- B. Multiple-Family Residential Premises. Contractor shall collect Compostable Materials from Multi-Family Residential Premises a minimum of once per week on the same day that Solid Waste and Recyclable Materials are collected up to a maximum of six (6) days per week. Standard service is one 96-gallon capacity cart. Compostable Materials are collected at the street or at the curb near the Recyclable Materials carts, depending on the configuration of the Multi-Family Residential complex. Contractor shall provide carts or bins in the same capacities specified in Section 1.B. above. Customers with space constraints may request carts in other sizes (20-gallon, 32-gallon or 64-gallon), up to a total of three carts. Additional carts may be subject to a rental fee at City established rates. Contractor shall also collect Holiday trees placed for collection up to four weeks after Christmas Day.
- C. Commercial/Industrial Premises. Contractor shall collect Compostable Materials from Commercial/Industrial Premises a minimum of once per week up to a maximum of six (6) days per week. Standard service is one 96-gallon capacity cart. Contractor shall provide carts or bins in the same capacities specified in Section 1.B. above. Customers may request carts in other sizes (32-gallon or 64 gallon) and carts may be subject to a rental fee at City established rates. For Commercial Customers with space constraints, Contractor shall provide alternative collection containers that are non-breakable, reusable, and weather resistant.
  - 1. De Minimus Exception. Contractor will collaboratively follow the City's established process for determining when Customers qualify for the exception to compost service.
- D. City Facilities and City-furnished public receptacles. Contractor shall collect Compostable Materials from all City facilities a minimum of once per week up to a maximum of six (6) days per week. The facilities are identified in Attachment D-1, but may change throughout the Term of contract. The Director may adjust, by adding or deleting, the number of City facilities receiving services and the level and frequency of service. City-furnished public receptacles may be collected as Compostable Material, upon approval by City, if Contractor determines by a periodic waste characterization study that the contents are a minimum of 75% Compostable Materials.
- E. Hard to Service Areas. When Single-Family Residential Premises and Multiple-Family Residential Premises cannot be serviced by standard vehicles collecting Compostable Materials, it may be determined that the Premise is within a hard to service area to be serviced by the Contractor's smaller collection vehicles. These

customers shall receive the same service as described above. A premise may be considered a “Hard to Service Area” if one or more of the following conditions occur on a routine basis: a) Limited access on private streets or alleys; b) Physical conditions such as narrow roadways make use of standard collection vehicles unsafe or create the potential for damage to property and equipment.

4. DROP BOX SERVICE

- A. Unless otherwise directed by the Director, Contractor shall deliver all drop boxes within 24 hours of Customer’s order, or on the same day if Customer calls before 10:00 AM, and shall remove drop boxes within 24 hours of Customer’s request for removal or on the same day if Customer calls before 10:00 AM. If Customer calls in after 10:00 AM on Saturday, then the box will be delivered by 10:00 AM the following Monday.
- B. On-Call Solid Waste Drop Box Service. Contractor shall provide drop boxes on an on-call basis to Customers within the City in the following sizes: 7, 15, 20, 30 & 40 cubic yards.
- C. Scheduled Solid Waste Drop Box Service. Scheduled weekly service shall be one, two or three times per week in the following sizes: 15, 20 & 30 cubic yards.
- D. Single-Source Separated Recyclable Drop Box Service. Contractor shall provide drop boxes on a scheduled and on-call basis to Customers within the City in the following sizes: 7, 15, 20, 30 & 40 cubic yards. Single-source separated materials are Recyclable Materials that can be directly taken to a processing facility for the purpose of recycling or composting. Unique signage approved by the City shall be placed in each box identifying the material being collected.
- E. Yard Trimmings Drop Box Service. Contractor shall provide drop boxes on a scheduled weekly service one, two or three times per week in the following sizes: 15, 20 & 30 cubic yards.
- F. Construction Related Material Recycling. Contractor shall provide drop boxes on an on-call basis to customers within the City in the following sizes: 7, 15, 20, 30 and 40 cubic yards for the purpose of recycling Construction Related Material. The 7-cubic yard container will be available for the collection of inert materials only. The Contractor shall differentiate the Construction Related Material recycling drop boxes from the Solid Waste drop boxes with unique signage installed on the container identifying it as a Construction Related Material recycling drop box. This unique signage shall be approved by the Director prior to being used by the Contractor.

Contractor shall deliver all Construction Related Material boxes to the processing facility identified in Articles 5 and 6. Both facilities have exclusions for putrescible, hazardous and liquid wastes. Loads accepted by either facility shall

be diverted to the City's designated processing facility for Disposal if the box contains more than twenty-five percent (25%) putrescible waste or materials that are not recovered at these facilities, including pressure treated lumber, construction insulation or Styrofoam.

If the Construction Related Material box is determined to contain more than twenty-five percent of Solid Waste or other non-recyclable materials such as insulation, the Contractor shall issue additional charge related to Customer requested Construction Related Material recycling in drop boxes. The cost for the Construction Related Material drop box service contamination will be based on the then current City established rates or rate determined by Council.

For Customers without a City refuse account who will pay Contractor for collection service, Contractor shall issue the additional charge to the Customers within 7 days after the box has been delivered to and accepted by the processing facility. Contractor shall generate work orders for each drop box provided to Customers and provide to the City a monthly credit for all monies retained. Contractor shall submit to the City monthly reconciliations of proceeding month's rebates and actual monies retained.

Contractor shall provide all customers who order debris boxes and whose materials are accepted by the processing facility, whether or not they have refuse accounts with City, with a receipt showing the date the box was serviced, the size of the box, its weight, the address from which it was collected and verifying the box was accepted by the designated processing facility.

- H. Construction Related Material Diversion Documentation. Contractor shall support building contractor's pursuit of Leadership in Energy and Environmental Design (LEED) certification. Upon request, Contractor will provide building contractors with documentation of the total diversion rate for ZMPF/ZRRROL mixed and source separated Construction Related Material drop boxes. As requested and as is feasible, Contractor will also provide supporting documentation to support the diversion rate by work order.

## 5. SPECIAL SERVICES

- A. Hard to Service Areas. Any public, private street or alley. As of 2015, the hard to service areas and its collection became part of Baseline Services listed above and Contractor's base compensation.
- B. Household Hazardous Waste (HHW) Station. Contractor shall provide two 4-cubic yard recycling bins and a Solid Waste 30-cubic yard capacity drop box to the HHW Station. The HHW Station is located at 2501 Embarcadero Way, at the entrance to the Wastewater Treatment Plant. These containers are subject to change as needed by City. The containers will be serviced at least weekly or as

directed by the City and prior to the first Friday of each month. The collection service shall be within the time limits specified by Director.

- C. **Pullout Service.** For Containers in commercial customer locations that are more than twenty-five (25) feet from the curb or edge of roadway, Contractor shall provide Pullout Service. Pullout Service is an additional service Contractor shall provide that involves Contractor's route personnel pushing, pulling, or otherwise moving the Container more than twenty-five (25) feet to a serviceable location and returning the Container to its storage location after Collection. The Pullout Service is a regularly scheduled service that is performed each day the Contractor provides Collection service for the Container. One-time Pullout Service may also be provided should a customer request a return-trip or other service outside of regularly scheduled service.

D. **Community Clean Up Program**

Customers shall receive varying Clean Up Programs based on customer type, as further described in subsection 2, below, of this Section 5.D.

1. **Reuse Protocol.** Contractor will make every effort to promote the reuse of collected items by following the Reuse Protocol:  
Offer collected bulky items, individual items, textiles and other Reusable items to reuse organizations.
  - a. Contractor shall secure agreements with various reuse and textile recycling organizations to ensure this Protocol can be met.
  - b. Items to be selected for reuse include household items and products in usable condition, as deemed by Contractor and/or reuse organization.
  - c. All remaining bulky, individual items and other donation items that are not taken for reuse shall be processed at Zanker Recycling once the items have been stored by the Contractor for greater than two weeks.
  - d. Items that are not selected for reuse will be recycled as applicable. Items that cannot be recycled will be disposed. Contractor shall maintain records of materials collected, reused, donated, recycled or disposed and report to the Director on a monthly basis.

2. **Program by Customer Type**

- a. **Single Family Residential Premises.**  
Residents in single-family homes will be provided two (2) Clean Up Day opportunities per calendar year. Clean Up Days will be pre-scheduled consistently throughout the calendar year by the Contractor, based on neighborhood locations. Contractor shall inform customers of the date of their Clean Up Day and the associated guidelines a minimum of twice per year and as needed once new service is established.

The following types of materials will be accepted for collection per event:

- Up to three (3) Bulky Items. Additional Bulky Items may be collected at City-established rates. Bulky items include furniture (such as a sofa, sections of a sectional couch, large chair, desk, table, mattress, box springs, patio furniture, individual cabinets); appliances (such as a stove, dishwasher, washer or dryer, water heater); toilets, sinks, other porcelain products, bicycles, barbeques. No single item can weigh more than 200 pounds. Contractor will follow Reuse Protocol for individual items.
- Electronic Waste and other items the size or weight of which precludes collection during regularly scheduled collection services.
- Hazardous waste (e.g., paint, chemicals, treated wood/fencing) and automobile parts will not be collected.
- Containerized or bundled excess Recyclable Materials. Containers will not be returned. Total weight of each full container must be less than 60 lbs. each. There is no limit on the amount of containerized Recyclable Materials.
- Up to six (6) bundles or boxes of Yard Trimmings. Yard Trimmings may be in paper bags or cardboard boxes. Containers will not be returned. Total weight of each full container must be less than 60 lbs. each. Tree trimmings and branches cannot exceed 4 inches in diameter or be longer than 6 feet.
- Up to three (3) 32-gallon bags or containers of garbage for disposal. Each bag/container must be less than 60 lbs. and will not be returned.
- Up to three (3) individual items. Individual items include large flower pots, suitcases, printers, tires, plastic chair, individual small refrigerators or heaters, etc. Individual items may be no larger than 3' x 3' x 3' and must weigh less than 60 pounds. Contractor will follow Reuse Protocol for individual items.
- Up to three (3) 32-gallon bags of clean and dry textiles. Textiles include clothing, fabric and cloth, such as sheets and towels. Total weight of each bag must be less than 60 lbs. each. Contractor will follow Reuse Protocol for clean and dry textiles.
- Up to six (6) bundles or boxes of Construction Related Material. Containers will not be returned. Bundles cannot exceed 4 inches in diameter or be longer than 6 feet. Total weight of each full container must be less than 60 lbs. each.
- Up to three (3) spill proof one-gallon containers of used motor oil and oil filters placed in clear, tear resistant bags.

- Household batteries placed in a clear, tear resistant bag. No lithium batteries.

b. Multiple Family Residential Premises.

Multi-Family complexes will be provided up to two (2) On-Call Clean Up Days per year, depending on the participation of property managers. On-Call Clean Up Days must be requested by the property manager, and the property manager will be responsible for staffing the Clean Up Day, and any Contamination found inside or outside the collection containers. To ensure responsibility, property manager must sign a City-approved waiver.

The following types of materials will be accepted for collection per event and must be inside the designated container:

- Bulky items collection for reuse, recycling, or disposal. Bulky items include furniture (such as a sofa, sections of a sectional couch, large chair, desk, table, mattress, box springs, patio furniture, individual cabinets); appliances (such as a stove, dishwasher, washer or dryer, water heater); toilets, sinks, other porcelain products, bicycles, barbeques. No single item can weigh more than 200 pounds. Contractor will follow Reuse Protocol for individual items.
- No compostable materials, liquid, garbage or hazardous waste permitted (e.g. Freon, coolant, chemicals, paint, treated wood).

Varying service levels will be provided based on the number of units in the residential complex and as designated:

- 100 units+: Up to two (2) 40 CY boxes per event;
- 10 to 50 units: One (1) 20 CY debris box per event;
- 10 units or less: Same materials/quantities permitted for one (1) Single Family Residential Clean Up per event. Collection conducted in the same fashion as the Single Family Residential Clean Up Program.

In additional to the On-Call Clean Up Days, the property manager may also host a clothing/textiles donation drop-off in the leasing office or other designated area.

- Donation drop-off must be coordinated by the property manager, including providing the collection container.
- The property manager may schedule pick-ups with the Contractor no more than quarterly.
- Each pick-up must be limited to no greater than 2 CY. Material must be bagged or otherwise containerized. Each bag must

weigh no more than 60 pounds. GreenWaste outreach staff will work with each property management to establish the services and provide outreach.

c. Commercial Premises.

Contractor shall provide each Commercial Premise collection of excess Recyclable Materials upon request. These materials will be collected on a pre-scheduled basis. Customers must contact the Contractor's CSR a least one week in advance to schedule a collection.

The following types of materials will be accepted for collection one time each calendar year:

- Up to four (4) Bulky Items per collection for reuse, recycling, or disposal. Additional Bulky Items may be collected at City-established rates.
- Extra Recyclable Materials in designated containers.
- No single item can weigh more than 200 pounds.
- Hazardous waste will not be accepted.

3. Contractor shall utilize outreach efforts as described in Section 9 below, to educate Customers about the Clean Up Day Program.

- E. Special Events. Contractor shall provide waste stations with containers and signage for Solid Waste, Recyclable Materials, and Compostable Materials collection, including delivery and removal of signage, containers, carts, bins and drop boxes, for all special events. The number and size of containers shall be sufficient to allow convenient collection of Solid Waste, Compostable Materials, and Recyclable Materials for event participants. Signage shall be supplied for every waste station delivered. If the City's Event Coordinator determines that additional containers are necessary, Contractor shall promptly deliver the requested additional containers. Carts shall be consistent in appearance with curbside carts, unless otherwise directed by the City. Contents of containers from special events shall be delivered to the designated processing facility. The carts, bins and boxes shall be delivered on the business day or the morning of the event, whichever is prior to event, placed with direction from City's Event Coordinator, and removed by the end of the day of the event or on the next business day. Contractor shall deliver and remove covers for public waste containers, as needed, with the delivery and removal of waste stations. As with the waste stations, Contractor is not responsible for setting up the covers at the events.

Contractor is responsible for the coordination of all waste service, communication with the event coordinators through the planning and execution of each event, development, printing and delivery of outreach materials (including signs, posters,

and fliers), for follow up on collected material and sorting changes for future events. Should the City elect to utilize alternative containers and/or signage, Contractor shall coordinate the development and delivery of the new materials. The City will compensate the Contractor for the materials and labor associated with the new special event waste stations components. Should the City elect to require waste station monitors for select events, City and Contractor will coordinate a custom program, potentially utilizing a subcontractor. The City will compensate the Contractor for the materials and labor associated with the new waste monitoring program.

Contractor will also develop and maintain reports with historical data on the special events including quantification of volume collected, unique service details about the event, attendance and other pertinent details as necessary. Past special events provided with waste stations by Contractor are listed in Attachment S.

- F. Physical Limitations Program. Contractor shall provide weekly backyard/side yard collection of Solid Waste, Recyclable Materials and Compostable Materials from Single Family Residential Premises whose occupants are physically limited. Contractor shall administer and coordinate the application and approval process.

Participation in this program requires completion and approval of an application and submission of proof of physical incapacity by a physician or other licensed medical professional. Contractor shall issue (through mail, electronic mail or fax) City-approved application to Customers requesting to participate in the Physical Limitations Program. Contractor shall, if necessary, schedule an appointment for a Customer Service Representative (CSR) to meet with Customer to determine the appropriate size containers for Customer, the specific service location for the containers, and confirm Customer does not have assistance in moving containers to curbside for collection. City may review all applications that have been denied and the City may reverse Contractor's decision.

Customers in the Physical Limitations Program will receive the standard size carts for both Recyclable Materials and Compostable Materials. Customers that have narrow gates or space limitation may have smaller sized carts. Service will be limited to one container each for Recyclable Materials and Compostable Materials. Solid Waste will be collected in 20 or 32-gallon carts. Contractor may renew the application process on an annual basis, by sending the renewal application to existing Physical Limitations Program Customers with a letter explaining the renewal process.

- G. Other Collection Related Services

1. Performance Audits. City may annually conduct performance audits to review Contractor's compliance with standards. Contractor shall assist and cooperate during this two-week audit period and shall provide City with requested records.



2. Route Audits. City will have the right to perform route audits. Contractor shall ensure service records are correctly billed and reported to City. Contractor shall cooperate as needed with the City during route audits and correct all errors found within two (2) workdays. Contractor will perform its own route audits a minimum of twice per year to ensure there is less than a three percent error rate in service and billing errors. The audit procedures and locations shall be proposed to the City for approval.
3. Recyclable Materials Characterization. Upon request by the City or no more than every 2 years, Contractor may conduct a characterization of the City's Recyclable Materials with the breakdown of materials listed in the first paragraph of Attachment C, Section 2,. Contractor shall annually submit the processing facilities residue and recovery rate. Contractor shall allow City staff to observe processing, on request. City will have the ability to audit the Contractor's Materials Recovery Facility or Composting Facility upon request.
4. Waste audits for Green Business Certifications. Contractor shall conduct waste audits to survey Commercial, Multi-Family Customers, City facilities and/or schools when requested by the City. Contractor shall conduct or assist City with Customer's on-site waste assessments consisting of basic waste characterization and evaluation (sorting waste by category) of Customer's Solid Waste, Recyclable Materials, and Compostable Materials (as applicable) at Customer sites or City-designated facilities. Assessment consists of visually observing and documenting (photos, written summary and classification of materials)
5. Program evaluation audits. Contractor shall periodically conduct audits of the Single-Family Residential, Multi-Family Residential, City facilities, and Commercial sectors to provide a breakdown of Solid Waste, Recyclable Materials, Yard Trimmings and Compostable Materials Collection programs by each Customer sector. Contractor shall perform up to five days of route auditing each calendar year.
- 6 Customer Public Opinion Surveys. The City may conduct public opinion surveys to assess Customers' satisfaction level with collection services being provided by Contractor. Contractor shall assist the City in developing such surveys. The Contractor shall respond to any Customer inquiries or complaints that arise from the survey.

#### H. General Collection Requirements

1. Holidays. Regular collection schedules need not be maintained on the following holidays: January 1, the fourth Thursday of November, December 25, and any other holidays mutually agreed by the parties. In years when these holidays fall on a regular collection day, the collection schedule for subsequent days of the week shall be moved to the following

day that is not a Sunday. Contractor shall notify Customers of holiday schedule changes by written notice two (2) weeks prior to the holidays and by placing public announcements in a newspaper of general circulation in the City one (1) week prior to holidays.

2. Change of Collection Days. Contractor shall obtain approval from Director prior to any change of collection day(s). Such approval shall not be unreasonably withheld by City provided; however, that collection day may be changed no more than once per year. In the event that Contractor requires a change in collection day(s), Contractor shall notify Customers affected by such change through a City-approved written notice and public announcement in a newspaper of general circulation in City. Contractor shall notify each affected Customer not less than thirty (30) days before Contractor changes any regularly scheduled collection day. Contractor shall send written notice of any such proposed change to the Director thirty (30) days before the day on which the Customer is notified. In the event that City requires a change in collection day(s), City shall notify Customers in the same manner listed above
3. Contractor shall work with the City to create an opt-out process and form for Customers unable to participate in the recycling programs under special circumstances such as space limitations.
4. Contractor shall direct its employees to collect Solid Waste placed for collection in amounts that exceed the Customer's subscription level up to one (1) time per customer account. Contractor shall notify Customer each time that it has collected excess Solid Waste and shall maintain a record of the notices issued and make it available to the Director upon request. Customers who place excess Solid Waste for collection one (1) or more times may be billed an extra charge or required to subscribe for additional collection service. Contractor shall notify City of the third and subsequent incidents and retain (and provide upon request) documentation in the form of a photograph in order that City may issue the bill or require the Customer to change its subscription level.
5. If, within seven (7) days of notice from City that an unoccupied Multi-Family Residential, Commercial or Industrial Premises has been occupied, or that a change of ownership of an occupied premise has occurred, the Contractor has not received a request to initiate or continue Solid Waste collection service, Contractor shall provide written notice to the owner of the Premises that weekly collection of Solid Waste is required by City ordinance. Contractor shall, at the same time, send a copy of such notice to the City upon request.
6. Non-collection Tags. If Contractor does not collect Solid Waste, Recyclable Materials, or Compostable Material containers that are placed for collection, Contractor shall leave a waterproof tag(s) attached to the

container or the uncollected item(s), clearly specifying the reason(s) for non-collection, e.g., Hazardous Waste, contamination (in Recyclable Materials and Yard Trimmings containers), excessive weight, etc. The tag shall be securely affixed to the container in a prominent location. Contractor shall also notify Commercial Customers of non-collection via telephone.

The driver shall submit a record on the tags issued to Contractor's office. Contractor shall maintain a record of all incidents of non-collection to be submitted monthly to the Director. The record shall include: date, address, reason for non-collection, and disposition of uncollected material. The records shall be maintained for the Term and shall be made available for inspection by the Director on request.

Tags are to be at size approved by the City, printed on weather resistant plasticized paper with a cut out which allows them to be hung on the handle of the cart, or can. Each tag specifies the reason service was disallowed, or provides information for proper storage of carts as well as providing a contact phone number. The design, information, size, and color of tags must be authorized by the Director prior to Contractor ordering or purchasing.

7. If the Contractor encounters drop boxes from other private companies collecting Solid Waste within the City, Contractor shall take a picture of the box and its contents and shall post on the box a City-approved violation notice informing the owner of the box, and the company delivering it, of the Palo Alto Municipal Code's prohibition. Contractor shall also attempt to contact the violator by telephone to inform it that notice has been posted and that the box must be removed. Contractor shall report violations to Director within 24 hours after notice is posted on the box. Upon City request, the Contractor shall remove and impound violator's box.

If Contractor is sued by the owner of a box which the City has directed Contractor to impound, the City will reimburse Contractor for its attorneys fees and other out-of-pocket costs reasonably incurred in defending that suit. Contractor will be responsible for physical damage to a box or to third parties which occurs while Contractor is moving box.

6. [Reserved]

7. CONTAINER REQUIREMENTS

- A. Contractor shall provide all carts, bins, Compactors, and drop boxes with the following exceptions:

1. The City purchased carts as needed to supply services prior to July 1, 2009 as quantified in Attachment F and updated in January 2019. Those carts shall remain in service. The Contractor shall provide replacements for carts that need to be replaced during the Term, additional carts needed to meet Customer requests, or new or expanded programs requiring additional carts.
2. Customers will be allowed to purchase bins and Compactors as requested as long as they meet the requirements of the Contractor. Customers will be allowed to purchase carts at City-designated rates.
3. Contractor-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Containers shall be maintained in a safe, serviceable, and functional condition.

B. Receiving and Delivery

1. Contractor shall be responsible for the complete assembly of all carts.
2. Contractor shall be responsible for all labor related to cart deliveries from the cart manufacturer, unloading, storing, cleaning and repairing carts as needed.
3. Contractor shall provide the Director with monthly detailed inventory on the available quantity of carts.

C. Exchange Policy

1. Contractor shall prevent damage to carts by unnecessary rough treatment. Any cart damaged by Contractor shall be replaced by Contractor, within five (5) Business Days.
2. Each Customer shall be entitled to the replacement of one (1) lost, destroyed, or stolen cart per calendar year at no cost to the Customer or City. Upon notification to Contractor by the City or a Customer that the Customer's cart has been stolen or that it has been damaged beyond repair through no fault of Contractor, Contractor shall deliver a replacement cart to such Customer within five (5) Business Days of the date of notification.
3. Within seven (7) Business Days of notification to Contractor by the City or a Customer that a change in the size of a cart is required, Contractor shall deliver such cart to the Customer, and remove the cart that is being replaced. Each Customer shall be entitled to receive one (1) free cart exchange each calendar year. Contractor shall provide additional cart exchanges upon request of Customer for an additional fee at rates established by City.

D. Cart Return Placement Requirement

1. Carts are to be positioned on the street at the curb.
2. On rolled curbs, carts are to be placed on the street. If there is no space on the street due to parked cards, carts are to be placed on top of the curbside, on the planting strip or on the back portion of the sidewalk leaving a 36-inch minimum clearance on the sidewalk.
3. On regular curbs and in areas with planting strips, carts are to be placed on the street at the curb.
4. Contractor shall be consistent in the return placement of the carts on each route (i.e., always place containers either on the street at the curb or on the back section of the sidewalk so that pedestrians do not have an obstacle course to walk through).
6. ADA clearance supersedes anything else (i.e., when there is a wall, sidewalk and a planting strip with plants and there is no place for the carts except the gutter/street, then place on the street.).
7. Requests for exceptions to these placement requirements may be presented to the City for approval.

E. Drop Box Placement Requirements

Placement of drop boxes in the City right-of-way can cause negative impacts to the neighborhood, including visibility and safety hazards to the public. The preferred placement location is on private property, such as the driveway. If the placement of drop boxes must be in the City right-of-way (in the street next to the curb), Contractor shall notify customer that they may need an encroachment permit from the City prior to such placement.

Placement Guidelines:

1. The drop box must be located in front of Customer's property. If the drop box cannot be located directly in front of Customer's property and needs to be located in front of another property, a signed consent must be provided from the occupant of that property. A standard consent form is available from the City.
2. The placement of the drop box must maintain access for City for any work required to maintain public facilities located within or adjacent to the Customer's property. This includes, but is not limited to, utility facilities and City street trees.
3. In areas where no curb exists, the drop box must be placed completely off of the paved portion of the street.
4. The drop box shall not be placed in the following areas:
  - a. In a no-parking, handicap space, loading or other time-limited zone
  - b. Within 6 feet from any driveway (including Customer's)
  - c. In a location where visibility is impaired for either vehicular, bicycle or pedestrian traffic
  - d. In a location that blocks a bike lane
  - e. In a location that blocks a bus stop
  - f. Within 15 feet from a crosswalk or crossing area, marked or unmarked
  - g. Within 15 feet from a fire hydrant

- h. Where it obstructs regulatory signage
- i. In a location where it may cause damage to city street trees
- j. In any location that interferes with an adjacent property owner's ability to full and safe access to the public right-of-way
- k. On streets with two-way traffic and parking on both sides that are less than 36 feet wide, measured from curb face to curb face.

This list is not all-inclusive and other factors or situations may be considered in denying a location for placement of the container.

- 5. The drop box may be placed on the street for up to two months.

F. Locks

- 1. Contractor shall provide locks for carts, bins and/or drop boxes as requested by City or Customer, at a rental rate established by City. Contractor shall keep an adequate supply of locks available at all times.
- 2. Contractor shall purchase all new locks that have been approved by Director prior to July 1, 2009.
- 3. Contractor shall provide auto-bar-lock systems for bins, when requested by Customer.

G. Cleaning Requirements.

- 1. Contractor shall be responsible for steam cleaning all Containers before delivery to Customers, when appropriate or when requested by City to present a clean and an aesthetically pleasing appearance. Contractor shall meet the City's requirements for preventing discharge of liquids to the storm drain.
- 2. Contractor shall offer additional cleaning of Containers upon request by Customers in accordance with City-approved Rates.
- 3. Contractor shall be responsible for cleaning containers to ensure that nuisance or public health concerns associated with vectors are addressed within two (2) Business Days after receipt of notification of said condition. Customers to be charged at City-approved rates.
- 4. If any container is marked by graffiti, Contractor shall clean or repaint the affected areas within two (2) Business Days of being notified.
- 5. Public refuse and recycling containers in the business areas shall be thoroughly washed a minimum of twice per year. The vehicle operators will be required to collect any materials that have accumulated within or around the receptacles, wipe the exteriors and lids of all the receptacles with water and detergent a minimum of once every two weeks, and to assess odor concerns and report if a thorough cleaning is required. Vehicle operators will have cleanser available to them at all times and will clean the exterior and lids more frequently if necessary.

Contractor shall present a schedule to the City for thorough washing of City receptacles. Upon approval of the schedule, Contractor shall

commence power-washing of the public receptacles. A truck equipped with a water holding tank and power-washing equipment will follow the collection vehicle to ensure that the receptacle is completely empty prior to washing.

H. Container Maintenance

1. Contractor shall repair or replace all Containers damaged by Collection operations (e.g., vehicle apparatus interface) within three (3) Business Days of being notified by Customer or observing the damaged Container. If the repair or replacement cannot be completed within three (3) Business Days, the Contractor shall notify Customer and provide a Container of the same size or larger until the damaged Container can be replaced.
2. Contractor shall be responsible for the general repair and upkeep of all Containers.
3. Bins, drop boxes and Compactors shall be repainted a minimum of as needed to remain attractive and clean and kept in a serviceable condition at all times, or upon request by Director.
4. Contractor shall be responsible for all repairs of carts including, but not be limited to, hinged lids, lifting bars, wheels and axles. Within five (5) Business Days of notification by the City or a Customer of the need for such repairs, Contractor shall repair the cart or, if necessary, remove the cart for repairs and deliver a replacement cart to the Customer.
5. All returned carts shall be thoroughly cleaned, repaired if possible and distributed in the cart exchange program. Contractor shall ensure that all carts are thoroughly washed, cleaned and in good appearance before delivery to Customers.

I. Container Inventory

1. Contractor shall be responsible for ensuring that an adequate supply of Containers is maintained for distribution. "Adequate Supply" means that the Contractor has enough of the Containers, bags, or other items on hand to ensure delivery in a timely manner. This includes maintaining an up to date inventory of all Containers per Attachment H.
2. Contractor shall be responsible to store all Containers not in use.

J. Ownership.

1. All carts, bins, Compactors, and drop boxes acquired by Contractor and put into service at Customers' Premises before July 1, 2010 shall become the property of the City upon expiration or earlier termination of this Agreement. All carts, bins, Compactors, and drop boxes purchased and put into service at Customers' Premises on or after July 1, 2010 that have not been fully depreciated shall be available to the City, at the City's option, at net book value.
2. At its sole discretion, the City may elect not to exercise its rights with regards to this Section J. In such case, the Containers shall remain the

property of the Contractor upon the expiration or earlier termination of this Agreement and Contractor shall be responsible for removing all Containers in service from premises within ten (10) Business Days.

K. Container Specifications.

When the Contractor purchases Containers, the following minimum standards shall be maintained:

1. Carts

- a. Cart sizes shall be, 20, 32, 64 and 96 gallon.
- b. All carts shall be manufactured by injection or rotational molding methods and contain a minimum of 20% post-consumer content.
- c. Carts provided to Customers shall have a useful life of ten (10) years as evidenced by a manufacturer's warranty or other documentation acceptable to the City.

d. Materials Identification and Decals

Carts or their lids must be in approved by the Director colors to facilitate Customer's ready recognition of Solid Waste, Recyclable Materials, and Compostable Materials, subject to City's written approval as described in this Exhibit. Carts will have the approved City seal.

e. Cart Handles

The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles shall provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

f. Cart Lid

Each Cart shall be provided with a lid that continuously overlaps and comes in contact with the Cart body or otherwise causes an interface with the Cart body that simultaneously: Prevents the intrusion of rainwater, rodents, birds, and flies; Prevents the emission of odors; Enables the free and complete flow of material from the Cart during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism; Permits users of the Cart to conveniently and easily open and shut the lid throughout the serviceable life of the Cart; The lid handle shall be an integrally molded part of the lid; The lid (and body) must be of such design and weight that would prevent an empty Cart from tilting backward when flipping the lid open; and, The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Cart body.

g. Cart Colors

The Solid Waste, Recyclable Materials, and Compostable Materials Carts shall be differentiated by color approved by the Director. The



colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color of lids and Cart bodies must be uniform for each Cart type (i.e., Solid Waste, Recyclable Materials, and Compostable Materials). Solid Waste Cart bodies and lids shall be black. Recyclable Materials Cart bodies and lids shall be blue. Compostable Materials Cart bodies shall be green. Contractor may propose other colors for Cart lids or Cart bodies, which are subject to written approval by the City. For all colors including those prescribed in this paragraph, the Contractor shall obtain written approval from the City for the Cart colors before Contractor's purchase of the Carts.

h. Cart Load Capacity

Maximum Load Capacity (Pounds) 200

i. Cart Durability

Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the Term of this Agreement:

Maintain its original shape and appearance; Be resistant to kicks and blows; Require minimal routine maintenance and essentially be maintenance free; Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that shall interfere with its intended use; Resist degradation from ultraviolet radiation; Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats); The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt, or any other rough and abrasive surface; All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and, resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

j. Stability and Maneuverability

The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or an open position. The Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction. The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

All carts shall be consistent and uniform in appearance design, shape and size. Contractor shall obtain approval from the Director before

changing cart manufacturers/vendors or design and prior to ordering or purchasing carts from a new manufacturer.

2. Carts for Special Events

Contractor shall provide carts for Special Events for the collection of Solid Waste, Compostable Materials, and Recyclable Materials as approved by the City. Contractor shall have all specifications for carts approved by the Director prior to ordering or purchasing. Carts shall be consistent in appearance with curbside carts.

3. Bins.

- a. All new bins shall be purchased by the Contractor at the beginning of the Term of the Agreement. Colors, signs and specifications must be approved by the Director prior to purchase and use.
- b. Contractor shall provide bins for the purpose of collecting Solid Waste and Compostable Materials in the following sizes 1, 1.5, 2, 3, 4, 5, 6 and 8 cubic yard capacities. Colors, signs and specifications must be approved by the Director prior to purchase and use.
- c. Contractor shall provide bins for the purpose of collecting single stream Recyclable Materials at the request of Customer. The bins shall be available in the following sizes 2, 3, 4, 5, 6 cubic yard capacities. Colors, signs and specifications must be approved by the Director prior to purchase and use.

4 Drop boxes.

- a. All new drop boxes shall be purchased by the Contractor at the beginning of the Term of the Agreement. Colors, signs and specifications must be approved by the Director prior to purchase and use.
- b. Contractor shall provide drop boxes for the purpose of collecting Solid Waste in the following sizes: 7, 15, 20, 30 and 40 cubic yard capacities.
- c. Contractor shall provide drop boxes for the purpose of collecting C&D materials in the following sizes: 7, 15, 20, 30 and 40 cubic yard capacities. The C&D boxes must have a unique identifying sign showing that it is a C&D debris box. Design must be reviewed and approved by the Director prior to Contractor order placement, purchase or use.
- d. Contractor shall provide drop boxes for the purpose of collecting Single-source Separated Recyclables in the following sizes 7, 15, 20, 30 and 40 cubic yard capacities. Signs for source separated materials must be placed on the boxes.
- e. Contractor shall provide drop boxes for the purpose of collecting Yard Trimmings in the following sizes: 15, 20 and 30 cubic yard capacities.
- f. The drop boxes must have a visible and legible serial number.

g. The drop boxes must have reflectors at each outside corner.

5. Compactors

- a. Contractor shall provide Solid Waste and Compostable materials collection for Customer Compactors in the following sizes: 2, 3, 4, 12-15, 20, 25, 30-36, and 40 cubic yard capacities.
- b. Contractor shall work with Customers purchasing new Compactors to determine appropriate size and type Compactor that is serviceable by Contractor.

8. ENFORCEMENT OF RECYCLING AND COMPOSTING ORDINANCE

The Contractor shall support the City to ensure customers comply with Palo Alto Municipal Code Chapter 5.20 and other collection requirements. The Contractor shall provide coordination, planning, outreach, training, audits, and reporting services as part of the enforcement support. The Contractor will meet with the City regularly and provide feedback related to any ordinance updates or changes, to discuss enforcement program responsibilities, and shall follow an established process to conduct customer container audits. The Contractor shall track and document customer compliance with ordinance requirements and provide data and information on a monthly basis or as requested by the City. If customers fail to meet compliance, the Contractor shall assist the City as needed to support customers in reaching compliance.

A. Process for placing and removing commercial customers from the contaminated recyclable materials collection route

Commercial customers that have ongoing contaminated recyclable materials will be given multiple opportunities to 1) clean up the material and containers, and 2) pay the contaminated recyclables rate. After three occurrences of contamination, documentation and EOC follow up, Contractor can automatically dump and charge the material as contaminated/garbage upon the next occurrence of contamination. If the customer has had ongoing contamination problems, including being automatically “dumped and charged” with no improvement, Contractor will conduct an audit to confirm continued presence of contamination and gather additional documentation of issues. If Contractor confirms the persistent contamination problem, Contractor will inform customer that their recyclables will be placed on the contaminated recyclable material collection route and charged for the material collection as garbage.

Removal from this contaminated recyclable materials route list and the additional collection rate will require the following process:

1. How process is initiated:

- Customers contact Contractor after receiving warning letter from City, OR;
- Contaminated route driver informs office staff that a container that used to be contaminated appears to no longer have that issue, OR;
- Outreach systematically works through the list to make sure all customers are equipped with the tools/steps they need to remove themselves from this list.

2. Steps for Removal:

If a customer is being charged the garbage rate, they will be required to prove they are eligible to be removed through satisfying the following requirements:

- All internal containers are color-coded.
- Signage is posted at all waste stations and individual containers.
- Account holder and all staff/residents sign an agreement to sort properly and inform all staff/residents of requirement to sort correctly.
- Trainings are conducted for all staff/residents.
- Customer sends Contractor photos of efforts made to sort properly (i.e., photos of specifically identified issues, or just photos of proper sorting).
- Three “instances” of clean recyclables, depending on how many times per week the customer receives service, and what days issues are generally noted.
- If a Customer is removed from the dirty route/garbage rate and then placed back on, there will be a requirement to be on the dirty route/garbage rate for a minimum of one (1) month before Customer is eligible to be removed again.

Contractor will work with City to develop monthly reports that accurately detail the EOC interactions with customers, customer audit findings and service changes created.

9. PUBLIC EDUCATION & OUTREACH

A. General Requirements

The City places the utmost importance on effective public outreach and education in helping residents and businesses fully understand options for source reduction, reuse and recycling/composting. Contractor shall be responsible for ensuring that all Customers consistently receive a high level of service and responsiveness. As specified below, Contractor public education activities shall be performed in collaboration with the City. General provisions are as follows:

1. Contractor shall plan for public education programs, outreach and promotion for new and changed services that will be implemented for Single-Family, Multi-Family, schools, and Commercial customers, including expanded Clean Up Day Program.
2. Contractor shall submit an annual public education plan and meet with the City for review, modifications and approval of the plan. The City and Contractor shall meet a minimum of once every calendar quarter to discuss services, outreach and promotions.
3. Contractor shall have all press releases, reports, advertisements, letters or other documents prepared by Contractor for release to the public relating to this Agreement, reviewed and approved by Director prior to distribution.
4. Contractor shall send a City-approved letter, outreach brochures, and current rate schedule to all new Customers identified by the City's utilities billing system or as requested by Director within seven (7) days of being notified.
5. Contractor shall distribute public education and promotion materials (developed by Contractor and City) during any roll-out of the new or expanded collection services. This will entail distributing program literature with delivery of new carts, bins and other Containers.
6. Contractor shall retain the services of an advertising/public relations company with experience in the waste management and recycling field and with skill and experience in developing multi-lingual materials. Contractor shall not engage a subcontractor without the Director's prior written approval.
7. Contractor shall prepare multi-lingual public education materials in English, Russian, Chinese, Japanese and Spanish and post the multi-lingual outreach materials on its website.

8. Contractor shall schedule and conduct presentations to service organizations, schools, business groups, civic associations, neighborhood and homeowner's associations, workshops, other community organizations, etc. This shall be done annually and upon request by City, Customer or community organization.
9. Upon City's request, Contractor shall staff booths and distribute promotional and educational materials at events, parades, workshops, etc and shall provide tours of its processing sites. Contractor shall provide visual displays, educational materials and activities for children such as seed planting and spin art. Display components will be professionally created and will be completely interchangeable between standing booth backdrop and table-top display. Tables will be professionally dressed. Materials will include those pertaining to the appropriate programs and information on source reduction, reuse and recycling/composting. All age groups will be accommodated.
10. Contractor shall annually develop and provide school recycling/composting outreach programs.
11. Contractor shall develop and maintain a system of keeping records of and following up with Customers who receive non-collection notices during collection of materials.
12. Contractor will coordinate extensively with the City to meet the City's sustainability goals.

B. Staffing

Contractor shall dedicate a minimum of four and three-quarters (4.75) full time employee (FTE) equivalents or subcontractors to administer outreach and public education efforts for the City. Contractor has very low attrition rates and will make every attempt to keep the positions filled throughout the Term. Staffing levels will be maintained throughout the Term with job duties and responsibilities changing in response to program development and the needs of the City. Following the completion of the transition, and periodically thereafter, the Contractor may evaluate the job duties and responsibilities of each member of the Outreach and Public Education Team. Contractor shall be allowed to modify the job duties and responsibilities of each EOC to further maximize outreach and public education efforts throughout the Term.

- The Environmental Outreach Manager (EOM) will be responsible for managing all activities of the Environmental Outreach Coordinators (EOCs) as well as performing some of the same job duties as the EOCs. The EOM and the General Manager will meet with the City on public education and outreach related issues. The EOM will also be responsible for all media correspondence and issues relating to the services provided in the City.
- The Environmental Outreach Coordinators (4 FTEs) will be responsible for generating and sustaining the highest possible level of diversion by Customers in the commercial, multi-family, schools, and City facility sectors.

Environmental Outreach Coordinators (EOC) responsibilities include:

- Identifying the waste disposal and recycling needs of every commercial/MFD/School/City facility/construction and deconstruction site.
- Providing all Customers with appropriate educational information necessary to make informed, environmentally-forward decisions relative to waste reduction, reuse, and recycling activities.
- Conducting site assessments and waste audits for all commercial/MFD/School/City facilities/construction site.
- Ensuring adequate enclosure sizing during City plan review process.
- Reporting progress, challenges, and successes as per Company policy, including daily logs and sharing that information if requested by City.
- Overseeing reporting functions and summarizing information for the City.
- Developing and providing the school recycling programs.
- Responding to customer needs immediately and completely.
- Conducting on-site workshops, school group assemblies, civic and business group meetings and activities, and participating in community events.
- Helping plan recycling and waste disposal needs for special events and large venues.
- Providing tours to City staff, school groups and other community groups.
- Creating and distributing reports as requested by City.

In hiring staff to serve as EOCs, the Contractor will ensure that EOCs are customer-oriented, personable and highly professional, able to satisfactorily perform each responsibility listed above, have a personal interest in recycling and waste prevention, have excellent communications skills (written and spoken), and ideally have a formal education in environmental studies.

EOCs will receive continuing education riding routes with drivers at least once per quarter. EOC team members will be assigned to specific areas of the City as appropriate to fulfill their duties.

EOCs will maintain the Palo Alto page of the Contractor's website and its social media sites are regularly updated. Contractor agrees to update the web site within two (2) weeks of receiving new or updated information from EOCs or the City, with applicability to Palo Alto customers. The website will also be used to post educational materials for download, highlight program successes and provide diversion statistics.

#### C. Annual Budget

In addition to staffing expense, Contractor shall spend for public education and outreach no less than \$60,000 prior to start-up and during the first year of the

Agreement (FY 2009-10), and \$55,000 in FY 2010-2011. Subsequently, this amount will be annually adjusted by the same percentage as total compensation, per Attachment N-2. Contractor shall submit to the City the list of outreach expenses as part of the required reports in Attachment K.

D. Direct and Ongoing Customer Education and Outreach

1. Recycling Guides

Contractor will produce three separate recycling guides, one directed towards single family Residential Customers, one for Multi-family customers, and a third directed to Commercial customers for distribution to new Customers throughout the Term. These guides will include information on collection methodologies, set out instructions, set out schedule, contact information, acceptability and necessary preparation of materials for all three containers: Solid Waste, Recyclable Materials and Compostable Materials. A section of the guide will specifically address proper methods of handling and disposal of Hazardous Wastes.

Single-family homes will receive the Recyclable Materials and Compostable Materials recycling guides attached to their carts along with the other start-up items.

For multi-family customers, the EOCs will work with building managers to distribute these guides to each of their residents. In cases where EOCs are unable to contact a building manager, they will deliver the guides door to door. Multi-family property managers and customers will receive a residential guide if using carts, or a commercial guide if using bins. Multi-family customers will also be provided with “Recycling Buddies” as part of the outreach effort. All multi-family complexes will be provided laminated Commercial Recycling posters and other outreach materials as needed.

For Commercial Customers, the EOCs will work with business associations and business managers to distribute these guides to each member and/or business. Additionally, laminated Commercial recycling posters will also be supplied to businesses.

Recycling guides will also be distributed at community events, recycling presentations and other outreach activities in which Contractor participates.

2. Identify Recycling and Waste Prevention Opportunities

EOCs will conduct waste audits during two specific times during the Term. The waste audits will be conducted for Commercial, Multi-Family and City Facility customers. The first round of waste audits, a minimum of 12 waste audits per month, will occur during the three months prior to



start-up. Following Contractor's receipt of the customer database, the EOCs will develop an audit schedule and route. EOCs will complete mini-audits for Commercial, Multi-family and City facilities Customers prior to July 1, 2009, utilizing these initial site-visits as an opportunity to make introductions, discuss service levels, promote expanded programs and opportunities for further diversion. The second round of waste audits, a minimum of 12 waste audits per month, will be conducted prior to the fifth year and combined with inspections by EOCs under the Mandatory Recycling Program. EOCs will conduct site-visits prior to collection, performing audits and tracking results. The audits will consist of a visual waste characterization and evaluation (sorting waste by categories) of Customer's Solid Waste, Recyclable Materials and Compostable Materials, and documentation (photos, written summary and classification of materials). EOCs will use these results to target Customers with increased opportunities for diversion. Results of audits shall be provided to the Director upon request.

3. Corrective Action Notices

Contractor's corrective action notices shall double as non-collection and courtesy notices, and shall be utilized in clear instances of customer non-compliance. The driver or supervisor will be responsible for the completion of the corrective action notice, selecting the reason for non-collection, and completing the perforated bottom of the notice with the route number, date, time, address, driver initials and reason for non-collection. The corrective action notices will be submitted to a customer service representative (CSR) when the route is completed. A CSR enters the corrective action notice to a comment field in the customer account software. In some cases, the information may be transmitted to the CSR via On-Route GPS system. This information will be sent to the City as required by the Agreement.

4. Commercial Recycling and Compostable Programs

Contractor will develop a marketing approach to promote the programs, for review and approval by the City. All new outreach will reflect the new programs. The new Commercial Recycling and Compostable program will be a key focus of the EOCs during the first year of operation. Both the City and Contractor recognize this is an entirely new program that requires a paradigm-shift for Customers. The first year will be focused on education and marketing to encourage and induce participation by large generators. The second step involves targeted education, providing resources to ensure success and ultimately facilitating the changing of habits. Contractor shall provide the City with regular updates on Customer participation, progress, successes and obstacles. As the program progresses, the focus of the EOCs will shift to enforcement of the ordinance.

In general:

- a. EOCs will focus first on the largest waste generators within the City with the most potential for diversion.
- b. EOCs will make initial contact with each Customer. EOCs will need to identify and contact the appropriate contact(s), receive replies to emails, phone calls and secure meetings.
- c. Contractor understands that large corporate organizations such as supermarkets, hotels, shopping malls, and restaurant chains have varied decision-making environments and require significant time to cultivate.
- d. To maximize the opportunity for initial and sustained program success, Contractor will seek to identify a "champion" (ideally a senior manager) at each business.
- e. EOCs will assemble a training packet for each Customer. The packet will contain Compostable Materials posters, cart and can stickers, and a question and answer section that addresses frequently asked questions.
- f. EOCs will work with Customer management staff to determine the type of Compostable Materials collection Containers, their location, and frequency of collection.
- g. Compostable Material posters will also be displayed wherever necessary to reduce confusion about the program. Commingled recycling options will also be presented, to improve diversion rates through diligent source separation and to reduce overall waste expense to the Customer. Follow-up site visits for program evaluation will be offered to new Customers.
- h. Timely feedback is important for success. Compostable Materials collection drivers will be trained to identify amounts of obvious contamination and notify the office/EOC at the end of the day so that the Customer can be made aware of contamination issues. Drivers will be kept updated regarding any changes to the list of acceptable materials.
- i. Compostable Materials collection drivers will be instructed to report large volumes of contamination at commercial establishments to the collection supervisor who in turn will inspect the container. In most cases, the supervisor will contact the business manager as well as the EOCs regarding the contamination. In some cases, the EOCs will be

directed to the business to conduct a more comprehensive investigation and educational process.

5. The following additional public education and outreach materials shall be produced with City approval and upon City request during the term:
  - a. Newspaper advertisement explaining new or existing programs
  - b. Press releases about new programs
  - c. Description of Annual Clean-Up Program, including options for reuse and recycling. Contractor shall provide separate outreach materials for Residential and Commercial Customers
  - d. Company newsletters, quarterly
  - e. Door/cart hangers
  - f. Corrective Action Notice
  - g. Posters, stickers, flyers, short online videos, etc.

E. School Programs

For schools, Contractor shall:

1. Provide on-going technical assistance to schools, the Zero Waste Champions, and the City to improve existing school recycling and compostable programs, including supplying composting and compostable bins, posters, and other collateral materials in support of these activities.
2. Conduct school-wide composting, compostable and recycling in-class presentations and assemblies at local schools. Contractor shall develop a menu of dynamic presentations from which teachers/principals may select the program that best suits their student body needs. Topics will extend beyond the local recycling/composting program to other areas of environmental concern.
3. Promote, coordinate, and conduct educational field trips to the recycling and transfer station in San Jose.
4. Perform annual waste assessments, calculate diversion rates, and communicate the results to the Director.
5. Prepare and distribute an annual report that highlights the many educational services and activities Contractor offers to schools, with scheduling and contact information.

10. Hard to Service Areas

The following are the Hard to Service Areas as of April 2015, which account for approximately 739 customers. The geographical areas for Hard to Service locations and areas in the Palo Alto

needing either hard to service collection or semi-automated collection may change during the Term.

<p>Monday:</p> <ol style="list-style-type: none"><li>1) Bryant Court</li><li>2) Everett Court</li><li>3) Downing Lane</li><li>4) Lane 56 (Channing House)</li><li>5) Lane 15 (E)</li><li>6) Lane (B) West</li><li>7) Lane (B) East</li><li>8) Lane (D) West</li><li>9) Lane (D) East</li><li>1. Page Mill Road (between Hwy 35 and Hwy 280)</li><li>2. Alley Behind 200 Block of Everett</li><li>3. Private driveway/street at the corner of Channing and Waverley</li></ol>
<p>Tuesday:</p> <ol style="list-style-type: none"><li>1) East Meadow Circle (Newer housing development)</li><li>2) Quail and Paloma</li><li>3) Ellsworth</li><li>4) San Carlos</li><li>5) Old Ricky's site (Newer housing development on El Camino Real and Charleston Rd.)</li></ol>
<p>Wednesday:</p> <ol style="list-style-type: none"><li>1) Lane (66) Between Fernando &amp; Wilton</li><li>2) Jacobs Court</li><li>3) Madeline Court</li><li>4) Matadero &amp; Roble Ridge</li></ol>
<p>Thursday:</p> <ol style="list-style-type: none"><li>1) Community Lane (3 Blocks)</li><li>2) Alley between Harker &amp; Parkinson (1000 Block)</li><li>3) Alley between Greenwood &amp; Channing (1000 &amp; 1100 Block)</li><li>4) Alley between Harker &amp; Greenwood (1100 Block)</li><li>5) Alley between Harker &amp; Parkinson (1300 Block)</li></ol>

### **Other Locations**

The following are other locations needing hard-to-service collection or potentially semi-automated collection service:

- Wisteria Lane
- Driscoll Lane
- East Meadow Circle (Newer housing development)

- One-way streets such as Channing Avenue and Homer Avenue
- St. Francis Drive (new housing development)

## 11. CONSTRUCTION RELATED MATERIALS COLLECTION

Upon direction by the City and if Council approves the new deconstruction and source separation ordinance, the Contractor shall provide assistance in the development and implementation of a new Deconstruction and Source Separation Program for the purposes of 1) increasing salvage and reuse of building materials to highest extent possible, and 2) increasing the amount and quality of recyclable materials collected from all construction and deconstruction projects.

### A. Development:

Pending approval by the City, the Contractor will acquire the needed materials to deliver the new services, including but not limited to purchasing new front load bins, debris boxes, appropriate signage, and a floor scale system, via agreed-upon funding as outlined in Attachment N-1. The Contractor will coordinate with the City on the development of applicable educational materials relative to this program.

### B. Implementation:

The Contractor will utilize front load bins of various sizes for the collection and source-separation of deconstruction and construction materials, allowing for the grouping of certain pre-designated materials into the same container, as listed in Attachment T. Some wheeled carts may be provided to Customers with small quantities of miscellaneous materials that cannot be combined in other containers for source separation. This miscellaneous material would be collected and transported to ZMPF for processing.

Containers will be transported by the Contractor's fleet between construction sites and the LATP site. The contents of each bin will be individually weighed at the LATP site using a floor scale system. Contractor will bill Customer for the collection according to City established rates, and provide tonnage and diversion information. All hauled material will be consolidated into larger debris boxes stationed at the LATP site. Dependent on the collected material, the debris boxes will then be transported by the Contractor to the associated processing facility.

Potential processing facilities include the GreenWaste Recovery Material Recovery Facility, ZWED, Z-Best Composting Facility, and Zanker Recycling.

- Overweight boxes: Should Contractor haul a debris box that weighs greater than 5 tons, Contractor shall be compensated for every ton over 5 tons, pursuant to Agreement Section 9.05 (Extra Services).

### C. Outreach and Enforcement:

Contractor shall provide outreach and field inspections to construction related customers including contractors, property owners and developers regarding the

source separation and deconstruction requirements and dedicate a minimum of half of one EOC's time to this program.

**D. Reporting:**

The Contractor will cooperate with the City's goals of monitoring and tracking the success of the Program. The Contractor will utilize the Green Halo system to track weights of individual containers hauled from project sites and upload data from the scale system into Green Halo. Contractor will also provide a report on all consolidated loads taken to processing sites, and will work with City staff to develop other reports as needed.

**E. BILLING:**

Contractor will bill Customers for these services similar to other contract approved collection services.

**12. COMPOST GIVEAWAYS**

Contractor shall coordinate with the City to provide finished compost to residents. Contractor shall take the lead in organizing the delivery of compost to a location chosen by the City and agreed to by the Contractor. Upon the City's request, Contractor shall provide up to one (1) delivery of seven (7) cubic yards of loose compost per week to the designated location. City may also elect to provide bagged compost. City shall give Contractor at minimum one (1) month notice prior to initiating a compost giveaway program. Contractor shall be compensated for every delivery of finished compost, pursuant to Section 9.05 (Extra Services) and rates specified in Attachment N-1.

## Attachment D-1 - City Facilities

SAP Acct #	Rams Acct #	Facility	Address	Garbage/ Pick-up Days	Recycle/ Pick-Up Days	Compost/Pick-up Days
30030901	1003661PA	Open Space- Foothills Park	3010 Madera Point	5-3cy garb & 36-32gl cans	20-64gl 1xwk / M	
30011091	410455PA	Parks - Mitchell Park	600 E Meadow	8-2cy garb & 1-1cy garb	4cy bin 2xwk/ T F 3-64gl & 4-96gl carts 2xwk/ T F	
30017768	1423825PA	Parks - Rinconada Park	777 Embarcadero Rd	7 - 2cy garb	9-64gl & 8-96gl 2xwk / MF (Embarcadero/Newell) 4-64gl 2xwk / MTh (Hopkins-Tennis Ct)	
30033902	1061530PA	Animal Services	3281 E Bayshore Rd	3cy 2xwk / TF	3cy 2xwk/ TF	1cy 1xwk/ T
30006374	1383706PA	Art Center	1313 Newell Rd	3cy 1xwk / T	1cy 1xwk / F	1cy 1xwk/ F
30019110	980846PA	Baylands Nature Preserve	2775 Embarcadero	1-32gl can 1xwk / M		
30032616	212276PA	Civic Center	250 Hamilton Ave	2cy 5xwk / T-Sa	3-2cy 3xwk / MWF	2cy 5xwk / T-Sa
30033746	1205036PA	Cubberley Community Center	4000 Middlefield Rd	2-4cy 3xwk / MWF	4cy 3xwk / MWF	4cy 1xwk / W
30020928	1411038PA	City of Palo Alto	4000 Middlefield Rd	2cy 1xwk / W	na	na
		Development Center	Scott St & Channing Ave	64 gallon		
30039234	1596092PA	Elwell Court	1005 Elwell Ct	4cy 1xwki / T	4cy 1xwki / T & 4-96gl carts 2xwk /TF	1cy 1xwk / T
30007265	682367PA	Elwell Court	1007 Elwell Ct	1-32gl can / T		
30035389	240273PA	Fire Station #1	301 Alma St	96gl 1xwk / T	4cy 12xwk / MS	1cy 1xwk / T
30029003	968387PA	Fire Station #2	2675 Hanover St	3cy 1xwk / Th	2cy 1xwk / Th	2cy 1xwk / T
30014915	555400PA	Fire Station #3	799 Embarcadero Rd	96gl 1xwk / Th	2-96gl 1xwk / Th	96gl 1xwk / Th
30012463	1131293PA	Fire Station #4	3600 Middlefield Rd	96gl 1xwk / T	3-96gl 1xwk / W	96gl 1xwk / T
30028409	410236PA	Fire Station #5 & #8	600 Arastradero Rd	96gl 1xwk / T	3-96gl 1xwk / W	96gl 1xwk / Th
		Fire Station #6	711 Serra St, Stanford	3 yd / TF (PSSI)		
		Fire Station #7	2575 Sand Hill Rd	need to get from BFI		
30022570	780464PA	Junior Museum	1451 Middlefield Rd	2cy 5xwk / MTWThF	2cy & 96gl 1xwk / F	2cy 1xwk / F
30031971	1401666PA	Libraries - Children's	1276 Harriet St	3-32gl 1xwk Th	96gl & 64gl 2xwk / ThF	32gl 1xwk / Th
30005463	1449726PA	Childcare Facility	2300 Wellesley St	50% 2cy 1cwk /Th	1-96gl 1xwk /Th	50% 32gl 1xwk /Th
30038803	225837PA	Libraries - Downtown	270 Forest Ave	1cy 1xwk / T	2cy 12xwk / T F	96gl 1xwk / T
30018069	758208PA	Libraries - Main	1313 Newell Ave	3cy 1xwk / T	2-96gl,2-64gl 4cy, 3cy 1xwk / F	3cy 1xwk / T
30023295	743433PA	COPA-Community Garden	1213 Newell Ave	96gl 1xwk	96gl & 64gl 1xwk / F	20cy Yardwaste 1x month / 1st W
30016544	1165801PA/1	Libraries - Mitchell Park	3700 Middlefield Rd	shares garbage service with MP Community Center, combined with MP Comm Center 50% given with no basis in fact		
30021832	1305774PA	Childrens Library	1305 Middlefield Rd	2-3cy 2xwk /MF	5-96gl & 3cy 1xwk / F	96gl 1xwk / Th
30021832	1433078PA	Childrens Theater Event	1305 Middlefield Rd	64gl 2xwk / MF	4-64gl & 96gl 2xwk / MWTTh	
30018201	757322PA	Lucie Stern - Theatre	1307 Middlefield Rd	20cy 1xwk / M		
30019844	2450746?	Mitchell Park Comm. Center	3800 Middlefield Rd	3 yd / MWF		
30033577	1355819PA	MSC - Building A	3201 E Bayshore Rd	3cy 1xwk /T (station 4) & 1cy 1xwk / T (station 2)	4cy & 3-32gl 1xwk / T (Station 4) & 2cy 1xwk / T (station 2)	96gl 1xwk / T (Station 4)
30033577	1412030PA	MSC - Building B	3201 E Bayshore Rd	2 -2cy 1xwk / T (station 1)	3cy 1xwk / T (station 3)	32gl 1xwk / T (station 1)

## City Facilities Services

SAP Acct #	Rams Acct #	Facility	Address	Garbage/ Pick-up Days	Recycle/ Pick-Up Days	Compost/Pick-up Days
30033577	1397040PA	MSC - Building C	3201 E Bayshore Rd	2-1cy (stations 5 &6) 2-3 cy(station 3 &8) 1-1.5cy(south side station 7) 1xwk/ T	2-3cy (stations 6 & 7) 2-2cy( Stations 3 & 5) 1-4cy 1xwk(station 4) 3-96gl (treecrew/sign shop) 1-32gl (tree crew/sign shop) 1xwk / T	3-96gl (stations 6,8,7,3) 1-32gl (bldg C) 1xwk /T
30033577	1906256PA	MSC - City Yard Utility Control	3201 E Bayshore Rd			**used for on-call 30cy pallet box
		Open Space - Arastradero Preserve	Arastradero Rd	2 cans/M		
30022235	1332449PA	Parks - Baylands Athletic Ctr	1900 Geng Rd	2-3cy1xwk/ F	1-2cy & 5-64gl carts 2xwk / T Th	n/a
30022237	1129863PA	Parks - Bol Park	3590 Laguna Ave	6-32gl cans 2xwk / WF	n/a	1-64gl 1xwk /W
30023004	300236PA	Parks - Boulware Park	410 Fernando St	6-32gl cans cans / W	96gl recy cart 1xwk / W	n/a
30005648	1447741PA	Parks - Bowden Park	2300 High St	5-32gl cans 2xwk / M Th	2-64gl carts 1xwk/ Th	
30000233	344098PA	Parks - Bowling Green Park	474 Embarcadero Rd	2-32gl cans 1xwk / M	64gl cart 1xwk / Th	n/a
30035159	414426PA	Parks - Briones Park	600 Arastradero Rd	32gl can 1xwk / W		
30017231	1373342PA	Parks - Byxbee Park	2500 Embarcadero Rd	35-32gal cans 2xwk / M F	3-64gl carts 1xwk/ T	
30031593	872723PA	Parks - Cameron Park	2101 Wellesley St	2-32gl cans 1xwk / Th	n/a	n/a
30011990	223415PA	Parks - Cogswell Park	264 Lytton Ave	4-32gl cans 1xwk / M-S	1-96gl 1xwk /F	n/a
30032510	181857PA	Parks - El Camino Park	201 El Camino Real	1-32gl can / W	n/a	n/a
30012009	1548697PA	Eleanor Community Garden	801 Center Dr	1-96gl cart 1xwk/ M	2-96gl carts1xwk / M	20cy Yardwaste 1x month / 1st M
30018046 & 30030892	711794PA	Parks - Greer Park	1098 Amarillo Ave	2cy 2xwk / MF 18-32gl cans 2xwk / MF	4cy bin 2xwk/ T F 9-64gl & 1-96gl carts 2xwk/ T F	n/a
30017363	1394836PA	Parks - Hoover Park	2901 Cowper St	6-32gl cans 1xwk / T	4-96gl carts 1xwk/ F	n/a
30007213	1322968PA	Parks - Johnson Park	251 Waverley St	5-32gl cans 3xwk M/TH/S	1-96gl 1xwk / M	4-96gl 1xwk / M
30046818	3250172	Parks - Lytton Plaza	200 University Ave	2-32gl cans 1xwk /		
30015431	909198PA	College Terrace Library	2300 Wellesley St	50% 2cy 1cwk /Th	1-96gl 1xwk /Th	50% 32gl 1xwk /Th
30021750	1282076PA	Parks - Monroe Park	4305 Miller Ave	2-32gl cans 1xwk /W	n/a	n/a
30029273	1327486PA	Parks - Palo Alto Municipal Golf Course	1985 Embarcadero Rd	3cy 3xwk / M Th S	2-3cy 2xwk /T F 1-2cy 1xwk / T	n/a
30007710	842304PA	Parks - Peers Park	1899 Park Blvd	1-2cy 2xwk / M Th	1-2cy 1xwk / Th 1-64gl cart 1xwk / Th	n/a
30022095	556056PA	Parks - Ramos Park	820 E Meadow Dr	5-32gl cans 2xwk / T	2-64gl 1xwk / T	
30037296	1232367PA	Parks - Robles Park	4116 Park Blvd	4-32gl cans 1xwk / W	2-64gl carts 1xwk / W	n/a
30013980	1449836PA	Parks - Scott Park	915 Scott St	4-32gl cans 1xwk / M	1-96gl cart /M	n/a
30001203	101501PA	Parks - Seale Park	3100 Stockton Place	4-32gl cans 1xwk / T	1-64gl cart /T	n/a
30010436	1316029PA	Parks - Terman Park	655 Arastradero Park	2-32gl cans 5xwk / W OR 10-32gl cans 1xwk??	3-64gl carts 1xwk/T	
		Parks - Wallis Park	Grant Ave & Ash St			



## City Facilities Services

SAP Acct #	Rams Acct #	Facility	Address	Garbage/ Pick-up Days	Recycle/ Pick-Up Days	Compost/Pick-up Days
30034177	908324PA	Parks - Weisshaar Park	2300 Dartmouth St	2-32gl cans 1xwk / Th		1-96gl 1xwk / Th
30014774	871839PA	Parks - Weisshaar Park	2300 Dartmouth St	2-32gl cans 1xwk / Th	1-96gl 1xwk / Th	
		Parks - Werry Park	2100 Dartmouth St			
30022919	948224PA	Water Quality Control Plant	2501 Embarcadero Way	96gl cart 1xwk/ Th 2cy 3xwk/ MWF 15cy Perm 2xwk/ M Th	3cy bin 1xwk /T 3-64gl carts & 2-96gl carts 1xwk / T	2-96gl 1xwk / T
30015342	5064070	City of Palo Alto	2501 Embarcadero Way	96gl cart 1xwk/ Th		
30033996	2071038PA	Parks- Mayfield Soccer Fields	2700 El Camino Real	2cy bin 3xwk/ MWF	6-64gl carts M	n/a
30016963	1309526PA	City of Palo Alto	450 Bryant St	2cy bin 3xwk/ TThS	2cy bin & 3-64gl carts 5xwk / M-F	
30027979	1311730PA	City of Palo Alto	708 Melville Ave	32gl can 1xwk/ M	1-96gl & 1-64gl cart 1xwk / M	
30031980	2462094	City of Palo Alto	664 Palo Alto Ave	32gl can 1xwk		
30035494	2465628	City of Palo Alto	3351 Miranda Ave	32gl can 1xwk		
30031520	4073633	City of Palo Alto	528 High St	32gl can 1xwk		
30052096	3875236	City of Palo Alto	502 Thain Way	32gl can 1xwk /W		
30058337	5089089	City of Palo Alto	534 Emerson St	2cy 1xwk / F	50% 2cy 6xwk / M-S	

City Parks on Special Schedule

<b>Account #</b>	<b>Park Name</b>	<b>Address</b>	<b># of bins</b>	<b>Bin Size</b>	<b>Svc days Season 1</b> ( <i>Memorial Day through Labor Day</i> ) <i>5/27/13-9/2/13</i>	<b>Svc days Season 2</b> ( <i>remainder of the year</i> ) <i>9/3/13-5/26/13</i>
30011091	Mitchell Park	600 E. Meadow	9	8-2cy Garb & 1-1cy garb	2X MON & FRI	1X MON
30017768	Rinconada Park	777 Embarcadero	7	2cy Garb	2X MON & FRI	1X MON
30030901	Foothill Park	3010 Madera Point	5	3cy Garb & 36-32gl cans	2X MON & FRI	1X MON

**Attachment D-2**  
**Public Waste Receptacles in Business Districts**

Address	QTY	Weekly Pickups	
515 Alma	1	2	
530 Arastradero	0	0	BS
700 Arastradero	0	0	BS
2415 Ash	1	3	
2300 Birch	1	1	
2440 Birch	1	1	
400 Bryant	0	0	
100 California	3	2	
200 California	4	2	
300 California	6	6	
400 California	4	6	
500 California	0	0	
200 Cambridge	4	6	
275 Cambridge	1	2	
300 Cambridge	2	2	
400 Cambridre	4	3	
100 Cambridge & Park	1	6	
89 Churchill	1	1	
700 Colorado	0	0	BS
500 Cowper	2	2	
4200 E. Bayshore	0	0	
400 E. Charleston	0	0	BS
3200 El Camino Real	0	0	BS
1119 El Camino Real	0	0	
2325 El Camino Real	0	0	
2335 El Camino Real	0	0	BS
4191 El Camino Real	0	0	BS
3000 El Camino Real	0	0	BS
3138 El Camino Real	0	0	
3487 El Camino Real	1	1	
3500 El Camino Real	0	0	BS
3720 El Camino Real	0	0	BS
3979 El Camino Real	1	1	
4156 El Camino Real	0	0	BS
4216 El Camino Real	0	0	
4345 El Camino Real	0	0	BS
51 Embarcadero	0	0	BS
51 Embarcadero	0	0	
400 Emerson	2	6	
500 Emerson	1	6	
534 Emerson	1	6	
89 Encina	1	1	
400 Florence	2	2	
100 Forest	1	1	
200 Forest	1	2	
600 Gilman	1	3	
100 Hamilton	1	3	

200 Hamilton	1	2	
300 Hamilton	3	2	
345 Hamilton	1	2	
400 Hamilton	2	2	
3000 Hanover	0	0	BS
900 Hansen	0	0	BS
2300 High	0	0	
500 High (Park Lot P)	1	2	
3300 Hillview	0	0	BS
400 Kipling	1	2	
130 Lytton	1	2	
300 Lytton	3	2	
400 Lytton	4	3	
200 Lytton Cogwell Pz	5	6	
2605 Middlefield	1	2	
2700 Middlefield	3	1	
2800 Middlefield	0	0	
3100 Middlefield	0	0	BS
3700 Middlefield	0	0	
3895 Middlefield	0	0	BS
4160 Middlefield	0	0	BS
4000 Middlefield	0	0	
1000 Page Mill	0	0	BS
1500 Page Mill	0	0	BS
900 Page Mill	0	0	BS
400 Ramona	2	2	
500 Ramona	1	6	
700 San Antonio	0	0	
200 Sherman	0	0	
400 Sherman	1	1	
Terman/Arastradero	2	1	
100 University	11	6	
1900 University	1	1	
1901 University	0	0	
200 University	15	6	
300 University	11	6	
400 University	11	6	
500 University	12	6	
600 University	2	2	
700 Urban	1	1	
400 Waverley	1	3	
500 Waverley	2	6	
800 Waverley	0	0	BS
400 High	1	1	
400 Alma	1	1	
200 Lytton	1	1	
ECR & Stanford	4	1	
TOTALS	155	648	

## **Attachment E Materials Processing**

### **A. Recyclable Materials Processing**

#### 1. General

##### **a. Facility**

All Contractor vehicles collecting Recyclable Materials from the City shall deliver directly to the GreenWaste Material Recovery Facility (Materials Recovery Facility or GreenWaste MRF in this exhibit) located at 625 Charles Street, San Jose, California.

##### **b. Facility Permits**

Contractor shall keep in force and be in full regulatory compliance with the terms of all permits and approvals from governmental authorities necessary for the use of the GreenWaste MRF or any other approved alternative processing facility during the term of the Agreement for the processing of City Recyclable Materials.

##### **c. Prohibited Use of Materials**

Contractor shall ensure that Recyclable Materials are neither disposed of at a landfill nor utilized as alternative daily cover at a landfill without prior written consent from the Director.

##### **d. Tonnage Tracking and Reporting**

Contractor shall submit a report each month to the City on Recyclable Materials received during the immediately preceding month from each collection vehicle. The reports shall include at a minimum: the source, method of delivery, truck number, time of delivery, tonnage delivered, vehicle license number, person receiving the delivery. Contractor shall also update vehicle tare weights twice per year, and provide that data to the City.

##### **e. Facility Contingency**

Contractor shall arrange to process Recyclables Materials at no added cost to the City, should processing capacity at the GreenWaste MRF, for whatever reason, be temporarily unavailable or inadequate.

#### 2. Processing

**a. Processing Method:** GreenWaste Recovery has installed a new material recovery system capable of processing a minimum of 20 tons per hour of single stream recyclable materials. The equipment is manufactured by Bulk Handling Systems (BHS). From time to time equipment will be modified or replaced to update the system but the following components will be the minimum. If processing changes, Contractor shall submit those changes in writing to the City.

**Pre-Sort:** The system includes ten pre-sorting stations. Sorters will remove contaminants, large items, metals, and injection-molded plastics prior to the material stream entering the mechanical portion of the facility. This will increase plant throughput, machinery efficiency separation and

output products quality. Staffing level and location will be according to feedstock being processed on each feed line.

**Post-Sort:** Quality control post-sort stations are included in the design to ensure optimum marketability of the recovered commodity. The system will operate with 2 to 8 post sorters at a time depending upon the quality of the material and the overall performance of the system.

**Trommel Screen:** The trommel will separate materials into two distinct fractions being approximately ¼ minus, and over's for the purpose of separating glass and fiber.

**Cardboard Screen:** All captured cardboard from both cardboard disc screens will pass over one quality control sort station where up to two sorters will clean the cardboard before directing it to the cardboard bunker conveyor for later baling.

**News Print Screen:** This screen will separate newspaper from the rest of the stream. The newspaper will be sent to a post-sort clean up prior to being baled.

**Polishing Screen:** This screen is used to separate mixed paper from the containers. Mixed paper will float on top as the containers drop through the bottom on to another conveyor.

**Optical Sorting:** PET beverage containers will be optically sorted prior to final manual quality control (post-sort) before being stored in bunkers, prior to baling. Any cross contamination or trash can be sorted out and redirected to proper streams via conveyors.

**Eddy Current Separator:** Non-ferrous metals (i.e. aluminum cans) will be separated utilizing an eddy current separator. All non-ferrous metals will be stored prior to baling.

**Direct Baling:** Clean source-separated loads, such as cardboard and film plastics from commercial and City facilities, will be fed directly into the accessible baler feed conveyor which provides more than 45 feet of direct load capability.

**Electro-magnetic Separators:** Ferrous metals will be separated using electro-magnetic separators. All ferrous metals will be stored in common storage silo for later baling. If the primary electromagnetic separator is out of service the secondary magnetic separation unit provides redundancy.

**Drum Separator:** This mechanical separation utilizes a vacuum to separate 3D containers from the waste stream.

#### b. Acceptable Materials

Recyclable Materials listed in Attachment C, Section 2 shall be processed at the GreenWaste MRF. Additional types of Recyclable Materials which City directs Contractor to collect shall be processed at no additional charge.

c. Residue Rate Requirements.

Contractor guarantees to process mixed loads of Recyclable Materials, containing an acceptable Contamination level, with a minimum ninety two percent (92%) recovery rate; maximum eight percent (8%) residue annually at the processing facility.

The GreenWaste MRF shall measure and report to the City the annual Recyclables Materials processing line and facility residue rate, and reciprocal recovery rate, prior to August 1 of each year. This report will indicate actual Recyclable Material tonnage received at the Materials Recovery Facility, processed, marketed (by material type) and sent to the landfill. These annual recovery/residue rates shall be utilized to ensure that the Contractor has met tonnage and recovery goals for Recyclable Materials. Contractor shall allow City staff to observe processing, on request.

### 3. Marketing

a. Marketing Plan

Contractor shall submit to City, with the Fiscal Year Report, a plan for marketing Recyclable Materials for the coming year. The Marketing Plan shall include the following: 1. Quantities: estimated quantities of each Recyclable Material; 2. Prices: estimated unit market values 3. Marketing: end markets and uses, and 4. Quantities of materials marketed during the preceding year.

b. Marketing Methods

Contractor shall use, and build on its existing network of, vendors to sell commodities. In general, at the time of execution, materials markets are as follows:

Plastic 1-7, Plastic Bags, Plastic Injection, Black Injection - Plastics are cleaned and sorted to produce new flake that will go into the production of many items. Currently plastics are sold through Berg Mills to both foreign and domestic processors.

Mixed Paper, OCC - Materials will be recycled into new products such as newspaper and cardboard. Currently, fiber products are primarily sold through Berg Mills to domestic and foreign mills.

Glass - Glass will be recycled into new glass and fiberglass products. Currently, glass is sold and processed locally to Strategic Materials

Scrap Metal, Aluminum - Metals will be recycled into new ferrous and non-ferrous products. Currently, metals are sold to Standard Iron to be processed and shipped both domestic and foreign markets.

E-Waste – E-Waste will be disassembled in Hayward at E-Recycling and shipped both domestically and internationally to other recyclers.

c. Stockpiling of Materials

Contractor shall provide storage of materials during extreme market fluctuations. Processed materials shall not be stockpiled for more than one year.

d. Certificate of End Use

Contractor shall submit to City on or before July 15 of each year a certification of end use from each purchasers establishing that the materials sold the prior fiscal year have been, in fact, recycled.

**B. Compostable Materials Processing**

1. General

a. Facility

All Contractor vehicles collecting Compostable Materials from the City shall deliver to the City's designated compost facility, including the following:

ZWED: Compostable Materials shall be delivered directly to the ZWED Anaerobic Digestion Facility located at 685 Los Esteros Road, San Jose, California. The City's Compostable Materials may be comingled with materials from other jurisdictions at the ZWED. After anaerobic digestion at ZWED, material shall be transported to Z-Best Composting Facility located in Gilroy for further processing and composting.

b. Facility Permits

Contractor shall keep in force and be in full regulatory compliance with the terms of all permits and approvals from governmental authorities necessary for the GreenWaste MRF, Z-Best facilities, ZWED facilities, and any other approved alternative processing facility during the term of the Agreement for the processing of City Compostable Materials.

c. Prohibited Use of Materials

Contractor shall ensure that Compostable Materials are neither disposed of at a landfill nor utilized as alternative daily cover at a landfill without prior written consent from the Director.

d. Tonnage Tracking and Reporting

Contractor shall submit a report each month to the City on Compostable Materials received during the immediately proceeding month at the GreenWaste MRF or ZWED (or another facility designated and approved by Director) from each collection vehicle. The report shall include at a minimum: the source, method of delivery, truck number, time of delivery, tonnage delivered, vehicle license number, person receiving the delivery. Contractor shall also update vehicle tare weights twice per year, and provide that data to the City.

e. Facility Contingency

As a primary contingency is the Zanker Material Processing Facility (ZMPF) is in the process of designing and permitting the construction of a 200,000 square foot facility that will be capable of processing and transferring Compostable materials.



## 2. Processing

### a. Processing Method

#### ZBEST:

After weigh-in, transfer vehicles will dump loads in the Processing Building. Z-Best's processing plant consists of several components, including a bag opener, magnet, manual sorting stations, and a shredder. The processing plant removes recyclables such as cardboard, glass, aluminum, metal, as well as large contaminants, before shredding the material to achieve optimum particle size for composting. From time to time methodology and/or equipment may be modified or replaced to update the system and/or increase efficiencies.

Shredded food waste is composted in an enclosed bag with forced aeration called the CTI System. For the majority of the 14 week process, the bagged material reaches 150-160 degrees, which is sufficient to kill all insects, pathogens and weed seeds. After the composting process, the material is sent through a primary screening process. The primary screen removes all inorganic contamination of 1-inch size or greater. This residue is shipped to a landfill for disposal. Composted materials smaller than 1-inch are placed in curing piles for several more weeks. After a suitable curing period, final screening takes place and the resulting compost is ready for market.

#### ZWED:

After weigh-in, transfer vehicles will dump loads in the Receiving Hall for pre-processing. Contamination will be removed and the remaining Compostable Materials will be moved to the staging area, where material is held until loaded into the digestion Tunnels. In the digestion tunnels, clean Compostable Materials are deprived of oxygen for approximately 21 days. The resulting digestate is then moved to the decompaction area and structural material is added to increase porosity. This combined material is then moved to In-Vessel compost tunnels to complete the composting process in an aerobic environment. The compost is then moved outside and placed in windrows for final curing, screening and storage.

### b. Acceptable Materials

Compostable Materials listed in Attachment C, Section 3 shall be composted at the processing facilities. The City may at no additional charge request Contractor to add additional materials as markets allow.

### c. Residue Rate Requirements

Contractor will strive to achieve a minimum rate of ninety percent (90%); maximum ten percent (10%) residue rate for processing City specific materials into compost at the Z-Best or ZWED facility.

Assessment of reaching this goal will be achieved by utilizing facility processing and recovery rates of designated Compost facility. These reports will indicate actual material tonnage received, processed, marketed, and sent to the landfill.

City may observe processing at these Facilities upon notice.

### 3. Marketing

#### a. Marketing Plan

Contractor shall submit to City, with the Fiscal Year Report, a plan for marketing Composted Compostable Materials for the coming year. The marketing plan shall include the following: 1. Estimated quantities; 2. Prices: estimated unit market values 3. Marketing: end markets and uses and 4. Quantities of materials marketed during the preceding year.

#### b. Marketing Methods

Compost produced from Compostable Materials is directed into commercial markets that include a diverse collection of potential customers, including landscapers, land developers, contractors, nurseries, greenhouses, golf courses and private recreational facilities.

Z-Best and ZWED markets to the commercial sector through its large database of existing customers, and places advertisements in the yellow pages of telephone directories, as well as in newspapers and trade publications. In an effort to expand its services to the commercial sector, Z-Best and ZWED provide delivery services for materials from its facility. The Compost facilities use a full time sales person to seek new business through referrals and cold calls to potential end-users. Current users of this product include commercial landscape installers, topsoil producers, and nurseries.

#### c. Stockpiling of Materials

Contractor shall provide storage of materials during extreme market fluctuations. Processed materials shall not be stockpiled for more than two years.

#### d. Certificate of End Use

Contractor shall obtain from five of its largest customers a certification of end use, on or before July 1 of each year establishing that the materials sold the prior fiscal year have been, in fact, reused or recycled. The certifications of end use will be retained by Contractor and will be available for review by City.

Contractor shall also submit to the City each month, Z-Best or ZWED monthly tonnages for materials being received and each material type being marketed.

### **C. Construction Related Materials Processing**

#### 1. General

Commencing July 1, 2009, Contractor shall collect & transport all roll-off boxes and compactors, to the Zanker Materials Processing Facility (ZMPF) or the Zanker Road Resource Recovery Operations and Landfill (ZRRROL).

#### a. Facilities

Contractor shall collect & transport the roll-off boxes and compactor materials to the ZMPF located at 675 Los Esteros Road in San Jose or the Zanker Road Resource Recovery Operations and Landfill (ZRRROL) located at 705 Los Esteros Road in San Jose.

b. Facility Permits

Contractor shall keep in force and be in full regulatory compliance with the terms of all permits and approvals from governmental authorities necessary for use of the ZMPF, ZRRROL or any other approved alternative processing facility during the term of the Agreement for the processing of Construction and Demolition Debris.

c. Prohibited Use of Materials

Contractor shall ensure that processed Construction and Demolition Debris is neither disposed of at a landfill nor utilized as alternative daily cover (other than described in subsection 3b) at a landfill without prior written consent from the Director.

d. Tonnage Tracking and Recycling

Contractor shall submit a report each month to the City on Construction Related Materials received from each collection vehicle. The reports shall include at a minimum: the source, method of delivery, truck number, time of delivery, tonnage delivered, vehicle license number, person receiving the delivery. Contractor shall also update vehicle tare weights twice per year, and provide that data to the City.

If a new deconstruction and source separation ordinance is approved by Council, Construction Related Materials collected in bins by Contractor and consolidated into debris boxes at the former Los Altos Treatment Plant will also be reported to the City.

Overweight boxes: Should Contractor haul a debris box that weighs greater than 5 tons, Contractor shall be compensated for every ton over 5 tons, pursuant to Section 9.05 (Extra Services).

Tracking for all outbound and disposed tons shall be reported by an average monthly recycling percentage for each site. This information shall be formatted to report the 12-month recycling rate for the ZMPF and ZRRROL. This shall be posted on a web site at:

[www.z-best.com/recycling\\_rate.html](http://www.z-best.com/recycling_rate.html).

e. Facility Contingency

Contractor shall arrange to process Construction and Demolition Debris at no added cost to the City, should processing capacity at either ZMPF or the ZRRROL, for whatever reason, be temporarily unavailable or inadequate.

## 2. Processing

a. Processing Method

ZMPF: The following description of the processing method for Construction and Demolition Debris delivered in roll-off boxes and compactors focuses on the processes at the ZMPF, the primary facility for processing City materials and represents minimum standards that will be met. From time to time the processing methodology and/or equipment may be modified or replaced to update the system and/or increase efficiencies.

Roll-off boxes and compactors loads enter the site and are weighed and recorded. The driver is directed to the mixed C&D unloading area for inspection and unloading. As the truck unloads, a load checker will inspect the load for hazardous materials. An active load-checking program shall be utilized to minimize the acceptance of any unacceptable materials.

After the truck has unloaded, ZMPF employees will start to separate large pieces of metals and wood from the load. Wheel loaders will then push the remaining materials to a temporary stockpile before being conveyed to the C&D sorting conveyor system. An excavator removes larger items before loading the feed conveyor. This pre-sort operation removes larger pieces of wood, metal, concrete, and garbage.

The sorting conveyor system, which includes elevated access platforms and workstations and electrically operated disc-screens, is located above large concrete storage bunkers. The excavator is used to load the walking floor feeder which in turn feeds the incline conveyor of the sort-line.

The C&D Sorting System is designed to evenly distribute the material onto a sorting conveyor that passes a series of work stations where employees presort the larger items such as cardboard, wood, metal and film plastics before the material passes through a two stage disc screen to separate out small materials which is used on-site, or shipped to other landfills, for use as ADC.

After passing through the final stages of the disc screen, the remaining items then pass another series of work stations where employees separate and pick-out smaller recyclable items and drop them directly into the storage bunkers below or place the items in 96-gallon carts adjacent to the work stations. When the bunker is full, the sorted materials are then routed for additional on-site processing, or loaded and hauled to approved recyclers. The unsorted material that falls off the end of the sorting conveyor system is routed to a landfill for disposal.

ZRRROL: If materials are routed to the ZRRROL facility, employees will start to separate large pieces of metals, OCC, gypsum wallboard, concrete, rigid plastics and wood from the load. Wheel loaders will then push the remaining materials to a temporary stockpile before being loaded into a truck and weighed prior to disposal.

#### b. Acceptable Materials

The ZMPF and ZRRROL facilities shall accept mixed loads of Construction and Demolition Debris. Both facilities have exclusions for putrescible, hazardous and liquid wastes. Loads containing putrescible wastes or containing more than twenty-five percent (25%) of materials that are not recovered at these facilities (Such as pressure-treated lumber, construction insulation or Styrofoam) will be diverted to the Sunnyvale SMaRT Station for disposal.

As currently permitted and operated, the facilities are primarily used for the recycling of construction and demolition (C&D) debris. Accordingly, all waste materials received at the facilities typically go through extensive screening and sorting processes to recover recyclable materials (i.e., wood, plastic, paper, cardboard, gypsum, metal, concrete, etc.). The City may at no additional charge request Contractor add additional materials as markets become available and materials are processed at the ZMPF or ZRRROL.

If Council approves the new deconstruction and source separation ordinance, ZMPF and ZRRROL facilities shall accept source separated construction related recyclable material, in accordance with Attachment T.

As the Clean Up Day Program expands, additional bulky items may be processed through ZMPF. Contactor shall also transport boxes with miscellaneous materials from construction sites to be processed at ZMPF.

### c. Residue Rate Requirements

Contractor guarantees that the two processing facilities (ZMPF and ZRRROL) shall achieve combined facility diversion rates of seventy-five percent (75%) for the following types of Construction and Demolition Debris loads:

1. Source separated C&D loads average a ninety percent (90%) recovery with a reciprocal ten percent (10%) residue. Source separated loads are delivered to both facilities.

Source separated recyclables in this section is defined as a roll-off box or compactor which is dedicated to only one of the following materials: Wood waste, yard waste, metals (ferrous metals, copper, aluminum, brass) asphalt, sheetrock, cardboard, PETE-HDPE-glass-aluminum containers or cans, mixed paper or concrete. Source separated loads that contain in excess of ten percent (10%) of the non-source separated materials are processed as mixed loads.

2. Mixed C&D loads average a seventy percent (70%) recovery rate with a reciprocal thirty percent (30%) residue rate. Mixed loads are delivered to both facilities.

The monthly recovery rate for each facility will be calculated and posted as described in subsection 1.d above. Compliance with the minimum combined annual facility recovery rate of 75% (and the reciprocal maximum 25% residue rates) will be determined by the arithmetic average of the recovery rates at both facilities for the preceding 12-months period.

## 3. Marketing

### a. Marketing Plan

Contractor shall submit to City, with the Fiscal Year Report, a plan for marketing Construction Related Materials for the coming year. The marketing plan shall include the following: 1. Quantities: estimated quantities of each Recyclable Material; 2. Prices: estimated unit market values 3. Marketing: end markets and uses and 4. Quantities of materials marketed during the preceding year.

Contractor shall provide to the City a proposed marketing plan for each material type for the processing facilities. The City will be allowed to review and suggest recommended changes to that plan. Contractor shall maintain long term relationships with materials brokers, shall continually monitor market condition, shall have the ability to anticipate and react to severe market demand and fluctuations in quantity, composition and pricing. Contractor shall use both domestic and foreign markets to maintain continued material movement and to obtain the highest market value.

## b. Marketing Methods

Following are the commodities currently recovered at the ZMPF and ZRRROL from mixed C&D loads, with description of recovery methods and markets for the materials.

**Wood Waste:** Large pieces of wood are separated at the tipping area utilizing hand labor, loaders or an excavator. Smaller pieces of wood are removed from the sorting line by using hand labor. Zanker has instructed and educated its employees as to the type of wood that is not accepted which includes pressure treated lumber, CCA treated lumber, creosote treated wood and lead painted lumber. These materials are placed in a separate container and properly disposed of. Wood waste is ground and marketed as organic soil amendments, decorative wood chips and co-generation fuel.

**Yard Waste:** Relatively clean loads of yard trimmings are processed at the ZRRROL. Small amounts of yard trimmings found in loads from the City will be processed as wood waste. Z-Best Products will be the main vendor for this material.

**Ferrous Metals:** Ferrous metals, such as tin, shall be extracted from loads in the tipping area by laborers or removed from the sort-line. Large iron pieces will be removed and placed in a roll-off container or stockpiled until ample materials are available to warrant transportation. These materials will be recovered and transported off site to a metals recycler.

**Copper:** Copper tubing and wire will be removed using hand labor. Most copper will be removed on the sorting line where sorters will have a better opportunity to capture the materials. Copper will be placed in roll-off containers. Depending on pricing, the copper materials may be baled and shipped to market or sold loose to local recyclers.

**Asphalt:** In the case where large loads of asphalt enter the site, contaminants will be removed by hand or by using a loader or excavator. Loads will be cleaned in order to meet specifications. The cleaned materials will then be commingled with the clean concrete loads and processed into Class II Base Rock at the ZRRROL.

**Sheetrock:** Clean gypsum (non-painted or not removed from demolition projects) shall be received at the tipping area. Large pieces of sheetrock will be recycled using hand labor and the loader. Most sheetrock will be removed on the sorting line where sorters will have a better opportunity to capture the materials. Sheetrock will be placed in roll-off containers and shipped to the ZRRROL for further processing and marketing.

**Aluminum:** Aluminum will be removed at both the tipping area and from the sort-line. Scrap aluminum will be placed into a roll-off container for marketing to local recyclers or baled and marketed.

**Brass:** Brass fixtures will be recovered from the sort-line by sorters who will have a better opportunity to capture the materials than their ground sorting counterparts. Brass will be placed in roll-off containers. Depending on pricing, the brass materials may be baled and shipped to market or sold loose to local recyclers.

**Tires:** Passenger and truck tires found in incoming loads will be removed and stockpiled or stored in a separate roll-off container. When ample tires are available to warrant transportation, the tires are hauled to an end-user in Sacramento.

**Appliances/White Goods:** Appliances will be stored until ample supply is reached to warrant transportation to a recycler.

**Hazardous Waste:** Hazardous wastes that are dropped off at the tipping area and discovered by load checkers will be stored in an appropriate storage container near the tipping area for a maximum of 90 days or until an ample supply is reached to warrant disposal, whichever comes first. Hazardous wastes will be lab packed and disposed or recycled in accordance with state law. The facilities utilize the services of a certified hazardous waste disposal company for the proper disposal of hazardous wastes.

**ADC:** ADC is only produced from the screens on the C&D sorting system. Materials pass these screens and the 3-inch minus in size fall into a concrete bunker. Loads of ADC are shipped off-site to other landfills or used on site. Currently, most ADC is being shipped to the Vasco Road Landfill in Alameda County, although some materials are used at the ZMPF or the ZRRROL sites.

No fines are used as soil amendments or beneficial reuse because of the amount of organics and other materials like glass, gypsum etc. Soil from the demolition plants at both the ZMPF and ZRRROL are shipped to area landfills and used as cover, not as ADC, beneficial reuse or erosion control. Soil amendments are produced from grinding and screening wood waste and sold to area landscapers.

**Asphalt Roofing:** Mixed loads of asphalt roofing will enter the tipping area and be directed to a specific area for asphalt roofing. Once deposited in this area, sorters will remove wood, metals and other residuals. The remaining asphalt roofing may be shipped off-site for use as a buttress fill at the Pacheco Pass Landfill, ADC, or to a local asphalt plant for reuse in asphalt roofing.

**Porcelain:** Porcelain items such as toilets and sinks will be removed from the tipping area and placed in a stockpile with the asphalt and concrete to be processed at the ZRRROL.

**Cardboard:** Larger pieces of cardboard (OCC) will be extracted from loads in the tipping area while the remaining OCC will be removed by sorters utilizing the C&D sorting system. The OCC will be baled as necessary and then stockpiled until enough materials have accumulated for a complete load. OCC is sold both domestically and for export.

**Mixed Paper:** Mixed paper will be removed by personnel using the C&D sorting system and stored in bunkers until enough materials are generated for baling. The mixed paper will be baled, and sold both domestically and for export.

**PETE and HDPE Containers, Glass Bottles, Aluminum Cans:** PETE containers as well as HDPE containers, glass bottles and aluminum cans will be sorted at stations on the C&D sorting system. Sorters will be instructed to remove these items. Employees have small containers directly behind their individual sorting stations to allow for these commodities.

Once these containers are filled, employees will remove and empty each commodity into a specific container. Over time these containers will be filled, baled with the site's baler and marketed. Glass containers will not be baled; rather, they will be marketed as is to a local glass recycler.

**Concrete:** Concrete removal will start in the tipping area where large amounts will be found. Materials will be removed by hand into the loader bucket. The loader will bring the concrete to an adjacent area where the material will be stockpiled before being transported to ZRRROL and

processed into Class II Base Rock. Smaller pieces of concrete that are removed from the C&D sort-line will also be placed into a container and shipped to ZRRROL for further processing.

E-Waste: When E-Waste is found in the tipping area or on the sort line, employees will remove the materials to a special container specifically for E-Waste. Materials such as TVs, computer monitors, computers, cell phones and printers will be recycled with a certified state recycler and will not be exported to over-seas markets.

Stones & Bricks: Small amounts of stones and bricks are usually generated during renovation of landscape projects or small demolition projects. These items will be recovered using the sorting conveyor. Stones will be co-mingled with recycled concrete, whereas bricks will be placed into a separate container and co-mingled with roofing tiles. Materials will be processed at the ZRRROL into Class II Base Rock.

Carpet & Padding: Carpet and padding is very common in renovation and demolition projects. The padding may be sorted using the C&D sorting system. This material will be placed into an enclosed storage box to prevent rain and water spray from being absorbed into the padding, and are marketed to a foam recycler. There is no steady market currently for carpet padding and it may be landfilled if no market exists.

c. Stockpiling of Materials

Contractor shall provide storage of materials during extreme market fluctuations. Processed materials shall not be stockpiled for more than two years.

d. Certificate of End Use

Contractor shall submit to City on or before July 1 of each year a certification of end use from 5 major vendors annually establishing that the materials sold have been, in fact, reused or recycled.

**D. Pallet Recycling**

Pallets that are collected by Contractor will be delivered to a pallet recycler in the area or brought to ZMPF and stockpiled. Zanker will contact pallet recyclers and allow them to inspect all pallets stockpiled at ZMPF. If pallets can be marketed to these recyclers at this time they will be sold or given away. If the pallet recycler is unwilling to take pallets, then they will be processed at ZMPF. Pallets will be delivered to the wood waste area on the site to be ground and marketed as mulch, fuel and soil amendments. Pallets will be allowed to remain onsite for two weeks prior to being recycled.

**E. Bulky & Reusable Items**

Bulky and reusable items will be collected in accordance with the Community Clean Up Day Program, and will be initially delivered to the Santa Clara yard. Reuse vendors such as Goodwill, Salvation Army, and other approved vendors will be contacted and allowed to inspect all items. If these vendors are unwilling to accept any of the items they will be collected and processed at the appropriate ZMPF facility. No item will remain on site for longer than two weeks.

a. Marketing Plan

Contractor shall submit to City, with the Fiscal Year Report, a plan for partnering with local non-profit organizations to market reusable items for the coming year. The marketing plan shall



include the following: 1. Estimated quantities of reusable items; 2. Potential end markets and uses and 4. Quantities of reusable items marketed during the preceding year.

#### **F. Tours of all Facilities**

Upon seventy-two (72) hours notice from City, Contractor shall provide tours of the processing facilities. Such tours shall not unreasonably disrupt facilities operations. City shall not be charged for labor, overhead, overtime, or any other costs associated with such tours. As part of such tours, Contractor shall prepare (subject to City's approval of text and form) and shall distribute an educational brochure, printed on recycled paper, on conservation, recycling, and general solid waste management programs.

## Attachment F Containers Furnished by City & Customers

### I. Containers furnished by City

#### 1. Carts purchased prior to February 1, 2008:

##### Solid Waste (Black)

20 gallon inserts	805
32 gallon	4,320
64 gallon	1,410
96 gallon	310

##### Recycling (Blue)

32 gallon	728
64 gallon	15,110
96 gallon	4,700

##### Yard Trimmings

32 gallon	580
64 gallon	5,861
96 gallon	14,150

##### Spares (replacement surplus)

##### Solid Waste

20 gallon	320
32 gallon	20
64 gallon	40
96 gallon	90

##### Recycling

32 gallon	147
64 gallon	1,152
96 gallon	75
64-gallon used for Special Events	20
96-gallon used for Special Events	50

##### Yard Trimmings

32 gallon	95
64 gallon	229
96 gallon	850

#### 2. Solid Waste Public Receptacles:

Business Districts	211
Parks	78
Bus Stops	20
Special Events	70

#### 3. Others

Shared cardboard bins	20
Recycling bins	12

## II. Customer Owned Containers

Solid waste bins	55
Solid waste compactors ranging in 2 to 4 cubic yards in size	8
Solid waste compactors ranging in 12 to 40 cubic yards in size	79

### 2. 2018 update:

Snapshot of Monthly Serviced Containers:			
Total Cans Serviced			288
Total Carts Serviced:			64,841
Solid Waste		19,127	
Recyclables		21,479	
Compostables		1,196	
Compostables (RES only)		23,039	
Total Bins Serviced			2374
Solid Waste		871	
Recyclables		1001	
Compostables		502	

### 3. 2018 Cart Inventory:

	Recycling			Garbage				Compostables			
Size	32	64	96	20	32	64	96	20	32	64	96
Palo Alto Yard	0	0	0	0	0	0	1	1	0	0	1
Santa Clara Yard	75	195	170	130	275	190	100	300	50	45	8
TOTAL	75	207	170	130	275	190	101	301	50	45	9

## Attachment G

### Vehicle Specifications and Quantities

Contractor shall provide an adequate number of vehicles and equipment for the collection, disposal, transportation and processing services for which it is responsible under this agreement. Contractor shall have available sufficient back-up vehicles for each type of collection vehicle used (e.g., side loader, front loader, and roll-off vehicles) to respond to mechanical breakdowns, complaints, and emergencies. As of the Effective Date, all vehicles (Residential and Commercial collection vehicles and other vehicles such as roll-off trucks, support vehicles, and spare vehicles) shall be new with the exception of used vehicles listed in section C below. At no time during the Term of this Agreement shall any vehicle used to perform the services required under this Agreement exceed 8 years of age from the first date the vehicle was registered without the express written approval of the Director, with the exception of the used vehicles listed in section C below.

- A. Specifications. All equipment used by Contractor to perform work under this Agreement shall conform to the highest industry standards and shall be maintained in a clean and efficient condition. Collection trucks shall be uniformly painted in a color approved by City. The specifications for all vehicles shall be submitted to City for approval prior to their purchase, and City shall respond to such submittals in a timely manner. All motor vehicles used in implementing this Agreement shall comply with applicable provisions of the PAMC, and shall be operated in full compliance with the California Vehicle code and local ordinances. All certificates generated from California Highway patrol inspections of each vehicle shall be maintained and available for inspection by City during working hours throughout the term hereof. All vehicles used by Contractor for the collection and hauling shall be so constructed and maintained as to prevent leakage, spillage, or overflow. All vehicles shall be equipped with such safety devices and warning lights as shall be required by State law and the Director. Trucks shall not be loaded in excess of the manufacturer's recommendations. Contractor shall work with City to explore implementation of innovative technologies that would improve the Contractor's environmental impact on the community as it relates to Contractor's operation and equipment, including transitioning vehicles to electric alternatives.
  - a. All collection vehicles shall have cameras to monitor driving and loading activities including, at a minimum: (i) back-up cameras mounted at the rear and side of the vehicle; and, (ii) a hopper camera clearly displaying the contents of the hopper prior to compaction.
  - b. Contractor shall be required to operate an adequate number of collection vehicles that shall be capable of servicing hard-to-service areas.
  - c. All collection vehicles shall be capable of unloading materials in the Designated Transfer and Processing site buildings giving consideration for clearance heights.
  - d. Inventory. Contractor shall furnish the City a written inventory of all vehicles used in providing service, and shall update the inventory annually. The inventory shall list all vehicles by manufacturer, asset number, identification number, date of acquisition, type, and capacity.
- B. Vehicle identification. Contractor's name, local telephone number, and a unique vehicle identification number designated by Contractor for each vehicle shall be prominently displayed on all four (4) sides of the vehicles, in letters and numbers with a maximum five (5) digit sequence, that are no less than two and one-half (2.5) inches in height. Contractor shall not place any other information or logo on contractor vehicles, unless approved in writing by City. Vehicles shall be clearly labeled to indicate the materials Collected by that vehicle, specifically; "Solid Waste," "Recyclable," or "Compostable Materials," as directed by City.

- C. Cleaning and Maintenance. Contractor shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all times.
- a. Cleaning. Vehicles shall be thoroughly inspected, both inside and out, on a daily basis. Vehicles used in the Collection of Solid Waste, Recyclable Materials, and Compostable Materials shall be thoroughly washed, and thoroughly steam cleaned weekly so as to present a clean appearance. City may inspect vehicles at any time to determine compliance with this Agreement. Contractor shall also make vehicles available to the Santa Clara County health Department for inspection.
  - b. Repainting or Refurbishing. Contractor shall repaint or refurbish to the satisfaction of the City all vehicles used in the Collection of Solid Waste,, Recyclable and Compostable Materials within (30) Business Days notice from City, if City determines that their appearance warrants painting. The cost for City directed repainting shall be incurred by Contractor. All collection vehicles shall be repainted at least once every five years to maintain a good appearance.
  - c. Maintenance. Contractor shall inspect each vehicle daily to insure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and do operate properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage, and shall make such records available to the City upon request.
  - d. Repairs. Contractor shall repair, or arrange for the repair of, all its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition.
  - e. Storage. Contractor shall not store any vehicle or equipment on any public street or other property in City, except for Contractor's Facility. Any storage of equipment other than as expressly authorized by this subsection requires the prior express written authorization of the Director, and must occur at locations identified in the written authorization.

C. Quantities.

# GWPA Vehicle Inventory & Replacement Plan

10/15/18

EAR	MAKE	FUEL	TRUCK ID	ROUTE	VIN NUMBER	LIC. PLATE	Miles	Hours	Dept.	MODEL	Replacement	Purchase date	Delivery Date (Est.)
2009	ALF	DIESEL	PA202	C2	5SXHNZA839R000279	8V62645	106,925	13200	40	Side Loader	Fully-Auto / CNG or Electric	Jan-20	Apr-21
2009	ALF	DIESEL	PA203	C5	5SXHNZA899R000576	8V62648	101,200	12000	40	Side Loader	Fully-Auto / CNG or Electric	Jan-20	Apr-21
2009	ALF	DIESEL	PA204	C4	5SXHNZA809R000577	8V62650	102,140	13251	40	Side Loader	Fully-Auto / CNG or Electric	Jan-20	Apr-21
2009	ALF	DIESEL	PA205	C3	5SXHNZA829R000578	8V62655	106,000	12500	40	Side Loader	Fully-Auto / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA206	C1	5SXHNZA849R000579	8V62656	102,850	12800	40	Side Loader	Fully-Auto / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA207	SPARE	5SXHNZA809R000580	8V62646	98,200	11600	30	Side Loader	Fully-Auto / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA208	SPARE	5SXHNZA829R000581	8V62657	102,000	12220	40	Side Loader	Fully-Auto / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA210	389	5SXFNZCYX9R000395	8V62659	132,500	13500	40	Side Loader	Semi-Auto / Split-Body / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA211	SPARE	5SXFNZCY19R000396	8V62658	136,200	14200	30	Side Loader	Semi-Auto / Split-Body / CNG	Jan-19	Apr-20
2018	Peterbilt	CNG	PA212	360	3BPDK29X4JF160702	20497K2	14,455	710	30/40	Side Loader	Keep	n/a	n/a
2016	Peterbilt	CNG	PA220	R1	3BPZX20X0GF104737	81397X1	29,700	4200	40	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA221	R2	3BPZX20X9GF104736	81396X1	35,200	4225	40	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA222	R3	3BPZX20X0GF104740	81874X1	39,000	4600	40	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA223	R4	3BPZX20X1GF104732	83801W1	26,250	3900	40	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA224	M1	3BPZX20X7GF104735	81395X1	47,200	4025	30	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA225	M2	3BPZX20X4GF104739	81873X1	33,200	4700	30	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA226	M3	3BPZX20X5GF104734	83802W1	29,400	3900	30	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA227	M4	3BPZX20X3GF104733	81182X1	33,300	4500	30	Fully-Auto	Keep	n/a	n/a
2016	Peterbilt	CNG	PA228	SPARE	3BPZX20X2GF104738	81872X1	29,500	3550		Fully-Auto	Keep	n/a	n/a
2017	BYD	ELECTRIC	PA EV-1	Prototype	LA9TCXD82H1LC0007	09221J2	NA	NA	N/A	Fully-Auto	Keep	n/a	n/a
2009	FRHT	DIESEL/Hybrid	PA300	401	1FVACWDT4AHAK2466	8V07287	99,500	8500	30	Flat bed	Flat Bed / CNG or Electric	Jan-19	Jan-20
2009	FRHT	DIESEL/Hybrid	PA301	402	1FVACWDT2AHAK2465	8V07286	92,500	13000	20	Flat bed	Flat Bed / CNG or Electric	Jan-19	Jan-20
2009	FRHT	DIESEL/Hybrid	PA310	604	1FVACWDT99HAL7217	8V62664	56,803		20	Scat Truck	Keep	n/a	n/a
2009	GMC	DIESEL	PA311	SPARE	1GDJC34688E199482	8W89347	175,000	NA	50	Scat Truck	2 Scat Trucks / Diesel (adding 4th scat truck to fleet)	Jan-19	Jan-20

2009	GMC	DIESEL	PA320	260	1GDJC3468E198250	8V65048	87,000	NA	10	Scat Truck	Keep	n/a	n/a
2009	GMC	DIESEL	PA321	641	1GDJC34688E175280	8V11196	195,000	NA	10	Service Truck	Service Truck / Diesel	Jan-19	Jan-20
2018	Peterbilt	CNG	PA560	121	3BPDJ20X2JF160700	54462K2	6,925	625	50	Com. Front	Keep	n/a	n/a
2018	Peterbilt	CNG	PA561	322	3BPDJ20X4JF160701	54458K2	6,520	850	50	Com. Front	Keep	n/a	n/a
2005	MACK	CNG	PA565	Cleanups	1M2AC12C55M010186	7N82712	280,000	18000	30	Res. Front	Front or Rear Loader / CNG or Electric	Jan-19	Apr-20
2009	ALF	DIESEL	PA550	320	5SXHNZA879R000270	8V62654	168,500	16200	50	Com. Front	Currently being replaced	n/a	n/a
2019	Peterbilt	CNG	PA563	120	3BPDJ20X6KF102977	47675M2			50	Com. Front	Keep	n/a	n/a
2009	ALF	DIESEL	PA552	321	5SXHNZA809R000272	8V62663	215,000	18000	50	Com. Front	Com. Front / CNG	Jan-19	Apr-20
NEW	Peterbilt	CNG		DIRTY - 323						Com. Front	Com. Front / CNG	Jan-19	Apr-20
2019	Peterbilt	CNG	PA562	123	3BPDJ20X4KF102976	47674M2			50	Com. Front	Keep	n/a	n/a
2009	ALF	DIESEL	PA554	SPARE	5SXHNZA849R000274	8V62662	206,200	17500	50	Com. Front	Com. Front / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA555	122	5SXHNZA869R000275	8V62652	208,000	18500	50	Com. Front	Com. Front / CNG	Jan-19	Apr-20
2009	ALF	DIESEL	PA556	SPARE	5SXHNZA889R000276	8V62661	172,000	17900	50	Com. Front	Com. Front / CNG	n/a	n/a
2009	ALF	DIESEL	PA557	SPARE	5SXHANA878RZ30091	8V62660	166,600	18200	50	Com. Front	Com. Front / CNG	n/a	n/a
1998	CCC	DIESEL	PA559	603	1CYCCK484WT043407	8X33021	141,000	19950	20	Wash route	Com. Front / CNG	Jan-19	Apr-20
2019	Peterbilt	CNG	PA904	533	2NP3L20X1JM498915	46188M2			60	Roll Off	Keep	n/a	n/a
2009	FRHT	DIESEL	PA901	531	1FVHCYBS69DAK2461	53536P1	368,500	17500	60	Roll Off	Roll Off / CNG	Jan-19	Apr-20
2009	FRHT	DIESEL	PA902	534	1FVHCYBS19DAK2464	8V62614	356,000	18500	60	Roll Off	Roll Off / CNG	Jan-19	Apr-20
2009	FRHT	DIESEL	PA903	SPARE	1FVHCYBSX9DAK2463	88371R1	375,000	19200	60	Roll Off	Roll Off / CNG	Jan-19	Apr-20
2018	Peterbilt	CNG	PA920	530	2NP3L20X5JM479638	54035K2	14,500	800	60	Roll Off	Keep	n/a	n/a
2018	Peterbilt	CNG	PA921	532	2NP3L20X7JM479639	54036K2	15,200	770	60	Roll Off	Keep	n/a	n/a
2003	FRHT	DIESEL	PA922	SPARE	1FVHBGCV13HL96110	7F51616	325,000	18900	60	Roll Off	Roll Off / CNG	Jan-19	Apr-20
2009	GMC	GAS	E. Zachary	SPARE	3GTFC13509G226823	8V11193	220,000	NA	80	Pick-up	Small Pick-up / Efficient or Electric	Jan-19	Mar-19
2009	GMC	GAS	J. Lopez	640	3GTFC13589G224706	8V11191	254,000	NA	90	Pick-up	Pick-up / Efficient	Jan-19	Mar-19
2015	FORD	GAS	Ramirez	340	1FTEW1CP4FKD68908	76662X1	265,000	NA	90	Pick-up	Pick-up / Efficient	Jul-20	Sep-20
2015	GMC	GAS	Siebethall	745	3GTP1UEC4FG465939	91382X1	125,000	NA	90	Pick-up	Pick-up / Efficient	Jul-20	Sep-20
2009	GMC	GAS	J. Coria	641	3GTFC13529G225284	8V11194	275,000	NA	90	Pick-up	Pick-up / Efficient		n/a
2015	GMC	GAS	Guillen	440	3GTP1UEC5FG275163	91381X1	280,000	NA	90	Pick-up	Pick-up / Efficient	Jul-20	Sep-20
2015	FORD	GAS	Conte	140	1FTEW1CP1FKE65807	76663X1	225,000	NA	90	Pick-up	Pick-up / Efficient	Jul-20	Sep-20
2015	GMC	GAS	S. Scholz	746	3GTP1VECXFG386054	91383X1	235,000	NA	90	Pick-up	Pick-up / Efficient	Jul-20	Sep-20
2015	TOYOTA	GAS	L. Streiff		JTDZN3EU5FJ026702	7LZU453	195,000	NA	100	Sedan	Sedan / Efficient or Electric	Jul-20	Sep-20
2009	TOYOTA	GAS	B. Hart		JTDKB20U097843380	6HFE256	205,000	NA	100	Sedan	Sedan / Efficient or	Jul-20	Sep-20

											Electric		
2009	TOYOTA	GAS	<b>A. Sheldon</b>		JTDKB20U293498196	6HFE255	225,000	NA	100	Sedan	Sedan / Efficient or Electric	Jan-19	Mar-19
2013	FORD	GAS	<b>E. Torres</b>		3FA6P0LU2DR304074	6ZUK892	110,000	NA	100	Sedan	Sedan / Efficient or Electric	Jul-20	Sep-20
2009	TCM FG30T3L	PROPANE			A2H901157	N/A		2320	80	Forklift	Forklift / Diesel or Electric	Jan-19	Mar-19
2009	TCM M#FG30T3L	PROPANE			A2H901329	N/A		1954	70	Forklift	Keep	n/a	n/a
2009	CAT	DIESEL			MJH1413	N/A		5798	70	Skip Loader	Keep	n/a	n/a



## Attachment H Containers Furnished by Contractor

Unless approved by the Director, Contractor shall maintain the following minimum quantities:

1. Wheeled Carts Minimum Reserve Inventory:

Solid Waste

20 gallon	150
32 gallon	240
64 gallon	240
96 gallon	140

Recycling

32 gallon	50
64 gallon	150
96 gallon	100

Compostables

20 gallon	40
32 gallon	40
64 gallon	100
96 gallon	180

2. Bins: Contractor shall maintain the following minimum quantities in the following sizes:

1 CY	326
1.5 CY	107
2 CY	627
3 CY	521
4 CY	482
5 CY	12
6 CY	74
8 CY	5

3. Drop Boxes: Contractor shall maintain the following minimum quantities, in the following sizes:

7 Cubic Yard	5
15 Cubic Yard	49
18 Cubic Yard	1
20 Cubic Yard	46
25 Cubic Yard	1
30 Cubic Yard Low	53
30 Cubic Yard Tall	39
40 Cubic Yard	12

4. Recycling Buddies: Contractor shall purchase and distribute the following minimum quantities of “recycling buddies” (interior recycling containers) to be provided to Multi-Family customers and commercial customers:

Initial Recycling buddies	10,000
On-going, annual recycling buddies	1,000

5. Additional Containers: Contractor shall purchase all new Containers that need to be replaced during the Term of the agreement. Contractor shall also purchase additional new Containers needed to meet all Customer requests and Containers required for new programs, such as Compostables collection and the expanded commercial recycling.

6. Food Scraps Buckets:

The remaining food scraps buckets that are not distributed at the beginning of the 2015 new residential food scraps composting collection will be stored by Contractor. City will purchase buckets and deliver to Contractor for distribution. Contractor shall maintain an inventory and deliver the food buckets to new residents upon request.

## ATTACHMENT I

### MINIMUM COMPLEMENT OF PERSONNEL

<b>Route Personnel (including casual/permanent pool)</b>		<b>FTE</b>
Residential Solid Waste and Recyclables (fully automated)		8.5
Residential Compost		5.5
Commercial Solid Waste and Compost		5
Commercial Recyclable Materials		4
Roll-off Box Solid Waste		1
Roll-off Box Recycling		1
Roll-off Box Construction Related Materials		3
Annual Clean Up/Bulky Item/Container Distribution		3.5
Casual Pool		6.5
	<b>Subtotal</b>	<b>38</b>
<b>Other Personnel</b>		<b>FTE</b>
General Manager		1
Operations Manager		1
Operations/Route Supervisor		3
Environmental Outreach Manager		1
Environmental Outreach Coordinator		3.25
Customer Service Supervisor		1
Customer Service Representatives		3
Maintenance Supervisor		1
Yard Personnel		1
Maintenance Personnel		2
	<b>Subtotal</b>	<b>17.25</b>
<b>Total*</b>		<b>55.25</b>

\* The following positions will be added, pending City approval of new deconstruction and source separation ordinance:

One driver, .5 FTE (50%) Env. Outreach Coordinator and .5 FTE (50%) administrative position

## Attachment J-1 Minimum Wage Scale

### GREENWASTE BENEFITS ROSTER

Year of July 1<sup>st</sup>, 2018 – June 30<sup>th</sup>, 2019

<b><u>DAILY PAY</u></b>		<b><u>PER HOUR</u></b>	<b><u>PER DAY</u></b>
Drop Box Driver		\$41.25	\$330.00
IFL Commercial & Recycling Driver		\$41.25	\$330.00
Residential & Recycling Driver		\$41.25	\$330.00
Residential Helper		\$38.00	\$304.00
Customer Service (Range \$20.00 to \$29.10)	\$20.00 to \$29.10	\$160.00– 232.80	
Mechanics (Range \$28.72 - \$35.68)	\$28.72 - \$35.68	\$229.76 – 285.44	
Route Supervisors		\$48.69	\$389.52

### **VACATION PAY**

1 week of time & pay after 1 year.

2 weeks of time & pay after 2 years.

3 weeks of pay after 6 years, 4 after 11, 5 after 16, 6 after 21.

Two weeks time off guaranteed; see Policy Manual for vacation time off rules.

### **HOLIDAY PAY**

A total of 12 holidays are paid annually. The Holidays are:

New Years Day	Good Friday	Cesar Chavez
M. Luther King's B-Day	Memorial Day	Veteran's Day
President's B-Day	July 4 <sup>th</sup>	Thanksgiving Day
Columbus Day	Labor Day	Christmas

Employees working the holiday or its day of makeup are paid for the holiday and the day's work at time & a half (totaling 2.5) times a regular day's pay. Employees not working the holiday are paid for the holiday only. Employees that miss work on the holiday or its day of makeup or the day before or after the holiday will not receive pay (unless evidence of a proven emergency is furnished).

### **SICK PAY**

Personnel with 12 months service on December 31<sup>st</sup> unable to work due to sickness will be paid the yearly maximum number of days that equal 2 weeks of the employee's regular work week. Unused sick time is paid to qualified employees using Dec. 31<sup>st</sup> as the year-end.

### **MISCELLANEOUS BENEFIT ADJUSTMENT**

2019 Preferred Vacation sign-ups are for the 1<sup>st</sup> 2-weeks of December 2018 and the last 2-weeks in December 2018.

### **HEALTH AND WELFARE BENEFITS**

Historically, GreenWaste has paid employees' health and welfare benefits. This is reviewed annually. Employees have the option of selecting various healthcare coverage, including HMO or PPO, dental, and vision.

**ATTACHMENT J-2**

**BENEFIT MONETIZATION PROCEDURE WORKSHEET**

<b>Classification:</b>	<b>Hourly rate</b>		
Drivers			
Hourly wage straight-time:			41.25
Hourly wage overtime, holiday pay			61.87
<b>Monthly Contributions:</b>	<b>Monthly rate</b>	<b>Divided by hours</b>	
Medical and hospital care, prescription drugs, dental care, vision care, diagnostic services, and other health and welfare programs	1623.84	173.33	9.37
Life, accidental death and dismemberment, and disability or sickness and accident insurance	6.74	173.33	0.04
Supplemental unemployment benefits		173.33	0.00
Thrift, security savings, supplemental trust, and beneficial trust funds	431.68	173.33	2.49
Other employer payment for benefits for employees, their families and dependents, and retirees as included as "per diem" in CCR Title 8, Article 1 Section 16000 Definitions		173.33	0.00
<b>Annual Contributions</b>	<b>Annual rate (hrs.)</b>		
Vacations and holidays with pay (or cash payments in lieu thereof)	256	2080	4.59
Sick days with pay (or cash payments in lieu thereof)	80	2080	1.44
Other employer payment for benefits for employees, their families and dependents, and retirees as included as "per diem" in CCR Title 8, Article 1 Section 16000 Definitions		2080	0.00
<b>Total hourly</b>			<b>59.18</b>

**NOTE: Example Calculation**

## ATTACHMENT K-1

### REQUIRED REPORTS

Contractor shall report accurate, reliable and verifiable data. Reporting requirements set out in this Attachment shall not be considered limiting or necessarily complete. This Attachment is intended to only highlight the general nature of reports and their minimum content. At the written direction of City, the reports to be provided by Contractor may be reasonably adjusted in number, format, content and/or frequency.

#### A. Monthly Report

Contractor is required to provide a monthly report electronically (through email), due by the last business day of the month following the end of the reporting period. The following information shall be reported in the following format: reporting month, prior month and year to date totals:

- 1) Service Containers by Customer type
  - a) Number of Carts serviced  
Separated by number of: Mini-Can/Cart, 1-32-gallon Can/Cart, 2-32-gallon Cans/Carts and 1-64-gallon cart, 3-32-gallon Cans/Carts and 1-96-gallon cart, 4-Can/Cart, 4+ Cans/Cart, total premises
    - 1) Solid Waste
    - 2) Recyclable Materials
    - 3) Compostable Materials
  - b) Number of Bins serviced
    - 1) Solid Waste
    - 2) Recyclable
    - 3) Cardboard
    - 4) Compostables
    - 5) Yard trimmings only
  - c) Number of carts exchanged by sizes
  - d) Number of carts available (inventory)
    - 1) 20-gallon cart
    - 2) 32-gallon cart
    - 3) 64-gallon cart
    - 4) 96 gallon cart
- 2) Compensation for Extra Service
  - a) Number of back/side yard from single family premises serviced (Shall be verified with City system)
  - b) Number of drop boxes or compactors serviced (Driver tags to support numbers shall be submitted to City upon request)
    - 1) Solid waste
    - 2) Yard trimmings
    - 3) Construction related materials
    - 4) Source separated debris

- c) Contaminated recyclable materials
  - d) Compost giveaway
  - e) Residential and commercial Compostable Materials collected
  - f) Deconstruction and source separated materials by size, upon approval by City
- 3) Monthly Accomplishments by Customer type and Collection Route
- a) Solid Waste collected at the curb (tonnage)
  - b) Recyclables collected at the curb
    - 1) Recyclable Materials (tonnage)
    - 2) Compostable Materials (tonnage)
    - 3) Motor oil (estimated gallons)
    - 4) Oil filters (estimated number)
    - 5) Household batteries (estimated tonnage)
    - 6) Scrap metal (estimated tonnage)
    - 8) Bulky items (number of requests for pickup)
- 4) Construction Related Materials requested roll-off boxes (tonnage)
- 1) Mixed materials
  - 2) Single source separated materials
  - 3) Miscellaneous materials from construction sites diverted to ZMPF
- 5) Customer Service Performance
- a) Number of calls
  - b) Number of missed calls
  - c) Average hold time
  - d) Number of email messages and those that were not resolved within 24 hours.
  - e) Number of compliments
  - f) Number of complaints, with date, nature of complaint and resolution
  - g) Number of reported missed collections
- 6) Public Education & Outreach Performance Indicators
- a) Outreach materials produced (type, quantity, etc)
  - b) Number of new customers issued outreach materials
  - c) Number of presentations conducted and estimated number of attendees at each presentation and/or training
  - d) Number of waste audits conducted by Customer type
  - e) Report on progress, challenges and successes
  - f) Number of on-site workshops, school assemblies, civic and business group meetings, and estimated number of attendees
  - g) Number of tours provided
  - h) Number of hits on the web site and social media web analytics, including notable posts and/or interactions, as applicable
  - i) Number of building plans reviewed

- j) Other reports as needed by the City to quantify Contractor outreach staff's performance with service changes
  - k) Outreach provided to customers related to the City's Composting and Recycling ordinance requirements, customer audit findings and service changes created as a result of the ordinance.
- 7) Special Services
- a) Community Clean Up Day Program
    - i. Residential participants
      - 1. Weight (preferably) or quantity of collected bulky items and estimated weight
      - 2. Weight (preferably) or quantity of collected reusable items and estimated weight
      - 3. Weight (preferably) or quantity of collected textiles and estimated weight
      - 4. Weight (preferably) or quantity of collected construction related materials and estimated weight
      - 5. HHW collected and quantities/weight
      - 6. Weight of reusable items from Contractor's Santa Clara yard not rescued for reuse and sent to ZMPF.
    - ii. Number of MFD participants
      - 1. Names of locations participating
      - 2. Number and weights of service provided
      - 3. Number participating in the textile donations and quantity/weight collected
      - 4. Number and names of MFDs with 10 units or less receiving same service as SFDs
    - iii. Number of commercial accounts participants
    - iv. Processing and donations summary.
  - b) Number of Physical limitations premises serviced
  - c) List of special events provided with waste stations, services provided at each event, estimated volume collected, and copy of waste sorting evaluation tag issued.
- 8) Audits
- a) Number of performance audits
  - b) Number of waste audits for Green Business Certifications
  - c) Number of route audits
- 9) Processing Facilities
- a) Recyclable Materials processing
    - 1) Tons received from the City at the GreenWaste MRF per Attachment E: A. 1, d.
    - 2) Tons marketed from the GreenWaste MRF for each material type
    - 3) Tons disposed from the GreenWaste MRF
    - 4) Tons used as ADC by the facility



- b) Compostable Material processing
    - 1) Tons received from the City by Customer type per Attachment E: B, 1, d.
    - 2) Tons marketed by Compost Facility for each material type
    - 3) Tons disposed by Compost Facility
    - 4) Tons used as ADC by the facility
  - c) Construction Related Materials processing
    - 1) Tons received at the Facilities per Attachment E: C, 1,d.
    - 2) Tons marketed from both Facilities for each material type
    - 3) Tons disposed by each Facility
    - 4) Tons used as ADC by the Facility
    - 5) Tons collected to meet the deconstruction and source separation ordinance requirements and consolidated at the former Los Altos Treatment Plant
  - d) Year to date tonnage delivered at each site
- 10) SMaRT Station, or other garbage processing facility
- a) Submittal of all drivers tags, upon request by City
  - b) Total tons delivered (sorted by day, vehicle number, and customer type)
  - c) Number of vehicles that exceeded a 15 minute turn-around time
  - d) Year to date tonnage delivered
- 11) Miscellaneous
- a) Liquidated damages broken down by each event listed in Attachment “O” and number of infractions.
  - b) Number of vehicle accidents and actions taken
  - c) Number of non-collection tags issued by type
  - d) Number of route changes
  - e) Personnel changes/promotions for Palo Alto
    - 1) Names
    - 2) Titles
    - 3) Date of action
  - f) Notices of violations received from regulatory/law enforcement agencies
  - g) Information on customers that discontinued or opted out of recycling and/or organic services.
  - h) Accomplishments, challenges, and planned solutions during the month.
  - i) Number of drop boxes found from other private companies and issued a violation notice
  - j) Data on Customers not meeting the Recycling and Composting ordinance - Number and types of tags issued
  - k) Revenues received by GreenWaste for services each month
  - l) Vehicle tare weights of each collection vehicle as required in Attachment E
- 12) Commercial Billing Related Reports
- a) Quantity of each Service Level, including number of accounts and number of pulls (with the difference between each month)
  - b) Ad Hoc or special services, including number of accounts and number of pulls (with the difference between each month)

- c) Revenue Collections Statement consisting of the “Cash Receipts Journal” from Contractor’s records providing a listing in date order of each payment recorded (including cash, credit card and electronic payments received and all payments reported by the lockbox), customer account number, customer service address and amount received during the prior month. This report shall be submitted to the City on or before the twentieth (20th) day of each month once the Contractor has begun issuing invoices. Report should also indicate the revenue difference between each month.
- d) Accounts Receivable Aging report consisting of a printout from Contractor's records providing a listing by account of the amounts billed and payment received during the prior month. This report shall be submitted to the City on or before the fifth (5th) day of the month once the Contractor has begun issuing invoices.
- e) Delinquent Accounts List which provides, in customer account order, the customer name, service address, account number and amount delinquent (i.e., not paid within thirty (30) days) during the prior month. This report shall be submitted to the City on or before the fifth (5th) day of each month once the Contractor has begun issuing invoices.
- f) Quarterly summary with graphs quantifying changes in service and revenue received.

### C. Annual Report

#### 1) Calendar Year.

Calendar year annual reports are due by the last business day of the month (January) following the close of the calendar year. The report includes, at a minimum the following:

- a) Planned schedule to steam clean all public receptacles for the upcoming year and date when they were last cleaned.
- b) Total GWPA Recycling revenues received for year completed (through June 30, 2021)
- c) Listing of grants and state revenues (e.g. CRV) received the prior year and planned to apply for in the upcoming year.
- d) Updated organizational chart for GWR of Palo Alto including number of employees
- e) Complete GWR of Palo Alto employee roster that includes
  - a. Name
  - b. Job title
  - c. Date of hire
  - d. Driver’s license number
- f) Annual wages and benefits by job classification for GWR of Palo Alto employees.
- g) Inventory of all equipment including collection vehicles and containers
- h) Employee training plan for the upcoming year
- i) Innovative plans (example: reduce green house gases, reduce noise levels)

- j) Data on Customers not meeting AB 341, AB 1826, and/or SB1383 requirements

2) Fiscal Year (July 1 to June 30).

Fiscal year reports are due within fifteen (15) business days from the end of June 30. The report includes, at a minimum the following:

- a) Renewal insurance certificates.
- b) Results from Program Evaluation audits by sector. Participation levels by user types (Single Family, Multi Family, Commercial) for Recyclable Materials, Organics, and Clean Up Day
- c) Annual facility reports for recyclable and compostable materials residue rate compliance as required in Attachment E. Report from each facility processing recyclable and compostable material tonnage received at each of the city, processed, marketed (by material type) and sent to the landfill.
- d) Certificate of End Use as described in Attachment E: A, 3, d (Recycling); B, 3, d (Compostables) & C, 3, d (C&D)
- e) Processing Facilities Marketing Plans as described in Attachment E
- f) Public education plan per Attachment C
- g) List of outreach expenses from previous fiscal year and planned outreach expenses for upcoming fiscal year
- h) Quarterly audits of Clean Up Day collection set outs and participation
- i) Recyclable Materials costs and calculated profit, per Attachment U
- j) Environmental and social impacts of processing recyclable materials, per Attachment K-3

## **ATTACHMENT K-2**

### **DATA MANAGEMENT REQUIREMENTS**

1. Contractor shall provide a data management platform capable of interfacing with the City's Information Technology requirements for data coding, management, storage, extraction, reporting, and customer billing for multiple business data entities such as customers, products, services and organizations, and across multiple business functions such as sales, marketing, customer support, and compliance. This platform shall have the capability to be extended to accommodate unforeseen future data integration requirements of the City. City will compensate Contractor for updates needed for the platform as approved by City, including future integrations based on new City platform.
2. Contractor's data management platform shall be capable of modeling complex business-to-business (B2B) and business-to-consumer (B2C) hierarchies (multiple products and services for each customer), along with the definitions of those entities within the same platform.
3. Contractor shall maintain accurate and complete data. This shall include ongoing synchronization and data cleansing for customer name corrections, account numbers, contact information, customer address standardization, product and service identifications, pricing, service provided and other customer attributes.
4. Contractor's system shall be able to create and transmit a data extract file, consistent with the City's requirements (including billing cycle, adjustments for discounts and rebates, and itemized services and costs), for use by the City in generating a monthly bill for single family. At the City's discretion, Contractor's system may generate monthly bill for multi-family, government, and commercial customers. Contractor shall work with the City to develop a two-way data synchronization interface. Contractor will be prepared for and capable of operating a fully functional and tested integration system, including direct Commercial customer billing as needed by City. Contractor relies on the City to do the same in order to meet this deadline.
5. In addition to the Contractor's own system, Contractor will be provided direct secure access to the City billing system or a replacement system via a dedicated Utilities bill user profile for the express use of the refuse-only portion of the bill. Contractor is not to discuss or use any other Customer billing information, even with the Customer. Contractor will have the ability to designate individuals employed by Contractor to make refuse-related changes directly in the City billing system when necessary. Direct access and knowledge of the City billing system will be required when a Customer is to be credited for an erroneous charge or for a refund resulting from Contractor or City error. Contractor expects manual credits through the secure access to the City billing system will be significant during the transition, but will taper off to less than a daily occurrence thereafter; as such, the cost associated with automatic synchronization between the Contractor's system and the City system are not justified at this time..

Contractor shall use the customer information only in furtherance of performance of this Agreement and in accordance with City's Information Privacy Policy attached hereto, as may be amended by City from time to time.

Customer Data Tracking Requirements that are targeted for automatic two-way synchronization include (i.e. this data will be kept on both the City and Contractor systems):

- Customer profile: (standard information – billing address, email address, service address, collection route, contact telephone numbers & complete names, account numbers, account history)
- Specific customer services describing customer types such as single family, multi-family, commercial, roll-off [temporary, permanent], and material types (solid waste, back-yard service, one-time charges, recycling, Compostable Materials, C&D, etc.)
- Container information:
  - Number of containers at each location
  - Type of containers
  - Size of containers
  - Frequency of container collection
- Itemized City-approved customer billing rates applicable to each service provided
- Miscellaneous service requests that are associated with City-approved customer billing rates
- Info about shared services (e.g., billed to “X address”, but service actually located at “Y address” and shares with “addresses A & B”)
- Distinction between utility and non-utility account customers.
- Utility account status (active, on hold, or shut-off due to non-payment on account).

Customer Data Tracking Requirements that are not targeted for automatic synchronization include (this data will be kept only on the Contractor's system):

- Collection day and route for each commodity
- Container information:
  - Date of container delivery

- Service history, including collection, non-collection and contamination, on-call service history, history of changes to service
  - Serial number (bins, carts, boxes) by service location - especially in the public right-of-way and shared areas
  - Container inventory
- Vehicle and route number providing specific collection
- Non-utility customers (including customer profile, as described above, service provided or scheduled (material type, container size, delivery and collection data, applicable City rate, etc.)
- Revenues received for services provided to non-utility customers
- List of outstanding debt for non-utility customers that may be billed directly by Contractor
- Work orders (to be queried multiple ways): such as missed collections; late collections; new services (e.g. extra container delivery or pickup); backyard service, hard to serve locations, on-call services for non-utility customers, mandatory participation tags, etc.
- Credit card charges for Contractor-billed services such as on-call debris box services
- Service tags unrelated to chargeable items - type of tag, date received, how issue was resolved and date of resolution



## INFORMATION PRIVACY POLICY

### POLICY STATEMENT

The City of Palo Alto (the “City”) strives to promote and sustain a superior quality of life for persons in Palo Alto. In promoting the quality of life of these persons, it is the policy of the City, consistent with the provisions of the California Public Records Act, California Government Code §§ 6250 – 6270, to take appropriate measures to safeguard the security and privacy of the personal (including, without limitation, financial) information of persons, collected in the ordinary course and scope of conducting the City’s business as a local government agency. These measures are generally observed by federal, state and local authorities and reflected in federal and California laws, the City’s rules and regulations, and industry best practices, including, without limitation, the provisions of California Civil Code §§ 1798.3(a), 1798.24, 1798.79.8(b), 1798.80(e), 1798.81.5, 1798.82(e), 1798.83(e)(7), and 1798.92(c). Though some of these provisions do not apply to local government agencies like the City, the City will conduct business in a manner which promotes the privacy of personal information, as reflected in federal and California laws. The objective of this Policy is to describe the City’s data security goals and objectives, to ensure the ongoing protection of the Personal Information, Personally Identifiable Information, Protected Critical Infrastructure Information and Personally Identifying Information of persons doing business with the City and receiving services from the City or a third party under contract to the City to provide services. The terms “Personal Information,” “Protected Critical Infrastructure Information”, “Personally Identifiable Information” and “Personally Identifying Information” (collectively, the “Information”) are defined in the California Civil Code sections, referred to above, and are incorporated in this Policy by reference.

### PURPOSE

The City, acting in its governmental and proprietary capacities, collects the Information pertaining to persons who do business with or receive services from the City. The Information is collected by a variety of means, including, without limitation, from persons applying to receive services provided by the City, persons accessing the City’s website, and persons who access other information portals maintained by the City’s staff and/or authorized third-party contractors. The City is committed to protecting the privacy and security of the Information collected by the City. The City acknowledges federal and California laws, policies, rules, regulations and procedures, and industry best practices are dedicated to ensuring the Information is collected, stored and utilized in compliance with applicable laws.

## **POLICY AND PROCEDURES 1-64/IT**

Revised: December 2017

The goals and objectives of the Policy are: (a) a safe, productive, and inoffensive work environment for all users having access to the City's applications and databases; (b) the appropriate maintenance and security of database information assets owned by, or entrusted to, the City; (c) the controlled access and security of the Information provided to the City's staff and third party contractors; and (d) faithful compliance with legal and regulatory requirements.

### **SCOPE**

The Policy will guide the City's staff and, indirectly, third party contractors, which are by contract required to protect the confidentiality and privacy of the Information of the persons whose personal information data are intended to be covered by the Policy and which will be advised by City staff to conform their performances to the Policy should they enjoy conditional access to that information.

### **CONSEQUENCES**

The City's employees shall comply with the Policy in the execution of their official duties to the extent their work implicates access to the Information referred to in this Policy. A failure to comply may result in employment and/or legal consequences.

### **EXCEPTIONS**

In the event that a City employee cannot fully comply with one or more element(s) described in this Policy, the employee may request an exception by submitting Security Exception Request. The exception request will be reviewed and administered by the City's Information Security Manager (the "ISM"). The employee, with the approval of his or her supervisor, will provide any additional information as may be requested by the ISM. The ISM will conduct a risk assessment of the requested exception in accordance with guidelines approved by the City's Chief Information Officer ("CIO") and approved as to form by the City Attorney. The Policy's guidelines will include at a minimum: purpose, source, collection, storage, access, retention, usage, and protection of the Information identified in the request. The ISM will consult with the CIO to approve or deny the exception request. After due consideration is given to the request, the exception request disposition will be communicated, in writing, to the City employee and his or her supervisor. The approval of any request may be subject to countermeasures established by the CIO, acting by the ISM.

### **MUNICIPAL ORDINANCE**

This Policy will supersede any City policy, rule, regulation or procedure regarding information privacy.

### **RESPONSIBILITIES OF CITY STAFF**



## **POLICY AND PROCEDURES 1-64/IT**

Revised: December 2017

### **A. RESPONSIBILITY OF CIO AND ISM**

The CIO, acting by the ISM, will establish an information security management framework to initiate and coordinate the implementation of information security measures by the City's government.

The City's employees, in particular, software application users and database users, and, indirectly, third party contractors under contract to the City to provide services, shall be guided by this Policy in the performance of their job responsibilities.

The ISM will be responsible for: (a) developing and updating the Policy, (b) enforcing compliance with and the effectiveness of the Policy; (c) the development of privacy standards that will manifest the Policy in detailed, auditable technical requirements, which will be designed and maintained by the persons responsible for the City's IT environments; (d) assisting the City's staff in evaluating security and privacy incidents that arise in regard to potential violations of the Policy; (e) reviewing and approving department-specific policies and procedures which fall under the purview of this Policy; and (f) reviewing Non-Disclosure Agreements (NDAs) signed by third party contractors, which will provide services, including, without limitation, local or 'cloud-based' software services to the City.

### **B. RESPONSIBILITY OF INFORMATION SECURITY STEERING COMMITTEE**

The Information Security Steering Committee (the "ISSC"), which is comprised of the City's employees, drawn from the various City departments, will provide the primary direction, prioritization and approval for all information security efforts, including key information security and privacy risks, programs, initiatives and activities. The ISSC will provide input to the information security and privacy strategic planning processes to ensure that information security risks are adequately considered, assessed and addressed at the appropriate City department level.

### **C. RESPONSIBILITY OF USERS**

All authorized users of the Information will be responsible for complying with information privacy processes and technologies within the scope of responsibility of each user.

### **D. RESPONSIBILITY OF INFORMATION TECHNOLOGY (IT) MANAGERS**

The City's IT Managers, who are responsible for internal, external, direct and indirect connections to the City's networks, will be responsible for configuring, maintaining and securing the City's IT networks in compliance with the City's information security and privacy policies. They are also responsible for timely internal reporting of events that may have compromised network, system or data security.

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**E. RESPONSIBILITY OF AUTHORIZATION COORDINATION**

The ISM will ensure that the City's employees secure the execution of Non-Disclosure Agreements (NDA), whenever access to the Information will be granted to third party contractors, in conjunction with the Software as a Service (SaaS) Security and Privacy Terms and Conditions. An NDA must be executed prior to the sharing of the Information of persons covered by this Policy with third party contractors. The City's approach to managing information security and its implementation (i.e. objectives, policies, processes, and procedures for information security) will be reviewed independently by the ISM at planned intervals, or whenever significant changes to security implementation have occurred.

The CIO, acting by the ISM, will review and recommend changes to the Policy annually, or as appropriate, commencing from the date of its adoption.

**GENERAL PROCEDURE FOR INFORMATION PRIVACY****A. OVERVIEW**

The Policy applies to activities that involve the use of the City's information assets, namely, the Information of persons doing business with the City or receiving services from the City, which are owned by, or entrusted to, the City and will be made available to the City's employees and third party contractors under contract to the City to provide Software as a Service consulting services. These activities include, without limitation, accessing the Internet, using e-mail, accessing the City's intranet or other networks, systems, or devices.

The term "information assets" also includes the personal information of the City's employees and any other related organizations while those assets are under the City's control. Security measures will be designed, implemented, and maintained to ensure that only authorized persons will enjoy access to the information assets. The City's staff will act to protect its information assets from theft, damage, loss, compromise, and inappropriate disclosure or alteration. The City will plan, design, implement and maintain information management systems, networks and processes in order to assure the appropriate confidentiality, integrity, and availability of its information assets to the City's employees and authorized third parties.

**B. PERSONAL INFORMATION AND CHOICE**

Except as permitted or provided by applicable laws, the City will not share the Information of any person doing business with the City, or receiving services from the City, in violation of this Policy, unless that person has consented to the City's sharing of such information during the conduct of the City's business as a local government agency with third parties under contract to the City to provide services.

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**C. METHODS OF COLLECTION OF PERSONAL INFORMATION**

The City may gather the Information from a variety of sources and resources, provided that the collection of such information is both necessary and appropriate in order for the City to conduct business as a local government agency in its governmental and proprietary capacities. That information may be gathered at service windows and contact centers as well as at web sites, by mobile applications, and with other technologies, wherever the City may interact with persons who need to share such formation in order to secure the City's services.

The City's staff will inform the persons whose Information are covered by this Policy that the City's web site may use "cookies" to customize the browsing experience with the City of Palo Alto web site. The City will note that a cookie contains unique information that a web site can use to track, among others, the Internet Protocol address of the computer used to access the City's web sites, the identification of the browser software and operating systems used, the date and time a user accessed the site, and the Internet address of the website from which the user linked to the City's web sites. Cookies created on the user's computer by using the City's web site do not contain the Information, and thus do not compromise the user's privacy or security. Users can refuse the cookies or delete the cookie files from their computers by using any of the widely available methods. If the user chooses not to accept a cookie on his or her computer, it will not prevent or prohibit the user from gaining access to or using the City's sites.

**D. UTILITIES SERVICE**

In the provision of utility services to persons located within Palo Alto, the City of Palo Alto Utilities Department ("CPAU") will collect the Information in order to initiate and manage utility services to customers. To the extent the management of that information is not specifically addressed in the Utilities Rules and Regulations or other ordinances, rules, regulations or procedures, this Policy will apply; provided, however, any such Rules and Regulations must conform to this Policy, unless otherwise directed or approved by the Council. This includes the sharing of CPAU-collected Information with other City departments except as may be required by law.

Businesses and residents with standard utility meters and/or having non-metered monthly services will have secure access through a CPAU website to their Information, including, without limitation, their monthly utility usage and billing data. In addition to their regular monthly utilities billing, businesses and residents with non-standard or experimental electric, water or natural gas meters may have their usage and/or billing data provided to them through non-City electronic portals at different intervals than with the standard monthly billing.

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Businesses and residents with such non-standard or experimental metering will have their Information covered by the same privacy protections and personal information exchange rules applicable to Information under applicable federal and California laws.

**E. PUBLIC DISCLOSURE**

The Information that is collected by the City in the ordinary course and scope of conducting its business could be incorporated in a public record that may be subject to inspection and copying by the public, unless such information is exempt from disclosure to the public by California law.

**F. ACCESS TO PERSONAL INFORMATION**

The City will take reasonable steps to verify a person's identity before the City will grant anyone online access to that person's Information. Each City department that collects Information will afford access to affected persons who can review and update that information at reasonable times.

**G. SECURITY, CONFIDENTIALITY AND NON-DISCLOSURE**

Except as otherwise provided by applicable law or this Policy, the City will treat the Information of persons covered by this Policy as confidential and will not disclose it, or permit it to be disclosed, to third parties without the express written consent of the person affected. The City will develop and maintain reasonable controls that are designed to protect the confidentiality and security of the Information of persons covered by this Policy.

The City may authorize the City's employee and or third party contractors to access and/or use the Information of persons who do business with the City or receive services from the City. In those instances, the City will require the City's employee and/or the third party contractors to agree to use such Information only in furtherance of City-related business and in accordance with the Policy.

If the City becomes aware of a breach, or has reasonable grounds to believe that a security breach has occurred, with respect to the Information of a person, the City will notify the affected person of such breach in accordance with applicable laws. The notice of breach will include the date(s) or estimated date(s) of the known or suspected breach, the nature of the Information that is the subject of the breach, and the proposed action to be taken or the responsive action taken by the City.

**H. DATA RETENTION / INFORMATION RETENTION**

**POLICY AND PROCEDURES 1-64/IT**

Revised: December 2017

The City will store and secure all Information for a period of time as may be required by law, or if no period is established by law, for seven (7) years, and thereafter such information will be scheduled for destruction.

**I. SOFTWARE AS A SERVICE (SAAS) OVERSIGHT**

The City may engage third party contractors and vendors to provide software application and database services, commonly known as Software-as-a-Service (SaaS).

In order to assure the privacy and security of the Information of those who do business with the City and those who received services from the City, as a condition of selling goods and/or services to the City, the SaaS services provider and its subcontractors, if any, including any IT infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, while it performs such services and/or furnishes goods to the City, to the extent any scope of work or services implicates the confidentiality and privacy of the Information.

These requirements include information security directives pertaining to: (a) the IT infrastructure, by which the services are provided to the City, including connection to the City's IT systems; (b) the SaaS services provider's operations and maintenance processes needed to support the IT environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. The term "IT infrastructure" refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

Prior to entering into an agreement to provide services to the City, the City's staff will require the SaaS services provider to complete and submit an Information Security and Privacy Questionnaire. In the event that the SaaS services provider reasonably determines that it cannot fulfill the information security requirements during the course of providing services, the City will require the SaaS services provider to promptly inform the ISM.

**J. FAIR AND ACCURATE CREDIT TRANSACTION ACT OF 2003**

CPAU will require utility customers to provide their Information in order for the City to initiate and manage utility services to them.

Federal regulations, implementing the Fair and Accurate Credit Transactions Act of 2003 (Public Law 108-159), including the Red Flag Rules, require that CPAU, as a "covered financial institution or creditor" which provides services in advance of payment and which can affect consumer credit, develop and implement procedures for an identity theft program for new and existing accounts to detect, prevent, respond and mitigate potential identity theft of its customers' Information.

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CPAU procedures for potential identity theft will be reviewed independently by the ISM annually or whenever significant changes to security implementation have occurred. The ISM will recommend changes to CPAU identity theft procedures, or as appropriate, so as to conform to this Policy.

There are California laws which are applicable to identity theft; they are set forth in California Civil Code § 1798.92.

NOTE: Questions regarding this policy should be referred to the Information Technology Department, as appropriate.

Recommended:	<div>DocuSigned by: <i>Jonathan Reichental</i> 7914D9897578424...</div> <hr/>	<div>12/5/2017</div> <hr/>
	Director Information Technology/CIO	Date
Approved:	<div>DocuSigned by: <i>J. K. Forge</i> 39E7298FB2064DB...</div> <hr/>	<div>12/13/2017</div> <hr/>
	City Manager	Date

**Attachment K-3**  
**Environmental and Social Impacts of Processing Recyclable Materials**

The City understands that the recycling commodity market is unstructured and that brokers may only have limited information about the ports to which commodities are intended to ship. Once at the ports, materials are sent to various plants, making the full life-cycle of commodities extremely difficult to track. Furthermore, with the current state of the markets, recyclables brokers are not in a position to place requirements on customers. The City and Contractor agree that as a goal, Contractor shall attempt to gather information on the environmental and social implications associated with the full life-cycle of Palo Alto Recyclable Materials.

- 1) Contractor shall request from each purchaser of the City's Recyclable Materials to whom the Contractor directly sells the Recyclable Materials (referred to herein as the "primary purchaser"), once per year, information regarding the disposition of Recyclable Materials. Contractor shall annually report on the information provided by primary purchasers as part of the Marketing Plan and Certificates of End Use. Contractor shall request and report on the following information:
  - a. Primary purchaser and/or recipient of all paper and all plastics. Material will be itemized by type of paper and type of plastic, as in the Marketing Plan (i.e., mixed paper grade, cardboard, PET, HDPE, rigid plastics, film plastics, etc.).
    - i. Company name, complete address, contact name, title, email, phone number, website, and any other pertinent detail, as available, will be provided.
  - b. Stage in recycling process primary purchaser represents (i.e., further sorting, pulpifying, manufacturing, etc.).
  - c. Reported customers of primary purchaser and/or reported intermediate and final disposition for each material type (example: further processing at "X" and used as a production feedstock manufacturing at "Y").
    - i. Company name, complete address, contact name, title, email, phone number, website, and any other pertinent detail, as available, will be provided.
  - d. Reported disposal location and method for the unused residuals
- 2) Contractor will conduct an analysis of publicly available evidence from credible media, authoritative institutions and civil society organizations to assess for risk of human rights and/or environmental violations in the locations reported in step 1 above.
- 3) Two years after initial analysis, City and Contractor will reassess to determine if alternative materials need to be assessed and/or if changes in processing and marketing no longer necessitates this analysis.
- 4) City may establish a policy covering human rights and environmental standards to guide City involvement with at-risk purchasers/secondary processors. City may direct Contractor to utilize alternative purchasers and/or secondary processors if environmental or social issues are found to exist in association with recyclables processing. Should the City direct the Contractor to utilize alternative markets, City will compensate Contractor for increased cost as negotiated, and if agreement is not reached, Contractor shall not be required to utilize alternative markets.

- 5) City will have the option to incentivize domestic processing locations or locations without human rights and/or environmental violations. On July 1<sup>st</sup> of each year, Contractor shall present to City available domestic processing options, together with comparative costs. The City will determine whether or not to direct Contractor to utilize domestic markets. Should the City direct the Contractor to utilize alternative markets, City will compensate Contractor for increased cost.



**ATTACHMENT L-1**

**FAITHFUL PERFORMANCE BOND**

KNOW ALL PERSONS BY THESE PRESENTS, that GREENWASTE OF PALO ALTO, hereinafter called the PRINCIPAL, and

\_\_\_\_\_,  
a corporation duly organized under the laws of the State of \_\_\_\_\_,  
having its principal place of business at \_\_\_\_\_,  
in the State of \_\_\_\_\_, and authorized to do business as an admitted  
surety insurer in the State of California, regulated by the California Insurance  
Commissioner, hereinafter called the SURETY, are held and firmly bound to the  
City of Palo Alto, a chartered California municipal corporation, hereinafter  
called the OBLIGEE, in the sum of Five Million Dollars (\$5,000,000.00) lawful  
money of the United States, for the payment of which, well and truly to be  
made, we bind ourselves, our heirs, executors, administrators and successors,  
jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into an Agreement for Solid Waste, Recyclable Materials, Yard Trimmings and Organic Materials Collection and Processing Services ("Agreement") and said PRINCIPAL is required under the terms of said Agreement to furnish a bond of faithful performance of said Agreement.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all of the undertakings, covenants, terms and agreements of said Agreement, and any modification thereto made as therein provided, at the time and in the manner therein specified, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

The SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder, or the specifications incorporated therein shall impair or affect its obligations on this bond, and it hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the specifications.

PROVIDED, however, that the SURETY shall not be liable (1) as respects to any obligations related to said Agreement occurring after two (2) years from the date of this Bond, unless this Bond is extended, or (2) with respect to PRINCIPAL'S obligation to procure a replacement performance bond, as provided for in Section 10.03 of the Agreement. This Bond may be extended beyond \_\_\_\_\_, 2010 in the sole discretion of the SURETY by means of a continuation certificate in form and substance satisfactory to OBLIGEE signed at least ninety (90) days prior to \_\_\_\_\_, 2012.

**ATTACHMENT L-1**

In the event suit is brought upon this Bond by the OBLIGEE and the OBLIGEE is the prevailing party, the SURETY shall pay, in addition to the sums set forth above, all costs incurred by the OBLIGEE in such suit, including reasonable attorneys' fees to be fixed by the court.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument as of this \_\_\_\_ day of \_\_\_\_\_, 2008.

GREENWASTE OF PALO ALTO,  
a California joint venture

By: Greenwaste Recovery, Inc.,  
a California corporation

By: \_\_\_\_\_  
Name: Richard A. Cristina  
Title: President

By: \_\_\_\_\_  
Name: Jesse Weigel  
Title: Secretary

By: Zanker Road Resource Management,  
Ltd., a California limited partnership

By: Zanker Road Resource Recovery,  
Inc., a California corporation,  
its General Partner

By: \_\_\_\_\_  
Name: Richard A. Cristina  
Title: President

By: \_\_\_\_\_  
Name: Murray B. Hall  
Title: Secretary

**ATTACHMENT L-1**

\_\_\_\_\_  
(SURETY)

By: \_\_\_\_\_  
Attorney-In-Fact

Name: \_\_\_\_\_

\* \* \*

**Note: To be considered complete, both the principal and surety must sign this performance bond. In addition, the surety's signature must be acknowledged by a notary public and a copy of the surety's power of attorney must be attached.**

**EXHIBIT L-2**

**CONTINUATION CERTIFICATION**

In consideration of the premium charged,

\_\_\_\_\_ hereby continues in force:

Bond #: \_\_\_\_\_

Dated: \_\_\_\_\_

In the amount of: \_\_\_\_\_ Million Dollars (\$\_\_\_\_\_)

on behalf of the City of Palo Alto, for the period:

Beginning: \_\_\_\_\_

And Ending: \_\_\_\_\_ subject to all terms and  
conditions of said Bond, PROVIDED that the liability of \_\_\_\_\_  
(NAME OF SURETY)

shall not exceed in the aggregate the amount above written, whether the loss  
shall have occurred during the term of said bond or during any continuation or  
continuations thereof, or partly during said term and partly during any  
continuation or continuations thereof, other than as respects attorneys' fees as  
provided in said bond.

Signed and Sealed: \_\_\_\_\_ (date)

By: \_\_\_\_\_  
Attorney-In-Fact

[ACKNOWLEDGEMENT]



May 16, 2017

Paula Borges Fujimoto  
Manager, Environmental Programs – Zero Waste  
City of Palo Alto  
Public Works Department  
3201 East Bayshore Road  
Palo Alto, CA 94303

Dear Ms. Borges:

Enclosed is the renewed \$5,000,000 performance bond continuation certification for the period 6/30/17 to 6/30/19 as required by section 10.03 of the Agreement for Solid Waste, Recyclable Materials, Organic Materials and Yard Trimmings Collection and Processing Services

If you have any questions about this letter or the enclosures please don't hesitate to call me at (408) 938-4943 or e-mail me at [dtilton@greenwaste.com](mailto:dtilton@greenwaste.com).

Yours very truly,

A handwritten signature in blue ink, appearing to read "David Tilton", is written over a horizontal line.

David Tilton  
Chief Financial Officer

Enclosure

CONTINUATION CERTIFICATION

In consideration of the premium charged,

Greenwaste of Palo Alto hereby continues in force:

Bond #: CS5926307

Dated: May 5, 2017

In the amount of: Five Million Dollars (\$ 5,000,000.00 Dollars )

on behalf of the City of Palo Alto, for the period:

Beginning: June 30, 2017

And Ending: June 30, 2019 subject to all terms and  
conditions of said Bond, PROVIDED that the liability of Great American Insurance Company  
(NAME OF SURETY)

shall not exceed in the aggregate the amount above written, whether the loss  
shall have occurred during the term of said bond or during any continuation or  
continuations thereof, or partly during said term and partly during any  
continuation or continuations thereof, other than as respects attorneys' fees as  
provided in said bond.

Signed and Sealed: May 5, 2017 (date)

Surety: Great American Insurance Company  
By:   
Natalie Ann Horder, Attorney-In-Fact

[ACKNOWLEDGEMENT]

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT****CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

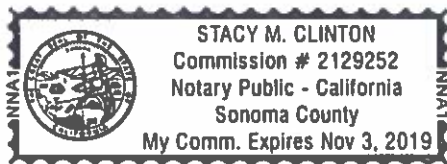
State of California )

County of Sonoma )On May 05, 2017 before me, Stacy M. Clinton, Notary Public,*Date**Here Insert Name and Title of the Officer*personally appeared Natalie Ann Horder*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]  
*Signature of Notary Public**Place Notary Seal Above***OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☐ Individual ☒ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

# GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by  
this power of attorney is not more than SIX

No. 0 14947

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

	Name	Address	Limit of Power
K. DIXON WRIGHT	NATALIE ANN HORDER	ALL OF	ALL
STACY M. CLINTON	KANDACE L. REEVES	PETALUMA,	\$100,000,000.00
CATHERINE A. PINNEY	NANCY L. WALLIS	CALIFORNIA	

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 2ND day of NOVEMBER, 2015.

Attest

GREAT AMERICAN INSURANCE COMPANY



*Atty L C. B.*  
Assistant Secretary

*David C. Kitchen*  
Divisional Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (877-377-2405)

On this 2ND day of NOVEMBER, 2015, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



Susan A. Kohorst  
Notary Public, State of Ohio  
My Commission Expires 06-18-2020

*Susan A. Kohorst*

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

**RESOLVED:** That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

**RESOLVED FURTHER:** That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

## CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 5th day of May, 2017.



*Atty L C. B.*  
Assistant Secretary



## ATTACHMENT M

### GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the \_\_\_\_ day of \_\_\_\_\_, 2015, by GREENWASTE RECOVERY, INC., AND ZANKER ROAD RESOURCE MANAGEMENT, LTD (hereafter "Guarantors"), to THE CITY OF PALO ALTO, a chartered California municipal corporation (hereafter "the City").

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

- A. GreenWaste of Palo Alto is a joint venture organized as a general partnership under the laws of the State of California ("Contractor").
- B. GreenWaste Recovery, Inc. is a corporation, organized under the laws of the State of California. Zanker Road Resource Management, Ltd. is a limited partnership organized under the laws of the State of California. GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. are the two members of the Contractor.
- C. The City contemplates entering into an "Agreement for Solid Waste, Recyclable Materials, and Yard Trimmings and Organic Materials Collection and Processing Services," under which Contractor is to provide specified services to the City. A copy of this Agreement is attached hereto and incorporated herein by this reference.
- D. It is a requirement of the Agreement, and a condition to the City's entering into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.
- E. Guarantors are providing this Guaranty to induce the City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantors agree, jointly and severally, as follows:

**1. Guaranty of the Agreement.** Guarantors hereby irrevocably and unconditionally guarantee to the City the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantors will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantors hereby guarantee payment to the City of any damages, costs or expenses which might become recoverable by the City from Contractor due to its breach of the Agreement.

**2. Guarantor's Obligations Are Absolute.** The obligations of the Guarantors hereunder are direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not

conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

**3. Waivers.** The Guarantors shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from their obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against Contractor; or (5) any merger or consolidation of the Contractor with any other corporation, or any sale, lease or transfer of any or all the assets of the Contractor. Without limiting the generality of the foregoing, Guarantors hereby waive the rights and benefits under California Civil Code Section 2819.

The Guarantors hereby waive any and all benefits and defenses under California Civil Code Sections 2845, 2849 and 2850, including, without limitation, the right to require the City to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that the City may proceed against Guarantors or either of them for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. Guarantors agree that the City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guarantee.

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

The Guarantors hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantors' obligations hereunder shall continue and remain in full force and effect in the event that all or

any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantors or Contractor prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

**4. Term.** This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantors shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantors shall not be released of their obligations hereunder so long as there is any claim by the City against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

**5. No Waivers by City.** No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantors or right of the City to take other or further action without notice or demand. No modification or waiver by the City of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantors, nor shall any waiver by the City be effective except in the specific instance or matter for which it is given.

**6. Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantors agree to pay actual attorney's fees and all other costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

**7. Governing Law; Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantors consent to personal jurisdiction over them by such courts. Guarantors appoint the following person as their agent for service of process in California:

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

**8. Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

**9. Binding on Successors.** This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantors and their successors, including a successor entity formed by a merger or consolidation of the two

Guarantors and transferee(s) of substantially all of their assets used in performance of the Agreement.

**10. Subordination.** Any claims Guarantors may have against Contractor are hereby subordinated to any and all claims of the City against Contractor until such time as the obligations of Contractor to the City are fully satisfied and discharged.

**11. Notices.** Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City:            Director of Public Works  
                              City of Palo Alto  
                              P.O. Box 10250  
                              Palo Alto, CA 94303

With a copy to the Palo Alto City Attorney at the same address.

To Guarantors:        \_\_\_\_\_  
                              \_\_\_\_\_  
                              \_\_\_\_\_  
                              Attention: \_\_\_\_\_

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantors have executed this Guaranty on the day and year first above written.

GREENWASTE RECOVERY, INC.

ZANKER ROAD RESOURCE  
MANAGEMENT, LTD.

By: GreenWaste Recovery, Inc.,  
A California corporation

By: Zanker Road Resource Management,  
Ltd., a California limited partnership

By: \_\_\_\_\_  
Name: Richard A. Cristina  
Title: President

By: Zanker Road Resource Recovery,  
Inc., a California corporation,  
Its General Partner

By: \_\_\_\_\_  
Name: Frank Weigel  
Title: Secretary

By: \_\_\_\_\_  
Name: Richard A. Cristina  
Title: President

**Attachment N-1  
Contractor's Base Compensation**

	Index Used	Rate Period 10		Adjustment Factor using cost indices	Rate Period 11		Adjustment Factor using cost indices	Rate Period 12	
		<u>FY 2018-19</u>			<u>FY 2019-20</u>			<u>FY 2020-21</u> <u>Estimated</u>	
Labor-Related Costs (includes regular & pool personnel)				0.031			0.031		
Regular Wages		\$ 2,808,603		1.031	\$ 2,895,670		1.031	\$ 2,985,436	
Contaminated Recycling - new driver - FY19 2018		\$ 70,624		1.031	\$ 145,626		1.031	\$ 150,140	
Deconstruction & Source Separation - new driver - FY19 2018 (TBC)				1.031	\$ 145,626		1.031	\$ 150,140	
Deconstruction & Source Separation - new Admin - FY19 2018 (TBC)				1.031	\$ 54,128		1.031	\$ 55,805	
Deconstruction & Source Separation - new EOC - FY19 2018 (TBC)				1.031	\$ 61,860		1.031	\$ 63,778	
Enforcement - EOC support - FY19 2018				1.031	\$ 61,860		1.031	\$ 63,778	
Expanded Clean Up Day - new driver - FY19 2018				1.031	\$ 145,626		1.031	\$ 150,140	
Overtime Wages	CPI-W	\$ 420,610		1.031	\$ 433,649		1.031	\$ 447,092	
Holiday Wages		\$ 134,704		1.031	\$ 138,879		1.031	\$ 143,185	
Vacation Wages		\$ 168,380		1.031	\$ 173,599		1.031	\$ 178,981	
Sick Leave Wages		\$ 134,704		1.031	\$ 138,879		1.031	\$ 143,185	
Workers Compensation Insurance & Claims		\$ 226,251		1.031	\$ 233,265		1.031	\$ 240,496	
Employers Liability Insurance		\$ -		1.031	\$ -		1.031	\$ -	
Health & Welfare		\$ 679,693		1.031	\$ 700,763		1.031	\$ 722,487	
Pension/ Retirement Benefits		\$ 105,451		1.031	\$ 108,720		1.031	\$ 112,091	
Payroll Taxes		\$ 297,948		1.031	\$ 307,185		1.031	\$ 316,708	
Other		\$ -		1.031	\$ -		1.031	\$ -	
Total Labor Related-Costs		5,046,967			5,745,335			5,923,440	
Vehicle-Related Cost				0.020			0.020		
Planned new vehicle purchases, pending City Council approval of one		190,000			6,223,825			1,621,975	
Tires & Tubes		\$ 82,962		1.020	\$ 84,621		1.020	\$ 86,313	
Parts		\$ 39,157		1.020	\$ 39,940		1.020	\$ 40,739	
Supplies (fluid, oil, etc.)		\$ 19,583		1.020	\$ 19,975		1.020	\$ 20,374	
Taxes & Licenses	Motor Vehicle	\$ 163,358		1.020	\$ 166,625		1.020	\$ 169,957	
Fines & Penalties	Maintenance & Repair	\$ -		1.020	\$ -		1.020	\$ -	
Radio Air time	Index	\$ 29,196		1.020	\$ 29,780		1.020	\$ 30,376	
Outside Repairs		\$ 68,639		1.020	\$ 70,011		1.020	\$ 71,412	
Vehicle Insurance		\$ 137,518		1.020	\$ 140,268		1.020	\$ 143,074	
Supplemental Vehicle Insurance - 2018		\$ 124,839		1.020	\$ 127,336		1.020	\$ 129,882	
Total Vehicle-Related Costs		855,251			6,902,381			2,314,102	
Fuel Costs				0.11			0.11		
	Motor Fuel Index	\$ 517,465		1.05	\$ 543,338		1.05	\$ 570,505	
Net Processing Costs				0.033			0.033		
Net Recyclables Processing Revenue		\$ (1,562,924)		1.033	\$ (1,614,500)		1.033	\$ (1,667,779)	
Net Organics Processing Cost	CPI-U	\$ -							
Total Net Processing Costs		(1,562,924)			(1,614,500)			(1,667,779)	

	Index Used	Rate Period 10	Adjustment Factor using cost indices	Rate Period 11	Adjustment Factor using cost indices	Rate Period 12
		<u>FY 2018-19</u>		<u>FY 2019-20</u>		<u>FY 2020-21 Estimated</u>
Other Costs			0.033		0.033	
Liability & Property Damage Insurance		\$ -	1.033	\$ -	1.033	\$ -
Damage Claims		\$ 27,649	1.033	\$ 28,562	1.033	\$ 29,504
Equipment Insurance		\$ -	1.033	\$ -	1.033	\$ -
Rent		\$ -	1.033	\$ -	1.033	\$ -
Utilities		\$ -	1.033	\$ -	1.033	\$ -
Telephone		\$ -	1.033	\$ -	1.033	\$ -
Non-Vehicle Related Supplies	CPI-U	\$ 6,805	1.033	\$ 7,030	1.033	\$ 7,261
Non-Vehicle Related Taxes & Licenses		\$ -	1.033	\$ -	1.033	\$ -
Training & Safety Programs		\$ 6,805	1.033	\$ 7,030	1.033	\$ 7,261
Initial Public Education & Outreach		\$ -	1.033	\$ -	1.033	\$ -
Continuing Public Education & Outreach		\$ 6,121	1.033	\$ 6,323	1.033	\$ 6,532
Expanded Clean Up Day Outreach Materials - 2018				\$ 50,000	1.033	\$ 51,650
Uniforms		\$ 19,091	1.033	\$ 19,721	1.033	\$ 20,372
Other		\$ -	1.033	\$ -	1.033	\$ -
Total Other Costs		<u>66,471</u>		<u>118,665</u>		<u>122,581</u>
Direct Depreciation						
Container Depreciation		-				
Route Vehicle Depreciation	Not annually adjusted	811,079	Not annually adjusted	811,079	Not annually adjusted	811,079
Other Depreciation		-				
Total Direct Depreciation		<u>811,079</u>		<u>811,079</u>		<u>811,079</u>
Allocated Costs - Labor, Vehicle, Fuel & Other Costs			0.033		0.033	
From General and Administrative (6K)	CPI-U	\$ 1,717,560	1.033	\$ 1,774,240	1.033	\$ 1,832,790
From Vehicle Maintenance (6L)		\$ 546,785	1.033	\$ 564,829	1.033	\$ 583,468
From Container Maintenance (6M)		\$ 295,309	1.033	\$ 305,054	1.033	\$ 315,121
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs		<u>2,559,654</u>		<u>2,644,123</u>		<u>2,731,379</u>
Allocated Costs - Depreciation and Start-Up Costs						
From General and Administrative (6K)		-				
From Vehicle Maintenance (6L)	Not annually adjusted	-	Not annually adjusted		Not annually adjusted	
From Container Maintenance (6M)		-				
Total Allocated Costs - Depreciation and Start-Up Costs		<u>-</u>				
Total Annual Cost of Operations		<u>\$ 8,293,964</u>		<u>\$ 15,150,420</u>		<u>\$ 10,805,307</u>
Profit	Profit Calculation	<u>\$ 1,130,995</u>		<u>\$ 2,065,966</u>		<u>\$ 1,473,451</u>
Pass-Through Costs						
Disposal Cost (City to directly pay for disposal cost)						
Interest Expense	Not annually adjusted	-	adjusted		Not annually adjusted	
Allocated Lease & Interest Costs						
From General and Administrative (6K)						
Facility Costs (Geng Road)	CPI-U	-				
Lease Costs (Santa Clara Facility)	CPI-U	\$ 272,205	1.033	\$ 281,188	1.033	\$ 290,467
Interest Cost	Not annually adjusted	40,955		40,955		40,955
From Vehicle Maintenance (6L)	Not annually adjusted	-				
From Container Maintenance (6M)	Not annually adjusted	-				
Total Allocated Lease & Interest Costs		<u>313,160</u>		<u>322,143</u>		<u>331,422</u>
Total Pass-Through Costs		<u>\$ 313,160</u>		<u>\$ 322,143</u>		<u>\$ 331,422</u>

	Rate Period 10		Rate Period 11		Rate Period 12
Index Used	<u>FY 2018-19</u>	Adjustment Factor using cost indices	<u>FY 2019-20</u>	Adjustment Factor using cost indices	<u>FY 2020-21</u> <u>Estimated</u>
<u>One time or flat costs:</u>					
Residential trucks - Net cost on annual Depreciation on nine (9) new residential automated collection trucks and labor cost reduction of 4 drivers (began FY16)	(55,000)		(55,000)		(55,000)
Cart purchases	90,000		100,000	1.033	103,300
Hard to service areas	65,000		65,000	1.033	67,145
Special events	60,000		60,000	1.033	61,980
New electric vehicle	-		-		-
Wood chip gasifer pilot	-		-		-
Supp. Vehicle Maintenance	100,000		100,000		
Bins and Debris Boxes for general use - FY19 (upon Council approval)	75,000				
Bins and Debris Boxes for deconstruction use - FY20 (upon Council approval)	-		231,000		
Scale	-		12,000		
Tower Conversion	125,000		-		
	<u>460,000</u>		<u>513,000</u>		
Total Base Compensation	<u>\$ 10,198,119</u>		<u>\$ 18,051,530</u>		<u>\$ 12,610,180</u>

**Attachment N-1**  
**Unit Prices for Extra Services**  
**Quarterly Compensation**

Extra Services	Unit	Rate Period 10	Rate Period 11	Rate Period 12
		FY 2018-19 Unit Price	FY 2019-20 Unit Price	FY 2020-21 Unit Price Estimated
Back/Side Yard Collection from Single-Family Residences	/Residence /Month	\$ 3.85	\$ 3.89	\$ 4.02
Drop Box Services** (Note: New rates to apply in FY 21-22)				
Solid waste	/per load taken to a processing facility	\$ 358.87	\$ 362.89	\$ 374.74
Yard trimmings	/Load taken to a processing facility	\$ 358.87	\$ 362.89	\$ 374.74
C&D (including processing costs)	/Load taken to a processing facility	\$ 588.03	\$ 594.61	\$ 614.03
Source separated debris (including processing costs)	/Load taken to a processing facility	\$ 358.87	\$ 362.89	\$ 374.74
Compost Giveaway - FY19 (upon Council approval)	7 CY + Delivery	\$ 288.00	\$ 297.50	\$ 307.32

**Processing Costs**

Recyclable Materials Minimum Tons Incentive	Ton	\$ 88.34	\$ 91	\$ 93
Contaminated Recyclables Processing cost per quarter - FY19 (upon Council approval) Tons set at 2,600 per fiscal year through end of FY20	Ton	\$90.00	\$ 92.97	\$ 96.04
Recyclable Materials processing costs is \$25 per ton effective FY22, plus CPI increases and per Attachment U	Ton	\$ -	\$ -	\$ -
Commercial and Residential Compostable Materials processing at ZWED - cost per ton based on gross tonnage collected. Effective FY22, this will be the price for Residential compost	Ton	\$ 88.34	\$ 91.26	\$ 94.27
ZWED <u>Commercial</u> Compostable Materials, effective FY22	Ton	\$ 95.04	\$ 98.17	\$ 101.41
Miscellaneous Construction Materials processing at Zanker, supplemental to C&D - added in FY19	Ton	\$ 35	\$ 36.16	\$ 37.35

**Construction Materials Overweight Debris Boxes** - these per ton costs are only applicable to debris boxes over 5 tons, per Attachment T

Concrete #1 (Clean Concrete - < 3', no dirt, flush cut wire and re-bar)	Ton	n/a	\$12.00	
Concrete #2 (Concrete and Asphalt, < 3' with some wire and re-bar, small amount of soil)	Ton	n/a	\$22.00	
Concrete #3 (Concrete and Asphalt, > 3' with wire and re-bar, dirt)	Ton	n/a	\$55.00	
Asphalt Pavement, Bricks/stones, Gravel, Porcelain toilets and sinks, Stucco/plaster, Soil (small quantities), sand, glass	Ton	n/a	\$55.00	
Unpainted wood/lumber	Ton	n/a	\$44.00	
Sheetrock Clean	Ton	n/a	\$35.00	
Sheetrock Mixed, Asphalt shingles/ Tar and Gravel, Miscellaneous debris, Mixed debris, Painted wood, Ceiling tiles (non-recyclable), Interior Demolition, Demolition Debris, Painted scraps and other non-recoverable debris, Unpainted Lumber with Metal	Ton	n/a	\$70.00	
Carpet/padding	Ton	n/a	\$65.00	
Bulky Miscellaneous Debris	Ton	n/a	\$120.00	
Larger unpainted lumber, pallets	Ton	n/a	\$44.00	



## **ATTACHMENT N-2**

### **COMPENSATION ADJUSTMENT METHODOLOGY**

#### **1. PURPOSE**

The purpose of this attachment is to describe and illustrate the method by which the City will calculate the annual adjustment in (1) Contractor's Base Compensation, (2) unit prices for extra services, and (3) City Landfill Disposal Credit, for all Rate Periods beginning with Rate Period Three (FY 2011-2012).

#### **2. DEFINITIONS**

A. "CPI-U" means the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-San Jose Metropolitan Area compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics. As of June, 2008, the CPI-U was 225.181.

B. "CPI-W" means the Consumer Price Index, Urban Wage Earners and Clerical Workers, San Francisco-Oakland-San Jose Metropolitan Area, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics. As of June, 2008, the CPI-W was 221.454.

C. "Motor Fuel Index" means the Consumer Price Index, All Urban Consumers, Motor Fuel, San Francisco-Oakland-San Jose Metropolitan Area, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics. As of June, 2008, the Motor Fuel Index was 343.212.

D. "Motor Vehicle Maintenance and Repair Index" means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, U.S. city average, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics. As of June, 2008, the Motor Vehicle Maintenance and Repair Index was 233.162.

E. "Annual Percentage Change" means (1) the annual percentage change in any of the indices defined above calculated as described in the following paragraph or (2) five percent (0.05), whichever is less.

The Annual Percentage Change in an index is calculated by subtracting the Average Index Value for the 12 month period ending November of the most recently completed Rate Period from the Average Index Value for the 12 month period ending November of the then-current Rate Period and dividing the result by the Average Index Value for the 12 month period ending November of the most recently completed Rate Period.

For example, if the City is calculating the Base Compensation in January 2011 to be effective for Rate Period Three (July 2011 through June 2012), the Annual Percentage Change for the CPI-U would be calculated as follows:

[ (Average CPI-U for December 2009 through November 2010) minus  
(Average CPI-U for December 2008 through November 2009) ] divided by  
(Average CPI-U for December 2008 through November 2009)

The calculated Annual Percentage Charge shall be carried to three places to the right of

the decimal and rounded to the nearest thousandths. For example, the June 2008 CPI-U is 225.181, which is rounded to the nearest thousandths.

F. “Average Index Value” means the sum of the monthly index values during the 12 month period ending in November divided by 12 (in the case of indices published monthly) or the sum of the bi-monthly index values divided by 6 (in the case of indices published bi-monthly).

G. “Net Recyclable Materials Processing Revenues” means gross revenue earned by Contractor from the sale of Recyclable Materials less processing costs.

H. “Net Organic Materials Processing Cost” means cost of processing organic materials less revenues earned from sale of organic materials.

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

**TABLE 1**

	<b>CPI-U</b>	<b>CPI-W</b>	<b>Motor Fuel Index</b>	<b>Motor Vehicle Maintenance and Repair</b>
Description	Consumer Price Index - All Urban Consumers	Consumer Price Index – Urban Wage Earners and Clerical Workers	Consumer Price Index – All Urban Consumers, Motor Fuel	Consumer Price Index – All Urban Consumers, Motor Vehicle maintenance and repair
Series ID	CUURA422SA0	CWURA422SA0	CUURA422SETB	cuur0000setd
Adjusted	Not seasonally adjusted	Not seasonally adjusted	Not seasonally adjusted	Not seasonally adjusted
Group	San Francisco-Oakland-San Jose Metropolitan Area	San Francisco-Oakland-San Jose Metropolitan Area	San Francisco-Oakland-San Jose Metropolitan Area	U.S. city average
Item	All items	All items	Motor fuel	Motor vehicle maintenance and repair
Base Period	1982-84=100	1982-84=100	1982-84=100	1982-84=100
Periodicity	Bi-monthly	Bi-monthly	Monthly	Monthly

### **3. ADJUSTMENT OF CONTRACTOR'S BASE COMPENSATION**

The cost categories of the main components of Contractor's Base Compensation are presented in detail in Attachment N-1. Adjustments to these components shall be calculated as follows:

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

(1) Labor-Related Costs. The Labor-Related Costs component of Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-W.

For example, in Rate Period Two when calculating the Labor-Related Costs for Rate Period Three, the Labor-Related Costs of Rate Period Two will be multiplied by one plus the Annual Percentage change in the CPI-W.

(2) Vehicle-Related Costs (excluding Fuel). The Vehicle-Related Costs component of Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.

(3) Fuel Costs. The Fuel Cost component of Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Motor Fuel Index.

(4) Net Recyclable Materials Processing Revenues. The Net Recyclable Materials Processing Revenues component of Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.

(5) Net Organic Materials Processing Costs. The Net Organic Materials Processing Cost component of Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.

(6) Other Costs. The Other Costs component of the Base Compensation for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.

(7) Direct Depreciation. Direct Depreciation is \$1,296,422 per year for Rate Periods One through Eight, is not annually adjusted, and shall be zero in any subsequent Rate Periods except as provided in Section 9.13 of the Agreement.

(8) Allocated Costs (Labor, Vehicle and Other Costs). The Allocated Costs (Labor, Vehicle and Other) component for the then-current Rate Period will be multiplied by one plus the Annual Percentage Change in the CPI-U.

(9) Allocated Costs (Depreciation and Start-Up). The Allocated Costs for Depreciation and Start-Up shall be \$216,449 per year for Rate Period One and \$215,458 for Rate Periods Two through Eight, are not annually adjusted, and shall be zero for all Rate Periods after Rate Period Eight.

(10) Total Annual Cost of Operations. The Total Annual Cost of Operations for the coming Rate Period equals the sum of the costs calculated in Sections (1) through (9) above.

B. Profit. Profit for the coming Rate Period will be calculated by dividing the Total Annual Cost of Operations for the coming Rate Period [the value calculated in Section (A)(10)] by an operating ratio (0.88) and subtracting from the result the Total Annual Cost of Operations for the coming year.

$$\text{Profit} = \left[ \frac{\text{Total Annual Cost of Operations for Coming Rate Period}}{0.88} \right] - \text{Total Annual Cost of Operations for Coming Rate Period}$$

C. Pass-Through Costs

(1) Interest Expense. Interest Expense is \$542,025 in Rate Period One and \$496,429 per year for Rate Periods Two through Eight, is not annually adjusted, and shall be zero in any subsequent Rate Period.

(2) Allocated Lease and Interest Costs.

- a. Allocated Facility and Lease Costs (Geng Road and San Jose Facility). The Allocated Facility and Lease Costs for the Geng Road and San Jose Facility of the Base Compensation for the then-current Rate Period are multiplied by one plus the Annual Percentage Change in the CPI-U.
- b. Other Allocated Lease and Interest Costs. Other Allocated Lease and Interest Costs are \$76,255 for Rate Period One (including interest costs for Allocated General and Administrative of \$46,455, Allocated Vehicle Maintenance costs of \$10,636, and Allocated Container Maintenance of \$19,164) and \$68,031 for Rate Periods Two through Eight (including interest costs for Allocated General and Administrative of \$41,454, Allocated Vehicle Maintenance costs of \$9,486, and Allocated Container Maintenance of \$17,091).

(3) Total Pass-Through Costs. Total Pass-Through Costs for the coming Rate Period are the sum of the amounts in Sections (1) and (2) above.

D. Base Compensation for Coming Rate Period. Contractor's Base Compensation for the coming Rate Period is the sum of the Total Annual Cost of Operations, Profit, and Total Pass-Through Costs for the coming Rate Period.

**4. ADJUSTMENT OF UNIT PRICE FOR THE EXTRA SERVICES AND CITY LANDFILL DISPOSAL CREDIT**

Unit price fees for all operations-related services (i.e., back/side yard collection, hard-to-service collection, drop-box services, and City Landfill Disposal Credit) will be adjusted by multiplying the fees (and the credit) in effect for the then-current Rate Period by the Base Compensation for the coming Rate Period divided by the Base Compensation for the then-current Rate Period.

Unit price fees for Cart purchase will be adjusted by multiplying the fees in effect for the then-current Rate Period by one plus the Annual Percentage Change in the CPI-U.

The adjustment to each fee shall be rounded to the nearest cent.

## 5. EXAMPLE

The following example (Table 2) illustrates the index-based adjustment method for determining Contractor's Base Compensation for Rate Period Three. The dollar amounts shown are those fixed in the Agreement for Rate Period Two (July 1, 2010 - June 30, 2011) and the adjustment factors are based on assumed changes in the various indices between the average index values for the 12 months ending November 2009 and for the 12 months ending November 2010.

### Assumptions for Example Adjustment to Contractor's Compensation:

Most-Recently Completed Rate Period = Rate Period One (July 1, 2009 through June 30, 2010)

Then-current Rate Period = Rate Period Two (July 1, 2010 through June 30, 2011)

Coming Rate Period = Rate Period Three (July 1, 2011 through June 30, 2012)

**TABLE 2**  
Example Calculation of Annual Percentage Change in Price Indices

		CPI-U	CPI-W	Motor Fuel Index	Motor Vehicle Maintenance and Repair
Average index value for 12-month period ending November of the then-current Rate Period (e.g., Rate Period Two; therefore, average index value for December 2009 to November 2010)	Dec 2009	226.2	223.2	255.8	239.2
	Jan 2010			263.5	239.8
	Feb 2010	228.3	223.9	270.6	240.0
	Mar 2010			275.7	240.7
	Apr 2010	229.5	224.9	269.1	241.2
	May 2010			265.5	241.9
	Jun 2010	230.9	225.5	260.8	242.2
	July 2010			264.3	242.8
	Aug 2010	232.1	226.3	275.8	243.1
	Sep 2010			275.2	243.6
	Oct 2010	234.2	227.1	276.9	244.0
	Nov 2010			270.3	244.5
	Average	230.2	225.2	268.3	241.9
Average index value for 12-month period ending November of the most-recently completed Rate Period (e.g., Rate Period One; therefore, average index value for December 2008 to November 2009)	Dec 2008	218.3	219.1	240.2	231.1
	Jan 2009			245.8	231.5
	Feb 2009	219.8	220.2	255.2	232.0
	Mar 2009			238.8	232.8
	Apr 2009	220.8	221.6	242.8	234.2
	May 2009			250.2	234.7
	Jun 2009	221.2	221.9	249.3	235.4
	July 2009			253.8	235.9
	Aug 2009	223.5	222.1	257.3	236.1
	Sep 2009			245.1	236.9
	Oct 2009	224.8	222.8	243.7	237.8
	Nov 2009			239.6	238.2
	Average	221.4	221.3	246.8	234.7
Annual Percentage Change		0.040	0.018	0.087	0.031

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

TABLE 2 (cont.)

**Example Calculation of Base Compensation for Rate Period Three**

	<b>Then-Current Rate Period (Rate Period Two)</b>	<b>Adjustment Factor*</b>	<b>Coming Rate Period (Rate Period Three)</b>
Annual Cost of Operations			
Labor-related costs	\$4,239,867	1.018	\$4,316,185
Vehicle-related costs (excluding fuel)	\$472,199	1.031	\$486,837
Fuel costs	\$625,077	1.087	\$679,459
Net Recyclable Materials Processing Revenue	(\$1,276,654)	1.040	(\$1,327,720)
Net Organic Materials Composting Costs	\$687,696	1.040	\$715,204
Other Costs	\$56,287	1.040	\$58,538
Direct Depreciation	\$1,296,422	1.0	\$1,296,422
Allocated Costs (Labor, Vehicle <sup>1</sup> & Other Costs)	\$2,090,821	1.040	\$2,174,454
Allocated Costs (Depreciation and Start-Up Costs)	\$215,458	1.0	\$215,458
<b>Total Annual Cost of Operations</b>	<b>\$8,407,173</b>	<b>N.A.</b>	<b>\$8,614,837</b>
Profit (based on operating ratio of 0.88 for Rate Period Three)	\$1,174,137	Calculated with Operating Ratio	\$1,174,750
Pass-Through Costs			
Interest expense	\$496,429	1.0	\$496,429
Allocated facility and lease costs (Geng Road and San Jose Facilities)	\$304,905	1.040	\$317,101
Allocated lease and interest costs	\$68,031	1.0	\$68,031
<b>Total Pass-Through Costs</b>	<b>\$869,365</b>	<b>N.A.</b>	<b>\$881,561</b>
<b>Base Compensation</b>	<b>\$10,450,675</b>	<b>N.A.</b>	<b>\$10,671,148</b>

\* Adjustment factors are calculated using assumed cost indices.

\*\* Net Recyclable Materials Processing Revenue equals revenues from the sale of Recyclable Materials less Processing costs of Recyclable Materials.

**Example Calculation of Unit Price Fee for Back/Side Yard Collection for Rate Period Three:**

Then-current Back/Side Yard Collection fee = \$3.35 per residence per month

Back/Side Yard Collection fee for the Coming Rate Period =  $\$3.35 \times (\$10,671,148 / \$10,450,675) = \$3.42$

**Example Calculation of Unit Price Fee for 20-gallon Cart Replacement for Rate Period Three:**

Then-current 20-gallon Cart replacement fee = \$59.74 per replacement

20-gallon Cart replacement fee for the Coming Rate Period =  $\$59.74 \times (1 + 0.040) = \$62.13$

<sup>1</sup> Fuel costs included in allocated costs shall not be separately adjusted.

## **6. OTHER**

If an index described in Section 2 is discontinued, the successor index with which it is replaced will be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics, the index published by the Bureau which is most comparable will be used.

**Attachment N-3**

**Form 1**

**General Information**

**Baseline Services and Zero Waste Services**

<b>A. Method of Collection</b>	
<b>1. Residential solid waste</b>	Semi Automated Single Compartment, Hard to serve - Semi Automated Split Body
<b>2. Residential recyclable materials</b>	Semi Automated Single Compartment, Hard to serve - Semi Automated Split Body
<b>3. Residential yard trimmings</b>	Semi Automated Single Compartment, Hard to serve - Semi Automated Split Body
<b>4. Commercial solid waste</b>	Semi-Automated
<b>5. Commercial recyclable materials</b>	Semi-Automated
<b>6. Commercial yard trimmings and food scraps from special events</b>	Semi-Automated
<b>B. Collection Vehicle Manufacturer , Model #, and Year (for each vehicle to be used in the City)</b>	
<b>1. Residential solid waste</b>	2008-2009 American LaFrance Condor w/ Labrie Expert 2000 29 yd.(semi-automated) and 2008-09 Freightliner M2 w/Amrep 12yd. 2 compartment semi-automated sideloader
<b>2. Residential recyclable materials</b>	2008-2009 American LaFrance Condor w/ Labrie Expert 2000 29 yd.(semi-automated) and 2008-09 Freightliner M2 w/Amrep 12yd. 2 compartment semi-automated sideloader; and six 2006 Mack/LEACH CNG vehicles (previously owned by PASCO, the City's prior collection contractor).
<b>3. Residential yard trimmings</b>	2008-2009 American LaFrance Condor w/ Labrie Expert 2000 29 yd.(semi-automated) and 2008-09 Freightliner M2 w/Amrep 12yd. 2 compartment semi-automated sideloader
<b>4. Commercial solid waste</b>	2008-2009 American LaFrance Condor w/ New Way Mammoth Front Loader 28yd., 2008-2009 Freightliner M2 w/ 19yd. Labrie Semi-Automated Sideloader
<b>5. Commercial recyclable materials</b>	2008-2009 American LaFrance Condor w/ New Way Mammoth Front Loader 28yd., 2008-2009 Freightliner M2 w/ 19yd. Labrie Semi-Automated Sideloader
<b>6. Commercial yard trimmings and food scraps from special events</b>	2008-2009 American LaFrance Condor w/ New Way Mammoth Front Loader 28yd., 2008-2009 Freightliner M2 w/ 19yd. Labrie Semi-Automated Sideloader
<b>7. Roll-off</b>	2008-2009 Freightliner M2 w/ Galbreath Hook lift and three vehicles (previously owned by PASCO, the City's prior collection contractor)
<b>C. Container Manufacturer and Specifications</b>	
<b>1. Residential solid waste</b>	Toter 20G, 32G, 64G, 96G
<b>2. Residential recyclable materials</b>	Toter 32G, 64G, 96G
<b>3. Residential yard trimmings</b>	Toter 32G, 64G, 96G
<b>4. Commercial solid waste</b>	Consolidated Fabricators- 1yd., 1.5yd., 2yd., 3yd., 4yd., 5yd., 6yd., 8yd.
<b>5. Commercial recyclable materials</b>	Consolidated Fabricators- 1yd., 1.5yd., 2yd., 3yd., 4yd., 5yd., 6yd., 8yd.
<b>6. Commercial yard trimmings and food scraps from special events</b>	Consolidated Fabricators- 1yd., 1.5yd., 2yd., 3yd., 4yd., 5yd., 6yd., 8yd.



**Attachment N-3  
Form 1**

**General Information**

**Baseline Services and Zero Waste Services**

<b>D. Recyclable Materials Processing and Handling</b>	
1. Name of processing site	GreenWaste Recovery, Inc
2. Owner's Name	GreenWaste Recovery, Inc
3. Operator's Name	GreenWaste Recovery, Inc
4. Address of processing site	625 Charles St. San Jose, CA 95112
5. Hauling method (e.g. direct haul, transfer haul)	Direct Haul
6. Address of transfer location	N/A
7. Address of location for residual disposal	Potrero Hills Landfill
<b>E. Processing Site for Commercial Organics and Food Scraps from Special Events</b>	
1. Name of processing site	Z-best
2. Owner's name	Zanker Road Reosurce Mgmt., Ltd.
3. Operator's name	Zanker Road Reosurce Mgmt., Ltd.
4. Address of processing site	980 State Hwy 25, Gilroy, CA 95020
5. Hauling method (e.g. direct haul, transfer haul)	Transfer Haul
6. Address of transfer location	Zanker Road Landfill, 705 Los Esteros Rd., San Jose, CA 95134
7. Address of location for residual disposal	Potrero Hills Landfill
<b>F. C&amp;D Processing Site</b>	
1. Name of processing site	Zanker Material Processing Facility
2. Owner's name	Zanker Road Resource Mgmt., Ltd.
3. Operator's name	Zanker Road Resource Mgmt., Ltd.
4. Address of processing site	675 Los Esteros Rd., San Jose, CA 95134
5. Hauling method (e.g. direct haul, transfer haul)	Direct Haul
6. Address of transfer location	N/A
7. Address of location for residual disposal	Potrero Hills Landfill
<b>G. Support Facilities</b>	
1. Address of collection vehicle parking, maintenance, washing, and route staff parking facilities	625 & 565 Charles St., San Jose, CA 95112
2. Address of administrative office	1500 Berger Dr., San Jose, CA 95112
3. Address of billing office	1500 Berger Dr., San Jose, CA 95112
4. Address of customer service office	1500 Berger Dr., San Jose, CA 95112

**Attachment N-3  
Form 2A**

**Operating Statistics**

**Baseline Services**

Rate Period One (July 1, 2009 TO June 30, 2010)		Residential Solid Waste	Residential Recyclable Materials	Residential Yard Trimmings	Commercial Solid Waste	Commercial Recyclable Materials	Commercial Yard Trimmings and Food Scraps from Special Events	Roll-off Box Solid Waste	Roll-off Box Recycling	Roll-off Box C&D	Annual Clean- up Program	TOTAL
		A	B	C	D	E	F	G	H	I	J	
<b>Labor Information</b>												
1	# of route personnel	12.5	6.5	Included in Residential Solid Waste Route	5.5	2.5	0.3	1.0	1.0	3.0	1.0	33.30
2	Labor hours/day/person	9.00	9.00		9.00	9.00	1.00	8.50	8.50	8.50	9.00	8.85
3	Total labor hours/year	29,250.00	15,210.00		12,870.00	5,850.00	78.00	2,210.00	2,210.00	6,630.00	2,340.00	76,648.00
<b>Route Information</b>												
# of routes per												
4	Weekday	6.50	6.50		5.50	2.50	0.30	1.00	1.00	3.00		26.30
5	Saturday				2.00	1.00	0.15	0.50	0.50	1.00		5.15
6	Sunday											
# of persons/route per												
7	Weekday	1.92	1.00		1.00	1.00	0.30	1.00	1.00	3.00		10.22
8	Saturday				1.00	1.00	0.10	0.50	0.50	1.00		4.10
9	Sunday											
# of route hours/day/route per												
10	Weekday	8.00	8.00		8.00	8.00	1.00	7.50	7.50	7.50		55.50
11	Saturday				8.00	8.00	1.00	4.00	4.00	8.00		33.00
12	Sunday											
# of route hours/year per												
13	Weekday	13,520.00	13,520.00		11,440.00	5,200.00	78.00	1,950.00	1,950.00	5,850.00		53,508.00
14	Saturday				832.00	416.00	8.01	104.00	104.00	416.00		1,880.01
15	Sunday											
16	Total	13,520.00	13,520.00		12,272.00	5,616.00	86.01	2,054.00	2,054.00	6,266.00		55,388.01
17	# of FTE routes	6.50	6.50		5.90	2.70	0.04	0.99	0.99	3.01		26.63
18	Total # of setouts/day for all routes	3,433.00	2,918.00									
19	# of setouts/day/FTE route	528.15	448.92									
20	# of setouts/week	17,165.00	14,590.00									
21	# of drive-bys/week	17,165.00	17,165.00									
22	Set out rate (%)	1.00	0.85									
23	# of lifts/week for all routes				3,486.00	1,224.00	10.00					
24	# of lifts/year for all routes				181,272.00	63,648.00	520.00					
25	# of lifts/route hour				14.77	11.33	6.05					
26	# of pulls/week for all routes							32.00	40.00	47.00		
27	# of pulls/year for all routes							1,664.00	2,080.00	2,444.00		
28	# of pulls/route hour							0.81	1.01	0.39		
<b>Vehicle Information</b>												
29	# of regular collection vehicles	6.50	6.50		5.50	2.50		1.00	1.00	3.00		26.00
30	# of spare collection vehicles	2.00	2.00		0.67	0.33	Included in Commercial and Residential Vehicles	0.20	0.20	0.60		6.00
31	Total # of collection vehicles	8.50	8.50		6.17	2.83		1.20	1.20	3.60		32.00
<b>Tonnage Information (annual)</b>												
32	Solid waste	9,000.00			21,103.00			6,917.00			143.00	37,163.00
33	Recyclable materials		10,488.00			8,420.00			2,042.00		153.00	21,103.00
34	Organic materials	12,870.00					247.00		475.00			13,592.00
35	C&D									5,542.00	340.00	5,882.00
36	Residue	130.00	912.00			732.00	13.00		252.00	978.00	77.00	3,094.00
37	Total	22,000.00	11,400.00		21,103.00	9,152.00	260.00	6,917.00	2,769.00	6,520.00	713.00	80,834.00

**Attachment N-3  
Form 2B**

**Operating Statistics**

**Zero Waste Services**

REPORT FOR 12-MONTH PERIOD FROM July 1, 2009 TO June 30, 2010		Expanding Residential Organics	Expanding Commercial Organics	Expanding Residential Single Stream	Expanding Commercial Single Stream	Expanding Clean-Up Reuse and Recycling	Mandatory Residential Recycling Participation	Mandatory Residential Organics Participation	Mandatory Commercial Recycling Participation	Mandatory Commercial Organics Participation	Increasing C&D Diversion	Enhancing Commercial Recycling	TOTAL
		A	B	C	D	E	F.1	F.2	F.3	F.4	G	H	
<b>Labor Information</b>													
1	# of route personnel		6.50			1					3		11
2	Labor hours/day/person		0.21			9.00					0.50		10
3	Total labor hours/year		354.90			2,340.00					390.00		26,508.30
<b>Route Information</b>													
# of routes per													
4	Weekday		5.50			1.00					3.00		9.50
5	Saturday												
6	Sunday												
# of persons/route per													
7	Weekday		1.00			1.00					1.00		3.00
8	Saturday												
9	Sunday												
# of route hours/day/route per													
10	Weekday		0.21			9.00					0.50		9.71
11	Saturday												
12	Sunday												
# of route hours/year per													
13	Weekday		300.30			2,340.00					390.00		23,983.70
14	Saturday												
15	Sunday												
16	Total		300.30			2,340.00					390.00		23,983.70
17	# of FTE routes		0.14			1.13					0.19		11.53
18	Total # of setouts/day for all routes												
19	# of setouts/day/FTE route												
20	# of setouts/week												
21	# of drive-bys/week												
22	Set out rate (%)												
23	# of lifts/week for all routes												
24	# of lifts/year for all routes												
25	# of lifts/route hour												
26	# of pulls/week for all routes												
27	# of pulls/year for all routes												
28	# of pulls/route hour												
<b>Vehicle Information</b>													
29	# of regular collection vehicles					1.00							1.00
30	# of spare collection vehicles												
31	Total # of collection vehicles					1.00							1.00
<b>Tonnage Information (annual)</b>													
32	Solid waste		-4,500.00	-614.00	-1,804.00	-356.00	-614.00		-1,804.00	-4,500.00	-5,342.00		-19,534.00
33	Recyclable materials			564.00	1,660.00	156.00	565.00		1,660.00				4,605.00
34	Organic materials		4,050.00							4,050.00			8,100.00
35	C&D					170.00					4,541.00		4,711.00
36	Residue		450.00	50.00	144.00	30.00	49.00		144.00	450.00	801.00		2,118.00
37	Total			-50.00	-144.00								

Note for Forms 2A and 2B

Baseline and Zero Waste Services

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

Pulls = pull and return etc.

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

**Attachment N-3  
Form 3**

**Labor Requirements**

**Baseline Services and Zero Waste Services**

<b>Route Personnel</b> (includes regular and pool personnel)	Proposed FTE		
	Baseline	Zero Waste	Total
Residential Solid Waste and Yard Trimmings	12.5		12.5
Residential Recyclable Materials	6.5		6.5
Residential Yard Trimmings Materials	Included with solid waste		Included with solid waste
Commercial Solid Waste	5.5		5.5
Commercial Recyclable Materials	2.5		2.5
Commercial Yard Trimmings and Food Scraps from Special Events	0.3		0.3
Roll-off Box Solid Waste	1		1
Roll-off Box Recycling	1		1
Roll-off Box C&D	3		3
Annual Clean Up/Bulky Item	1	1	2
Casual Pool	5		5
<b>Subtotal</b>	<b>38.3</b>	<b>1</b>	<b>39.3</b>
<b>Other Personnel</b>			
CEO/COO			
General Manager	1		1
Controller			
Office Manager			
Operations Manager	1		1
Operations/Route Supervisor	3		3
Dispatcher			
Container Distribution	1		1
Operations Clerk			
Community Relations Manager	1		1
Recycling/Public Ed. Coordinator	1	1.75	2.75
Customer Service Supervisor	1		1
Customer Service Representatives	3		3
Accounting Clerk			
Receptionist			
Safety Manager			
Maintenance Supervisor	1		1
Shop Foreman			
Yard Personnel	1		1
Maintenance Personnel	2		2
Recycling Manager			
Recycling Center Personnel	2		2
Other			
<b>Subtotal</b>	<b>18</b>	<b>1.75</b>	<b>19.75</b>
<b>Total</b>	<b>56.3</b>	<b>2.75</b>	<b>59.05</b>

FTE = full-time equivalent

**Attachment N-3  
Form 4A**

**Capital Requirements**

**Baseline Services**

	Quantity									
	New			Used			Total			
Collection Vehicles	Actual	Spare	Total	Actual	Spare	Total	Actual	Spare	Total	Proposed Cost
Residential Solid Waste, Yard Trimmings	6.5	1	7.5				6.5	1	7.5	\$2,423,850
Hard to Serve	1		1				1		1	\$208,700
Residential Recyclable Materials*	0.5	2	2.5	6		6	6.5	2	8.5	\$2,423,850
Residential Yard Trimmings Materials	Included above						Included above			
Commercial Solid Waste	5.5	0.67	6.17				5.5	0.67	6.17	\$1,503,231
Commercial Recyclable Materials	2.5	0.33	2.83				2.5	0.33	2.83	\$689,488
Commercial Yard Trimmings and Food Scraps from Special Events	Included above						Included above			
Roll-off Box Solid Waste	1	0.2	1.2				1	0.2	1.2	\$229,918
Roll-off Box Recycling - Hybrid	1	0.2	1.2				1	0.2	1.2	\$274,918
Roll-off Box C&D	3	0.6	3.6				3	0.6	3.6	\$689,755
Other Vehicles										
Pickup Trucks	5		5				5		5	\$235,000
Container Distribution - Hybrid	2		2				2		2	\$284,000
Pressure Washing Truck	1		1				1		1	\$125,000
Mobile Service Truck	1		1				1		1	\$77,000
Cars	3		3				3		3	\$105,000
Annual Clean Up - Hybrid	1		1				1		1	\$245,800
Containers										
Residential cart service	Replacements included in Container Maintenance Expenses									
20-gallon	708		708				708		708	\$36,788
32-gallon	2880		2880				2880		2880	\$140,292
64-gallon	990		990				990		990	\$49,297
96-gallon	142		142				142		142	\$8,454
Commercial cart service										
20-gallon										
32-gallon										
64-gallon										
96-gallon	1500		1500				1500		1500	\$84,975
Commercial bin service										
1 cubic yard	302	16	318				302	16	318	\$128,733
1.5 cubic yards	86	5	91				86	5	91	\$43,057
2 cubic yards	1055	56	1111				1055	56	1111	\$550,299
3 cubic yards	522	28	550				522	28	550	\$298,013
4 cubic yards	477	25	502				477	25	502	\$318,334
5 cubic yards	6		6				6		6	\$4,465
6 cubic yards	81	4	85				81	4	85	\$67,404
8 cubic yard	2		2				2		2	\$1,957
Roll-off service										
7 cubic yards	10		10				10		10	\$42,141
10 cubic yards	20		20				20		20	\$90,576
15 cubic yards	36		36				36		36	\$130,613
20 cubic yards	45		45				45		45	\$174,753
30 cubic yards	52		52				52		52	\$223,512
40 cubic yards	30		30				30		30	\$154,848
Other: 4 cubic yard bins for Recycle Center	13		13				13		13	\$8,450
Other: debris boxes for Recycle Center	4		4				4		4	\$18,000
Other										
Forklift	1		1				1		1	\$45,000
Processing Site(s)										
Transfer Station										
Corporation Yard/Maintenance										\$700,000
Container Storage Yard										
Shop Equipment										\$150,000
On Route GPS System										\$197,015
Computer and Office Equipment										\$46,000
Start-up Capital										\$363,789
Total	8,996	139	9,135	6		6	9,002	139	9,141	\$13,592,277

\* Residential recycling vehicles include purchase of 6 used CNG vehicles previously owned by PASCO, the City's previous hauling company.

**Capital Requirements**

**Zero Waste Services**

	Quantity									Proposed Cost
	New			Used			Total			
Collection Vehicles	Actual	Spare	Total	Actual	Spare	Total	Actual	Spare	Total	
Residential Added Organics										
Commercial Added Organics										
Residential Added Single Stream										
Commercial Added Single Stream										
Bulky Item Reuse & Recycling										
Mandatory Residential Recycling Participation										
Mandatory Residential Organics Participation										
Mandatory Commercial Recycling Participation										
Mandatory Commercial Organics Participation										
Increasing C&D Diversion - Hybrid	1		1				1		1	\$245,800
Enhancing Commercial Recycling										
Other Vehicles										
Pickup Trucks										
Container Distribution										
Mobile Service Truck										
Outreach Vehicle	1		1				1		1	\$52,500
Other										
Containers*										
Residential cart service										
20-gallon										
32-gallon										
64-gallon										
96-gallon										
Commercial cart service										
20-gallon										
32-gallon										
64-gallon										
96-gallon	500		500				500		500	\$28,325
Commercial bin service										
1 cubic yard										
1.5 cubic yards										
2 cubic yards										
3 cubic yards										
4 cubic yards	40		40				40		40	\$25,357
5 cubic yards										
6 cubic yards										
8 cubic yard										
Roll-off service										
7 cubic yards										
10 cubic yards										
15 cubic yards										
20 cubic yards										
30 cubic yards										
40 cubic yards										
Other										
Other										
Offices										
Processing Site(s)										
Transfer Station										
Corporation Yard/Maintenance										
Container Storage Yard										
Shop Equipment										
Fueling Equipment										
Computer and Office Equipment										
Start-up Capital										
Total	542		542				542		542	\$351,982

\*Used containers may only include the existing City-owned carts (including replacement inventory). All other containers shall be new.

**Attachment N-3  
Form 5A**

**Summary of Contractor's Compensation**

**Baseline Services**

<b>RATE PERIOD 1*</b> <b>FROM July 1, 2009 TO June 30, 2010</b>	Residential Solid Waste	Residential Recyclable Materials	Residential Yard Trimmings	Commercial Solid Waste	Commercial Recyclable Materials	Commercial Yard Trimmings and Food Scraps from Special Events	Annual Clean- up Program	Recycle Center	Two Additional Route Supervisors	<b>TOTAL</b>
	<b>Form 6A&amp;6C</b>	<b>Form 6B</b>	<b>Form 6A&amp;6C</b>	<b>Form 6D</b>	<b>Form 6E</b>	<b>Form 6F</b>	<b>Form J</b>	<b>Form N</b>	<b>Form O</b>	
<b>Annual Cost of Operations</b>										
Labor-Related Costs	\$1,605,334	\$782,868	Included in A	\$702,590	\$282,847	\$10,657	\$121,938	\$170,058	\$206,120	\$3,882,412
Vehicle-Related Costs	\$148,007	\$131,557		\$91,092	\$40,612	\$143	\$17,548	\$3,105	\$5,620	\$437,683
Fuel Costs	\$214,427	\$48,511		\$182,197	\$73,615	\$1,258	\$34,915	\$1,820	\$7,200	\$563,943
Net Recyclables Processing Revenue	\$0	(\$570,000)		\$0	(\$457,600)	\$0	\$0	\$0	\$0	(\$1,027,600)
Net Organics Processing Costs	\$0	0		\$0	\$0	\$3,570	\$17,300	\$0	\$0	\$20,870
Other Costs	\$16,498	\$11,184		\$9,301	\$4,786	\$647	\$3,365	\$1,932	\$852	\$48,564
Direct Depreciation Expense	\$366,947	\$376,052		\$279,434	\$190,335	\$0	\$30,725	\$8,931	\$0	\$1,252,425
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$695,880	\$618,561		\$477,064	\$218,816	\$0	\$77,320	\$0	\$0	\$2,087,641
Total Allocated Costs - Depreciation & Start-Up	<u>\$68,233</u>	<u>\$60,652</u>		<u>\$46,778</u>	<u>\$21,456</u>	<u>\$0</u>	<u>\$7,581</u>	<u>\$0</u>	<u>\$11,750</u>	<u>\$216,449</u>
<b>Total Annual Cost of Operations</b>	\$3,115,326	\$1,459,383		\$1,788,457	\$374,866	\$16,275	\$310,691	\$185,846	\$231,542	\$7,482,387
<b>Profit**</b>	\$424,817	\$214,108		\$243,881	\$62,848	\$2,219	\$42,367	\$25,343	\$31,574	\$1,047,157
<b>Pass-Through Costs</b>										
Disposal Cost (City to pay directly for disposal)	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$0
Interest Expense (external or intra-company)	\$168,115	\$117,301		\$128,021	\$87,201	\$0	\$14,076	\$4,092	\$3,074	\$521,880
Allocated Lease & Interest Costs	<u>\$124,036</u>	<u>\$110,254</u>		<u>\$85,033</u>	<u>\$39,002</u>	<u>\$0</u>	<u>\$13,782</u>	<u>\$0</u>	<u>\$0</u>	<u>\$372,107</u>
<b>Total Pass-Through Costs</b>	\$292,151	\$227,555		\$213,054	\$126,203	\$0	\$27,858	\$4,092	\$3,074	\$893,987
<b>Total Base Compensation</b>	\$3,832,294	\$1,901,046		\$2,245,392	\$563,917	\$18,494	\$380,916	\$215,280	\$266,190	\$9,423,530

\*Amounts tie to costs on Forms 6A - 6F, 6J, 6N, and 6O

\*\* Profit is based on 0.88 operating ratio except for profit for Residential Recyclable Materials and Commercial Recyclables Materials. In these cases, increased recycling revenues were negotiated but profit was intentionally not reduced to reflect increased recycling revenues.



**Attachment N-3  
Form 5B**

**Summary of Contractor's Compensation**

**Zero Waste Services**

<b>RATE PERIOD 1 FROM July 1, 2009 TO June 30, 2010</b>	Expanding Residential Organics*	Expanding Commercial Organics	Expanding Residential Single Stream	Expanding Commercial Single Stream	Expanding Clean-Up Reuse and Recycling	Mandatory Residential Recycling Participation	Mandatory Residential Organics Participation	Mandatory Commercial Recycling Participation	Mandatory Commercial Organics Participation	Increasing C&D Diversion	Enhancing Commercial Recycling	<b>TOTAL</b>
	<b>Form 7A</b>	<b>Form 7B</b>	<b>Form 7C</b>	<b>Form 7D</b>	<b>Form 7E</b>	<b>Form 7F.1</b>	<b>Form 7F.2</b>	<b>Form 7F.3</b>	<b>Form 7F.4</b>	<b>Form 7G</b>	<b>Form 7H</b>	
<b>Annual Cost of Operations</b>												
Labor-Related Costs		\$34,032			\$117,631			\$61,725	\$20,575		\$49,799	\$283,763
Vehicle-Related Costs		\$704			\$17,548			\$1,883	\$628			\$20,762
Fuel Costs		\$4,413			\$34,915			\$2,700	\$900			\$42,928
Net Recycling Processing Revenue			(\$30,700)	(\$90,200)		(\$30,700)		(\$90,200)				(\$241,800)
Net Organics Processing Costs		\$315,000			\$17,300				\$315,000			\$647,300
Other Costs					\$1,301	\$5,000					\$8,783	\$15,084
Direct Depreciation Expense		\$6,710			\$30,725			\$4,922	\$1,641			\$43,998
Total Allocated Costs - Labor, Vehicle, Fuel & Other												
Total Allocated Costs - Depreciation & Start-Up												
<b>Total Annual Cost of Operations</b>		\$360,859	(\$30,700)	(\$90,200)	\$219,420	(\$25,700)		(\$18,970)	\$338,743		\$58,582	\$812,034
<b>Profit***</b>		\$49,208	(\$3,349)	(\$12,300)	\$29,921	(\$3,505)		(\$2,587)	\$46,192		\$7,988	\$111,569
<b>Pass-Through Costs</b>												
Disposal Cost (City to pay directly for disposal)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Interest Expense (external or intra-company)		\$3,074			\$14,076			\$2,246	\$749			\$20,145
Direct Lease Costs												
Total Allocated Costs - Lease												
<b>Total Pass-Through Costs</b>		\$3,074			\$14,076			\$2,246	\$749			\$20,145
<b>Total Base Compensation</b>		\$413,142	(\$34,049)	(\$102,500)	\$263,417	(\$29,205)		(\$19,311)	\$385,684		\$66,571	<b>\$943,749</b>
Estimated C&D Extra Services Compensation**										\$243,869		

\* City chose not to implement Expanded Residential Organics.

\*\* Contractor compensated on a unit price basis at fees established in Attachment N-1.

\*\*\* Profit is based on 0.88 operating ratio except for profit for Expanding Residential Single Stream Materials. In this case, increased recycling revenues were negotiated but profit was intentionally not reduced to reflect increased recycling revenues.

## Forms 6A &amp; 6C

## Baseline Services

## RESIDENTIAL SOLID WASTE &amp; YARD TRIMMINGS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$874,754	\$900,997	\$1,775,751
Overtime Wages	164,016	168,937	332,953
Holiday Wages	46,435	47,828	94,264
Vacation Wages	58,044	59,785	117,830
Sick Leave Wages	46,435	47,828	94,264
Workers Compensation Insurance & Claims	74,287	76,515	150,802
Employers Liability Insurance			-
Health & Welfare	212,022	218,383	430,405
Pension/ Retirement Benefits	32,894	33,881	66,775
Payroll Taxes	96,445	99,339	195,784
Other			-
Total Labor Related-Costs	\$1,605,334	\$1,653,494	\$3,258,828
Vehicle-Related Costs			
Tires & Tubes	\$22,722	\$23,403	\$46,125
Parts	11,451	11,794	23,245
Supplies (fluid, oil, etc.)	4,458	4,591	9,049
Taxes & Licenses	44,505	45,840	90,345
Fines & Penalties			-
Radio Air time	8,100	8,343	16,443
Outside Repairs	18,297	18,846	37,143
Vehicle Insurance	38,475	39,629	78,104
Total Vehicle-Related Costs	\$148,007	\$152,447	\$ 300,454
Fuel Costs	\$214,427	\$220,860	\$435,286
Net Processing Costs			
Net Recyclables Processing Revenue			-
Net Organics Processing Cost			-
Total Net Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance			
Damage Claims	\$7,000	\$7,210	14,210
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	1,688	1,738	3,426
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	1,688	1,738	3,426
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	6,123	6,307	12,429
Other			-
Total Other Costs	\$16,498	\$16,993	\$33,491
Direct Depreciation			
Container Depreciation	\$29,354	\$29,354	\$ 58,708
Route Vehicle Depreciation	329,069	329,069	658,138
Other Depreciation	8,525	8,525	17,049
Total Direct Depreciation	\$366,947	\$366,947	\$733,895

## Forms 6A &amp; 6C

## Baseline Services

## RESIDENTIAL SOLID WASTE &amp; YARD TRIMMINGS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	\$473,274	\$467,656	\$940,930
From Vehicle Maintenance (6L)	\$144,542	\$148,878	\$293,420
From Container Maintenance (6M)	\$78,064	\$80,406	\$158,471
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$695,880	\$696,940	\$1,392,820
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$45,034	\$44,703	\$89,737
From Vehicle Maintenance (6L)	7,739	7,739	15,477
From Container Maintenance (6M)	15,461	15,461	30,921
Total Allocated Costs - Depreciation and Start-Up Costs	\$68,233	\$67,903	\$136,136
Total Annual Cost of Operations	\$3,115,326	\$3,175,584	\$6,290,910
Profit	88 % \$424,817	\$433,034	\$857,851
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$168,115	\$149,931	\$318,046
Allocated Lease & Interest Costs			
From General and Administrative (6K)	\$114,102	\$115,453	\$229,555
From Vehicle Maintenance (6L)	3,545	3,162	6,707
From Container Maintenance (6M)	6,388	5,697	12,085
Total Allocated Lease & Interest Costs	\$124,036	\$124,312	\$248,347
Total Pass-Through Costs	\$292,151	\$274,243	\$566,393
Total Base Compensation	<b>\$3,832,294</b>	<b>\$3,882,861</b>	<b>\$7,715,155</b>

## Form 6B

## Baseline Services

## RESIDENTIAL RECYCLABLE MATERIALS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$452,006	\$465,566	\$917,572
Overtime Wages	42,376	43,647	86,022
Holiday Wages	23,994	24,714	48,708
Vacation Wages	29,993	30,893	60,885
Sick Leave Wages	23,994	24,714	48,708
Workers Compensation Insurance & Claims	36,537	37,633	74,169
Employers Liability Insurance		-	-
Health & Welfare	110,251	113,559	223,810
Pension/ Retirement Benefits	17,105	17,618	34,723
Payroll Taxes	46,611.7	48,010.0	94,622
Other		-	-
Total Labor Related-Costs	\$782,868	\$806,354	\$1,589,221
Vehicle-Related Costs			
Tires & Tubes	\$22,318	\$22,987	\$45,305
Parts	11,247	11,585	22,832
Supplies (fluid, oil, etc.)	4,379	4,510	8,888
Taxes & Licenses	39,560	40,747	80,307
Fines & Penalties		-	-
Radio Air time	7,200	7,416	14,616
Outside Repairs	16,574	17,071	33,645
Vehicle Insurance	\$30,280	\$31,188	61,468
Total Vehicle-Related Costs	\$131,557	\$135,504	\$ 267,061
Fuel Costs	\$48,511	\$49,966	\$98,477
Net Processing Costs			
Net Recyclables Processing Revenue	(\$570,000)	(\$570,000)	(\$1,140,000)
Net Organics Processing Cost			\$0
Total Net Processing Costs	(\$570,000)	(\$570,000)	(\$1,140,000)
Other Costs			
Liability & Property Damage Insurance			
Damage Claims	\$5,000	\$5,150	10,150
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	1,500	1,545	3,045
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	1,500	1,545	3,045
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	3,184	3,279	6,463
Other			-
Total Other Costs	\$11,184	\$11,519	\$22,703
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation	\$368,474	\$368,474	736,949
Other Depreciation	7,578	7,578	15,155
Total Direct Depreciation	\$376,052	\$376,052	\$752,104

## Form 6B

## Baseline Services

## RESIDENTIAL RECYCLABLE MATERIALS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	\$420,688	\$415,694	\$836,383
From Vehicle Maintenance (6L)	128,482	132,336	260,818
From Container Maintenance (6M)	69,391	71,472	140,863
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$618,561	\$619,503	\$1,238,064
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$40,030	\$39,736	\$79,766
From Vehicle Maintenance (6L)	6,879	6,879	13,758
From Container Maintenance (6M)	13,743	13,743	27,486
Total Allocated Costs - Depreciation and Start-Up Costs	\$60,652	\$60,358	\$121,010
Total Annual Cost of Operations	\$1,459,383	\$1,489,256	\$2,948,639
Profit* 88 %	\$214,108	# \$218,190	\$432,298
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$117,301	\$117,301	\$234,601
Allocated Lease & Interest Costs			
From General and Administrative (6K)	\$101,424	\$102,625	\$204,049
From Vehicle Maintenance (6L)	3,151	2,811	5,962
From Container Maintenance (6M)	5,678	5,064	10,742
Total Allocated Lease & Interest Costs	\$110,254	\$110,500	\$220,754
Total Pass-Through Costs	\$227,555	\$227,800	\$455,355
Total Base Compensation	<b>\$1,901,046</b>	<b>\$1,935,245</b>	<b>\$3,836,292</b>

\*Profit is not tied exactly to an 0.88 operating ratio. The effective operating ratio is slightly different because increased recycling revenues were negotiated but profit was intentionally not reduced to reflect increased recycling revenues.

## Form 6D

## Baseline Services

## COMMERCIAL SOLID WASTE

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$ 382,467	\$393,941	\$776,407
Overtime Wages	71,712	\$73,864	145,576
Holiday Wages	20,303	\$20,912	41,215
Vacation Wages	25,379	\$26,140	51,518
Sick Leave Wages	20,303	\$20,912	41,215
Workers Compensation Insurance & Claims	32,480	\$33,455	65,935
Employers Liability Insurance		\$0	-
Health & Welfare	93,290	\$96,088	189,378
Pension/ Retirement Benefits	14,473	\$14,908	29,381
Payroll Taxes	42,184	\$43,449	85,633
Other			-
Total Labor Related-Costs	\$702,590	\$723,668	\$1,426,258
Vehicle-Related Costs			
Tires & Tubes	\$ 11,990	\$12,350	\$24,340
Parts	2,835	2,920	5,756
Supplies (fluid, oil, etc.)	3,280	3,379	6,659
Taxes & Licenses	30,511	31,426	61,937
Fines & Penalties			-
Radio Air time	5,553	5,720	11,273
Outside Repairs	13,569	13,976	27,546
Vehicle Insurance	23,353	24,054	47,408
Total Vehicle-Related Costs	\$ 91,092	\$ 93,825	\$ 184,917
Fuel Costs	\$ 182,197	\$187,663	\$369,861
Net Processing Costs			
Net Recyclables Processing Revenue			\$0
Net Organics Processing Cost			\$0
Total Net Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance			
Damage Claims	\$4,000	\$4,120	8,120
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	1,304	1,343	2,646
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	1,304	1,343	2,646
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	2,694	2,775	5,469
Other			-
Total Other Costs	\$9,301	\$9,580	\$18,881
Direct Depreciation			
Container Depreciation	\$ 85,686	\$ 85,686	\$171,372
Route Vehicle Depreciation	187,904	187,904	375,808
Other Depreciation	5,844	5,844	11,688
Total Direct Depreciation	\$279,434	\$279,434	\$558,868

## Form 6D

## Baseline Services

## COMMERCIAL SOLID WASTE

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	\$324,455	\$320,604	\$645,059
From Vehicle Maintenance (6L)	99,091	102,064	201,156
From Container Maintenance (6M)	53,518	55,123	108,641
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$477,064	\$477,791	\$954,855
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$30,873	\$30,647	\$61,520
From Vehicle Maintenance (6L)	5,305	5,305	10,611
From Container Maintenance (6M)	10,599	10,599	21,198
Total Allocated Costs - Depreciation and Start-Up Costs	\$46,778	\$46,551	\$93,329
Total Annual Cost of Operations	\$1,788,457	\$1,818,513	\$3,606,970
Profit	88 %	\$243,881	\$247,979
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$128,021	\$114,174	\$242,195
Allocated Lease & Interest Costs			
From General and Administrative (6K)	\$78,223	\$79,149	\$157,373
From Vehicle Maintenance (6L)	2,431	2,168	4,598
From Container Maintenance (6M)	4,379	3,906	8,285
Total Allocated Lease & Interest Costs	\$85,033	\$85,223	\$170,256
Total Pass-Through Costs	\$213,054	\$199,397	\$412,451
Total Base Compensation	<b>\$2,245,392</b>	<b>\$2,265,889</b>	<b>\$4,511,281</b>

## Form 6E

## Baseline Services

## COMMERCIAL RECYCLABLE MATERIALS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$173,848	\$179,064	\$352,912
Overtime Wages			-
Holiday Wages	9,229	9,505	18,734
Vacation Wages	11,536	11,882	23,417
Sick Leave Wages	9,229	9,505	18,734
Workers Compensation Insurance & Claims	13,341	13,742	27,083
Employers Liability Insurance		-	-
Health & Welfare	42,404	43,677	86,081
Pension/ Retirement Benefits	6,579	6,776	13,355
Payroll Taxes	16,681	17,181	33,862
Other			-
Total Labor Related-Costs	\$282,847	\$291,332	\$574,179
Vehicle-Related Costs			
Tires & Tubes	\$4,844	\$4,990	\$9,834
Parts	1,146	1,180	2,326
Supplies (fluid, oil, etc.)	1,325	1,365	2,691
Taxes & Licenses	13,994	14,414	28,409
Fines & Penalties			-
Radio Air time	2,547	2,623	5,170
Outside Repairs	6,043	6,225	12,268
Vehicle Insurance	10,712	11,033	21,744
Total Vehicle-Related Costs	\$40,612	\$41,830	\$82,442
Fuel Costs	\$73,615	\$75,824	\$149,439
Net Processing Costs			
Net Recyclables Processing Revenue	(\$457,600)	(\$457,600)	(\$915,200)
Net Organics Processing Cost			\$0
Total Net Processing Costs	(\$457,600)	(\$457,600)	(\$915,200)
Other Costs			
Liability & Property Damage Insurance			
Damage Claims	\$2,500	\$2,575	5,075
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	531	547	1,077
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	531	547	1,077
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	1,225	1,261	2,486
Other			-
Total Other Costs	\$4,786	\$4,929	\$9,715
Direct Depreciation			
Container Depreciation	\$101,469	\$101,469	\$202,937
Route Vehicle Depreciation	86,186	86,186	172,372
Other Depreciation	2,681	2,681	5,361
Total Direct Depreciation	\$190,335	\$190,335	\$380,670



## Form 6E

## Baseline Services

## COMMERCIAL RECYCLABLE MATERIALS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	\$148,819	\$147,052	\$295,870
From Vehicle Maintenance (6L)	45,450	46,814	92,264
From Container Maintenance (6M)	24,547	25,283	49,830
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$218,816	\$219,149	\$437,965
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$14,161	\$14,057	\$28,217
From Vehicle Maintenance (6L)	2,433	2,433	4,867
From Container Maintenance (6M)	4,862	4,862	9,723
Total Allocated Costs - Depreciation and Start-Up Costs	\$21,456	\$21,352	\$42,807
Total Annual Cost of Operations	\$374,866	\$387,151	\$762,017
Profit* 88 %	\$62,848	\$64,526	\$127,374
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	87,201	77,769	\$164,970
Allocated Lease & Interest Costs			
From General and Administrative (6K)	\$35,879	\$36,304	\$72,182
From Vehicle Maintenance (6L)	1,115	994	2,109
From Container Maintenance (6M)	2,009	1,791	3,800
Total Allocated Lease & Interest Costs	\$39,002	\$39,089	\$78,092
Total Pass-Through Costs	126,203	116,858	243,062
Total Base Compensation	<b>\$563,917</b>	<b>\$568,536</b>	<b>\$1,132,453</b>

\*Profit is not tied exactly to an 0.88 operating ratio. The effective operating ratio is slightly different because increased recycling revenues were negotiated but profit was intentionally not reduced to reflect increased recycling revenues.

**Form 6F**

(Note: Forms 6G, 6H, and 6I were deleted)

**Baseline Services****COMMERCIAL YARD TRIMMINGS AND FOOD SCRAPS FROM SPECIAL EVENTS**

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$2,608	\$2,686	\$5,294
Overtime Wages	391	\$403	794
Holiday Wages	332	\$342	674
Vacation Wages	415	\$428	843
Sick Leave Wages	332	\$342	674
Workers Compensation Insurance & Claims	258	\$266	525
Employers Liability Insurance			-
Health & Welfare	5,089	\$5,241	10,330
Pension/ Retirement Benefits	789	\$813	1,603
Payroll Taxes	442	\$456	898
Other			-
Total Labor Related-Costs	\$10,657	\$10,977	\$21,635
Vehicle-Related Costs			
Tires & Tubes	\$80	\$82	\$162
Parts	19	19	38
Supplies (fluid, oil, etc.)	22	23	44
Taxes & Licenses			-
Fines & Penalties			-
Radio Air time			-
Outside Repairs	22	23	45
Vehicle Insurance			-
Total Vehicle-Related Costs	\$143	\$147	\$ 290
Fuel Costs	\$1,258	\$1,296	\$2,554
Net Processing Costs			
Net Recyclables Processing Revenue	\$0	\$0	\$ -
Net Organics Processing Cost	\$3,570	\$3,677	7,247
Total Net Processing Costs	\$3,570	\$3,677	\$ 7,247
Other Costs			
Liability & Property Damage Insurance			
Damage Claims	\$500	\$515	\$1,015
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies			-
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs			-
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	147	151	298
Other			-
Total Other Costs	\$647	\$666	\$1,313
Direct Depreciation			
Container Depreciation			-
Route Vehicle Depreciation			-
Other Depreciation			-
Total Direct Depreciation	\$0	\$0	\$0

**Form 6F**

(Note: Forms 6G, 6H, and 6I were deleted)

**Baseline Services**

## COMMERCIAL YARD TRIMMINGS AND FOOD SCRAPS FROM SPECIAL EVENTS

	Cost for <u>Rate Period 1</u> From July 1, 2009 To June 30, 2010	Cost for <u>Rate Period 2</u> From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	-	-	-
From Vehicle Maintenance (6L)	-	-	-
From Container Maintenance (6M)	-	-	-
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	-	-	-
From Vehicle Maintenance (6L)	-	-	-
From Container Maintenance (6M)	-	-	-
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$16,275	\$16,763	\$33,038
Profit	88 %		
	\$2,219	\$2,286	\$4,505
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense			\$0
Direct Lease Costs			
Route Vehicles			\$0
Other			\$0
Total Direct Lease Costs	\$0	\$0	\$0
Allocated Lease Costs			
From General and Administrative (6K)	-	-	-
From Vehicle Maintenance (6L)	-	-	-
From Container Maintenance (6M)	-	-	-
Total Allocated Lease Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<b>\$18,494</b>	<b>\$19,049</b>	<b>\$37,544</b>

**FORM 6J**

(Note: Forms 6G, 6H, and 6I were deleted)

**Baseline Services****ANNUAL CLEAN-UP PROGRAM**

	Cost for <u>Rate Period 1</u> From July 1, 2009 To June 30, 2010	Cost for <u>Rate Period 2</u> From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$65,791	\$67,765	\$133,556
Overtime Wages	12,336	12,706	25,042
Holiday Wages	3,492	3,597	7,090
Vacation Wages	4,366	4,497	8,862
Sick Leave Wages	3,492	3,597	7,090
Workers Compensation Insurance & Claims	5,587	5,755	11,342
Employers Liability Insurance		-	-
Health & Welfare	16,962	17,471	34,432
Pension/ Retirement Benefits	2,632	2,710	5,342
Payroll Taxes	7,280	7,498	14,778
Other			-
Total Labor Related-Costs	\$121,938	\$125,596	\$247,534
Vehicle-Related Costs			
Tires & Tubes	\$3,290	\$3,389	\$6,679
Parts	2,490	2,564	5,054
Supplies (fluid, oil, etc.)	1,518	1,564	3,082
Taxes & Licenses	4,011	4,131	8,142
Fines & Penalties		-	-
Radio Air time	300	309	609
Outside Repairs	1,664	1,714	3,378
Vehicle Insurance	4,275	4,403	8,678
Total Vehicle-Related Costs	\$17,548	\$18,074	\$35,622
Fuel Costs	\$34,915	\$35,962	\$70,877
Net Processing Costs			
Net Recyclables Processing Revenue	\$0	\$0	\$0
Net Organics Processing Cost	\$17,300	\$17,300	34,600
Total Net Processing Costs	\$17,300	\$17,300	\$34,600
Other Costs			
Liability & Property Damage Insurance			-
Damage Claims	\$2,500	\$2,500	\$5,000
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	188	193	381
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	188	193	381
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	490	505	994
Other			-
Total Other Costs	\$3,365	\$3,391	\$6,756
Direct Depreciation			
Container Depreciation			-
Route Vehicle Depreciation	\$30,725	\$30,725	\$61,450
Other Depreciation			\$0
Total Direct Depreciation	\$30,725	\$30,725	\$61,450

**FORM 6J**

(Note: Forms 6G, 6H, and 6I were deleted)

**Baseline Services****ANNUAL CLEAN-UP PROGRAM**

	Cost for <u>Rate Period 1</u> From July 1, 2009 To June 30, 2010	Cost for <u>Rate Period 2</u> From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	\$52,586	\$51,961	\$104,547
From Vehicle Maintenance (6L)	16,060	16,542	32,602
From Container Maintenance (6M)	8,674	8,934	17,608
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$77,320	\$77,437	\$154,757
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$5,004	\$4,967	\$9,971
From Vehicle Maintenance (6L)	860	860	1,720
From Container Maintenance (6M)	1,718	1,718	3,436
Total Allocated Costs - Depreciation and Start-Up Costs	\$7,581	\$7,545	\$15,126
Total Annual Cost of Operations	\$310,691	\$316,030	\$626,721
Profit	88 %	\$42,367	\$43,095
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$ 14,076	\$ 12,554	\$26,630
Allocated Lease & Interest Costs			
From General and Administrative (6K)	\$12,678	\$12,828	\$25,506
From Vehicle Maintenance (6L)	394	351	745
From Container Maintenance (6M)	710	633	1,343
Total Allocated Lease & Interest Costs	\$13,782	\$13,812	\$27,594
Total Pass-Through Costs	\$ 27,858	\$ 26,366	\$ 54,224
Total Base Compensation	<b>\$380,916</b>	<b>\$385,491</b>	<b>\$766,408</b>

## Form 6K

## Baseline Services

## GENERAL AND ADMINISTRATIVE

	Cost for <u>Rate Period 1</u> From July 1, 2009 To June 30, 2010	Cost for <u>Rate Period 2</u> From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$ 493,545	\$508,646	\$1,002,191
Overtime Wages			-
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	16,699	17,210	33,909
Employers Liability Insurance			-
Health & Welfare	108,534	111,855	220,389
Pension/ Retirement Benefits	16,839	17,354	34,192
Payroll Taxes	40,538	41,778	82,317
Other			-
Total Labor Related-Costs	\$ 676,154	\$ 696,843	\$1,372,997
Vehicle-Related Costs			
Tires & Tubes	\$ 1,227	\$1,264	\$2,491
Parts	1,472	1,517	2,989
Supplies (fluid, oil, etc.)			-
Taxes & Licenses	1,431	1,475	2,906
Fines & Penalties			-
Radio Air time	736	758	1,494
Vehicle Insurance	6,133	6,321	12,453
Total Vehicle-Related Costs	\$ 10,998	\$ 11,335	\$ 22,333
Fuel Costs	\$ 14,719	\$15,169	\$29,888
Other Costs			
Liability & Property Damage Insurance	\$ 37,718	\$38,872	\$76,591
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities	9,813	10,113	19,926
Telephone	22,079	22,754	44,833
Non-vehicle Related Supplies	2,944	3,034	5,978
Non-vehicle Related Taxes & Licenses	30,609	30,627	61,236
Training & Safety Programs			-
Initial Public Education & Outreach	40,886		40,886
Continuing Public Education & Outreach	40,886	40,910	81,796
Uniforms	697	718	1,414
Customer Satisfaction Survey	10,733	10,739	21,471
Corporate Overhead	459,087	459,353	918,440
Performance Bond	62,500	62,500	125,000
Total Other Costs	\$ 717,950	\$ 679,620	\$1,397,570
Total Labor, Vehicle, Fuel, and Other Costs	\$ 1,419,822	\$ 1,402,967	\$2,822,789
Depreciation (non-route specific) and Start-Up Costs			
Vehicle Depreciation	\$ 25,145	\$ 25,160	\$50,305
Other Depreciation	76,253	76,297	152,550
Start-up Costs	32,635	32,654	65,289
Total Depreciation and Start-Up Costs	\$135,101	\$ 134,110	\$268,143

## Form 6K

## Baseline Services

## GENERAL AND ADMINISTRATIVE

		Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Lease & Interest Costs				
Facility Costs (see notes)		\$ 119,224	\$122,872	\$242,096
Lease Costs (see notes)		176,628	182,033	358,661
Interest Cost		46,455	41,454	87,909
Total Lease & Interest Costs		\$ 342,307	\$ 346,359	\$ 688,665
Total Costs to be Allocated		\$1,897,230	\$1,883,436	\$3,779,597
<b>Labor, Vehicle, Fuel, &amp; Other Costs Allocated Out</b>	<b>Percentage</b>			
To Residential Solid Waste (6A,C)	33.33%	\$473,274	\$467,656	\$940,930
To Residential Recyclable Materials (6B)	29.63%	\$420,688	\$415,694	836,383
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	\$324,455	\$320,604	645,059
To Commercial Recyclable Materials (6E)	10.48%	\$148,819	\$147,052	295,870
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	\$52,586	\$51,961	104,547
Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$1,419,822	\$1,402,967	\$2,822,789
<b>Depreciation and Start-Up Costs Allocated Out</b>				
To Residential Solid Waste (6A,C)	33.33%	\$45,034	\$44,703	\$89,737
To Residential Recyclable Materials (6B)	29.63%	\$40,030	\$39,736	79,766
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	\$30,873	\$30,647	61,520
To Commercial Recyclable Materials (6E)	10.48%	\$14,161	\$14,057	28,217
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	\$5,004	\$4,967	9,971
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$135,101	\$134,110	\$269,211
<b>Lease &amp; Interest Costs Allocated Out</b>				
To Residential Solid Waste (6A,C)	33.33%	\$114,102	\$115,453	\$229,555
To Residential Recyclable Materials (6B)	29.63%	\$101,424	\$102,625	204,049
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	\$78,223	\$79,149	157,373
To Commercial Recyclable Materials (6E)	10.48%	\$35,879	\$36,304	72,182
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)	0.00%	-	-	-
To Roll-off Box Recycling (6H)	0.00%	-	-	-
To Roll-off Box C&D (6I)	0.00%	-	-	-
To Annual Clean-Up Program (6J)	3.70%	\$12,678	\$12,828	25,506
Total Lease & Interest Costs Allocated Out	100.00%	\$342,307	\$346,359	\$688,665
Total Allocated Out		\$1,897,230	\$1,883,436	\$3,780,666

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

Allocation is based on number of collection vehicles.

Facility lease costs (\$119,224 for Rate Period One) are for the Geng Road site owned by the City. Note that first year payment to City is \$145,800, but some of the Geng Road lease cost will be recovered through drop box unit price revenues so only a portion of the \$145,800 is included here.

Lease cost in Rate Period One (\$176,628) is for GreenWaste's facility in San Jose.

## FORM 6L

## Baseline Services

## VEHICLE MAINTENANCE

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$217,833	\$224,368	\$442,200
Overtime Wages	40,844	42,069	82,913
Holiday Wages	10,054	10,355	20,409
Vacation Wages	9,425	9,708	19,134
Sick Leave Wages	8,378	8,630	17,008
Workers Compensation Insurance & Claims	17,863	18,398	36,261
Employers Liability Insurance			-
Health & Welfare	48,264	49,712	97,977
Pension/ Retirement Benefits	7,488	7,713	15,201
Payroll Taxes	23,157	23,852	47,009
Other			-
Total Labor Related-Costs	\$383,306	\$394,805	\$778,110
Vehicle-Related Costs			
Tires & Tubes	\$2,862	\$2,948	\$5,810
Parts	8,975	9,244	18,219
Supplies (fluid, oil, etc.)	31,730	32,682	64,412
Taxes & Licenses	450	464	914
Fines & Penalties			-
Radio Air time	245	253	498
Vehicle Insurance	1,227	1,264	2,491
Total Vehicle-Related Costs	\$45,490	\$46,854	\$92,344
Fuel Costs	\$2,945	\$3,034	\$5,979
Other Costs			
Liability & Property Damage Insurance			-
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies			-
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	\$491	\$506	\$997
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	1,394	1,436	2,829
Customer Satisfaction Survey			-
Computer software systems/programming			-
Other			-
Total Other Costs	\$1,885	\$1,941	\$3,826
Total Labor, Vehicle, Fuel, and Other Costs	\$433,626	\$446,634	\$880,260
Depreciation (non-route specific) and Start-Up			
Vehicle Depreciation	\$7,875	\$7,875	\$15,750
Other Depreciation	15,341	15,341	30,682
Start-up Costs			-
Total Depreciation and Start-Up Costs	\$23,216	\$23,216	\$46,432

## FORM 6L



## Baseline Services

## VEHICLE MAINTENANCE

		Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Lease & Interest Costs				
Facility				-
Interest		\$10,636	\$9,486	20,122
Total Lease & Interest Costs		\$10,636	\$9,486	\$20,122
Total Costs to be Allocated		\$467,478	\$479,336	\$946,814
<b>Labor, Vehicle, Fuel, &amp; Other Costs Allocated Out</b>	<b>Percentage</b>			
To Residential Solid Waste (6A&6C)	33.33%	\$144,542	\$148,878	\$293,420
To Residential Recyclable Materials (6B)	29.63%	128,482	132,336	260,818
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	99,091	102,064	201,156
To Commercial Recyclable Materials (6E)	10.48%	45,450	46,814	92,264
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	16,060	16,542	32,602
Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$433,626	\$446,634	\$880,260
<b>Depreciation and Start-Up Costs Allocated Out</b>				
To Residential Solid Waste (6A&6C)	33.33%	\$7,739	\$7,739	\$15,477
To Residential Recyclable Materials (6B)	29.63%	6,879	6,879	13,758
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	5,305	5,305	10,611
To Commercial Recyclable Materials (6E)	10.48%	2,433	2,433	4,867
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	860	860	1,720
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$23,216	\$23,216	\$46,432
<b>Lease &amp; Interest Costs Allocated Out</b>				
To Residential Solid Waste (6A&6C)	33.33%	\$3,545	\$3,162	\$6,707
To Residential Recyclable Materials (6B)	29.63%	3,151	2,811	5,962
To Residential Yard Trimmings (6A&6C)		above	above	above
To Commercial Solid Waste (6D)	22.85%	2,431	2,168	4,598
To Commercial Recyclable Materials (6E)	10.48%	1,115	994	2,109
To Commercial Yard Trimmings & Food Scraps (6F)				-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	394	351	745
Total Lease & Interest Costs Allocated Out	100.00%	\$10,636	\$9,486	\$20,122
Total Allocated Out		\$467,478	\$479,336	\$946,814

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

Allocation is based on number of collection vehicles.

## FORM 6M

## Baseline Services

## CONTAINER MAINTENANCE

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$85,091	\$87,644	\$172,734
Overtime Wages	15,955	16,433	32,388
Holiday Wages	3,927	4,045	7,972
Vacation Wages	3,273	3,371	6,644
Sick Leave Wages	3,273	3,371	6,644
Workers Compensation Insurance & Claims	6,951	7,159	14,110
Employers Liability Insurance			-
Health & Welfare	24,132	24,856	48,988
Pension/ Retirement Benefits	3,744	3,856	7,600
Payroll Taxes	9,150	9,424	18,574
Other			-
Total Labor Related-Costs	\$155,495	\$160,160	\$315,654
Vehicle-Related Costs			
Tires & Tubes	\$491	\$506	\$997
Parts	736	758	1,495
Supplies (fluid, oil, etc.)			-
Taxes & Licenses	1,145	1,180	2,325
Fines & Penalties			-
Radio Air time	491	506	997
Vehicle Insurance	2,561	2,638	5,199
Total Vehicle-Related Costs	\$5,425	\$5,587	\$11,012
Fuel Costs	\$9,818	\$10,113	\$19,931
Other Costs			
Liability & Property Damage Insurance			-
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	\$62,759	\$64,642	\$127,401
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs			-
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	697	718	1,415
Customer Satisfaction Survey			-
Computer software systems/programming			-
Other			-
Total Other Costs	\$63,456	\$65,360	\$128,815
Total Labor, Vehicle, Fuel, and Other Costs	\$234,193	\$241,219	\$475,412
Depreciation (non-route specific) and Start-Up			
Vehicle Depreciation	\$41,830	\$41,830	\$83,659
Other Depreciation			-
Start-up Costs	4,553	4,553	9,105
Total Depreciation and Start-Up Costs	\$46,382	\$46,382	\$92,764

## FORM 6M

**Baseline Services****CONTAINER MAINTENANCE**

		Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Lease & Interest Costs				
Facility				-
Interest		\$19,164	\$17,091	\$36,255
Total Lease & Interest Costs		\$19,164	\$17,091	\$36,255
Total Costs to be Allocated		\$299,739	\$304,692	\$604,431
<b>Labor, Vehicle, Fuel &amp; Other Costs Allocated Out</b>	<b>Percentage</b>			
To Residential Solid Waste (6A&6C)	33.33%	\$78,064	\$80,406	\$158,471
To Residential Recyclable Materials (6B)	29.63%	69,391	71,472	140,863
To Residential Yard Trimmings (6A&6C)		-	-	-
To Commercial Solid Waste (6D)	22.85%	53,518	55,123	108,641
To Commercial Recyclable Materials (6E)	10.48%	24,547	25,283	49,830
To Commercial Yard Trimmings & Food Scraps (6F)		-	-	-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	8,674	8,934	17,608
Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$234,193	\$241,219	\$475,413
<b>Depreciation and Start-Up Costs Allocated Out</b>				
To Residential Solid Waste (6A&6C)	33.33%	\$15,461	\$15,461	\$30,921
To Residential Recyclable Materials (6B)	29.63%	13,743	13,743	27,486
To Residential Yard Trimmings (6A&6C)		-	-	-
To Commercial Solid Waste (6D)	22.85%	10,599	10,599	21,198
To Commercial Recyclable Materials (6E)	10.48%	4,862	4,862	9,723
To Commercial Yard Trimmings & Food Scraps (6F)				
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	1,718	1,718	3,436
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$46,382	\$46,382	\$92,764
<b>Lease &amp; Interest Costs Allocated Out</b>				
To Residential Solid Waste (6A&6C)	33.33%	\$6,388	\$5,697	\$12,085
To Residential Recyclable Materials (6B)	29.63%	5,678	5,064	10,742
To Residential Yard Trimmings (6A&6C)		-	-	-
To Commercial Solid Waste (6D)	22.85%	4,379	3,906	8,285
To Commercial Recyclable Materials (6E)	10.48%	2,009	1,791	3,800
To Commercial Yard Trimmings & Food Scraps (6F)		-	-	-
To Roll-off Box Solid Waste (6G)				
To Roll-off Box Recycling (6H)				
To Roll-off Box C&D (6I)				
To Annual Clean-Up Program (6J)	3.70%	710	633	1,343
Total Lease & Interest Costs Allocated Out	100.00%	19,164	17,091	\$36,255
Total Allocated Out		\$299,739	\$304,692	\$604,432

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

Allocation is based on number of collection vehicles.

## FORM 6N

## Baseline Services

## RECYCLE CENTER

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$ 81,120	\$83,554	\$164,674
Overtime Wages	25,623	\$26,392	52,015
Holiday Wages	3,744	\$3,856	7,600
Vacation Wages	4,680	\$4,820	9,500
Sick Leave Wages	3,744	\$3,856	7,600
Workers Compensation Insurance & Claims	7,224	\$7,440	14,664
Employers Liability Insurance	\$0	\$0	-
Health & Welfare	29,495	\$30,380	59,875
Pension/ Retirement Benefits	4,576	\$4,713	9,289
Payroll Taxes	9,853	\$10,148	20,001
Other	\$0	\$0	-
Total Labor Related-Costs	\$ 170,058	\$175,160	\$345,218
Vehicle-Related Costs			
Tires & Tubes	\$ 1,259	\$1,297	\$2,556
Parts	504	519	1,022
Supplies (fluid, oil, etc.)	403	415	818
Taxes & Licenses	-	-	-
Fines & Penalties	-	-	-
Radio Air time	-	-	-
Outside Repairs	554	571	1,125
Vehicle Insurance	385	397	782
Total Vehicle-Related Costs	\$ 3,105	\$ 3,198	\$ 6,303
Fuel Costs	\$ 1,820	\$1,875	\$3,695
Net Processing Costs			
Net Recyclables Processing Revenue			\$0
Net Organics Processing Cost			\$0
Total Net Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance	\$ -	\$0	\$0
Damage Claims	-	-	-
Equipment Insurance	-	-	-
Rent	-	-	-
Utilities	1,080	1,113	2,193
Telephone	-	-	-
Non-vehicle Related Supplies	-	-	-
Non-vehicle Related Taxes & Licenses	-	-	-
Training & Safety Programs	-	-	-
Initial Public Education & Outreach	-	-	-
Continuing Public Education & Outreach	-	-	-
Uniforms	852	877	1,729
Other	-	-	-
Total Other Costs	\$ 1,932	\$1,990	\$3,922
Direct Depreciation			
Container Depreciation	\$ 3,306	\$ 3,306	\$6,613
Route Vehicle Depreciation	-	-	-
Other Depreciation	5,625	5,625	11,250
Total Direct Depreciation	\$ 8,931	\$ 8,931	\$17,863

## FORM 6N

## Baseline Services

## RECYCLE CENTER

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	-	-	\$0
From Container Maintenance (6M)	-	-	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	-	-	\$0
From Container Maintenance (6M)	-	-	\$0
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$185,846	\$191,154	\$377,000
Profit 88 %	\$25,343	\$26,066	\$51,409
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	4,092	3,649	7,741
Allocated Lease & Interest Costs			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	-	-	\$0
From Container Maintenance (6M)	-	-	\$0
Total Allocated Lease & Interest Costs	\$0	\$0	\$0
Total Pass-Through Costs	4,092	3,649	7,741
Total Base Compensation	<b>215,280</b>	<b>220,870 #</b>	<b>436,150</b>

Note: The Recycle Center costs were added to the Contractor's Base Compensation after the other costs were developed. Because these costs were added at a later date, allocated costs from general and administrative (Form 6K), vehicle maintenance (Form 6L), and container maintenance (Form 6M) were not reallocated to the Recycle Center costs.

## FORM 60

## Baseline Services

## TWO ADDITIONAL ROUTE SUPERVISORS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$150,000	\$154,500	\$304,500
Overtime Wages	-	\$0	-
Holiday Wages	-	\$0	-
Vacation Wages	-	\$0	-
Sick Leave Wages	-	\$0	-
Workers Compensation Insurance & Claims	9,818	\$10,113	19,931
Employers Liability Insurance	\$0	\$0	-
Health & Welfare	29,494	\$30,379	59,873
Pension/ Retirement Benefits	4,576	\$4,713	9,289
Payroll Taxes	12,232	\$12,599	24,831
Other	\$0	\$0	-
Total Labor Related-Costs	\$ 206,120	\$212,304	\$418,424
Vehicle-Related Costs			
Tires & Tubes	\$ 600	\$618	\$1,218
Parts	720	742	1,462
Supplies (fluid, oil, etc.)	-	-	-
Taxes & Licenses	700	721	1,421
Fines & Penalties	-	-	-
Radio Air time	600	618	1,218
Outside Repairs	-	-	-
Vehicle Insurance	3,000	3,090	6,090
Total Vehicle-Related Costs	\$ 5,620	\$ 5,789	\$ 11,409
Fuel Costs	\$ 7,200	\$7,416	\$14,616
Net Processing Costs			
Net Recyclables Processing Revenue			\$0
Net Organics Processing Cost			\$0
Total Net Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance	\$ -	\$0	\$0
Damage Claims	-	-	-
Equipment Insurance	-	-	-
Rent	-	-	-
Utilities	-	-	-
Telephone	-	-	-
Non-vehicle Related Supplies	-	-	-
Non-vehicle Related Taxes & Licenses	-	-	-
Training & Safety Programs	-	-	-
Initial Public Education & Outreach	-	-	-
Continuing Public Education & Outreach	-	-	-
Uniforms	852	878	1,730
Other	-	-	-
Total Other Costs	\$ 852	\$878	\$1,730
Direct Depreciation			
Container Depreciation	\$ -	\$ -	\$0
Route Vehicle Depreciation	-	-	-
Other Depreciation	-	-	-
Total Direct Depreciation	\$ -	\$ -	\$0

## FORM 60

## Baseline Services

## TWO ADDITIONAL ROUTE SUPERVISORS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	-	-	\$0
From Container Maintenance (6M)	-	-	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	11,750	11,750	\$23,500
From Container Maintenance (6M)	-	-	\$0
Total Allocated Costs - Depreciation and Start-Up Costs	\$11,750	\$11,750	\$23,500
Total Annual Cost of Operations	\$231,542	\$238,136	\$469,678
Profit	88 %		
	\$31,574	\$32,473	\$64,047
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	3,074	3,074	6,148
Allocated Lease & Interest Costs			
From General and Administrative (6K)	-	-	\$0
From Vehicle Maintenance (6L)	-	-	\$0
From Container Maintenance (6M)	-	-	\$0
Total Allocated Lease & Interest Costs	\$0	\$0	\$0
Total Pass-Through Costs	3,074	3,074	6,148
Total Base Compensation	<b>266,190</b>	<b>273,683 #</b>	<b>539,873</b>

Note: The two additional route supervisors were added to the Contractor's Base Compensation after the other costs were developed. Because these costs were added at a later date, allocated costs from general and administrative (Form 6K), vehicle maintenance (Form 6L), and container maintenance (Form 6M) were not reallocated to the two additional route supervisors.

## FORM 6P

## Baseline Services

RESIDENTIAL YARD TRIMMINGS (Incremental costs, in addition to costs shown on Form 6A&amp;C, to deliver materials to SMaRT Station)

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			-
Overtime Wages	\$17,019	\$17,530	\$34,549
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	743	765	1,508
Employers Liability Insurance			-
Health & Welfare			-
Pension/ Retirement Benefits			-
Payroll Taxes	1,302	1,341	2,643
Other			-
Total Labor Related-Costs	\$19,064	\$19,636	\$38,700
Vehicle-Related Costs			
Tires & Tubes	\$247	\$255	\$502
Parts	125	128	253
Supplies (fluid, oil, etc.)	48	50	98
Taxes & Licenses			-
Fines & Penalties			-
Other			-
Total Vehicle-Related Costs	\$420	\$433	\$853
Fuel Costs	\$2,332	\$2,402	\$4,735
Net Yard Trimmings Processing Costs			
Organics Processing Costs			\$0
Material Sales Revenue			-
Total Net Yard Trimmings Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies			-
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs			-
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms			-
Other			-
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			-
Other Depreciation			-
Total Direct Depreciation	\$0	\$0	\$0

## FORM 6P



**Baseline Services**

RESIDENTIAL YARD TRIMMINGS (Incremental costs, in addition to costs shown on Form 6A&amp;C, to deliver materials to SMaRT Station)

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle &amp; Other Costs</b>			
From General and Administrative (6K)	\$0	\$0	\$0
From Vehicle Maintenance (6L)	\$0	\$0	-
From Container Maintenance (6M)	\$0	\$0	-
Total Allocated Costs - Labor, Vehicle & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6K)	\$0	\$0	\$0
From Vehicle Maintenance (6L)	\$0	\$0	-
From Container Maintenance (6M)	\$0	\$0	-
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$21,816	\$22,471	\$44,287
Profit	88 %	\$2,975	\$3,064
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense			-
Allocated Lease and Procurement Costs			
From General and Administrative (6K)	\$0	\$0	-
From Vehicle Maintenance (6L)	\$0	\$0	-
From Container Maintenance (6M)	\$0	\$0	-
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<b>\$24,791</b>	<b>\$25,535</b>	<b>\$50,327</b>

## Form 7A

## Zero Waste Services

EXPANDING RESIDENTIAL ORGANICS

**Note: City Council decided not to include food waste so no costs shown.**

		Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			\$0
Overtime Wages		\$0	\$0
Holiday Wages			\$0
Vacation Wages			\$0
Sick Leave Wages			\$0
Workers Compensation Insurance & Claims		-	-
Employers Liability Insurance			-
Health & Welfare			-
Pension/ Retirement Benefits			-
Payroll Taxes		-	-
Other			\$0
Total Labor Related-Costs		\$0	\$0
Vehicle-Related Costs			
Tires & Tubes		\$0	\$0
Parts		-	-
Supplies (fluid, oil, etc.)			-
Taxes & Licenses			-
Fines & Penalties			-
Radio Air time			-
Outside Repairs			-
Vehicle Insurance		-	-
Total Vehicle-Related Costs		\$0	\$0
Fuel Costs		\$0	\$ -
Net Organics Processing Costs			
Net Recyclables Processing Revenue		\$0	\$0
Net Organics Processing Cost			\$0
Total Net Processing Costs		\$0	\$0
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims			\$0
Equipment Insurance			\$0
Rent			\$0
Utilities			\$0
Telephone			\$0
Non-vehicle Related Supplies			\$0
Non-vehicle Related Taxes & Licenses			\$0
Training & Safety Programs			\$0
Initial Public Education & Outreach			\$0
Continuing Public Education & Outreach			\$0
Uniforms			\$0
Travel and Mileage			\$0
Total Other Costs		\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation		\$0	\$0

## Form 7A

## Zero Waste Services

## EXPANDING RESIDENTIAL ORGANICS

		Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs		\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs		\$0	\$0
Total Annual Cost of Operations	\$0	\$0	\$0
Profit (Enter % Operating Ratio; i.e. 95%):	88 %	\$0	\$0
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)		n.a.	n.a.
Interest Expense			\$0
Direct Lease Costs			
Route Vehicles			\$0
Other (Please List)			\$0
Total Direct Lease Costs		\$0	\$0
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs		\$0	\$0
Total Pass-Through Costs			
Total Base Compensation		\$0	\$0
Proposed reduction to the residential solid waste collection costs shown on Form 6A of the Baseline Services cost proposal forms resulting from the implementation of the expanded residential organics program.		0%	

## Form 7B

## Zero Waste Services

## EXPANDING COMMERCIAL ORGANICS

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			-
Overtime Wages	\$30,382	\$31,294	61,676
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	1,326	1,365	2,691
Employers Liability Insurance			-
Health & Welfare			-
Pension/ Retirement Benefits			-
Payroll Taxes	2,324	2,394	4,718
Other			-
Total Labor Related-Costs	\$34,032	\$35,053	\$69,085
Vehicle-Related Costs			
Tires & Tubes	\$468	\$482	\$950
Parts	236	243	479
Supplies (fluid, oil, etc.)			-
Taxes & Licenses			-
Fines & Penalties			-
Radio Air time			-
Outside Repairs			-
Vehicle Insurance			-
Total Vehicle-Related Costs	\$704	\$725	\$1,429
Fuel Costs	\$4,413	\$4,546	\$8,959
Net Organics Processing Costs			
Net Recyclables Processing Revenue	\$0	\$0	\$0
Net Organics Processing Cost	\$315,000	\$324,450	639,450
Total Net Processing Costs	\$315,000	\$324,450	\$639,450
Other Costs			
Liability & Property Damage Insurance			-
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies			-
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs			-
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms			-
Travel and Mileage			-
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation	\$6,710	\$6,710	13,421
Route Vehicle Depreciation			-
Other Depreciation			-
Total Direct Depreciation	\$6,710	\$6,710	\$13,421

**Form 7B****Zero Waste Services**

## EXPANDING COMMERCIAL ORGANICS

	<u>Cost for Rate</u> <u>Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate</u> <u>Period 2</u> From July 1, 2010 To June 30, 2011	<u>Total</u>
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$360,859	\$371,484	\$732,344
Profit	88 %	\$49,208	\$50,657
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$3,074	\$2,742	\$5,816
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$3,074	\$2,742	\$5,816
Total Base Compensation	<b>\$413,142</b>	<b>\$424,883</b>	<b>\$838,025</b>
Proposed reduction to the commercial solid waste collection costs shown on Form 6F of the Baseline Services cost proposal forms resulting from the implementation of the expanded commercial organics program.	0%	0%	

## Form 7C

## Zero Waste Services

## EXPANDING RESIDENTIAL SINGLE STREAM

## No Additional Costs

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			\$0
Overtime Wages			\$0
Holiday Wages			\$0
Vacation Wages			
Sick Leave Wages			\$0
Workers Compensation Insurance & Claims			\$0
Employers Liability Insurance			\$0
Health & Welfare			\$0
Pension/ Retirement Benefits			\$0
Payroll Taxes			\$0
Other			\$0
Total Labor Related-Costs	\$0	\$0	\$0
Vehicle-Related Costs			
Tires & Tubes			\$0
Parts			\$0
Supplies (fluid, oil, etc.)			\$0
Taxes & Licenses			\$0
Fines & Penalties			\$0
Radio Air time			\$0
Outside Repairs			\$0
Vehicle Insurance			\$0
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			\$0
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue	(\$30,700)	(\$31,621)	(\$62,321)
Net Organics Processing Cost			\$0
Total Net Recyclables Processing Costs	(\$30,700)	(\$31,621)	(\$62,321)
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims			\$0
Equipment Insurance			\$0
Rent			\$0
Utilities			\$0
Telephone			\$0
Non-vehicle Related Supplies			\$0
Non-vehicle Related Taxes & Licenses			\$0
Training & Safety Programs			\$0
Initial Public Education & Outreach			\$0
Continuing Public Education & Outreach			\$0
Uniforms			\$0
Travel and Mileage			\$0
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation	\$0	\$0	\$0

## Form 7C

## Zero Waste Services

## EXPANDING RESIDENTIAL SINGLE STREAM

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	<u>Total</u>
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	(\$30,700)	(\$31,621)	(\$62,321)
Profit*	88 % (\$3,349)	(\$3,450)	(\$6,799)
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$0	\$0	\$0
Allocated Lease and Procurement Costs			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<b>(\$34,049)</b>	<b>(\$35,071)</b>	<b>(\$69,120)</b>
Proposed reduction to the residential recyclable materials collection costs shown on Form 6B of the Baseline Services cost proposal forms resulting from the implementation of the expanded residential single stream program.	0%	0%	

\*Profit is not tied exactly to an 0.88 operating ratio. The effective operating ratio is slightly different because increased recycling revenues were negotiated but profit was intentionally not reduced to reflect increased recycling revenues.

## FORM 7D

## Zero Waste Services

## EXPANDING COMMERCIAL SINGLE STREAM

	Cost for Rate Period <u>1</u> From July 1, 2009 To June 30, 2010	Cost for Rate Period <u>2</u> From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			\$0
Overtime Wages			\$0
Holiday Wages			\$0
Vacation Wages			\$0
Sick Leave Wages			\$0
Workers Compensation Insurance & Claims			\$0
Employers Liability Insurance			\$0
Health & Welfare			\$0
Pension/ Retirement Benefits			\$0
Payroll Taxes			\$0
Other			\$0
Total Labor Related-Costs	\$0	\$0	\$0
Vehicle-Related Costs			
Tires & Tubes			\$0
Parts			\$0
Supplies (fluid, oil, etc.)			\$0
Taxes & Licenses			\$0
Fines & Penalties			\$0
Radio Air time			\$0
Outside Repairs			\$0
Vehicle Insurance			\$0
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			\$0
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue	(\$90,200)	(\$92,906)	(\$183,106)
Net Organics Processing Cost			\$0
Total Net Recyclables Processing Costs	(\$90,200)	(\$92,906)	(\$183,106)
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims			\$0
Equipment Insurance			\$0
Rent			\$0
Utilities			\$0
Telephone			\$0
Non-vehicle Related Supplies			\$0
Non-vehicle Related Taxes & Licenses			\$0
Training & Safety Programs			\$0
Initial Public Education & Outreach			\$0
Continuing Public Education & Outreach			\$0
Uniforms			\$0
Travel and Mileage			\$0
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation	\$0	\$0	\$0



## FORM 7D

## Zero Waste Services

## EXPANDING COMMERCIAL SINGLE STREAM

	Cost for Rate Period <u>1</u> From July 1, 2009 To June 30, 2010	Cost for Rate Period <u>2</u> From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	(\$90,200)	(\$92,906)	(\$183,106)
Profit	88 % (\$12,300)	(\$12,669)	(\$24,969)
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$0	\$0	\$0
Allocated Lease and Procurement Costs			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	\$0	\$0	\$0
From Container Maintenance (6K)	\$0	\$0	\$0
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<u><u>(\$102,500)</u></u>	<u><u>(\$105,575)</u></u>	<u><u>(\$208,075)</u></u>
Proposed reduction to the recyclable materials collection costs shown on Form 6E of the Baseline Services cost proposal forms resulting from the implementation of the expanded commercial single stream program.	0%	0%	

## Form 7E

## Zero Waste Services

## EXPANDING CLEAN-UP DAYS REUSE AND RECYCLING

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$65,791	\$67,765	\$133,556
Overtime Wages	12,336	12,706	25,042
Holiday Wages	3,037	3,128	6,164
Vacation Wages	3,796	3,910	7,705
Sick Leave Wages	3,037	3,128	6,164
Workers Compensation Insurance & Claims	5,490	5,655	11,145
Employers Liability Insurance		-	-
Health & Welfare	14,747	15,190	29,937
Pension/ Retirement Benefits	2,288	2,357	4,645
Payroll Taxes	7,110	7,323	14,433
Other			-
Total Labor Related-Costs	\$117,631	\$121,160	\$238,791
Vehicle-Related Costs			
Tires & Tubes	\$3,290	\$3,389	\$6,679
Parts	2,490	2,564	5,054
Supplies (fluid, oil, etc.)	1,518	1,564	3,082
Taxes & Licenses	4,011	4,131	8,142
Fines & Penalties		-	-
Radio Air time	300	309	609
Outside Repairs	1,664	1,714	3,378
Vehicle Insurance	4,275	4,403	8,678
Total Vehicle-Related Costs	\$17,548	\$18,074	\$35,622
Fuel Costs	\$34,915	\$35,962	\$70,877
Net Processing Costs			
Net Recyclables Processing Revenue	\$0	\$0	\$0
Net Organics Processing Cost	\$17,300	\$17,819	\$35,119
Total Net Processing Costs	\$17,300	\$17,819	\$35,119
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims	\$500	\$515	\$1,015
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies	188	193	381
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs	188	193	381
Initial Public Education & Outreach			-
Continuing Public Education & Outreach			-
Uniforms	426	439	865
Travel and Mileage			-
Total Other Costs	\$1,301	\$1,340	\$2,641
Direct Depreciation			
Container Depreciation			-
Route Vehicle Depreciation	\$30,725	\$30,725	\$61,450
Other Depreciation			-
Total Direct Depreciation	\$30,725	\$30,725	\$61,450

## Form 7E

## Zero Waste Services

## EXPANDING CLEAN-UP DAYS REUSE AND RECYCLING

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	Total
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$219,420	\$225,080	\$444,500
Profit <span style="float: right;">88 %</span>	\$29,921	\$30,693	\$60,614
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$ 14,076	\$ 12,554	\$ 26,630
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$ 14,076	\$ 12,554	\$ 26,630
Total Base Compensation	<b>\$263,417</b>	<b>\$268,327</b>	<b>\$531,744</b>

## Form 7F.1

## Zero Waste Services

## MANDATORY RESIDENTIAL RECYCLING PARTICIPATION

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			
Overtime Wages			
Holiday Wages			
Vacation Wages			
Sick Leave Wages			
Workers Compensation Insurance & Claims			
Employers Liability Insurance			
Health & Welfare			
Pension/ Retirement Benefits			
Payroll Taxes			
Other			
Total Labor Related-Costs	\$0	\$0	\$0
Vehicle-Related Costs			
Tires & Tubes			
Parts			
Supplies (fluid, oil, etc.)			
Taxes & Licenses			
Fines & Penalties			
Radio Air time			
Outside Repairs			
Vehicle Insurance			
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue	(\$30,700)	(\$31,621)	(\$62,321)
Net Organics Processing Cost			\$0
Total Net Recyclables Processing Costs	(\$30,700)	(\$31,621)	(\$62,321)
Other Costs			
Liability & Property Damage Insurance			
Damage Claims			
Equipment Insurance			
Rent			
Utilities			
Telephone			
Non-vehicle Related Supplies			
Non-vehicle Related Taxes & Licenses			
Training & Safety Programs			
Initial Public Education & Outreach			
Continuing Public Education & Outreach	\$5,000	\$5,000	\$10,000
Uniforms			
Travel and Mileage			
Total Other Costs	\$5,000	\$5,000	\$10,000
Direct Depreciation			
Container Depreciation			
Route Vehicle Depreciation			
Other Depreciation			
Total Direct Depreciation	\$0	\$0	\$0

## Form 7F.1

## Zero Waste Services

## MANDATORY RESIDENTIAL RECYCLING PARTICIPATION

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	(\$25,700)	(\$26,621)	(\$52,321)
Profit <span style="float: right;">88 %</span>	(\$3,505)	(\$3,630)	(\$7,135)
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense			
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<u>(\$29,205)</u>	<u>(\$30,251)</u>	<u>(\$59,456)</u>
Proposed reduction to the residential recyclable materials collection costs shown on Form 6B of the Baseline Services cost proposal forms resulting from the implementation of the mandatory commercial collection program.	0%	0%	0%

## Form 7F.2

## Zero Waste Services

**Note: City Council decided not to include food waste so no costs**

## MANDATORY RESIDENTIAL ORGANICS PARTICIPATION

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages			
Overtime Wages			
Holiday Wages			
Vacation Wages			
Sick Leave Wages			
Workers Compensation Insurance & Claims			
Employers Liability Insurance			
Health & Welfare			
Pension/ Retirement Benefits			
Payroll Taxes			
Other			
Total Labor Related-Costs	\$0	\$0	\$0
Vehicle-Related Costs			
Tires & Tubes			
Parts			
Supplies (fluid, oil, etc.)			
Taxes & Licenses			
Fines & Penalties			
Radio Air time			
Outside Repairs			
Vehicle Insurance			
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue			\$0
Net Organics Processing Cost	\$0	\$0	\$0
Total Net Recyclables Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance			
Damage Claims			
Equipment Insurance			
Rent			
Utilities			
Telephone			
Non-vehicle Related Supplies			
Non-vehicle Related Taxes & Licenses			
Training & Safety Programs			
Initial Public Education & Outreach			
Continuing Public Education & Outreach	\$0	\$0	\$0
Uniforms			
Travel and Mileage			
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			
Route Vehicle Depreciation			
Other Depreciation			
Total Direct Depreciation	\$0	\$0	\$0

## Form 7F.2

## Zero Waste Services

## MANDATORY RESIDENTIAL ORGANICS PARTICIPATION

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	<u>From July 1, 2011 To June 30, 2012</u>
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$0	\$0	\$0
Profit <span style="float: right;">88 %</span>	\$0	\$0	\$0
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense			
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Proposed reduction to the residential yard trimmings collection costs shown on Form 6C of the Baseline Services cost proposal forms resulting from the implementation of the mandatory commercial collection program.	0%	0%	0%

## Form 7F.3

## Zero Waste Services

## MANDATORY COMMERCIAL RECYCLING PARTICIPATION

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$45,000	\$46,350	\$91,350
Overtime Wages	-	-	-
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	223	229	452
Employers Liability Insurance			-
Health & Welfare	11,061	11,392	22,453
Pension/ Retirement Benefits	1,716	1,767	3,483
Payroll Taxes	3,726	3,838	7,564
Other			-
Total Labor Related-Costs	\$61,725	\$63,577	\$125,302
Vehicle-Related Costs			
Tires & Tubes	\$225	\$232	\$457
Parts	270	278	548
Supplies (fluid, oil, etc.)			-
Taxes & Licenses	263	270	533
Fines & Penalties			-
Radio Air time			-
Outside Repairs			-
Vehicle Insurance	1,125	1,159	2,284
Total Vehicle-Related Costs	\$1,883	\$1,939	\$3,821
Fuel Costs	\$2,700	\$2,781	\$5,481
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue	(\$90,200)	(92,906)	(183,106)
Net Organics Processing Cost	\$0	\$0	-
Total Net Recyclables Processing Costs	(\$90,200)	(\$92,906)	(\$183,106)
Other Costs			
Liability & Property Damage Insurance			
Damage Claims			
Equipment Insurance			
Rent			
Utilities			
Telephone			
Non-vehicle Related Supplies			
Non-vehicle Related Taxes & Licenses			
Training & Safety Programs			
Initial Public Education & Outreach			
Continuing Public Education & Outreach			
Uniforms			
Travel and Mileage			
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			
Route Vehicle Depreciation			
Other Depreciation	\$4,922	\$4,922	\$9,844
Total Direct Depreciation	\$4,922	\$4,922	\$9,844



## Form 7F.3

## Zero Waste Services

## MANDATORY COMMERCIAL RECYCLING PARTICIPATION

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	(\$18,970)	(\$19,687)	(\$38,657)
Profit <span style="float: right;">88 %</span>	(\$2,587)	(\$2,685)	(\$5,271)
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$2,246	\$2,011	4,257
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$2,246	\$2,011	\$4,257
Total Base Compensation	<b>(\$19,311)</b>	<b>(\$20,361)</b>	<b>(\$39,672)</b>
Proposed reduction to the commercial solid waste collection costs shown on Form 6E of the Baseline Services cost proposal forms resulting from the implementation of the mandatory commercial collection program.	0%	0%	0%

## Form 7F.4

## Zero Waste Services

## MANDATORY COMMERCIAL ORGANICS PARTICIPATION

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$15,000	\$15,450	\$30,450
Overtime Wages			-
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	74	76	151
Employers Liability Insurance			-
Health & Welfare	3,687	3,797	7,484
Pension/ Retirement Benefits	572	589	1,161
Payroll Taxes	1,242	1,279	2,521
Other			-
Total Labor Related-Costs	\$20,575	\$21,192	\$41,767
Vehicle-Related Costs			
Tires & Tubes	\$75	\$77	\$152
Parts	90	93	183
Supplies (fluid, oil, etc.)			-
Taxes & Licenses	88	90	178
Fines & Penalties			-
Radio Air time			-
Outside Repairs			-
Vehicle Insurance	375	386	761
Total Vehicle-Related Costs	\$628	\$646	\$1,274
Fuel Costs	\$900	\$927	\$1,827
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue	\$0	\$0	\$0
Net Organics Processing Cost	\$315,000	\$324,450	\$639,450
Total Net Recyclables Processing Costs	\$315,000	\$324,450	\$639,450
Other Costs			
Liability & Property Damage Insurance			
Damage Claims			
Equipment Insurance			
Rent			
Utilities			
Telephone			
Non-vehicle Related Supplies			
Non-vehicle Related Taxes & Licenses			
Training & Safety Programs			
Initial Public Education & Outreach			
Continuing Public Education & Outreach			
Uniforms			
Travel and Mileage			
Total Other Costs	\$0	\$0	\$0
Direct Depreciation			
Container Depreciation			
Route Vehicle Depreciation			
Other Depreciation	\$1,641	\$1,641	\$3,281
Total Direct Depreciation	\$1,641	\$1,641	\$3,281

## Form 7F.4

## Zero Waste Services

## MANDATORY COMMERCIAL ORGANICS PARTICIPATION

	Cost for Rate Period 1 From July 1, 2009 To June 30, 2010	Cost for Rate Period 2 From July 1, 2010 To June 30, 2011	From July 1, 2011 To June 30, 2012
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$338,743	\$348,856	\$687,600
Profit <span style="float: right;">88 %</span>	\$46,192	\$47,571	\$93,764
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense	\$749	\$670	1,419
Allocated Lease and Procurement Costs			
From General and Administrative (6I)			
From Vehicle Maintenance (6J)			
From Container Maintenance (6K)			
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$749	\$670	\$1,419
Total Base Compensation	<b>\$385,684</b>	<b>\$397,098</b>	<b>\$782,782</b>
Proposed reduction to the recyclable materials collection costs shown on Form 6E of the Baseline Services cost proposal forms resulting from the implementation of the mandatory commercial collection program.	0%	0%	0%

## Form 7G

## Zero Waste Services

## INCREASING C&amp;D DIVERSION

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011
Estimated tons diverted per year	5,342	5,342
Estimated tons per load	4.30	4.30
Estimated trips per year (tons per year / tons per load)	1,242	1,242
Extra service fee for C&D drop box trip (per Form 7 of Baseline Services)	\$504.90	\$512.97
Extra service fee for Solid Waste drop box trip (per Form 7 of Baseline Services)	<u>\$308.60</u>	<u>\$313.05</u>
Net increase to Contractor's Compensation*	\$196.30	\$199.92
Estimated program cost	\$243,869	\$248,366

Note: Tonnage presented here is hypothetical for purposes of providing an example. Actual costs will be based on actual loads of C&D collected.
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\* Assumes that C&D materials was originally collected as solid waste and the increased C&D diversion resulted in shifting of that tonnage into C&D drop boxes.

## Form 7H

## Zero Waste Services

## ENHANCING COMMERCIAL RECYCLING

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	<u>Total</u>
Labor-Related Costs (includes regular & pool personnel)			
Regular Wages	\$45,000		\$45,000
Overtime Wages			-
Holiday Wages			-
Vacation Wages			-
Sick Leave Wages			-
Workers Compensation Insurance & Claims	223		223
Employers Liability Insurance			-
Health & Welfare			-
Pension/ Retirement Benefits			-
Payroll Taxes	4,577		4,577
Other			-
Total Labor Related-Costs	\$49,799	\$0	\$49,799
Vehicle-Related Costs			
Tires & Tubes			\$0
Parts			-
Supplies (fluid, oil, etc.)			-
Taxes & Licenses			-
Fines & Penalties			-
Radio Air time			-
Outside Repairs			-
Vehicle Insurance			-
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs	\$0	\$0	\$0
Net Recyclables Processing Costs			
Net Recyclables Processing Revenue			-
Net Organics Processing Cost			-
Total Net Recyclables Processing Costs	\$0	\$0	\$0
Other Costs			
Liability & Property Damage Insurance			\$0
Damage Claims			-
Equipment Insurance			-
Rent			-
Utilities			-
Telephone			-
Non-vehicle Related Supplies			-
Non-vehicle Related Taxes & Licenses			-
Training & Safety Programs			-
Initial Public Education & Outreach	\$5,000		5,000
Continuing Public Education & Outreach			-
Uniforms			-
Travel abd Mileage	3,783		3,783
Total Other Costs	\$8,783	\$0	\$8,783
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation	\$0	\$0	\$0

## Form 7H

## Zero Waste Services

## ENHANCING COMMERCIAL RECYCLING

	<u>Cost for Rate Period 1</u> From July 1, 2009 To June 30, 2010	<u>Cost for Rate Period 2</u> From July 1, 2010 To June 30, 2011	<u>Total</u>
Allocated Costs - <b>Labor, Vehicle, Fuel &amp; Other Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	-	-	-
From Container Maintenance (6K)	-	-	-
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0
Allocated Costs - <b>Depreciation and Start-Up Costs</b>			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	-	-	-
From Container Maintenance (6K)	-	-	-
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0
Total Annual Cost of Operations	\$58,582	\$0	\$58,582
Profit	88 % \$7,988	\$0	7,988
Pass-Through Costs			
Disposal Cost (City to directly pay for disposal cost)	n.a.	n.a.	n.a.
Interest Expense			\$0
Allocated Lease and Procurement Costs			
From General and Administrative (6I)	\$0	\$0	\$0
From Vehicle Maintenance (6J)	-	-	-
From Container Maintenance (6K)	-	-	-
Total Allocated Lease and Procurement Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0
Total Base Compensation	<b>\$66,571</b>	<b>\$0</b>	<b>\$66,571</b>
Proposed reduction to the commercial recycling costs collection costs shown on Form 6E of the Baseline Services cost proposal forms resulting from the implementation of the expanded residential single stream program.	0%	0%	

**Attachment N-3  
Form 8**

**Processing Costs**

**Baseline and Zero Waste Services**

	Recyclable Materials*	Organic Materials**	C&D***
Base Fee	(\$51.02)	\$68.98	\$39.46
Regulatory Fees & Taxes (list separately)			
<u><b>LEA enforcement fee</b></u>	\$1.02	\$1.02	\$1.02
<u><b>AB939 fee</b></u>			\$0.53
<u><b>SW planning fee</b></u>			\$0.08
<u><b>State fee</b></u>			\$0.21
<u><b>San Jose disposal fee</b></u>			\$1.95
Total Regulatory Fees	\$1.02	\$1.02	\$3.79
Total Processing Cost/Ton	<b>(\$50.00)</b>	<b>\$70.00</b>	<b>\$43.25</b>

\* Per-Ton Recyclables Materials Processing Costs is a Net Revenue; assumes direct haul to San Jose Charles Street Facility.

\*\* Per-ton Organic Materials Processing Cost is "gate fee" at the San Jose Charles Street facility so it covers transfer, hauling to Z-Best, and Z-Best fees.

\*\*\* Per-ton cost is "gate fee" at Zanker C&D processing facility. Drop boxes will be directly hauled to the facility.

## Attachment O

### Liquidated Damages

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of liquidated damages; the acceptable performance level, and the amount of liquidated damages for failure to meet the contractually required standards of performance.

Contractor shall submit a monthly report listing the number of events that occurred, and the number of complaints received, in each category during the preceding month and computing the amount (if any) of liquidated damages accrued. Upon City request, Contractor shall also provide a printout of the full records. Contractor shall report accurate, reliable and verifiable data.



<b>Event of Non-Performance</b>	<b>Acceptable Performance Level</b> (Allowed events per Fiscal Year)	<b>Liquidated Damage Amount</b>
<b><u>Collection Reliability</u></b>		
Failure to notify City of reportable quantities of Hazardous Waste	0	\$500 per event
Failure to maintain the collection schedule on the scheduled day	0	\$1,000 per day per route
Failure to start new customer service, or initiate change in service, within 7 calendar days from the date the request was received	5	\$300 per day
Failure to provide services as required in Attachment C	0	\$500 per day
<b><u>Collection Quality</u></b>		
Failure to clean up promptly materials spilled or leaked from collection containers during service or collection vehicles	5	\$500 per event
Spills of vehicle fluids from Contractor's vehicles on public streets	0	\$500 per event
Failure to replace containers in original position (or alternate location if original position did not meet guidelines in Attachment C)	10	\$300 for every 10 containers replaced incorrectly per day and per route
Not closing gates, crossing planted areas, or other damage to private property	24	\$500 per event
Failure to resolve property damage claims from customers within thirty (30) calendar days of the date of complaint/damage being reported	0	\$300 per event
Failure to comply with hours of operation as required in Agreement (e.g. early start)	5	\$300 per incident
Complaints about excessive noise complaints	12	\$300 per complaint
Failure to tag Containers not collected with notice of reason (e.g. excessive weight, hazardous waste, etc)	12	\$150 per container
Failure to clean public solid waste receptacles and their lids	5	\$150 per container
Failure to power wash public solid waste and recycling receptacles, lids and metal liners twice per year	0	\$150 per container
Failure to wipe the exteriors and lids of all public receptacles every two weeks	0	\$200 for every 10 containers
Failure to promptly repair, or arrange for the repair of,	0	\$500 per event

<b>Event of Non-Performance</b>	<b>Acceptable Performance Level (Allowed events per Fiscal Year)</b>	<b>Liquidated Damage Amount</b>
all damage to private property caused by Contractor employees, within ten (10) Business Days of the complaint being received		
<b><u>Customer Responsiveness</u></b>		
Discourteous behavior	0	\$500 per complaint
Failure to respond to and initiate a remedy for a complaint which is found to be justified by the Director within one Business Day after notification by Director	0	\$300 per event
Failure to maintain office hours as required in Agreement	0	\$300 per day
Failure to answer the telephone during work hours or return messages left on answering machine within one Business Day	0	\$300 per event
Failure to respond to service request within one business day	0	\$300 per event
Failure to correct and report billing errors caused by GreenWaste	0	\$250 per customer account each month the account error remains uncorrected
Failure to report accurate and verifiable records of non-utility Customers receiving on-call services from Contractor	0	\$500 per event
Failure to report accurate and verifiable records of Commercial Customers receiving billing services from Contractor	0	\$500 per event
Failure to remit to City revenues received from non-utility Customers and Commercial Customers for services performed by Contractor	0	\$500 per event
Failure to collect missed containers within one Business Day after receipt of notice	0	\$300 per event
Failure to deliver a replacement Cart to Customer	0	\$150 per container

<b>Event of Non-Performance</b>	<b>Acceptable Performance Level (Allowed events per Fiscal Year)</b>	<b>Liquidated Damage Amount</b>
within five (5) Business Days of notification of cart being lost, destroyed or stolen.		
Failure to deliver a replacement Cart to Customer within seven (7) Business Days of notification to Contractor by the City or a Customer that a change in the size of a wheeled cart is required.	0	\$150 per container
Failure to remove a Cart that is being replaced within seven (7) Business Days of notification to Contractor by the City or a Customer.	0	\$150 per container
Failure to remove graffiti from any container within two (2) Business Days of notification	0	\$150 per container
Failure to repair or replace Container damaged by Collection operations within three (3) Business Days of being notified by Customer or of observing the damaged Container.	0	\$150 per container
<b><u>Reporting</u></b>		
Late Submittal of required Reports	0	\$250 per day for each day report is overdue
Submittal of inaccurate report and failure to submit corrections to City.	0	\$250 per day for each day inaccurate information is not corrected by Contractor
Errors in customer service records found during route audits.	0	\$200 for each ten errors in excess of ten errors per route
<b><u>Processing</u></b>		
Failure to submit Marketing Plans for Recyclable Materials, Compostable Materials, Construction Related Materials, reusable/donatable and bulky items. Failure to report on environmental and social impacts of processing Recyclable Materials as required in Attachment K-3.	0	\$500 per material type, per day

<b>Event of Non-Performance</b>	<b>Acceptable Performance Level (Allowed events per Fiscal Year)</b>	<b>Liquidated Damage Amount</b>
Failure to submit certification of end use for Recyclable Materials, Compostable Materials, and Construction and Related Materials.	0	\$500 per material type, per day
Stockpiling of processed materials beyond the time allowed in Attachment E. Recyclable Materials – one year Compostable Materials– two years Construction Related Materials– two years Bulky items – two weeks	0	\$500 per material type, per day
Failure to recycle seventy-five percent (75%) of Construction Related Materials per Attachment E	0	\$200 per box delivered to C&D processing facility during review year.
Prohibited use of materials per Attachment E.	0	\$10,000 per day
<b><u>Miscellaneous</u></b>		
Disposal of Recyclable Materials, Compostable Materials, Construction Related Materials, or reusable/donatable materials without written City approval or as permitted in Attachment E.	0	\$175 per Ton Disposed
Use of unauthorized facilities (Delivery of Recyclable Materials, Compostable Materials, Construction Related Materials, or reusable/donatable materials to a facility other than that designated in Agreement or approved in writing by City)	0	\$175 per Ton Delivered to unauthorized facilities

## ATTACHMENT P

### LIST OF CONTRACTOR'S SHAREHOLDERS/OWNERS

#### **GreenWaste Recovery, Inc.**

Individuals owning outstanding shares of common stock as of October 2018:

<u>Name</u>	<u>Number of Shares</u>	<u>%</u>
Richard A. Cristina, & Diane L. Cristina, Trustees	475,000	19.79%
Murray B. Hall, Trustee	415,000	17.29%
Barry R. Cristina, Trustee	40,000	1.67%
Eric A. Bracher & Vivian M. Bracher, Trustees	205,000	8.54%
Gene P. Carter & Patricia J. Carter, Trustees	100,000	4.17%
Gary V. Giannini & Susan M. Giannini, Trustees	100,000	4.17%
William H. Giannini & Linda D. Giannini, Trustees	115,000	4.79%
Gary P. Madden, Trustee	50,000	2.08%
Mary Jane Filice, Trustee	50,000	2.08%
Patricia L. Sheehan, Trustee	100,000	4.17%
Herbert Sweatt, Trustee	100,000	4.17%
Nancy R. Sweatt, Trustee	60,000	2.50%
Tara R. Sweatt	20,000	0.83%
Cole R. Sweatt	20,000	0.83%
Frank C. Weigel, Trustee	250,000	10.42%
Juan & Cindy Pena, Trustees	250,000	10.42%
Clayton A. Feldman & Sandra G. Feldman, Trustees	50,000	2.08%

#### **Zanker Road Resource Management, Ltd.**

Individuals owning a partnership as of October 2018:

##### A. General Partners:

<u>Name</u>	<u>Ownership Interest</u>
Zanker Road Resource Recovery, Inc.	30%
H.L Sweatt, Inc.	10%

**Zanker Road Resource Management, Ltd. (continued)**B. Limited Partners

<u>Name</u>	<u>Ownership Interest</u>
Gene P. Carter & Patricia JoAnn Carter, Co-Trustees of the Carter Family Trust, dated April 29, 1985	7.0588%
John D. Couch	9.0044%
Diana L. Couch, trustee of the Diana L. Couch Trust, dated November 8, 2006	9.0044%
Marylou Couch, trustee of the James & Marylou Couch Family Trust	0.5206%
Barry R Cristina, Revocable Trust	0.8824%
Richard A. Cristina & Diane L. Cristina, Trustees of the Richard A. Cristina & Diane L. Cristina Trust, dated December 20, 1995, as amended	1.7647%
John Shilling	1.7647%
William F. Neal & Kathleen A. Neal, Co-Trustees of the Neal Family Revocable Trust, dated October 28, 1997	5.2941%
Cynthia Lazares	1.7647%
Sportsell, LP #4	10.5882%
Sweatt, Herbert L.	0.8824%
Sweatt, Nancy R.	0.8824%
Juan Pena & Cindy Weigel-Pena, Co-trustees of the Juan & Cindy Pena Revocable Trust, dated May 6, 2010, as the sole & separate property of Cindy Pena	1.32355%
Frank Weigel, Trustee of the Frank Weigel Revocable Trust, as amended & restated on March 22, 2012	1.32355%
Phyllis R. Wilks & David R. Wilks, Trustees of the Wilks Family Living Trust, dated May 24, 2010	0.8824%
Zerbe, Kenneth W.	7.0588%
TOTAL	100.000%

**Zero Waste Energy Development Company (ZWEDC)**

ZWEDC is owned 50/50 GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd.

## **ATTACHMENT Q**

### **ARBITRATION OF DISPUTES ARISING UNDER SECTIONS 9.07, 9.09, 9.10 OR 9.14**

#### **1. Demand for Arbitration**

If Contractor is dissatisfied with a decision of the City under Section 9.07, Section 9.09, Section 9.10, or Section 9.14, it shall serve a Demand for Arbitration on the City within sixty (60) days of that decision. The Demand for Arbitration shall describe the issues to be arbitrated and Contractor's contentions relating to those issues. The Demand shall be served on the City Manager with a copy delivered to the City Attorney. Arbitration shall be the exclusive remedy for Contractor under these sections and shall be final and binding.

#### **2. Number and Qualifications of Arbitrators**

The arbitration shall be conducted by a panel of three (3) arbitrators. One arbitrator shall be appointed by Contractor, one arbitrator shall be appointed by the City, and the third arbitrator shall be appointed by the other two arbitrators. The third arbitrator of the arbitration panel shall be an attorney licensed to practice within the courts of the State of California (or a retired judge of a California or federal court) and shall be the "neutral arbitrator" referred to in California Code of Civil Procedure Section 1280(d). No member of the panel shall be an officer, employee, agent, or attorney of Contractor or the City, or an affiliate of Contractor. Alternatively, the parties may agree on a single arbitrator, in which case that arbitrator shall be the "neutral arbitrator".

#### **3. Appointment**

Within thirty (30) days after a Demand for Arbitration has been served, each party shall personally serve the other with notice of the names of the arbitrators they have selected.

The two arbitrators named by the parties shall select the third arbitrator within thirty (30) days. If they are unable to agree upon a third arbitrator, either party may request the Presiding Judge of the Superior Court in Santa Clara County to make the appointment.

#### **4. Powers of Arbitrators; Conduct of Proceedings**

- (a) Except as hereinafter provided, arbitrations shall be conducted under and be governed by the provisions of California Code of Civil Procedure, Sections 1282.2 through 1284.2 (hereinafter, collectively, "Code sections"), and arbitrators appointed hereunder shall have the powers and duties specified by the Code sections.
- (b) Unless waived in writing by the parties, the notice of hearing served by the neutral arbitrator shall not be less than 90 days.

- (c) The lists of witnesses (including expert witnesses), and the lists of documents (including the reports of expert witnesses) referred to in Code of Civil Procedure Section 1282.2 shall be mutually exchanged, without necessity of demand therefor, no later than sixty (60) days prior to the date of the hearing, unless otherwise agreed in writing by the parties.
- (d) The time for making the award shall be no later than twelve (12) months after service of the initial Demand for Arbitration, provided that such time may be waived or extended as provided in Code of Civil Procedure Section 1283.8.
- (e) The arbitrators shall not base their award on information not obtained at the hearing.
- (f) The provisions for discovery set forth in Code of Civil Procedure Section 1283.05 are incorporated into and made part of this contract, except that (1) leave of the arbitration panel need not be obtained for the taking of depositions, including the depositions of expert witnesses; (2) the provisions of Code of Civil Procedure Section 2037 *et seq.*, relating to discovery of expert witnesses, shall also be applicable to arbitration proceedings arising under this contract, except that the time period set forth in Section 2037(a) shall be deemed to be not later than sixty (60) days prior to the date for the hearing; and (3) all reports, documents, and other materials prepared or reviewed by any expert designated to testify at the arbitration shall be discoverable.
- (g) The arbitration award shall be in writing and determined by a majority of the members of the arbitration panel.
- (h) The arbitration panel jurisdiction and authority are limited to a determination of the amount of compensation due to Contractor under this contract. The arbitration panel is not authorized, and does not have jurisdiction, to determine or award money damages against City, its officers, employees or agents.

**5. Costs.**

Each party shall pay the compensation and expense of the arbitrator which it appoints, as well as its own costs and attorneys' fees, expert and witness fees, and other expenses incurred in preparing and presenting its case. The compensation and expenses of the neutral arbitrator, rental of the hearing room, costs of a stenographic reporter, and other costs of the arbitration shall be divided equally between and paid equally by Contractor and City.



ATTACHMENT R

CERTIFICATION OF NONDISCRIMINATION

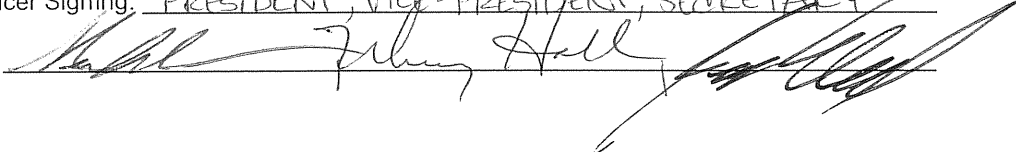
Project:

SOLID WASTE/RECYCLING/YARD TRIMMING'S COLLECTION & PROCESSING

**Certification of Nondiscrimination:** As suppliers of goods and/or services to the City of Palo Alto in excess of \$5,000, the firm, contractor or individual(s) listed below certify that: they do not and in the performance of this contract they will not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; and further certify that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment. AGREEMENT #C09124501

Firm: GREENWASTE OF PALO ALTO DATE: 10/29/08

Title of Officer Signing: PRESIDENT, VICE-PRESIDENT, SECRETARY

Signature: 

PH

## Attachment S - List of Special Events

### 2018 Events

#	Date	Event	Service ordered	Audit Tag	Usage %	Comments
1	3/2/2018	Branksome Hall Discussion	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green		Event sorted excellent! No contamination.
2	3/18/2018	Loose your Wallet in PA	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green		Event location always results with issues from pizza boxes contaminating waste stations. However, this event was excellent in sorting all waste generated, which resulted in a deserving green card.
3	4/14/2018	Great Race to Save Water - 5K	Garbage: 7-32gal Recycle: 7-64gal Compost: 7-64gal	Green		Event sorted great with the help of waste station monitors.
4	4/21/2018	PA Friends Nursery - Fiesta!	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow		Every year this event does a great job in sorting their waste since they have weekly compost service at their business. Suggesting that we increase compost service next year.
5	4/26/2018	Gamble Garden Tour	Garbage: 2-96gal Recycle: 2-96gal Compost: 15-32gal	Green		Overall great sorting from event. This year we added a couple of garbage carts due to packaging items, which helped because items were properly sorted.
6	5/5/2018	May Fete Parade	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 5% Recycle: Compost:5%	Very minimal use of waste stations.
7	5/5/2018	May Fete Fair	Garbage: 5-32gal Recycle: 5-64gal Compost: 5-64gal	Green	Garbage: 50% Recycle: Compost: 70%	Overall great sorting from event. There was no major issues with contamination being a larger event in Palo Alto.
8	5/6/2018	Spring Bazaar - United Methodist Church	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 100% Recycle: 100% Compost: 75%	Yearly event that does a fair job with sorting being a bazaar event.
9	5/10/2018	COPA Employee Appreciation Picnic	Garbage: 12-32gal Recycle: 12-64gal Compost: 12-64gal	Yellow	Garbage: 30% Recycle: 70% Compost: 85%	Major improvements in sorting this year from last years event. Great use of compostable bags and paper plates. Employees need to improve sorting, but the event overall was much more successful. I will recommend for future events to purchase clear labeled compostable items. There was confusion with compostable cups no being clearly labeled.
10	5/12/2018	MSC Open House	Garbage: 5-32gal Recycle: 5-64gal Compost: 7-64gal	Yellow	Garbage: 40% Recycle: 35% Compost: 50%	Sorting was mediocre. Improve sorting for next year is highly recommended and encouraging an alternative option to their single packaged ice creams.
11	5/19/2018	Bike to Bay	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow	Garbage: 100% Recycle: 100% Compost: 100%	Overall sorting was fair. I am recommending that event coordinator uses an alternative to single use water bottles.
12	5/19/2018	College Terrace Picnic	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal	Green	Garbage: 30% Recycle: 1% Compost: 30%	Overall sorting from this neighborhood event is great. There is room for improvement with their sorting.
13	5/20/2018	Barron Park May Fete	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Yellow	Garbage: 65% Recycle: 50% Compost: 40%	There was a lot of soiled paper in recycle carts. Making a recommendation to tape samples of their event items to improve sorting.
14	5/20/2018	Avenidas Charity Event	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 30% Recycle: 20% Compost: 2%	
15	5/26/2018	Golf Course Grand Opening	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Green	Garbage: 10% Recycle: 20 - 25% Compost: 30%	Overall fair sorting from event attendees. There was not very much waste generated.
16	6/3/2018	Twilight Concert - Buoyancy Festival	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 75% Recycle: 100% Compost: 35%	<i>This event is part of reoccurring event series through the summer. An audit tag will be sent at the end of the event series.</i>
17	6/7/2018	COPA Public Works Luncheon	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 40% Recycle: 60% Compost: 50%	
19	6/9/2018	Barron Park Block Party	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal	Yellow	Garbage: 60% Recycle: 100% Compost: 100%	Overall great sorting from event. For future events in this neighborhood I will remind them of proper placement of soiled paper.
20	6/18/2018	World Music Day	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow	Garbage: 30% Recycle: 40% Compost: 30%	Overall sorting for the location (University Ave) of the event was great. Suggesting for future events to have event monitors for improvement in sorting.
21	6/22/2018	CLS Bocce Ball	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal			Unable to audit carts.
22	6/23/2018	ReMaker Fair	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 15% Recycle: 20% Compost: 20%	Very minimal use of the waste stations. The material in the carts was properly sorted into each cart.
23	6/29/2018	Movie Night Series (Weekend 1)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 40% Recycle: 40% Compost:25%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
24	6/30/2018	Twilight Concert Series (Weekend 1)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 50% Recycle: 75% Compost: 40%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
25	7/4/2018	Chili Cook Off	Garbage: 15 -32gal Recycle: 15 -32gal Compost: 27 - 32gal, 4cy	Yellow	Garbage: 90% Recycle: 80% Compost: 75%	Overall sorting was mediocre. My goal for next year is to find a solution to improve sorting by either improving signage, or working with event coordinator to meet with all participants of the event to determine the main sorting disconnect.

#	Date	Event	Service ordered	Audit Tag	Usage %	Comments
26	7/12/2018	Music in the Plaza (Week 1)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 40% Recycle: 50% Compost: 40%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
27	7/14/2018	PA Clay & Glass Festival	Garbage: 12 -32gal Recycle: 12 -64gal Compost: 12 -64gal	Yellow	Garbage: 75% Recycle: 90% Compost: 60%	This event had a great improvement from years past. The only main concern that I will communicate in advance with event coordinator would be the use of black bag liners. There is no need for bag liners in the carts.
28	7/14/2018	Twilight Concert Series (Weekend 2)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 35% Recycle: 35% Compost: 25%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
29	7/14/2018	Music in the Plaza (Week 2)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 50% Recycle: 40% Compost: 20%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
30	7/21/2018	College Terrace Library Event	Garbage: 1 - 32gal Recycle: 1- 64gal Compost: 1- 64gal		Garbage: Recycle: Compost:	Carts were serviced prior to audit.
31	7/21/2018	Twilight Concert Series (Weekend 3)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 100% Recycle: 80% Compost: 60%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
32	7/26/2018	Music in the Plaza (Week 3)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 10% Recycle: 60% Compost: 40%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
33	7/27/2018	Movie Night Series (Weekend 2)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 20% Recycle: 25% Compost: 20%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
34	7/29/2018	PAMP Family Day	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Yellow	Garbage: 85% Recycle: 100% Compost: 60%	A notable item for improvement next year would be individual chip packaging and instead purchasing in bulk for their event.
35	8/2/2018	Music in the Plaza (Week 4)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 10% Recycle: 30% Compost: 10%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
36	8/4/2018	Obon Festival	Garbage: (2) 4CY Recycle: (1) 15CY Compost: (2) 4CY & (1) 15CY	Green	Garbage: 100% Recycle: 100% Compost: 80%	Overall sorting was great from this event. An item for improvement would be to reduce their waste for next years event by encouraging all attendees to be involved through out the event.
37	8/4/2018	Tour de Cure Event	Garbage: 20 -32gal, (1) 3cy Recycle: 20 -32gal , (1) 4cy Compost: 20 - 32gal, (1) 4cy	Yellow	Garbage: 80% Recycle: 100% Compost: 80%	Overall sorting improved from last years' event. An item for improvement would be to reduce their landfill waste and single use of drink bottles.
38	8/4/2018	Twilight Concert Series (Weekend 4)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal		Garbage: 100% Recycle: 100% Compost: 0%	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
39	8/5/2018	Weiner Dog Race	Garbage: 4 -32gal Recycle: 4 -64gal Compost: 4 -64gal	Yellow	Garbage: 65% Recycle: 75% Compost: 50%	Overall sorting was mediocre. An item for improvement next year would be to encourage less use of single use items.
40	8/6/2018	National Night Out - COPA PD	Garbage: 1 -32gal Recycle: 1 -64gal Compost: 1 -64gal		Garbage: 0% Recycle: 0% Compost: 0%	The waste stations were not used and empty upon arrival/removal.
41	8/9/2018	Music in the Plaza (Week 5)	Garbage: 2 -32gal Recycle: 2 -64gal Compost: 2 -64gal		Garbage: Recycle: Compost:	<i>This event is reoccurring through the summer. I will be sending out one audit tag when series is over in August.</i>
42	8/10/2018	Criteo Palo Alto Event	Garbage: 3 -32gal Recycle: 3 -64gal Compost: 3 -64gal	Yellow	Garbage: 25% Recycle: 40% Compost: 40%	Overall fair sorting. An improvement for future events would be to ask event coordinator to encourage event attendees to sort properly.
43	8/11/2018	Co-Ed Soccer Social	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 45% Recycle: 40% Compost: 10%	Excellent sorting from event. No notable items for future event improvements
44	8/11/2018	Gynesonics Company Picnic	Garbage: 3 -32gal Recycle: 3 -64gal Compost: 3 -64gal	Yellow	Garbage: 85% Recycle: 90% Compost: 75%	Notable item for improvement next year is to improve sorting after event. It seems some items that were not sorted correctly were from clean-up.
45	8/14/2018	PAMF Summer BBQ	Garbage: 7 -32gal Recycle: 7 -64gal Compost: 7 -64gal	Green	Garbage: 40% Recycle: 50% Compost: 50%	Notable items from this event that I attended were that each waste station had a waste monitor provided by CIWA, waste consultant for Palo Alto Medical Foundation. Great sorting with extremely clean material.
46	8/15/2018	Lift Off Company Picnic	Garbage: 3 -32gal Recycle: 3 -64gal Compost: 3 -64gal	Yellow	Garbage: 80% Recycle: 60% Compost: 0%	Notable item for next years event would be to coordinate with the event planner on proper sorting by attendees.
47	8/16/2018	Music in the Plaza (Week 6)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow	Garbage: 0% Recycle: 20% Compost: 80%	Notable item for improvement next year would be to make separate signage for Pizza boxes. Event take place next door to Pizza My Heart, which gets disposed into event carts and sorted into all three streams. Also taping lids this year for the last couple events - no major improvement in sorting.
48	8/18/2018	Emerson Street Block Party	Garbage: 2 -32gal Recycle: 2 -64gal Compost: 2 -64gal	Green	Garbage: 15% Recycle: 50% Compost: 10%	No Notable items for improvement. Block leader for this neighborhood assures that during the event everyone is sorting properly.
49	8/24/2018	Movie Night Series (Weekend 3)	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow	Garbage: 0% Recycle: 5% Compost: 10%	For next years event, I will encourage event coordinator to push for a more zero waste event since most attendees are Palo Alto residents.

#	Date	Event	Service ordered	Audit Tag	Usage %	Comments
50	8/25/2018	Barron Park Movie Night	Garbage: 2 -32gal Recycle: 2 -64gal Compost: 2 -64gal	Green	Garbage: 25% Recycle: 20% Compost: 30%	No Notable items for improvement. Overall sorting was great by all users.
51	8/25/2018	Palo Alto Festival of the Arts	Garbage: 30-32 gal, (1) 20CY Recycle: 40-64 gal, (2) 20CY Compost: 40-64 gal, (2) 20CY	Yellow	Garbage: 85% Recycle: 40%, 85% Compost: 20%, 80%	Notable items for next years event are the following (1) reach out to event coordinator/participants with months notice, (2) require a training with janitorial staff, (3) less use of bags and loose material to help determine what material is in the carts.
52	9/8/2018	Uni Ame Zion Church Festival	Garbage: 4-32gal Recycle: 4-64gal Compost: 4-64gal	Green	Garbage: Recycle: 30% Compost: 40%	Very minimal use of their waste stations and sorted fair. I would recommend eliminating the use of plastic bags to bag recyclables.
53	9/12/2018	PAMF Private Event	Garbage: 4-32gal Recycle: 4-64gal Compost: 4-64gal	Green	Garbage: 40% Recycle: 100% Compost: 100%	The Palo Alto Medical foundation does a great job of sorting with the help of CIWA and their staff helping during the event as waste monitors to help educate staff.

#	Date	Event	Service ordered	Audit Tag	Usage %	Comments
54	9/15/2018	Soap Box Derby	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal		Garbage: Recycle: Compost:	
55	9/16/2018	Midtown Ice Cream Social	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal		Garbage: Recycle: Compost:	
56	9/21/2018	Moonlight Run	Garbage: 6-32gal, 2CY Recycle: 6-64gal, 4CY Compost: 6-64gal, 2CY	Yellow	Garbage: 50% Recycle: 50% Compost: 80%	I am recommending next year that the event coordinator encourages their staff to place sample signage onto existing signage to help participants sort properly.
57	9/22/2018	Aldersgate Church - Salmon Dinner	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 100% Recycle: 100% Compost: 100%	No notable items for improvement. This event does an overall great job at properly sorting for their yearly events.
58	9/29/2018	Canary Challenge	Garbage: 8-32gal, 2CY Recycle: 8-64gal, (2) 4CY Compost: 8-64gal, 4CY	Yellow	Garbage: 100% Recycle: 90% Compost: 80%	Notable item for improvement at next years event would be to encourage event coordinator to work with their vendors to properly dispose of and sort their post event material properly. A large amount of black bags in the landfill bin.
59	9/29/2018	Great Glass Pumpkin Festival	Garbage: 7-32gal Recycle: 9-64gal Compost: 7-64gal	Yellow	Garbage: 90% Recycle: 60% Compost: 80%	Notable item for improvement for next years event would be to encourage their event coordinator to work with janitorial staff on proper sorting. Overall sorting was fair, but based on the audit there were carts that just had items tossed in post event.
60	9/29/2018	Palo Alto Nursery Church Festival	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Green	Garbage: 100% Recycle: 100% Compost: 80%	Notable item for improvement were coffee cups that were foam and paper based
61	10/6/2018	Lyft Family Picnic	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Green	Garbage: 30% Recycle: 90% Compost: 80%	Overall great sorting from event attendees. Notable item for improvement would be to continue to encourage attendees to sort properly.
62	10/6/2018	Save the Bay	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Yellow	Garbage: 10% Recycle: 20% Compost: 30%	Notable item for improvement would be proper sorting from event attendees.
63	10/13/2018	Humane Society Event	Garbage: 6-32gal Recycle: 6-64gal Compost: 6-64gal	Yellow	Garbage: 100% Recycle: 60% Compost: 90%	Notable item for improvement was the use of plastic containers. Confusing as some food was left inside containers. Use paper based take out containers for next years event.
64	10/20/2018	College Terrace Fall Picnic	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal	Green	Garbage: 15% Recycle: 30% Compost: 20%	No notable items for improvement. This neighborhood does a great job at sorting at their events they host twice a year.
65	10/20/2018	Kara Walk	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Green	Garbage: 70% Recycle: 50% Compost: 70%	Notable item for future events would be the reuse their event banners. Donate or find a way of repurposing rather than putting it in garbage.
66	10/28/2018	Cal Ave Trick or Treat Event	Garbage: 3-32gal Recycle: 3-64gal Compost: 3-64gal	Green	Garbage: 100% Recycle: 80% Compost: 60%	Overall great sorting and improvement at this years event. They used compostable bags and really made the effort to encourage proper sorting through out the event.
67	10/31/2018	Old PA Neighborhood Halloween	Garbage: 2-32gal Recycle: 2-64gal Compost: 2-64gal	Yellow	Garbage: 75% Recycle: 20% Compost: 15%	No notable item for improvement. The purpose of these waste stations is to prevent litter in the neighborhood during Halloween. Overall great job in capturing material.
68	10/31/2018	Waverley Block Party	Garbage: 1-32gal Recycle: 1-64gal Compost: 1-64gal	Green	Garbage: 50% Recycle: 20% Compost: 1%	
69	11/7/2018	Cycle for Hope	Garbage: 10-32gal, 2CY Recycle: 10-64gal, 4CY Compost: 10-64gal, 2CY	Yellow	Garbage: 100% Recycle: 100% Compost: 95%	Notable item for improvement at this event would be to incorporate waste monitors. The overall sorting in carts was good, but the bins could have been improved. This is the 1st year this event was held. I will encourage event coordinator to incorporate a reminder through out event to attendees and vendors.

## **ATTACHMENT T**

### **CONSTRUCTION RELATED MATERIALS**

Upon direction by the City and if the City Council approves the new deconstruction and source separation ordinance, the Contractor shall provide Customers with front load bins and carts of various sizes for the collection and source-separation of deconstruction and construction materials, allowing for the grouping of certain pre-designated materials into the same container, as listed in this Attachment.

#### **A. Material Type Designations**

1. Deconstruction. The following material designation will be transported by Contractor for processing at the Zanker Materials Processing Facility (ZMPF).

##### **a. Concrete**

- 1) Concrete #1: Clean Concrete - < 3', no dirt, flush cut wire and re-bar
- 2) Concrete #2: Concrete and Asphalt, < 3' with some wire and re-bar, small amount of soil
- 3) Concrete #3: Concrete and Asphalt, > 3' with wire and re-bar, dirt
- 4) Asphalt Pavement
- 5) Bricks/stones
- 6) Gravel
- 7) Porcelain toilets and sinks
- 8) Stucco/plaster
- 9) Soil (small quantities)
- 10) Sand
- 11) Glass

##### **b. Wood Waste**

- 1) Unpainted wood/lumber
- 2) Unpainted Lumber with Metal
- 3) Yard Waste Clean

##### **c. Sheetrock**

- 1) Sheetrock Clean
  - 2) Sheetrock Mixed
- d. Asphalt Shingles
  - 1) Asphalt shingles/ Tar and Gravel
- e. Carpet
  - 1) Carpet/padding
- f. Demolition
  - 1) Miscellaneous debris (larger items)
  - 2) Mixed debris (wood, cardboard, metals)
  - 3) Painted wood
  - 4) Ceiling tiles (non-recyclable)
  - 5) Bulky Miscellaneous Debris (chairs, couches)
  - 6) Interior Demolition
  - 7) Demolition Debris

## 2. Construction

- a. The following material designation will be transported by Contractor for processing at the GreenWaste Recovery MRF or other such processing facility approved by the City.
  - 1) Cardboard
  - 2) Metal
  - 3) Paper
  - 4) Plastic film and containers
  - 5) Other recyclables
- b. The following material designation will be transported by Contractor to the GreenWaste Recovery MRF for processing at\_Z-Best, ZWED, or other such processing facility approved by the City.
  - 1) Wood cuttings

- 2) Sawdust
  - 3) Scrap landscape materials
  - 4) Food from worker's lunches
  - 5) Scrap Sheetrock
- c. The following material designation will be transported by Contractor for processing at the ZMPF
- 1) Pallets
  - 2) Larger unpainted lumber
- d. The following material designation will be transported by Contractor for processing at the ZMPF – DM Plant
- 1) Painted scraps and other non-recoverable debris
  - 2) Miscellaneous materials in debris boxes from construction sites that have a minimum of 50 percent diversion

## **B. Processing Facilities**

Contractor shall deliver collected and consolidated Construction Related Material to Zanker Materials Processing Facility and/or Zanker Road Landfill, or other processing facilities mentioned above or pre-approved by the City, as appropriate based on the collected material and in accordance with Attachment E.

## **C. Compensation Methodology**

City shall pay Contractor the Construction and Demolition Debris Box rate, as shown in Attachment N-1, for every consolidated box of Construction Related Material delivered to a Processing Facility. Should a consolidated debris box weigh more than five (5) tons, City shall pay Contractor the processing surcharge associated with that material type, as shown in Attachment N-1. Should there be multiple material types within the debris box, the surcharge associated with the highest priced material shall be assessed. For example:

- Contractor consolidates a debris box with Concrete #1, #2 and #3.
- Debris box weighs 6.7 tons.
- City is charged for a Construction and Demolition Debris Box, plus the Concrete #3 surcharge for 1.7 tons of material.

Construction Related Material compensation shall be accounted for on the monthly invoices, in arrears.



## Attachment U: Recyclable Materials Profit (Loss) Methodology

The following is the methodology to be used to determine the Recyclable Materials profit or loss based on market prices

Calculation to be performed annually, by fiscal year

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
Mixed Paper Prices - Actual per P&P	25.00	30.00	35.00	35.00	35.00	35.00							
Old corrugated cardboard (OCC) Prices - Act	120.00	125.00	115.00	125.00	125.00	125.00							
<b>Total Composite Price</b>	\$ 145.00	\$ 155.00	\$ 150.00	\$ 160.00	\$ 160.00	\$ 160.00							
Labor and equipment required (increased annually by CPI)	\$ 168.00	\$ 168.00	\$ 168.00	\$ 168.00	\$ 168.00	\$ 168.00	\$ 168.00						
<b>Profit (loss) per ton</b>	\$ (23.00)	\$ (13.00)	\$ (18.00)	\$ (8.00)	\$ (8.00)	\$ (8.00)							\$ (13.00) <b>Annual Average</b>

### Profit Sharing

If annual average **profit** is = or < 0, only \$25 processing charge is assessed + contamination charge for contaminated materials

If annual average **profit** is > 0, \$25 processing charge is assessed + contamination charge & Contractor credits City 50% of average profit

### Stipulations

FY 18-19 \$25 processing rate shall be increased by CPI through FY 21-22 and beyond, but will only become effective in FY22 (starting July 1, 2021)

FY 18-19 Labor and equipment rate shall be increased by CPI through FY 21-22 and beyond

Labor and equipment rate is derived from the recycling line at the GWR MRF only. **Contractor to provide documentation backup for this rate upon request by the City.**

Prices listed above are based on current monthly average value per ton, as reported in Pulp and Paper ("P&P") indexes. Contractor will use the Port of Oakland with Asian market destination RISI indexes. **Contractor shall provide the City with copies of the indicated P&P index reports.**

Should Contractor (by its own right) and/or City (as mutually agreed upon with Contractor) direct a change in market, the associated (alternate) index shall be used.

RISI, Pulp and Paper Prices: <https://www.risiinfo.com/service/prices/>

## PRICE WATCH:

## Recovered Paper - Export

September 6, 2018

Open market transactions for delivery this month, US\$ (Further specifications noted at right.)

Incorporating Official Board Markets

FAS port of origin (per ton)	Destination	New York <sup>1</sup>	Change <sup>2</sup>	Chicago <sup>2</sup>	LA <sup>2</sup>	SF/Oakland <sup>3</sup>			
Mixed Paper (54) <sup>4</sup>	Asia	27-30	(+10)	12-15	(+10)	37-40	(+5)	32-35	(+5)
CCC (11) - OBM <sup>5</sup>	China	132-135	(+0)	137-140	(+0)	142-145	(+0)	137-140	(+0)
CCC (11)	Asia	112-115	(+0)	127-130	(+15)	117-120	(-10)	112-115	(-10)
Double Sorted OCC (12)	China	167-170	(-5)	167-170	(-10)	182-185	(-5)	177-180	(-5)
DLK (13)	China	182-185	(+0)			202-205	(+0)	192-195	(-5)
Sorted Residential Papers & News (56) <sup>6</sup>	Asia	32-35	(-5)	22-25	(+15)	42-45	(+0)	37-40	(+0)
Sorted Clean News (58)	China	137-140	(-10)	137-140	(+0)	152-155	(-5)	147-150	(-5)
CGS/OMG (44, 10)	China	202-205	(+0)			202-205	(+0)		
SOP (37)	China	242-245	(+0)			257-260	(+0)	252-255	(+0)
SWL (40)	Asia	322-325	(+0)			337-340	(+5)	332-335	(+5)
CFR to destination port (per tonne)									
CCC (11)	China	232-235	(+0)			242-245	(+5)		
CCC (11)	India	157-160	(-10)						
Double-sorted OCC (12)	India	207-210	(+20)						
DLK (13)	China	287-290	(-10)			297-300	(-5)		
SOP (37)	China	312-315	(-10)			322-325	(-5)		
SWL (40) <sup>8</sup>	Asia	382-385	(+0)			387-390	(+0)		

### \* OBM PRICES

Continuation of price series from Official Board Markets (see note at bottom of Price Watch - Domestic)

### SPECIFICATIONS

Prices represent open market purchases agreed to for delivery within 30 days. Contractually indexed transactions (i.e. transactions whose price is determined in whole or in part by a formula in a long-term contract) are excluded. Specifications based full-truckload quantities, exclusive of premium or discount lots. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular (now PS-13).

### NOTES

1. "New York" includes ports in Northern New Jersey.
2. Chicago container yard prices are based on 54,000-lb minimum loads.
3. "LA" includes Long Beach and LA ports.
4. SWL prices are for ports in South Korea, Indonesia, and Thailand.
5. As of March 2018, the destination of Mixed Paper assessments was changed to Asia from China and Mixed Paper assessments CFR China were discontinued.
6. As of April 2018, the destination of Sorted Residential Papers & News assessments was changed to Asia from China and SRPN assessments CFR China were discontinued.
7. Change reflects the difference between the high of the current month and the high of the previous month.