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**Amended and Restated  
COLLECTION SERVICES AGREEMENT  
FOR THE PROVISION OF  
RESIDENTIAL AND COMMERCIAL SOLID WASTE,  
RECYCLABLE MATERIALS AND ORGANIC WASTE  
COLLECTION, TRANSFER, PROCESSING AND  
DISPOSAL SERVICES**

**Executed Between the  
City of Salinas and**

**Allied Services of North America, LLC  
*dba*  
Republic Services of Salinas**

**This 1<sup>st</sup> day of October 1, 2021**

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## Recitals

This Agreement is effective as of October 1, 2021 ("Effective Date"), and is between the City of Salinas, a California charter city and municipal corporation, referred to as "City" and Allied Waste Services of North America, LLC *dba* Republic Services of Salinas corporation referred to as "Contractor". City and Contractor may be referred to herein individually as a "**Party**" or collectively as the "**Parties**".

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

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

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

**WHEREAS**; City further declares its intent to regulate and set the maximum rates Contractor may charge Service Recipients for the collection, transportation, processing, recycling, composting, and/or disposal of garbage, recyclable materials, and organic waste materials; and,

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

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

**WHEREAS**; previously, City and Contractor entered into a "Revised and Restated Franchise Agreement between the City of Salinas and Allied Waste Services of North America, LLC *dba* Republic Services of Salinas for Solid Waste, Recyclables, & Green Waste Collection Services", Original Revised Agreement Approved Jun 8, 2010, as amended November 1, 2010 and terminating June 30, 2025 ("Prior Agreements"). The Parties agree that solid waste collection services shall continue to be provided by

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Contractor under the Prior Agreements until 11:59 p.m. on September 30, 2021 and that solid waste collection services shall resume pursuant to this Agreement as of 12:00 a.m. October 1, 2021 (“Effective Date”) at which time the Parties agree that the Prior Agreements shall be superseded by this Agreement and this Agreement shall be controlling.

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

## Article 1. Definitions

For the purpose of this Collection Services Agreement, referred to as "Agreement", the definitions contained in this Article apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender includes the feminine gender. The meaning of terms or words not defined in this Article will be as commonly understood in the solid waste collection services industry when the common understanding is uncertain.

1.01 AB 341. "AB 341" means State of California Assembly Bill No. 341 approved October 5, 2011. AB 341 requires businesses, defined to include commercial or public entities that generate more than 4 cubic yards of commercial solid waste per week or multifamily residential dwellings of 5 units or more, to arrange for recycling services and requires jurisdictions to implement a commercial solid waste recycling program.

1.02 AB 939. "AB 939" or "The Act" means "The California Integrated Waste Management Act of 1989" codified in part in Public Resources Code §§ 40000 et seq, as it may be amended and as implemented by the regulations of the California Department of Resources Recycling and Recovery (CalRecycle), or its successor agency.

1.03 AB 1594. "AB 1594" means State of California Assembly Bill No. 1594 approved September 28, 2014. AB 1594 provides that as of January 1, 2020, the use of green material as Alternative Daily Cover does not constitute diversion through recycling and would be considered disposal.

1.04 AB 1699. "AB 1669" means State of California Assembly Bill No. 1669 approved September 30, 2016 which amends California Labor Code Sections 1070 through 1076 with respect to the hiring of displaced employees under service contracts for the collection and transportation of solid waste.

1.05 AB 1826. "AB 1826" means State of California Assembly Bill No. 1826 approved September 28, 2014. AB 1826 requires each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert from the landfill organic waste from businesses. Each business meeting specific organic waste or solid waste generation thresholds phased in from April 1, 2016 to January 1, 2020, is required to arrange for organic waste recycling services.

1.06 AB 3036. "AB 3036" means State of California Assembly Bill No. 3036 approved September 27, 2018. AB 3036 prohibits a County, City, District, or local government agency from subjecting the hauling of certain byproducts from the processing of food or beverages to an exclusive franchise, contract, license, or permit.

1.07 Agreement. "Agreement" means the written agreement between the City and the Contractor covering the work to be performed and all contract documents attached to the agreement and made a part thereof.

1.08 Agreement Administrator. The City Manager, or his or her designee, designated to administer and monitor the provisions of the Agreement.

1.09 Agreement Management Fee. The fee paid by Contractor to pay for the City's administrative costs of managing this Agreement.

1.10 Agreement Year. Agreement year means each twelve (12) month period from July 1<sup>st</sup> to June 30<sup>th</sup> during the term of this Agreement.

1.11 Applicable Law. "Applicable Law" means all laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any federal, state, county, city, and local governmental agency having jurisdiction over the collection and disposition of Solid Waste, including Recyclable Materials, Organic Waste, and Construction and Demolition Waste.

1.12 Authority. Means the Salinas Valley Solid Waste Authority; defined in Section 1.83.

1.13 Best Management Practice. Best Management Practice means the collection of written activities, practices, policies and procedures prepared and proposed by a responsible party, and then approved by the Director, to prevent or reduce, to the maximum extent that is technologically and economically feasible, the discharge of pollutants to the storm drain system which might be generated from any site in the City.

1.14 Bin. "Bin" means a metal or plastic waste container designed or intended to be mechanically serviced by a commercial front-end loader vehicle. It shall be designed to hold from two (2) to eight (8) cubic yards of material with the lid properly closed. The specifications for Contractor-provided Bins are set forth in **Exhibit 4**.

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

1.16 Brown Goods. Electronic equipment such as stereos, televisions, computers, VCR's and other similar items Collected from SFD Service Units.

1.17 Business Day. Any Monday through Friday, excluding any holidays as defined in Section 3.09.

1.18 CalGreen. California code for mandatory green building standards.

1.19 Calendar Year. Each twelve (12) month period from January 1 to December 31.

1.20 Cart. "Cart" means a heavy plastic receptacle with a rated capacity of at least twenty (20) and not more than one hundred (100) gallons, having a hinged tight-fitting lid and wheels, that is provided by the Contractor, approved by the City, and used by Service Recipients for collection, accumulation, and removal of solid waste from commercial, industrial, or residential premises in connection with Exclusive Franchise Collection Services. The specifications for Contractor-provided Carts are set forth in **Exhibit 4**.

1.21 CERCLA. The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 and following, as may be amended and regulations promulgated thereunder.

1.22 Change in Law. Change in Law means any of the following events or conditions which have a material and adverse effects on the performance by the Parties of their respective obligations under this Agreement (except for payment obligations), or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management operation or maintenance of the operating assets or providing the franchise service or other matters to which Applicable Law applies:

A. the enactment, adoption, promulgation, issuance, modification, or written change of or in Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, U.S. Federal government, City of Salinas, or County of Monterey, directly related to the collection, handling, processing, recycling or disposal of Solid Waste, or the enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after Effective Date of any Applicable Law. Change in Law explicitly precludes any changes in laws or regulations promulgated by any government agency or regulatory body outside of the United States' jurisdiction;

B. the order or judgment of any U.S. Federal Governmental Body, California State Government Body, City Government Body, or Monterey County Government Body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

C. the denial of an application for, delay in the review, issuance or renewal of, suspension, termination, interruption or imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Effective Date of any legal entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, of and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change of Law; provided, however, that the contesting in good faith or failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

1.23 City. The City of Salinas, California, including any unincorporated areas of the County that may be annexed by the City during the Term.

1.24 City AB 939 Support Fee. The fee paid by Contractor to pay for the City's costs of complying with CalRecycle regulations.

1.25 City Collection Service. City Solid Waste Collection Service, City Organic Waste Collection Service, and City Recycling Service.

1.26 City Council. The City Council of the City of Salinas.

1.27 City Facility. City Facility(ies) means any building or other site owned or leased by the City or used regularly and significantly and the space therein occupied by more than seventy-five percent (75%) by employees or Contractors of the City.

1.28 City Manager. City Manager means the City Manager of the City of Salinas, or any employee of the City who succeeds to the duties and responsibilities of the City Manager.

1.29 City Representative. Person or persons appointed by the City Manager to provide management, administrative and financial oversight of this Agreement, and annual/quarterly Contractor performance reports to the City Manager and City Council.

1.30 Code. Code means the City of Salinas Municipal Code.

1.31 Collection or Collected. The process whereby Residential, Commercial, and City Solid Waste are removed and transported to a Disposal Facility, Organic Waste Processing Facility or Materials Recycling (or Recovery) Facility as appropriate.

1.32 Collection Container. A Bin, Cart, or Roll-Off Container that is approved by the Agreement Administrator for use by Service Recipients for Collection Services under this Agreement.

1.33 Collection Services. "Collection Services" means Residential Collection Service, Commercial Collection Service, and City Collection Service.

1.34 Collection Vehicle. A licensed vehicle that is approved by the Agreement Administrator for use by Contractor for the collection and hauling of Solid Waste.

1.35 Commercial Collection Service. Commercial Solid Waste Collection Service, Commercial Organic Waste Collection Service, and Commercial Recycling Service. Specifically includes the following:

- A. Commercial Solid Waste Collection Service. The Collection of Commercial Solid Waste by Contractor, from Commercial Service Units in the Service Area and the delivery of that Commercial Solid Waste to a Disposal Facility.
- B. Commercial Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, from Commercial Service Units in the Service Area, the delivery of those Organic Waste materials to an Organic Waste Processing Facility.
- C. Commercial Recycling Collection Service. The Collection of Recyclable Materials, by Contractor, from Commercial Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recycling Facility.

1.36 Compactor. Any Collection Container which has a compaction mechanism, whether stationary or mobile.

1.37 Complete Sweep. Sweeping along all accessible curbs including Median Islands and the corners from any cross street intersecting the subject street. Does not include additional passes down the middle of lanes except to clean around Median Islands.

1.38 Compost. "Compost" means the product resulting from the controlled biological decomposition of Organic Wastes that are source separated from the municipal waste stream, or which are separated at a centralized facility. Compost may also include the product of anaerobic digestion or other conversion technologies.

1.39 Composting. "Composting" means the controlled and monitored process of converting Organic Waste into Compost.

1.40 Carbon Offset Fee. The fee listed in Section 3.05 paid by Contractor to the City.

1.41 Construction and Demolition Waste. "Construction and Demolition waste" or "C & D" means Solid Waste consisting of building materials, packaging and rubble resulting from construction, remodeling, repair, and demolition operations on pavement, residential, commercial or industrial premises, buildings, and other structures, and land clearing operations.

1.42 Consumer Price Index (CPI-U). The index published by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index series CUUR0000SEHG CPI-U Water and sewer and trash collection services, US City Average, seasonally adjusted.

1.43 Contaminant. Any material that is placed in a waste stream intended for recycling, including organics, that cannot be recycled or reclaimed within the waste stream in which it is placed. A Contaminant of the Recycling stream is any material placed in that waste stream that cannot be recycled or reclaimed after processing. A Contaminant of the Organic Waste stream is any material placed in the organic stream that cannot be composted or anaerobically digested after processing. A Contaminant of the Food Waste stream is any non-Food Waste material placed in that waste stream.

1.44 Contractor. The entity that has obtained from the City this Agreement to provide Collection Services.

1.45 Contractor Payments to the City. Payments made by the Contractor to the City as specified in Section 3.05.

1.46 Contractor Payments to SVSWA. Payments made by Contractor to SVSWA as specified in Section 3.06.

1.47 County. Monterey County, California.

1.48 Curb Miles. Distance along one side of paved street.

1.49 Approved Transfer, Processing, or Disposal Facilities. Means the C&D processing facility, Disposal Facility, Organic Waste Processing Facility, or Transfer Station listed in **Exhibit 13** where franchised Solid Waste Collected by the Contractor must be delivered.

1.50 Director. Director means the Public Works Director of the City or his or her designated representative, or any employee of the City who succeeds to the duties and responsibilities of the Public Works Director.

1.51 Dispose or Disposal. “Disposal” or “Dispose” means the final disposition of Solid Waste at a permitted Landfill or other permitted Solid Waste disposal facility, as defined in California Public Resources Code 40192.

1.52 Disposal Facility. “Disposal Facility” means the facility, or such place or places listed in **Exhibit 13** for the disposal, or processing as appropriate, of Residential Waste and Commercial Waste and other materials as appropriate and acceptable. The City reserves its Flow Control Rights over the Disposal Facility.

1.53 Dwelling Unit. Any individual living unit in a single-family dwelling, condominium, or town home (SFD), MFD Units, or building intended for, or capable of, being utilized for, residential living.

1.54 Edible Food Recovery. “Edible Food Recovery” means the practice of gleaning or recovering edible food for human consumption that would otherwise go to waste from places such as, but not limited to, restaurants, grocery stores, produce markets, school cafeterias, or dining facilities and distributing it to local food programs

1.55 Effective Date. “Effective Date of Agreement” means the date designated in the Agreement as the effective date. If no such date is indicated, it shall mean the date on which the Agreement is signed and delivered by the last of the Parties to sign and deliver.

1.56 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, dead animals, and those wastes under the control of the Nuclear Regulatory Commission.

1.57 Flow Control or Flow Control Rights. The rights reserved by the City to direct Solid Waste to permitted solid waste facilities, provided such Flow Control Rights are consistent with the City’s membership in the SVSWA.

1.58 Franchised Diversion. Franchised Diversion means the rate of diversion that Contractor is responsible to achieve as defined and calculated Section 5.02.1.

1.59 Franchise Fee. A fee listed in Section 3.05 that was negotiated between the City and Contractor in consideration of this Agreement, among other consideration.

1.60 Gross Revenue. All monetary amounts actually collected or received by Contractor for the provision of Franchise services pursuant to this Agreement. Gross Revenue shall include all receipts from Service Recipients including late charges, contamination charges etc., including Solid Waste Management Fees and Franchise Fees. The term Gross Revenues, for purposes of this Agreement, does not include any revenues generated from the sale of Recyclable Material, compost product or energy, grants, cash awards, State of California Department of Conservation payments or rebates resulting from the performance of this Agreement.

1.61 Hazardous Waste. "Hazardous Waste" means a waste, or combination of wastes as defined by Code of Federal Regulations, Title 40.

1.62 Holiday. "Holiday" means a day of the year designated by Contractor on which waste Collection Service will not be provided until the following day, excluding Sunday.

1.63 Household Hazardous Waste. "Household Hazardous Waste" means that waste resulting from products purchased by the general public for household use which, because of its quantity, concentration or physical, chemical or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed or otherwise managed, or, in combination with other Solid Waste, may be infectious, explosive, poisonous, caustic, toxic, or exhibit any of the characteristics of ignitability, corrosivity, reactivity, or toxicity as per California Code of Regulations Title 22, Division 4.5, Chapter 11, Section 66261.3

1.64 Large Items. "Large Items" or "Bulky Waste" means Solid Waste consisting of discarded white goods, furniture, mattresses, and similar large items which do not fit in a regular Collection Container and require special handling due to their size but can be Collected and transported without the assistance of special loading equipment (such as forklifts, skid loaders or cranes) and without violating vehicle load limits. It does not include abandoned automobiles and other vehicles, nor does it include items defined as Exempt Waste.

1.65 Material Uncontrolled Circumstance. Means those conditions under Section 4.18.3 of this Agreement.

1.66 Maximum Service Rate. The maximum amount that Contractor may charge Service Recipients for Collection Services, as listed in **Exhibit 1**, and as may be adjusted in accordance with the provisions of this Agreement. The Maximum Service Rates include those items listed in Section 3.05 and Section 3.06.

1.67 Median Islands. The area between opposing lanes of traffic defined by a curb or road markings.

1.68 Mixed Waste Processing Facility. "Mixed Waste Processing Facility" means a State permitted commercial Solid Waste facility listed in **Exhibit 14** which accepts and processes Mixed Waste for diversion from landfill disposal. The City reserves its Flow Control Rights over the Mixed Waste Processing Facility.

1.69 Multi-Family Dwelling (MFD) Collection Service. MFD Solid Waste Collection Service serves an apartment, townhome or condominium complex, and specifically includes the following, MFD Garbage Collection Service, MFD Large Item Collection Service, MFD Organic Waste Collection Service, and MFD Recycling Service:

A. MFD Garbage Collection Service. The Collection of Garbage, by Contractor, from MFD Service Units in the Service Area and the delivery of that Residential Garbage to a Disposal Facility.

B. MFD Large Item Collection Service. The periodic on-call Collection of Large Items, by Contractor, from MFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recycling Facility or such other facility as may be appropriate under the terms of this Agreement. MFD Large Item Collection Service may include the Collection of Large Items using Roll-Off Containers.

C. MFD Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, from MFD Service Units in the Service Area, the delivery of those Organic Waste materials to an Organic Waste Processing Facility.

D. MFD Recycling Service. The Collection of Recyclables Materials by the Contractor from MFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recycling Facility.

1.70 Non-Collection Notice. A form developed and used by Contractor, as approved by City, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by Contractor pursuant to this Agreement.

1.71 Organic Waste Collection Service. The Collection of Organic Waste from Service Units and processing at an Organic Waste Processing Facility, and the disposal of all Organic Waste Processing Residue.

1.72 Organic Waste Processing Facility. "Organic Waste Processing Facility" means a State permitted commercial Solid Waste facility listed in **Exhibit 14** which accepts and processes Organic Waste. The City reserves its Flow Control Rights over the Organic Waste Processing Facility.

1.73 Overage. Overage means excess Solid Waste, Organic Waste and Recyclable Materials (i) placed inside a Container that prevents the lid on the Container from being completely closed (i.e., lid remains open that may lead to litter spillage or the Service Recipient receiving extra capacity) or excess materials placed on top of or around a Container and (ii) could potentially result in excess materials spilling/dislodging during collection activity by Contractor's vehicles.

1.74 Premises. "Premises" means any land or building in the City where waste is generated or accumulated.

1.75 Quarter. Period of three (3) months with first quarter the months of January through March, second quarter April through June, third quarter July through September, and fourth quarter October through December.

1.76 Recyclable Materials Processing Facility. "Recyclable Materials Processing Facility" means a State permitted commercial Solid Waste facility listed in **Exhibit 14** which accepts and processes Recyclable Materials. Contractor, and not the City, directs Recyclable Materials to the Recyclable Materials Processing Facility. If the City directs Recyclable Materials to a Recyclable Materials Processing Facility not selected by Contractor and not listed in **Exhibit 14**, such City direction shall be considered a City-directed change subject to Article 27.

1.77 Recycling. “Recycling” means the process of collecting, sorting, cleansing, treating and/or marketing Recyclable Materials that would otherwise be disposed of in a landfill. The collection, transportation or disposal of Solid Waste not intended for, or capable of, reuse is not Recycling.

1.78 Residential Collection Service. “Residential Collection Service” means ongoing regularly scheduled collection of Residential Solid Waste by Contractor from Residential Service Units and the delivery of that Residential Solid Waste to a Disposal Facility, Recycling Facility, and/or Organics Processing Facility.

1.79 Residential Premises. “Residential Premises” means an SFD or MFD Premises used for residential purposes.

1.80 Residual or Residuals. Residual or Residuals means Solid Waste that is not diverted from landfill disposal after it has been delivered to an Organic Waste Processing Facility or a Recyclables Processing Facility for processing for diversion from landfill disposal. Residual does not include Recyclable Materials or Organic Material that is processed for diversion but has no available markets.

1.81 Roll-Off Container. A metal container with a capacity of ten (10) or more cubic yards that is normally loaded onto a specialized collection vehicle and transported to an appropriate facility.

1.82 SB 1383. “SB 1383” means State of California Senate Bill 1383, sets targets of fifty (50) percent reduction in disposal of Organic Materials from the 2014 levels by 2020 and seventy-five (75) percent reduction by 2025. Further, SB 1383 requires jurisdictions to implement Edible Food Recovery Programs designed to recover edible food that is currently landfilled by twenty (20) percent by 2025.

1.83 Salinas Valley Solid Waste Authority (SVSWA). A joint powers agency responsible for solid waste disposal and resource recovery made up of the following local governments: Monterey County (eastern half of the unincorporated county), and the cities of Gonzales, Greenfield, King City, Salinas, and Soledad.

1.84 Self-Haul. The transport of Solid Waste, including but not limited to Recyclables, C&D, Green Waste, and Food Waste, from a residence or commercial or industrial business, where the Solid Waste was generated, directly to an authorized Disposal Facility or Transfer Station. The Solid Waste must be transported by the resident, owner, or commercial/industrial business entity that generates the Solid Waste in their own vehicle. The transport of Solid Waste by a person or entity that is not the generator of the Solid Waste is not Self-Haul.

1.85 Service Area. That area within the city limits of the City of Salinas designated by City as the Service Area.

1.86 Service Recipient. An individual or company receiving SFD Collection Service or Commercial Collection Service.

1.87 Service Unit. SFD Service Units, MFD Service Units, City Service Units or Commercial Service Units. Service Unit specifically includes the following:

A. City Service Unit. City Facility(ies) that utilize a Bin, Cart, or Roll-Off Container(s) for the accumulation and set-out of Solid Waste. City Service Units are the properties set forth in **Exhibit 3** and may be modified by written notice to Contractor by the City.

B. Commercial Service Unit. All retail, professional, wholesale, and industrial facilities, and other commercial enterprises offering goods or services to the public that utilize a Garbage Cart, Bin, Compactor, or Roll-Off Container for the accumulation and set-out of Commercial Solid Waste.

C. MFD Service Unit. Any Residential Premises, other than a Single-Family Premises, with four (4) or more Dwelling Units used for Residential purposes (regardless of whether residence therein is temporary or permanent), including such Premises when combined in the same building with Commercial establishments, that receive centralized, shared, Collection service for all units on the Premises. Service Recipients residing in Townhouses, mobile homes, condominiums, or other structures with three (3) or fewer Dwelling Units who receive individual service and are billed separately may not be considered Multi-Family. Collection services are by commercial bins unless mutually agreed upon between property owner and Contractor. Billing will be by consolidated bill to the property owner.

D. SFD Service Unit. Any Single-Family Dwelling Unit in the Service Area utilizing a Cart, or MFD Service Units with three or fewer Dwelling Unit served by Carts, for the accumulation and set out of Residential Solid Waste.

1.88 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Service, SFD Organic Waste Collection Service, SFD Large Item Collection Service, and SFD Used Oil Collection.

A. SFD Garbage Collection Service. The Collection of Garbage, by Contractor, from SFD Service Units in the Service Area and the delivery of that Garbage to a Disposal Facility.

B. SFD Large Item Collection Service. The periodic on-call Collection of Large Items, by Contractor, from SFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recycling Facility or other such facility as may be appropriate under the terms of this Agreement. SFD Large Item Collection Service does not include the Collection of Large Items using Roll-Off Containers.

C. SFD Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, for SFD Service Units in the Service Area, and the delivery of those Organic Waste Materials to an Organic Waste Processing Facility.

D. SFD Recycling Service. The Collection of Recyclable Materials by the Contractor from SFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recycling Facility.

1.89 Single-Family Dwelling or SFD. "Single-Family/Duplex Dwelling" or "SFD" means a single detached dwelling unit, and/or a duplex structure designed or used for occupancy by one (1) family, with three (3) fewer distinct living units.

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

1.91 Solid Waste. The materials described in Public Resources Code section 40191, and including Garbage, Recyclable Materials, Organic Waste, Construction and Demolition Debris, Large Items and other discarded materials generated at any premises in the City. Solid Waste does not include Exempt Waste. Solid Waste as used in this Agreement specifically includes the following:

A. Construction and Demolition Debris. Used or discarded materials resulting from construction, remodeling, repair or demolition operations on any type of structure.

B. Food Waste. Food scraps and trimmings and other putrescible waste that results from food production, preparation, storage, consumption or handling. Food Waste includes but is not limited to meat, fish and dairy waste, fruit and vegetable waste, grain waste, and compostable food contaminated paper products. Food Waste does not include Exempt Waste.

C. Garbage. All putrescible waste which generally includes but is not limited to kitchen and table food waste, animal, vegetative, food or any organic waste that is attendant with, or results from the storage, preparation, cooking or handling of food materials attributed to normal activities of a Service Unit. Garbage must be generated by and at the Service Unit wherein the Garbage is Collected. Garbage does not include those items defined as Exempt Waste.

D. Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than five (5) feet in its longest dimension or six (6) inches in diameter or weighs more than fifty (50) pounds. Green Waste includes plant debris, such as grass clippings, leaves, pruning, weeds, branches, brush, Holiday trees, and other forms of organic waste and must be generated by and at the SFD Service Unit where the Green Waste is Collected. Green Waste does not include items defined as Exempt Waste.

E. Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of an SFD Service Unit. Large Green Waste must be generated by and at the SFD Service Unit where the Large Green Waste is Collected.

F. Large Items. Those materials including furniture; mattresses; White Goods; Brown Goods; clothing; Large Green Waste which are attributed to the normal activities of an SFD Service Unit. Large Items must be generated by and at the SFD Service Unit wherein the Large Items are Collected. Large Items do not include items defined as Exempt Waste.

G. Mixed Waste. "Mixed Waste" means the combination of Garbage, Organic Waste, and/or Recyclable Materials placed in Garbage containers. Mixed Waste must be generated by and at the

Service Unit wherein the Mixed Waste is Collected. Mixed Waste does not include those items defined as Exempt Waste.

H. Organic Waste. Food Waste, Green Waste, Wood Waste, and Other Organics, either separately or commingled with each other, that has been separated at the source of generation from Garbage and Recyclable Materials.

I. Other Organics. Other Organics includes food-soiled paper and paper products, compostable food wares and compostable food packaging, stable materials, manure, and natural fiber textiles, and other compostable materials as may be required by the City or CalRecycle.

J. Putrescible Material. "Putrescible Material" means Solid Waste consisting of waste which is organic and subject to decomposition by microorganisms.

K. Recyclable Materials. Those materials which are capable of being recycled using available processes and markets and which would otherwise be processed or disposed of as Residential Garbage or Commercial Garbage. On the Effective Date of this Agreement, Recyclable Materials are those listed in **Exhibit 7**. City and Contractor agree to meet from time to time as needed to discuss additions or deletions from the list of Recyclable Materials. Contractor may request removal of Recyclable Materials due to market limitations which request will be decided by the Agreement Administrator.

L. White Goods. Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

M. Wood Waste. "Wood Waste" means Solid Waste consisting of stumps, large branches, tree trunks, and wood pieces or particles that are generated from the manufacturing or production of wood products, harvesting, processing or storage of raw wood materials, or construction and demolition activities.

1.92 Source Separated. "Source Separated" means the segregation, by the waste generator, of materials designated for separate collection for some form of materials recovery or special handling.

1.93 Special Services. Specific service-related activities such as lock, gate, and long walk services provided by the Contractor.

1.94 SRRE (Source Reduction and Recycling Element). A formal planning document prepared and adopted by a California jurisdiction, and submitted to the California Department of Resources Recycling and Recovery (CalRecycle), that demonstrates how the jurisdiction will comply with the California Integrated Waste Management Act's (AB 939) diversion goals. The jurisdiction's SRRE must include specific components, as defined in Public Resources Code sections 41003 and 41303.

1.95 SVSWA AB 939 Fee. The fee charged by SVSWA to the City's Contractor for SVSWA to provide AB 939 services to the City

1.96 Term. "Term" means the time period or duration of this Agreement.

1.97 Transfer Station. "Transfer Station" means the facility or such place or places listed in **Exhibit 13** utilized to receive Solid Waste, and temporarily store and transfer such waste directly from smaller to larger vehicles for transport to a Disposal or Processing Facility.

1.98 Universal Waste or U-Waste. E-Waste, dry-cell batteries, non-empty aerosol cans, fluorescent lamps, and fluorescent bulbs, mercury thermostats, and other mercury containing equipment.

1.99 Vehicle Road Impact Fee. The fee paid by Contractor to pay for the City's cost of maintaining the City's public streets to accommodate Contractor's collection vehicles.

1.100 Waste. "Waste" means the useless, unused, unwanted or discarded material and debris resulting from normal residential and commercial activity or materials which, by their presence, may injuriously affect the health, safety, and comfort of persons or depreciate property values in the vicinity thereof.

1.101 Waste Diversion. "Waste Diversion" means to divert Solid Waste, in accordance with all applicable Federal, State, and local requirements, from disposal at landfills or transformation facilities through source reduction, composting or recycling.

1.102 Waste Generator. "Waste Generator" means any person, as defined by the most current version of the Public Resources Code, whose act or process produces Solid Waste as defined in that same code, or whose act first causes solid waste to become subject to regulation.

1.103 Waste Reporting System. The electronic or data recording and reporting system agreed to between the City and Contractor for Contractor to use, to provide data and reports required under this Agreement to the City.

1.104 White Goods. "White Goods" means inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.105 Work Day. Any day, Monday through Saturday, that is not a Holiday as set forth in Article 3.09 of this Agreement.

## Article 2. Term of Agreement

2.01 Initial Term. The initial term of this Agreement will be for the approximate **Fifteen Year (15)** period beginning October 1, 2021 and terminating on June 30, 2036.

2.02 Extension of Term. Contractor may request a five (5) year term extension to the Initial Term, and at City's sole option, City may grant Contractor's request to extend the term. Under no circumstances will City be obligated to extend the term. Contractor must request the five (5) year extension by July 1, 2033 in order to be eligible for the term extension.

2.03 Conditions of Term. As a condition of this Amended and Restated Agreement, Contractor agrees to the following:

2.03.1 Performance Review Prior to Five (5) Year Extension. A billing audit and performance review shall be conducted and completed by April 1, 2034, as described in Article 14. The cost of the review shall be paid as specified in that Section. In order to be eligible for an Extension of the Term of the Agreement under Section 2.02, Contractor must meet billing and performance standards to the satisfaction of the City. In the event Contractor fails to meet the minimum service and diversion requirements set forth in Section 5.01, this Agreement will terminate on September 30, 2036, as set forth in Section 2.01 of this Agreement.

2.03.2 Closure of 271 Rianda Street. By October 1, 2023, Contractor agrees to close its current maintenance, vehicle and container storage, and business office at 271 Rianda and relocate its operations to the Madison Lane Transfer Station located at 1120 Madison Lane. The Contractor may request an eighteen-month extension of the Contractor's 271 Rianda Street facility closure and relocation to Madison Lane Transfer Station. The City will not unreasonably withhold the extension provided the Contractor can show a good-faith effort in developing the infrastructure required at Madison Lane Transfer Station. Failure by Contractor to close and relocate Contractor's 271 Rianda Street facility by October 1, 2023 or request an extension will result in a penalty of \$1,000 per day, and if Contractor fails to close and relocate its 271 Rianda Street facility by April 1, 2025, this Agreement will terminate on December 31, 2025 and no further extension will be given. **Exhibit 9** provides Contractor's transition plan to relocate its operations from 271 Rianda Street to Madison Land Transfer Station. Contractor's deadlines in this paragraph to relocate its operations from the Rianda location to Madison Lane are subject to the occurrence of a Material Uncontrollable Circumstance.

2.03.3 Self-Haul Use at Madison Lane Transfer Station. Contractor agrees to work with City and SVSWA to accommodate self-haul waste at Madison Lane Transfer Station, at no net cost to Contractor or additional cost to the City.

2.03.4 SVSWA at Madison Lane Transfer Station. Contractor agrees to work with SVSWA to finalize and execute the lease that SVSWA approved on September 16, 2021 for a section of Madison Lane Transfer Station.

2.03.5 AB 939 Support and Regulatory Compliance Services. Contractor agrees to provide resources (staff, equipment, outreach services, and program reporting and monitoring) to perform the specific duties assigned to Contractor in this Agreement that the City and Contractor have agreed should assist the City in achieving compliance with AB 939, AB 1594, AB 341, and SB 1383, recognizing that certain compliance requirements and activities are beyond the reasonable control of Contractor and of the City. Provided, further, that Contractor shall not be in breach or default of this Agreement if the City is unable to achieve compliance with any or all of these statutory requirements or goals unless Contractor fails to perform the specific duties assigned to Contractor that are set forth in this Agreement, and if such failure by Contractor is, in turn, the cause of the City's inability to comply with any or all of these requirements. This section shall be interpreted to be consistent with Public Resources Code section 40059.1. Contractor has attached required workplans as **Exhibits 6, 12, and 13** of this Agreement.

2.03.6 Co-Termination with Future Countywide Collection Agreement. In the event that the City participates in a County-wide Request for Proposal Process to secure solid waste services, Contractor agrees that the City may grant a extension of this Agreement ranging from one to five years in lieu of the 5-Year extension granted under Section 2.02, provided that such extension does not shorten the Initial Term as listed in Section 2.01.

## Article 3. Services Provided by Contractor

3.01 Grant of Exclusive Agreement. City hereby grants to Contractor, on the terms and conditions set forth herein, the exclusive franchise, right and privilege to collect, remove and dispose of, in a lawful manner, all Solid Waste accumulating in the City's Service Area that are required to be accumulated and offered for collection to the Contractor in accordance with the City's Municipal Code, for the Term of and within the scope set forth in this Agreement.

3.02 Recyclable Materials Organic Waste, and Bulky Waste Discarded by Service Recipients. This Agreement shall not prohibit any generator of Recyclable Materials or Organic Waste from selling Recyclable Materials or Organic Waste for net compensation to the generator instead of discarding or otherwise providing them to Contractor, nor shall it prohibit the donation of such materials to bona fide charities. However, in either instance: (1) the Recyclable Materials or Organic Waste must be Source Separated from and not mixed with other Solid Waste; and (2) the seller/donor may not pay the buyer/donee any consideration for collecting, processing or transporting such Recyclable Materials or Organic Waste. A discount or reduction in the price for collection, disposal and/or recycling services for any form of un-segregated or segregated Solid Waste is not a sale or donation of Recyclable Materials or Organic Waste does not qualify for this exception. Moreover, once the Recyclable Materials or Organic Waste have been placed in the Collection Container and the Container set out for Collection, the Recyclable Materials or Organic waste become the property of Contractor.

3.03 Exclusions to Exclusivity.

3.03.1 Self-Haul Materials. Self-Haul materials as defined herein which are delivered directly to a Transfer Station, Organic Processing Facility, Recyclable Material Processing Facility, or Disposal Facility. The Solid Waste must be transported by the resident, owner, or commercial/industrial business entity that generates the Solid Waste in their own vehicle. Materials delivered by a Commercial entity shall be delivered by the Commercial entity using its own employees and vehicles. The transport of Solid Waste by a person or entity that is not the generator of the Solid Waste is not Self-Haul.

3.03.2 Specialized Recyclable Materials. If Contractor is unable or unwilling to collect and process for diversion of specialized source separated materials generated by industrial operations which a third party is able to fully re-use or recycle, Service Recipients shall have the right to engage a City-permitted third-party recycler to collect and recycle those source-separated Specialized Recyclable Materials provided that: (a) the diversion is verified by the City and (b) the third party recycler first obtains a City recycling permit prior to any collection of such Specialized Recyclable Materials. Prior to granting any such permit, the City shall meet and confer with Contractor to determine if Contractor is able to collect and reuse or recycle such

Specialized Recyclable Materials. Grocery stores, supermarkets, restaurants and hotels will not qualify as industrial sources within the meaning of this section.

3.03.3 Recyclable Materials Sold By Commercial Generator. If the waste generator at a Commercial Service Unit has Source Separated Recyclable Material, the generator is entitled to sell that Recyclable Material or be otherwise compensated in a manner resulting in a net positive payment to the generator, when such collector is permitted as appropriate under the City Municipal Code.

3.03.4 Byproducts of Food and Beverage Processing. Under AB 3036 (2018), certain byproducts from the processing of food or beverages from agricultural or industrial sources, provided they are source-separated and used solely as animal feed, are exempted from this Exclusive Franchise Agreement. Grocery stores, supermarkets, restaurants, and hotels do not qualify as commercial or industrial sources under AB 3036. Entities requesting exemption must apply to the City and be any of the following: registered pursuant to Section 110460 of the Health and Safety Code, or be exempted from registration pursuant to Section 110480 of the Health and Safety Code, or be a beer manufacturer as defined in Section 23012 of the Business and Professions Code, or a distilled spirits manufacturer, as defined in Section 23015 of the Business and Professions Code.

3.03.5 Donated Material. Recyclable Materials, Organic Waste, or Large Items that are Source Separated at any premises by the waste generator and donated to youth, civic, or charitable organizations qualified as such pursuant to federal law.

3.03.6 Gardening or Landscape Services. Green Waste removed from a premise by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company and their own vehicles, rather than as a hauling service.

3.03.7 City Assistance in Franchise Enforcement. The City shall reasonably assist Contractor in the enforcement of Contractor's exclusive franchise. Such assistance may include, but is not limited to: sending cease and desist letters at Contractor's request to Service Recipients and third parties engaged in violating or infringing on Contractor's exclusive franchise; taking code enforcement action against Service Recipients who continue to hire unauthorized third parties to haul away the Service Recipient's Solid Waste; and joining with Contractor in any legal actions seeking injunctive relief against authorized third party haulers.

3.04 Responsibility for Service Billing and Collection. Contractor is responsible for the billing and collection of payments for Collection Services within the Service Area.

3.05 Contractor's Payments to City. The various fees listed in Section 3.05.1 through 3.05.6 below are referred to as the "City Fee Element" for purposes of adjusting Maximum Services Rates in accordance with Article 4 of the Agreement. The City Fee Element was the product of extensive negotiations between the City and Contractor to ensure that the City Fee Element represents the City and Contractor's determination of the fair market value of the City's costs and services and of the grant of an exclusive franchise.

3.05.1 Agreement Management Fee. Beginning October 1, 2021, in consideration of the administrative costs of managing the City's and Contractor's solid waste programs, Contractor shall pay City a Solid Waste Management Fee of **One Hundred Thousand Dollars (\$100,000)** per Agreement Year paid equally on a quarterly basis (October 1<sup>st</sup>, January 1<sup>st</sup>, April 1<sup>st</sup>, and July 1<sup>st</sup>). Beginning July 1, 2022, and thereafter, the Agreement Management Fee shall be increased by the same amount as an increase is the CPI-U in accordance with Section 4.07.1.

3.05.2 City AB 939 Support Fee. Beginning October 1, 2021, in consideration of complying with CalRecycle regulations, Contractor shall pay City an AB 939 Support Fee of **Two Hundred Thousand Dollars (\$200,000)** per Agreement Year paid in equal monthly payments due on the 15<sup>th</sup> of each month. Beginning July 1, 2022, and thereafter, the AB 939 Support Fee shall be increased by the same amount as an increase is the CPI-U in accordance with Section 4.07.1

3.05.3 Franchise Fee. In consideration of the exclusive franchise and rights associated with this Agreement, Contractor shall pay the City a monthly Franchise Fee due on the 15<sup>th</sup> day of the month for services provide by Contractor during the prior month as a percent of the Gross Revenue received by the Contractor from Franchise services provided in the City pursuant to this Agreement . The Franchise Fee, together with other consideration provided by Contractor, reflects a reasonable estimate of the value of the exclusive franchise, as determined by the City and Contractor. The Franchise Fee for the Agreement Year and thereafter shall be **Fifteen Percent (15%)** percent of Gross Revenue (or lower depending on final agreement on the various fees).

3.05.4 Vehicle Road Impact Fee. Beginning on October 1, 2021 Contractor shall pay the City a Vehicle Road Impact Fee of **Five Hundred Thousand Dollars (\$500,000)** per Agreement Year paid in equal monthly payments due on the 15<sup>th</sup> of each month. The Vehicle Impact Fee provides a portion of the revenue needed to cover the City's reasonable cost to maintain public roads due to the impacts from the normal operations of the Contractor's vehicles. Beginning July 1, 2022, and thereafter, the Vehicle Road Impact Fee shall be increased by the same amount as an increase is the CPI-U in accordance with Section 4.07.1.

3.05.5 Street Sweeping Fee. Beginning October 1, 2021, in consideration of the exclusive franchise and rights associated with this Agreement, Contractor shall pay City **Seventy-Two Thousand Five Hundred Dollars (\$72,500)** per month due by the 15<sup>th</sup> day of each month. Beginning July 1 2022, the Street Sweeping Fee shall be increased by the same amount as an increase is the CPI-U in accordance with Section 4.07.1. All cost associated with the Street Sweeping Fee is included in the Maximum Service Rates in **Exhibit 1**.

If City and Contractor agree that Contractor will provide street sweeping services as specified in Article 12 and **Exhibit 8**, at least three months prior to Contractor beginning street sweeping services, City and Contractor will to meet and discuss if changes are needed to street sweeping services or if costs are different than the **Seventy-Two Thousand Five Hundred Dollars (\$72,500)** monthly fee covered under this Section 3.05.5, and as may have been adjusted by an increase in the CPI-U in accordance with Section 4.07.1. If changes are needed or costs have changed, the Parties will amend **Exhibit 8** and Contractor's Maximum

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Service rates may be modified to reflect any such agreed on changes. Additionally, if Contractor assumes street sweeping services, payment by Contractor to the City of the Street Sweeping Fee will be discontinued to coincide with start date of Contractor provided street sweeping service.

3.05.6 Carbon Offset Fee. Contractor shall pay the City a one-time **Three Hundred Thousand Dollars (\$300,000)** payment as a carbon offset to allow Contractor adequate time to source, test and replace fossil fuel powered collection vehicles with electric powered collection vehicles. This one-time payment is due within thirty (30) days of the Effective Date of the Agreement.

3.05.7 Reimbursement for the Cost of Negotiation. Contractor shall reimburse the City for the cost of the Franchise Agreement negotiation up to but no more than **Two Hundred and Fifty Thousand Dollars (\$250,000)**. This one-time payment is due within thirty (30) days of the Effective Date of the Agreement.

3.05.8 Time and Method of Payment; Late Fees. All Fees listed in section 3.05.2 – 3.05.6 shall be computed and paid based on Gross Revenue received each calendar month for services rendered. Contractor shall prepare and mail such remittance on a quarterly basis to the City Finance Director, and such remittance must be hand-delivered or postmarked no later than the last business day of the month following the end of each quarter. For hand-delivered remittance, the Contractor must request and receive a receipt or time stamp with the exact date remittance is received by the City Finance Director or designee.

3.05.9 Remittance Report. Contractor's fee payments to the City will be accompanied by a report, prepared in a format acceptable to City Manager or designee, setting forth the basis, and calculations used for computing the amount due. The figures used shall be taken from the general books of account of the Contractor. All supporting documentation must be retained by the Contractor in accordance with the records retention requirements in Article 44.

3.05.10 If the Contractor fees to the City are not paid by the date set by this Agreement, then in addition to the fees, the Contractor shall pay a penalty as specified in **Exhibit 10**, except to the extent that such lateness is due to extenuating circumstances.

3.05.11 In addition, the Contractor shall pay interest on all unpaid fees at the rate of six (6) percent per annum or the prime (lending) rate, whichever is higher but not to exceed the legal rate, from the date the fees were due and payable to the date actually paid.

3.05.12 If the delay is due to extenuating circumstances, Contractor must request approval in writing from the City Manager or designee at least five (5) business days prior to the date on which fees and reports are due. City shall contact Contractor within three (3) business days of receiving request for submission delay as to whether delay shall be permitted.

3.05.13 Taxes and Utility Charges. The Contractor shall pay all taxes lawfully levied or assessed upon or in respect of the operating assets or the Franchise Services, or upon any part thereof of upon any revenues necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

3.05.14 Disputes. In the event of any disputes between the Contractor and the City with respect to the fees described in Article 3, the City shall provide the Contractor with written objection within 180 days of the receipt of the reports described in section 3.05.9, indicating the position of the report that is disputed and providing all reason then known to the City for its objection to or disagreement with such amount. With the exception of discrepancies between the reports as required in Section 3.05.9 and the reports as required in Section 19.02, Section 19.03, or findings from a Billing/Financial Audit and Performance Review under Article 14, if the City does not object to the report within thirty (30) months (of submittal of the reports described in Section 3.05.9, the fees paid by Contractor as set forth in the report shall be conclusively deemed correct and not subject to further audit or challenge. If any such amount is adjusted in the City's favor pursuant to agreement, mediation, legal proceeding, or otherwise, the Contractor shall pay the amount of such adjustment to the City, with interest thereof at the overdue rate from the date such disputed amount was due the City to date of payment in full of such amount. If the Contractor prevails in the dispute, the Contractor shall have the right to recover from the City its reasonable costs incurred in connection with the dispute resolution procedure.

3.06 Contractor's Payments to SVSWA. Contractor is solely responsible for directly paying SVSWA all Disposal Fees, Organic Waste Processing Fees, C&D Processing Fees, Mixed Waste Processing Fees (if made available), and AB 939 Fees as established by SVSWA. Such Contractor payments to SVSWA shall be considered as "pass-through" costs in adjusting Maximum Services Rates in accordance with Article 4 of the Agreement. Any disputes regarding Contractor payments to SVSWA shall be settled between the Contractor and SVSWA, and the City shall not be responsible for any under payment, late, or incorrect payments made by Contractor to SVSWA.

3.07 Service Standards. Contractor must perform all Collection Services under this Agreement in a thorough and professional manner as described in Section 22, while meeting the minimum performance and diversion standards listed in Section 14 according to the Sustainability and Compliance Plan (**Exhibit 6**) developed by the Contractor and approved by the City.

3.08 Labor and Equipment. Contractor must provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of Contractor's obligations under this Agreement. Contractor must always have sufficient backup equipment and labor to fulfill Contractor's obligations under this Agreement. No compensation for Contractor's services or for Contractor's supply of labor, equipment, tools, facilities, or supervision will be provided or paid to Contractor by City or by any Service Recipient except as expressly provided by this Agreement.

3.09 Holiday Service. The City observes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day as legal holidays. Contractor is not required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Friday SFD Collection Services being performed on Saturday. Commercial Collection Services will be adjusted as set forth in Article

8 but must meet the minimum frequency requirements of one (1) time per week. Collection Services will not take place on Sundays.

3.10 Inspections. The City has the right to inspect Contractor's facilities or Collection vehicles and their contents used to provide services pursuant to this Agreement at any reasonable time while operating inside or outside the City.

3.11 Commingling of Materials.

3.11.1 SFD Materials Collected in Salinas. Contractor may not at any time commingle any SFD materials Collected pursuant to this Agreement with any other material Collected outside the City of Salinas without the express prior written authorization of the Agreement Administrator.

3.11.2 Commercial Materials Collected in Salinas. Contractor may commingle Commercial materials Collected pursuant to this Agreement with other materials Collected outside the City of Salinas, provided that Contractor tracks the tonnage of Commercial material Collected inside the City of Salinas separately using a City-approved allocation methodology. Changes to the allocation methodology may only be made with the express prior written authorization of the Agreement Administrator.

3.11.3 Recyclable Materials. Subject to Sections 7.08.2 and 8.03.4, Contractor may not at any time commingle SFD or Commercial Recyclable Materials Collected pursuant to this Agreement with any other material type Collected by Contractor without the express prior written authorization of the Agreement Administrator.

3.11.4 Organic Waste. Subject to Sections 7.09.3 and 8.04.3, Contractor may not at any time commingle SFD or Commercial Organic Waste Collected pursuant to this Agreement with any other material type Collected by Contractor, without the express prior written authorization of the Agreement Administrator.

3.11.5 Recyclable Materials and Organic Waste Contamination. Contractor shall document Contamination with still pictures or video, and will notify the Service Recipient of the Contamination through the application of a Cart tag, by electronic communication, or phone call, provided that if Contractor does not possess an email address or phone number for the Service Recipient, Contractor may provide a written communication, which shall include a request for an email address or phone number for future notifications. Contractor may, at its discretion Collect the Container as Recyclable Materials, Organic Materials, or as Solid Waste. Contractor shall immediately charge the Service Recipient the City-approved Contamination Surcharge. The Service Recipient will receive, upon request of Service Recipient or the City, one courtesy waiver of the Contamination Surcharge. Contractor may increase Service Recipient's Solid Waste Service Level by one Container size or by one frequency of Collection if Service Recipient has three (3) or more Contamination charges in any twelve (12) month period, or as otherwise determined by City Contract Manager.

The Contractor agrees to provide a grace period and not to charge Contamination Surcharge from July 1, 2021 through December 31, 2021.

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Contractor must offer the Service Recipients the correct combination of Cart and Bin sizes and collection frequency beyond the minimum bundled service requirements as necessary, that matches their unique service needs to reduce contamination of Recyclable Materials and Organic Waste, and provide service at least cost to Service Recipient. To support City's diversion goals and Contractor's Diversion Requirements as set forth in Article 5, Contractor is only required to collect Recyclable Materials if they have been separated by the Service Recipient from Garbage and Organic Waste and is only be required to collect Organic Waste if it has been separated by the Service Recipient from Garbage and Recyclable Materials.

As part of Contractor's Public Education Services under Article 17 Contractor has agreed to provide outreach and support to Service Recipients as described in the Contractor's Sustainability and Compliance Plan provided as Exhibit 6. Additionally, Contractor's route collection personnel will report to Contractor's supervisors if they observe potential contamination problems, and/or insufficient collection capacity. For purposes of determining if Recyclable Materials or Organic Waste are deemed to be contaminated, if, by visual or digital inspection, Recyclable Materials are commingled with ten percent (10%) by weight or volume of Garbage or Organic Waste, or if, by visual inspection, Organic Waste is commingled with three percent (3%) by volume of Garbage or Recyclable Materials, then Recyclable Materials and/or Organic Waste will be deemed to be contaminated and Contractor may take the following steps:

3.11.6 Tracking Occurrences of Contamination. Regarding Section 3.11.5, each Contamination occurrence is tracked annually per Calendar Year, and resets at the start of each Calendar Year if contamination occurrences are not active and consecutive. Where contamination is occurring, and occurrences are consecutive and unremedied their count shall continue across Calendar Years until remedy occurs. In this case, once the Service Recipient has demonstrated no contamination for a period of three consecutive months the tracking calendar will reset.

3.11.7 Disputes Over Excess Contamination Charges. If Service Recipient disputes a contamination charge (which must be within 30 days of them being assessed), Contractor will temporarily halt any contamination charge and/or increased Maximum Service Rate resulting from increasing the Collection Container size, or collection frequency, and Contractor may request a ruling by the Agreement Administrator to resolve the dispute. During the pendency of any request, Contractor may restore Container size or number, or collection frequency to the prior levels. A request by Contractor to the Agreement Administrator to rule on any such dispute must be filed within ten (10) Business Days of Contractor's halting of contamination charge, or increased Maximum Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The Agreement Administrator may request a meeting (in person or phone) with both the Service Recipient and Contractor to resolve the dispute. Following such a meeting, the Agreement Administrator will rule on the dispute within ten (10) Business Days, and the Agreement Administrator's decision on resolving the dispute between Contractor and Service Recipient will be final. If the Agreement Administrator rules in favor of the Service Recipient, Contractor will credit the disputed contamination charges or increased Maximum Service Rate. If the Agreement Administrator rules in favor of Contractor, Contractor may charge Service Recipient the prior halted contamination charge and/or

increased Maximum Service Rate resulting from increasing the Collection Container size or collection frequency and may follow the steps in Article 4.04 for collection of delinquent accounts.

3.12 Container Overflow and Correction Procedures. If a Service Recipient is found to habitually overflow their Collection Container(s), i.e. lid will not close, Contractor may take the steps as listed below to correct Service Recipient's on-going overflow of material.

Service Recipients receiving Residential, Commercial, or Multi-Family services will be notified of Collection overages. The process for Service Recipient overages, is as follows:

3.12.1 Garbage Overflow and Correction Procedures.

A. Contractor shall provide the Service Recipients the correct combination of Collection Containers and collection frequency that matches each Service Recipient's unique service needs to enable clean, efficient, and cost-effective collection of Solid Waste, Recyclable Materials, and Organic Waste. City and Contractor agree that overflow of Solid Waste that is not properly in the Service Recipient's Solid Waste Collection Containers may negatively impact public health and safety. Contractor has also agreed to conduct recycling audits and provide outreach and support to Service Recipient accounts receiving the correct service level. However, if Service Recipients are found to habitually overflow their Solid Waste Collection Containers, Contractor may take the steps as listed below to correct Service Recipient's on-going overflow of Solid Waste.

B. Prior Arrangements for Collection. If the Service Recipient has made prior arrangements with Contractor for collection of Solid Waste Overflow, Contractor must collect such overages as arranged, and may charge the Service Recipient the Solid Waste Overflow Fee (prior arrangement) rate set forth in **Exhibit 1**.

C. No Prior Arrangements. If the Service Recipient has not made prior arrangements with Contractor for collection of Solid Waste Overflow, (i) Contractor may collect such Solid Waste Overflow at no additional charge as a courtesy, (ii) Contractor may not collect the Solid Waste Overflow and leave a Non-Collection Notice explaining the reason for non-collection of the Solid Waste Overflow, (iii) Contractor may collect the Solid Waste Overflow (up to two lifts) and charge the Service Recipient the Solid Waste Overflow Fee (no prior arrangement) rate set forth in Exhibit 1 as provided below, or increase the capacity or frequency of collection of the existing Collection Container(s) to match documented service needs as provided below. In managing Solid Waste Overages, the following apply:

3.12.2 SFD Service Recipients.

A. Each Occurrence. For each occurrence Contractor will not collect the Solid Waste Overflow if the Collection Container could not be serviced by normal operating procedures or cause spillage upon servicing and Contractor must document Solid Waste Overflow with a still picture or video and provide the following written notice via e-mail, U.S. mail, or in person (which may be by Non-Collection Notice) to the Service Recipient: (i) the date, description, and document in the Waste Reporting System. Contractor's Non-Collection Notice for SFD Service Recipients shall also contain instructions on (a) how to

schedule a Large Item Collection or (b) request an additional Collection Container to eliminate future Overages.

### 3.12.3 Commercial and MFD Service Recipients.

A. Each Occurrence. Contractor must document each occurrence with a still picture or video and provide a written notice on the Container and may provide a copy of the notice via e-mail, U.S. mail, or in person (which may be by Non-Collection Notice) to the Service Recipient with the date, description. Contractor may collect the Solid Waste Overage and may charge the Service Recipient a Solid Waste Overage fee as set forth in **Exhibit 1**, and increase the capacity, or collection frequency of the Collection Container to match documented service needs. At least ten (10) Business Days prior to increasing the Collection Container size, or frequency of Collection, Contractor's representative must also contact the Service Recipient by phone, U.S. mail, e-mail or in person (which may be by Non-Collection Notice) to ensure that Service Recipient has the appropriate level of service. Contractor must document overage issue in the Waste Reporting System and notify City within ten (10) Business Days of any changes in Service Recipient's Collection Container size or collection frequency. The increased capacity or collection frequency will remain in effect until Contractor determines that it is no longer needed to prevent overages, which may be longer than the one Calendar Year stated above. Such determination will be in Contractor's sole but reasonable discretion and will be subject to the dispute resolution procedure set forth below. City will consider, and pursue as applicable, appropriate legal remedies against offending Service Recipients in order to secure discontinuance of the overages.

B. Tracking Occurrences of Solid Waste Overage. Regarding Sections 3.12.1.A and 3.12.3.A, after twelve (12) months have passed from the last applicable Solid Waste Overage occurrence, the next Solid Waste Overage occurrence will be deemed a first Solid Waste Overage occurrence.

C. Disputes Over Container Overflow Charges. If Service Recipient disputes a Solid Waste Overage charge or container size or collection frequency change within 30 days of the disputed action, Contractor must temporarily halt Solid Waste Overage charge and/or increased Maximum Service Rate resulting from increasing the Collection Container size or collection frequency, and Contractor may request a ruling by the Agreement Administrator to resolve the dispute. During the pendency of any request, Contractor may restore Container size or number, or collection frequency, to the prior levels. A request by Contractor to the Agreement Administrator to rule on any such dispute must be filed within ten (10) Business Days of Contractor's halting of Solid Waste Overage charge, or increased Maximum Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The Agreement Administrator may request a meeting (in person or phone) with both the Service Recipient and Contractor to resolve the dispute. Following such a meeting, the Agreement Administrator will rule on the dispute within ten (10) Business Days, and the Agreement Administrator's decision on resolving the dispute between and Service Recipient will be final. If the Agreement Administrator rules in favor of the Service Recipient, Contractor must credit the disputed charge or increased Maximum Service Rate. If the Agreement Administrator rules in favor of Contractor, Contractor may charge Service Recipient the prior halted Solid

Waste Overage charge and/or increased Maximum Service Rate resulting from increasing the Solid Waste Collection Container size or collection frequency and may follow the steps in Article 4.04 for collection of delinquent accounts.

3.13 Ownership of Materials. Except as provided otherwise under Applicable Law, title to Residential Waste, Commercial Solid Waste, Recyclable Materials, and Organic Waste will pass to Contractor at such time as said materials are set out for Collection.

3.14 Spillage and Litter. Contractor may not litter premises in the process of providing Collection Services or while its vehicles are on the road. Contractor must transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from Contractor's vehicles. Contractor must exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Waste, Commercial Solid Waste, Recyclable Materials, or Organic Materials and must immediately, at the time of occurrence, clean up such spilled or dropped Residential Waste, Commercial Solid Waste, Recyclable Materials, or Organic Materials.

3.14.1 Except as provided in Article 8.02.3, Contractor is not responsible for cleaning up sanitary conditions caused by the carelessness of the Service Recipient; however, Contractor must clean up any material or residue that is spilled or scattered by Contractor or its employees.

3.14.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from Contractor's operations or equipment repair must be covered immediately with an absorptive material and removed from the street surface. Contractor must document spillage in the Waste Reporting System and notify City's stormwater compliance coordinator within two (2) hours of any spills resulting from Contractor's operations or equipment. When necessary, Contractor must apply a suitable cleaning agent and cleaning technique to the street surface to provide adequate cleaning as approved by the City's stormwater compliance coordinator to be compliant with the City's stormwater permit.

3.14.3 The above paragraphs notwithstanding, Contractor must clean up any spillage or litter caused by Contractor within two (2) hours upon notice from the City. If City deems necessary, Contractor must engage third-party environmental clean-up specialist at Contractor's sole cost to remove any equipment oil, hydraulic fluids, or any other liquid or debris that remains on street after Contractor's own clean-up efforts. If clean-up is not conducted to satisfaction of City, City has right to engage environmental clean-up specialist to perform additional clean-up work at the expense of Contractor.

3.14.4 In the event where damage to City streets is caused by a hydraulic fluid spill (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill), Contractor shall be responsible for all repairs to return the street to the same condition as that prior to the spill. Contractor shall be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the City and at no cost to the City.

3.14.5 To facilitate immediate cleanup, Contractor's vehicles must always carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.15 Solid Waste Facilities. Contractor is responsible for delivery of all Solid Waste to properly permitted Disposal Facilities, Transfer Facilities, Recyclable Materials Processing Facilities, Organics Processing Facilities, and C&D Processing Facilities as listed in **Exhibit 13**. Failure to comply with this provision will result in the levy of an Administrative Charge or Penalty as specified in **Exhibit 10** and may result in Contractor being in default under this Agreement.

3.16 Flow Control Rights. Consistent with any limitations or restriction placed on the City for its membership in the SVSWA, Contractor agrees that City retains its right to direct all, a portion of, or specific types of Solid Waste to properly permitted Disposal Facilities, Transfer Facilities, Recyclable Materials Processing Facilities, Organics Processing Facilities, and C&D Processing Facilities If City exercises its Flow Control Rights for facilities not listed in **Exhibit 13** and such redirection of Solid Waste results in a cost changes to Contractor, City or Contractor may request changes to Maximum Service Rates in accordance with Section 27.01 of this Agreement.

3.17 Regulations and Record Keeping. Contractor must comply with emergency notification procedures required by applicable laws and regulatory requirements. All records required by regulations must be maintained at Contractor's facility. These records must include waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

## Article 4. Service Recipient Billing, Charges and Rates

4.01 Collection Services. Contractor is responsible for determining service rates, subject to the City's regulatory approval, and the billing and collection of payments for all Collection Services. Contractor's service rates charged to Service Recipients cannot exceed the service rates established in **Exhibit 1**, which may be adjusted under this Agreement.

4.02 Partial Month Service. If, during a month, a Service Unit is added to or deleted from Contractor's Service Area, Contractor's Billing to the Service Recipient will be pro-rated based on the weekly service rate (i.e. the service rate established in **Exhibit 1** divided by four (4) times the number of actual weeks in the month that service was provided to the Service Unit).

4.03 Production of Invoices. The Contractor shall bill Service Recipients for Franchise Services provided under this Agreement. The Contractor shall not charge any amount in excess of the approved Rates for any services required or permitted to be performed by the terms of this Agreement. Contractor shall prepare, mail, or electronically transmit, and collect bills (or shall issue written receipts for cash payments) for Franchise services provided by Contractor under this Agreement. All SFD Service Recipients will be billed once every three months, in advance of service. MFD and Commercial Service Recipients with bin or cart service will be once each month, in advance of service. All Service Recipient invoices are due and payable within 30 days of the invoice date. Billing shall not be permitted more than 15 days prior to the initiation of collection service period. Bills shall not be subject to late notification or charges until 30 days following the closing day of the service period. If made by mail, Billings shall be placed in an envelope and shall include a return envelope for each billing period. Contractor shall include e-mail address on all billing notices and shall accept payment by check, credit card, or ACH debit. Billings shall include sufficient

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space on the statement to accommodate up to 20 typed characters as specified by the City. City shall have the right to revise the billing format, provided that reasonable notice is given. Where it has been determined that a Service Recipient has overpaid for service for any reason, Contractor must provide the Service Recipient a credit of no more than two (2) years against future invoices or a refund (where the account is closing or as selected by the Service Recipient), and where the refund amount exceeds the lesser of the regular invoicing amount or \$200 within thirty (30) days of such determination.

4.04 Delinquent Service Accounts. Contractor must report to the Agreement Administrator on a monthly basis all Service Recipients who have received Collection Service and whose account is over thirty (30) days past due. Contractor must provide a written notice to those Service Recipients whose account is delinquent informing the Service Recipient that the following actions may occur: 1) assessment of late fees, 2) referral to a collection agency or other legal remedy available to Contractor to cause payment of delinquent account, 3) reducing service levels, or 4) discontinue services. Contractor may only discontinue service after Contractor has provided two written notices of delinquency (30 and 60 day past due notices), and no earlier than fifteen (15) days after the second delinquency notice has been sent, has meet with and has written approval by the Agreement Administrator to allow disconnection of services at Contractor's option. Contractor must then notify the Service Recipient and the Agreement Administrator in writing of its intent to discontinue service not less than thirty (30) calendar days before such disconnection shall occur.

4.05 Contractor's Reservation of Legal Rights and Remedies. Notwithstanding the foregoing, Contractor reserves its right to, and may take such action as is legally available to collect or cause collection of such past due amounts. Contractor may disconnect Collection Services to any SFD or MFD Service Unit or Commercial Service Unit only after following the procedures as outlined above.

4.06 Adjustments to Maximum Service Rates. Beginning on July 1, 2022, and annually thereafter, Contractor shall, subject to compliance with all provisions of this Section, receive an annual adjustment to the Maximum Service Rates as set forth in **Exhibit 1** to this Agreement. Each adjustment is to be approved by the Salinas City Council with good faith effort by May 1<sup>st</sup> of each year and will be effective on each subsequent July 1st. No adjustments beyond what is specifically called out in this Section 4.06 through Section 4.11 shall be made except in the case of a Change in Law or City Directed Change or Material Uncontrollable Circumstance. City shall take action on any changes in the Maximum Service Rates in accordance with the City's Municipal Code.

4.06.1 Service Recipient Rate Elements. Service Recipient Rates shall consist of some combination of the following elements: a *Collection Element*, a *Disposal Element*, a *Recyclable Material Processing Element*, an *Organic Waste Processing Element*, *Mixed Waste Processing Element*, a *C&D Processing Element*, a *City Fee Element*, and such other elements as may be added by the City during the term of this Agreement.

4.06.2 City Approval of Maximum Service Rates. On or before May 31, 2022, and annually thereafter during the term of this Agreement, the City Representative shall notify Contractor as to whether the Salinas City Council has approved the requested adjustments to the Maximum Service Rates to take place on the subsequent July 1<sup>st</sup>.

4.07 Adjustment to Collection Elements. Beginning on July 1, 2022, and annually thereafter during the term of this Agreement, the *Collection Elements* of the Service Recipient Rates set forth in **Exhibit 1** shall be adjusted by the CPI-U adjustment set forth below.

4.07.1 CPI-U Adjustment Calculation. Beginning with Rate Year 2022, the CPI-U adjustment shall be the sum of the weighted percentage change in the 12-month average of each CPI-U index number between the base period, which shall be the prior preceding year ending December 31<sup>st</sup>, and the preceding year ending December 31<sup>st</sup> as contained in the most recent release of the CPI-U. Therefore, the first Collection Element rate adjustment effective July 1, 2022 will be based on the percentage changes between the 12-month average of the CPI-U indices from January 2021 to December 2021.

4.07.2 Annual Rate Cap on Collection Element. In any Calendar year that the calculation of the CPI-U exceeds four percent (4.00%), the total adjustment for that year will be four percent (4.00%), and **no** rollover amount will be added the rate adjustment percentage in the following year, or any subsequent year. If the CPI-U is negative, there will be no CPI-U adjustment to the Collection Element for that year.

4.08 Adjustments to Disposal Elements. The *Disposal Elements* of the Service Recipient Rates will be adjusted at the same time as the CPI-U adjustment to *Collection Elements* described in Section 4.07 above. The percentage change to the *Disposal Elements* shall be calculated as the percentage change between the per-ton tip fee charged at the approved Disposal Facility on the prior July 1<sup>st</sup> and the tip fee that will be effective on July 1<sup>st</sup> of the rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the approved Disposal Facility as part of Contractor Rate Application. For the period July 1, 2021 through June 30, 2022, the cost for disposal is \$64.75/ton and is included in the *Disposal Elements* of the Maximum Service Rates in **Exhibit 1**.

4.01.1 Adjustment to SVSWA AB 939 Fee. As part of the Adjustment to Disposal Elements, Contractor shall include any increase or decrease to the SVSWA AB 939 Fee charged to the City through its franchised waste hauler. Adjustment to the AB 939 Fee shall be calculated as the change in the percentage amount between the SVSWA AB 939 Fee dollar amount charged at the prior July 1<sup>st</sup> and the dollar amount to be charged effective on July 1<sup>st</sup> of the rate adjustment date. For the period July 1, 2021 through June 30, 2022, Contractor's SVSWA AB 939 Fee is \$2,062,273 and this amount is included in the *Disposal Elements* of the Maximum Service Rates in **Exhibit 1**.

4.09 Adjustments to Recyclable Material Processing Elements. The *Recyclable Material Processing Elements* of the Service Recipient Rates will be adjusted at the same time as the CPI-U adjustment to *Collection Elements* described in 4.7 above. The percentage change to the *Recyclable Materials Processing Elements* shall be calculated as the percentage change between the per ton tip fee charged at the approved Recyclable Materials Processing Facility per ton-tip fee from the prior July 1<sup>st</sup> and the per tip fee that will be effective on the July 1<sup>st</sup> of the rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the approved Recyclable Materials Processing Facility as part of Contractor Rate Application. For the period July 1, 2021 through June 30,

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2022, the cost for processing Recyclables Materials is \$50.04/ton and is included in the *Recyclable Material Processing Elements* of the Maximum Service Rates in **Exhibit 1**.

4.10 Adjustments to Organic Waste Processing Elements. The Organic Waste *Processing Elements* of the Service Recipient Rates will be adjusted at the same time as the CPI-U adjustment to *Collection Elements* described in 4.07 above. The percentage change to the *Organic Waste Processing Element* shall be calculated as the percentage change between the per ton tip fee charged at the approved Organic Waste Processing Facility per ton-tip fee from the prior July 1<sup>st</sup> and the per tip fee that will be effective on the July 1<sup>st</sup> of the rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the approved Organic Waste Processing Facility as part of Contractor Rate Application. For the period July 1, 2021 through June 30, 2022, the cost processing Organic Waste is \$19.76/ton and is included in the *Organic Waste Processing Element* of the Maximum Service Rates in **Exhibit 1**.

4.11 Adjustments to Mixed Waste Processing Element. With prior written agreement between the City, the Contractor, and SVSWA, in the event that processing of Garbage is needed to increase overall diversion from disposal, City and Contractor will jointly develop and agreed on a *Mixed Waste Processing Element* that may be applied to SFD, MFD, or Commercial Collection Services and included as part the Service Recipient Rates. Any such adjustment of the *Mixed Waste Processing Element* will be adjusted at the same time as the CPI-U adjustment to *Collection Elements* described in 4.07 above. The percentage change to the *Mixed Waste Processing Element* shall be calculated as the percentage change between the per ton tip fee charged at the approved Mixed Waste Processing Facility per ton-tip fee from the prior July 1<sup>st</sup> and the per tip fee that will be effective on the July 1<sup>st</sup> of the rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the approved Mixed Waste Processing Facility as part of Contractor Rate Application. For the period July 1, 2021 through June 30, 2022, there is no processing of Mixed Waste *and there is no Mixed Waste Processing Element* of the Maximum Service Rates in **Exhibit 1**.

4.12 Adjustments to C&D Processing Element. The *C&D Processing Element* of the Service Recipient Rates will be adjusted at the same time as the CPI-U adjustment to *Collection Elements* described in 4.07 above. The percentage change to the *C&D Processing Element* shall be calculated as the percentage change between the per ton tip fee charged at the approved C&D Processing Facility per ton-tip fee from the prior July 1<sup>st</sup> and the per tip fee that will be effective on the July 1<sup>st</sup> of the rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the approved C&D Processing Facility as part of Contractor Rate Application. For the period July 1, 2021 through June 30, 2022, the cost processing C&D Materials is \$64.75/ton and is included in the *C&D Processing Element* of the Maximum Service Rates in **Exhibit 1**.

4.13 Use of Multiple Disposal, Recyclables Materials Processing Facilities, Organic Waste Processing Facilities, Mixed Waste Processing Facilities, or C&D Processing Facilities. Beginning July 1, 2022, in the event that Contractor uses multiple facilities as listed in **Exhibit 13**, that have different per ton tip fees, any change in the various facilities listed in **Exhibit 13** will be based on the total of the percentage

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of tonnage delivered to each listed facility per ton tip fee multiplied by corresponding facility tip fee. An example is below:

Multiple Approved Recyclables Processing Facilities	Delivered Recyclable Materials Tonnage	Percentage Delivered	Per Ton Tip Fee	Allocated Tip Fee
Facility A	3,500 Tons	67.3%	\$70.00	\$47.12
Facility B	1,700 Tons	32.7%	\$45.00	\$14.71
Total New Tip Fee	5,100 Tons	100%	N/A	\$61.83

4.14 Adjustments to Contractor’s Payments To City. In the event that the City and Contractor agree to a change in the Contractor’s Payment to the City as listed in Section 3.05.1 through 3.05.5 of this Agreement, any such changes shall be treated as a pass-through adjustment to the Maximum Service Rates and shall only be done at the same time as adjustments to the Maximum Service Rates.

4.15 Information to Verify Adjustment to Maximum Service Rates. On or before April 1, 2022, and annually thereafter on April 1<sup>st</sup> during the Term of this Agreement, Contractor shall deliver to City the calculations and adjusted rates in MS Excel format, or other electronic format acceptable to the City, for the specific services performed under this Agreement for the preceding Agreement Year. Such rate adjustment information shall be in the format as may be mutually agreed on between the City and Contractor. Contractor’s failure to provide the rate adjustment information shall not preclude the City from applying the adjustments from the prior year, or pro forma data if no prior year data is available, if that application would result in a negative adjustment. If Contractor fails to submit the rate adjustment information required by April 1<sup>st</sup>, the City at its sole and reasonable discretion, may consider a late request for the annual CPI-U rate adjustment provided that Contractor’s late request does not delay the City’s ability to approve Service Recipient rates to be billed by Contractor the subsequent July 1st.

4.15.1 No Retroactive Billing. No retroactive billing will be allowed due to Contractor’s delay in submitting the required CPI-U financial information, or additional time needed for the City to review and approve Contractor’s changes to the Maximum Service Rates where such delay is due to Contractor’s errors in the CPI-U financial information or Contractor’s errors in the calculation of new Maximum Service Rates.

4.15.2 Rounding. Adjustments to the overall Maximum Service Rates shall be made only in units of one cent (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments. All CPI-U indices shall be rounded at two (2) decimal places for the adjustment calculations.

4.16 Contractor Payment for Maximum Service Rate Adjustment. Contractor shall be responsible for paying the cost of reviewing or correcting the annual Maximum Service Rate adjustment if the City determines that Contractor has made substantial errors and has not properly submitted or correctly calculated the Maximum Service Rate adjustment.

4.17 Senior Discount as Contractor's Good Will. Contractor has voluntarily agreed to provide a discount for eligible Seniors as "Good Will" and is not paid for or subsidized by any other Service Recipients and does not impact the Maximum Service Rates as listed in **Exhibit 1**. To qualify for the discount provided under this Section, the person must meet the following qualifications: The individual must demonstrate through appropriate documentation that they are: (1) 65 years of age or older; (2) a person of low, lower, or extremely low income and enrolled in PG&E's Care Program; (3) the service account holder; and (4) the head of household and occupant at the service address. By November 1, 2021, and each July 1<sup>st</sup> thereafter, Contractor must provide informational material to City, to the Senior Centers, and Senior organizations within the City explaining the Senior Discount program and explaining how Seniors may qualify for and request the service. Thereafter, Contractor shall advertise the availability of this Senior Discount program on their website and at least once per year in the Contractor's outreach materials sent to all SFD Service Recipients.

4.18 Extraordinary Adjustment to Maximum Service Rates.

4.18.1 If a Change in Law or Material Uncontrollable Circumstance affecting Contractor's costs occurs after the date hereof, then Contractor may apply to the City for an extraordinary adjustment to Contractor's Maximum Service Rates. As a condition of applying for an extraordinary rate adjustment, the Contractor shall pay the City a fee of Twenty-Five Thousand Dollars (\$25,000) to defray the City's costs in reviewing and processing Contractor's application. Contractor must reimburse the City for any cost to the City above \$25,000. City and Contractor shall negotiate in good faith a reasonable and appropriate adjustment to Maximum Service Rates sufficient to offset Contractor's increased allowable costs of operation or reduced Gross Billings resulting from the Change in Law or Material Uncontrollable Circumstance.

4.18.2 The Parties may negotiate and agree on the amount of any Maximum Service Rate adjustment pursuant to this Section 4.18 without a detailed rate review. Contractor shall bear the burden of justifying to City any adjustment due to a Change in Law or Material Uncontrollable Circumstance and shall bear its own costs of preparing its request for an adjustment and supporting documentation. City may request from Contractor such further information as it reasonably deems necessary to fully evaluate Contractor's request and make its determination whether Contractor has satisfied its burden. City shall notify Contractor of its determination within ninety (90) calendar days of receipt of the written request and all other additional information reasonably requested by City. Any such change will be implemented on the following July 1st, or within any other time frame agreed upon between City and Contractor and will only be effective after approval by City Council.

City will not unreasonably withhold agreement to any compensation adjustment requested by Contractor if reasonably justified by Contractor's request and the supporting documentation presented and available to the City. However, the City is not contractually obliged to approve any adjustment in Maximum Service Rates under this Section 4.18, and any such adjustment must be approved by the City Council and memorialized in a written amendment to this Agreement; but further provided that any decision by the City

Council to disallow Contractor's request for an extraordinary rate adjustment shall give rise to Contractor's rights to terminate under Section 4.19.

#### 4.18.3 Material Uncontrollable Circumstance.

4.18.3.1 If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of the State of California, a local agency or the U.S. Federal government, acts of God or natural disasters, epidemics, and unlawful activities of third parties, whether of the kind enumerated or otherwise, that are not reasonably within the control of the affected party, then the affected party will be excused from performance hereunder during the period of such disability.

4.18.3.2 The party claiming excuse from performance must promptly notify the other party when it learns of the existence of such cause, including the facts constituting such cause, and when such cause has terminated.

4.18.3.3 The interruption or discontinuance of services by a party caused by circumstances outside of its control will not constitute a default under this Agreement.

4.19 Procedures in Event of Inability to Approve or Invalidation of Rate Adjustment. In the event that City is unable by operation of Applicable Law to approve a rate increase under this Article 4, or some or all of the Maximum Service Rates are disallowed by operation of Applicable Law, Contractor will have the right, within thirty (30) days after notice of any such inability to approve or invalidation of an approved rate increase, to request, in writing, that City negotiate in good faith regarding reductions in programs, services, or fees to compensate for any negative impact from the unapproved or invalidated rate increase. If City fails to commence negotiations in good faith or negotiations are not completed within forty-five (45) days following the date of receipt of Contractor's request, Contractor may terminate this Agreement no earlier than one hundred and eighty (180) days after written notice to the City.

4.20 Maximum Service Rate Analysis. City and Contractor acknowledge that compliance with regulatory requirements has resulted in significant changes to Contractor's franchised services, and the impact of such regulatory requirements on the costs of providing services are not necessarily equal among SFD, MFD and Commercial Services. Accordingly, to determine if adjustments are needed to the Maximum Service Rates as set by Contractor for SFD, MFD and Commercial customers, the City may conduct an analysis of the Contractor's Maximum Service Rates. Any such analysis may take into account Contractor's requirements to provide SFD, MFD and Commercial Services and will maintain overall revenue neutrality to the Contractor and the City. Contractor will comply with reasonable requests by the City for financial and operation data as may be needed for the City to conduct this analysis. Contractor and City agree to reasonably negotiate any changes or modifications to the Maximum Service Rates on the subsequent July 1st for adjustments to the Maximum Service Rates as a result of the Maximum Service Rate Analysis. Further, if implementation of changes to Maximum Service Rates under this Section 4.20 results in material changes to Contractor's Gross Revenue, (increase or decreases), Contractor and City agree to reasonably negotiate any additional changes or modifications to the Maximum Service Rates to be effective on the

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following July 1st to restore overall revenue neutrality to Contractor or City. Contractor is responsible to provide written documentation of any materials changes in Contractor's Gross Revenue if Contractor requests additional changes to the Maximum Service Rates.

## Article 5. Diversion Requirements

5.01 Minimum Diversion Requirements. City requires Contractor to achieve minimum annual franchised diversion rate and a CalRecycle diversion standards as described in Section 5.02 and 5.03 below. Contractor must provide documentation to City within forty-five (45) days of the end of each calendar year stating and supporting that calendar year's diversion rates as set forth in the Reporting Requirements in Article 19.

5.01.1 On or about January 1, 2022, and not more often than once every two (2) years, Contractor may request waiver or revision of Franchised Diversion Requirements. The Parties agree to meet and confer, and negotiate in good faith regarding adjustments to the minimum diversion requirement based on waste characterization data provided by Agreement, trends in source reduction, the availability of permitted facilities that are capable of processing material to achieve the required levels of diversion, the availability of commercially viable markets for Recyclable Materials or Organic Waste, transportation constraints, embargoes, the impact of scavenging, the number and extent of exempt Organic Waste Service Recipients pursuant to Section 3.02 (AB 3606), increasing producer responsibility requirements, restrictions on single-use plastics, and the passage of any other legislation that significantly impacts the waste stream mix. City may not unreasonably withhold approval of the waiver or revision provided that Contractor has presented sufficient documentation for its request and the waiver does not result in the City's non-compliance with State diversion mandates.

5.01.2 If City fails to comply with CalRecycle diversion standards due to Contractor's failure to implement the diversion and public education programs provided for in this Agreement, Contractor is subject to an Administrative Charge as specified in **Exhibit 10 (q)** and Contractor must submit a corrective action plan to assist City to comply with Public Resources Code Section 41780 and other Applicable Laws by March 15<sup>th</sup> following the year the diversion requirements were not met. Contractor's corrective action plan is subject to approval by the Agreement Administrator, and to be approved, must constitute a good faith corrective action plan to allow City to comply with Public Resources Code section 41780 and other Applicable Laws. Implementation of the corrective action plan will be at Contractor's sole cost and expense. If Contractor fails to submit or implement a corrective action plan acceptable to the City, Contractor may be subject to both an Administrative Charge and an Administrative Penalty as specified in **Exhibit 10 (y)**.

5.01.3 If Contractor fails to achieve a minimum annual Franchised Diversion Rate as described in Section 5.03, Contractor must submit a corrective action plan by March 15<sup>th</sup> following the year the diversion requirements were not met. Contractor's corrective action plan is subject to approval by the Agreement Administrator, and to be approved, must constitute a good faith corrective action plan to meet the Franchised Diversion Rate. Implementation of the corrective action plan will be based on Contractor's required services under the terms of this Agreement, and will be prepared at Contractor's sole cost and

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expense. If the City requires additional programs to be provided by Contractor not included under the terms of this Agreement, Contractor is entitled to additional compensation in accordance with Section 27.01. If Contractor fails to submit or implement a corrective action plan acceptable to the City, Contractor may be subject to both an Administrative Charge and an Administrative Penalty as specified in **Exhibit 10 (y)**. Provided that Contractor has implemented all required Contractor diversion and public education programs required under this Agreement and has submitted and implemented a corrective action plan acceptable to the City, Contractor's failure to meet the Franchised Division requirements shall not constitute an event of default under this Agreement.

5.01.4 If Contractor fails to meet its Franchised Diversion requirements or if City fails to comply with CalRecycle diversion standards, and Contractor has implemented all required Contractor diversion programs, the City may direct Contractor to modify its programs or implement new diversion programs. Any such modification of Contractor's existing diversion programs or addition of new diversion programs done at the City's request would be in accordance with Section 27.01.

5.01.5 Notwithstanding any other provision of this Agreement to the contrary, where CalRecycle has determined that there are no commercially viable markets for a specific type of Recyclable Material(s), or with written notice to City, Contractor is unable to identify a market for one or more Recyclable Material(s) despite the exercise of commercially reasonable efforts to process and market the material, and determines, in the interest of safeguarding public health, to dispose of the Recyclable Material(s), such a determination shall not constitute a failure to implement service, a failure to implement a program, or an event of default hereunder.

5.02 Diversion Rate Calculation.

5.02.1 Franchised Diversion Rate Calculation. For purposes of determining whether Contractor has met its Franchised Diversion requirements under this Agreement, City and Contractor agree the annual Franchised Diversion rate will be calculated using the following formula: *"the tons of materials Collected by Contractor from Collection Services in City that are delivered to a Materials Recovery Facility, Organic Waste Processing Facility, or any other processing facility approved by City, or that are otherwise handled in a manner that counts as diversion under applicable CalRecycle regulations, divided by the total tons of materials Collected in the City by Contractor from the provision of Collection Services in each Calendar Year."*

5.02.2 CalRecycle Diversion Requirement Calculation. For purpose of determining whether Contractor has met its CalRecycle diversion requirements under this Agreement, City and Contractor agree the CalRecycle diversion requirement rate will be calculated using the following formula: *"Disposal Rate = City's Pounds Per Person Per Day generated disposal divided by two times CalRecycle's Target disposal rate for the City (Pounds Per Person Per Day). CalRecycle's Diversion Rate = 1 – Disposal Rate."*

5.03 Contractor's Diversion Requirements. For purposes of Article 5, Contractor's Franchised Diversion requirements are:

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5.03.1 For Calendar Years 2021, 2022, and 2023, the minimum annual Franchised Diversion Rate requirement will be forty percent (40%) and CalRecycle Diversion standards will be fifty-five percent (55%).

5.03.2 For Calendar Years 2024 and 2025, the minimum annual Franchised Diversion Rate requirement will be fifty percent (50%) and CalRecycle Diversion standards will be sixty-five percent (65%).

5.03.3 For Calendar Years 2026 and 2027, the minimum annual Franchised Diversion rate requirement will be fifty-five percent (55%) and CalRecycle Diversion standards will be seventy percent (70%).

5.03.4 For Calendar Years 2028, and for each Calendar Year thereafter during the term of this Agreement, the minimum annual Franchised Diversion rate requirement will be sixty percent (60%) and CalRecycle Diversion standards will be seventy-five percent (75%).

5.04 Warranties and Representations. Contractor warrants that it is aware of and familiar with City's waste stream, and that it has the ability to and will provide sufficient programs and services designed to ensure City will meet or exceed the diversion requirements as set forth in this Article 5, as well as the diversion requirements of the Applicable Laws (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) (including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments and related subsequent legislation), and that it will do so without imposing any costs or fees other than those set forth on **Exhibit 1**, except as provided in Section 27.01.1.

5.05 Mutual Cooperation. City and Contractor will reasonably cooperate in good faith with all efforts by each other to meet City's diversion and other compliance requirements imposed by AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383 and other Applicable Laws, and to meet Contractor's obligations under this Article 5. In this regard, City's obligations include, without limitation, making such petitions and applications as may be reasonably requested by Contractor for time extensions in meeting diversion goals, or other exceptions from the terms of Applicable Laws, and to agree to authorize such changes to Contractor's Recycling, Organic Waste, or Solid Waste programs as may be reasonably requested by Contractor in order to achieve the minimum requirements of this Article 5. Contractor shall not implement Diversion programs not described in this Agreement without the City's prior consent.

5.06 Guarantee. Except for programs currently required by Applicable Law but not set forth in this Agreement, programs not authorized and approved by the City, the need for City Code enforcement, or services which a Service Recipient refuses to accept, Contractor shall implement the diversion programs set forth in this Agreement such that: (i) Contractor and City will at all times be in compliance with the requirements of the Applicable Laws applicable to them including specifically AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and (ii) City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in this Article 5 and the Applicable Laws including AB 939, AB 341, AB 1826, AB

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1594, SB 1016, and SB 1383, and all amendments thereto (subject to Section 27.01.1). In this regard Contractor agrees that it will, in addition to any other Agreement requirement, at its sole cost and expense:

5.06.1 Assist City in responding to inquiries from CalRecycle or any other regulatory agency;

5.06.2 Assist City in preparing for, and participating in, CalRecycle's biannual review of City's SRRE pursuant to Public Resources Code section 41825;

5.06.3 Assist City in applying for any extension, including under Public Resources Code section 41820, if so directed by City;

5.06.4 Assist City in any hearing conducted by CalRecycle, or any other regulatory agency, relating to City's compliance with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383;

5.06.5 Assist City with the development of and implement a public awareness and education program that is consistent with City's SRRE and Household Hazardous Waste Element, as well as any related requirements of the Applicable Laws;

5.06.6 Provide City with Recycling, source reduction, and other technical assistance as may be needed to comply with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383; and

5.06.7 Advise City of additional programs or measures to be implemented by Contractor, which are needed to be authorized by the City, and the need for City Code enforcement, in order for the City to be in compliance with Applicable Laws relating to the City's Diversion obligations under State law, including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383; and

5.06.8 Be responsible for and pay any fees, penalties, or other costs imposed against City by CalRecycle, and indemnify and hold harmless City from and against any fines, penalties, or other liabilities, levied against it for violation of the diversion requirements, set forth in the Applicable Laws, including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, or for violation of any other provision of the Applicable Laws, arising from or in any way related to Contractor's failure to performance of its obligations as expressed in this Agreement.

## Article 6. Service Unit Types

6.01 Service Units. Service Units include all the following categories of premises which are in the Service Area as of July 1, 2021 and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Agreement during term of this Agreement:

6.01.1 SFD Service Units. Services are specified in Section 7 below.

6.01.2 MFD Service Units. Where individual units within an MFD are each served by Carts, services are defined under Section 7 (SFD Service) below. Where the MFD complex is served by centralized Collection Containers, service is defined under Section 8 (Commercial Service) below.

6.01.3 Commercial Service Units,

6.01.4 City Service Units

6.01.5 Any question as to whether a premise falls within one of these categories will be determined by the Agreement Administrator and the determination of the Agreement Administrator will be final.

6.02 Service Unit Changes. City and Contractor acknowledge that during the term of this Agreement it may be necessary or desirable to add or delete Service Units for which Contractor will provide Service.

6.02.1 Additions and Deletions. Contractor must provide services described in this Agreement to new Service Units in Contractor's Service Area within five (5) Work Days of receipt of notice from City or the new Service Unit to begin such Service.

6.03 Annexation. If during term of the Agreement, additional territory within or adjacent to the Contractor's Service Area is acquired by City through annexation, subject to the requirements of Public Resources Code section 49520, Contractor agrees to provide Collection Services in such annexed area in accordance with the provisions and service rates set forth in this Agreement. Such Collection Services must begin within five (5) Work Days of receipt of written notice from City. Contractor may not begin Collection Service without written authorization from City.

6.04 Route Map Update. Contractor must revise the Service Unit route maps to show the addition of Service Units added due to annexation and must provide such revised maps to the Agreement Administrator as requested.

## Article 7. SFD Collection Services

7.01 SFD Collection Services. The SFD Services are governed by the following terms and conditions:

7.01.1 Conditions of Service. Contractor must provide SFD Collection Service to all SFD Service Units in the Service Area whose SFD Solid Waste is properly containerized in Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set forth in Section 7.07.1; Organic Wastes are properly containerized in Organic Waste Carts, except as set forth in Sections 7.08.2 and 7.09.3, where the Garbage, Recycling, and Organic Waste carts have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle. If the City determines that additional diversion is needed to comply with regulatory requirements or policy goals as may be established by the Salinas City Council, the City reserves the right to direct Contractor to deliver SFD Garbage to a Mixed Waste

Processing Facility(ies) as listed in **Exhibit 13**, provided that such direction is has been agreed upon between the City and SVSWA, and such direction shall constitute a City Requested Change in accordance with Section 27.01.

7.02 Bundled SFD Service. A weekly Bundled SFD Solid Waste Collection Service system will be utilized with one (1) Garbage Cart, one (1) Recycling Cart, and one (1) Organic Waste Cart as part of the base SFD Solid Waste Collection Service. Pricing for upsizing or downsizing Carts, and additional Carts, relative to the base Bundled Service are included in **Exhibit 1**. The actual configuration of Garbage, Recycling and Organic Waste Cart sizes shall be at the option of the Service Recipient.

7.03 On-Premises Service. Notwithstanding any term or definition set forth in this Agreement, Contractor must provide on-premises Collection of SFD Solid Waste, Recyclable Materials, and Organic Waste to an SFD Service Unit as follows:

7.03.1 At no additional cost to the SFD Service Unit:

7.03.1.1 SFD Service Units where all adult Service Recipients residing therein have disabilities that prevent them from setting their Garbage, Recycling, or Organic Waste Cart at the curb for Collection, and if a request for on-premises service has been made.

7.03.1.2 Contractor must offer “push services” and “stinger/scout truck services” to SFD Service Recipients on a subscription basis upon request for the Service Rate set forth in **Exhibit 1**. Push services include, but are not limited to, dismounting from the Collection vehicle, moving the Collection Containers from their storage location for Collection and returning the Collection Containers back to their storage location. Stinger/scout truck services provide for the retrieval of Collection Containers from locations with accessibility constraints that make Containers difficult or impossible to access using regular trash collection trucks.

7.03.2 Collection Day. Contractor must provide on-premises Collection Service on the same Work Day that curbside Collection would otherwise be provided to the SFD Service Unit.

7.04 Frequency and Scheduling of Service. Except as set forth in Sections 7.09 and 7.10, SFD Collection Service must be provided one (1) time per week on a scheduled route basis. SFD Collection Service must be scheduled so that all Service Units receive Solid Waste Collection Service, Recycling Collection Service, and Organic Waste Collection Service on the same Work Day.

7.05 Hour and Days of Collection. SFD Collection Service must be provided, commencing no earlier than 6:00 a.m. and terminating no later than 6:00 p.m., Monday through Friday, except for Holidays in accordance with Section 3.09. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the Agreement Administrator.

7.06 Manner of Collection. The Contractor must provide Collection Service with as little disturbance as possible and must leave any Garbage, Recycling, or Organic Waste Cart in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks, or mailboxes.

7.06.1 Contractor's employees providing Collection Service must follow the regular walk for pedestrians while on private property and may not trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings.

7.06.1.1 New Carts. Contractor must supply new carts in accordance with the replacement schedule in **Exhibit 12**. All Contractor provided carts must be in full compliance with the coloring and labeling requirements of SB 1383 and the specifications listed in **Exhibit 4**.

7.06.2 Replacement of Carts. Contractor's employees must take care to prevent damage to Carts by unnecessary rough treatment. However, any Cart damaged by the Contractor must be replaced by Contractor, at Contractor's expense, within five (5) Work Days of notification at no cost or inconvenience to the Service Recipient.

7.06.2.1 Upon notification to Contractor by City or a Service Recipient that the Service Recipient's Cart(s) has been stolen or damaged beyond repair through no fault of Contractor, Contractor must deliver a replacement Cart(s) to such Service Recipient within five (5) Work Days. Contractor must maintain records documenting all Cart replacements occurring and report through the Waste Reporting System monthly.

7.06.2.2 Each Service Recipient is entitled to the replacement of one (1) lost, destroyed, or stolen Cart every ten (10) years during the life of this Agreement at no cost to the Service Recipient. Except in the case of a Cart that must be replaced because of damage caused by Contractor or in the case where Contractor elects to replace a Cart rather than repair it on-site, Contractor will be compensated for the cost of those replacements in excess of one (1) per type of Cart per Service Recipient during the term of the Agreement, in accordance with the "Cart Exchange" Service Rate set forth in **Exhibit 1**, or as may be adjusted by the City from time to time as provided under this Agreement.

7.06.2.3 Contractor understands and agrees that this provision is intended to be applied on a per Cart type, individual Service Recipient basis and accordingly each Service Recipient could receive up to three (3) replacement Carts, one (1) of each type, every ten (10) years during the term of the contract.

7.06.2.4 Contractor must comply with CalRecycle container color requirements as defined under SB 1383. If any such changes are adopted after the Effective Date that results in Contractor being required to replace Collection Containers after they have been replaced in accordance with the replacement schedule in **Exhibit 12** but, before they have been fully depreciated, Contractor will be eligible for additional compensation in accordance with Section 4.09.

7.06.3 Repair of Garbage, Recycling and Organic Waste Carts. Contractor is responsible for the repair of Carts, including but not be limited to, hinged lids, wheels, and axles. Within five (5) Work Days of notification by the City or a Service Recipient of the need for such repairs, Contractor must repair the Cart or if necessary, remove the Cart for repairs and deliver a replacement Cart to the Service Recipient.

7.06.4 Cart Exchange. Upon notification to Contractor by City or a Service Recipient that a change in the size of a Cart is requested, Contractor must deliver such Cart to such Service Recipient within five (5) Work Days. Each SFD Service Unit is eligible to receive one (1) free Cart exchange per Calendar Year during the term of this Agreement for moving to a larger Cart size. Each SFD Service Unit is eligible to receive unlimited Cart exchanges per Calendar Year during the term of this Agreement for moving to a smaller Cart size. Accordingly, Contractor will be compensated only for the cost of those exchanges in excess of one (1) per Calendar Year for those Service Units receiving larger or similar Cart sizes, in accordance with the “Cart Exchange” service rate as set forth in **Exhibit 1** or as may be adjusted this Agreement.

7.06.5 Additional Cart Request. Upon notification to the Contractor by City or a Service Recipient that additional Carts for Garbage, Recyclable Materials, or Organic Waste are requested, Contractor shall deliver such Carts to such Service Recipient within five (5) Work Days, at the rate set forth in **Exhibit 1**.

7.06.6 Ownership of Carts. Ownership of Carts is vested in the Contractor.

7.07 SFD Garbage Collection Service. This service is governed by the following terms and conditions:

7.07.1 Non-Collection. Contractor is not required to Collect any Residential Solid Waste that is not placed in a Garbage Cart. In the event of non-collection, Contractor will follow the steps set forth in Section 3.13.

7.07.2 Disposal Facility. Except as set forth below, all Residential Garbage Collected as a result of performing Garbage Collection Services must be transported to, and disposed of, at the Disposal Facility(ies) as listed in **Exhibit 13**. In the event the Disposal Facility is closed on a Work Day, Contractor must transport and dispose of the Residential Solid Waste at another legally permitted disposal facility. Failure to comply with this provision will result in the levy of an administrative charge as specified in this Agreement and may result in the Contractor being in default under this Agreement.

7.08 SFD Recycling Service. This service is governed by the following terms and conditions:

7.08.1 Overages. Corrugated cardboard that will not fit inside the Recycling Cart may be placed beside the Recycling Cart if flattened during the three-week period beginning December 26<sup>th</sup> each year during the term of this Agreement.

7.08.2 Recycling - Improper Procedure. The Contractor is not required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Solid Waste or Organic Waste. Furthermore, Contractor is not required to Collect Recyclable Materials that are contaminated through commingling with Solid Waste or Organic Waste. To address contamination, Contractor must follow the steps set forth in Section 3.11.

7.08.3 Materials Recycling Facility. Except as provided in Section 3.11, all Recyclable Materials Collected as a result of performing recycling services must be delivered to the Materials

Recycling Facility(ies) as listed in **Exhibit 13**. Failure to comply with this provision will result in the levy of a penalty as specified in **Exhibit 10** and may result in Contractor being in default under this Agreement.

7.08.4 Recycling - Changes to Services. Should changes in Applicable Law arise that necessitate any additions or deletions to the services described in this Section 7.07, including the type of items included as Recyclable Materials, the Parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the services to be performed and the compensation to be paid in accordance with Section 27.01.1 before undertaking any changes or revisions to such services.

7.09 SFD Organic Waste Collection Service. This service is governed by the following terms and conditions:

7.09.1 Organic Waste Processing Services. Contractor must ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill in accordance with AB 939, AB 1826, AB 1594, SB 1016 and SB 1383, and any subsequent or other Applicable Law. Contractor must ensure that the Organic Waste Collected pursuant to this Agreement is delivered to Organic Waste Processing Facility(ies) as listed in **Exhibit 13**. If the Organics Processing Facility accepts bagged organic waste (where bags are biodegradable or otherwise), then Contractor is obligated to accept bagged Organic Waste.

7.09.2 Holiday Tree Collection. Contractor must Collect Holiday Trees set out at the curb for Collection during the three-week period beginning December 26<sup>th</sup> each year during the term of this Agreement. Contractor must deliver the Collected Holiday Trees to an appropriate facility for processing. This annual service will be provided at no additional charge to the Service Recipient. Contractor is not required to divert Holiday Trees with tinsel, flocking, or ornaments.

7.09.3 Non-Collection. Contractor is not required to Collect Organic Waste if the Service Recipient does not segregate the Organic Waste from Solid Waste or Recyclable Materials. Furthermore, Contractor is not required to Collect Organic Wastes that are contaminated through commingling with Solid Waste or Recyclable Materials. Contractor will address contamination in accordance with Section 3.11.

7.10 SFD On Call Large Item Collection Service. This service is governed by the following terms and conditions:

7.10.1 Conditions of Service. Contractor must provide On Call Large Item Collection Service to all SFD Service Units in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle. One (1) time per Calendar Year each Service Recipient is entitled to receive large item disposal amounting to a combined annual maximum of the equivalent of (a) 2.0 cubic yards of material - including six (2) large items or (c) ten (10) 32-gallon bags

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at no additional cost and expense. For subsequent collection in any Calendar Year, the Contractor shall receive compensation from the Service Recipient at the rate for such service as set in **Exhibit 1**.

7.10.2 Frequency of Service. Large Item Collection Service will be provided on the next regular Collection day if the request is received at least two (2) Work Days in advance of the next regular Collection day. The Service Recipient may not intentionally commingle residential Large Items with other Residential Waste.

7.10.3 Large Items Containing Freon. As part of Contractors public education and outreach program, Contractor will notify all Service Recipients that Contractor is not required to collection Large Items containing freon. However, in the event Contractor Collects in inadvertently collects Large Items that contain freon, Contractor must handle such Large Items in a manner such that the Large Items are not subject to regulation as hazardous waste under applicable State and Federal laws or regulations.

7.10.4 Maximum Reuse and Recycling. Contractor must dispose of Large Items Collected from Service Units pursuant to this Agreement in accordance with the following hierarchy:

7.10.4.1 Reuse as-is (where energy efficiency is not compromised)

7.10.4.2 Recycle

7.10.4.3 Disposal

7.10.5 Disposal of Large Items. Contractor may not landfill such Large Items unless the Large Items cannot be reused or recycled.

## Article 8. Commercial Collection Services

8.01 Commercial Collection Service. Except as set forth below, Contractor must provide Commercial Collection Services to all Commercial Service Units in the Service Area, including MFD Service Units utilizing Bins and those City Service Units listed in **Exhibit 3**. This service is governed by the following terms and conditions:

8.01.1 Provision of Service. Contractor must provide Commercial Garbage Collection Service, Commercial Recycling Service and Commercial Organic Waste Collection Service to all Commercial Service Units Service Units in the Service Area whose Garbage, Recyclable Materials, and Organics Waste are properly containerized in Collection Containers as appropriate where the Collection Containers are accessible as set forth in Section 8.01.4. Contractor must provide at least weekly collection of Solid Waste in 32, 64, and 96-gallon cart sizes and and/ or in 2 – 8-cubic yard bin yard sizes. Contractor must offer Roll-off Containers in 10, 20, 30, and 40-cubic yard sizes. Roll-off containers which are owned and provided by the Contractor are to be serviced on a minimum of a weekly (seven days) basis. Roll-off containers not serviced a minimum of weekly are subjected to demurrage fees as set in **Exhibit 1**. The size of the container and the frequency (above the minimum) of collection will be determined between the Service Recipient and Contractor. However, the size and frequency must be sufficient to provide that no Garbage, Recyclable Materials, or Organic Waste need be placed outside the Collection Container. If the City determines that additional diversion is needed to comply with regulatory requirements or policy goals

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as may be established by the Salinas City Council, the City reserves the right to direct Contractor to deliver Commercial Garbage to a Mixed Waste Processing Facility(ies) as listed in **Exhibit 13**, provided that such direction is has been agreed upon between the City and SVSWA, and such direction shall constitute a City Requested Change in accordance with Section 27.01.

8.01.2 Hours of Collection. Commercial Collection Service at businesses directly adjacent to residential areas must be provided no earlier than 6:00 a.m., and terminating no later than 6:00 p.m., Monday through Saturday, except for Holidays. Commercial Collection Service in non-residential areas can occur outside of these hours, subject to Contractor's avoidance of excessive noise complaints resulting from such collection and subject to Section 14-10, Collection – Frequency and Hours, of the Salinas City Code. There will be no Commercial Collection Service on Sundays. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the Agreement Administrator.

8.01.3 Accessibility. Contractor must Collect all Collection Containers that are readily accessible to Contractor's crew and vehicles and not blocked. However, Contractor must provide "push services" and "stinger/scout truck services" as necessary upon request during the provision of Commercial Collection Services for the Service Rate set forth in **Exhibit 1**. Push services include, but are not limited to, dismounting from the Collection vehicle, moving the Collection Containers from their storage location for Collection and returning the Collection Containers back to their storage location. Stinger/scout truck services provide for the retrieval of Collection Containers from locations with accessibility constraints that make Containers difficult or impossible to access using regular trash collection trucks.

8.01.4 Manner of Collection. Contractor must provide Commercial Collection Service with as little disturbance as possible and must leave any Collection Container at the same point it originally located without obstructing alleys, roadways, driveways, sidewalks, or mailboxes.

8.01.4.1 Containers. Contractor must supply new or refurbished containers in accordance with the replacement schedule in in **Exhibit 12**. All Contractor provided new or refurbished containers must be in full compliance with the coloring and labeling requirements of SB 1383 and the specifications listed in **Exhibit 4**.

8.01.4.2 Purchase and Distribution of Collection Containers for New Commercial Service Units. Contractor must also distribute Collection Containers to new Commercial and MFD Service Units that are added to Contractor's Service Area during the term of this Agreement. The size and mix of the Collection Containers will be in accordance with the service agreement obtained by Contractor as set forth in this Agreement and the distribution must be completed within five (5) Work Days of receipt of the request for service.

8.01.5 Replacement of Collection Containers. Contractor's employees must avoid damage to Collection Containers by unnecessary rough treatment. Any Collection Container damaged by the Contractor must be replaced by Contractor, at Contractor's expense, within five (5) Work Days of notification at no cost or inconvenience to the Service Recipient.

8.01.5.1 Each Commercial Service Unit is entitled to the replacement of one (1) lost, or stolen Garbage, Recycling, and Organic Collection Container during the initial term of this Agreement at no cost to the Service Unit. Accordingly, Contractor will be compensated for the cost of those replacements in excess of one (1) Garbage, Recycling, and Organic Collection Container per Commercial Service Unit during the initial term of the Agreement, in accordance with the “Collection Container Exchange” Service Rate, as appropriate, set forth in **Exhibit 1**. Contractor must deliver a replacement Collection Container to such Service Unit within five (5) Work Days.

8.01.6 Repair of Collection Containers. Contractor is responsible for repair of Collection Containers. Within five (5) Work Days of notification by City or a Service Recipient of the need for such repairs, Contractor must repair the Collection Container or if necessary, remove the Collection Container for repairs and deliver a replacement Collection Container to the Service Recipient. Collection Container repair also includes the removal of graffiti from the Collection Container.

8.01.7 Collection Container Exchange. Upon notification to Contractor by City or a Service Recipient that a change in their Collection Containers is required, Contractor must deliver such Collection Containers to such Service Recipient within five (5) Work Days. Each Commercial Service Unit is eligible to receive one (1) free Collection Container exchange per Calendar Year during the term of this Agreement. Contractor is allowed to charge the Service Unit for the cost of those exchanges in excess of one (1) Collection Container exchange per Calendar Year, in accordance with the appropriate “Collection Container Exchange” service rate set forth in **Exhibit 1** as may be adjusted by City under this Agreement. Additional Collection Containers or different size Collection Containers are subject to the applicable Service Rate set forth in **Exhibit 1**.

8.01.8 Contractor must comply with CalRecycle container color requirements as defined under SB 1383 in accordance with **Exhibit 12**. If any such changes are adopted after the Effective Date that results in Contractor being required to replace Collection Containers before they have been fully depreciated, Contractor will be eligible for additional compensation in accordance with Section 27.01.1.

8.01.9 Ownership of Collection Containers. Ownership of Collection Containers distributed by Contractor is vested in Contractor.

8.01.10 Cleaning of Collection Containers. Once each Calendar Year, if requested by the Commercial Service Unit, Contractor must clean all Collection Containers at the Commercial Service Unit’s premises or must replace the dirty Collection Containers with clean Collection Containers. Any Collection Container cleanings must be done in such a manner that results in no water entering the City’s storm drain system. This service must be provided at no charge to the Service Unit, so long as the service is not requested more than once per Calendar Year. In addition, regardless of whether or not this cleaning is requested by the Service Unit, Contractor will ensure that all Collection Containers are cleaned on an as-needed basis so as to maintain a clean appearance and proper function. Additional cleanings beyond once each Calendar Year will be subject to the Service Rate set forth in **Exhibit 1**.

8.02 Commercial Garbage Collection Service.

8.02.1 Conditions of Service. Contractor must provide Commercial Garbage Collection Service to all Commercial Service Units in the Service Area whose Garbage is properly containerized in Garbage Collection Containers, where the Garbage Collection Containers are accessible.

8.02.2 Size and Frequency of Service. This service must be provided as deemed necessary and determined between Contractor and the Commercial Service Unit, but such service must be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Unit and Contractor as long as the minimum frequency requirement is met. The size of the container and the frequency (above the minimum) of Collection will be determined between the Commercial Service Unit and Contractor. However, size and frequency must be sufficient to provide that no Garbage need be placed outside the Collection Container. Contractor must provide containers as part of the Commercial Collection Service rates set forth in **Exhibit 1**, however, Commercial Service Units may own their compactor provided that the Unit is completely responsible for its proper maintenance, such bin must be of a type that can be serviced by the Contractor's equipment, and such compactor meets CalRecycle's container and color requirements.

8.02.3 Non-Collection. Contractor is not required to Collect any Commercial Garbage that is not placed in a Garbage Collection Container unless such Commercial Solid Waste is outside the Garbage Collection Container because of overflow. In the event of non-collection or overflow, Contractor must follow the steps as set forth in Section 3.14.

8.02.4 Disposal Facility. All Commercial Garbage Collected must be transported to, and disposed of, at the Disposal Facility(ies) as listed in **Exhibit 13**. In the event the Disposal Facility is closed on a Work Day, Contractor must transport and dispose of Solid Waste at another legally permitted disposal facility. Failure to comply with this provision will result in the levy of a penalty as specified in **Exhibit 10** and may result in Contractor being in default under this Agreement

8.03 Commercial Recycling Service. This service is governed by the following terms and conditions:

8.03.1 Conditions of Service. Contractor must provide Commercial Recycling Service to all Commercial Service Units in the Service Area whose Recyclable Materials are properly containerized in Recycling Collection Containers except as set forth below, where the Recycling Collection Containers are accessible. The Maximum Service Rates for Contractor's Commercial Recycling Services are set forth in **Exhibit 1**.

8.03.2 Commercial Recycling Service. Contractor must provide all Commercial Service Recipients subscribing to Commercial Solid Waste Collection Service with weekly collection of Recyclable Materials.

8.03.3 Size and Frequency of Service. This service will be provided as deemed necessary and determined between Contractor and the Service Recipient, but such service must be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Recipient and Contractor as long as the minimum frequency requirement is met. The size of the Collection Container and the frequency of Collection will be determined between the Service Recipient and Contractor. However, size and frequency must be sufficient to promote program participation, reduce contamination, and eliminate Recyclable Materials placed outside the Collection Container. Contractor may charge for Commercial Recycling Services with rates set forth in **Exhibit 1**. Service Recipients may own and provide their own Compactor provided that the Service Recipient is completely responsible for its proper maintenance, and such Compactor is of a type that is compatible with Contractor's equipment. All other Collection Containers used by Service Recipients must be owned and supplied by Contractor. To be exempted from Commercial Recycling Service, Service Recipient must apply for exemption to the Contractor. All such exemption applications must be approved by the City.

8.03.4 Recycling - Improper Procedure. Contractor is not required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Commercial Solid Waste and Organic Waste. Furthermore, Contractor is not required to collect Recyclable Materials that are contaminated through commingling with Garbage or Organic Waste. To address contamination, Contractor must follow the steps as set forth in Section 3.11.

8.03.5 Materials Recovery Facility. All Recyclable Materials Collected as a result of performing Recycling Services must be delivered to the Materials Recovery Facility(ies) listed in **Exhibit 13**. Failure to comply with this provision will result in a penalty as specified in **Exhibit 10** and may result in Contractor being in default under this Agreement.

8.03.6 Recycling - Changes to Services. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the Parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid in accordance with Section 27.01.1 before undertaking any changes or revisions to such work.

8.03.7 Compliance with AB 341. Contractor will develop and maintain its Commercial Recycling Service in a manner designed to assist City and the Service Recipients to achieve and maintain compliance with AB 341 and AB 1826. Contractor will notify Commercial Service Recipients of the requirements to comply with the laws starting January 31, 2022, and each July 1<sup>st</sup> thereafter. Contractor must provide the necessary volume of collection service to Commercial Service Units in order to be in full compliance with the law. In conjunction with the City's ordinance supporting full compliance with AB 341 and AB 1826 by Commercial Service Units (i.e., "generators"), Contractor will conduct in-person outreach to all non-participating commercial covered generators a minimum of once per calendar year. Failure to conduct such outreach will result in a penalty as specified in **Exhibit 10**. Contractor shall coordinate any such outreach with the City and/or the Authority.

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8.03.8 Additional Recycling Collection containers. Contractor must provide additional Recycling Collection Containers to Commercial Service Recipients above the minimum requirements within five (5) days of request and may charge for such additional capacity set forth in **Exhibit 1** provided that additional Collection Containers are used by Service Recipients for the purposes of setting out additional Recyclable Materials for regular weekly Commercial Recycling Service.

8.04 Commercial Organic Waste Collection Service. This service is governed by the following terms and conditions:

8.04.1 Conditions of Service. Contractor must provide Commercial Organic Waste Collection Service to all Commercial Service Units in the Service Area whose Organic Waste is properly containerized in Organic Collection Containers, except as set forth below in Section 8.04.5, where the Organic Waste Collection Containers are accessible. Contractor will conduct a site visit with each non-exempt Service Recipient to determine the specific materials to be included in the Service Recipient's Organic Waste Collection (i.e., Food Waste, Green Waste, combined Food and Green Waste). Contractor will charge for collection of Organic Waste specified in **Exhibit 1**. Contractor agrees that not all Service Units will elect to receive Organic Waste Collection Service in Carts, and that Contractor will provide Organic Waste Collection Bins upon request and as necessary. Contractor will provide a sufficient number of Collection Containers and at a collection frequency to allow for any such Service Unit to utilize the collection of Organic Waste. Commercial Organic Waste Collection will occur Monday through Saturday upon request and as necessary. City shall provide Contractor a list of the names and addresses of Commercial Service Units that are approved by City for exemption from Organic Waste Collection.

8.04.2 Size and Frequency of Service. This service will be provided as deemed necessary and determined between Contractor and the Service Recipient, but such service must be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Recipient and Contractor as long as the minimum frequency requirement is met. The size of the Collection Container and the frequency of Collection will be determined between the Service Recipient and Contractor. However, size and frequency must be sufficient to promote program participation, reduce contamination, and eliminate Organic Waste placed outside the Collection Container. Contractor may charge for Commercial Organic Waste Services with rates set forth in **Exhibit 1**. All Collection Containers used by Service Recipients must be owned and supplied by Contractor. To be exempted from Commercial Organics Waste, Service Recipient must apply for exemption to the Contractor. All such exemption applications must be approved by the City.

8.04.3 Organic Waste - Improper Procedure. Contractor is not required to Collect Organic Waste if the Service Recipient does not separate the Organic Waste from Solid Waste and Recyclable Materials. Furthermore, Contractor is not required to collect Organic Waste that is contaminated through commingling with Garbage or Recyclable Materials. To address contamination, Contractor must follow the steps set forth in Section 3.11.

8.04.4 Organic Waste Processing Facility. Contractor must deliver all Collected Organic Waste to a fully permitted Organic Waste Processing Facility or a fully permitted Organic Waste Transfer Station as listed in **Exhibit 13**.

8.04.5 Organic Waste - Changes to Services. Should changes in law arise that necessitate any additions or deletions to the services described in this Section 8.04 including the type of items included as Organic Waste, the Parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the services to be performed and the compensation to be paid in accordance with Section 27.01.1 before undertaking any changes or revisions to such services.

8.04.6 Compliance with AB 1826 and SB 1383. Contractor will develop and maintain its Commercial Organic Waste Collection Service in a manner designed to assist City and Service Recipients to achieve and maintain compliance with AB 1826 and SB 1383. Contractor will notify non-exempt covered businesses of the requirements to comply with the law annually starting July 1, 2021. Contractor will offer to provide the volume of collection service that covered businesses required to be in compliance with the law. In conjunction with the City's ordinance supporting full compliance with AB 341 and SB 1383 by Commercial Service Units (i.e., "generators"), Contractor will conduct in-person outreach to all non-participating non-exempt commercial covered generators a minimum of once per calendar year. Failure to conduct such outreach will result in Administrative Charges and Penalties as listed in **Exhibit 12**. Contractor shall coordinate any such outreach with the City and/or the Authority.

8.04.7 Additional Organic Waste Collection Containers. Contractor must provide additional Organic Waste Collection Containers to Service Recipients at the rates listed in **Exhibit 1** provided that additional Collection Containers are used by Service Recipients for the proposes of setting out additional Organic Waste materials for regular weekly Organic Waste Collection Service.

## Article 9. Multi-Family Dwelling Service Utilizing Carts

- 9.01. MFD Collection Services. Refer to 7.01
- 9.02. MFD Bundled Service . Refer to 7.02
- 9.03. MFD On-Premises Services. Refer to 7.03
- 9.04. MFD Frequency and Scheduling of Service. Refer to 7.04
- 9.05. MFD Hour and Days of Collection. Refer to 7.05.
- 9.06. MFD Manner of Collection. Refer to 7.06.
- 9.07. MFD Garbage Collection Service. Refer to 7.07
- 9.08. MFD Recycling Service. Refer to 7.08
- 9.09. MFD Organic Waste Collection Service. Refer to 7.09
- 9.010. MFD Large Item Collection Service. Refer to 7.10

## Article 10. Multi-Family Dwelling Utilizing Bins

10.01. MFD Collection Service. As in Section 8.01.

10.02. MFD Garbage Collection Service. As in Section 8.02.

10.03. MFD Recycling Service. As in Section 8.03.

10.04. MFD Organic Waste Collection Service. As in Section 8.04.

10.05. MFD Large Item Collection Services – Bins. CONTRACTOR shall provide Large Item Collection Services to MFD complexes in a manner and frequency as may be requested by the MFD complex management. Any such MFD Large Item Collection Services must be arranged directly between CONTRACTOR and the MFD complex management or ownership. No individual MFD Service Unit may request or arrange for MFD Large Item Collection Services. CONTRACTOR may charge for MFD Large Item Collection Services in accordance with the Maximum Service Rates as listed in **Exhibit 1**.

10.05.1 Frequency of Service. As set forth above.

10.05.2 Large Items Containing Freon. As set forth in Section 7.10.3.

10.05.3 Maximum Reuse and Recycling. As set forth in Section 7.10.4.

10.05.4 Disposal of Large Items. As set forth in Section 7.10.5.

## 11 City Services

11.05 City Collection Services. City Collection Services shall be governed by the following terms and conditions:

11.06 Conditions of Service. Contractor shall provide Garbage, Recyclable Material, and Organic Waste Collection Services to all City Service Units at no cost to the City. The frequency of collection may be designated by the City, but not to exceed six (6) times per week per container. City may change the City Service Units receiving service, and the container volume and collection frequency provided to any City Service Unit, by written notice to Contractor. As measured against the service volume on the Effective Date of this Agreement, if the total service volume increases by 25% by July 1, 2026, 45% by July 1, 2031, or 65% by July 1, 2036, Contractor must provide this excess service and may charge the City for the excess service volume in accordance with the Commercial Service Recipient Rates set forth in **Exhibit 1**. Contractor has voluntarily agreed to provide City Services in accordance with this Article 11 at a discount for eligible Seniors as “Good Will” and is not paid for or subsidized by any other Service Recipients and does not impact the Maximum Service Rates as listed in **Exhibit 1**.

11.06.1 Contractor shall receive written permission from the City before placing any Collection Containers on City owned property for service, except that no such permission shall be needed to place Collection Containers described in **Exhibit 3** at locations specified for such Containers in **Exhibit 3**. Contractor will be responsible for educating all building users to use recycling services.

11.06.2 Contractor shall limit the number of trips and the path of travel for collection vehicles in City parking lots.

11.07 City Clean-Up Services.

11.07.1 City's Enforcement Clean-Up Services. Within one (1) Work Day of a request from the Agreement Administrator, Contractor shall provide Roll-off Containers to support City services including City's Enforcement Clean-up Services, City Special Events, and downed tree removal. City shall be responsible for loading or arranging for the loading of each Roll-off Container. Contractor shall transport and deliver City Clean-up Services Garbage, Recyclable Material, and Organic Waste to a Disposal Facility, the Material Recovery Facility, or Organics Processing Facility, as appropriate given the characteristics of the load. Contractor shall deliver and collect, transport and process the City's Clean-up Services waste up to seventy (70) roll-off containers each agreement year at no charge to the City. Contractor shall be entitled to charge the City for Collected materials exceeding seventy (70) collections per Agreement Year in accordance with the Service Recipient Rates as set forth in **Exhibit 1**.

11.08 City-Sponsored Events Service. Upon request by the City, Contractor shall provide Containers, Collection Services, and Street Sweeping Services at up to eight (8) City-Sponsored Events annually, including but not limited to those specified in **Exhibit 2**, at no cost to the City.

11.09 Large Item Collection Service. Contractor shall collect Large Items, including E-Waste and Universal Waste, from City Services Units as listed on **Exhibit 3** on an on-call basis on the same terms and conditions as are provided to SFD Service Units per Section 7.09 at rates specified in **Exhibit 1**.

11.10 Public Area Waste Collection. Contractor shall collect and dispose of Solid Waste and collect and process Organic Waste and Recyclable Materials generated from designated public containers throughout the City at no additional charge or fee if the City provides such containers. At the time of Agreement, the City has public containers at approximately 110 locations agreed on between Contractor and City. If additional service is warranted at a later date, Contractor will provide collection of Garbage, Organic Waste, and Recyclable Material from not more than 25 additional sets of containers. The frequency of Collection shall be specified by the City, but shall be at least one time per week.

## Article 11. Street Sweeping Services

11.01 Street Sweeping Services. Subject to the provisions in Section 3.05.5, Contractor shall perform street sweeping services as described in **Exhibit 8**. Contractor has the option to subcontract with a third-party Street Sweeping company with City approval. Contractor has voluntarily agreed to provide Street Sweeping Services in accordance with this Article 12 as "Good Will" and is not paid for or subsidized by any other Service Recipients and does not impact the Maximum Service Rates as listed in **Exhibit 1**.

## Article 12. Collection Routes

12.01 Service Routes. Contractor must provide City with maps precisely defining Collection routes, together with the days and the times at which Collection will regularly commence.

12.02 Service Route Changes. Contractor must submit to City, in writing, any proposed route change (including maps thereof) not less than sixty (60) calendar days prior to the proposed date of implementation. Contractor may not implement any route changes without the prior review of the Agreement Administrator. If the change will change the Collection day for a Service Recipient, Contractor must notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

12.02.1 Collection Route Audits. City reserves the right to conduct audits of Contractor's Collection routes. Contractor must cooperate with City in connection therewith, including permitting City employees or agents, designated by the Agreement Administrator, to ride in the Collection vehicles to conduct the audits. Contractor has no responsibility or liability for the salary, wages, benefits, or worker compensation claims of any person designated by the Agreement Administrator to conduct such audits.

## Article 13. Minimum Performance and Diversion Standards

13.01 Agreement Extension. In order to receive the Agreement term extension offer set forth in Section 2.02 of this Agreement, Contractor must meet or exceed the following annual minimum performance and diversion standards in each Calendar Year beginning January 2023.

13.01.1 Performance Standards. Assessment of penalties and charges, as set forth in **Exhibit 10** of this Agreement, totaling less than \$50,001 in any one (1) Calendar Year.

13.01.2 Minimum Diversion Standards. Contractor must meet the requirements set forth in Article 5.

13.01.3 No Current Default. Contractor is not currently in default of the Agreement.

### 13.02 Billing/Financial Audit and Performance Reviews

13.02.1 Contractor shall review its billings to all Service Recipients. The purpose of the review is to determine that the amount which the Contractor is billing each Service Recipient is correct with regard to the level of service (i.e., frequency of collection, size of container, location of container) at the rates approved by City Council resolution. The Contractor shall review Service Recipient accounts not less than annually and provide a written certification to the City that all such billing is correct. The documentation of the review, as well as verification that any errors have been corrected should be provided to the City annually.

13.02.2 Selection and Cost. City may conduct billing audit, financial audit, and performance reviews (together, "reviews") of Contractor's performance during the term of this Agreement. The reviews will be performed by the City or a qualified firm under contract to City. City will have the final responsibility for the selection of the firm. City may conduct reviews at any time during the term of the Agreement. Contractor agrees to each pay **One Hundred percent (100%)** of the cost of the audits and performance reviews provided for under Section 14.02. Contractor will be responsible for the cost of all required Billing/Financial Audit and Performance Review(s) for a maximum cost of **One-hundred Twenty Thousand Dollars (\$120,000)** (starting on July 1, 2022 and each July 1<sup>st</sup> thereafter, with the maximum cost for the review adjusted annually by the change in the CPI-U).

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A. Full Reviews During Initial Term. City may conduct three (3) full reviews during the Initial Term of this Agreement. The purpose of these full reviews will be as described in Section 14.02.3 below.

B. Full Review During Extension Period. In the event that Contractor is granted an extension to the term of this Agreement as described in Section 2.02, City may conduct one (1) additional full review during the five (5) year extension period.

13.02.3 Purpose. The reviews will be designed to verify that Service Recipient billing rates have been properly calculated and they correspond to the level of service received by the Service Recipient, verify that Contractor is correctly billing for all services provided, Fees paid as listed in Section 3.05 under this Agreement have been properly calculated and paid to City, verify Contractor's compliance with the reporting requirements and performance standards of this Agreement, verify the diversion percentages reported by Contractor, and verify any other provisions of the Agreement. City (or its designated consultant) may utilize a variety of methods in the execution of this review, including, but not limited to, analysis of relevant documents, on-site and field observations, and interviews. City (or its designated consultant) will review and document the items in the Agreement that require Contractor to meet specific performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated. This information will be documented and be formatted in a "compliance checklist" with supporting documentation and findings tracked for each of the identified items. The review will specifically include a determination of Contractor's compliance with the diversion requirements of Article 5, and the public outreach and education requirements of Article 17. City (or its designated consultant) may review the Service Recipient service functions and structure utilized by Contractor. This may include Contractor's protocol for addressing Service Recipient complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by City (or its designated consultant) may include, but are not necessarily limited to:

- A. Interviews and discussions with Contractor's administration and management personnel;
- B. Review and observation of Contractor's Service Recipient service functions and structure;
- C. Review of public education and outreach materials;
- D. Interviews and discussions with Contractor's financial and accounting personnel;
- E. Interviews with route dispatchers, field supervisors and managers;
- F. Interviews with route drivers;
- G. Interviews with vehicle maintenance staff and observation of maintenance practices; and
- H. Review of on-route collection services, including observation of driver performance and collection productivity and visual inspection of residential routes before and after collection to evaluate cart placement and cleanliness of streets.

13.02.4 Contractor's Cooperation. Contractor shall cooperate fully with the review and provide all requested data, including operational data, financial data of the type described in Section 19.01.1, and other data reasonably requested by City within fifteen (15) Work Days of the request.

13.02.5 Additional Billing/Financial Audit and Performance Review. In the event that the Billing/Financial Audit and Performance Review concludes that Contractor is not in compliance with all terms and conditions of this Agreement and such non-compliance is material, Contractor is subject to administrative fees and penalties as described in **Exhibit 10** as well as reimbursement to the City for the full cost of the audit plus any underpayments discovered during the Audit. Additionally, City may conduct an Additional Billing/Financial Audit and Performance Review beyond the three specified in Section 15.02.02, to ensure that Contractor has cured any such area of non-compliance. Contractor will be responsible for the cost of any such Additional Billing/Financial Audit and Performance Review(s) for a maximum cost of **One-hundred Twenty Thousand Dollars (\$120,000)** (starting on July 1, 2021 and each July 1<sup>st</sup> thereafter, with the maximum cost for the review adjusted annually by the change in the CPI-U). For the purposes of a determination of non-compliance under this Agreement, Audit findings which result in underpayments of \$100,000 or more shall be deemed material.

13.02.6 City Requested Program Review. City reserves the right to require Contractor to periodically conduct reviews of the SFD and Commercial Garbage, Recyclable Materials, and Organic Waste collection programs, provided that such reviews are reasonable and can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations. Such reviews could assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per Service Recipient, average volume of Organic Waste per setout per Service Recipient, participation level, contamination levels, etc. Prior to the program evaluation review, City and Contractor will meet and discuss the purpose of the review and agree on the method, scope, and data to be provided by Contractor.

13.03 Cooperation with Other Program Reviews. Contractor shall cooperate with City and/or its agent(s) as reasonably requested to collect program data, perform field work, conduct route audits to investigate Service Recipient participation levels and setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials and Organic Waste Collected in City by Contractor, provided that such cooperation can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations.

## Article 14. Collection Equipment

### 14.01 Equipment Specifications.

14.01.1 General Provisions. All equipment used by Contractor in the performance of services under this Agreement must be of a high quality and meet all Federal, State, and local regulations and air quality standards, including all applicable requirements of the Monterey Bay Air Resources District. The vehicles must be designed and operated so as to prevent Collected materials from escaping from the vehicles. Hoppers must be closed on top and on all sides with screening material to prevent Collected materials from leaking, blowing or falling from the vehicles during non-collection related activities. All trucks

and containers must be watertight and must be operated so that liquids do not spill during Collection or in transit.

14.01.2 Large Items. Vehicles used for Collection of Large Items may not use compactor mechanisms or mechanical handling equipment that may damage reusable goods.

14.01.3 Collection Vehicles. Contractor is not required to use new Collection vehicles at as of the Effective Date of this Agreement, but Contractor may not use any Collection vehicle that is more than ten (10) years old at any time during the Term of the Agreement, including any Term Extensions. Contractor shall replace all current collection vehicles with new “fuel neutral” clean air vehicles on or before on or before Contractor’s relocation to Madison Lane Transfer Station as specified is Section 2.03.2. After Contractor’s relocation to Madison Lane Transfer Station, Contractor must replace all “fuel neutral” clean air vehicles with electric vehicles within 10 years of the date vehicles are first placed in service, but no later than October 1, 2034, whichever is sooner. Contractor will evaluate providing electric vehicles at an early time frame, provided such vehicles are then economically and commercially viable and may present earlier implementation options to the City. Collection vehicles must utilize low carbon (“alternative”) fuel, which includes renewable diesel, biodiesel, hydrogen, ethanol, methanol, natural gas, renewable natural gas, propane, P-series fuels, and electric. During the Term, to the extent required by law, Contractor shall provide its Collection vehicles to be in full compliance with all Applicable Laws, including State and Federal clean air requirements that are adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in California Code of Regulations, title 13, sections 2020 et seq., the Federal EPA’s Highway Diesel Fuel Sulfur regulations and all other applicable air pollution control laws.

14.01.4 Collection Vehicle Technology. Contractor must use Collection vehicles fitted with technology that allows for GPS and Service Recipient service tracking. Contractor shall furnish to the City at no additional cost or expense any software and equipment necessary for City to track the location of Collection vehicles and to generate reports as needed. Collection vehicles must also be fitted with cameras to monitor Solid Waste as it is dumped into the collection vehicle.

14.01.5 Collection Vehicle Size Limitations / Overweight Vehicle Charge. Contractor may not use any Collection vehicle in violation of weight limitations in Applicable Law. The Contractor may exceed the collection vehicle size limitation for a limited time due to extraordinary circumstances or conditions with the prior written consent of the Agreement Administrator. The limited time may not exceed 120 days. Contractor must report all instances of overweight vehicles to City monthly as part of its quarterly Franchise Fee submittal described in Section 3.06.2, and as part of its Quarterly Reports to the City described in Section 19.02. Contractor may be assessed administrative charges as specified in **Exhibit 10** as a result of exceeding an overweight vehicle rate of five percent (5.00%) in any Calendar Year during the term of the Agreement. The overweight vehicle rate will be calculated as the total number of overweight collection vehicle instances during the Calendar Year, divided by the total number of collection vehicle loads transported during the Calendar Year. Prior to collecting administrative charges for overweight vehicles, the City shall afford Contractor a reasonable opportunity to provide the Agreement Administrator documentation

of the extraordinary circumstance that caused the overweight vehicles. Extraordinary circumstances in this particular case include, but may be limited to, heavy rains or high winds that caused excess Green Waste to be generated, rain to accumulate in open Collection Containers, or normal Collection routes to be delayed or shortened to extreme weather conditions. The Agreement Administrator shall have authority to consider Contractor's documentation and uphold and collect the assessed charge, to reduce the charge, or waive and dismiss the charge. The Agreement Administrator shall also have the authority to waive charges in advance of an anticipated, or in response to an actual, emergency event.

14.01.6 Registration; Inspection. All vehicles used by Contractor in providing Collection Services under this Agreement, except those vehicles used solely on Contractor's premises, are to be registered with the California Department of Motor Vehicles. In addition, each such vehicle must be inspected by the California Highway Patrol in accordance with Applicable Law. Within two (2) Work Days of a request from the Agreement Administrator, CONTRACTOR must provide CITY a copy of its vehicle maintenance log and any safety compliance report, including, but not limited to, any report issued under California Vehicle Code sections 34500 and following, as well as the biennial "BIT" inspections conducted by the California Highway Patrol.

14.01.7 Safety Markings. All Collection equipment used by Contractor must have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings must be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

14.01.8 Vehicle Signage and Painting. Collection vehicles must be painted and numbered without repetition and must have Contractor's name, Contractor's Service Recipient service telephone number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on each side and the rear of each vehicle. No advertising is permitted other than the name of Contractor, its logo and registered service marks, except promotional advertisement of the Recyclable Materials and Organic Waste programs, which is encouraged. City to approve any promotional material of the Recyclable Materials and Organic Waste Programs affixed to or painted on Contractor's Collection vehicles and may require such promotion to be utilized from time to time in order to encourage correct recycling, reduce contamination, and provide relevant education. Contractor must repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency as necessary to maintain a positive public image as reasonably determined by the Agreement Administrator, but not less often than every thirty (30) months beginning July 1, 2021.

14.01.9 Bin Signage, Painting, and Cleaning. All metal bins of any service type furnished by Contractor must be either painted or galvanized. All metal or plastic bins must display Contractor's name, Contractor's Service Recipient service telephone number, and the number of the bin and must be kept in a clean and sanitary condition. Bins should be painted as needed to maintain an orderly appearance, but not less frequently than once every three years. Bins may be subject to periodic, unscheduled inspections by City and determination as to sanitary condition will be made by City.

14.01.10 Collection Containers. In accordance with the implementation schedule in **Exhibit 8**, and thereafter, Contractor must provide collection Carts, Bins, Roll-offs, and Compactors that are in full compliance with the color and labeling requirements of SB 1383.

14.02 Vehicle Certification. For each Collection vehicle used in the performance of services under this Agreement, Contractor must obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 and following) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 and following) and the regulations promulgated thereunder, as applicable to the vehicle. Contractor must maintain copies of such certificates and reports and must make such certificates and reports available for inspection upon request by the Agreement Administrator.

14.02.1 No later than July 1, 2021, Contractor must submit to the Agreement Administrator verification that each of the Contractor's Collection vehicles has passed the California Heavy Duty Vehicle Inspection. Thereafter, Contractor must cause each vehicle in Contractor's Collection fleet to be tested annually in the California Heavy Duty Inspection Program and must, upon request, submit written verification to City within ten (10) Work Days of the completion of such test. Contractor may not use any vehicle that does not pass such inspection.

14.03 Equipment Maintenance. Contractor must maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment must operate properly and be maintained in a condition satisfactory to City. Contractor must wash all Collection vehicles at least once a week.

14.04 Maintenance Log. Contractor must maintain a maintenance log for all Collection vehicles. The log must at all times be accessible to City by physical inspection upon request of Agreement Administrator, and must show, at a minimum, each vehicle Contractor assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

14.05 Equipment Inventory. On or before November 1, 2021, and July 1<sup>st</sup> thereafter Contractor shall provide to City an inventory of Collection vehicles and major equipment used by Contractor for Collection or transportation and performance of services under this Agreement. The inventory must indicate each Collection vehicle by Contractor assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Contractor must submit to the Agreement Administrator, either by fax or e-mail, an updated inventory annually to the City or more often at the request of the Agreement Administrator. Each inventory must also include the tare weight of each vehicle as determined by weighing at a certified scale used by Contractor. Each vehicle inventory must be accompanied by a certification signed by Contractor that all Collection vehicles meet the requirements of this Agreement.

14.06 Reserve Equipment. Contractor shall have available to it, at all times, reserve Collection equipment which can be put into service and operation within one (1) hour of any breakdown. Such reserve equipment must correspond in size and capacity to the equipment used by the Contractor to perform the contractual duties.

## Article 15. Contractor's Office

15.01 Contractor's Office. Contractor shall maintain an office or call center where calls and complaints can be received within two miles of the City's municipal limits. Such office must be equipped with enough telephones that all Collection Service-related calls received during normal business hours are answered by an employee within five (5) rings. The office must have responsible persons in charge during Collection hours and must be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on Monday through Friday. Contractor must provide either a local or toll-free telephone number that connects to the call center, and a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours must be addressed the next Work Day morning.

15.01.1 Emergency Contact. Contractor must provide the Agreement Administrator with an emergency phone number where the Contractor can be reached outside of the required office hours.

15.01.2 Multilingual/TDD Service. Contractor must at all times maintain the capability of responding to telephone calls in English, Spanish, and such other languages as City may direct. Contractor must at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

15.01.3 Service Recipient Calls. During office hours, Contractor must maintain a telephone answering system capable of accepting at least five (5) incoming calls at one time. Contractor must record all calls including any inquiries, service requests and complaints into a Service Recipient service log.

15.01.4 All Incoming Calls. Will be answered at the local office or call center within 5 rings. Any call "on-hold" in excess of 1.5 minutes must have the option to remain "on-hold" or request a "call-back" from a Service Recipient service representative. Contractor's Service Recipient service representatives must return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to noon the next Work Day. Contractor must make minimum of three (3) attempts within one (1) Work Day of the receipt of the call. If Contractor is unable to reach the Service Recipient on the next Work Day, Contractor must send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the Contractor has attempted to return the call.

## Article 16. Contractor Support Services

16.01.1 Sustainability/Compliance Representative. Contractor will hire staff, including at least four dedicated full-time Sustainability/Compliance Representatives, to at a minimum, conduct site visits

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to each commercial and MFD Waste Generator, provide contamination monitoring, prepare reports for CalRecycle and the City, make presentations to the general community, schools, HOAs, key business groups, environmental groups, Chamber of Commerce, and City Council, and provide outreach and education in support of meeting Franchise and CalRecycle Diversion requirements and to meet State mandates associated with AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments and related subsequent legislation. The Sustainability/Compliance Representative shall be available as needed to meet with the City and conduct site visits to implement Recycling programs in the Service Area at least four days a week throughout the year.

16.01.2 Sustainability and Compliance Plan. Contractor, at its own expense, must prepare, submit and implement an annual (Calendar Year) Sustainability and Compliance Plan (“Plan”), which will guide Contractor’s staffs’ work efforts. This will include a work plan to meet diversion targets, increase diversion, and increase participation of Service Recipients in recycling and organics diversion programs, and should target certain Recyclable Materials or “problem” areas, including recycling and organics sorting and contamination, within Contractor’s Service Area where improvements can be maximized. Planned outreach and education services and materials should be included as part of the Plan and updated annually. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Agreement Administrator and Contractor staff. To the extent possible, Contractor will work to modernize its public outreach and education services throughout the term of this Agreement by providing outreach materials to Service Recipient electronically (e.g., via email and social media). Contractor must submit draft plan to the City by October 15, 2021 and each July 1<sup>st</sup> thereafter beginning July 1, 2022. Contractor’s initial Plan is outlined in **Exhibit 6**. City and Contractor will work together to revise Plan within forty-five (45) days of receipt by City to finalize the Plan. The City may publish the Plan on City’s website. Contractor will be required to expend at least **Four Hundred Fifty Thousand (\$450,000)** per year (as adjusted annually by the CPI-U Adjustment), for matters described in this Article 17. This cost can include salaries and benefits, expenses, and 3<sup>rd</sup> party assistance.

16.01.3 Public Outreach and Education Services. Contractor, at its own expense, must prepare, submit, and implement an annual (Calendar Year) Public Education and Outreach Program as part of its Sustainability and Compliance Plan. Contractor shall coordinate development and implementation of Contractor’s Public Outreach and Educational services with the City and/or the Authority.

16.01.4 Website. Contractor will maintain a website that describes and promotes the use of the available Recyclable Materials and Organics services. Contractor will consult, collaborate, and coordinate its activities with the City and/or the Authority regarding Recycling programs so that the City and/or the Authority is fully informed and provided an opportunity for input to the Contractor’s Recycling programs.

16.01.5 Annual Recycling Awards. Contractor will recognize outstanding participation in Recycling and/or Organic Waste programs by identifying “recycling all-stars” for recognition at a City Council meeting during each November, beginning November 2021.

16.01.6 Outreach Activities. On an annual basis the Contractor will coordinate Recycling and Organics education and outreach programs for Residential and Commercial Service Recipients, in conformance with Applicable Laws including without limitation SB 1383, AB 1826, AB 939, AB 341, in coordination with the City. This program will consist of the following:

A. Contractor will develop and utilize a program to educate on proper recycling that offers tools to assist with proper recycling for all ages. Educational information should include brochures, school resources such as recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities.

B. Contractor will attend public events and host booths to promote recycling education and awareness. Contractor will work with City to identify which special events will be attended.

C. Contractor to distribute educational material to Service Recipients on an annual basis. Examples include recycling tips, battery and electronics education, contamination issues, proper Collection Container placement, resource information, and HHW education. This material will be mailed or electronically transmitted to Service Recipients.

D. Service Recipients will have access to Contractor's local website to find information specific to the City's programs. Contractor will ensure that information provided on the website is maintained and up-to-date. This content will include proper container set out, educational materials, newsletters, and program descriptions. Service Recipients will also have the ability to use Contractor's web-based service request system.

E. Contractor together with City will work with local media to ensure information is communicated to the community (new programs, events, recycling information, etc.).

F. Contractor to use options such as; local paper, news, websites, Home Owners Associations (HOA), and civic groups to distribute information about City solid waste and recycling programs, events, and related education and outreach.

G. Contractor will assist the City in supporting Food Waste and Green Waste diversion surveys and programs.

H. Contractor will complete Garbage, Organic Waste, and Recycling audits for Commercial and MFD Service Recipients and provide recommendations to Service Recipients on how to improve overall recycling and reduce waste.

16.01.7 News Media Requests. Contractor will notify the Agreement Administrator by e-mail or phone of all requests for news media interviews related to the services covered under this Agreement within one (1) Work Day of Contractor's receipt of the request. When practicable, before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient's perception of services, Contractor will discuss Contractor's proposed response with the Agreement Administrator.

A. Copies of draft news releases or proposed trade journal articles that use the name of City or relate to the services provided hereunder must be submitted to the Agreement Administrator for prior review and approval at least five (5) working days in advance of release, except where Contractor is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Contractor must submit such materials to City simultaneously with Contractor's submittal to such regulatory agency.

B. Copies of articles resulting from media interviews or news releases that use the name of City or relate to the services provided hereunder must be provided to the City within five (5) days after publication.

16.02 Annual Collection Service Notice and Information. Each year during the term of this Agreement, Contractor must publish and distribute (by mail or electronically) a notice to all Service Units regarding the Collection Service programs. The notice must contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, the days when Garbage Collection Services, Recycling Services, and Organic Waste Collection Services will be provided, Contractor's local Service Recipient service phone number; and instructions on the proper filling of Containers, instructions as to what materials may or may not be placed in Recyclable Materials or Organic Waste Containers, and the amount of overage and contamination fees in the event of non-compliance. The notice must also advertise the availability of on-premises Collection Services, including the availability of no-charge on-premises Collection Services for specific qualified Service Recipients, Large Items Collection Services, and any other services offered. The notice must be provided in English, and other languages as directed by the City and must be distributed by Contractor no later than February 1<sup>st</sup> of each year.

16.03 Acceptable Materials Labelling Contractor must affix to each Recycling and Organics Collection Container a sticker that clearly lists Acceptable materials to be placed in these containers. Stickers must be replaced annually and include any updates in the list of Acceptable materials (**Exhibit 7**).

16.04 Mulch or Compost Delivery. Republic shall assist the City in arranging for SVSWA produced compost/mulch to be delivered in quantities, locations and times agreed on between City and Contractor. Such Contractor assistance can be in the form of backhauling materials, or setting aside locations at Madison Land Transfer Station for Service Recipients to pickup SVSWA produced compost/mulch.

16.05 Edible Food Recovery Support. At no cost to the City, Contractor must provide support to the City's Edible Food Recovery program as required under SB 1383. Contractor support may include educating commercial edible food generators, providing records of site visits, conducting education efforts, providing lists of food recovery organizations, and coordinating with SVSWA.

## Article 17. Emergency Service

17.01 Revised Services During an Emergency. In the event of a major storm, earthquake, fire, natural disaster, or other such event, the Agreement Administrator may grant the Contractor a variance from regular routes and schedules, which will not be withheld unreasonably. As soon as practicable after such

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event, Contractor must advise the Agreement Administrator when it is anticipated that normal routes and schedules can be resumed. The Agreement Administrator will make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that Contractor hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. Contractor will receive additional compensation, above the normal compensation contained in this Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in **Exhibit 1** provided Contractor has first secured written authorization and approval from City through the Agreement Administrator. City will be given equal priority and access to resources as with other franchise jurisdictions held by Contractor or its affiliates.

17.02 Disaster Recovery Support. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, Contractor agrees to provide disaster recovery support to a reasonable degree, upon request by Agreement Administrator. This may include additional hauling of debris, special handling such as burrito wrapping, temporary storage of debris where feasible, additional disposal, use of different transfer and disposal facilities, and documentation of debris type, weight, and diversion. Contractor should follow protocol laid out in any available City/County of Salinas/Monterey's Disaster Debris Plan and any subsequent City or County Disaster Debris Plan(s), as applied to Solid Waste hauling and handling.

## Article 18. Record Keeping and Reporting Requirements

18.01 Record Keeping. Notwithstanding Article 45 herein:

18.01.1 Accounting Records. Contractor must maintain full, complete, and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records will be subject to audit, copy, and inspection for the purposes set forth in Section 14.02.3. Gross receipts derived from provision of the Collection Services, whether such services are performed by Contractor or by a subcontractor or subcontractors, will be recorded as revenues in the accounts of Contractor. The Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than four (4) years following expiration or other termination hereof, full, complete, and accurate records, including all cash, billing, and disposal records, as indicated in the Agreement.

A. City reserves the right to request audited, reviewed, or compiled financial statements prepared by an independent Certified Public Accountant, or as may be provided by Contractor or its parent company. In the event that Contractor does not maintain separate financial or accounting records prepared specifically for services provided under this Agreement, Contractor may use industry standard allocation methods to provide financial information as applicable to the service provided under this Agreement.

18.01.2 Agreement Materials Records. Contractor must maintain records of the quantities of (i) Solid Waste Collected and disposed under the terms of this Agreement, (ii) Recyclable Materials Collected and residue as reported by the Facility(ies) listed in **Exhibit 13** disposed under the terms of this

Agreement, and (iii) Organic Waste Collected and residue disposed as reported by the Facility(ies) listed in **Exhibit 13** under the terms of this Agreement

18.01.3 Other Records. Contractor must maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Agreement.

18.01.4 Report Format. All reports to be submitted in a format approved by the City, including electronic data submission in format specified by the City.

18.02 Quarterly Reporting.

18.02.1 General. Quarterly reports must be submitted no later than 5 p.m. PT 45 days following the end of Quarter in which the receipts are collected and must be provided electronically using software acceptable to the City. If the last day of the month falls on a day that City is closed or a holiday, then the report will be due on the next business day. Failure to submit complete quarterly by the due date will result in penalties as specified in **Exhibit 10**.

18.02.2 City Reports. Quarterly reports to City must include:

A. Fees Paid to the City. The payment report must include an accounting of Contractor's Gross Revenues received during the preceding quarter, and the calculated Fees paid by the Contractor to the City as listed in Section 3.05.

B. Franchised Tonnage and Service Data. Contractor must report the number of unique Residential accounts serviced, the number of unique Commercial and MFD accounts serviced, tonnage of Garbage, Recyclable Materials and Organic Waste Collected and processed for diversion broken down by Container type, Residual amounts from Recycling and Organic Waste diversion operations that are landfilled. Quantities should be broken down by SFD, MFD, Commercial, and City Service Collection Services. Allocation of tonnage by service volume is acceptable, provided Contractor provides allocation method to the City.

C. Overweight Vehicle Reporting. The quarterly report must include a summary total of all instances of overweight collection vehicles. This summary must include the number of overweight vehicle instances expressed as a percentage of the total number of collection vehicle loads transported during the reported quarter.

D. Non-Collection. The quarterly report must include a summary of each Service Unit receiving a Non-Collection Notice in the previous quarter along with a description for the Non-Collection Notice.

E. Collection Overage Charges. The quarterly report must include each Service Unit incurring a charge for a Solid Waste Overage in the previous quarter.

F. Contamination Reporting. To the extent required by Applicable Law, the quarterly report must include a summary of all instances of qualifying contamination under the procedures in Section 3.10. This summary must include the total number of accounts where contamination occurred, the total number of Contamination Violation Notices issued by Contractor to Service Recipients, a list of accounts where such notices occurred, and the total number of instances where Collection Container size or Collection frequency was increased specifically due to contamination. Within twenty (20) Work Days of

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request by City, Contractor will provide copies of the Contamination Violation Notices and the digital documentation of contamination.

G. Service Recipient Complaint Log. The quarterly report must include the Service Recipient call log collected from the previous quarter as required in Section 16.01.3 of this Agreement.

## 18.03 Annual Reporting.

18.03.1 General. An annual report must be submitted no later than 5 p.m. PT on February 15, 2021 and each February 15<sup>th</sup> thereafter for the previous Calendar Year. If February 15<sup>th</sup> falls on a day that City is closed, then the report will be due on the next business day. Annual reports must be submitted in hard copy and must also be provided electronically in software acceptable to the City. Failure to submit complete annual by the due date will result in penalties as specified in **Exhibit 10**.

18.03.2 City Reports. Annual reports to City must include:

A. Financial Report. Contractor must prepare an annual Financial Report for submittal to the City. At a minimum, the Financial Report must include the number of SFD Service Units, Commercial and MFD Service Units provided with Collection Services by Service Type, container size, frequency of service and current billing rate including any additional services, the Contractor's gross billing and amount collected for each type of Service Unit, and the amount received for the sale of Recyclable Materials.

B. Financial Statements. Within forty-five (45) days upon request by the City, Contractor must submit annual financial statements for the local operation. Statements need not be reviewed or audited statements.

C. Annual Sustainability and Compliance Report. Contractor must complete and submit data sections within their Sustainability and Compliance Plan to document education and outreach conducted, public event participation, school visits, compliance notices mailed, site visits, waste audits completed, information distributed, and media used, and community events hosted. This must include public education activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services, and must discuss the impact of these activities on Recycling program participation and include amounts Collected from SFD and Commercial Service Units. The report should include a complete list of all non-exempt commercial accounts, which includes each non-exempt account's status as a "covered generator" under AB 341, AB 1826 and SB 1383, the date and status of Contractor's outreach efforts at each non-exempt account, and the current level of Recycling and Organics program participation at each non-exempt account.

D. Summary of Programs. An analysis of any Recycling and Organic Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for SFD and Commercial programs.

E. Solid Waste Data. The number of SFD and Commercial Service Units and the number of Collection Containers distributed by size and Service Unit type.

F. Waste Characterization Data. A breakdown of Residential and Commercial waste (Garbage, Recycling, and Organics) by material type as per CalRecycle material classifications.

G. Recycling Data. Gross tons Collected daily on average by material type by route for SFD and Commercial Recycling service, with map of routes. The average participation rates by quarter relative to the total number of Service Units by Service Unit type. Indicate, by material type (and grade where appropriate), annual totals of Recyclable Materials processed including facility name and location, average cost or price received per ton and total recycling cost or revenue received for the year. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Recycling Collection Containers distributed by size and Service Unit type. Also provide annual totals and location for residue disposed.

H. Organic Waste Data. Include average daily gross tons Collected by route, separated by Green Waste and Food Waste, with map of routes. Include the total number of generators that receive each type of Organic Waste Collection Service provided by the Contractor. Indicate average daily number of set-outs by route. Indicate average participation rates relative to the total number of Service Units in terms of weekly set-out counts. Indicate number of Organic Waste Collection Containers distributed by size and Service Unit type. Indicate, by material type, annual totals of Organic Materials processed including facility name and location, average cost or price received per ton and total organics cost or revenue received for the year. Provide totals and location for Residue Disposed. Include the number of route reviews conducted for prohibited contaminants and the number of Non-Collection Notices issued to Service Recipients.

I. Service Recipient Service Log. A copy of the Service Recipient service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

J. Overweight Vehicle Data. A summary of all instances of overweight collection vehicles. This summary must also include the number of overweight vehicle instances as a percentage of the total number of collection vehicle loads transported during the Calendar Year.

K. Summary Narrative. A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity. Include description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

L. Collection Container and Vehicle Inventory. An updated complete inventory of Collection Containers by type and size, and an updated complete inventory of collection vehicles

including for each vehicle: truck number, route number, date purchased, vehicle type, tare weight, license plate number, fuel type and vehicle make and model.

M. Diversion Rate. Contractor must provide documentation acceptable to City in its reasonable judgment stating and supporting the Calendar Year's Franchise Diversion Rate, as calculated in accordance with the provisions of Article 5. Any tonnages diverted and disposed from large venues and events during the reporting period will be counted towards the calculated diversion rate.

N. AB 341, AB 1826, and SB 1383 Compliance Data. Contractor must report the total number of Commercial Service Units serviced and the number of containers, container sizes and frequency of collection for Garbage, Recyclable Materials, and Organic Waste for each non-exempt Commercial Service Unit. Contractor must also provide the following information separately for both AB 341 and AB 1826:

O. The total number of non-exempt Commercial Service Units that fall under the AB 341 or AB 1826 thresholds, and the total number of those non-exempt Commercial Service Units that are not subscribed to Commercial Recycling Collection Service or Commercial Organics Collection Service.

P. A summary of the type of follow-up outreach that was provided to those non-exempt Commercial Service Units that are not subscribed to Commercial Recycling Collection Service or Commercial Organics Collection Service.

18.04 Diversion Calculation and Data. By 5 p.m. PT on February 15, 2022 and annually thereafter during the term of this Agreement, Contractor must deliver to City, in the format specified by City, the Calendar Year's Franchised Diversion Rate, as calculated in accordance with the provisions of Article 5. Any tonnages diverted and disposed from large venues and events during the reporting period will be counted towards the calculated diversion rate.

18.05 CalRecycle Reports. Contractor will provide reasonable assistance to City in preparing annual reports to CalRecycle (the "Electronic Annual Report" or EAR), including but not limited to supplying required data for preparation of the reports, and completing all required data input in the Waste Reporting System.

18.05.1 In the event that CalRecycle requires City to report an Implementation Schedule to comply with AB 341, AB 1826, SB 1383, SB 1594 and other Applicable Laws, Contractor will provide assistance to City in preparing a report, including Contractor's policies and procedures related to compliance with AB 341, AB 1826, SB 1383, and other Applicable Laws and how recycling or organics are Collected, a description of the geographic area, routes, list of addresses served and a method for tracking contamination, copies of route audits, copies of notice of contamination, copies of notices, violations, education and enforcement actions issued, and copies of educational materials, flyers, brochures, newsletters, website, and social media.

18.06 Waste Characterization Audit. Contractor must conduct statistically valid waste audits of Residential and Commercial Service Recipients' waste once annually, including Recycling, Garbage, and Organic Waste, and provide characterization data to the City as part of its Annual Report (Section 19.03). Material types and guidance should follow CalRecycle requirements and/or recommendations.

18.07 Annual Sustainability and Compliance Plan. Contractor must submit annually, by July 1 each year, its plan for providing outreach and education to residents, schools and businesses; the material that will be developed and distributed, including its format and distribution method; how the Contractor will maintain compliance with the State's Mandatory Commercial and Organics Recycling mandates (SB 1383, AB 1826, AB 939, AB 341), including when and to whom letters will be sent, how compliance will be documented and reported; and the Contractor's plan for waste audits and site visits as described in **Exhibit 6**.

18.08 Additional Reporting. Contractor must furnish City with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

## Article 19. Nondiscrimination

19.01 Nondiscrimination. In the performance of all work and services under this Agreement, Contractor may not discriminate against any person based on such person's race, sex, color, national origin, religion, marital status or sexual orientation. Contractor must comply with all applicable local, State and Federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

## Article 20. Service Inquiries and Complaints

20.01 Contractor's Customer Service. All service inquiries and complaints will be directed to Contractor. A representative of Contractor must be available to receive the complaints during normal business hours. All service complaints will be handled by Contractor in a prompt and efficient manner. CRMS cases must be addressed and resolved within 3 Work Days. In the case of a dispute between Contractor and a Service Recipient, the matter will be reviewed, and a decision made by the Agreement Administrator.

20.01.1 Contractor will utilize the Customer Service Log to maintain a record of all inquiries and complaints in a manner prescribed by City.

20.01.2 For those complaints related to missed Collections, where Containers are properly and timely set out, that are received by 12:00 noon on a Work Day, Contractor will return to the Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 12:00 noon on a Work Day, Contractor will have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of Collection Containers, the appropriate Sections of this Agreement will apply.

20.01.3 Contractor agrees that it is in the best interest of City that all Residential Garbage, Recyclable Materials, and Organic Waste be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was

missed. However, in the event a Service Recipient requests missed Collection service more than two (2) times in any consecutive two (2) month period the Agreement Administrator will work with Contractor to determine an appropriate resolution to that situation. In the event Contractor believes any complaint to be without merit, Contractor will notify the Agreement Administrator, by e-mail. The Agreement Administrator will investigate all disputed complaints and render a decision.

20.01.4 Contractor's service and emergency telephone numbers must be accessible by a local (City) phone number or toll-free number. The service telephone number(s) must be listed in the area's telephone directories under Contractor's name in the White Pages and available through an online search and listed on the Contractor's website.

## Article 21. Quality of Performance of Contractor

21.01 Intent. Contractor acknowledges and agrees that one of City's primary goals in entering into this Agreement is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

21.02 Service Supervisor. Contractor must assign a qualified supervisor to be in charge of the Collection Service within the Service Area and must provide the name of that person in writing to the Agreement Administrator within thirty (30) days prior to the effective date of this Agreement, and annually by January 1<sup>st</sup> of each subsequent Calendar Year of the term of this Agreement, and any other time the person in that position changes. The supervisor must be physically located in the Service Area and available to the Agreement Administrator through the use of telecommunication equipment at all times that Contractor is providing Collection Services. In the event the supervisor is unavailable due to illness or vacation, Contractor must designate an acceptable substitute who will be available and who has the authority to act in the same capacity as the supervisor.

21.03 Agreement Manager. Contractor must designate an Agreement Manager and must provide the name of that person in writing to City within thirty (30) days prior to the effective date of this Agreement and annually by January 1<sup>st</sup> of each subsequent Calendar Year of this Agreement and any other time the person in that position changes. The Contract Manager must be available to the City through the use of telecommunications equipment at all times that Contractor is providing Collection Services in the Service Area. The Contract Manager must provide City with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

21.04 Administrative Charges and Penalties. Quality performance by the Contractor is of primary importance. In respect of this, Contractor agrees to pay City administrative charges and penalties as detailed in **Exhibit 10** should Contractor fail to meet its responsibilities under this Agreement. Should Contractor be in material breach of the requirements set forth in this Agreement, it is mutually understood and agreed that the public will necessarily suffer damages and that such damages, from the nature of the default in performance will be extremely difficult and impractical to fix. City finds, and the Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the

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extent of damages which will be incurred by City as a result of a material breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of this Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) services might be available at substantially lower costs than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

21.05 Procedure for Review of Administrative Charges. The Agreement Administrator may assess administrative charges and penalties as specified in **Exhibit 10** pursuant to this Agreement monthly. At the end of each month during the term of this Agreement, the Agreement Administrator will issue a written notice to Contractor (“Notice of Assessment”) of the administrative charges assessed and the basis for each assessment.

21.05.1 The assessment will become final unless, within ten (10) calendar days of the date of the notice of assessment, Contractor provides a written request for a meeting with the City Manager to present evidence that the assessment should not be made.

21.05.2 The Agreement Administrator will schedule a meeting between Contractor and the City Manager as soon as reasonably possible after timely receipt of Contractor’s request.

21.05.3 The City Manager will review Contractor’s evidence and render a decision sustaining or reversing the administrative charges as soon as reasonably possible after the meeting. Written notice of the decision will be provided to Contractor.

21.05.4 In the event Contractor does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the Agreement Administrator’s determination will be final.

21.05.5 City’s assessment or collection of administrative charges will not prevent City from exercising any other right or remedy, including the right to terminate this Agreement, for Contractor’s failure to perform the work and services in the manner set forth in this Agreement.

21.06 Uncontrollable Circumstances.

21.06.1 If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of terrorism, landslides, lightning, forest fires, storms, floods, severe weather, freezing, earthquakes, other natural disasters, the threat of such natural disasters, epidemics or pandemics (or threat of same), quarantines, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or

other labor disturbances, acts of government or governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the affected party, then the affected party will be excused from performance hereunder during the period of such disability.

21.06.2 The party claiming excuse from performance must promptly notify the other party when it learns of the existence of such cause, including the facts constituting such cause, and when such cause has terminated.

21.06.3 The interruption or discontinuance of services by a party caused by circumstances outside of its control will not constitute a default under this Agreement.

## Article 22. Performance Bond

22.01 Performance Bond. Within ten (10) Business Days from the date the City Council approves this Agreement, Contractor must furnish to City, and keep current, a performance bond, for the faithful performance of this Agreement and all obligations arising hereunder in an amount as follows:

22.01.1 From July 1, 2021 and so long as this Agreement or any extension thereof remains in force, Contractor must maintain a performance bond in the amount of **Two Million Five Hundred Thousand Dollars (\$2,500,000)**.

A. The performance bond must be executed by a surety company licensed to do business in the State of California; having an "A-" or better rating by A. M. Best or Standard and Poor; and included on the list of surety companies approved by the Treasurer of the United States.

B. In the event City draws on the bond, all of City's costs of collection and enforcement of the Bond, including reasonable attorney's fees and costs, must be paid by Contractor.

## Article 23. Insurance

23.01 Insurance Policies. Contractor must secure and maintain throughout the term of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Contractor's performance of work or services under this Contract. Contractor's performance of work or services includes performance by Contractor's employees, agents, representatives and subcontractors.

23.02 Minimum Scope of Insurance. Insurance coverage must be at least this broad:

23.02.1 Insurance Services Office Form No. CG 0001 0413 covering Comprehensive General Liability and Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U where applicable.

23.02.2 Insurance Services Office Form No. CA 0001 1013 covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage must also include code 8, "hired autos" and code 9 "non-owned autos".

23.02.3 Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.

23.02.4 Environmental Pollution Liability Insurance.

23.03 Minimum Limits of Insurance. Contractor must maintain insurance limits no less than:

23.03.1 Comprehensive General Liability: \$5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit will apply separately to this Agreement or the general aggregate limit must be \$10,000,000.

24.03.2 Automobile Liability: \$25,000,000.00 combined single limit per accident for bodily injury and property damage.

24.03.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the State of California, with Statutory Limits, and Employers' Liability Insurance with limit of no less than \$3,000,000 per accident for bodily injury or disease.

24.03.4 Environmental Pollution Liability: \$5,000,000 per occurrence and \$10,000,000 aggregate, with five (5) and will maintain coverage for five (5) after the termination of this Agreement. Coverage shall include bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants resulting from Contractor's operations.

24.03.5 If Consultant maintains higher limits than the minimum shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Service Provider. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

23.04 Blanket-Form Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

23.04.1 General Liability, Automobile and Environmental Liability Coverage.

A. City, its officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by, or on behalf of, Contractor; products and completed operations of Contractor; premises owned, leased or used by Contractor; and automobiles owned, leased, hired or borrowed by Contractor. The coverage must contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and contractors.

B. Contractor's insurance coverage must be primary insurance as respects City, its officers, employees, agents, and contractors. Any insurance, or self-insurance maintained by City, its officers, employees, agents, or contractors will be in excess of Contractor's insurance and will not contribute with it.

C. Any failure to comply with reporting provisions of the policies will not affect coverage provided to City, its officers, employees, agents, or contractors.

D. Coverage must state that Contractor's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

23.04.2 All Coverage. Each insurance policy required by this Agreement must be endorsed, via blanket-form endorsement to State that coverage may not be canceled except after thirty (30) calendar days (ten (10) days in the event of cancellation for non-payment) prior written notice has been given to City (excluding workers' compensation and umbrella/excess). Moreover, Contractor will not order the cancellation of any required insurance policy or material change in insurance policy limits without thirty (30) days prior written notice to City by Contractor. All required limits may be achieved via any combination of primary and excess liability/umbrella coverage.

23.05 Acceptability of Insurers. Insurance is to be placed with insurers having an A.M. best rating of A-/VII or better.

23.06 Verification of Coverage. Contractor must furnish City with certificates of insurance and with original blanket-form endorsements affecting coverage required by this Agreement. The certificates and blanket-form endorsement for each insurance policy are to be signed by a person authorized by that insurer to evidence coverage on its behalf. Contractor must furnish City with a new certificate of insurance and blanket-form endorsements on each renewal of coverage or change of insurers.

23.06.1 Proof of insurance must be sent to the following address or any subsequent address as may be directed by the City:

City of Salinas Public Works Department  
Attn: Director of Public Works  
200 Lincoln Avenue  
Salinas, CA 93901

With a Copy to:

City Attorney  
200 Lincoln Avenue  
Salinas, California 93901

23.07 Subcontractors. Contractor must include all subcontractors performing services in the City as insureds under its policies (excluding workers compensation) or subcontractors must obtain separate certificates and endorsements.

23.08 Modification of Insurance Requirements. The insurance requirements provided in this Agreement may be modified or waived by City's risk manager, in writing, upon the request of Contractor if City's risk manager determines such modification or waiver is in the best interest of City considering all relevant factors, including exposure to City.

23.09 Rights of Subrogation. All required insurance policies must preclude any underwriter's rights of recovery or subrogation against City with respect to matters related to Contractor's performance of its obligations under this Agreement, with the express intention of the Parties being that the required insurance coverage protects both Parties as the primary coverage for any and all losses covered by the above-described insurance. Contractor must ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they will have no recourse against City for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which City is named as an additional insured will not apply to City.

## Article 24. Hold Harmless and Indemnification

24.01 Hold Harmless for Consultant's Damages. Contractor holds City, its elected officials, officers, agents, employees, and volunteers, harmless from all of Contractor's claims, demands, lawsuits, judgments, damages, losses, injuries, or liabilities to Contractor, to Contractor's employees, to Contractor's contractors or subcontractors, or to the owners of Contractor's firm, which damages, losses, injuries or liabilities occur during the work or services required under this Agreement, or performance of any activity or work required under this Agreement, except for those claims of Contractor for compensation and other requirements of performance by City, based on the provisions of this Agreement.

24.02 Defense and Indemnity of Third-Party Claims/Liability. Contractor shall indemnify, defend with legal counsel reasonably approved by City, and hold harmless City, its officers, officials, employees, and volunteers from and against all liability including, but not limited to, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature to the extent arising out of or in connection with Contractor's negligence, recklessness, or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage which is caused by the active negligence or willful misconduct of City or the City's failure to perform its obligations under this Agreement. Should conflict of interest principles preclude a single legal counsel from representing both City and Contractor, or should City otherwise reasonably find Contractor's legal counsel unacceptable, then Contractor shall reimburse City its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. The Contractor shall promptly pay City any final judgment rendered against City (and its officers, officials, employees, and volunteers) with respect to claims to the extent determined by a trier of fact to have been the result of Contractor's negligent, reckless, or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement. Notwithstanding the foregoing, Contractor shall have no obligation to defend, indemnify or hold the City harmless from any liabilities or claims arising in any way whatsoever out of the City's withdrawal from the SVSWA, including but not limited to any claims relating to nonpayment of the SVSWA's bond obligations or breach of the City's solid waste delivery covenants to the SVSWA.

24.02.1 Without affecting the rights of City under any provision of this Agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence, willful misconduct or nonperformance of this Agreement of City, provided such active negligence, willful misconduct or nonperformance is determined by agreement between the parties or by findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent or has engaged in willful misconduct or nonperformance of this Agreement and where City's active negligence, willful misconduct or nonperformance of this Agreement accounts for only a percentage of the liability involved, the obligation of the Contractor will be for that entire portion or percentage of liability not attributable to the City's fault.

24.03 Nonwaiver. City does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by City, or the deposit with City, of any insurance certificates or policies described in Section 25; provided, however, that if Contractor has fully met its defense and indemnity obligations, any recovery received by the City under Contractor-provided insurance or performance bonds shall be credited against the Contractor's defense and indemnity obligations to the City.

24.04 Diversion Indemnification. Subject to the requirements of Public Resources Code section 40059.1, which will control in the event of any conflict with the provisions of this Section, Contractor agrees to protect and defend City Indemnitees with counsel selected by Contractor and reasonably approved by City, to pay all attorneys' fees, and to indemnify and hold City Indemnitees harmless from and against all fines or penalties imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code section 41780, as it may be amended, are not met by City with respect to the Materials Collected by Contractor and if the lack in meeting such goals are attributable to the failure of Contractor to implement and operate the recycling or diversion programs or undertake the related activities required by this Agreement and approved by the City. In the event CalRecycle provides an administrative process to challenge the imposition of a compliance order or a fine or fines, Contractor will be responsible for engaging any consultants or attorneys necessary to represent City in any challenge. Contractor will be responsible for the retention of and payment to any consultants engaged to perform waste generation studies (diversion and disposal). All consultants and attorneys engaged hereunder are subject to the reasonable agreement of City and Contractor.

24.05 Hazardous Substances Indemnification. Contractor agrees to indemnify, defend (with counsel reasonably approved by City), protect and hold harmless the City Indemnitees from and against any and all Claims of any kind whatsoever paid, suffered or incurred by or against the City Indemnitees resulting from any repair, cleanup, removal action or response action undertaken pursuant to CERCLA, the Health & Safety Code or other similar Federal, State or local law or regulation, with respect to Solid Waste or Household Hazardous Waste Collected and Disposed of by Contractor; provided, however, that this defense and indemnity obligation shall not be applicable to any such Claims arising from or relating to the Disposal Facilities or Processing Facilities not owned or operated by Contractor or any of its affiliates (as defined in Section 35.01) and which are selected or approved by the City, including but not limited to the Johnson

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Canyon Landfill and the Marina Landfill. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA and Section 25364 of the Health & Safety Code to defend, protect, hold harmless and indemnify the City Indemnitees from all forms of liability under CERCLA, the Health & Safety Code or other similar Federal, State or local law or regulation.

24.06 Proposition 218 Release. City intends to comply with all applicable laws concerning the Maximum Service Rates provided under this Agreement. Upon thorough analysis, the Parties have made a good faith determination that the Maximum Service Rates for the Solid Waste Collection Services provided under this Agreement are not subject to California Constitution Articles XIII C and XIII D because, among other reasons, such services are provided by a private corporation and not by City. Pursuant to Article 5, Contractor independently establishes the rates for its services within the limits established in this Agreement. Contractor agrees to hold harmless and release the City Indemnitees from and against any and all claims Contractor may have against the City Indemnitees resulting in any form from the Contractor's compensation portion of the Maximum Service Rates provided for under this Agreement or in connection with the application of California Constitution Article XIII C and Article XIII D to the imposition, payment or collection of the rates under this Agreement. Contractor shall have no obligation to defend, hold harmless or indemnify the City with respect to a referendum, initiative, legal challenge or lawsuit concerning the payments or fees required by the City to be paid by Contractor in Section 3.05 that are included in Contractor's Maximum Service Rates. This Section will survive the expiration or termination of this Agreement for Claims arising prior to the expiration or termination of this Agreement.

24.07 Consideration. It is specifically understood and agreed that the consideration inuring to Contractor for the execution of this Agreement consists of the promises, payments, covenants, rights, and responsibilities contained in this Agreement.

24.08 Obligation. This Agreement obligates Contractor to comply with the foregoing indemnification and release provisions; however, the collateral obligation of providing insurance must also be complied with as set forth in this Agreement.

24.09 Subcontractors. Contractor must require all subcontractors performing work in the City to enter into a contract containing the provisions set forth in Section 25.01 in which contract the subcontractor fully indemnifies City in accordance with this Agreement.

24.10 Exception. Notwithstanding other provisions of this Agreement, Contractor's obligation to indemnify, hold harmless and defend City, its officers and employees will not extend to any loss, liability, penalty, damage, action, or suit arising or resulting solely from acts or omissions constituting active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees.

24.11 Damage by Contractor. If Contractor's employees or subcontractors cause any injury, damage, or loss to City property, including but not limited to City streets or curbs, excluding normal wear and tear, Contractor must reimburse City for City's cost of repairing or replacing such injury, damage or loss. Such reimbursement is not in derogation of any right of City to be indemnified by Contractor for any such

injury, damage, or loss. With the prior written approval of City, Contractor may repair the damage at Contractor's sole cost and expense. Any injury, damage, or loss to private property caused by the negligent or willful acts or omissions of CONTRACTOR to private property must be repaired or replaced by Contractor at Contractor's sole expense. Disputes between Contractor and its Service Recipients or private property owners as to damage to private property are civil matters and complaints of damage will be referred to Contractor as a matter within its sole responsibility and as a matter within the scope of Section 25.01 [Indemnification].

## Article 25. Default of Agreement

25.01 Termination. City may cancel this Agreement, except as otherwise provided below in this Section, by giving Contractor thirty (30) calendar days advance written notice, to be served as provided in this Agreement, upon the happening of any one of the following events:

25.01.1 Contractor takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of its property; or

25.01.2 By order or decree of a court, Contractor is adjudged bankrupt or an order is made approving a petition filed by any of its creditors or by any of the stockholders of Contractor, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any State thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default will be and become null, void, and of no effect; unless such stayed judgment or order is reinstated in which case, such default will be deemed immediate; or

A. By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of Contractor, and such possession or control continues in effect for a period of sixty (60) calendar days; or

25.01.3 Contractor has defaulted, by failing or refusing to pay in a timely manner the administrative charges or other monies due City and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

25.01.4 Contractor has defaulted by allowing any final judgment for the payment of money owed to City to stand against it unsatisfied and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

25.01.5 In the event that the monies due City under Section 26.01.3 above or an unsatisfied final judgment under Section 26.01.4 above is the subject of a judicial proceeding, Contractor will not be in

default if the sum of money is bonded. All bonds must be in the form reasonably acceptable to the City Attorney; or

25.01.6 Contractor has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Agreement or any of the rules and regulations promulgated by City pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Agreement Administrator relative thereto and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by Contractor of written demand from City to do so, Contractor fails to commence the remedy of such default within such thirty (30) calendar days following such written notice or having so commenced fails thereafter to continue with diligence the curing thereof (with Contractor having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure such default, and such default will be cured within a reasonable period of time). However, notwithstanding anything contained herein to the contrary, for the failure of Contractor to provide Collection Services for a period of three (3) consecutive Work Days, City may secure Contractor's records on the fourth (4th) Work Day in order to provide interim Collection services until such time as the matter is resolved and Contractor is again able to perform pursuant to this Agreement; provided, however, if Contractor is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of City under this Agreement to Contractor will cease and this Agreement may be terminated by City.

25.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Agreement under this Article, in the event that Contractor's record of performance shows that Contractor has defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by Contractor three (3) or more times in any twenty-four (24) month period, and regardless of whether the Contractor has corrected each individual condition of default, Contractor will be deemed "a habitual violator", will be deemed to have waived the right to any further notice or grace period to correct, and all such defaults will be considered cumulative and collectively will constitute a condition of irredeemable default. City will thereupon issue Contractor a final warning citing the circumstances therefore, and any single default by Contractor of whatever nature the same covenant or condition, subsequent to the occurrence of the last of such cumulative defaults, will be grounds for immediate termination of the Agreement. In the event of any such subsequent default, City may terminate this Agreement upon giving of written final notice to Contractor, such cancellation to be effective upon the date specified in City's written notice to Contractor, and all contractual fees due hereunder plus any and all charges and interest will be payable to such date, and Contractor will have no further rights or obligations hereunder. Immediately upon the specified date in such final notice Contractor must cease any further performance under this Agreement.

25.03 Effective Date. In the event of any the events specified above, and except as otherwise provided in such subsections, termination will be effective upon the date specified in City's written notice to Contractor and upon such date this Agreement will be deemed immediately terminated and upon such termination, except for payment of services rendered up to and including the date of termination, all liability

of City under this Agreement to Contractor will cease, and City will have the right to call the performance bond and will be free to negotiate with other contractors for the operation of interim and long-term Collection Services. Contractor must reimburse City for all direct and indirect costs of providing any interim Collection Services as a result of Contractor's default in this Agreement.

25.04 Immediate Termination. City may terminate this Agreement immediately upon written notice to Contractor, and after a five Work Day opportunity to cure with no cure by Contractor, in the event Contractor: (a) fails to provide and maintain the performance bond as required by this Agreement, (b) fails to obtain or maintain insurance policies endorsements as required by this Agreement, (c) fails to provide the proof of insurance as required by this Agreement, or (d) offers or gives any gift to a City official or employee prohibited by City's Municipal Code.

25.05 Termination Cumulative. City's right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement.

25.06 Alternative Service. Should Contractor, for any reason, except the occurrence or existence of any of the events or conditions set forth in Section 23.06 [Uncontrollable Circumstances], refuse or be unable for a period of more than forty-eight (48) hours, to Collect a material portion or all of the Solid Waste which it is obligated under this Agreement to Collect, and as a result, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that the City Manager, in the reasonable exercise of the City Manager's discretion, should find that such accumulation endangers or menaces the public health, safety or welfare, then City will have the right to contract with another Solid Waste enterprise to Collect any or all Solid Waste which Contractor is obligated to Collect pursuant to this Agreement. City must provide twenty-four (24) hours prior written notice to Contractor during the period of such event, before contracting with another Solid Waste enterprise to Collect any or all Solid Waste which Contractor would otherwise collect pursuant to this Agreement for the duration of period during which Contractor is unable to provide such services. In such event, Contractor must undertake commercially reasonable efforts to identify sources from which such substitute Solid Waste services are immediately available and must reimburse City for all of its expenses for such substitute services during period in which Contractor is unable to provide Collection services required by this Agreement.

## Article 26. Modifications to the Agreement

26.01 City-Directed Change. City has the power to make changes in this Agreement to impose new rules and regulations on Contractor under this Agreement relative to the scope and methods of providing Collection Services as may from time-to-time be necessary and desirable for the public welfare. City will give the Contractor notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method of providing Collection Services as referenced herein will be liberally construed to include procedures, operations and obligations, financial or otherwise, of Contractor. When such modifications are made to this Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City

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and Contractor on compensation adjustment not be reached within six (6) months of the change request, or other period as agreed upon by both Parties, City shall have the right to seek services under modified conditions elsewhere.

26.01.1 Change in Law. City and Contractor understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Collection legislation, and that these and other changes in Applicable Law in the future which mandate certain actions or programs for counties, municipalities or Contractor may require changes or modifications in some of the terms, conditions or obligations under this Agreement. Contractor agrees that the terms and provisions of the City of Salinas Municipal Code, as it now exists or as it may be amended in the future, will apply to all of the provisions of this Agreement and the Service Recipients of Contractor located within the Service Area. In the event any future change in Federal law or regulations, State or local law of regulation, or the City Code materially alters the obligations of Contractor, then the affected service rates, as established in **Exhibit 1** of this Agreement will be adjusted in accordance with Section 4.06.3. Nothing contained in this Agreement will require any party to perform any act or function contrary to law. City and Contractor agree to enter into good faith negotiations regarding modifications to this Agreement which may be required in order to implement changes in the interest of the public welfare or due to Change in Law. When such modifications are made to this Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any Change in Law or modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City and Contractor on compensation adjustment not be reached within six months of the change request, or other period as agreed upon by both Parties, City shall have the right to seek services under modified conditions elsewhere.

## Article 27. Legal Representation

27.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Agreement and, accordingly, the rule that a contract will be interpreted strictly against the party preparing the same will not apply due to the joint contributions of both Parties.

## Article 28. Conflict of Interest

28.01 Financial Interest. Consultant is unaware of any City employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any City employee or official.

## Article 29. Contractor's Personnel

29.01 Transition to New Contractor. Contractor shall make information about wage rates, benefits and job classifications of employees available to the City prior to any subsequent procurement for solid waste collection services.

29.02 Personnel Requirements. Contractor must employ and assign qualified personnel to perform all services required under this Agreement. Contractor is responsible for ensuring that its employees comply with all Applicable Laws related to their employment and position.

29.02.1 City may request the transfer of any employee of Contractor who materially violates any provision of this Agreement, or who is wanton, negligent, or discourteous in the performance of his or her duties under this Agreement.

29.02.2 Contractor's field operations personnel are required to wear a clean uniform shirt bearing Contractor's name. Contractor's employees, who normally come into direct contact with the public, including drivers, must bear some means of individual photographic identification such as a name tag or identification card.

29.02.3 Each driver of a Collection vehicle must at all times carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.

29.02.4 Each driver of a Collection vehicle must at all times comply with all applicable State and Federal laws, regulations and requirements.

29.02.5 Contractor's employees, officers, and agents may not identify themselves or in any way represent themselves as being employees or officials of City.

29.03 Key Operations Staff. Contractor will provide a minimum of full-time one (1) Operations Manager, one (1) Route Supervisor, one (1), one (1) Lead Mechanical, and one (1) Service Recipient Service Supervisor 100% dedicated to the City.

29.04 Sustainability/Compliance Staff. In accordance with Section 17.10.1, Contractor will provide a minimum of four (45) full time Sustainability/Compliance Staff whose primary duties are dedicated to the City.

## Article 30. Exempt Waste

30.01 Contractor is not required to Collect or dispose of Exempt Waste but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Agreement, but if provided by Contractor must be in strict compliance with all Applicable Laws.

## Article 31. Independent Contractor

31.01 In the performance of services pursuant to this Agreement, Contractor is an independent contractor and not an officer, agent, servant, or employee of City. Contractor will have exclusive control of the details of the services and work performed and over all persons performing such services and work. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither Contractor nor its officers, employees, agents, contractors or subcontractors will obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to City employees and Contractor expressly waives any claim to such benefits.

31.02 Subcontractors. Contractor will require all subcontractors performing work in the City to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor agrees that Contractor and subcontractor are independent contractors and have no other agency relationship with City.

Contractor must list in **Exhibit 5** any Subcontractors to be used for any and all services (e.g. education and outreach, street sweeping, billing, Service Recipient service etc. including optional services – HHW Home Collection Program and Storm Drain Cleanout). Subcontractors are subject to approval by the City. Subcontractors must have all applicable federal, county, and/or City licenses for the work they are assigned to perform.

## Article 32. Laws to Govern

32.01 The law of the State of California governs the rights, obligations, duties and liabilities of City and Contractor under this Agreement and govern the interpretation of this Agreement.

## Article 33. Consent to Jurisdiction

33.01 The Parties agree that any litigation between City and Contractor concerning or arising out of this Contract must be filed and maintained exclusively in the Superior Courts of Monterey County, State of California, or in the United States District Court for the Northern District of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

## Article 34. Assignment

34.01 No assignment of this Agreement or any right occurring under this Agreement may be made in whole or in part by Contractor without the express prior written consent of the City. City will have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the Contractor. Any assignment of this Agreement made by Contractor without the express written consent of the City will be null and void and will be grounds for City to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to Contractor, and upon the date of such notice Contract will be deemed immediately terminated, and upon such termination all liability of City under this Contract to Contractor will cease, and City will have the right to call the performance bond and will be free to negotiate with other contractors, for the services that are the subject of this Agreement. In the event of any assignment approved by City, the assignee must fully assume all the liabilities of Contractor by way of an assignment and assumption agreement. Notwithstanding the above, an assignment to an affiliate of Contractor may be undertaken upon notice to City, but without the requirement for its approval. For purposes of this provision, "affiliate" means any person or legal entity that, directly or indirectly, controls, is controlled by, or is under common control with Contractor.

34.02 The use of a subcontractor to perform services under this Contract will not constitute delegation of Contractor's duties provided that Contractor has received prior written authorization from the Agreement Administrator to subcontract such services and the Agreement Administrator has approved a subcontractor who will perform such services. Contractor will be responsible for directing the work of

Contractor's subcontractors and any compensation due or payable to Contractor's subcontractor will be the sole responsibility of Contractor. The Agreement Administrator will have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in **Exhibit 5**, if any, are hereby approved by the City.

**Article 35. Compliance with Laws**

35.01 In the performance of this Contractor, Contractor must comply with all Applicable Laws, including, without limitation, the Salinas Municipal Code.

35.02 City shall provide written notice to Contractor of any planned amendment of the Salinas Municipal Code that would substantially affect the performance of Contractor's services pursuant to this Agreement. Such notice must be provided at least thirty (30) calendar days prior to the City Council's approval of such an amendment.

**Article 36. Permits and Licenses**

36.01 Contractor shall obtain, at its own expense, all permits, and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Agreement. Contractor must provide proof of such permits, licenses, or approvals and must demonstrate compliance with the terms and conditions of such permits, licenses, and approvals upon the request of the Agreement Administrator.

**Article 37. Ownership of Written Materials**

37.01 Contractor hereby grants City a non-exclusive license as to all reports, documents, brochures, public education materials, and other similar written, printed, electronic, or photographic materials developed by Contractor at the request of City or as required under this Agreement, and intended for public use, without limitation or restrictions on the use of such materials by City. Contractor may not use such materials that specifically reference City for other purposes without the prior written consent of the Agreement Administrator. This Article 38 does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

**Article 38. Waiver**

38.01 Waiver by City or Contractor of any breach for violation of any term covenant or condition of this Agreement will not be deemed to be a waiver of any other term, covenant, or condition or any subsequent breach or violation of the same or of any other term, covenant, or condition. The subsequent acceptance by City of any fee, tax, or any other monies which may become due from Contractor to City will not be deemed to be a waiver by City of any breach for violation of any term, covenant, or condition of this Agreement.

**Article 39. Prohibition Against Gifts**

39.01 Contractor represents that Contractor is familiar with City's prohibition against the acceptance of any gift by a City officer or designated employee. Contractor may not offer any City officer or designated employee any gifts prohibited by the City.

**Article 40. Point of Contact**

40.01 The day-to-day dealings between Contractor and City will be between Contractor and the Agreement Administrator.

**Article 41. Notices**

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

As to the City:

Public Works Director  
City of Salinas Public Works Dept.  
200 Lincoln Avenue  
Salinas, CA 93901  
Telephone: (831) 758-7390  
Email: davidj@ci.salinas.ca.us

With a Copy to:

City Attorney  
City of Salinas  
200 Lincoln Avenue  
Salinas, California 93901  
Telephone: (831) 758-7256  
Email: chrisc@ci.salinas.ca.us

As to the Contractor:

General Manager  
Luis Quinonez  
Republic Services of Salinas  
271 Rianda Street  
Salinas, CA 93901  
Telephone: (831) 751-5442  
Email: lquinonez@republicservices.com

With a Copy to:

General Counsel Office, Chief Legal Officer  
Republic Services  
18500 North Allied Way  
Phoenix, AZ 85054  
Email: jnickerson@republicservices.com

41.02 Notices will be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice.

41.03 Notice by City to Contractor of a Collection or other Service Recipient problem or complaint may be given to Contractor orally by telephone at Contractor's local office with confirmation sent to Contractor through the Service Recipient Service System by the end of the Work Day.

## Article 42. Transition to Next Contractor

42.01 In the event Contractor is not awarded an extension or new contract to continue to provide Collection Services following the expiration or early termination of this Agreement, Contractor will cooperate fully with City and any subsequent contractors to assure a smooth transition of services described in this Agreement. Such cooperation will include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all Collection Containers; providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement; taking reasonable actions necessary to transfer ownership of carts and bins, as appropriate, to City; including transporting such containers to a location designated by the Agreement Administrator; coordinating Collection of Materials set out in new containers if new containers are provided for a subsequent Agreements and providing other reports and data required by this Agreement.

## Article 43. Contractor's Records

43.01 Contractor shall keep and preserve, during the Term of this Agreement, full, complete, and accurate financial and accounting records, pertaining to cash, billing and disposal transactions for the franchise area, prepared on an accrual basis in accordance with generally accepted accounting principles. These records and reports are necessary for the City to properly administer and monitor the Agreement and to assist the City in meeting the requirements of the Act. The Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than four (4) years following expiration or other termination hereof or for any longer period required by law, full, complete and accurate records as indicated in the Agreement.

43.02 Any records or documents required to be maintained pursuant to this Agreement must be made available for inspection or audit for the purposes set forth in Section 14.02.3, at any time during regular business hours, upon written request by the Agreement Administrator, the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents will be provided to City electronically, available to City for inspection at the local Contractor office, or an alternate site if mutually agreed upon.

43.02.1 Contractor acknowledges that City is legally obligated to comply with the California Public Records Act ("CPRA"). City acknowledges that Contractor may consider certain records, reports, or information contained therein, ("Records") which Contractor is required to provide to City under this Agreement, to be of a proprietary or confidential nature. In such instances, Contractor will inform City in writing of which records are considered propriety or confidential and shall identify the statutory exceptions

to disclosure provided under the CPRA that legally permit non-disclosure of the Records. At such time as City receives a request for records under the CPRA or Federal Freedom of Information Act (“FOIA”) or a subpoena or other court order requesting disclosure of the Records, City will notify Contractor of the request, subpoena or order and of City’s obligation and intent to provide a response within ten (10) calendar days. Contractor shall within five (5) calendar days either: (i) consent in writing to the disclosure of the Records; or (ii) seek and obtain, at Contractor’s sole cost and expense, the order of a court of competent jurisdiction staying or enjoining the disclosure of the Records. If Contractor fails to timely respond, then City may proceed to disclosure of the Records in which event Contractor agrees waives and releases City of any liability for the disclosure of the Records.

43.03 Where City has reason to believe that such records or documents may be lost or discarded in the event of the dissolution, disbandment or termination of Contractor’s business, City may, by written request or demand of any of the above named officers, require that custody of the records be given to City and that the records and documents be maintained in City Hall. Access to such records and documents will be granted to any party authorized by Contractor, Contractor’s representatives, or Contractor’s successor-in-interest.

## Article 44. Entire Agreement

44.01 This Agreement and the attached Exhibits constitute the entire Agreement and understanding between the Parties, and the Agreement will not be considered modified, altered, changed, or amended in any respect unless in writing and signed by the Parties.

## Article 45. Severability

45.01 If any provision of this Agreement or the application of it to any person or situation is to any extent held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or situations other than those as to which it is held invalid or unenforceable, will not be affected, will continue in full force and effect, and will be enforced to the fullest extent permitted by law.

## Article 46. Right to Require Performance

46.01 The failure of City at any time to require performance by Contractor of any provision of this Agreement will in no way affect the right of City thereafter to enforce same. Nor will waiver by City of any breach of any provision of this Agreement be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

## Article 47. All Prior Agreements Superseded

47.01 This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained in this Agreement and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement will be predicated upon any prior representations or agreements, whether oral or written.

Article 48. Headings

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

Article 49. Exhibits

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

Article 50. Attorney’s Fees

11.11 In the event that litigation is brought by a party in connection with this Agreement, the prevailing party will be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys’ fees, incurred by the prevailing party in the exercise of any of its rights or remedies under this Agreement or the enforcement of any of the terms, conditions, or provisions of this Agreement.

Article 51. Effective Date

51.01 This Agreement will become effective when it is properly executed by City and Contractor and Contractor will begin Services under this Agreement as of October 1, 2021.

IN WITNESS WHEREOF, City and Contractor have executed this Agreement on the respective date(s) below each signature.

**CITY OF SALINAS**

A California Charter City and Municipal Corporation

**ALLIED WASTE SERVICES OF NORTH AMERICA, LLC**

By: \_\_\_\_\_

Kimberley Craig, Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_

Michael Caprio, Vice President

Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Patricia M. Barajas, CMC, City Clerk

Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_

Christopher A. Callihan, Esq., City Attorney

Date: \_\_\_\_\_

<b>Exhibit 1</b>				
<b>Maximum Service Rates</b>				
Residential Services - October 1, 2021 – June 30, 2022				
<b><u>Standard Monthly Single Family Services</u></b>	Garbage Cart Size			
	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Curbside Service - <u>Includes</u> 64 Gallon Recycling, 96 Gallon Organics	\$25.10	\$29.17	\$40.30	\$53.22
Senior Low Income – Includes 64 Gallon Recycling, 96 Gallon Organics	\$17.93	\$17.93	Not Offered	
Additional Garbage Cart – Each Additional Cart	Not Offered	\$19.57	\$29.38	\$43.94
Backyard Service – Additional Monthly Charge	\$26.33	\$26.33	\$26.33	\$26.33
Backyard Service for Permanently Disabled	No Charge			
<b><u>Additional One Time Single Family Charges</u></b>	Cart/Container Size			
	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Extra Pickup at Same Time as Regular Service, Customer Re-fills Cart	\$6.47	\$11.39	\$21.08	\$32.97
Cart Overflow (Each Cart)	\$5.32	\$6.43	\$8.81	\$11.76
Each Additional Bag of Garbage (Up to 32 Gallon) - Driver required to load	\$10.99	Each Bag		
Records Research Fee	\$25.34	Per Occurrence		
Service Disconnection Restart Fee	\$15.30			
Cart Exchange In Excess of Once Per Year	\$15.30			
Contamination Service Charge	\$20.00			
Return Trip to Customer Location at Customer Request	\$39.34			
Each Additional Bulky Waste Pickup in Excess of One Fee Pickup Per Year - Limit 1 Item	\$102.67			
Additional Bulky Waste Item - Each Additional Item Not Requiring an Additional Trip	\$33.71			
Late Payment	1.5% of the outstanding balance or \$5.00 which ever is greater.			
Clean-up Container (Maximum 5 Days, No Saturday/Sunday Services). Additional disposal fees for non-standard items (box springs, tires, televisions, paint, solvents.) will apply.	4 CY Bin	6 CY Bin	8 CY Bin	
	\$226.75	\$297.06	\$395.94	
<b>Note:</b> Single-family Services includes 1-3 unit apartments, duplexes townhomes, and condominiums.				

<b>Exhibit 1</b>						
<b>Maximum Service Rates</b>						
Commercial and Multi-Family Services - October 1, 2021 – June 30, 2022						
<b>Commercial and Multi-Family Cart and Bin Services - Garbage</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1/Week</b>	<b>2/Week</b>	<b>3/Week</b>	<b>4/Week</b>	<b>5/Week</b>	<b>6/Week</b>
20 Gallon Cart	\$34.26					
32 Gallon Cart	\$54.89					
64 Gallon Cart	\$70.31					
96 Gallon Cart	\$85.30	\$166.21	\$314.14	\$411.31	\$485.19	\$582.17
1 CY Bin	\$338.12	\$553.18	\$789.86	\$1,026.59	\$1,263.35	\$1,499.91
2 CY Bin	\$406.50	\$680.22	\$975.64	\$1,271.04	\$1,566.44	\$1,861.87
3 CY Bin	\$481.01	\$811.91	\$1,189.35	\$1,520.12	\$1,888.35	\$2,228.35
4 CY Bin	\$552.83	\$942.41	\$1,355.23	\$1,768.08	\$2,180.81	\$2,593.85
6 CY Bin	\$687.13	\$1,215.29	\$1,745.53	\$2,275.85	\$2,806.20	\$3,336.51
8 CY Bin	\$817.57	\$1,465.28	\$2,112.98	\$2,760.65	\$3,408.41	\$4,056.16
<b>Commercial and Multi-Family Cart and Bin Services – Recyclable Materials</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1/Week</b>	<b>2/Week</b>	<b>3/Week</b>	<b>4/Week</b>	<b>5/Week</b>	
20 Gallon Cart	\$26.20					
32 Gallon Cart	\$41.97					
64 Gallon Cart	\$53.76					
96 Gallon Cart	\$65.22	\$127.10	\$240.22	\$314.52	\$371.02	
1 CY Bin	\$258.56	\$423.02	\$604.01	\$785.03	\$966.09	
2 CY Bin	\$310.85	\$520.16	\$746.08	\$971.97	\$1,197.87	
3 CY Bin	\$367.83	\$620.87	\$909.50	\$1,162.44	\$1,444.03	
4 CY Bin	\$422.75	\$720.66	\$1,036.35	\$1,352.06	\$1,667.68	
6 CY Bin	\$525.45	\$929.34	\$1,334.81	\$1,740.35	\$2,145.91	
8 CY Bin	\$625.20	\$1,120.51	\$1,615.81	\$2,111.08	\$2,606.43	

<b>Exhibit 1</b>						
<b>Maximum Service Rates</b>						
Commercial and Multi-Family Services - October 1, 2021 – June 30, 2022						
<b>Commercial and Multi-Family Cart and Bin Services – Organics</b>						
Container Size	Collection Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	
32 Gallon Cart	\$48.29	\$96.57	\$144.84	\$193.13	\$241.39	
64 Gallon Cart	\$64.67	\$129.32	\$194.00	\$258.67	\$323.33	
96 Gallon Cart	\$85.30	\$166.21	\$314.14	\$411.31	\$485.19	
1 CY Bin	\$337.01	\$550.77	\$786.25	\$1,026.59	\$1,263.35	
2 CY Bin	\$403.86	\$674.97	\$967.65	\$1,271.04	\$1,566.44	
3 CY Bin	\$481.01	\$811.91	\$1,189.35	\$1,520.12	\$1,888.35	
<b>Commercial and Multi-Family Compactor Services – Garbage</b>						
Container Size	Collection Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
2 CY Compactor	\$451.26	\$821.27	\$1,202.84	\$1,584.46	\$1,965.78	\$2,347.62
3 CY Compactor	\$743.53	\$1,336.96	\$1,976.93	\$2,570.36	\$3,200.98	\$3,803.59
4 CY Compactor	\$902.88	\$1,642.49	\$2,405.41	\$3,168.40	\$3,930.87	\$4,694.16
<b>Commercial and Multi-Family –Additional Services</b>						
Additional Service				Rate	Frequency	
Dismount and Push Charge per Bin Serviced Per Bin/ Per Collection Frequency				\$7.77	Per Month Per Each Container	
Key Charge per Bin Serviced Per Bin/ Per Collection Frequency				\$9.25		
Enclosure Charge per Bin Serviced Per Bin/ Per Collection Frequency				\$10.26		
Gate Service Charge per Bin Serviced Per Bin/ Per Collection Frequency				\$10.26		
Long Walk per Bin Serviced Per Bin/ Per Collection Frequency				\$24.40		
Maximum Additional Weekly Charges per Bin Serviced Per Bin/ Per Collection Frequency (dismount + push + _ enclosure + Gate + Lock)				\$30.67		
Scout Truck (Container Truck) container pull out Per Bin/ Per Collection Frequency				\$45.20		
Per Yard surcharge for customers pre-compacting trash.				\$44.83	Per Yard	

<b>Exhibit 1</b>						
<b>Maximum Service Rates</b>						
Commercial and Multi-Family Services - October 1, 2021 – June 30, 2022						
Overloaded Container for First Cubic Yard, No Dismount Required					\$42.93	One- Time Charge
Overloaded Container for Each Cubic Yard in excess of 1CY, No Dismount Required					\$34.23	
Additional Trip to Customer Location at Customer Request					\$43.31	
Replacement Lock and Key					\$41.18	
Contamination (less than 4 yards of weekly service)					\$94.12	
Contamination (4 or more yards of weekly service)					\$141.18	
Additional Bin Collection/Lift On Collection Day	Bin Size					
	2 CY Bin	3 CY Bin	4 CY Bin	6 CY Bin	8 CY Bin	
	\$138.23	\$176.90	\$215.02	\$289.24	\$360.10	
<b>Roll-Off Services</b>						
Roll-Off Service		Rate			Frequency	
Open Top Roll-off Container (10 CY, 15 CY 20 CY, 30 CY, 40 CY)		\$316.10			Per Pull Service Fee	
Closed Top Roll-off Container (10 CY, 15 CY 20 CY, 30 CY, 40 CY)		\$365.68				
Roll-Off Compactors (Up to 10 Ton Legal Limit Trucks)		\$415.41				
Self-Contained Roll-Off Compactors (Up to 10 Ton Legal Limit Trucks)		\$452.71				
<b>Additional Roll-Off Service</b>						
Load Leveling Charge per 15 minutes (minimum 15 minutes)		\$28.37			Per Each Occurrence	
Turn-away of Scheduled Service (Includes cancellation less than 24 hours, bin blocked or not ready)		\$56.72				
Relocation of Roll-off Container on Same Property		\$85.10				
Additional Day for a Roll-off Container (Not to exceed a total of 7 days)		\$48.09				
Minimum Lift/Demurrage (Garbage hauled 2 times/month, Recyclable Materials, Green Waste hauled 1/month, and C&D materials hauled 1 time/month otherwise fee charged)		\$176.47				
Contamination		\$352.94				
Delivery Fee		\$235.29				

<b>Exhibit 1</b>		
<b>Maximum Service Rates</b>		
Commercial and Multi-Family Services - October 1, 2021 – June 30, 2022		
<b>Roll-off Per Ton Fees</b>		
<b>Material Type</b>	<b>Rate</b>	
C&D Per Ton Rate	\$132.10	Per Each Ton
Garbage Per Ton Rate	\$146.29	
Green Waste Per Ton Rate	\$87.93	
<b>Commercial and Multi-Family Notes:</b>		
<ol style="list-style-type: none"> <li>1. Late Payment: In accordance with National Corporate Policy and as approved by the state attorney general Republic Services will be incorporating a late payment fee equal to 1.5% of the outstanding balance or \$5.00 which ever is greater.</li> <li>2. Additional disposal fees for non-standard items (box springs, tires, televisions, etc.) in which Republic Services is charged by the designated transfer station or landfill will be passed on to the customer when it is possible to identify the customer in violation.</li> <li>3. Front-load compactors will not be provided by Republic Services. Customers will be required to purchase their own compactor.</li> <li>4. Rates for Roll-off Boxes include five days usage. If the 5th day falls on Saturday, Sunday, or a Holiday in which Republic Services operations are closed, the Roll-off Box will be picked up on the following weekday at no additional charge.</li> <li>5. Roll-off compactors will not be provided by Republic Services. Customers will be required to purchase the compactor</li> <li>6. Key charges are allowed when container access requires the driver to carry a key and unlock a lock to empty the container. Key charges do not apply if a customer's lock is left in the unlocked position.</li> <li>7. Enclosure charges are allowed when collection requires removing a container from an enclosure and replacing it when emptied.</li> <li>8. Gate service charges are allowed when collection requires opening a closed or locked gate in order to access a container.</li> <li>9. Long walk charges are allowed when a container is placed further than 10 feet from where the collection vehicle has access.</li> <li>10. Charges for key, enclosure, gate, and long walk service are not cumulative pickup charges. The Contractor's service fees for a customer requiring one or more of the special services will be a maximum service fee (as specified in the table above) as adjusted for CPI-U, per pickup for any combination of the four service categories.</li> <li>11. Dismount and Push Charges are allowed when container service requires the driver to dismount and push the container from a fixed position and return it to the same position after service.</li> </ol>		

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**Exhibit 2**  
**City-Sponsored Events**

Garbage, Recyclable Materials, and Organic Waste Collection Services shall be provided at no charge for the following City-sponsored events.

- 1. Annual Fall Clean Up
- 2. Salinas Airshow
- 3. Salinas Rodeo
- 4. Relay for Life
- 5. Salinas Founders Day
- 6. Other as may be scheduled up to a maximum of eight per year
- 7. Other as may be scheduled up to a maximum of eight per year
- 8. Other as may be scheduled up to a maximum of eight per year

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<b>Exhibit 3</b>				
List of City Properties and Current Service as of October 1, 2021				
<b>City Location</b>	<b>Address</b>	<b>Garbage</b>	<b>Recyclables</b>	<b>Organics</b>
Acacia Court	Acacia & Alameda Ave			
Animal Shelter	144 Hitchcock Rd	6 yard 1x	4 yard 1x	
Armory Hall	100 Howard St	4 yard 1x	3 yard 1x & 96 gal 1x	
Bataan Memorial Park	Market & Salinas St			
Bread Box Recreation Center	745 N. Sanborn Rd	3 yard 1x	2 yard 1x	
Carmel Corner	Carmel Corner & Santa Lucia Ave			
Central Community Park	420 Central Ave			
Cesar Chavez Library	615 Williams Road	3 yard 2x	3 yard 2x	20 gal fw 1x
Chinatown Navigation Center	117 E. Lake Street	8 yard 1x	6 yard 1x	
City Hall	200 Lincoln Ave	64 gal 1x	5 - 64 gal 1x	20 gal fw 1x
City Yard	426 Work St	2 - 20 yard 5x	4 yard 1x, 5 - 96 gal 1x, 3 - 64 gal 1x, 1 - 32 gal 1x and 6 yard e-waste on-call	20 yard yw on-call, 20 gal fw 1x
Claremont Manor Park	1220 San Fernando Dr			
Clay Street Play Lot	170 Clay St			
Closter Community Park	401 Towt Street			
Constitution Soccer Park	1440 Constitution Blvd	8 yard 3x		
Cornell Corner	Front and Summer Streets			
E. Laurel Pocket Park	110 E. Laurel Dr			
El Dorado Community Park	1655 El Dorado Drive	2 - 6 yard 2x		
El Gabilan Library	1400 N. Main St	2-96 gal 1x	2 - 96 gal 1x	20 gal fw 1x
Exposition Grounds	295 Sun Way			
Firehouse Recreation Center	1330 E. Alisal St	4 yard 1x	4 yard 1x	20 gal fw 1x

<b>Exhibit 3</b>				
List of City Properties and Current Service as of October 1, 2021				
<b>City Location</b>	<b>Address</b>	<b>Garbage</b>	<b>Recyclables</b>	<b>Organics</b>
Fire Station #1	216 W. Alisal Dr	3 yard 1x	3 yard 1x & 4 - 96 gal 1x	
Fire Station #2	10 W. Laurel Dr	2 yard 1x	2 - 64 gal 1x	
Fire Station #3	827 Abbott St	3 yard 1x & 20 yard on-call	1 - 96 gal 1x	
Fire Station #4	308 Williams Rd	2 yard 1x	1 - 96 gal 1x	
Fire Station #5	1400 Rider Ave	3 yard 1x	1 - 96 gal 1x	
Fire Station #6	45 E. Bolivar St	2 yard 1x	1 - 96 gal 1x	
Frank Paul School Park	1300 Rider Ave			
Fremont School Softball Field	1255 E. Market St			
Gabilan Play Lot	263 Toro Ave			
Hartnell Neighborhood Park	725 W. Acacia			
Hebron Community Park	N. Maderia & Circle Dr			
Hebron Heights Recreation Center	683 Fremont	3 yard 1x	2 - 64 gal 1x	
John Steinbeck Library	350 Lincoln Ave	6 yard 1x	7 - 96 gal 2x	20 gal fw 1x
La Paz Neighborhood Park	560 Roosevelt St			
Laurel Heights Neighborhood Park	751 Circle Dr			
Laurel Neighborhood Park	340 W. Laurel Dr			
Laurelwood Neighborhood Park	915 Victor St			
Los Padres Neighborhood Park	1210 John St			
Maple Play Lot	860 Los Palos Dr			
McKinnon Park	1700 McKinnon St			
Mission Neighborhood Park	110 W Romie Ln			
Monte Bella Park	1601 Monte Bella Blvd		4 - 64 gal 1x	
Municipal Stadium (RaboBank Stadium)	175 Maryal Dr			

<b>Exhibit 3</b>				
List of City Properties and Current Service as of October 1, 2021				
<b>City Location</b>	<b>Address</b>	<b>Garbage</b>	<b>Recyclables</b>	<b>Organics</b>
Municipal Swimming Pool	940 N. Main St	3 yard 1x	3 yard 1x	
Natividad Creek Park	1395 Nogal Dr	8 yard 2x	8 - 96 gal 1x	20 yard yw on-call
Natividad Neighborhood Park	1450 Lassen Ave			
Northgate Neighborhood Park	1600 Seville St			
Northgate Tot Lot	1611 Cherokee Dr			
Parking Lot	30 Lincoln Ave	4 yard 3x		
Permit Center	65 W. Alisal St	3 yard 1x, 64 gal 1x	3 - 96 gal 1x	20 gal fw 1x
Police Admin Building	222 Lincoln Ave	6 yard 3x	6 yard 1x, 9 - 64 gal 1x	96 gal gw 1x
Police Department	312 E. Alisal St	6 yard 3x	4 yard 1x	
Recreation Center Gym	320 Lincoln Ave		96 gal, 2-195 gal 1x	20 gal fw 1x
Redevelopment Agency	106 Lincoln Ave			
Rossi-Rico Parkway				
Salinas Airport	30 Mortensen Ave		4 yard 1x	
Salinas Sherwood Community Center	940 N. Main St	3 yard 1x	3 yard 1x, 2 - 96 gal 1x	
Salinas Fairways Golf Course	54 Skyway Blvd	20 yard on-call	3 yard 1x	30 yard gw on-call
Sanborn Neighborhood Park	901 N Sanborn Rd			
Santa Lucia Playground	320 Elwood St			
Santa Lucia Tot Lot	1415 Bardin Way			
Santa Rita Neighborhood Park	Bolivar St at Van Buren Ave			
Sewage Treatment Plant	146 Hitchcock Rd	3 yard 1x	96 gal 1x	
Sherwood Park Tennis Center	940 N Main St	2 - 3 yard 1x		
Soberantes Park	Towt St at Peseo Grande			
Soto Square	2140 N Main St			

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<b>Exhibit 3</b>				
List of City Properties and Current Service as of October 1, 2021				
<b>City Location</b>	<b>Address</b>	<b>Garbage</b>	<b>Recyclables</b>	<b>Organics</b>
Steinbeck Neighborhood Park	Burlington Dr			
Twin Creeks	Constitution Blvd			
Woodside Neighborhood Park	1045 Iverson St			
Beginning October 1, 2025 to the extent that Contractor's total annual tonnage of City facility service exceeds one hundred and twenty percent (120%) of the prior Agreement Year of City facility service shown in this <b>Exhibit 3</b> , Contractor may charge City the applicable authorized Commercial Rate for the additional increment of service.				

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## Exhibit 4 Collection Container Specifications

### Carts

- All new or replacement Carts must be manufactured with a minimum twenty percent (20%) recycled material content and come with a ten (10) year warranty against defects.
- Carts must be constructed with material that resists deterioration from ultraviolet radiation and be incapable of penetration by household pets or small wildlife when lids are fully closed.
- Contractor must provide Carts having an approximate volume of 20, 32, 64 and 96 gallons for garbage services. Actual cart volume may vary by +/- 10% depending on manufacturer.
- Carts must include wheels and handles that accommodate ease of movement by able-bodied persons, have heavy duty wheels, attached hinged lids, and be designed to be resistant to inadvertent tipping due to high winds.
- Carts must include lids that continuously overlap the Cart body so as to prevent the intrusion of rainwater and minimize odors. The lids would be of a design and weight so as to prevent the Cart body from tilting backward when flipping the lid open.
- Carts must be capable of being lifted into the Collection Vehicle without damage or distortion under normal usage.
- Carts be hot-stamped, embossed, or labeled/decaled with the company name, a unique identification number (i.e., serial number for carts), weight limit, and images of the type of materials to be Collected. All Carts shall also contain instructions for proper usage. If any of the above is accomplished via labels or decals, such labels or decals must be maintained and/or replaced as necessary throughout the term to maintain a near new appearance. Decals/labels showing types of materials Collected in each cart must be replaced annually.
- No later than December 31, 2025, Cart and lids must meet all applicable colors and labeling specifications as set forth by CalRecycle (i.e., blue = recycle, black/charcoal = trash, green/brown = yard waste/mixed organics, green w/yellow lid or yellow = food waste or other color standards as determined by CalRecycle prior to the start of this Agreement).

### Bin and Roll-off Box Specifications:

- Bins and Roll-off boxes must be constructed of heavy metal or heavy plastic and must be watertight and well painted.
- Wheels, forklift slots, and other appurtenances, which are designed for movement, loading, or unloading of the container, must be maintained in good repair.

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**Exhibit 4**  
Collection Container Specifications

- Contractor must provide Bins having an approximate volume of 2, 3, 4, 6, and 8 cubic yards.
- Contractor must provide Roll-off boxes having an approximate volume of 10, 20, 30, and 40 cubic yards.
- Bins and Roll-off boxes must have the name and phone number of Contractor on the exterior so as to be visible when the Bins or Roll-off is placed for use.
- Each Bin and Roll-off box must be labeled with a listing of materials that may and may not be placed in a particular Bin or Roll-off box type, and each Bin and Roll-off box must include a conspicuous warning: "Not to be used for the disposal of hazardous, electronic, or universal waste." Bins and Roll-off boxes must be labelled in both English and Spanish.
- Bin lids must be constructed of metal or heavy plastic, so as to minimize the intrusion of rainwater and minimize odors. Locking bins will be provided upon request at the rate set forth in **Exhibit 1**.
- Bins and Roll-off boxes must be capable of being lifted into/onto the Collection Vehicle without damage under normal usage.
- No later than December 31, 2025, Bins and Roll-off boxes must meet all applicable colors and labeling specifications as set forth by CalRecycle (i.e., blue = recycle, black/charcoal = trash, green/brown = yard waste/mixed organics, green w/yellow lid or yellow or brown = food waste or other color standards as determined by CalRecycle prior to the start of this Agreement).

**Exhibit 5**  
List of Approved Subcontractors

The current list of subcontractors is as follows. This list can be revised by mutual consent between City and Contractor.

1. Street Sweeping: Contract Sweeping Services

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## **Exhibit 6**

### **Sustainability and Compliance Plan**

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#### **Public Education and Technical Assistance Overview**

Republic Services acknowledges that the City is committed to diverting recoverable materials from disposal and understands and recognizes the importance of effective public education and promotion as the key to helping residents and businesses understand more about source reduction, reuse, recycling, and composting.

Key to achieving the above goals is Republic Services' diligent efforts to perform education, outreach, monitoring, and reporting for all Single-Family Dwellings (SFDs), Multi-Family Dwellings (MFDs), and Commercial properties as required by AB 939, AB 341, AB 1826, and SB 1383.

Consistent with the requirements described in the Franchise Agreement, this plan outlines the specific steps designed to increase diversion and Service Recipient participation in residential and commercial solid waste, recycling, and organics collection services.

The public education and outreach staff shall, at a minimum, perform the following tasks:

- Work to develop partnerships with and incorporate City program and educational activities into Contractor activities, and vice versa;
  - Prepare proposals and presentations to City entities;
  - Participate and represent Contractor in community activities;
  - Oversee Service Recipient satisfaction of all program services;
  - Coordinate implementation of the annual Diversion and Sustainability Work Plan;
  - Perform annual solid waste, organic waste, and recycling audits for commercial Service Recipients to identify the service needs and perform "Diversion opportunity assessments" of Service Recipient locations and facilities;
  - Manage follow-up Diversion opportunity assessments for businesses to conduct a more comprehensive investigation and educational process after the initial review;
  - Provide all Service Recipients with appropriate educational information necessary to make informed, environmentally forward decisions relative to waste reduction, reuse, and Diversion activities.
  - Maximize the opportunity for initial and sustained program success by seeking to identify a "champion" (ideally a senior manager) at each Commercial and MFD Service Recipient location
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**Exhibit 6**  
**Sustainability and Compliance Plan**

who will serve as primary contact and advocate for Diversion programs within the Service Recipient's organization;

- Develop and implement a “Recycling All-Star” award for recognizing outstanding participation in recycling and/or organic waste programs. Winners will be invited to receive the award in front of City Council.
- Assist in planning service needs for special events and large venues with a focus on reducing the disposal of materials resulting from such events or venues; and,
- Create and distribute reports as required under this Agreement and/or requested by Agency Contract Manager.

**SFD Education Programs**

Republic Services recognizes the importance of aligning outreach plans and goals with the City of Salinas to increase diversion and support the City's diversion goals.

<b>New Program Guide</b>	<b>Distribution/Frequency</b>
<p>Prepare and distribute new program mailing to each single-family residence. Purpose of the mailing is to introduce new programs and highlight any program changes. Mailing to include Residential Services Guide, holiday collection schedule, effective date of the change, and hauler's contact information.</p>	<p>One-time, direct mail, at least 45 days prior to commencement of new service.</p>
<b>Annual Residential Service Guide</b>	<b>Distribution/Frequency</b>
<p>Information specific to residential collection will be distributed to every residence by direct mail or electronically. Guide will include both text and images, definitions of materials to be Collected, proper handling of universal and hazardous wastes, education on recycling and organics services, proper cart set-out, service schedule, additional services offered, etc.</p>	<p>Annually</p>
<b>New Service Recipient Education</b>	<b>Distribution/Frequency</b>
<p>Welcome packets are mailed to each new Service Recipient. Packet includes Residential Services Guide and another new program information.</p>	<p>As needed</p>

<b>Exhibit 6 Sustainability and Compliance Plan</b>	
<b>Quarterly Newsletters.</b>	<b>Distribution/Frequency</b>
Newsletters are direct mailed to each residential Service Recipient on a quarterly basis. City staff and Republic will collaborate on associated articles that will best aid in the education of the audience and each party will contribute relevant articles for inclusion in the Quarterly Newsletters.	Quarterly
<b>Corrective Action Notices.</b>	<b>Distribution/Frequency</b>
Cart tags will be used by drivers, recycling coordinators, and contamination auditors, to notify residents if there is a problem with cart set-out, contamination, notification of inaccessible carts or other issue preventing regular service. The intent of the Corrective Action Notice is to specify the identified issue and required steps to resolution by the Service Recipient in order to provide service education that deters similar service interruptions in the future.	As needed
<b>Visit Homeowner Associations (HOAs)/Neighborhood Groups</b>	<b>Distribution/Frequency</b>
Upon request, the Recycling Coordinator may schedule meetings and/or presentations to HOAs and neighborhood groups to provide recycling-related information.	Upon request
<b>Advertisements and/or Announcements</b>	<b>Distribution/Frequency</b>
Preparation and distribution of advertisements and/or announcements may be provided to local media to advertise upcoming events, and/or to educate the community about diversion initiatives. Mediums of communication include but are not limited to public service announcements (PSAs), newspaper advertisements for local media, or the City's social media page(s).	In accordance with events and/or as needed

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
<b>Educational Posters</b>	<b>Distribution/Frequency</b>
Posters may be made available to display at busy local venues to help educate the public on collection and diversion initiatives.	As needed
<b>Website</b>	<b>Distribution/Frequency</b>
Specific content is available and includes; description of general services provided, answers to FAQs, rates, guidelines for bulky pickup service, service day map, and contact information and hours of operation. The website also links to the City's webpage.	Available 24/7 on web.  Updated quarterly, or as necessary.
<b>MFD Education Programs</b>	
Republic Services will provide assistance to MFD complexes in the form of the following:	
<b>New Program Guide</b>	<b>Distribution/Frequency</b>
Prepare and distribute new program mailing to each multi-family residence. Purpose of mailing is to introduce new program provider and highlight any program changes. Mailing to include MFD Services Guide, holiday collection schedule, effective date of the change, and hauler's contact information.	One-time, direct mail, at least 45 days prior to commencement of new service.
<b>Annual Collection Service Notice</b>	<b>Distribution/Frequency</b>
These will be provided at MFD outreach events, as well as a stock for property managers to have on-hand for new residents upon move-in. The Annual Collection Service Notice is updated every 2 (two) years.	Reprinted as needed and provided to Service Recipient upon move-in.
<b>Biannual Newsletters</b>	<b>Distribution/Frequency</b>
Prepare and distribute newsletters geared toward residents of MFD properties. Distribution of MFD Services Guide may take the place of specialized MFD newsletter upon City approval.	Biannual

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
<b>Annual Site Visits.</b>	<b>Distribution/Frequency</b>
Recycling Coordinator will conduct ongoing monitoring of recycling and organics bins and follow up with Service Recipients to encourage continued participation, as well as educate on any necessary behavior change. Work with property managers to implement new organics collection programs (waste assessment, training, community events, initial monitoring upon program implementation). Provide posters and stickers to clearly label collection containers.	Visit is to occur on ongoing basis and upon request, but each property will receive at least one site visit per year.
<b>Community Events</b>	<b>Distribution/Frequency</b>
<p>Host community events at MFD complexes, HOAs and Tenant Associations to emphasize importance of proper sorting and troubleshooting support for residents and property managers.</p> <p>Proposed activities include providing a short presentation on importance of proper sorting of material and which materials belong in which container(s), host an information table, provide interactive games, and encourage property manager to do a raffle or giveaway to attract participation.</p>	Upon request
<b>Holiday Tree Notification</b>	<b>Distribution/Frequency</b>
Distribute holiday tree collection notification to property managers at least two weeks prior to Christmas to ensure MFD Service Recipients are aware of the availability of collection containers for holiday trees. Goal is to keep holiday trees out of trash bins/landfill.	Annually, at least two weeks prior to Christmas.
<b>Website</b>	<b>Distribution/Frequency</b>
MFD resident and property manager-specific section of Republic’s webpage is available with “how-to” information and links to other resources.	Available 24/7 on Republic’s website.

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
<b>Commercial Education Programs</b>	
Compliance with the state ordinances will be the focus for this program along with maintaining clean recycling loads for existing Service Recipients.	
<b>New Program Guide</b>	<b>Distribution/Frequency</b>
Prepare and distribute new program mailing to commercial Service Recipients. Purpose of mailing is to introduce new programs and highlight any program changes. Mailing to include Commercial Services Guide, holiday collection schedule, effective date of the change, and hauler’s contact information.	One-time, direct mail, at least 45 days prior to commencement of new service.
<b>Annual Commercial Service Guide</b>	<b>Distribution/Frequency</b>
Information specific to commercial collection will be distributed to every Service Recipient by direct mail or electronically. Guide will include both text and images, definitions of materials to be Collected, information on state and local mandates, proper handling of universal and hazardous wastes, education on recycling and organics services, proper set-out, service schedule, additional services offered, etc.	Annually and provided at in-person meetings and upon request.
<b>Quarterly Newsletters</b>	<b>Distribution/Frequency</b>
Newsletters are direct-mailed to each commercial Service Recipient. City staff and Republic will collaborate on associated articles that will best aid in the education of the audience and each party will contribute relevant articles for inclusion in the Quarterly Newsletters.	Quarterly
<b>Corrective Actions Notice</b>	<b>Distribution/Frequency</b>
Corrective Action Notices will be used by drivers, recycling coordinators, and contamination auditors, to notify commercial Service Recipients if there is a problem with contamination, inaccessible bins, or other issue preventing regular service. The intent of the Corrective Action Notice is to specify the identified issue and required steps to resolution by the Service	As needed

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
Recipient in order to provide service education that deters similar service interruptions in the future. Service Recipients that repeatedly contaminate or block access to their respective bins may incur charges associated with the cost of returning to provide additional service(s) and/or result in excess contamination fees.	
<b>Educational Material</b>	<b>Distribution/Frequency</b>
Prepare and distribute educational materials (signage, posters, stickers, etc.) to Service Recipients at the time of any onsite assessment and upon request.	At time of onsite assessment, or upon request.
<b>Service Recipient Training</b>	<b>Distribution/Frequency</b>
Service Recipient training sessions and/or presentations will be offered to all commercial Service Recipients during Recycling Coordinator site visits. Waste audits or characterizations will be offered when the Recycling Coordinator is able to schedule a facility walk-through with commercial Service Recipient in an effort to identify recyclable material generated on-site.	Annually and as needed.
<b>Annual Site Visits</b>	<b>Distribution/Frequency</b>
Recycling Coordinator will conduct ongoing monitoring of recycling and organics bins and follow up with Service Recipients to encourage continued participation, as well as educate on any necessary behavioral change. Offer site assessments to each property at least once annually. Work with property managers to implement new organics collection programs (waste assessment, training, community events, initial monitoring upon program implementation). Provide posters and stickers to clearly label collection containers.	Visit is to occur on ongoing basis and upon request, but each property requesting a site visit will receive at least one site visit per year.

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
<b>Community Presentations</b>	<b>Distribution/Frequency</b>
Reach out to business organizations to promote and explain recycling and organics collection programs and state mandates, as requested.	Upon request
<b>Website</b>	<b>Distribution/Frequency</b>
Provide “how-to” information on Republic’s webpage geared specifically toward commercial Service Recipients with recycling, organics, universal waste, hazardous waste, and additional services provided.	Available 24/7 on Republic’s website..
<b>Procurement of Recyclable Products</b>	<b>Distribution/Frequency</b>
Will encourage waste reduction practices as part of overall Service Recipient education, including procurement practices focused on recycled and recyclable products.	As needed
<b>Special Events/Public Outreach</b>	
Republic Services will provide focused public outreach and education efforts in the form of the following:	
<b>Booths and Tables at Public Event</b>	<b>Distribution/Frequency</b>
Organize and manage a booth or table at City events to promote source reduction, reuse, recycling, composting, proper handling of E-Waste, U-Waste, and hazardous waste, as well as answer questions about other collection services.	During identified Public Event(s), and as needed.
<b>Diversion Training and Planning</b>	<b>Distribution/Frequency</b>
Provide assistance to event organizers when large events are being held in Salinas. In partnership with City staff, assist at walk-throughs prior to event to provide input on waste station placement, types of waste generated at event and proper disposal for material to maximize diversion efforts.	As needed

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
<b>Attend Community Workshops</b>	<b>Distribution/Frequency</b>
Attend community workshops upon request.	As needed
<b>Annual Recycling Awards</b>	<b>Distribution/Frequency</b>
Recognize outstanding participation in recycling and/or organic waste programs by identifying "Recycling All-Stars" for recognition at City Council	Annually
<b>School Education Programs</b>	
Republic Services will provide assistance to school campuses in the form of the following:	
<b>New Program Guide</b>	<b>Distribution/Frequency</b>
Prepare and distribute new program mailing to each school campus. Purpose of mailing is to introduce new program(s) provider and highlight any program changes.	One-time, direct mail, at least 45 days prior to commencement of new service.
<b>Annual School Service Guide</b>	<b>Distribution/Frequency</b>
Information specific to school collection will be distributed to every school by direct mail or electronically. Guide will include both text and images, definitions of materials to be Collected, proper handling of universal and hazardous wastes, education on recycling and organics services, proper cart set-out, service schedule, additional services offered, etc.	Annually
<b>Annual Site Visits</b>	<b>Distribution/Frequency</b>
Recycling Coordinator will conduct ongoing monitoring of recycling and organics bins and follow up with schools to encourage continued participation, as well as educate on any necessary behavioral change(s). Offer site assessments to each school at least once annually. Work with staff to implement new organics collection programs (waste assessment, training, community events, initial monitoring	Visit is to occur on ongoing basis and upon request, but each school will receive at least one site visit per year.

<b>Exhibit 6</b> <b>Sustainability and Compliance Plan</b>	
upon program implementation). Provide posters and stickers to clearly label collection containers.	
<b>Educational Material</b>	<b>Distribution/Frequency</b>
Distribute educational materials (signage, posters, stickers, etc.) to Service Recipients at the time of any assessment and upon request.	Upon request
<b>School Presentations</b>	<b>Distribution/Frequency</b>
Recycling Coordinator will be available to present at one school assembly annually to promote and explain recycling and organics collection programs.	Upon Request, but each school to receive at least 1 (one) presentation per year.
<b>Website</b>	<b>Distribution/Frequency</b>
Provide how-to information on Republic Services webpage geared specifically toward school aged children.	Available 24/7 on website. Updated as needed.
<b>Corrective Actions Notice</b>	<b>Distribution/Frequency</b>
Corrective Action Notices will be used by drivers, recycling coordinators, and contamination auditors, to notify school(s) if there is a problem with contamination, inaccessible bins, or other issue preventing regular service. The intent of the Corrective Action Notice is to specify the identified issue and required steps to resolution by the Service Recipient in order to provide service education that deters similar service interruptions in the future. Service Recipients that repeatedly contaminate or block access to their respective bins may incur charges associated with the cost of returning to provide additional service(s) and/or result in excess contamination fees	As needed

## Exhibit 7 Recyclable Materials

City and Contractor agree to meet from time to time as needed to discuss additions or deletions from the list of Recyclable Materials. At a minimum, this list will be updated annually on or before April 1st each year. Contractor may request removal of Recyclable Materials due to market limitations, which request will be decided by the Agreement Administrator.

1. List of acceptable Recyclable Materials currently being Collected include:
  - Newsprint (including inserts);
  - Mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books);
  - Glass containers;
  - Aluminum beverage containers;
  - Small scrap and cast aluminum ();
  - Steel including "tin" cans and small scrap ();
  - Bimetal containers;
  - Mixed plastics such as empty plastic containers (1, 2 and 5), and empty bottles including containers made of HDPE, LDPE, or PP;
  - White goods (household appliances) (Bulk Program Only);
  - Universal waste (u-waste) (Bulk Program Only); and
  - Electronic waste (e-waste) (Bulk Program Only).
2. List of acceptable Organic Waste:
  - Food Waste;
  - Green Waste;
  - Landscape and pruning waste;
  - Non-hazardous wood waste;
  - Food-soiled paper that is mixed in with food waste (if accepted by Organic Processing Facility);
  - Compostable food containers (if accepted by Organic Processing Facility); and
  - Compostable foodware (if accepted by Organic Processing Facility).
3. List of materials which Contractor should explore means and markets to recycle but which Service Recipient may seek, and pay for, alternative recycling markets:
  - Plastics #6 and #7;
  - Plastic bags, wrap and film;
  - Laboratory ware (plastics, glass etc.);
  - Mirrors;

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**Exhibit 7**  
**Recyclable Materials**

- Porcelain and ceramics;
- Glass and metal cookware/bakeware;
- Hoses, cords, wires;
- Paper less than 4 inches in size in any dimension;
- Aseptic containers;
- Microwaveable trays;
- Window or auto glass;
- Coated cardboard;
- Coat hangers;
- Needles, syringes, IV bags or other medical supplies;
- Textiles, cloth or any fabric; and
- Propane tanks.

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## **Exhibit 8** **Street Sweeping Services**

Contractor shall provide Street Sweeping Services during the Term in accordance with the terms and conditions of this Agreement.

Manner of Service. Contractor shall provide a Complete Sweep of all Curb Miles on all publicly maintained City Streets. Within any Curb Mile, Contractor shall be responsible for sweeping all curbs including Median Islands and the corners from any cross street intersecting the subject street. Contractor shall obey all laws governing the operation of the sweepers on a public street and shall perform its operations so that sweepers are traversing their routes in the normal direction of traffic.

Contractor shall furnish all materials, labor, supervision and equipment necessary to perform all work required for regularly scheduled sweeping of all public streets in the City at the frequency and within the time frames described in **Exhibit 8**. Within 90 days of the Effective Date, Contractor shall adopt a City approved street sweeping schedule that follows the City approved refuse collection schedule, including adjustments for Holidays. Exceptions resulting from equipment breakdowns shall be immediately reported to the City with a catch-up schedule.

Contractor shall also provide an annual 200-hour time bank for unscheduled sweeping and related services or as otherwise assigned by the City upon one (1) Work Day's notice. Contractor shall make reasonable efforts to respond to emergency incidents including vehicle accidents, illicit discharges, and other emergencies within two hours or best effort depending on the severity of the incident.

Maps. Contractor shall provide the Street Sweeping Service route maps to the City Representative upon request, within ninety (90) days from receipt of written notice. The maps shall be provided in a format that can be posted to the City website.

Sweeping Method. Unsweepable items that impede sweeping, such as palm fronds, rocks, trash and debris shall be removed from the sweeping path and properly disposed of by the operator rather than driving around them. Items that impede sweeping and are immovable such as construction debris, boulders and impaired vertical or horizontal clearance by tree limbs shall be reported to the City immediately for correction. Contractor is not responsible for areas missed due to parked cars or other personal property. Sweeper operators shall immediately report to Contractor and the City all Illicit Discharges observed during routes. Contractor shall train all operators to recognize Illicit Discharges and stormwater pollution sources prior to work as street operators and annually thereafter, using City-approved training materials. Such training shall be documented and made available for review by the City.

In areas where drainage is a problem, Contractor shall make as many passes as necessary to

## Exhibit 8 Street Sweeping Services

remove debris from standing water. In addition, all sand, dirt, rocks, gravel, vegetation, and other sweepable debris shall be removed from the street during the sweeping operation. If standing water is over the top of curb, then Contractor shall not be required to sweep that specific area. Sweeper operators shall report all areas with drainage problems to Contractor and City on a monthly basis, or as deemed appropriate by Contractor.

Standards of Service. All areas swept under this Agreement shall be thoroughly cleaned. All debris shall be picked up by the sweeper unit and disposed of at Contractor's expense as outlined in this Exhibit. Sweeping shall include the removal of all sand, gravel, dirt, litter, vegetation, and all other debris that accumulates between sweeps. Curb lines shall be swept along both sides of the roadway, or to the edge of pavement where no curb exists, along all curbs on raised medians, over all portions of painted medians, painted left and right turn pockets, and all intersection cross gutters. Sweeping shall normally require one pass over an area. Contractor shall make additional passes or make such extra effort required to adequately clean the street to the satisfaction of the City. Extra effort shall be required when sweeping equipment leaves a dirt/silt smear in its swept path. The service standards in this Article may be reviewed and modified as conditions warrant to maintain cleanliness by the City or as necessary to comply with any regulatory permits issued to City.

Water. Contractor shall obtain water services from the appropriate water utility or City for the water necessary in the street sweeping operation and use sufficient water to prevent dust arising during sweeping operations. City will provide map of preferred hydrant locations to Contractor to be used whenever feasible. The cost of the water shall be borne by Contractor.

- When possible, Contractor shall use reclaimed or tertiary recycled water.
- Contractor shall not discharge liquid waste from the sweeper units onto City streets or into the storm drain system.
- Washing of sweepers on City property is prohibited. Any and all washing of sweeper units shall be compliant with Section 16.03. Contractor shall implement best management practices when loading water into the street sweepers to prevent any overflow/potable water discharges into the storm drain system.

Sweeper Speed. Contractor shall operate the sweepers at a speed of not more than five (5) miles per hour in residential areas and ten (10) miles per hour in residential and commercial areas when sweeping or when the sweeper brooms are down, unless Contractor can demonstrate that the sweeper can operate efficiently and safely at a higher speed. City will use industry standards, Environmental Protection Agency information, and the sweeper manufacturer's recommendations on the speed of sweepers when considering greater speeds.

## Exhibit 8 Street Sweeping Services

Width of Sweeper Path. Contractor shall sweep all curb miles and all bike lanes with all brooms down, unless parked vehicles, structures, or other objects prohibit the safe sweeping of this path width. The path shall begin at the face of the curb and include the flow line of the gutter. Unless blocked by parked cars, Garbage Carts, Recycling Carts, or Organics Carts the face of the curb and gutter shall always be included within the sweeper path. On those residential streets with no curb, the width of the sweeper path shall be not less than eight (8) feet measured from the edge of the pavement toward the center of the street.

Street Sweeping Frequency.

Residential Streets. Contractor shall provide Street Sweeping Service for each Curb Mile of residential streets in the City once every other week in October through April and once every month May through September on a scheduled route basis. However, in those instances where the scheduled Street Sweeping Service day falls on a Holiday, Contractor shall adjust the route schedule as set forth in Article 3. This specifically includes:

- All public residential streets within the City limits.
- All private residential streets within the City limits, provided that Contractor obtains access from the Home Owners Association on mutually agreeable terms and conditions. Individual Home Owners Associations may negotiate directly with Contractor for more frequent street sweeping at the Home Owners Association's expense.

Commercial Streets. Contractor shall provide Street Sweeping Service for each Curb Mile of commercial streets in the City once per week on a scheduled route basis. However, in those instances where the scheduled Street Sweeping Service day falls on a Holiday, Contractor shall adjust the route schedule as set forth in Article 8. This specifically includes:

- All non-residential streets within Service Area.
- Hill Canyon Treatment Plant and streets areas from Santa Rosa Road to main gate.
- Westlake Blvd. south of the 101 Freeway interchange to the City limits.

Parking Lots. Contractor shall provide Street Sweeping Service for each Curb Mile of designated parking areas shown in this **Exhibit 8** in the City once per week on a scheduled route basis. However, in those instances where the scheduled Street Sweeping Service day falls on a Holiday, Contractor shall adjust the route schedule as set forth in Article 3.

Change in Frequency. The City may direct Contractor to change the frequency of street sweeping for any City street. Contractor shall implement City-directed changes in frequency within fifteen (15)

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## Exhibit 8 Street Sweeping Services

Work Days of receipt of written notice from the City Representative to adjust sweeping frequency. Any changes under this Article shall be treated as City-directed changes under Section 27.01.

### Street Sweeping Hours of Service.

Residential Streets. Contractor shall provide Street Sweeping Service on residential streets commencing no earlier than 6:00 a.m. and terminating no later than 10:00 p.m. Monday-Friday. Street Sweeping Services shall take place five days per week. The hours, days, or both of service may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative. Sweeping in residential areas shall be coordinated with Collection Services to ensure that sweeping occurs after collection of all Carts has been completed on a specific street.

Commercial Streets. Contractor shall provide Street Sweeping Service on commercial streets commencing no earlier than 6:00 a.m. and terminating no later than 10:00 p.m. Monday-Friday. Street Sweeping Service shall take place five days per week. The hours, days, or both of service may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative.

Downtown Area. Street Sweeping in the downtown area or other areas as designated by the City may commence no earlier than 7:00 a.m. and terminate no later than 7:00 p.m. Monday-Friday. The City may restrict Street Sweeping hours in the downtown area or other areas where noise or traffic negatively affects the surrounding neighborhoods.

Other Areas. Designated collector, arterial streets and City facilities may also be swept on Saturdays between the hours of 7:00 a.m. and 7:00 p.m. upon approval of the City.

Street Changes. City and Contractor acknowledge that it may be necessary or desirable to add or delete City streets for which Contractor will provide Street Sweeping Services or to temporarily modify sweeping schedules. City will provide notice of any such changes to Contractor which may be caused by the following:

- Construction or development on or along a street.
- Pavement maintenance activities, including the chip seal program or the slurry seal program.
- Inclement weather when running water renders sweeping ineffective.
- Special sweeping on alternative schedule.
- Other legitimate reasons that make sweeping impractical as determined by the City Representative.

## Exhibit 8 Street Sweeping Services

Street Additions. As new streets are constructed and accepted by City, City may, at City's sole option, designate such streets as part of the Service Area for the purposes of Street Sweeping Services. If the City Representative designates such streets as part of the Service Area, Contractor shall provide Street Sweeping Service on such streets under the terms and conditions of this Agreement within fifteen (15) Work Days of receipt of written notice from the City Representative to begin service. Any changes under this section shall be treated as City-directed changes under Section 27.01.

Street Deletions. City may require some City streets to be temporarily or permanently removed from the list of scheduled streets for which Contractor provides Street Sweeping Service under this Agreement. Contractor shall immediately cease providing Street Sweeping Service to any City Street upon receipt of written notice from the City Representative to stop such service. When a City Street has been temporarily removed from the list of scheduled streets, Contractor shall resume Street Sweeping Service on such street in the next regularly scheduled cycle following the receipt of written notice from the City Representative to resume service.

Revised Maps. Contractor shall revise the Street Sweeping Service route maps to show the addition or deletion of City Streets as provided above and shall provide such revised maps to the City Representative upon request, within ninety (90) days from receipt of written notice. The maps shall be provided in a format that can be posted to the City website.

Parking Restrictions. The City will provide written notice to Contractor of any streets where permit parking may impact scheduled Street Sweeping Service. Contractor may be required to adjust sweeping schedules to sweep prior to the permit parking restrictions. Changes to parking restriction shall be consider a change in scope.

Adverse Weather Conditions. Because of varying rain conditions throughout the City, Contractor may verbally request permission from the City Representative to cancel sweeping during heavy and persistent rainstorms within the Service Area. Contractor may cancel sweeping only with the prior consent of the City Representative.

Hazardous Waste. Contractor shall not be required to remove any Hazardous Waste from the street surface. If, in the course of performing Street Sweeping Services, any suspected Hazardous Waste is encountered, Contractor shall immediately report the location to the City Representative, and any other responsible agency.

Disposal of Sweep Waste. Contractor shall transport and deliver all Sweep Waste to designated Bins or areas at a City facility or the approved transfer station facility. If approved by the Organics Processing Facility, Contractor will collect all Bins containing Sweep Waste and deliver to an Organics Processing Facility in a manner that meets AB 939 or other waste diversion requirements established per CalRecycle. In the event the facility is closed on a Work Day or is otherwise unable

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## Exhibit 8 Street Sweeping Services

to accept the Sweep Waste, Contractor shall transport and deliver the Sweep Waste to such other legally permitted facility approved by the Agreement Administrator. Sweep Waste recycling and processing shall be by agreement between the Contractor and the City and shall not be calculated as part of the annual diversion rate required in Article 5. Notwithstanding the foregoing, Contractor shall not be responsible for the transportation, processing or disposal of Exempt Waste that may be found in city street sweepings, and the City shall retain all such responsibility.

Spillage. During hauling, all Sweep Waste shall be contained, covered and enclosed so that leaking, spilling and blowing of the Sweep Waste is prevented. Contractor shall be responsible for the immediate clean-up of any spillage caused by Contractor.

Equipment oil, hydraulic fluids, or any other liquid or debris resulting from Contractor's operations or equipment must be covered immediately with an absorptive material and removed from the street surface. Contractor must document spillage in the Waste Reporting System and notify City's stormwater compliance coordinator within two (2) hours of any spills resulting from Contractor's operations or equipment. When necessary, Contractor must apply a suitable cleaning agent and cleaning technique to the street surface to provide adequate cleaning as approved by the City's stormwater compliance coordinator to be compliant with the City's stormwater permit.

The above paragraphs notwithstanding, Contractor must clean up any spillage caused by Contractor within two (2) hours upon notice from the City. If City deems necessary, Contractor must engage third-party environmental clean-up specialist to remove any equipment oil, hydraulic fluids, or any other liquid or debris that remains on street after Contractor's own clean-up efforts. If clean-up is not conducted to satisfaction of City, City has right to engage environmental clean-up specialist to perform additional clean-up work at the expense of Contractor.

To facilitate such cleanup, Contractor's vehicles must at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

Street Sweeping Service Routes. Not less than forty-five (45) days prior to commencement of Street Sweeping Services, Contractor shall submit to the City Representative, Service Area maps precisely defining the Sweeper Routes for review and approval by the City Representative. The route maps shall include the days of the month sweeping shall occur, the sweeping schedules in adjacent areas, the areas of the City to be swept, the start and finish of each route, the location of each dumpsite, and any special needs such as early starts, and late finishes.

The City Representative may provide written comments on the preliminary maps to Contractor no later than twenty (20) Work Days after receipt of the maps from Contractor. Contractor shall revise

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## Exhibit 8 Street Sweeping Services

the maps to reflect such comments and return them to the City Representative within twenty (20) Work Days after receipt of the City Representative's comments.

Upon approval by the City Representative of the final Sweeper Route maps, Contractor shall develop and maintain the Sweeping Routes on a computerized mapping system that is compatible with City's mapping system to the extent possible. Street Sweeping maps provided to the City shall be in a format that is suitable for posting to the City website. In addition, the scheduled Street Sweeping day for each Residential and Commercial Service Recipient shall be recorded as part of the Contractor's Service account database provided to the City in the Waste Reporting System.

Service Route Changes. Contractor shall submit to the City Representative, in writing, any proposed route change (including maps thereof) not less than forty-five (45) days prior to the proposed date of implementation. Such changes shall also be reflected in Contractor's printed route maps.

The City Representative may provide written comments to Contractor on such proposed change no later than ten (10) Work Days after receipt of the proposal from Contractor, and Contractor shall revise the routes to reflect such comments and return them to the City Representative within ten (10) Work Days of receipt of such comments.

Contractor shall not implement any route changes without the prior written approval of the City Representative. If the approved route change will change the day on which Street Sweeping Service will occur, Contractor shall notify the affected Service Recipients of route changes not less than thirty (30) Work Days before the proposed date of implementation in a manner approved by the City Representative.

Other City Sweep Service. If during the Term, circumstances exist that require work associated with the Street Sweeping Service program that is not specifically provided for in this Agreement, the City Representative may require Contractor to perform such other associated work ("OAW"). Any changes under this section shall be treated as City-directed changes under Section 27.01 to the extent that the requested services are not included in the 200 hour time bank provided in this **Exhibit 8**.

When Contractor performs OAW, the labor, materials, and equipment used in the performance of such work shall be subject to the prior written approval of the City Representative.

Examples of OAW that Contractor may be required to perform include: performance of special sweeps, flood clean-up, street sanitation for parades and celebrations, City requested clean-up services, and any contingency where sweeper and supporting sweeper equipment could assist in a particular instance.

## **Exhibit 8**

### **Street Sweeping Services**

Street Sweeping Quality of Work. The standards of performance which Contractor is obligated to meet are those good street sweeping practices which leave the service area in a debris and dirt-free condition, and using sufficient water to avoid airborne dust arising from equipment operation.

Street Sweeping Equipment.

General Provisions. All Street Sweeping Service equipment used by Contractor in the performance of services under this Agreement shall be of a high quality and of the vacuum type in conformance with California Air Resource Board (CARB). The collection vehicles shall be designed and operated so as to prevent Collected materials from escaping from the collection vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent Collected materials from leaking, blowing or falling from the collection vehicles.

Clean Air Vehicles. Contractor must use new Street Sweeping vehicles at the start of this Agreement and may not use any Street Sweeping vehicle that is more than ten (10) years old during the term of the Agreement. Collection vehicles must utilize low carbon ("alternative") fuel, which includes renewable diesel, biodiesel, clean diesel, hydrogen, ethanol, methanol, natural gas, renewable natural gas, propane, P-series fuels, and electric. During the Term, to the extent required by law, Contractor shall provide its Street Sweeping vehicles to be in full compliance with all Applicable Laws, including State and Federal clean air requirements that are adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in California Code of Regulations, title 13, sections 2020 et seq., the Federal EPA's Highway Diesel Fuel Sulfur regulations and all other applicable air pollution control laws.

Vehicle Noise Level. All Street Sweeping operations shall be conducted as quietly as possible and must comply with Applicable Laws, including Federal EPA noise emission regulations, currently codified at Code of Federal Regulations, Title 40, Part 205.

Reserve Equipment. Contractor shall have available to it, at all times, reserve collection and Street Sweeping Service equipment that can be put into service and operation within three (3) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by Contractor to perform Contractor's duties under this Agreement.

All equipment shall be maintained in good mechanical condition, including brushes and brooms that shall be replaced at regular intervals. Contractor shall immediately clean any vehicle fluids (hydraulic fluids, lubricating oils, etc.) that leak or spill from equipment into the street or public right of way.

Sweepers shall be fitted with GPS tracking and cameras with all data accessible to City staff. Contractor shall furnish to the City at no additional cost or expense any software and equipment

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## Exhibit 8 Street Sweeping Services

necessary for City to track the location of sweeping vehicles in real time and to generate reports as needed.

Sweeping equipment shall not be stored in the public right of way unless mechanical failure prevents immediate removal. In the event of mechanical failure, all efforts must be made to remove the equipment from the public right of way as soon as possible. The City must approve any overnight storage in public right of way. Contractor may enter into optional Storage Agreement with City to store Sweeper equipment at City facility. In the absence of such Storage Agreement with City, sweeping equipment shall not be stored on City Property.

- All equipment is subject to inspection by the City at any time.
- All sweepers shall have an operational strobe and back-up alarm and shall conform to all City, Monterey County, State and Federal safety requirements.

Staffing. All Street Sweeper operators shall abide by the requirements set forth in Article 31 of this Agreement.

Communication. Contractor shall have direct communication with all sweeping operators in the field utilizing radios or cellular telephones. Each sweeper operator shall have the ability to communicate verbal information immediately to City staff, Police and Fire Department personnel, residents, and to report illicit storm water discharges and hazardous street or drainage conditions to the City. Contractor shall also report missed routes and citizen complaints and resolution to the City on a weekly basis, when applicable.

- Contractor shall supply a 24-hour message telephone number to the City Traffic Engineer so that the City can notify Contractor of traffic counter installations.
- Drivers shall be aware of their locations in order to raise their brooms and avoid destruction of traffic counter cables. Contractor shall use due diligence to avoid traffic counter cables.

Deficiencies and Corrections. The City may also make regular unannounced inspections of Street Sweeping locations if a swept area is deemed to be below acceptable performance standards, the substandard section shall be re-swept within one (1) Work Day of notification. Contractor shall re-sweep at their own expense. The City shall be notified of the completed re-sweep.

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## EXHIBIT 9 Relocation Transition Plan

Per Section 2.03.2, Republic Services will relocate its Operations from 271 Rianda Street to the Madison Lane Transfer Station. The Operation relocation is to be completed by October 1, 2023.

**Task 1 - Identify Existing Conditions and Facility Programming** (30-60 days after contract signing)

- A. Permit Review (In process)
  - 1. Conditional Use Permit
    - Conditional Use Permits are in place. Permits to be updated if required
  - 2. Storm Water Discharge
    - Review SWPPP and update if necessary
  - 3. Industrial Waste Discharge – Sewer
  
- B. Facility Safety Review (In process)
  - 1. Building structural and safety review
    - Conceptual plans (attached). Upon finalization of The Agreement plans to be finalized and submitted to the County for approval
  - 2. Roads, scales, traffic flow, tipping floor
    - Traffic flow for employees, visitors, and customers will be finalized
  - 3. Site security
    - Security to be reviewed and update if necessary
  
- C. Overall Facility Programming and Design Basis
  - 1. Site visit and review of existing and anticipated uses for each area of the facility. Determine design basis for each area.
    - Scale Plaza
      - Determine optimum location for Scale Plaza
    - Transfer Station
      - Determine any improvements needed
    - Administrative office
      - Determine facility improvements needed
    - Collection Truck Parking
      - Determine collection parking needs
    - Transfer Truck Parking
      - Determine transfer truck parking needs
    - Employee Parking
      - Determine employee parking needs

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## EXHIBIT 9

### Relocation Transition Plan

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- Ingress/Egress
  - Determine ingress/egress improvements needed

D. Develop Preliminary Conceptual Design of Facility Improvements based on determinations made in C.1. above (Draft plans attached). Included in the Design are:

1. Facility layout and traffic plans
2. Floor plans
3. Elevations
4. Facility and Office programming
5. Model preparation
6. Engineering assumptions and take-offs

**Task 2 – Detailed Design** (6-7 months after completion of Task 1)

- A. Prepare detailed design for overall Facility improvements based on programming and conceptual design work from Task 1 above

**Task 3 – Permitting** (6-9 months after completion of detailed design)

- A. Building Permits
1. Prepare Building permit application package
  2. Submit Permit application
  3. Building Department review and Processing
  4. Permit approval

**Task 4 – Construction & Relocation Activities** (8-9 months after building permit approval)

- A. Transfer station improvements
- Short term including improved landscaping, fencing, signage, and branding
  - Long term includes evolving technologies such as composting (TBD)
- B. Consolidation of transfer station and hauling division operations
- Locker rooms, storage, paint booth
- C. Coordinate the transition of the maintenance shop
- Moving equipment
  - Set up lube station
  - Install new cranes
- D. Install communication systems to handle Customer Service
- Coordinate with Corporate IT for install
  - Test new equipment prior to the move
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**EXHIBIT 9**  
Relocation Transition Plan

- Re-train personnel on the new equipment
- E. Improve Ingress/Egress and install traffic flow plan
  - Monitor and adjust traffic flow
- F. Install fast track system for hauling and transfer vehicles
  - Remove current landscaping
  - Widen lanes for two-way traffic
  - Install "Fast Pass" system
  - Train personnel on new system
- G. Move operations and administrative personnel to site
  - Set date for final transfer of hauling, maintenance, and administration operations and personnel
- H. Availability of HHW Facility
  - Cancel Lease with Current Tenant
  - Clean and modify (if necessary) exist building
  - Configure facility for possible HHW operations
  - Work with third-party (SWA/County) for HHW operations

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<b>Exhibit 10</b>			
<b>Administrative Charges and Penalties</b>			
<b>Item</b>		<b>Amount if Not Cured in 30 Days</b>	<b>If Cured in 30 Days</b>
a.	Failure to respond to each complaint within three (3) Work Days of receipt of complaint.	\$100 per incident per Service Recipient.	
b.	Failure to maintain call center hours as required by this Agreement after notification by the City.	\$100 per day.	-0-
c.	Failure to submit to City all reports by the deadlines required under the provisions of this Agreement, following five Work Days prior written notice by City to Contractor of the late report.	\$100 per day.	-0-
d.	Failure to include all parts of quarterly and annual reports specified in Sections 20.02 and 20.03 in the submitted report, following five Work Days prior written notice by City to Contractor of the late or missing report.	\$100 per day.	-0-
e.	Failure to submit to City all payments by the deadlines required under the provisions of this Agreement.	1% of the total amount due if fees are 1 – 10 days late; and 3% of the total amount due if fees are more than 10 days late.	-0-
f.	Failure for Collection Containers to be compliant with SB 1383 color or labeling requirements by the dates specified in this Agreement.	\$50.00/each Collection Container not compliant.	-0-
g.	Failure to display Contractor's name and Service Recipient service phone number on collection vehicles.	\$100 per incident per day.	-0-
h.	Failure to collect a missed collection by close of the next Work Day following advance written	\$1,000 per Calendar year, plus	-0-

<b>Exhibit 10</b> <b>Administrative Charges and Penalties</b>			
<b>Item</b>		<b>Amount if Not Cured in 30 Days</b>	<b>If Cured in 30 Days</b>
	notice by City to Contractor, that exceeds twenty (20) in any Calendar Year.	\$10 per incident per day.	
i.	Failure to repair or replace damaged Containers to deliver or exchange Containers within the time required by this Agreement, that exceeds twenty (50) in any Calendar year.	\$1,000 per Calendar year, plus \$10 per incident per day.	
j.	Failure to maintain collection hours as required by this Agreement.	\$100 per day.	-0-
k.	Failure to have Contractor personnel in Contractor-provided uniforms.	\$25 per day per employee.	-0-
l.	Failure of Contractor to follow Recyclable Materials and Organic Waste Contamination procedures as set forth under Section 3.10 and 3.11.	Submit and implement plan of correction to City.	-0-
m.	Failure of Contractor to provide Key Staff or Sustainability/Compliance Representatives as required in Sections 17.0.1, 30.04 and 30.05.	\$5,000 per month per deficient staff	-0-
n.	Upon City written request, failure to meet and discuss with City on City Municipal Code requirements or changes.	\$100 per day	-0-

<b>Exhibit 10</b>			
<b>Administrative Charges and Penalties</b>			
	<b>Item</b>	<b>Amount (Cannot be Cured)</b>	
o.	Failure to clean up spillage or litter on public streets located within City caused by Contractor's collection vehicles within twelve (12) hours after notice by City to Contractor.	Cost of cleanup by City plus \$500 per incident per location.	
p.	Disposal of separately Collected Recyclable Materials or separately Collected Organic Waste in the Disposal Facility without first obtaining the required permission of the City.	\$500 per load.	
q.	Failure to deliver Garbage Collected under this Agreement to the Disposal Facility, except as otherwise expressly provided in this Agreement.	\$5,000 each failure.	
r.	Failure to achieve the Franchised Diversion Rate or the CalRecycle Diversion Rate as required in Section 5.03.	\$5,000 and submit Correction Action Plan of Action as specified in Section 5.0.3.	
s.	Failure to submit a Corrective Action Plan as required in Section 5.01.3	The current disposal cost for each ton under the diversion requirements, up to a maximum of \$100,000/year.	
t.	Overweight Collection Vehicles, as set forth by Section 12.01.4	\$500 per day per load after City has considered Contractor's reason for excessive overweight vehicles.	
	<b>Item</b>	<b>Amount if Not Cured in 90 Days</b>	<b>If Cured in 89 Days</b>
u.	Failure to replace Containers as required in Sections 7.06.1.1, 8.01.5.1, and 15.01.10.	Agreement Default.	\$100 per day per container.
v.	Failure replace collection vehicles as required in Section 15.01.3.	Agreement Default.	\$500 per day per vehicle.
w.	Failure to conduct outreach, education and outreach in accordance with Agreement and approved Sustainability Plan	Agreement Default.	\$100 per day.
x.	Material failure to comply with State of California or Federal regulatory requirements governing solid waste collection services.	Agreement Default.	\$250 per day.
y.	Failure to submit a corrective action plan as set forth in Section 5.01.2	Agreement Default.	\$300 per day.

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**Exhibit 11**  
**Operations Plan**

**Operations Overview**

Successful collection operations begin with a skillful Operations Manager who knows the business as well as your community. Your Republic Services of Salinas Operations Manager is responsible for the day-to-day collection operations, including development and evaluation of routing (in conjunction with the General Manager), training and oversight of drivers, and implementation and enforcement of safety procedures.

To ensure our Operations Managers are not overloaded, we provide enough Operations Supervisors to assist in the day-to-day collection operations. On average, we maintain a 15:1 ratio of routes to Supervisors, which means that items needing attention are dealt with immediately and that the Supervisor knows your community intimately. Currently, there are two Operations Supervisors in the Salinas Division. In addition, our Supervisors are out on the routes regularly. At least twice per week, they conduct ride-a-longs with drivers on their routes. This creates great opportunities for driver mentoring, ensures quality control on the route, and keeps the Supervisor directly aware and familiar with the nuances of the route and the community. Few, if any other companies in the industry, dedicate their operations staff to success in this manner.

**Operations Training**

Our Operations Supervisor training programs are second to none. Every Supervisor, upon starting employment at Republic Services, attends a rigorous two-week boot camp training course. Regardless of prior industry experience, this boot camp level sets all our Supervisors on The Republic Services Way of running operations and builds a strong peer network with those who attend the training together. After the initial training boot camp, Supervisors engage in regular refresher and new training opportunities, between two and four times per year. This yields an operations Supervisory team that shares best practices and constantly look for ways to improve on the level of service in your community.

**Routing Optimization**

Establishing the most optimized routes for a community has dramatic effects on the quality of service, safety and efficiency of the collection operation through shorter routes, safety in the neighborhoods, and ultimately the wear and tear on the streets in Salinas.

We conduct a proven route optimization process, which involves a tight collaboration between the local team and our corporate route optimization team. Through several iterations, these teams collaborate, sharing local knowledge and details, while running our optimization processes to yield the best routes possible for your community. An example of this process, we evaluate planned routes to ensure that

## **Exhibit 11**

### **Operations Plan**

trucks are not conducting collection on streets during times that are known for congestion or traffic. As we introduce our state-of-the-art RISE Portal, Republic Services of Salinas will have the latest technology available to assist our local Operations Team with ultimate routing optimization.

#### **Communication with the Community**

In addition to the regular collaboration between the routing teams, our Operations Team can communicate with the residents and commercial customers easily using several forms of technology. Our Republic Services web and smartphone-based app enables customers to see their accounts, make service requests, or raise issues for resolution. This app also enables our operations team to offer alerts or emails to customers regarding changes in service for holidays or inclement weather. We also employ a technology known as Call-Em-All, which is a phone-based capability for distributing operations updates when needed to customers on effected routes.

#### **Vehicle Delivery Guarantees**

Republic Services will service the City of Salinas with new collection vehicles on or before July 1, 2023. Currently the Salinas fleet is comprised of Compressed Natural Gas (CNG) collection vehicles supplement with diesel backups. With the move of the operations to Madison Lane Transfer Station, the fleet will transition to Clean Diesel Vehicles. Eventually, Republic Services plans on replacing all fleet vehicle with the next generation of Electric Vehicles (EV) when the technology allows. The fleet will remain no older than 10 years.

#### **The RISE Platform**

Over the past few months, Republic Services has begun to roll out a new route software management system, RISE platform.

The RISE platform was built for Republic Service employees by Republic Service employees. The RISE platform consists of three components:

- RISE Portal
- RISE Map
- RISE Tablet

The heart of the platform is the RISE Portal and the RISE Map, the portal and map feature an intuitive structure that allows users to easily assign routes, view maps, and quickly identify assets and facilities.

The RISE Map will quickly allow new or substitute drivers to visually understand the assigned work through the visual representation of the proximity between customers and disposal sites. This benefit will

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## **Exhibit 11** **Operations Plan**

help eliminate unproductive time and total miles traveled, limiting impacts on the City roads and emissions.

The last piece of the RISE platform is the RISE tablet. Republic Services will roll out RISE tablets to our industrial drivers starting in 2020 and to our commercial drivers in 2021/2022. The RISE tablets will provide our drivers with an electronic route sheet with turn by turn directions to ensure the most efficient route. The navigation software will use real time traffic condition to avoid delays and will incorporate safety mechanism that records the height, weight, and length of the truck to ensure overpass and bridges can support our vehicles.

### **Connect**

While Republic Services rolls out the RISE platform, we will continue to use our Connect system, a highly stable and reliable method for managing our fleet operations. We have completed extensive testing of alternative devices, and have selected the Sonim XP5 rugged handheld device, running the Connect application. The Sonim XP5 offers the ruggedization and environmental specifications that our industry operations demand, yielding handsets that we can rely on.

We issue all drivers a rugged handheld device equipped with the Connect application each day as they check in for their route. The operations dispatch team then utilizes the Connect desktop application to monitor and communicate with the drivers out on routes throughout the day.

### **GPS Tracking**

Through use of the Connect application or our RISE platform, our driver and truck locations are reported at regular time and distance intervals, providing our operations team with the situational awareness of our fleet during the day.

In addition, we utilize Geo-fencing capabilities, to set geographic boundaries, which trigger alerts and awareness when vehicles cross a defined geo-fence border. This information can assist operations team members with monitoring whether drivers are on pace for completion of their route on time, or if additional support may be required due to unforeseen circumstances.

### **Dispatch to Driver Communications**

The Connect devices also enable two-way communications between the dispatch team and the drivers, in a safe manner. Text messages or voice recorded messages can be sent between the dispatcher and each driver, which can be read or retrieved when the vehicle is stopped at a customer pickup location. Additionally, drivers can capture and attach photographic images for specific accounts, to document issues, obstructions, or other useful information that can then be shared with the City or the customer.

## **Exhibit 11**

### **Operations Plan**

Captured field observations are then attached to our customer account records in the InfoPro database for visibility into historical trends.

#### **Reporting**

Daily routes, vehicle location histories, and captured images are all available through the Connect dashboards, to offer increased visibility on the collection operation. We utilize this information internally to assess and optimize our operations, as well as to communicate summary reporting to the City the Franchise Quarterly and Annual Reports.

#### **Minimizing Environmental Impact**

Our state-of-the-art RISE route management system will allow Republic Services of Salinas to conduct collections in a highly efficient manner, this will translate to fewer miles driven on the City of Salinas streets and fewer emissions.

#### **Collection – Residential**

##### **Residential Collection Vehicles**

Republic Services will service all residential customers using automated side loader (ASL) for residential cart customers. Republic Services uses this vehicle for numerous reasons, including:

- An easy-to-operate joystick gives operator precise control;
- Allows for precision control while giving the operator a smoother lift and reducing cab shake;
- The Rapid Rail arm has virtually zero kick-out, allowing for operation in the tight spots;
- Allows the operator to shake stubborn refuse out of the container at a desired number of can shakes with a simple press of a button, eliminating spillage by allowing the can to stay in the large five-cubic yard hopper, greatly reducing litter;
- ASLs can compact waste at idle speeds or even while on the move; and
- Use of this equipment in other cities in Northern California will enable the sharing of common parts and factory-trained technicians within the network.

Each collection vehicle is operated by a single driver and will be painted in a uniform manner, featuring our logo and company contact information.

##### **Large Item Collection Vehicles**

Republic Services will use a grapple truck for collection of large items which are placed curbside. Additional, Republic Services will have trucks and trailers for City clean-up and other special collection

**Exhibit 11**  
**Operations Plan**

events. Each collection vehicle is operated by a single driver and will be painted in a uniform manner, featuring our logo and company contact information.

**Residential Container**

Republic Services enjoys a partnership with a vast network of national suppliers who accommodate our collection container needs with accuracy, efficiency, durability and use of recycled material. We will utilize wheeled carts manufactured by SSI Schaefer System International, Inc. (SSI) that are specially designed to accommodate the fully automated collection system.

While the performance of a fully automated wheeled cart can be measured in numerous ways, we gauge cart viability by a set of principal criteria:

- Durability
- Functionality
- Appearance
- Ease of customer use

Republic Services expects a cart placed into service should remain serviceable for its intended life of 15 years, barring any extraordinary misuse or mistreatment.

The carts have a one-piece mold-in handle for easier customer handling and an attached lid that seals the cart interior. The carts also contain approximately 30 percent post-consumer materials and have a manufacturers' warranty of 10 years. An adequate inventory of replacement units will be available.

Beginning in 2024, Republic Services propose to use SB 1383 compliant cart colors:

MSW: gray container with gray lids

Recyclables: blue container with blue lids

Organics: green containers with green lids

Each cart will have an in-mold label regarding proper materials, use and unacceptable materials and will meet the requirements of SB 1383.

At no charge, Republic Services of Salinas will offer each residential customer one cart replacement per commodity type every ten years. If Republic Services of Salinas damages the cart, we will replace the cart at no cost and will not count toward the customer's one free exchange. All carts will be serviced on the customer's next collection day if the customer notifies Republic Services of Salinas 48 hours before their collection day.

## **Exhibit 11**

### **Operations Plan**

#### **Residential MSW Route Operations**

Residents will be offered the option of choosing a 20-, 32-, 64- or 96-gallon cart. If a customer needs more than one collection container, we will provide an additional container for a fee to accommodate the customer's needs.

The ASL container collection methodology is fast and efficient and requires approximately 8 to 12 seconds to complete the cycle (pick up container, deposit contents, place container back onto the curbside) before the driver moves to the next stop.

#### **Contamination Monitoring**

The ability to manage contamination in the recycling and organic stream is critical due to the introduction of SB 1383 and the challenges facing the recycling market. For any contamination program, it is essential that we do not allow contaminated material to be mixed with clean material and that material is collected in a timely and efficient manner, not to cause a nuisance.

Republic Services of Salinas will employ a contamination auditor whose primary responsibility will be to audit residential accounts to ensure proper placement of material. This will be a new newly created position implemented with the completion of the new agreement. In addition, an additional Recycling Coordinator will be added giving Republic Services of Salinas two full time people in the position.

Once contamination is identified in a container, the contamination auditor will place a Contamination Violation Notice on the contaminated container. The notice will provide the resident instructions on the proper procedures for sorting recyclable material or organic waste. In addition, the notice will inform the resident that any subsequent incidents of excess contamination may lead to a contamination fee.

The route auditor will document all cases of contamination with a photograph that may be provided to the customer upon request. Additionally, the route auditor will keep detailed records of all contamination audits to provide to the City to assist with SB 1383 compliance. Through the Recycling Coordinators, the auditor will be working with the staff of the Salinas Valley Solid Waste Authority to coordinate auditing, education, and reporting activities.

#### **Holiday Tree Collection**

Beginning December 26<sup>th</sup>, Republic Services will collect holiday trees set out at the curb for three weeks. The collection of holiday trees will occur on the same day as the organic cart collection.

#### **Holiday Schedules**

Republic Services will not operate on the following dates:

- New Year's Day

**Exhibit 11**  
**Operations Plan**

- Fourth of July
- Thanksgiving Day
- Christmas Day

Collection will be provided one day later during holiday weeks, with Friday customers being serviced on Saturday. The Republic Services local office will be closed on Federal Holidays.

**Large Item Collection**

Once per year, Republic Services of Salinas will provide residents with on-call large collection services. Residents will be allowed to place the equivalent of up to two cubic yards of Solid Waste, or two large items, or ten 32-gallon bags.

Prior to the start of each calendar year, Republic Services of Salinas provide each residential customer a Customer Service Guide that will clearly explain the program and will provide guidelines for the large item collection program. The Customer Service Guide will instruct residents on proper set out that includes separating Freon containing material, brown goods, etc. from the bulky item pile. In addition, the guide will instruct residents not to block driveways or sidewalks.

On the day of the large item collection service, Republic Services of Salinas will first pass through the neighborhood using a grapple truck collecting all reusable, Freon containing material, and brown goods. These materials will be delivered to the appropriate facility.

**Used Motor Oil and Used Motor Oil Filter Recycling Collection**

On regular recycling days, our drivers will pick up used motor oil and used filters that are placed in approved sealed containers. Specific directions for proper containment will be provided to all single-family customers.

At the curbside point of collection, our drivers will exit the vehicle, pick up the used oil containers and bagged used oil filter and deposit them into a special holding container on the body of the vehicle for emptying and recycling. Drivers will leave a used oil recovery kit on the curbside, next to collection carts, after servicing.

**Collections – Commercial**

**Commercial Collection Vehicles**

Republic Services of Salinas will provide MSW and recyclable bin service to commercial (and multi-family) customers with Heil body sitting on a new model and manufacturer year 2011 or later. Our current

**Exhibit 11**  
**Operations Plan**

fleet will be utilized until it reaches 10 years old. At that time the vehicles will be replaced with new trucks  
Using:

- Supplier is a company that has proven to be among the strongest, safest, and lowest maintenance trucks in the industry
- Use of this equipment in other cities in Northern California will enable the sharing of common parts and factory-trained technicians within the network
- Single, easy-to-use joystick that maximizes ergonomics by requiring minimal effort to operate and increase productivity

Our first-hand local knowledge shows that this truck's size and attributes will "fit" every neighborhood we service, including hard-to-service accounts

Each collection vehicle is operated by a single driver and will be painted in a uniform manner, featuring our logo and company contact information.

**Commercial Food Waste Collection Vehicles**

Republic Services of Salinas will collect commercial organics using a rear-load truck equipped with a cart and bin tipper. The rear-loader truck will allow Republic Services of Salinas to provide both cart and bin collection options to our commercial organic customers. Republic Services of Salinas will service commercial organics using new, model and manufacturer year 2011 vehicles or newer, with an anticipated useful life of ten (10) years.

**Commercial Container**

Republic Services of Salinas uses small containers constructed of durable steel bodies and two plastic lids. Containers range in size from 2 – 8 yards. 2-4 yard containers can be placed on casters for easy maneuverability, if necessary. For customers which require cart service, Republic Services of Salinas will supply 32 - 64- and 96-gallon containers constructed of a strong plastic resin are useful for small offices and businesses. Containers are designed to last up to ten years, with easily interchangeable wheels and lids.

**Commercial MSW Route Operations**

Republic Services of Salinas offers solid waste, recycling, and organic services with a variety of container sizes and service frequencies to meet every business' needs, from weekly to up to six days per week collections in the following container sizes: 32 - 64- and 96-gallon cart; 2 to 8 yards bins; 2, 3, and 4 cubic yard bin compactors, and 10, 20, 30, and 40 yard drop boxes; and 10, 20, 30, and 40 cubic yard drop box compactor receiver boxes. Customer will be responsible to provide and install appropriate compactor equipment.

**Exhibit 11**  
**Operations Plan**

Our commitment to you is simple, we will:

- Complete every collection as scheduled
- Return the container to its dedicated location
- Clean loose litter or debris
- Ensure that enclosures are properly secured

**Commercial Recycling Route Operations**

Republic Services of Salinas offers single-stream recycling, in which the customer deposits recommended empty, clean, and dry recyclable materials in the one recycling container. Republic Services of Salinas offers all commercial customers recycling service at a service level that meets their needs at no additional charge.

**Commercial Organic Route Operations**

Collection of mixed organic material will include food waste and green waste. Republic Services of Salinas will offer organics collection based on customer needs Customers can select 32-, 64-gallon carts, 1-2 cubic yard bins, or 10-40 cubic yard compactor receiver boxes. Currently, there is .6 of a route (three days a week) for the collection of commercial organics. That will be increased to two full time routes dedicated to the collection of Commercial Organics.

**Flexible, Tailored Solutions**

Our dedicated team is available to consult with businesses of any size to conduct a comprehensive on-site waste assessment to determine the needed services, collection frequencies, and container sizes. During the assessment, we will identify container locations and access paths that allow for safe, convenient service.

Right-sizing service levels can increase waste diversion, improve collection productivity, and lead to reduced costs for customers.

**Holidays & Schedule Disruptions**

Republic Services of Salinas will take all necessary steps to notify customers prior to all holidays and unforeseen schedule disruptions via our Republic Services app and the Call-Em-All automated calling system.

**Contamination Monitoring**

Our drivers, Supervisors, and Recycling Coordinators will lead Republic Services of Salinas effort in limiting commercial contamination. While drivers and the Supervisors will continually monitor

**Exhibit 11**  
**Operations Plan**

contamination, our Recycling Coordinators and Auditor will conduct an onsite waste assessment once a year, at a minimum.

Once contamination is identified in a particular container, our employee will record contamination with a picture and notify dispatch. Dispatch will then notify customer service or our recycling coordinator to directly reach out to the customer and provide guidance on properly separating material. Multiple occurrences of contamination in a twelve-month period may lead to a contamination fee.

The Recycling Coordinators will document all site visits and waste assessment using Recyclist, a web-based customer management system. Additional information on Recyclist is located in the Public Education and Outreach section. Recyclist will assist in providing the City with the required information to comply with SB 1383 and other CalRecycle mandates. This includes coordinating efforts with the Salinas Valley Solid Waste Authority for maximum effectiveness.

**Container Sharing**

In some circumstances, for customers with significant space limitations and upon approval by the City, Republic Services of Salinas will permit commercial customers to share waste service with other nearby commercial customers. Shared service shall be performed as if it were being provided to a single Customer and will be billed as such. Customers are responsible for making billing arrangements among themselves.

**Collection – Multi Family**

**Multi Family Collection Vehicles**

Multi-family customers will be serviced by collection vehicles according to the type of container used and material type. Republic Services of Salinas will service multi-family MSW and recyclable cart customers with an automated side loader (ASL) as previously described in the residential collection vehicles. Multi-family customers subscribing to MSW and recyclable bin service will be serviced by a front-end loader (FEL), as described in the commercial collection vehicles sections.

**Multi Family Container**

Republic Services of Salinas will offer multi-family customers both cart and bin services. A description of container specification can be found for carts and bins in the Residential Collection and Commercial Collection sections, respectively.

**Multi Family MSW Route Operations**

Republic Services of Salinas will provide a combination of programs and services for multi-family customers, ranging from cart service, similar to residential customers, to containerized service similar to

**Exhibit 11**  
**Operations Plan**

commercial customers. Once defined and properly sized, multi-family customers are integrated into residential or commercial routes to provide the efficiency and reliability desired.

In all cases, Republic Services of Salinas will identify the correct equipment to service multi-family complexes based on individual location and unique characteristics. If the complex requests containerized service, Republic Services of Salinas can provide 2-8 yard capacity solid waste containers or 10, 20, 30 or 40 yard capacity open-top containers or industrial compactor receiver boxes. Customer will be responsible to provide and install appropriate compactor equipment.

MSW collection issues such as narrow streets, traffic blockages and alleyways, may require the use of an ASL, a rear-load vehicle, or alternative service options. In all cases, the servicing drivers are familiar with these areas and are trained to ensure the personal safety, property protection, and awareness of traffic stops, distance to parked cars and other objects.

**Multi Family Recycling Route Operations**

Republic Services of Salinas will offer single-stream recycling services as part of its core services for all multi-family customers. Container options include 32 - 64- 96-gallon capacity, or we offer containers ranging in size from 2 - 8 cubic yard containers.

The same equipment and methodology used in single-family cart collection will be implemented when servicing multi-family recycling cart customers. Multi-family recycling front-load containers will be serviced using the same methodology as multi-family trash front-load containers and will be integrated into commercial routes.

As with single-family customer, multi-family customers will be able to commingle all accepted recyclable material into the appropriate recycle cart(s) or containers(s). These recycle containers will be collected at a minimum of once per week depending on service level.

**Multi Family Organic Route Operations**

Republic Services of Salinas will offer organic material collection as part of its core services for all multi-family customers. Republic Services of Salinas will collect organic material at least once per week and provide cart and container options that include 32 - or 64-gallon carts and bins ranging in size from 1 to 2 cubic yards.

**Holiday Tree Collection**

Prior to the start of the new franchise agreement, Republic Services' staff will notify MFD property manager/owner of collection method for Christmas tree collection.

**Large Item Collection**

## **Exhibit 11**

### **Operations Plan**

Prior to the start of the new franchise agreement, Republic Services' of Salinas staff will notify multi-family property manager/owner about our Large Item Collection program details.

#### **Contamination Monitoring**

Republic Services of Salinas multi-family contamination monitoring will follow the same methodology as our commercial contamination monitoring.

#### **Collections – Industrial Roll-Off**

##### **Roll-Off Collection Vehicles**

Republic Services of Salinas proposes to provide roll-off customers with Heil body sitting on a new model and manufacturer year 2011 or later, Peterbilt chassis. These vehicles are incredibly durable, and each can service all open-top containers sizes while maintaining maneuverability in tight locations and varying terrain. Vehicles anticipated useful life is ten (10) years.

Each collection vehicle is operated by a single driver and will be painted in a uniform manner, featuring our logo and company contact information.

##### **Roll-Off Containers**

Open-top containers are built to last with heavy gauge steel floors, sides and pockets along with fully welded in-seams and are designed for compatibility with our fleet. A rust-inhibiting primer inside and out improves durability. Containers meet all applicable ANSI safety standards.

The containers vary in size from 10 to 40 cubic yards. The average life span of these containers is typically 10 or more years.

##### **Roll-Off Route Operations**

Republic Services of Salinas offers roll-off collection, hauling, and disposal services to more than 70,000 customers in the United States, often for the principal employers in an area, such as:

- Construction industry
- Manufacturers
- Public institutions
- Hospitals
- Roll-off service is unique because every day requires a different route for each of our trucks.

**Exhibit 11**  
**Operations Plan**

- We ensure that all routes are optimized daily for efficiency and service with continual investment in the best employees, best practices, best equipment, and the best technologies.
- We provide a large inventory of open-top containers ranging in size from 10 to 40 cubic yards, and scheduling options, from on-call to multiple times daily, to meet the needs of every customer throughout the year. Republic Services of Salinas is able to scale up services during peak times to accommodate large temporary projects or seasonal industries like construction.

**Roll-Off Recycling and Organic Services**

Republic Services of Salinas excels at helping customers meet their sustainability by sharing best management practices for on-site commodity separation. Implementation of a successful separation program will both increase commodity values and decrease landfill bound volumes.

**Litter Collection Services**

Republic Services of Salinas will implement a dedicated full-time route for the collection of illegally dumped litter on public access areas of the City. The program will coordinate with City staff address all on going areas of concerns as well as responding to reported issues. Republic Services of the Salinas will document date, time, location, and volume of material collected. A daily total of tons collected will also be maintained. This data will be reported to the City in the Quarterly Report.

**Street Sweeping Services**

Republic Services of Salinas will assume the responsibility of providing Street Sweeping Services to the City. The program will consist of services provided at the time of the finalization of the Agreement. Republic Services will use approved third party sub-contractor for the services. Sub-contractor shall use existing City provided routes and schedules. Changes to the routes, schedules, and service may be made by mutual approval.

**Account Accessibility**

Customers can easily access their account 24/7 with the Republic Services app or website. Customers can schedule a pickup, pay invoices, and even sign up for new services while on the go.

**Holidays & Schedule Disruptions**

Republic Services will take all necessary steps to notify customers prior to all holidays and unforeseen schedule disruptions via our Republic Services app and the Call-Em-All automated calling system.

**Facilities**

**Hauling Company**

## Exhibit 11 Operations Plan

By July 1, 2023, Contractor agrees to close its current maintenance, vehicle and container storage, and business office at 271 Rianda and relocate to the Madison Lane Transfer Station located 1120 Madison Lane. The Contractor may request an eighteen-month extension of the Contractor's 271 Rianda Street facility closure and relocation to Madison Lane Transfer Station. The City will not unreasonably withhold the extension provided the Contractor can show a good-faith effort in developing the infrastructure required at Madison Lane Transfer Station.

### Local Customer Service Office

Republic Services of Salinas will continue to provide local customer service at 271 Rianda Street until relocation to 1120 Madison Lane. Customers will have the option to speak to a customer services representative in person to address any issues or answer any questions. This customer service representatives will also be available to assist customers over the phone or through email.

### Safety

Republic Services has an industry leading safety program that has been 40% better than the industry average for the past nine years, based on OSHA data. In addition, we have been recipients of 75% of industry Driver of the Year awards for the large truck category since 2009.

Republic Services maintains strict compliance with all applicable OSHA and Federal, State, and Local safety requirements while performing all work-related functions. We recognize that a safe workforce is not simply a discussion with a new hire, but a dedicated plan to review, educate, and verify employee practices throughout their career.

Republic Services has the lowest occurrence of incidents and crashes in the industry due to our company-wide emphasis on safety, extensive employee training and ongoing educational development programs. Republic Services requires all operations personnel to participate in extensive classroom training and testing, as well as, on-road auditing and policy reinforcement.

Republic Services offers full-spectrum safety initiatives and award-winning safety training programs to all employees. We are an industry leader in safety and we are very proud of our safety track record.

### Think. Choose. Live.®

Every day, drivers face a multitude of challenges and are required to make decisions that can greatly impact their safety, as well as the safety of those in the communities we serve. Our best-in-class driver training program focuses on continual improvement of all our 15,000 drivers.

Our Think. Choose. Live.® philosophy helps navigate these situations by encouraging employees to *Think* about their actions, *Choose* the safest approach and *Live* to go home to their families at the end of each day.

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**Exhibit 11**  
**Operations Plan**

**ReSOP Program**

The Republic Services Observation Program (ReSOP) is paramount to decreasing safety incidents. Supervisors are required to conduct a minimum of two in-person employee observations per week.

The purpose is to improve safety, customer experience and productivity.

**Safety Meetings & Training**

Republic Services provides weekly, monthly and annual safety training for all our employees.

Safety topics are developed based on subject matter required under OSHA regulation. Republic Services prepares well-developed tailgate sessions, provides translators to engage all employees and encourages open discussion and participation.

Meeting topics may include:

- Injury and illness prevention/safety rules
- Back injury prevention
- Emergency response/fire safety
- Exposure control plan
- Drug and alcohol program
- Personal protective equipment
- Employee right-to-know
- Hearing conservation safety
- Lock out and tag out safety
- Slips, trips, and falls
- Confined space entry

**Hazardous Waste Management Protocols**

In addition to the above topics, all employees are trained on hazardous waste, including e-waste and u-waste proper handling and management protocols.

**Safety Recognition Program**

## **Exhibit 11**

### **Operations Plan**

The Republic Services Dedicated to Safety and Dedicated to Excellence programs are designed to identify, recognize and reward safety-sensitive employees who are dedicated to safety and excellence in their workplace.

Employee safety and excellence is measured on six criteria including having no preventable crashes or injuries, no unscheduled lost time and no safety warning letters. Each employee who qualifies is recognized monthly, quarterly and annually.

#### **Quality Control**

To ensure extreme reliability and a consistently high level of customer service, Republic Services has a quality control program called Driver Service Management (DSM).

DSM includes an extensive driver-lead reporting process, accompanied by regular auditing, that is focused on safeguarding against procedural failures. DSM standards guarantee that all driver issues will be addressed and completely resolved by Supervisors or management within seven days of discovery.

Other key benefits of this program include:

- Increased driver communication and accountability with Republic Services management
- Improved documentation and resolution of driver issues
- Improved customer service
- Improved on-route safety

The program is monitored and conducted by a Driver Service Coordinator responsible for:

- Conducting pre- and post-route briefings with drivers
- Entering and monitoring DSM issues
- Running and distributing reports

Drivers must observe and record issues while performing collection duties, and report findings to the Driver Service Coordinator during the pre- and post-route briefings daily.

The objective of the pre-route briefing is to ensure all drivers have the necessary tools to run their routes safely, competently, and accurately each day. The Driver Service Coordinator reviews the following topics during the briefing:

- Confirms the driver is wearing the proper uniform and gear: clean uniform and personal protective equipment (PPE)
- Confirms the driver has the necessary route paperwork: sequenced route sheets and special/extra paperwork
- Confirms the driver has completed the pre-trip vehicle inspection report

**Exhibit 11**  
**Operations Plan**

- Ensures route completion by end of day

During collection activities, drivers are instructed to make notes on their route sheets throughout the day. The objective of the post-route briefing is to collect all valuable route information from each driver. Driver Service Coordinators must complete the post-route briefing section of the Driver Check-In form and drivers must sign the form before clocking out each day.

Finally, Driver Service Coordinators must submit any findings to the appropriate department that same day. For example, customer service will receive issues such as billing concerns and questions; operations will receive issues such as poorly sequenced routes; sales will receive items such as commercial overage issues; safety will receive information pertaining to safety items such as low hanging wires or dangerous container locations; and maintenance will be forwarded issues such as container repair and replacement needs.

Should an item remain open for longer than seven days, it is forwarded to the General Manager to bring matters to an immediate resolution.

To track items, the following reports are produced:

- Driver Service Issues Cover Sheets are printed automatically each day for any route that has associated issues and is distributed to drivers along with their daily route sheets
- Open Issue Reports are run daily by department managers and includes the day's new issues
- Aged Open Issue Reports are run by the Driver Service Coordinator, as needed, and is intended to bring awareness to the General Manager of challenging issues that need to be resolved
- Closed Issue Reports are posted weekly in the driver break room to increase driver awareness

**Together for Safer Roads**

As the operator of the 7th largest vocational fleet in the country, with an industry leading safety record, we have a direct effect on roadway safety each day. While our strong safety performance is significant in the communities we serve, we aspire for more.

Today, we are proud to be the only recycling and waste services provider associated with Together for Safer Roads. This innovative coalition brings together global private-sector companies across industries to collaborate on improving road safety and reducing deaths and injuries caused by road traffic crashes.

The Coalition's mission to provide guidelines and processes to keep employees, partners and contractors safe on the road closely aligns with our continuous work in fostering an environment that provides ongoing road safety education.

## **Focus 6**

Our Focus 6 program provides employees with tips and techniques to reduce the frequency of our six most common types of serious incidents. This industry-leading program involves in-class training and practical skills course exercises that have helped to reduce crashes and injuries.

### **Personal Protective Equipment**

Republic Services is committed to providing the safest collection and disposal processes possible. We recognize that effective management of worker safety and health protection is a decisive factor in reducing the extent, severity, and cost of work-related injuries and illnesses.

Eye, face, head, hand and high visibility PPE is required to be worn when applicable.

### **Alcohol and Drug Testing**

Alcohol and drug testing are performed per the State Department of Transportation's testing procedures under the following circumstances:

- Pre-employment
- Post-accident
- Random
- Reasonable Suspicion
- Return-to-Work

### **Customer Service**

Customers have the ability to reach us 24/7 via our website, [www.RepublicServices.com](http://www.RepublicServices.com), or the Republic Service app.

Our self-service options are designed to improve overall response time, enabling resolution to simple customer inquiries and needs anytime, anywhere with the least amount of customer inconvenience as possible. Through our website and Republic Service app customers can:

We provide an exceptional customer experience when your residents or businesses contact us for assistance

- Powerful, integrated technology, enabling you to talk to a real person
- 1M customers expertly served each month via text, email, or phone
- Web-based applications for 24/7 access
- Well-trained staff
- Net Promoter Score has improved year-over-year for 5 consecutive years
- Pay their bill
- Schedule an extra pick up

**Exhibit 11**  
**Operations Plan**

- Discover new services
- Receive weather and holiday service update
- Sign up for auto-pay and paperless billing
- Submit inquiries or complaints

Our Net Promoter Score, or NPS, measures our customers' willingness to recommend a company's products and services. Republic Services' NPS has improved year-over-year for the fifth consecutive year, which means our customers are seeing a difference in our product and service offerings.

Local Customer Service Office

**Customer Service Plan**

Republic Services of Salinas will maintain a telephone system in operation from 8:00 a.m. to 5:00 p.m. Monday through Friday and shall have sufficient equipment and staff available to handle the volume of calls experienced on the busiest of days. After-hours answering machine to receive service-related messages from customers. Customer Service/Dispatch personnel will field all messages for immediate follow-up the next business day.

Customer calls are tracked by InfoPro, Republic Services' fully integrated customer service and operations database. InfoPro uses customer service coding designated for specific issues. For example, if the city requests Return for Service calls, a report can be generated through InfoPro with all return service codes detail number of calls and customer account notes.

After processing a work order for a missed pick-up, late set-out, spill or litter resulting from collection, the CSR will notify dispatch with specific information regarding the work order. This information, also communicated to the route Supervisor, is maintained as an open work order until the route Supervisor and/or driver radios back to the CSR or dispatch that the task has been completed.

Protocol for Service Recipient billing, billing changes, and billing disputes.

There is a dedicated email in-box for Republic Services of Salinas to receive service changes, billing changes or billing disputes. The in-box will be overseen by a staff member from our accounting department. Billing changes and disputes will be processed within 24 hours.

We will be using the Cisco phone system that is currently being utilized across the company. Customers will have the option of using Republic Services website or Republic Services mobile app to contact customer service and find educational literature on all services.

**Exhibit 11**  
**Operations Plan**

Republic Service of Salinas is continuing to improve our customer experience and is currently in the process upgrading the City of Salinas dedicated website.

Republic Services of Salinas staffing levels ensure that a live person will answer each call within five rings. Republic Services of Salinas retains highly skilled and experienced personnel and is competitive with its compensation policies. Customers may obtain customer service support by coming directly to the customer service counter at the office or by calling the custom service number. During office hours a representative is available to receive customers and the public. Customers will have the option of using Republic Services website to contact customer service and find educational literature on all services.

<b>Exhibit 12</b>		
<b>Container and Collection Vehicle Replacement Schedule</b>		
<b>Description</b>	<b>Number of Units</b>	<b>Replacement Year</b>
<b>Residential Carts</b>		
MSW (20/32/65/95)	28,081	2025
Yard Waste (20/32/65/95)	27,150	2025
Recycling (20/32/65/95)	26,223	2025
<b>Commercial Containers</b>		
Containers	1,221	Spread throughout the first 5 years. (2021-2025)
Carts	3,510	Spread throughout the first 4 years. (2021-2025)
<b>Roll-Off Containers</b>		
Containers	120	Spread throughout the first 5 years. (2021-2025)

**Exhibit 13**  
**Approved Facilities**

The City has approved the following Disposal Facilities, Organic Waste Processing Facilities, Material Recycling Facilities, and Transfer Station to manage the specified services and otherwise assist the Contractor in the performance of the requirements of the Agreement. The Maximum Services Rates in Exhibit 1 assume all material is delivered to the approved facility. Any City directed changes to any other non-approved facility will be considered a City-directed change in accordance with Section 27.01.

Approved Facility	Facility Name	Services
Approved	Johnson Canyon Landfill	Disposal Facility
Approved	Johnson Canyon Landfill	Organic Waste Processing Facility
Approved	MRWMD Material Recovery Facility.	Material Recycling Facilities
Approved	Newby Island Resource Recovery Park	Material Recycling Facilities
Approved	Madison Lane Transfer Station	Transfer Station