

**AMENDED AND RESTATED
SOLID WASTE FRANCHISE AGREEMENT
BETWEEN
THE CITY OF RIDGECREST
AND
WASTE MANAGEMENT OF CALIFORNIA, INC.**

JUNE 22, 2022

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SOLID WASTE FRANCHISE AGREEMENT

This Solid Waste Franchise Agreement (the "Agreement") is entered into on the 6th day of July, 2022 by and between the City of Ridgecrest (hereinafter, the "City"), and Waste Management of California, Inc., a California corporation, a Waste Management company (hereinafter, the "Contractor") (together, the "Parties").

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939") and subsequent modifications thereto, established a Solid Waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and Recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Solid Waste handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the City may determine aspects of Solid Waste handling that are of local concern including, but not limited to, frequency of Collection, means of Collection and Transportation, level of services, charges and fees, and nature, location, and extent of providing Solid Waste handling services, and whether the services are to be provided by means of partially exclusive or wholly exclusive Agreements, contracts, licenses, permits, or otherwise; and

WHEREAS, the City is obligated to protect the public health and safety of the residents of the City and arrangements by waste haulers for the Collection of Solid Waste should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the City has entered into a compliance plan with CalRecycle in order to come into full compliance with AB 939, AB 341, AB 1826, and SB 1383 and the Parties understand that the implementation of, and continued compliance with, that plan will become the primary responsibility of the Contractor; and

WHEREAS, the City and the Contractor are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling, and Disposal of Solid Waste, including AB 939 and the Resource Conservation and Recovery Act 42 U.S.C. 9601 et seq.; and

WHEREAS, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of state-wide Organic Waste Disposal reduction targets; and,

WHEREAS, SB 1383 requires the City to implement Collection programs, meet Processing Facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the City has chosen to delegate some of its responsibilities to the Contractor, acting as the City's designee, through this Agreement; and,

WHEREAS, the City Council determines and finds that the public interest, health, safety and well being would be served if the Contractor performs these services for Residential and Commercial Customers; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the City Council is empowered to enter into agreements with any Person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, the City Council has negotiated with Contractor and has authorized the execution of this Amended and Restated Agreement on July 6, 2022; and

WHEREAS, neither the City nor Contractor could anticipate all of the possible needs, considerations, or eventualities that may arise during the Term of this Agreement and the Parties agree that they will work together in a spirit of mutual cooperation to resolve any such issues as and when they arise;

NOW THEREFORE, in consideration of the respective and mutual covenants and promises herein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: GRANT AND ACCEPTANCE OF FRANCHISE

Section 1.1: Grant and Limitations of Exclusive Franchise

By the signing of this Agreement, the City grants to Contractor and Contractor accepts an exclusive franchise within the corporate limits of the City. Subject to the limitations described in the Municipal Code, the franchise granted to Contractor shall be the exclusive right to Collect, Transport, handle, Process, Recycle, and Dispose of all Discarded Materials generated by Residential Premises and Non-Residential Premises in the City, as more particularly set out in the scope of services described in Article 4 of this Agreement and subject to the limitations described below in Section 1.1.A and except where otherwise precluded by Federal, State, and local laws and regulations.

- A. **Limitations to Exclusivity.** The award of this Agreement shall not preclude the categories of Solid Waste and Recyclable Materials listed below from being delivered to, and Collected and Transported by, others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the City, which is otherwise required by law:
1. **Recyclable Materials.** Other Persons shall maintain the right to accept donated Recyclable Materials and to pay the service recipient for Recyclable Materials so long as there is no net payment made by the service recipient to such other Person;
 2. **Self-Hauled Materials.** A Commercial business Owner or Resident may Dispose of Solid Waste and Recyclable Materials generated in or on their own Premises using their own vehicles and equipment, and, with respect to a Commercial business, its own employees;
 3. **Donated Materials.** Any items that are donated by the Generator to youth, civic, or charitable organizations;
 4. **Beverage Containers.** Containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. of the California Public Resources Code;
 5. **Materials Removed by Customer's Contractor as Incidental Part of Services.** Solid Waste and/or Recyclable Materials removed from a Premises by a contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service), using its own employees, vehicles, and equipment as an incidental part of the service being performed and such contractor is providing a service that is not included in the scope of this Agreement;
 6. **Animal, Grease Waste, and Used Cooking Oil.** Animal waste and remains from slaughterhouse or butcher shops, grease, or used cooking oil;
 7. **Sewage Treatment By-Product.** By-products of sewage treatment, including sludge, sludge ash, grit, and screenings;
 8. **Excluded Waste.** Excluded Waste regardless of its source;
 9. **Materials Generated by State, County, and Federal Facilities.** Materials generated by State, County, and Federal facilities located in the City;

10. **Edible Food Recovery.** Contractor shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of Edible Food Recovery efforts in the City;
11. **Animal Feed.** The hauling of byproducts from the Processing of food or beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) Processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and, if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7); and,
12. **Compost.** Organic Material that is Composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

Contractor acknowledges and agrees that the City may permit other Persons besides the Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as set forth above, without seeking or obtaining approval of Contractor. If Contractor can produce evidence that other Persons are servicing Collection Containers or are Collecting and Transporting Solid Waste, Recyclable Materials, and/or Organic Materials (collectively "Franchised Materials") in a manner that is not consistent with this Agreement or the City's Municipal Code, it shall report the location, the name, and phone number of the Person or company to the City Contract Manager along with Contractor's evidence. In such case, the City may notify the Generator and Person providing service of Contractor's rights under this Agreement.

This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law, now and during the Term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the City to lawfully contract for the scope of services in the manner and consistent with all provisions as specifically set forth herein, Contractor agrees that the scope of the Agreement will be limited to those services and materials that may be lawfully included herein and that the City shall not be responsible for any lost profits or losses claimed by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future judicial interpretations or new laws, and the Contractor may meet and confer with City and may petition for a Rate adjustment resulting from a Change in Law pursuant to Section 11.3.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.1: Representations and Warranties

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

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

hereunder. Contractor has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

- H. **Ability to Perform.** Contractor possesses the business, professional, and technical expertise to manage, Collect, Transport, and Dispose of the Solid Waste and to manage, Collect, Transport, and Process Recyclable Materials and Compostable Materials; and Contractor possesses the equipment, facility, and employee resources required to perform this Agreement.
- I. **Voluntary Use of Designated Disposal Facility.** The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Approved Disposal Location for the purposes of Disposing of all Solid Waste Collected in the City. Such decision by Contractor in no way constitutes a restraint of trade notwithstanding any Change in Law regarding flow control limitations or any definition thereof.

ARTICLE 3: TERM OF AGREEMENT

Section 3.1: Term of Agreement

The Term of this Agreement is from the Agreement Date of July 6, 2022, through December 31, 2031, unless earlier terminated pursuant to Section 3.3 hereof. The Agreement may be extended in accordance with this Section or terminated pursuant to Article 13.

Section 3.2: City's Option to Extend

This Agreement may be extended without amendment for a period of no less than one (1) year and no more than five (5) additional years, upon mutual agreement of the Parties. If the City desires to extend the Agreement, the City shall provide Contractor with written notice of its desire to extend the Agreement at least one hundred eighty (180) days before the expiration of the Term. Such notice by the City shall specify the desired duration of the extension.

Section 3.3: Termination for Failure to Implement Services

The Contractor has agreed herein, through either its own labor, equipment, and facilities or facilities provided by others, to implement various programs in order to expand the types of services provided to the City. Failure to implement the services described in this Agreement, upon the commencement of this Agreement for any reason, shall constitute an Event of Default in accordance with Section 13.1 hereof.

ARTICLE 4: SCOPE OF SERVICES

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

Section 4.1: Single-Family Services

Contractor shall provide the services described in this Section to any Residential Customer within the City who subscribes with Contractor for such service.

- A. **Solid Waste Collection.** Contractor shall Collect Solid Waste in Contractor-provided Carts from Single-Family Customers and Transport all Solid Waste to the Designated Disposal Facility for Disposal.

Containers:	Carts
Container Sizes:	95-gallons (or similar size); 65-gallons (or similar size); and 35-gallons (or similar size)
Service Frequency:	Up to one (1) time per week but not less than one (1) time every other week
Service Location:	Curbside
Acceptable Materials:	Solid Waste
Prohibited Materials:	Recyclable Materials, Organic Materials, Excluded Waste
Additional Service:	Contractor shall provide additional Solid Waste Carts to Single-Family Customers upon request and may charge the "Additional Solid Waste Cart" Rate approved by the City.

- B. **Recyclable Materials Collection.** Contractor shall Collect Recyclable Materials in Contractor-provided Containers from Single-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing.

Containers:	Carts
Container Sizes:	95-gallons (or similar size)
Service Frequency:	Up to one (1) time per week but not less than one (1) time every other week on the same day as Solid Waste Collection
Service Location:	Curbside
Acceptable Materials:	Recyclable Materials
Prohibited Materials:	Solid Waste, Organic Materials, Excluded Waste
Additional Service:	Contractor shall provide one (1) additional Recyclable Materials Cart to Single-Family Customers upon request at no additional charge and may charge the "Additional Recycling Cart" Rate approved by the City for any Carts requested by a Single-Family Customer which exceeds two (2).

During the first two (2) Collection days of each year for each Single-Family Customer, Contractor shall Collect up to an additional five (5) bags of Recyclable Materials set out curbside at no additional cost to the Customer to accommodate additional Recyclable Materials generated during the holidays.

- C. **Organic Materials Collection.** Contractor shall Collect Organic Materials in Contractor-provided Containers from all Single-Family Customers and Transport all Organic Materials to the Approved Organic Materials Processing Facility for Processing, at no additional cost to Customer.

Containers:	Cart
Container Sizes:	35-gallon (default size); 64-gallon (or similar sizes)
Service Frequency:	At least one (1) time per week.
Service Location:	Curbside
Acceptable Materials:	Organic Materials
Prohibited Materials:	Solid Waste, Recyclable Materials, Excluded Waste
Additional Service:	Contractor shall provide one (1) additional Organic Waste Cart to Single-Family Customers upon request at no additional charge and may charge the "Additional Organic Materials Cart" Rate approved by the City for any Carts requested by a Residential Customer that exceeds two (2).

During the first two (2) Collection days of each year for each Single-Family Customer, Contractor shall Collect up to an additional five (5) bags of Organic Materials set out curbside at no additional cost to the Customer to accommodate additional Organic Waste generated during the holidays.

Section 4.2: Commercial and Multi-Family Services

Contractor shall provide the services described in this Section to all Commercial and Multi-Family Customers who subscribe with Contractor for such service.

- A. **Solid Waste Collection.** Contractor shall Collect Solid Waste in Contractor-provided Containers not less than one (1) time per week from Commercial or Multi-Family Customers and Transport all Solid Waste to the Designated Disposal Facility for Disposal.

Containers:	Carts, Bins, Drop Boxes, Compactors
Container Sizes:	95-gallon Carts (or similar size); 1.5-, 3-, 4-, and 6- cubic yard Bins; and, Drop Boxes or Compactors (as requested by Customer)
Service Frequency:	Up to five (5) times per week but not less than one (1) time every other week, as requested by Customer
Service Location:	Curbside; or other Customer-selected service location at the Premises (push/pull charges may apply if Container is not immediately accessible by the Collection Vehicle).
Acceptable Materials:	Solid Waste

Prohibited Materials: Recyclable Materials, Organic Materials, Excluded Waste

Additional Service: Upon Customer request, and to accommodate periodic additional service needs, Contractor shall provide Collection Service at a greater frequency than the Customer's regularly scheduled service, up to the maximum service frequency and Contractor may charge the appropriate Rate for the higher service frequency.

Contractor shall provide a Bin exchange to any Commercial or Multi-Family Customer for cleaning and maintenance one (1) time each year, upon Customer request.

Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers.

B. Recyclable Materials Collection. Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1) time every other week and, when appropriate based on the volume of Recyclable Materials generated, up to one (1) time per week from Commercial and Multi-Family Customers; and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing.

Containers: Carts, Bins, Drop Boxes, Compactors

Container Sizes: 95-gallon Carts (or similar size);
1.5-, 3-, 4-, and 6- cubic yard Bins; and,
Drop Boxes or Compactors (as requested by Customer)

Service Frequency: Up to one (1) time per week but not less than one (1) time every other week, as requested by Customer

Service Location: Curbside or other Customer-selected service location at the Premises (push/pull charges may apply if Container is not immediately accessible by the Collection Vehicle).

Acceptable Materials: Recyclable Materials

Prohibited Materials: Solid Waste, Organic Materials, Excluded Waste

Additional Service: Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection Service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level.

Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, lock and unlock Containers.

Contractor shall provide Recyclable Materials Collection to Commercial and Multi-Family Customers.

C. Organic Materials Collection. Contractor shall Collect Organic Materials in Contractor-provided Containers and Transport all Organic Materials to the Approved Organic Materials Processing Facility for Processing, at no additional cost to Customer.

Containers:	Carts
Container Sizes:	64-gallon (default size); 35-gallon (or similar sizes)
Service Frequency:	One (1) time per week.
Service Location:	Curbside or other Customer-selected service location at the Premises (push/pull charges may apply if Container is not immediately accessible by the Collection Vehicle).
Acceptable Materials:	Organic Materials
Prohibited Materials:	Solid Waste, Recyclable Materials, Excluded Waste
Additional Service:	Upon Customer request and to accommodate additional service needs, Contractor shall provide additional Carts or Collection Service at a greater frequency than the Customer's regularly scheduled service, and Contractor may charge the appropriate Rate for the higher Service Level.
Other Requirements:	Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, lock and unlock Containers. Contractor shall provide Organic Materials Collection service to all Commercial and Multi-Family Customers.

Section 4.3: Collection Service Operating Requirements

- A. **Regular Hours of Service.** The Contractor shall schedule no Collections from any Premises on any day earlier than 6:00 a.m. or later than 6:00 p.m. provided, however, that the City may, at its sole discretion, change the Collection time as required by the needs of the Customers or the Contractor.
- B. **Emergency Service.** Collections of Solid Waste necessitated by an emergency that the City Contract Manager determines threatens the public health and safety within the City will be made by the Contractor at the direction of the City Contract Manager. Such Emergency Services may be required outside of the regular Collection hours and schedule. If the City requests the Contractor to provide Emergency Services, the Contractor will use the Contractor's good faith best efforts to respond to such a request. The City shall reimburse the Contractor for all documented and reasonable costs incurred in order to comply with the provisions of this Section.
- C. **Noise Levels.** The Contractor shall perform the Collection Services in a manner that minimizes the noise resulting from its equipment and personnel and shall ensure that it is in compliance with Applicable Law and the City's Municipal Code.
- D. **Holidays.** Collection of Solid Waste and Recyclable Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, except in case of emergency or as otherwise required by the City Contract Manager. Whenever a regular Collection falls on such a holiday, the Collection shall be made on the following working day, and Collections throughout the City shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers no more than thirty (30) days prior to such alternative service day. Collection shall not be rescheduled when the holiday falls on a Saturday or Sunday, unless otherwise agreed to by the City and the Contractor.

- E. **Preservation of Public Health and Safety.** The Contractor shall at all times operate in such a manner as to protect the public health and safety. The Contractor agrees to establish procedures and educate its employees as to such procedures regarding proper methods for the protection of the general public including, but not limited to, arranging for the proper and legal Disposal of Discarded Materials encountered during its performance under this Agreement.

Section 4.4: Other Services

- A. **Bulky Waste Collection.** Contractor shall offer Bulky Waste Collection Services to Single-Family Residential Customers on an on-call basis up to three (3) times per year (as requested by Customer) within five (5) Business Days after the Customer-requested service date at no additional charge to Customers. Contractor shall offer additional Service Levels and frequencies to Customers upon request for an additional charge. Contractor shall make reasonable efforts to schedule on-call Bulky Waste Collections on a day that is convenient to the Customer.

Contractor shall Collect Bulky Waste from Customers and Transport the Bulky Waste to the Designated Disposal Facility.

- Containers:** Not applicable
- Service Level:** Up to three (3) cubic yards of Solid Waste, Recyclable Materials, and E-Waste OR up to one (1) Appliance or Bulky Waste Item for Single-Family
- Service Frequency:** Up to three (3) times per year (as requested by Customer)
- Service Location:** Curbside
- Acceptable Materials:** Solid Waste, Recyclable Materials, Bulky Waste, E-Waste, and U-Waste
- Prohibited Materials:** Excluded Waste or any single item that exceeds two hundred (200) lbs. in weight
- Additional Service:** Contractor shall Collect additional items that exceed the above-described Service Level and may charge the “Extra Bulky Waste Collection” Rate approved by the City (as requested by Customer).

Other Requirements: The Contractor shall provide the service to the Customer within five (5) Business Days of the Customer’s requested service date, as mutually agreed upon by the Customer and Contractor.

Multi-Family Residential Customers may utilize the Bulky Waste Collection Service as stated in this section. In the event that more than one hundred seventy-four (174) Multi-Family Bulky Waste pickups are scheduled annually, Contractor and City Contract Manager will meet and confer to discuss a change in scope as described in Section 4.8, and should there be a change in scope, Contractor shall be entitled to additional compensation under Section 4.3 as a change in scope.

Contractor shall Transport any Collected Green Waste that is source-separated from other acceptable Bulky Waste to the Approved Organic Materials Processing Facility.

- B. **City Facilities and Events.** Contractor shall Collect Discarded Materials from City facilities in the same manner as those services are provided to Commercial Customers. Contractor shall provide Collection Service to all City facilities identified in Exhibit G as well as any future facilities owned and operated by the City.

Contractor shall provide Discarded Materials services to City-sponsored public events held within the City to include, at a minimum, Carts and Roll-off Bins for the Collection of Solid Waste, Recyclable Materials, and Organic Materials, and staffing sufficient to ensure that such Carts are serviced frequently enough to prevent overflowing or spillage. Contractor shall provide these services at no cost to the City or Customers. Contractor shall submit a report on events as described in Exhibit D.

In addition to the services described above, the Contractor shall provide City Hall with technical assistance. This shall involve an assessment of its current Recycling and Organic Waste Service Levels. The Contractor shall supply City Hall with an adequate number of Recyclable Material and Organic Material Containers, educational materials, conduct a kick-off meeting, and provide training of custodial staff.

- C. **Holiday Trees.** The Contractor shall Collect all holiday trees properly placed curbside by Residential Premises on the first two (2) regularly scheduled Collection days after December 25, or such other days as agreed by the City Contract Manager and the Contractor, free of any additional charge to any Customer. Contractor will Transport all Collected holiday trees to an Approved Organic Materials Processing Facility.

- D. **Illegal Dumping.** Contractor shall, at all times, take reasonable measures to keep the roads and streets in the City free from litter from the operations of its Operating Assets. In addition, within the City, the Contractor shall, without charge to the City or Customers:

1. Cleanup all non-hazardous Bulky Waste from public areas, public roadways, or alleys when observed by Contractor's personnel, or within one (1) Business Day of request by City; and,
2. Provide up to two (2) Roll-off Bins and Collection Service for each cleanup event, either by City-provided labor crews or City-coordinated volunteers, as requested by City.

Contractor shall work with the County to deliver such illegally dumped waste at the Designated Disposal Facility at no additional charge to the City or Contractor. In the event that the Designated Disposal Facility is required to charge for the receipt of such materials, the City and Contractor shall meet and confer regarding the cost of Disposal of material related to this program and Contractor shall be relieved of its requirement to Dispose of this material until arrangements can be made for payment of such charges.

- E. **Public Education and Outreach.** The public education and outreach activities included in the scope of services provided by Contractor under this Agreement are described in Exhibit C5. Contractor shall produce and distribute public education and outreach materials upon City request and contribute any remaining funds in Contractor's annual public education budget to the City to support the Contractor's approved public education and outreach efforts.

1. **Program Objectives.** The Contractor shall be responsible for designing and conducting a public education and outreach program, and the Contractor shall be responsible for the production and distribution of all materials under this program in accordance with this Agreement. The Contractor's public education and outreach strategy shall focus on improving Generator understanding of the benefits of and opportunities for source reduction, reuse, and landfill Disposal reduction and supporting compliance with Applicable Laws and

regulations including, but not limited to, AB 341, AB 1826, and SB 1383. Examples of goals of the Contractor-provided public education and outreach program include, but are not limited to: (i) informing Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, reuse, Recycling, and Composting; (ii) instructing Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection, with specific focus on minimizing contamination of Recyclable Materials and Organic Materials; (iii) clearly defining Excluded Waste and educating Generators about the hazards of such materials and their opportunities for proper handling; (iv) discouraging Generators from buying products if the product and its packaging are not readily reusable, Recyclable, or Compostable; (v) informing Generators subject to Food Recovery requirements under SB 1383 of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encouraging the use of Compost and recovered Organic Waste products; and, (vii) encouraging Generators to purchase products/packaging made with Recycled content materials. The cumulative intended effect of these efforts is to reduce generation of Solid Waste and, ultimately, Disposal of Solid Waste by each Generator in the City, and Contractor agrees to support and not undermine or interfere with such efforts.

2. **Contractor Public Education Requirements.** Contractor agrees to print, produce, and distribute education materials and conduct outreach, as required by the City, based on the Contractor's approved program.

Contractor acknowledges that they are part of a multi-Party effort to operate and educate the public about the regional integrated waste management system. Contractor shall cooperate and coordinate with the City Contract Manager on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Contractor shall obtain approval from the City Contract Manager on all Contractor-provided advertising, promotional, or service-related materials used within the City before publication, distribution, and/or release. The City Contract Manager, in their sole discretion, shall have the right to deny the use of any materials or content or may request that Contractor include City identification and contact information on materials and Contractor's approval of such requests shall not be unreasonably withheld.

- F. **WM Lamp Tracker Recycling for City Facilities.** Contractor shall provide all City facilities with a fluorescent lighting Recycling program using a mail-back program through United Parcel Service, or some other Contractor-selected parcel service that approves the shipment of such material. Service shall be provided in various sizes and Container types to accommodate various sizes of lighting. Container types and sizes shall include: four (4) foot, six (6) foot, and eight (8) foot straight tubes, compact fluorescent bulbs, high intensity discharge (metal halide or sodium), ultraviolet lighting, and "U-bent" lighting. Contractor shall offer this service to the City at a not to exceed annual dollar value of two thousand dollars (\$2,000.00), which shall be adjusted annually by the same percentage as Rates that are charged to Customers.
- G. **Sharps Collection Program.** Contractor shall provide any Residential Customer with a sharps home delivery program, upon request. Contractor shall deliver an approved Container to the requesting Residential Customer's home within one (1) week of request. Delivery of the Container shall also include Recycling awareness materials. To ensure maximum Customer convenience, the Collection of sharps Containers will be administered through a one and four tenths (1.4) quart, postage paid,

Container approved by the United States Postal Service (or other parcel service) for shipment of such material. Customers using the mail-based service will receive one (1) sharps Container/ mailing kit per calendar year at no charge. Additional sharps Containers/ mailing kits will be available for a fee. Outreach efforts shall include advertising on City-specific website, bill inserts, and Contractor's community education and outreach activities.

- H. **Senior Sharps Event.** To keep sharps, lancets, needles, and other medications out of the waste stream, Contractor shall host an annual "Sharps Round-Up" to be held at a local senior center in order that residents will be able to drop off used sharps and learn about the sharps program at no extra charge. The schedule for each drop-off event shall focus on convenience to senior citizens, shall allow drop-off for a minimum of four (4) hours per event, and shall be approved by the City Contract Manager.
- I. **Community Drop Off Battery Recycling Program.** Contractor shall provide the City with postage-paid one and one quarter (1.25) and three and one half (3.5) gallon buckets for alkaline-nickel batteries (Alkaline, Carbon-Zinc, NiCad, NiMH, Silver Oxide, and Mercury) and postage-paid five (5) gallon buckets for lead-acid batteries, upon request by the City. Buckets shall be provided for up to four (4) select drop off locations, which will be designated by the City Contract Manager and may include, but shall not be limited to, such locations as the library, City Hall, or senior center. Residents may drop off their batteries at no charge. City shall be responsible for mailing the full buckets to the Recycling facility and Contractor shall, within five (5) Business Days, supply a replacement container. Contractor shall offer this service to the City at a not to exceed annual dollar value of two thousand dollars (\$2,000), which shall be adjusted annually by the same percentage as the Rates that are charged to Customers.
- J. **Multi-Family Recycling Toolkit.** Contractor shall distribute Multi-Family Recycling program public education and outreach materials for both building managers and residents. Materials shall be bilingual, full color, and graphically based. Materials shall include, at a minimum: i) a "personal Recycling container" for each Multiple-Family Dwelling that requests one; ii) a single personal Food Scraps Kitchen pail as described in paragraph L below; iii) an introductory letter about the new Recycling program; iv) a guide for the property manager with information on how to manage a Multi-Family Recycling program; v) door hangers; vi) Recycling Container labels; and, vii) workshops at community outreach events. Contractor shall contact each individual property manager during the first six (6) months of this Agreement to introduce the program, provide the Multi-Family Recycling toolkit, and determine the best Recycling program for each Customer.
- K. **Kitchen Pails.** Prior to the commencement of Organic Materials Collection service, Contractor shall provide each Single-Family and Multi-Family Customer a single kitchen pail designed to contain Food Scraps prior to placement in the Customer's Organic Materials. Contractor will be responsible for distribution of kitchen pails to Single-Family and Multi-Family Customers.
- L. **Mini Recycling and Drop off Facility.** Contractor shall host a Recyclable Materials drop-off facility at the Contractor's corporate yard, or other location agreed-upon by the Contractor and City Contract Manager, at no additional charge to the City. The Contractor shall provide Recyclable Materials Bins at the drop-off facility in a number and size adequate to prevent overflowing of material deposited therein. The drop-off facility shall accept all of the Recyclable Materials accepted in the Commercial Recyclable Materials program. Contractor shall also provide a Bin for Organic Materials at the drop-off facility. Contractor shall work with the City Contract Manager and the County to ensure that Organic Material Collected from the drop-off facility is Diverted to the extent practical.

- M. **Disaster Preparedness and Emergency Services Planning.** In the event of an emergency, disaster, or service interruption of any kind, the Contractor shall utilize its disaster plan and shall use reasonable efforts to provide the City with adequate Emergency Services including, but not limited to, Drop Boxes of appropriate size and number, as requested by the City. The Contractor shall additionally follow its disaster plan to be as prepared as possible in order to minimize down time and expedite reestablishing service to Customers. A copy of this plan shall be available to the City Contract Manager upon request.
- N. **Waivers.** The City may grant waivers described in this Section to Commercial or Multi-Family Generators that impact the scope of Contractor's provision of service for those Customers; provided, the Generator shall continue to subscribe with Contractor for franchised Collection Services to the extent such services are not waived by the City. Waivers issued shall be subject to compliance with SB 1383 requirements, pursuant to 14 CCR Section 18984.11, and/or other requirements specified by the City.
1. **De Minimis Waivers.** The City may waive a Multi-Family's, Commercial Business', or its Property Owner's obligation to comply with some or all of the Recyclable Materials and Organic Materials requirements set forth in this Agreement, SB 1383 Regulations, and Section 13-28 of the City Code if the Multi-Family, Commercial Business, or its Property Owner provides documentation, or the City has evidence demonstrating, one of the following de minimis conditions:
 - (a) The Multi-Family's or Commercial Business' total Solid Waste Collection Service is two (2) cubic yards or more per week, and Organic Materials subject to Collection comprises less than twenty (20) gallons per week, per applicable Container, of the Multi-Family's or Commercial Business' total waste; or,
 - (b) The Multi-Family's or Commercial Business' total Solid Waste Collection Service is less than two (2) cubic yards per week, and Organic Materials subject to Collection comprises less than ten (10) gallons per week, per applicable Container, of the Multi-Family's or Commercial Business' total waste.
 2. **Space Constraint.** The City may waive a Multi-Family's, Commercial Business', or its Property Owner's obligation to comply with some or all of the Source Separated Recyclable Materials or Organic Materials Collection Service requirements set forth in this Agreement, SB 1383 Regulations, and City Code Section 13-28 if the Multi-Family, Commercial Business, or its Property Owner provides documentation, or the City has evidence from its staff or the Contractor demonstrating that the Premises lacks adequate space for all necessary Containers.
 3. **Collection Frequency.** The City may allow the Contractor to provide Collection of Recyclable Materials every fourteen (14) days, rather than once per week, for Customers that have been granted a Collection frequency waiver by the City.
 4. **Waiver Requests.** Generators may submit requests for de minimis waivers, physical space waivers, or Collection frequency waivers to the Contractor. If a Generator submits a request for a waiver to the Contractor, the Contractor shall refer the Generator to the City. Upon request of the City the Contractor shall support the City in the waiver review process by providing requested Customer information that Contractor is required to keep or maintain pursuant to this Agreement. If the City grants a waiver to a Generator, the City shall notify the Contractor and Contractor shall update the Customer's information and Service Level in accordance with Exhibit D.

- O. **Contamination Monitoring Program.** Contractor shall assist in minimizing contamination by helping to educate Customers on acceptable and non-acceptable materials, by monitoring the contents of Collection Containers, and by refusing to Collect Containers with visible Prohibited Container Contaminants as provided in this Section.
1. **Hauler Route Reviews, Methodology and Frequency.** Contractor shall, at its sole expense, conduct four (4) quarterly hauler Route reviews each calendar year for Prohibited Container Contaminants in Containers in a manner that is deemed safe by the Contractor, is approved by the City, and is conducted in a manner that results in all hauler Routes being reviewed annually.
 - (a) **Number of Containers to Review.** Contractor shall visually inspect the contents of at least twenty-five percent (25%) of Containers, which may include mechanical inspection methods such as camera, per hauler Route to inspect for Prohibited Container Contaminants, for each and every hauler Route. The Containers shall be randomly selected by a method approved by the City.
 - (b) **Route Review Methodology.** Contractor shall develop a hauler Route review methodology that complies with the requirements of 14 CCR Section 18984.5(b) and this Section, as shown in Exhibit C8.
 - (c) **Modifications.** The City may request, and Contractor shall accept, modifications to the schedule to permit observation by the City or its designee. In addition, Contractor shall provide email notice to the City no less than ten (10) Business Days prior to each scheduled hauler Route review that includes the specific location(s) and time(s), which shall be within the City's normal business hours for their review.
 - (d) **Documentation and Assessment.** Contractor shall document Prohibited Container Contaminants with still pictures or video and shall notify the Customer in accordance with Section 4.4.O.2. Contractor may, at its discretion, Collect the Container as Recyclable Materials, Organic Materials, or as Solid Waste.
 - (e) **Schedule.** Within six (6) months of the Effective Date, and annually thereafter, the Parties shall meet and confer to review the contamination program as described in this Section, including assessing the effectiveness of the program in deterring Generators from including Prohibited Container Contaminants in Discarded Materials Containers set out for Collection and determining whether the education and outreach plan in Exhibit C5 needs to be modified to decrease contamination.
 2. **Contamination Notification.** Upon identification of Prohibited Container Contaminants in a Customer's Container during the quarterly hauler Route review, Contractor shall provide the Customer with a Contamination Notice.
 - (a) **Contamination Notices.** Upon identification of Excluded Waste or Prohibited Container Contaminants in a Container (in excess of 10%), Contractor must notify the Customer by phone, text, U.S. mail, e-mail, other electronic means, or in person (which may be a Container tag), setting forth the Generator, date, description, and image or video in the email.
 - (b) The Contamination Notice shall, at a minimum:
 - i. Inform the Customer of the contamination;

- ii. Include the date and time the notice was left or issued;
 - iii. includes photographic evidence of the violation(s);
 - iv. a description of the Discarded Materials that are appropriate for Collection in the Container;
 - v. the fact the Container required special handling because of the observed presence of Prohibited Container Contaminants;
 - vi. a phone number to contact Contractor to obtain additional information and/or receive responses to questions the Customer may have.
3. **Disposal of Contaminated Materials.** Contractor may Transport contaminated materials observed in Customer's Organic Materials Container or Recyclable Materials Container to the Approved Facility for Disposal, provided Contractor complies with the noticing requirements in this Section.
 4. **Recordkeeping and Reporting Requirements.** Contractor shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including, but not limited to: date, time, Customer's address, type of Container, and photographic evidence. Contractor shall maintain records and report to the City on contamination monitoring activities and actions taken, in accordance with Exhibit D.
- P. **SB 1383 Monitoring and Inspections.** Contractor shall perform Customer compliance reviews described in this Section annually, unless otherwise noted.
1. **Commercial Generator Compliance Reviews.** Upon City request, Contractor shall assist the City with completing its annual compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Materials, as set forth in 14 CCR Section 18995.1(a)(1)(A) and investigations of Complaints, as set forth in 14 CCR Section 18995.1(a)(3). Such compliance reviews may include determining compliance with: (i) Generator requirements under this Agreement; and (ii) if applicable for the Customer, Self-Hauling requirements per 14 CCR Section 18988.3, including whether a Commercial Premise is complying through back-hauling Organic Materials. Any such compliance review shall mean a "desk" review of records to determine Customers' compliance with 14 CCR Section 18984.9(a) and the above requirements and does not require on-site observation of service.
 2. **Annual Hauler Route Review.** Annually, the Contractor shall conduct annual hauler Route reviews to determine Generator compliance with SB 1383, and these reviews may be performed concurrently with the contamination monitoring hauler Route reviews detailed in Section 4.4.O.
 3. **Compliance Review Process.** Contractor shall conduct inspections of entities described in this Section at a minimum of once per calendar year, or as directed by City, to adequately determine the entities' overall compliance with SB 1383. City reserves the right to require additional inspections if the City determines that the number of inspections conducted by the Contractor is insufficient. City may require the Contractor to prioritize inspections of entities that the City determines are more likely to be out of compliance.

- i. **Non-Compliant Entities.** From the Commencement Date through December 31, 2023, when compliance reviews are performed by Contractor pursuant to this Section, Contractor shall provide educational materials approved by City in accordance with this Agreement, in response to violations. Contractor shall provide these educational materials to non-compliant Customers and Generators within two (2) Business Days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or hauler Route review. Contractor shall document the non-compliant Customers and Generators and the date and type of education materials provided and report such information to the City in accordance with Exhibit D. Beginning January 1, 2024, the Contractor shall document non-compliant Customers and Generators determined through Contractor's compliance reviews pursuant to this Section, and shall report all such non-compliant Customers and Generators with SB 1383 violations to the City in accordance with Exhibit D. The City shall be responsible for subsequent enforcement action against the Generator or Customer.
 - ii. **Documentation of Inspection Actions.** The Contractor shall generate a written or electronic record and maintain documentation for each inspection, hauler Route review, and compliance review conducted in accordance with this Agreement.
4. **Delegation Options.** This section in no way precludes the City or its designee from performing the inspections specified in this Section in lieu of or in addition to the Contractor's inspections. Contractor shall support any inspections or reviews conducted by the City or its designee through actions pursuant to this Section including, but not limited to, providing information or data requested by the City or its designee.

Q. Edible Food Recovery Support

Contractor shall assist the City in identifying all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the City, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions).

R. Procurement of Recovered Organic Waste Products

1. **Renewable Natural Gas (RNG) Vehicles.** Under this Agreement and upon such time as RNG is commercially available for use by Contractor in the City, the Contractor shall make a best effort for all Collection Vehicles to be powered by RNG that is derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by Title 14 of CCR to recover Organic Waste or from a POTW that meets the requirements of 14 CCR Section 18993.1(h). Upon City's request, and once RNG is commercially available for use by Contractor in the City, Contractor shall obtain and provide the City with a written certification by an authorized representative of the POTW that the in-vessel digestion facility produces the RNG consistent with the requirements of 14 CCR Section 18993.1(h). Contractor shall maintain records of the amount of RNG procured on behalf of the City and shall report this information in accordance with Exhibit D. Contractor shall agree to the City's right to report this RNG usage toward the City's fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1.

- S. **Residential Diaper Drop-Off Pilot.** Contractor shall provide a Container at its corporation yard for Residential diaper drop off to be run as a twelve (12) month pilot program in conjunction with the every-other-week Residential Solid Waste and Recyclable Materials Collection to accommodate Residents who may have nuisance non-Organic Solid Waste, such as diapers and animal waste. Contractor will establish drop off Container and signage to discourage illegal dumping or non-diaper Solid Waste. Promotion of the program shall be included in Contractor's education and outreach materials. Contractor will monitor the participation rate of the program and report to City pilot outcomes as described in Exhibit D. Six (6) and twelve (12) months after implementation, City and Contractor shall meet to discuss if the program shall continue or if improvements need to be made. Continuation of the program is contingent on the every -other -week Solid Waste Collection described in Section 4.1.A.

Section 4.5: Standard of Performance

Contractor shall at all times comply with Applicable Laws and provide service in a manner that is safe to the public and the Contractor's employees. Except to the extent that a higher performance standard is specified in this Agreement, Contractor shall perform services in accordance with Solid Waste, Recyclable Materials, and Organic Materials management practices common to California.

- A. **Clean Up: Avoiding Damage to Property.** The Contractor shall use due care to prevent spills or leaks of material placed for Collection. If any materials are spilled or leaked during Collection or Transportation, the Contractor shall clean up all spills or leaks before leaving the site of the spill. The Contractor shall close all gates after making Collections and shall not do damage to or trespass upon private or public property.
- B. **Hazardous Waste.** The Contractor acknowledges its obligation to arrange for the Disposal of Hazardous Waste that inadvertently comes into its possession or control. The Contractor agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream including, but not limited to, the training of personnel and the revision of such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste Collection and Disposal industry at the time.

If the Contractor finds what reasonably appears to be discarded Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Contractor, in addition to the procedure outlined in the previous paragraph, shall either:

1. Notify the Owner or Generator, if such can be determined, that the Contractor may not lawfully Collect such waste and leave a tag specifying the nearest location available for such appropriate Disposal; or,
2. Follow such other procedure as the City Contract Manager shall approve.

In the event of a threat to the public health and safety, the Contractor shall immediately contact the local fire department. The Contractor shall notify the City Contract Manager of such incident within one (1) day.

- C. **Employees:**
1. **Uniform.** The Contractor shall take all steps necessary to ensure that its employees performing Collection Services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in uniforms with suitable identification.

2. **Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Contractor shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.
 3. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection Vehicles or equipment. Contractor shall train its employees involved in Collection to identify, and not to Collect, Excluded Waste. Upon the City Contract Manager's request, Contractor shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.
- D. **Improper Loading of Containers.** The Contractor may decline to Collect any Discarded Materials that are loaded or left for Collection in any manner that would prohibit its safe Collection.
- E. **Record of Non-Collection.** When any Discarded Materials placed for Collection are not Collected by the Contractor, the Contractor shall leave a tag or notify the Customer by telephone, e-mail, text or other electronic means as requested by the Customer listing the reasons for such non-Collection and a telephone number at which the Customer may contact the Contractor. This information shall either be in writing or by means of a checked box on a form. The Contractor shall maintain, at its place of business, a log book listing all such circumstances in which Collection is denied. The log book shall contain the names and/or addresses of the Collection Premises involved, the date of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The log book shall be kept so that it may be conveniently inspected by the City Contract Manager upon request. The log relating to any particular tagging shall be retained for a period of one (1) year following such tagging.
- As an alternative to non-Collection, where the basis for the non-Collection notice is not resolved by the Customer and where photographic evidence is provided by the Contractor, Contractor may complete the Collection and charge the Customer at the "extra can or bag of Solid Waste" Rate, as specified in Exhibit C3, equivalent to the Customer's Container size to compensate it for the costs of extra pickups and/or sorting of materials.
- F. **Fees and Gratuities.** The Contractor shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the Collection of Discarded Materials or other Collection Services, except such compensation as is specifically provided for herein as approved by the City.
- G. **Compliance with Applicable Law.** The Contractor shall comply with all Applicable Law relating to any aspect of the Collection Services or this Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Collection Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Collection Services provided hereunder, and shall pay all taxes in connection therewith. The Contractor shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the City Contract Manager upon request.
- H. **Taxes and Utility Charges.** The Contractor shall pay all taxes lawfully levied or assessed upon, or in respect of the Operating Assets or the Collection Services, or upon any part thereof or upon any revenues of the Contractor there from, and shall provide and pay the cost of all utilities necessary for the operation of the Operating Assets and the provision of the Collection Services, when the same shall become due.

- I. **Review of bi-weekly Solid Waste and Recyclable Materials Collection.** The Contractor shall monitor the participation and contamination levels of the bi-weekly Solid Waste and Recyclable Materials Collection and weekly Organic Materials Collection program. Contractor shall track and report on the number of Customer questions and Complaints as part of the program implementation, and utilize the contamination monitoring program outlined in Section 4.4.O and Exhibit C8 to assess the program. Contractor's initial response to Complaints and inquiries shall be to provide additional education and outreach materials to Customers. City and Contractor shall meet six (6) and twelve (12) months after program implementation, and annually thereafter, to assess the bi-weekly Collection program and implement any necessary changes. In the event the City and Contractor mutually agree that Collection for all Discarded Materials needs to revert back to weekly Collection, Contractor and City shall use the process described in Section 4.8 for a change in scope.

Section 4.6: Collection Locations

- A. **General.** The Contractor shall be responsible for the Collection of all Discarded Materials placed for Collection in a legal manner. The Contractor shall immediately notify the City Contract Manager of any condition at or near any Designated Collection Location that creates a safety hazard or accessibility problem. Upon authorization by the City Contract Manager, the Contractor shall discontinue Collection for any such location until the safety hazard or accessibility problem is corrected. Contractor may charge the "Extra Pick-up" Rate in the amount set forth in Exhibit C3 where its Collection Vehicle is required to return to the service location to complete Collection due to a safety hazard or access restriction caused by the Customer and documented with photographic evidence.
- B. **Enclosures.** Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Contractor shall be responsible for the removal and replacement of all Containers placed therein. The Contractor shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities, or improvements. The Contractor shall promptly repair, at its own expense, any such enclosure, adjacent facilities, or improvements damaged by the Contractor. The City shall resolve any disputes relating to such damage, and the Contractor agrees to abide by such decision.

Section 4.7: Other Wastes

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

Section 4.8: Changes in Scope of Collection Services

Pursuant to the Municipal Code, the City may modify the scope of services performed by the Contractor pursuant to this Agreement.

The City shall provide written notice of any requested modification to the scope of services provided by Contractor pursuant to this Agreement, and the Contractor shall provide the City with any information requested by the City in connection with the proposed changes. The Contractor shall, within sixty (60) days after receipt of such notice by the City, respond to the City's order. The Contractor may seek additional compensation in the event the scope of services is modified in accordance with this Section 4.8. The need for and amount of additional compensation shall be calculated following a change in scope Rate review pursuant to Section 11.3.

Section 4.9: Billing

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

Contractor's website shall provide Customers with the ability to pay their bills through an electronic check or credit card and include the ability for Customer billings to be automatically charged on a recurring basis. Contractor shall prepare, mail, and collect bills from Customers who decline to use such internet-based billing system.

Contractor shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the City Contract Manager at any reasonable time but in no case more than thirty (30) calendar days after receiving a request to do so.

The Contractor shall have the right, but not the obligation, to provide additional Special Services requested by any Customer, which are directly related or ancillary to any of the other Collection Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated with the Customer and compensation therefore shall be paid by the requesting Customer. In the event that Customer and Contractor cannot agree on a Rate, the Contractor shall provide the City with information supporting the level of Rate proposed by the Contractor. Upon receipt and review of such information, the City may set the Rate, which shall become binding on the Contractor in the event Contractor agrees to provide the Special Service at the set Rate.

Contractor shall be responsible for collection of payment from Customers with past due accounts ("bad debt"). Contractor shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, and assistance from collection agencies.

Invoices are due thirty (30) days following the date of the invoice. The date of the invoice shall not be prior to the first day of the service period for the billing. In the event that any account becomes more than forty-five (45) calendar days past due, Contractor shall notify such Customer of the delinquency via written correspondence and telephone contact. Should any account become more than ninety (90) calendar days past due, Contractor shall provide notice to the Customer via written correspondence, with a copy to the City Contract Manager, that service may be discontinued if the account becomes more than one hundred twenty (120) calendar days past due. Should any account become more than one hundred twenty (120) calendar days past due, Contractor may discontinue providing service to the Customer. No less than seven (7) calendar days prior to discontinuing service to a Customer, Contractor shall notify the City Contract Manager of the address, Service Level, service frequency, and delinquent billing amount. Contractor may withhold service from a delinquent account until past delinquencies are paid in full. Upon restoring service to a previously delinquent account, Contractor may require a deposit from the Customer not to exceed one (1) month's billing at the Customer's Service Level. Contractor may charge interest at a rate of one

and one-half percent (1.5%), or the highest rate of interest allowable under law, whichever is less, on account balances that are more than forty-five (45) calendar days past due.

Section 4.10: Transition to Next Contractor at End of Agreement

If applicable, before expiration or earlier termination of this Agreement, Contractor will take direction from the City and cooperate with the subsequent contractor to assist in a timely and orderly transition of services from Contractor to subsequent contractor. In response to the City's direction, Contractor shall provide then-current Route lists that identify each Customer on the Route, the Service Level (number of Containers, Container sizes, frequency of Collection, scheduled Collection day), any special Collection notes, and detailed then-current Customer account and billing information to the City. Contractor may, but shall not be obliged to, sell Collection Vehicles, equipment, or facilities to the next contractor. Nothing in this Section 4.10 shall be deemed to require Contractor to provide to any subsequent contractor any confidential information, proprietary information, or trade secrets.

ARTICLE 5: PROCESSING AND TRANSFER

Section 5.1: Processing and Transfer Arrangements

The Contractor shall make its own Processing and Transfer arrangements with Approved Processing Facilities and the Designated Disposal Facility, so that such arrangements are in full compliance with Applicable Law. The City may order the Contractor to modify or terminate its Processing and/or Transfer arrangements if:

- A. The City determines that such arrangements threaten public health or safety, or
- B. The City determines that the City is not adequately protected from liability for the activities of the Processing or Transfer entities, or
- C. The City determines that the Diversion levels of the particular facility causes the City to be out of compliance with AB 939, SB 1383, or any other Applicable Laws., or
- D. The Contractor is Disposing of Recovered Materials in a manner or volume which does not result in Diversion credit to the City.

In the event the City directs the Contractor to modify or terminate Processing or Transfer arrangements, the City acknowledges that the Contractor shall nonetheless be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred in implementing such Processing or Transfer arrangements (determined in accordance with generally accepted accounting principles).

Section 5.2: Processing Facility Temporary Equipment or Operational Failure Waiver

- A. **Notification to the City.** The Contractor, or their Subcontractor (such as a facility operator), shall notify the City of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will prevent an Approved Processing Facility from Processing and recovering the relevant Discarded Materials at that facility for more than 48 hours. The Contractor or Subcontractor shall notify the City as soon as possible and no later than two (2) Business Days from the time of the incident. The notification shall include the following: (i) name of Approved Facility; (ii) the Recycling and Disposal Reporting System Number of the Approved Facility; (iii) date the Approved Facility became unable to Process the specific Discarded Materials; (iv) description of the operational restrictions that have been imposed upon the Approved Facility by a regulatory agency or unforeseen equipment failure or operational restriction that occurred; (v) the period of time the Contractor anticipates the temporary inability of the Approved Facility to Process Discarded Materials; and (vi) Contractor's proposed action plan to deliver materials to an alternative Facility for Processing or Contractor's request for a waiver to deliver materials to the Designated Disposal Facility.
- B. **Use of Alternative Facility or Waiver for Disposal of Materials.** Upon notification by Contractor or Subcontractor of an Approved Facility's inability to Process materials, the City shall evaluate the notification and determine if the City shall require Contractor to use an alternative facility or allow the Contractor to Transport the Discarded Materials to the Designated Disposal Facility for Disposal on a temporary basis for a reasonable period specified by the City. Upon City's decision, the City shall notify the Contractor of its approval to use an alternative facility for Processing or to use the

Designated Disposal Facility for Disposal, and the period of time that the City will allow the materials to be redirected to the alternative facility or Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved Facility's Processing restriction or failure commenced except as otherwise allowed by CalRecycle. In such case, the Contractor must receive written permission from the City Contract Manager prior to depositing any Discarded Materials in a Landfill. Nothing in the foregoing shall supersede requirements imposed on the Contractor or the Approved Facility by the Local Enforcement Agency.

- C. **Quarantined Waste.** If approved by the City, the Contractor may Dispose of specific types of Organic Materials that are subject to quarantine and meet the requirements described in 14 CCR Section 18984.13(d) for a period of time specified by the City or until City provides notice that the quarantine has been removed and directs Contractor to Transport the Organic Materials to the Approved Facility(ies) for such material.

In accordance with Exhibit D, the Contractor shall maintain records and submit reports regarding compliance agreements for quarantined Organic Materials that are Disposed of pursuant to this subsection.

- D. **Record Keeping and Reporting.** Contractor shall maintain a record of any incidents at Contractor owned or operated Approved Facility(ies) and report this information to the City in accordance with Exhibit D.

Section 5.3: Materials Marketing

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

Section 5.4: Title to Recovered Materials

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

ARTICLE 6: SOLID WASTE DISPOSAL

Section 6.1: Solid Waste Disposal

- A. **Disposal Generally.** The Contractor shall Transport and Dispose of all Discarded Materials that it Collects but does not Divert from landfill Disposal at the Designated Disposal Facility in accordance with the requirements of Applicable Law, and shall comply with the requirements, rules, and regulations of the Owner or operator of the Designated Disposal Facility.
- B. **Designated Disposal Facilities.** The City shall have the right during the Term of the Agreement to designate the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Kern County landfills as approved by the City. The City shall notify the Contractor in writing of any changes in or additions to the Designated Disposal Facility. City acknowledges that the Contractor shall nonetheless be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred as the result of a change in the Designated Disposal Facility.
- C. **Disposal Records.** The Contractor shall keep and maintain such logs, records, manifest, bills of lading, or other documents as the City may deem to be necessary or appropriate to confirm compliance by the Contractor with this Agreement and shall retain all weight slips or other call information provided to the Contractor's drivers by the Owner or operator of the Designated Disposal Facility.
- D. **Failure to Transport to Designated Disposal Facility.** The Contractor's failure to properly Transport, or cause to be Transported, Discarded Materials as described herein is an Event of Default as described in Section 13.1.A of this Agreement, unless the failure to Transport such Discarded Materials to the Designated Disposal Facility is the result of an Uncontrollable Circumstance or such waste has been Diverted by means of alternative technology allowing AB 939 or SB 1383 Diversion credit to the City; provided however, that any Residue from Processing or Diversion activities occurring within the County shall be Disposed at the Designated Disposal Facility.
- E. **Flow Control Covenant.** The Contractor hereby waives any right that it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative, or otherwise: (a) the right, power, or authority of the City to engage in the practice of legal Solid Waste "flow control" or to enter into or perform obligations under this Agreement; or, (b) the right, power, or authority of the City to deliver or cause the delivery of all Solid Waste Collected within the City to the Designated Disposal Facility in accordance with this Agreement.

Section 6.2: Gate and Bin Fees

To the extent that the Contractor Disposes or causes the Disposal of Non-Residential Waste at the Designated Disposal Facility, it shall pay the bin fees and/or gate fees required under County Ordinance No. G-8057, as may be amended from time to time, unless specifically exempted hereunder.

ARTICLE 7: DIVERSION PROGRAMS

Section 7.1: The Contractor's Responsibility for Implementation

The Contractor will implement its 3rd Cart Implementation Plan (Exhibit C4) and Education and Outreach Plan (Exhibit C5) in a manner approved by the City Contract Manager. The requirements of and level of specificity contained within each of these exhibits may conflict or be redundant in some cases. Regardless of such inconsistencies, Contractor shall be obligated to comply with all of the requirements contained therein and in the case of any inconsistency, the City Contract Manager's determination of those requirements that must be met shall be conclusive.

In the event that the State of California Diversion goals (in existence at the time this Agreement is effective) are increased, the Contractor will be obligated to amend the Education and Outreach Plan to the extent necessary to comply with the increased Diversion levels. After approval by the City, the Education and Outreach Plan will be revised and the Contractor will implement such revised Education and Outreach Plan. City acknowledges that the Contractor shall nonetheless be entitled to recover, through the process described in Section 11.3, the reasonable costs of the Contractor incurred as the result of implementation of the revised Education and Outreach Plan.

Section 7.2: Public Awareness

The Contractor agrees, at its own expense, to provide information to Customers as defined in Contractor's Education and Outreach Plan (Exhibit C5). Any reference to the City must be approved in advance by the City Contract Manager. To the extent reasonably possible, the Contractor shall accommodate the inclusion of any City-directed information on its regular billing statements at no cost to the City or the Customer, upon the request of the City Contract Manager. If the City requests the distribution of information on a topic other than that required for compliance with the Education and Outreach Plan in a form that cannot be printed or included with the Contractor's regular bill, the City and Contractor will share in the cost of printing and distribution.

Section 7.3: Termination for Failure to Implement Strategies

Failure to implement any one of the programs listed in the Education and Outreach Plan (Exhibit C5) will be deemed an Event of Default unless Contractor can demonstrate to the satisfaction of the City Contract Manager that implementation of such programs is beyond the reasonable scope of their control despite their reasonable business efforts. For example, and not by way of limitation, it is beyond the reasonable scope of the Contractor's control to affect ordinances adopted by the City Council.

ARTICLE 8: OPERATING ASSETS

Section 8.1: Operating Assets

- A. **Obligation to Provide.** The Contractor shall acquire and maintain at its own cost and expense, Operating Assets that in number, nature, and capacity shall be sufficient to enable the Contractor to provide the Collection Services in accordance with the terms hereof and such assets shall be subject to inspection by the City at any time.
- B. **Vehicle and Equipment Identification.** The Contractor's name, phone number, and Vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other Collection equipment used by the Contractor, as required by the Municipal Code.
- C. **Vehicle Specifications, Maintenance, and Appearance.** All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be properly insured, shall be of a type approved by the City, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition. Vehicles used to Collect or Transport Solid Waste shall be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a Collection Route in the course of Collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. Collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required to maintain a clean appearance. All Vehicles must be made available for inspection upon reasonable notice by the City Contract Manager.
- D. **Spillage.** Any cover or screen shall be so constructed and used that Discarded Material shall not blow, fall, or leak out of the Vehicle onto the street. In the event of a spill, leak, or loss of payload during transit, the Contractor shall immediately arrange for the clean-up and Transportation of the payload to the appropriate Facility at the Contractor's sole cost and expense, shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the City in accordance with the procedures provided in Section 12.1 hereof from all loss-and-expense resulting therefrom.
- E. **Computer System Compatibility.** The Contractor shall maintain records and data in an electronic format compatible with the versions of Microsoft Word and Excel currently in use by the City at any given time during the Term of this Agreement. The Contractor will, at its cost and expense, if requested by the City Contract Manager or CalRecycle, provide any reports or data required by this Agreement via email, on computer disc, or through other electronic format. Raw or printed data may not be submitted as a substitute to the Contractor's obligation to provide various reports under this Agreement.

Section 8.2: Operation and Maintenance of the Operating Assets

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

Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent Solid Waste management practices.

Section 8.3: Containers

- A. **City Regulations.** The City shall approve the number, type, size, and other specific physical requirements for Containers. The Contractor shall not be required to Collect Discarded Materials from Containers that have not been approved by the City.
- B. **General Requirements.** The Contractor shall supply the Containers for each Customer free of charge upon inception of Collection Services. After emptying any Container, the Contractor shall replace the Container in an upright position at the place where such Container was placed for Collection. The Contractor shall handle Containers in a manner so as to prevent damage or spillage, and shall not throw, drop, or otherwise mishandle Containers during or after emptying them. The Contractor shall repair or replace, at its own expense and within five (5) days, any Container that is damaged by the Contractor and that is no longer serviceable (e.g., broken wheels, cracked lid, broken axle, cracked or leaking body)
- C. **Containers for Residential Customers.** The Contractor shall supply all Containers required for the services provided under this Agreement. The Containers shall be sturdy, water tight, and equipped with heavy-duty wheels and closeable lids. The Contractor shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Contractor may charge a fee to Customers that have Containers that must be repaired or replaced due to other than normal wear and tear and will notify the City Contract Manager if such fee has been charged. If repairs require removal of the Container from a Customer's Premises, the Contractor shall supply the Customer with a replacement Container or "loaner" Container. The Contractor shall, within seven (7) days, repair or replace damaged or dilapidated Containers. The Contractor shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers that are new, as of the Effective Date of this Amended and Restated Agreement, shall constitute Operating Assets. The Contractor shall promptly replace stolen Containers, provided that the Contractor shall only bear the cost of replacement of such Container the first time it is stolen, damaged or dilapidated; and, thereafter such cost of replacement shall be borne by the Customer.
- D. **Containers for Commercial Customers.** The Contractor shall provide, as an Operating Asset, the Containers required pursuant to this Section at its own cost and expense. Each such Container shall be identified with the Contractor's name and phone number and be equipped with heavy-duty casters and closeable lids. Each such Container shall be watertight. The Contractor shall be responsible for the general maintenance and repair of Containers so provided and shall provide an equivalent Container as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and/or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Contractor may charge the Customer a fee to compensate for the cost thereof. The Contractor shall, within seven (7) days, repair or replace any stolen, damaged, or dilapidated Container, provided that the Contractor shall only bear the cost of replacement of such Container the first time it is stolen, damaged, or dilapidated and thereafter such cost of replacement shall be borne by the Customer.
- E. **Container Color and Labelling.** No later than December 31, 2035, Contractor shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section or as otherwise specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12,

Article 3\ Solid Waste Containers shall have either a gray lid and a gray body or a gray lid and a green body, Recyclable Materials Containers shall have a blue lid and a blue body, and Organic Materials Containers shall have a green lid and a gray body. Hardware such as hinges and wheels on the Containers may be a different color. Commercial Bins can have a body of any color.

On or before January 1, 2023, Contractor shall place a label on each existing Container body or lid that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container. Prior to ordering labels for Containers, Contractor shall submit a copy of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling plan to the City Contract Manager for approval.

Contractor shall imprint new Container bodies or lids with text or graphic images that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container. Prior to ordering Containers or lids with in-mold labels, Contractor shall submit a sample of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling plan to the City Contract Manager for approval.

If an existing Container breaks or is otherwise rendered non-functional on or after January 1, 2022, the Contractor shall replace the non-functional Container with a Container that complies with the color and labeling requirements of this Section. Notwithstanding this Section, the Contractor is not required to replace functional Containers, including Containers purchased prior to January 1, 2022, that do not comply with the color or labeling requirements of this Section prior to the end of the useful life of those Containers, or prior to January 1, 2036, whichever comes first.

- F. **Ownership of Containers.** All Containers in service upon the expiration or termination of the Agreement shall be assumed to have been placed in service on September 5, 2011 unless Contractor can provide specific evidence documenting the serial number (or other distinguishing inventory designation) of each and every Container placed in service after that date and accompanying invoices from Contractor's Container vendor(s) with matching identifying information. The City may, at its sole discretion, acquire or purchase all Discarded Material Containers upon expiration or early termination of this Agreement for the net book value as of the date of expiration or termination of the Agreement, based on a seven (7) year straight-line depreciation. In the event that the City desires to retain ownership of said Containers, the City shall notify Contractor of such determination. Contractor shall be entitled to receive payment from the City or a future franchisee to the City, for the remaining book value of such Containers based on a seven (7) year straight-line depreciation schedule.

Section 8.4: Vehicle Requirements

Contractor shall provide a fleet of Collection Vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up Vehicles for each type of Collection Vehicle used to respond to scheduled and unscheduled maintenance, service requests, Complaints, and emergencies. All such Vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow. All such Vehicles shall comply with all Federal, State, and local laws and regulations including, without limitation, safety and emissions requirements and such compliance shall come at no additional cost to the City or Customers during the Term of this Agreement.

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

ARTICLE 9: GENERAL REQUIREMENTS

Section 9.1: Public Access to the Contractor

- A. **Office Facilities.** The Contractor shall establish and maintain an office within the City through which the Contractor's representatives may be contacted, unless otherwise approved by the City Contract Manager.
- B. **Office Hours.** The Contractor's office hours shall be, at a minimum, from 8:00 a.m. to 5:00 p.m. daily except Saturdays, Sundays, and holidays. These hours may be altered with the approval of the City Contract Manager.
- C. **Emergency Telephone Number.** The Contractor shall provide the City with an emergency telephone number for use by the City Contract Manager outside normal business hours. The Contractor shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

Section 9.2: Complaints

- A. **Complaints to Contractor.** The Contractor shall maintain during office hours a Complaint service and telephone answering system having an answering capacity satisfactory to the City Contract Manager. All service Complaints and billing Complaints will be directed to the Contractor. The Contractor shall record all Complaints in a log, including date, complainant name and address, and nature and resolution of Complaint. This log shall be available for inspection by the City Contract Manager during the Contractor's regular office hours. Copies thereof shall be furnished to the City Contract Manager upon request.
- B. **Required Response to Complaints.** The Contractor, within twenty-four (24) hours of its receipt of notice from a Customer or the City Contract Manager of a failure to provide any service(s) as required by the terms of this Agreement, shall provide such service in a manner consistent with the requirements of this Agreement.
- C. **Documentation of SB 1383 Non-Compliance Complaints.** Contractor shall maintain an electronic record that is readily accessible to City upon five (5) days' notice, of all oral and written SB 1383-related non-compliance Complaints reported to Contractor from Customers or other Persons in accordance with Exhibit D.
 - 1. **Reports of SB 1383-Noncompliance Complaints.** For reports received in which Customers or other Persons allege that an entity is in violation of SB 1383 requirements, Contractor shall document such Complaints in accordance with Exhibit D. Contractor shall provide this information in a brief Complaint report to the City for each SB 1383-noncompliance Complaint within five (5) Business Days of receipt of such Complaint, and a quarterly summary report of SB 1383-noncompliance Complaints in accordance with Exhibit D.
 - 2. **Investigation of SB 1383-Noncompliance Complaints.** Contractor shall assist City in meeting its obligation to investigate non-compliance Complaints by commencing an investigation within thirty (30) days of receiving a Complaint in the following circumstances: (i) upon Contractor receipt of a Complaint that an entity may not be compliant with SB 1383 and if City determines that the allegations against the entity, if true, would constitute a violation of

SB 1383; and, (ii) upon City request to investigate a Complaint received by City, in which City determines that the allegations against the entity, if true, would constitute a violation of SB 1383. Contractor is required to investigate Complaints against Commercial and Multi-Family Customers and Generators, and not against Edible Food Recovery Organizations, Edible Food Recovery Services, and other entities regulated by SB 1383.

Contractor shall investigate the Complaint by:

- (a) Reviewing the Service Level of the Customer (if the entity is a Customer of the Contractor);
 - (b) Reviewing the waiver list, if applicable, to determine if the entity has a valid, City-approved de minimis, space constraint, or Collection frequency waiver;
 - (c) Inspecting Premises of the entity identified in the Complaint, if warranted, which may reasonably occur during regularly scheduled Collection services; and,
 - (d) Contacting the Customer to gather more information, if warranted^{5e}. Providing a City-approved notice of non-compliance Complaint report to the Customer that includes SB 1383 Generator requirements and, if applicable, provides a City-approved deadline for correction.
3. **Reporting.** Within ten (10) days of completing an investigation of a SB 1383 non-compliance Complaint in accordance with this Section, Contractor shall submit to City an investigation incident report that documents the Customer account in question, the nature of the Complaint, the investigation performed, and recommendation to City whether or not the Customer investigated is in violation of SB 1383 based on the Contractor's investigation. The City shall make a final determination of the allegations against the entity.

Contractor shall provide to City in its reports a list of all Customer non-compliance Complaint notices that have not been resolved by Contractor within thirty (30) days of receiving such notice. The Customer Complaint list shall include the Customer's account information, including Customer's then-current Service Level, the nature of the Complaint, and Contractor's efforts to resolve the Complaint. City, or its designee, shall be responsible for investigating such outstanding Complaints received by Contractor.

Within three (3) Business Days of the City's or its designee's request, Contractor shall provide City or its designee with Customer account information and other documentation that may be useful in the investigation, such as records of the Customer's two (2) most recent change(s) in Service Level and other Customer service records.

Section 9.3: Accounting and Records

- A. **Maintenance and Audit of Records.** The Contractor shall maintain in its principal office in the County full and complete financial statements and accounting records for operations under this Agreement. Contractor shall account for revenues received and expenses incurred as a result of this Agreement separate from the accounting for other operations performed by Contractor or its Affiliates. The Gross Receipts derived from the Collection Services under this Agreement, whether such services are performed by the Contractor or by a Subcontractor, shall be recorded as revenues in the accounts of the Contractor. Upon demand, the Contractor shall permit the City Contract Manager to examine and audit the books of account of the Contractor at any and all reasonable

times for the purpose of verifying Contractor's performance under this Agreement. Upon request, the Contractor shall allow the City Contract Manager to examine the reports of Gross Receipts and the invoices pertaining to any fee or charge approved by the City Council for services provided under this Agreement. Such request shall be made at reasonable times and with reasonable notice.

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

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

- B. **Confidentiality.** The City agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law.

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, 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. In such instances, Contractor shall mark those documents as proprietary or confidential prior to transmitting them to the City. Confidential records will not be released by the City, and if challenged, Contractor shall assume the defense of such a challenge regarding the confidentiality of the records. The City will inform the Contractor in writing if such a challenge is presented to the City. If Contractor fails to timely respond, then City may proceed to disclosure the records in which event Contractor agrees waives and releases City of any liability for the disclosure of the records.

Section 9.4: Reporting

The Contractor shall maintain on file at its business Premises documentation setting forth its Routing and Collection System; as well as a list of all Collection Premises in the City, organized alphabetically or by address, and the identification of all services each receives. This information shall be updated and provided at no additional cost to the City along with Contractor's annual report (as required in Exhibit D) to the City and any time upon request of the City Contract Manager. The Contractor shall cooperate with the City to periodically monitor the average volume of Solid Waste and Recyclable Materials generated from each Collection Premises. Customer-specific records are subject to inspection and copying by the City during regular business hours with reasonable advance notice.

Section 9.5: Applicable Law Compliance

The Contractor shall provide on a monthly basis all necessary reporting data requested by the City relating to the City's compliance requirements pertaining to AB 939, AB 341, AB 1826, SB 1383, and all other Applicable Laws as it affects the County's Integrated Waste Management Plan as set forth in Exhibit D. Such report shall be provided to the City within thirty (30) days after the end of each month. The Contractor shall cooperate in activities requested by the City to measure Diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Contractor's facility and re-routing trucks on a temporary basis to facilitate composition analysis. Such report shall include throughput, recovery rates per material type, Residue, costs, Recyclable Material commodity values, and final disposition of Recyclable Materials and Organic Materials. The Contractor shall also supply any other information reasonably requested by the City to meet State or Federal regulatory requirements and the reporting requirements of the City's SRRE, as those requirements may be amended from time to time.

Section 9.6: Personnel and Subcontractors

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

Section 9.7: City Contract Manager

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

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

In the event of dispute between the City Contract Manager and the Contractor regarding the interpretation of or the performance of services under this Agreement, the City Contract Manager's determination shall be conclusive except where each such determination results in a material impact to the Contractor's revenue and/or cost of operations. In the event of a dispute between the City Contract Manager and the Contractor that results in such material impact to the Contractor, Contractor may appeal the determination of the City Contract Manager to the City Council, whose determination shall be conclusive. For the purposes of this definition, "material impact" is an amount equal to or greater than one-quarter (0.25) of one (1) percent of Contractor's annual Gross Receipts under this Agreement.

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

The City Contract Manager is authorized and empowered to adjust, settle, or compromise any controversy or charge arising from the operations under this Agreement, either on behalf of the City, Contractor, or the public, pursuant to Municipal Code Section 7-10(e).

ARTICLE 10: CITY REIMBURSEMENT

Section 10.1: City Reimbursement

- A. **AB 939/SB 1383 Reimbursement.** The Contractor shall pay an AB 939/SB 1383 Reimbursement to the City each quarter. The amount of the AB 939/SB 1383 Reimbursement shall be two hundred thousand dollars (\$200,000) in Rate Period One and shall be adjusted in subsequent Rate Periods pursuant to Section 10.2. The AB 939/SB 1383 Reimbursement shall be paid in equal quarterly installments. The City shall use the AB 939/SB 1383 Reimbursement to offset expenses including, but not limited to, costs related to contract management, compliance monitoring, pilot studies, education and outreach campaigns, technical assistance to Customers, reporting, capacity planning, or other activities involved in compliance with AB 939 and/or SB 1383. The City shall retain the sole right to set priorities for its contract monitoring and enforcement among the City personnel. This fee shall be a Pass-Through Cost.
- B. **Franchise Fees.** Pursuant to Municipal Code Section 7-383, in consideration of the rights provided Contractor herein, Contractor shall pay Franchise Fees to the City each quarter equal to ten percent (10%) of Gross Receipts for all services performed under this Agreement. This fee shall be paid out of Contractor's profits and shall not be a separate charge paid by Customers.
- C. **Other Reimbursements.** The City shall reserve the right to set other cost reimbursements as it deems necessary, subject to City Council approval. The time and method of payment shall be consistent with those for the AB 939/SB 1383 Reimbursement, and the fee adjustment process shall be consistent with that specified in Section 10.2. The City acknowledges that the Contractor shall be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred due to the imposition of additional fees.

Section 10.2: Adjustment to Fees

Pursuant to the Municipal Code, the City may adjust the fees established in Section 10.1.A and 10.1.C from time-to-time during the Term of this Agreement and such adjustments shall be included in the adjustment of Rates as described in Section 11.2 and Exhibit B. The City acknowledges that the Contractor shall be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred due to the adjustment in the fees.

The amounts of the AB 939/SB 1383 Reimbursement Fee and Administrative Fee for subsequent Rate Periods shall be adjusted annually in accordance with the adjustment method described in Exhibit B, or shall be the amount specified by the City. The City acknowledges that the Contractor shall be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred due to the adjustment in the reimbursements.

Section 10.3: Payment Schedule and Late Fees

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

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

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

The City Contract Manager may, at any time during the Term or within three (3) years following the expiration or early termination of this Agreement, perform an audit of Contractor's billings and payment of fees. Contractor shall fully cooperate with the City Contract Manager in any such audit. Should the City or its agent perform this review and identify billing errors or other errors in payment of fees valued at one percent (1%) or more of Gross Receipts, Contractor shall, in addition to compensating the City for lost fees and applicable delinquency penalties, reimburse the City's cost of the review.

ARTICLE 11: CONTRACTOR'S COMPENSATION AND RATE SETTING

Section 11.1: General

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

If Contractor's actual costs, including fees due to the City, are more than Gross Receipts, Contractor shall not be compensated for the difference in actual costs and actual Gross Receipts. If Contractor's actual costs, including fees due to the City, are less than the actual Gross Receipts, Contractor shall retain the difference.

Under this Agreement, Contractor shall have the right and obligation to charge and collect from Customers, Rates that are approved by the City pursuant to the Municipal Code for provision of services to Customers. The Rates for Rate Period One (Exhibit C3) are based on the Contractor's Proposal. Contractor's proposed costs and operating assumptions for Rate Period One are presented in Exhibit C2. The Rates established by the City are maximum Rates and Contractor may, in its sole discretion, charge Customers any amount up to and including the approved maximum Rate for a given level of service.

Revenues received for the sale of Recyclable Materials, including California Redemption Value revenues, have been considered in the establishment of Rates for services provided under this Agreement. Neither Contractor nor the Approved Recyclable Materials Processing Facility are entitled to grant funds available through CalRecycle through its "Curbside Supplemental Payments" for registered curbside Recycling programs or "City/County Payment Program" pursuant to Section 14581(a)(5)(A) of the California Beverage Container Recycling and Litter Reduction Act.

Section 11.2: Rates and Annual Adjustments

- A. **General.** The City shall be responsible for approving maximum Rates as described in this Article. If at any time during the Term of the Agreement, the Contractor determines the need for a Rate that does not appear on the City-approved Rate schedule in Exhibit C3, Contractor shall immediately notify the City and request establishment of such Rate. For example, if a Customer requires Collection of Recyclable Materials in a fifteen (15) cubic yard Compactor five (5) times per week and the City -approved Rate schedule does not include this level of service, the Contractor must request that the City approve a Rate for this level of service.
- B. **Maximum Rates for Rate Period One.** Maximum Rates for Rate Period One, which are presented in Exhibit C3, were determined by Contractor and were approved by City resolution on or before the execution of the Agreement. The maximum Rates for Rate Period One shall be effective from the Commencement Date of this Agreement through June 30, 2023.
- C. **Rates for Subsequent Rate Periods.** Maximum Rates in effect as of March 1, 2022 are set forth in Exhibit C3. Maximum Rates in effect as of March 1, 2022 shall be adjusted annually for subsequent Rate Periods in accordance with this Section and Exhibit B.

The multi-index based adjustment, which is described in Exhibit B, involves use of various cost adjustment factors to calculate adjusted Rates. Such Rate adjustment calculations shall be performed in conformance to the procedures described in Exhibit B.

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

Section 11.3: Special Circumstances Rate Adjustments

It is understood that the Contractor accepts the risk for changes in cost of providing services and the Service Levels requested by Customers and therefore the Special Circumstance adjustments to Rates shall be limited to: (i) a Change in Law (as defined in Exhibit A); (ii) an increase or decrease in a direct per Ton surcharge assessed on the Collection, Transportation, Processing, or Disposal of Discarded Materials by Federal, State, or local regulatory agencies after the Effective Date of the Agreement (Surcharge); or (iii) a City-directed change in scope (pursuant to Section 4.8). If a Change in Law, surcharge, or a City-directed change in scope occurs, the Contractor or City Contract Manager may petition the City Council for an adjustment to the maximum Rates (either increasing or decreasing the Rates) calculated in accordance with Section 11.2.

Contractor shall prepare an application for the extraordinary Rate adjustment calculating the net financial effect on its operations (both increases and decreases of costs and revenues) resulting from the Change in Law, Surcharge, or City-directed change in scope (but not resulting from unrelated changes in costs and revenues), clearly identifying all assumptions related to such calculations and providing the underlying documentation supporting the assumptions. City Contract Manager shall evaluate the application for reasonableness. As part of that review, the City Contract Manager may request access to the financial statements and accounting records required to be maintained by the Contractor (pursuant to Section 9.3) in order to determine the reasonableness of the Contractor's application. Should the Contractor not grant such access, then the City may rely on the Contractor's Proposal and other information available to it as the basis for making reasonable assumptions regarding what those accounting and financial records would have shown and therefore the reasonableness of the Contractor's application. Contractor shall pay all reasonable costs incurred by the City, including the costs of outside accountants, attorneys, and/or consultants in order to make a determination of the reasonableness of the requested Rate adjustment.

In the event of such an application for Special Circumstances Rate adjustment, it is understood that the City or Contractor, as the case may be, shall have the burden of demonstrating the reasonableness of the requested adjustment.

The Contractor may appeal the decision of the City Contract Manager to the City Council, which shall then make the final determination as to whether an adjustment to the maximum Rates will be made, and if a Rate adjustment is permitted, the amount of the Rate adjustment. With respect to an extraordinary Rate adjustment requested by the City Contract Management, the City Council shall then make the final determination as to whether an adjustment to the maximum Rates will be made, and if a Rate adjustment is permitted, the amount of the Rate adjustment.

Section 11.4: Publication of Rates

The Contractor shall provide written notice to Customers of proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Contractor sends to Customers. Contractor shall also publish such Rates in a convenient and easily found location on its website.

ARTICLE 12: INDEMNITY, INSURANCE, AND PERFORMANCE BOND

Section 12.1: Indemnification

A. **General.** Contractor shall indemnify, defend with counsel reasonably acceptable to City, and hold harmless (to the full extent permitted by law) City and its officers, officials, employees, volunteers, and agents from and against any and all claims, liability, loss, injuries, damage, expense, and costs (including without limitation costs and fees of litigation, including attorneys' and expert witness fees) (collectively, "Damages") of every nature arising out of or in connection with Contractor's performance under this Agreement, or its failure to comply with any of its obligations contained in the Agreement, except to the extent such loss or damage was caused by the negligence or willful misconduct of the City, or limited by Section 40059.1 of the Public Resources Code.

B. **Excluded Waste.** Contractor acknowledges that it is responsible for compliance with all Applicable Laws during the entire Term of this Agreement. Contractor shall not store, Transport, use, or Dispose of any Excluded Waste except in strict compliance with all Applicable Laws.

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

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

C. **Environmental Indemnity.** Contractor shall defend, indemnify, and hold the City harmless against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind, and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of Contractor in handling Excluded Waste.

D. **Related to AB 939, AB 341, AB 1826, and SB 1383.** To the extent permitted by law, Contractor's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 are not met by the Contractor with respect to the Contractor's obligations under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement; or, (ii) due to Contractor delays in providing information that prevents Contractor or City from submitting reports to regulators in

a timely manner. This indemnity is subject to the provisions of Public Resources Code § 40059.1.

E. **Related to the Act.** Contractor's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of the Act are not met by the Contractor with respect to the waste stream Collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement; or, (ii) due to Contractor delays in providing information that prevents Contractor or the City from submitting reports required by the Act in a timely manner.

F. **Related to Proposition 218.** Should there be a Change in Law or a new judicial interpretation of Applicable Law including, but not limited to, Article XIII C and D of the California Constitution (Commonly Proposition 218) that impacts the Rates for the Collection Services established in accordance with this Agreement, Contractor agrees to meet and confer with the City to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement.

If, at any time, a Rate adjustment determined to be appropriate by both the City (which determination shall not be unreasonably withheld) and Contractor to compensate Contractor for increases in costs as described in this Agreement cannot be implemented for any reason, Contractor shall be granted the option to negotiate with the City, in good faith, a reduction of services equal to the value of the Rate adjustment that cannot be implemented. If the City and Contractor are unable to reach agreement on such a reduction in services, then Contractor may terminate this Agreement upon one hundred eighty (180) calendar days prior written notice to the City, in which case the Contractor and the City shall each be entitled to payment of amounts due for contract performance through the date of termination.

Should a court of competent jurisdiction determine that the Contractor cannot charge and/or increase its Rates for charges related to any new or increased Franchise Fees and Governmental Fees and charges, Contractor shall reduce the Rates it charges Customers a corresponding amount and shall discontinue payment of any new or increased Franchise Fee, Governmental Fees, and/or charges that have been invalidated by the court.

Nothing herein is intended to imply that California Constitution, Articles XIIC or XIID, apply to the Rates established for services provided under this Agreement; rather this Section is provided merely to allocate risk of an adverse judicial interpretation between the Parties.

This provision will survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by the City to contribution or indemnity from third parties.

Section 12.2: Insurance

General Requirements. Contractor shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

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

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

Comprehensive General Liability – \$2,000,000 combined single limit per occurrence for

bodily injury, personal injury, and property damage.

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

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

Commercial Crime Liability – \$1,000,000 per occurrence covering dishonesty, forgery, alteration, theft, disappearance, and destruction (inside or outside). **Pollution Legal Liability** - \$1,000,000 per claim/occurrence and \$2,000,000 aggregate for bodily injury, property damage.

2. The City, its officers, agents, employees, and volunteers shall be named as additional insured on all but the workers' compensation and professional liability coverages.
3. Said policies shall remain in force through the life of this Agreement and, with the exception of Pollution Legal liability coverage, shall be payable on a "per occurrence" basis unless the City's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, in the event that the Contractor changes insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such "tail" or other continuous coverage shall be required at any time that the Contractor changes to a new carrier prior to receipt of any payments due.
4. The Contractor shall declare all aggregate limits on the coverage before commencing performance of this Agreement, and the City's Risk Manager reserves the right to require higher aggregate limits to ensure that the coverage limits required for this Agreement as set forth above are available throughout the performance of this Agreement.
5. The deductibles or self-insured retentions are for the account of Contractor and shall be the sole responsibility of the Contractor.
6. Each insurance policy shall provide or be endorsed to state that coverage shall not be canceled by either Party, or reduced below the contractual requirements in coverage or in limits except after thirty (30) calendar days prior written notice, has been given to the City Contract Manager ten (10) Business Days (including delinquent insurance premium payments).
7. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City Risk Manager.
8. The policies shall cover activities of Contractor, its officers, employees, agents, and volunteers arising out of or in connection with this Agreement.
9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be primary, including as respects the City, its officers, agents, employees, and volunteers. Any insurance maintained by the City shall apply in excess of, and not contribute with, insurance provided by Contractor's liability insurance policy.
10. The Contractor shall waive all rights of subrogation against the City, its officers, employees, agents, and volunteers related to the performance of services under this Agreement.

- B. Endorsements.** Prior to the Effective Date pursuant to this Agreement, Contractor shall furnish the City Contract Manager with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the City Risk Manager before work commences.
- C. Renewals.** During the Term of this Agreement, Contractor shall furnish the City Contract Manager with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf.
- D. Workers' Compensation.** Contractor shall provide workers' compensation coverage as required by State law, and prior to the Effective Date pursuant to this Agreement, Contractor shall file the following statement with the City.

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

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

Section 12.3: Performance Bond

Within seven (7) calendar days of the City's notification to Contractor that the City has executed this Agreement, Contractor shall file with the City a bond, payable to the City, securing the Contractor's performance of its obligations under this Agreement and such bond shall be renewed annually if necessary so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be equal to the sum of the last three (3) months of the prior Rate Period's annual Gross Receipts, and shall be adjusted every three (3) years, commencing with Rate Period Three. Contractor is to calculate the adjusted bond amount and send the calculation to the City for review prior to submitting to the executing corporation. The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating Guide, and that has a record of service and financial condition satisfactory to the City. The bond shall be in the form attached as Exhibit E.

ARTICLE 13: DEFAULT, REMEDIES AND TERMINATION

Section 13.1: Default and Remedies

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

1. Any transaction, without any requirement of notice or cure opportunity, not complying with the requirements of Section 15.7 hereof.
2. The failure by the Contractor for any reason to deliver to the Designated Disposal Facility Solid Waste Collected by the Contractor.
3. Failure or refusal of the Contractor to perform any term, covenant, obligation, or condition in this Agreement other than a failure or refusal described in items (1) or (2) above, except that no such failure or refusal shall give the City the right to terminate this Agreement under this Section unless:
 - (a) The City has given prior written notice to the Contractor, stating the existence of a specific failure or refusal to perform exists that will, unless corrected, constitute a material breach of this Agreement on the part of the Contractor and that will, in the City's opinion, give the City a right to terminate this Agreement for cause under this Section unless such default is corrected within fifteen (15) days; and,
 - (b) The Contractor has neither challenged in an appropriate forum the City's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to the clause (a) of this subsection (but if the Contractor shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Contractor is continuing to take such steps to correct such default in a timely manner).
4. The written admission by the Contractor that it is bankrupt, or the filing by the Contractor of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Contractor or either guarantor to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Contractor or either Guarantor of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Contractor's property or business.
5. The final adjudication of the Contractor as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, but no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Contractor nor until the order of the adjudication is no longer appealable.
6. The failure of the Contractor to provide or maintain the Performance Bond required pursuant to Section 12.3 hereof.

7. Any failure by the Contractor to comply with the Ridgecrest Municipal Code including, but not limited to, Sections 3-501 through 3-5.112, Sections 3-5.701 through 3-5.704, and Sections 13-2.2 through 13-5.4, following notice and opportunity to cure in accordance with Section 13.1.A.3(b).
 8. Failure of the Contractor to timely implement the operational changes and adjusted maximum Rates resulting from the Change of Law or City-directed Change in Scope. The Contractor shall have 30 days after notice of breach from the City to implement the operational changes. Should the Contractor thereafter not implement the operational changes it shall be in default of the Agreement. In addition to being liable for all damages and penalties to the City resulting from such default, the City may terminate the Agreement in accordance with Section 13.1.B.
- B. **Right to Terminate Upon Default.** Upon a determination by the City Contract Manager that an Event of Default has occurred, the City Council shall conduct a hearing upon ten (10) days' notice to the Contractor to determine if termination of the Agreement is in the best interests of the public health, safety, and general welfare of the citizens of the City. If the fact finder makes such a determination, the Contractor shall be deemed to have waived any right it may have under Applicable Law to notice of termination in excess of those notice provisions explicitly set forth herein.
- C. **City's Remedies Cumulative: Specific Performance.** The City's right to terminate this Agreement under this Section is not exclusive, and the City's termination of the Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the City may have including, but not limited to, specific performance, and fees and expenses incurred by or on behalf of the City in enforcing payment or performance of the Contractor's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Contractor.
- D. **Possession of Property upon Termination or Suspension.** In the event of termination or suspension for default, the City shall have the right to take possession of any and all of Contractor's equipment and other property used or useful in the Collection, Transportation, Processing, and Disposal of Solid Waste or Recyclable Materials and the billing and collection of fees for these services and to use such property. The City shall have the right to retain the possession of such property until such time as Contractor remedies the default or substitute services can be provided by another contractor. If the City retains possession of Contractor's equipment or other property after the period of time for which Contractor has already been paid by means of bills issued in advance of providing service for the service involved, the Contractor shall be entitled to the reasonable rental value of such property (which shall be offset against any damages due the City for the Contractor's default). Contractor shall furnish the City with immediate access to all of its business records related to its Customers and billing of accounts for Collection Services.

Section 13.2: Liquidated Damages

In addition to any other remedies provided for in this Agreement, the City Contract Manager may levy a charge in the amounts listed below for the Contractor's failure to meet the requirements enumerated below that constitute a breach of the terms and conditions of this Agreement. The City Contract Manager's decision to levy such a charge shall not be deemed an election of remedies but shall be cumulative with any other remedies provided for in this Agreement. The City Contract Manager's decision not to levy any such charge shall not be deemed a waiver of any breach by Contractor under this

Agreement. The Parties agree that the following Liquidated Damages represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date of the Agreement, including the relationship of the sums to the range of harm to the City that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each Party specifically confirms the accuracy of the statements made above and the fact that each Party had ample opportunity to consult with legal counsel and obtain an explanation of this Liquidated Damage provision at the time that this Agreement was entered into.

- A. **Excessive Complaints.** When Contractor or the City Contract Manager receives Complaints from more than one percent (1%) of its client base within a six (6) month period, Contractor will be assessed twenty-five (\$25) per Complaint per occurrence during that period; and an additional twenty-five (\$25) each twenty-four (24) hours until the Complaint is reasonably resolved. For purposes of this section, "Complaints" shall mean substantive and credible Customer notifications to the Contractor or the City Contract Manager of missed pick-ups, property damage, missed commitments, employee misconduct, or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).
- B. **Failure to remit the City Fees, or file required reports in an accurate and complete manner, within five (5) working days following the due date of such fees or reports:** fifty dollars (\$50) per day for the first five (5) days, then five hundred dollars (\$500) per day for each day after the first five (5) days.
- C. **Failure to provide access to Operating Assets or any other documents or information within fourteen (14) days of a request by the City Contract Manager:** one hundred dollars (\$100) per day per occurrence.
- D. **Failure to charge a Customer at or below the maximum approved Rate, where not refunded on the next invoice:** fifty dollars (\$50) per occurrence per Customer where the number of Customers overcharged is less than twenty-five (25); five hundred dollars (\$500) per occurrence per Customer where the number of Customers overcharged is twenty-five (25) or more. In addition, Contractor shall be responsible for refunding any amount overcharged to each Customer determined to be overcharged. Contractor shall not be entitled to any refund from the City for Franchise Fees or other fees paid on overcharged amounts.
- E. **Failure to implement any one (1) of the strategies listed in the Education and Outreach Plan:** fifty dollars (\$50) per day for each day in excess of fifteen (15) days following Contractor's receipt of written notice from City.
- F. **Collection outside permitted hours:** one hundred dollars (\$100) per occurrence.
- G. **Use of Unauthorized Facilities.** For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement. Twenty-five dollars (\$25) per Ton.
- H. **Failure to Implement Three-Container System.** For each occurrence of failing to provide Customers with the three (3) Container system required by and compliant with Article 4, excluding Generators and Customers granted waivers pursuant to Section 4.4 of this Agreement. Twenty-five dollars (\$25) per Customer per month.
- I. **Failure to Comply with Container Labeling and Colors.** For each occurrence of Contractor's failure to comply with Container labeling and color requirements pursuant to Section 8.3 of this Agreement. Twenty-five dollars (\$25) per Container per month.

- J. **Failure to Perform Public Education and Outreach.** For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by this Agreement. Twenty-five dollars (\$5) per Customer.
- K. **Failure to Submit Reports or Allow Access to Records.** For each failure to submit any individual report or provide access to records in compliance with and in the timeframe specified in this Agreement. Incomplete and/or inaccurate reports shall be considered a failure to submit until such time as all information in the report has been provided in a complete and accurate form. In the event City determines an errant or incomplete report more than ten (10) Business Days after submittal by Contractor, Contractor shall be given ten (10) Business Days to complete and correct and any pending Liquidated Damages shall be tolled during that period.
- L. **Failure to Issue Contamination Notices.** For each failure of Contractor Collection personnel to issue Contamination Notices and maintain documentation of issuance as required by Section 4.4.O. of this Agreement during Route Reviews. Twenty-five dollars (\$25) per occurrence.
- M. **Improper Fee Issuance.** For each fee that is issued to a Generator without prior authorization from City under this Agreement. Twenty-five dollars (\$25) per occurrence

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

The decision of the City Contract Manager shall be final and binding on the Contractor unless the Contractor files with the Clerk of the City Council a notice of appeal within fifteen (15) days of receipt of the City Contract Manager's decision. The Notice of Appeal shall be in writing and shall contain a detailed statement of the basis for the appeal. Upon receipt of the Notice of Appeal, the City Contract Manager shall set the matter for a public hearing within thirty (30) days. The City Contract Manager shall give the Contractor and any interested Person requesting the same, ten (10) days' written notice of the time and place of the hearing. At the hearing, the City Council shall determine, based on the record, the appropriate action to be taken. The decision of the City Council shall be final and conclusive.

Section 13.3: Uncontrollable Circumstances

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

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

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

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

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

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

- B. **City's Right to Terminate.** The partial or complete interruption or discontinuance of the Contractor's services caused by one (1) or more of the events described in this Section shall not constitute a default by the Contractor under this Agreement. Notwithstanding the foregoing, however, if the Contractor is excused from performing its obligations hereunder because of any Uncontrollable Circumstance for a period of thirty (30) days or more, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving sixty (60) days' notice.
- C. **Work Stoppages.** Notwithstanding anything in this Agreement to the contrary, any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to an activity performed or to be performed by the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services that last beyond seven (7) days shall not constitute an Event of Default under Section 13.1.A.

However, in the event of such occurrence that prevents or diminishes the ability of Contractor to Collect, Transport, and Dispose of any or all of the Discarded Materials that it is obligated under this Agreement to Collect, Transport, or Dispose of for a period of more than seventy-two (72) hours and the City Contract Manager, in their discretion, should find that such accumulation endangers or menaces the public health, safety, or welfare, then City shall have the right, upon twenty-four (24) hours' notice to Contractor, to find the Contractor in Default. The City shall then have the right to contract with any other third-parties to Collect and Transport any and all Discarded Materials which Contractor would otherwise be obligated to Collect and Transport pursuant to this Agreement. Contractor agrees that in such event, it will fully cooperate with City and its third-party contractor to affect such transfer of operations in as smooth and efficient a fashion as is practicable. All costs, fees, rates, or other expenses incurred by City and/or its third-party contractor that exceed those that would have been incurred by City had no such emergency arisen shall be the responsibility of the Contractor and shall be paid to City within thirty (30) days of receipt of written notice to pay.

Section 13.4: Right to Demand Assurances of Performance

If the City believes in good faith that the Contractor's ability to perform under the Agreement has been placed in substantial jeopardy by one (1) of the events enumerated below, the City Contract Manager may, at his option and in addition to all other remedies the City may have, require that Contractor provide City Contract Manager with sufficient proof that none of the events enumerated below will in fact impair Contractor from performing its obligations under the Agreement:

- A. Contractor is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- B. Contractor appears, in the reasonable judgment of the City, to be unable to regularly pay its bills as they become due; or,
- C. Contractor is the subject of a civil or criminal judgment or order entered by a Federal, State, regional, or local agency for violation of an environmental law.

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

Section 13.5: Waiver of Defenses

In order to ensure the non-interruption of a vital public service, except as provided in Section 13.3, the Contractor acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Agreement: any defense based upon failure of consideration, contract of adhesion, impossibility or impracticability of performance, commercial frustration of purpose, or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Contractor with regard to any provision of this Agreement.

ARTICLE 14: RESOLUTION OF DISPUTES

Should a dispute arise with respect to the performance and obligations of the Parties hereunder, at any time during the Term of this Agreement, the provisions of this Section shall apply. Either Party shall give the other written notice of such dispute. Such notice shall specify a date and location for the Parties to meet and confer in good faith to resolve any dispute that may arise. In the event such dispute cannot be resolved by the Parties themselves within thirty (30) days of such notice, either Party may propose the appointment of a mediator. If the other Party is in agreement, both Parties may refer the matter in dispute to such mediator for advice and non-binding mediation. If the mediator is unable, within 30 days thereafter, to reach a determination as to the matter in dispute in a manner acceptable to the Parties hereto, the matter may be referred by either Party to a Court of competent jurisdiction.

ARTICLE 15: MISCELLANEOUS PROVISIONS

Section 15.1: Relationship of the Parties

Neither Party to this Agreement shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed by the other Party hereto, whether accrued, absolute, contingent, or otherwise, or whether due or to become due. The Contractor is an independent Contractor and Agreement holder and nothing in this Agreement shall be deemed to constitute either Party a partner, agent, or legal representative of the other Party or to create any fiduciary relationship between the Parties.

Section 15.2: Notice to Parties

All notices required or provided for in this Agreement shall be provided to the Parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered, or certified mail, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five (5) days after deposit. A Party may change the address to which notice is given by giving notice as provided herein.

To City:

City of Ridgecrest
Attn: City Manager
100 W. California Ave.
Ridgecrest, CA 93555

To Contractor:

Waste Management of California, Inc.
Attn: Mr. Mike Hammer
9081 Tujungia Ave.
Sun Valley, CA 91352

Section 15.3: Actions of the City in its Governmental Capacity

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

Section 15.4: Binding Effect

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

Section 15.5: Amendments

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

Section 15.6: Further Assurance

Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

Section 15.7: Assignment and Transfer of Agreement

- A. **Consent of the City Required.** This Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part, nor shall title hereto or thereto, either legal or equitable, or any right, interest or property herein or therein, pass to or vest in any Person, except the Contractor, either by action or inaction of the Contractor, or by operation of law, without the prior written consent of the City, which may be withheld or delayed in its sole and absolute discretion.

The Contractor shall provide written notice of any request to assign or transfer this Agreement, and shall provide the City with any information requested by the City in connection with the proposed transfer including, but not limited to, information regarding the general business qualifications of the proposed assignee, as well as its ability to perform the Collection Services and a statement of its financial resources. The Contractor's notice of intention to assign this Agreement shall contain a statement of the allocation of dollars in the consideration to be paid by the assignee to the Contractor for: (a) goodwill; (b) equipment; and, (c) any other asset transfer that has any connection with said assignment, all as agreed upon by the Contractor and the assignee. The notice shall also contain a statement showing the method of payment for the consideration and whether the Contractor proposes to hold some security interest as security for the payment of the unpaid balance of the consideration.

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

Any transfer of this franchise shall constitute the granting of a "new franchise" for purposes of Municipal Code Sections 7-5.104 and 7-5.105. In addition to the procedural requirements of this Section, any transfer is subject to the procedural requirements of these portions of the Municipal Code. Furthermore, any assigned or transferred franchise is subject to the term limitations of Municipal Code Section 7-6.106 as calculated from the original date of the granting of this franchise.

- B. **Consolidation, Merger, Sale, Transfer, and Change in Control.** Subject to the provisions of section 15.7.A above, the Contractor shall not, without the prior written consent of the City, which may be withheld or delayed in its sole and absolute discretion, consolidate with or merge with another entity or permit one (1) or more other entities to consolidate with or merge into it. Notwithstanding the above, any such transaction between Contractor and an Affiliate shall not be considered an

assignment or transfer for purposes of this Section, and the City's consent to such transaction is not required.

- C. **Transfer of Voting Stock.** The City's prior written consent, which may be withheld or delayed in its sole and absolute discretion, shall be required for the sale or transfer by any means, whether by agreement or by operation of law (including transfers resulting from death, bankruptcy, or divorce), of any of the voting stock of the Contractor. Notwithstanding the above, any such transaction between Contractor and an Affiliate shall not be considered an assignment or transfer for purposes of this Section, and the City's consent to such transaction is not required.
- D. **Reimbursement of Cost Related to Assignment Review.** If the Contractor requests the consent of the City for any transaction described in Section hereof (except for those transactions described in subsections B. and C. above between Contractor and an Affiliate), the proposed assignee, as a condition of assignment, shall reimburse the City for all costs and expenses incurred by the City in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the City and consultants and attorney's fees and expenses. Along with its written request for the review of the assignment, Contractor shall remit to City an assignment review fee in the amount of one hundred thousand dollars (\$100,000), which shall be intended to compensate the City of the costs of its review of the requested assignment. Such fee shall not be refundable to the Contractor in the event that the City determines, in its sole discretion, that the proposed assignment is unacceptable. In the event that the City's total costs for the review of the assignment exceed one hundred thousand dollars (\$100,000), the assignee shall compensate the City for its actual and reasonable costs within thirty (30) days of receiving the City's invoice. Such costs shall be supported with evidence of the expense or cost incurred.
- E. **Transfer Fee.** On the date the City approves the Contractor's written request for an assignment, Contractor shall pay the City a transfer fee in the amount of one percent (1%) of the Gross Receipts for the most-recently completed Rate Period. The City's approval of such an assignment shall be conditioned on the receipt of the transfer fee.

Section 15.8: Interpretation

In this Agreement, unless the context otherwise requires:

- A. **References Hereto.** The terms "hereby," "hereof," "herein," "hereunder," and any similar terms refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution of this Agreement.
- B. **Gender and Plurality.** Words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include the plural number and vice versa.
- C. **Persons.** Words importing Persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations, non-profit corporations, and other legal entities, including Governmental Bodies, as well as individuals.
- D. **Headings.** The table of contents and any headings preceding the text of the articles, sections, and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.
- E. **Entire Agreement.** This Agreement contains the entire Agreement between the Parties hereto with respect to the transactions contemplated by this Agreement. Furthermore, nothing in this

Agreement is intended to confer on any Person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

- F. **Reference to Days.** All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.
- G. **Units of Measure.** Weights or volumes described herein may be reported in either metric or U.S. Standard terms of measurement, unless State or Federal law or regulation specifies the system of measurement to be used.
- H. **Counterparts.** This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.
- I. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, Applicable Law. This Agreement is intended to be fully consistent with the requirements of the Ridgecrest Municipal Code and any subsequent amendments thereto. In the event there is an inconsistency or conflict between this Agreement and the Municipal Code, the Municipal Code is controlling and shall substitute for the inconsistent provision.
- J. **Severability.** If any clause, provision, subsection, section, or article of this Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:
 - 1. Promptly meet and negotiate a substitute for such clause, provision, section, or article which shall, to the greatest extent legally permissible, effect the intent of the Parties therein.
 - 2. If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement.
 - 3. Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above, to effect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, section, or article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist.

Section 15.9: Jurisdiction

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

Section 15.10: Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein. Each of the Exhibits identified as Exhibits "A" through "G" is attached hereto and incorporated herein and made a part hereof by this reference.

EXHIBIT A: DEFINITIONS

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

"AB 341" means the Assembly Bill approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

"AB 1826" means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

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

"AB 939/SB 1383 Reimbursement" means a reimbursement to City by Contractor for expenses including but not limited to, staffing costs related to City programs, pilot studies, education and outreach campaigns, technical assistance to Customers, reporting, compliance, capacity planning, provision of special containers, or other activities involved in compliance with AB 939 and/or SB 1383.

"Affiliate(s)" means any person, corporation, or other entity directly or indirectly controlling or controlled by another person, corporation, or other entity; or, under direct or indirect common management or control with such person, corporation, or other entity. As between any two (2) or more Persons or entities, when ten percent (10%) of one is owned, managed, or controlled by another, they are Affiliates of one another for the purposes of this Agreement.

"Agreement" means this Amended and Restated Solid Waste Franchise Agreement between the City and the Contractor.

"Agreement Date" means the date of approval of this Solid Waste Franchise Agreement by the City.

"Agreement Year" means a twelve- (12) month period beginning on January 1 of each year and ending on the following December 31 each year during the Term of this Agreement provided, however, that the first Agreement Year will commence on the Agreement Date and the last Agreement Year will end on the date of termination of this Agreement.

"Annual Percentage Change" means the average of the percentage monthly changes in the value of an index for the twelve- (12) month period ending December of the then-current Rate Period minus the average of the percentage monthly changes in the index value for the twelve- (12) month period ending December of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (0.000). For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period Two, the Annual Percentage Change in CPI shall be calculated as

follows: [(Average CPI for January 2015 through December 2015) - (Average CPI for January 2014 through December 2014)] / (Average CPI for January 2014 through December 2014)].

"Applicable Law" means any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Collection Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, Ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or, any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, the payment of per-ton charges on solid waste facilities imposed by a governmental entity other than the City, data security, privacy, confidentiality, intellectual property, and further including the Kern County Code and the County Integrated Waste Management Plan and the City's SRRE).

"Approved Disposal Facility" means the landfill or transfer station, selected by City, where Solid Waste Collected under this Agreement is sent for final Disposal. The Approved Disposal Facility is the Ridgecrest Landfill located at 3301 Bowman Road, Ridgecrest, CA 93555.

"Approved Facility(ies)" means any one (1) of or any combination of the: Approved Recyclable Materials Processing Facility; Approved Organic Materials Processing Facility; Approved Recyclable Materials Transfer Facility; Approved Organic Materials Transfer Facility; and/or Approved Disposal Facility.

"Approved Organic Materials Processing Facility" means any destination facility, that qualifies for diversion credit in accordance with Applicable Law, to which Organic Material is transported following initial receipt and transfer at the Approved Organic Materials Transfer Facility.

"Approved Organic Materials Transfer Facility" means the Ridgecrest Landfill located at 3301 Bowman Road, Ridgecrest, CA 93555.

"Approved Processing Facility(ies)" means any one of or any combination of the: Approved Recyclable Materials Processing Facility; Approved Organic Materials Processing Facility; Approved Organic Materials Transfer Facility; or, Approved Recyclable Materials Transfer Facility.

"Approved Recyclable Materials Processing Facility" Means Azusa Transfer Station and material recovery facility located at 1505 Gladstone Street, Azusa, CA 91702.

"Approved Recyclable Materials Transfer Facility" Means the Dave Pearsons Recycling Center located at 1536 N. Mahan Street, Ste. A, Ridgecrest, CA 93555 .

"Base Rate" means the Rate charged for basic Solid Waste Collection Services, including Recyclable Materials in a specified area, as authorized by the City, absent any discounts offered by the Contractor as specified in Exhibit C32.

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

"Bulk Container" means a Container having a capacity of one (1) or more cubic yards.

"Bulky Waste" Green Waste, and/or wood waste, and similar large items that can be handled by two (2) people, weigh no more than two hundred (200) pounds, and require special Collection due to their size or nature, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating Vehicle load limits. Bulky Waste must be generated by the Customer and at the service address wherein the Bulky Waste are Collected. Bulky Waste do not include abandoned automobiles, large auto parts, trees, Construction and Demolition Debris, or items herein defined as Excluded Waste.

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

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

"California Code of Regulations (CCR)" means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).

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

"Cart" means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection Vehicle. A Cart has capacity of thirty-five (35) to ninety-six (96) gallons (or similar volumes). Cart sizes vary depending on the manufacturer, and any reference to Cart sizes in this Agreement is an approximation.

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

"Change in Law" means any of the following events or conditions that have a material and adverse effect on the Contractor's performance of the Collection Services (except for payment obligations):

- A. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after the Agreement Date of any Applicable Law; or,
- B. The order or judgment of any Governmental Body, on or after the Agreement 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.

"City" means the City of Ridgecrest, California, a political subdivision of the State, acting through its City Council.

"City Contract Manager" means the City Manager or their designated representative who is responsible for the administrative management of this Agreement.

"**City Fees**" shall mean those fees described in Section 10.1 of this Agreement.

"**Collect**" or "**Collection**" (or any variation thereof) means the act of taking possession of Recyclable Materials, Organic Materials, Solid Waste, Bulky Waste, and other materials at the place of generation in the City.

"**Collection Premises**" means the Residential Premises, Non-Residential Premises, or both, for which the Contractor is authorized to provide Collection Services.

"**Collection Services**" means all of the duties and obligations of the Contractor hereunder.

"**Commercial**" shall mean of, from, or pertaining to non-Residential Premises where business activity is conducted including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property, which are permitted under applicable zoning regulations and are not the primary use of the property.

"**Community Composting**" means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed one hundred (100) cubic yards and seven hundred fifty (750) square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

"**Compactor**" means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two (2) to eight (8) cubic yard Bin Compactors serviced by front-end loader Collection Vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by Roll-Off Collection Vehicles. "**Complaint**" shall mean each written or orally communicated statement made by any Person, whether to City or Contractor, alleging: (1) non-performance, or deficiencies in Contractor's performance, of its duties under this Agreement; (2) a violation by Contractor of this Agreement; or, (3) an SB 1383 Non-Compliance Complaint.

"**Composting**" or "**Compost**" (or any variation thereof) includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost product.

"**Construction and Demolition Debris (C&D)**" includes discarded building materials, packaging, debris, and rubble (including rocks, soils, tree remains, and other Yard Trimmings which results from land clearing or land development operations in preparation for construction) resulting from construction, alteration, remodeling, repair, or demolition operations on any pavements, excavation projects, houses, Commercial buildings, or other structures. Construction and Demolition Debris excludes Excluded Waste.

"**Consumer Price Index (CPI)**" shall mean the All Urban Consumers Index (CPI-U) compiled and published by the BLS, using the following parameters:

- Area - San Francisco-Oakland-Hayward, CA Item -All Items
- Base Period - Current 1982-84=100
- Not seasonally adjusted
- Periodicity- Bi-Monthly

- Series Identification Number - CUURA422SA0 CUURS49BSA0

"Container(s)" mean Bins, Carts, Compactors, and Drop Boxes.

"Contamination Notice" means the notice as described in Section 4.4.O.

"Contractor" means Contractor organized and operating under the laws of the State and its officers, directors, employees, agents, companies, related-parties, affiliates, subsidiaries, and Subcontractors.

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

"Customer" means Person who subscribes for service with Contractor.

"Customer Type" means the Customer's sector category including, but not limited to, Residential, Commercial, and City Facilities.

"County" means the County of Kern, California, a political subdivision of the State, acting through its Board of Supervisors.

"Designated Collection Location" refers to the location, at each Collection Premise, where Containers of Discarded Materials are customarily placed for collection in accordance with Section 4.6 herein.

"Discarded Materials" means Recyclable Materials, Organic Materials, and Solid Waste placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Contractor, excluding Excluded Waste.

"Dispose" or "Disposal" (or any variation thereof) means the final disposition of Solid Waste or Residual Waste at a Disposal Facility.

"Disposal Facility" means a landfill or other facility designed for ultimate Disposal of Solid Waste or Residual Waste.

"Divert" or "Diversion" (or any variation thereof) means to prevent Discarded Materials from Disposal at landfill or transformation facilities (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through source reduction, reuse, Recycling, Composting, anaerobic digestion, or other method of Processing, subsequent to the provisions of AB 939. Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs, and/or are for other reasons deemed desirable by the City.

"Drop Box" means an open-top Container with a capacity of ten (10) to fifty (50) cubic yards that is serviced by a Roll-Off Collection Vehicle.

"Dwelling Unit" means any individual living unit in a Single-Family dwelling (SFD) or Multi-Family dwelling (MFD) structure or building, a mobile home, or a motor home located on a permanent site intended for, or capable of being utilized for, Residential living other than a hotel or motel.

"Edible Food" means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

"Effective Date" means the date on which the latter of the two Parties signs this Agreement.

"Electronic Waste (E-Waste)" means discarded electronic equipment including, but not limited to, televisions, computer monitors, central processing units (CPUs), laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous Waste and thus require special handling, Processing, or Disposal.

"Emergency Services" means Discarded Materials Collection Services, other than those specified under this grant of Agreement, provided during or as a result of an emergency that threatens the public health or safety, as determined by the City Contract Manager.

"Employment Cost Index (ECI)" means the Employment Cost Index, Wages and salaries for Private industry workers in the Pacific Census Division [CIU202000000249], published by the U.S. Bureau of Labor Statistics, not seasonally adjusted.

"Event of Default" means only the events described in Sections 7.3 and 13.1.A.

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

"Federal" means belonging to or pertaining to the Federal government of the United States.

"Food Recovery" as defined in 14 CCR Section 18982(a)(25) means actions to Collect and distribute food for human consumption that otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

"Food Recovery Organization" means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the Health and Safety Code;
- B. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety

code; and,

- C. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

"Food Recovery Service" means a Person or entity that collects and Transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).

"Food Scraps" means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table Food Waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings, and other Compostable Organic Waste common to the occupancy of Residential dwellings. Food Scraps are a subset of Food Waste.

"Food-Soiled Paper" means Compostable paper material that has come in contact with Food Scraps or liquid, such as, but not limited to, Compostable paper plates, napkins, and pizza boxes. Food-Soiled Paper is a subset of Food Waste.

"Food Waste" means Source Separated Food Scraps and Food-Soiled Paper. Food Waste is a subset of Organic Materials.

"Franchise Fee" means the fee paid by Contractor to the City for the privilege to hold the rights granted by this Agreement.

"Fuel Index" means the California No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices (Dollars per Gallon), published by the U.S. Energy Information Administration.

"Generator" means any Person whose act or process produces Discarded Materials as defined in the Public Resources Code, or whose act first causes Discarded Materials to become subject to regulation.

"Governmental Body" means any Federal, State, County, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

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

"Green Waste" means those Discarded Materials that will decompose and/or putrefy including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in City Legislation for Collection and Processing as Organic Materials under this Agreement. Green Waste does not include items herein defined as Excluded Waste. Green Waste is a subset of Organic Materials. Green Waste placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit within the Contractor-provided Container. Acceptable Green Waste may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the City. Contractor shall not add or remove

materials to or from this list without written approval from the City Contract Manager or signed amendment to the Agreement, and such approval shall not be unreasonably withheld.

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

"Hazardous Substance" means any of the following: (a) any substances defined, regulated, or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant", or "toxic substances", or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted including, without limitation friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products and by-products.

"Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117, or in the future amendments to or recodifications of such statutes or identified and listed as solar panels from residential premises, and Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

"Household Hazardous Waste" or "HHW" means Hazardous Waste generated at Residential Premises within the City. HHW includes: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, used motor oil and filter, used oil filter, batteries, household batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets. **"Infectious Waste"** means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in Health and Safety Code Section 25117.5 as may be amended from time to time.

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

"Legal Proceeding" means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

"Line of Business" means any of the following services provided by the Contractor: Residential Solid Waste, Residential Recycling, Residential Organic Materials, Commercial Solid Waste, Commercial Recycling, and Commercial Organic Materials.

"Liquid Waste" means watered or dewatered sewage or sludge.

"Liquidated Damages" means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 13.2.

"Medical Waste" means waste capable of producing an infection or pertaining to or characterized by the presence of pathogens including, without limitation, certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste that includes animal wastes or parts from slaughterhouses or rendering plants.

"Multi-Family" or "MFD" means any Residential Premises, other than a Single-Family Premises, with five (5) 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 that are billed to one (1) Customer at one (1) address. Customers residing in townhouses, mobile homes, condominiums, or other structures with five (5) or more Dwelling Units who receive individual service and are billed separately shall not be considered Multi-Family.

"Municipal Code" means the City's Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

"Non-Residential Premises" means those parcels of real property not classified under the use codes listed in the Schedule of Solid Waste Management Program Service Charges for Residential Property, and made a part hereof, as amended by the City Council from time to time.

"Non-Residential Waste" means Solid Waste, Recyclable Materials, and Organic Materials generated, produced, or discarded by or at Non-Residential Premises.

"Occupant" means the Person who occupies a Premises.

"Operating Assets" means all real and personal property of any kind that is owned, leased, managed, or operated by (or under contract to) the Contractor for providing the Collection Services, including without limitation the Containers, Vehicles, Transfer stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies, and tools.

"Organic Materials" means Green Waste and Food Waste, individually or collectively. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste. Organic Materials are a subset of Organic Waste.

"Organic Waste" means wastes containing material originating from living organisms and their metabolic waste products including, but not limited to, food, Green Waste, untreated lumber, untreated wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively. Notwithstanding the foregoing, paper products and printing and writing paper shall be Collected by Contractor as Recyclable Material under this Agreement.

"Owner" means the person holding the legal title or having a right to possession of the real property constituting the Collection Premises to which Discarded Material Collection Service is provided or required to be provided hereunder.

"Party or Parties" refers to the City and Contractor, individually or together.

"Person(s)" means any individual, firm, association, organization, partnership, corporation, trust, joint venture, or public entity.

"Premises" means any land or building in the City where Discarded Materials are generated or accumulated.

"Process" or "Processing" (or any variation thereof) means to prepare, treat, or convert through some special method.

"Processing Facility" refers to any facility that removes Recyclable Materials or Organic Waste from Solid Waste prior to the delivery of Solid Waste, Recyclable Materials, and Organic Waste to the City Disposal system.

"Prohibited Container Contaminants" means, in accordance with 14 CCR Section 18982.1(55) the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the City's Collection program; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the City's Collection program; (iii) Discarded Materials placed in the Solid Waste Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in the City's Recyclable Materials or Organic Materials Containers or otherwise managed under the City's Collection program; and, (iv) Excluded Waste placed in any Container.

"Rate" means the maximum amount, expressed as a dollar unit, approved by the City that the Contractor may bill a Customer for providing services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Exhibit C3. The Rates approved by City are the maximum Rate that Contractor may charge a Customer and Contractor may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the City.

"Rate Adjustment Factor" shall mean the amount, expressed as a percentage, by which each of the operating, Disposal, Processing, and fee components of each Rate are adjusted. The Rate Adjustment Factor for each component shall be calculated separately.

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

"Rate Period One" means the first Rate Period covered by this Agreement. Rate Period One shall begin on July 1, 2022 and shall end on June 30, 2023.

"Recovered Materials" means the products, excluding Residual Waste, produced by the Processing of Recyclable Materials or Organic Materials.

"Recyclable Materials" means those Discarded Materials that the Generators set out in Recyclable Materials Containers for Collection for the purpose of Recycling by the Contractor and that exclude Excluded Waste. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials and Solid Waste. Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard,

paper egg cartons, telephone books, grocery bags, colored paper, contain paper, envelopes, legal pad backings, shoe boxes, cereal, and other similar food boxes, chipboard, corrugated Cardboard, glass containers of any color (including brown, clear, and green glass bottles and jars), aluminum (including beverage containers and small pieces of scrap metal), steel, tin, or bi-metal cans, and rigid plastics with a neck. Recyclable Materials excludes paper tissues, paper towels, paper contaminated with food, Tyvek (non-tearing paper envelopes), film plastic (when clean, dry, and contained inside of a plastic bag), and expanded Polystyrene (EPS). Acceptable Recyclable Materials may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the City. Contractor shall not add or remove materials to or from this list without written approval from the City Contract Manager or signed amendment to the Agreement, and such approval shall not be unreasonably withheld.

“Recycle, Recycled or Recycling” means the Process of sorting, cleansing, treating, and reconstituting (at a Recyclable Materials Processing Facility) materials that would otherwise be Disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused, or reconstituted products. Recycling includes Processes deemed to constitute a reduction of landfill Disposal pursuant to 14 CCR, Section 18983.1(b). Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

“Residential” shall mean of, from, or pertaining to a Single-Family Dwelling Unit or Multi-Family Dwelling Unit, including Single-Family homes, apartments, condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

“Residual Waste” or “Residue” means those materials that, after Processing, are Disposed rather than Recycled due to either the lack of markets for materials or the inability of the Processing Facility to capture and recover the materials.

“Roll-Off” means Discarded Material pick-ups using Bulk Containers mounted on rail wheels or similar wheels and using special trucking equipment for transporting the Bins and Containers.

“Route” means the designated itinerary or sequence of stops for each segment of the City’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Routing and Collection System” means the Routing and Collection System for Discarded Materials that is in effect as of the effective date of this Agreement.

“SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

For the purposes of this Agreement, SB 1383 specifically refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted on November 3, 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials that are separated by type of Generator thereof from materials that otherwise are discarded or rejected by the Generator as Solid Waste and Recyclable Materials and that are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and Recycled.

Scrap Materials shall not include any materials that: (1) are commingled with Solid Waste and Recyclable Materials; or, (2) are not commingled with Solid Waste and Recyclable Materials, but that are Collected by any person other than the Contractor as part of any transaction or arrangement involving Solid Waste and Recyclable Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

"Self-Hauler" or "Self-Haul" means a Person who hauls Discarded Materials, recovered material, or any other material, to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who back-hauls waste, as defined in 14 CCR Section 18982(a)(66)(A).

"Service Level" refers to the size of a Customer's Container and the frequency of Collection Services.

"Single-Family" or "SFD" means, notwithstanding any contrary definition in City Municipal Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection service feasibly can be provided to such Premises as an independent unit, and the Owner or Occupant of such independent unit is billed directly for the Collection service. Single-Family includes townhouses, and each independent unit of duplex, tri-plex, or four-plex Residential structures, regardless of whether each unit is separately billed for their specific Service Level.

"Solid Waste" means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Excluded Waste, C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container not Source Separated from Solid Waste at the site of generation.

"Source Separated" means the segregation, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, or reuse.

"Special Circumstance" means a circumstance that, when occurring, permits (but does not require) the Contractor or the City to seek an adjustment in the Rates for Collection Services, and that then requires City Contract Manager to review such application and make a recommendation to the City Council as to whether the Base Rate should be adjusted up or down, or remain unchanged. The continuing need for any and all previously-approved Special Circumstance Rate adjustments shall be reviewed at the time of each subsequent Rate adjustment.

"Special Service" means a level of Discarded Material Collection Service in excess of that offered by the Contractor as its basic level of service, at an additional cost to the Customer and may include, but is not limited to, backyard pickup, additional Containers, or more frequent Collections. "Special Service" does not mean the reasonable accommodation of an individual with a disability. The charge for any Special Service shall be reviewed by the City Contract Manager.

"State" means the State of California.

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

"Term" means the Term of this Agreement, including extension periods if granted, as provided for in Section 3.1.

"Tier One Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(73) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket.
- B. Grocery store with a total facility size equal to or greater than 10,000 square feet.
- C. Food Service Provider.
- D. Food Distributor.
- E. Wholesale Food Vendor.

"Tier Two Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(74) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with two hundred fifty (250) or more seats, or a total facility size equal to or greater than five thousand (5,000) square feet.
- B. Hotel with an on-site food facility and two hundred (200) or more rooms.
- C. Health facility with an on-site food facility and one hundred (100) or more beds.
- D. Large Venue.
- E. Large Event.
- F. A State agency with a cafeteria with two hundred fifty (250) or more seats or total cafeteria facility size equal to or greater than five thousand (5,000) square feet.
- G. A local education agency with an on-site food facility.

"Tipping Fee" shall mean the Rate or Tipping Fee charged for each Ton or unit of material delivered to the Approved Facility(ies). The Parties acknowledge that the timing of changes to the Tipping Fees for facilities that are not owned or operated by Contractor or their subcontractor may not align with the review and adjustment of Rates under this Agreement. In the event that the Contractor begins to pay new Tipping Fees at another facility approved by the City, other than one owned and operated by Contractor or their Subcontractor, prior to the adjustment of Rates under this Agreement, the adjustment to the Rate Adjustment Factor shall consider that period. Alternatively, the City reserves the right to adjust Rates at any time during the year in order to address changes in Tipping Fees alone without adjusting any other component of Rates. The "current approved" Tipping Fees shall be the Tipping Fees in place on January 1 immediately preceding the submission of the Rate Application.

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

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

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

"Uncontrollable Circumstance" means only one (1) or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the Approved Facility(ies), the City, or the Contractor, to the extent that it materially and adversely affects the ability of the Contractor to perform any obligation under the Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission, or failure to exercise reasonable diligence on the part of the Contractor provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the Contractor:

- A. An act of God (but not including reasonably anticipated weather conditions for the City), hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic.
- B. A Change in Law (as defined herein).
- C. Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- D. The first seven (7) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services, provided the Contractor has implemented a contingency plan satisfactory to the City Contract Manager.

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

- 1. General economic conditions, interest or inflation rates, currency fluctuations, or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- 2. Changes in the financial condition of the City, the Contractor (or any of its Affiliates or Subcontractors) affecting their ability to perform their obligations;
- 3. The consequences of errors, neglect, or omission by the Contractor (or any of its Affiliates or any Subcontractor of any tier) in the performance of the Collection Services;
- 4. The failure of the Contractor to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- 5. Union work rules, requirements, or demands that have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increasing the cost to the Contractor of operating and maintaining the Operating Assets or providing the Collection Services;

6. Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services and that last beyond seven (7) days;
7. Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
8. Vehicle or equipment failure;
9. Any impact of prevailing wage law, customs, or practices on the Contractor's construction or operating costs; or,
10. Any act, event, or circumstance occurring outside of the United States.

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

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

EXHIBIT B:

RATE ADJUSTMENT METHODOLOGY

GENERAL

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

Contractor shall submit its calculation of a Rate adjustment to the City Contract Manager on or before April 1 of each Rate Period where Rates will be adjusted using the index-based methodology. Contractor shall submit its calculations on or before February 1 for any Rate Period where Rates will be adjusted using the cost-based methodology. Contractor's Rate calculations shall include all supporting schedules, documentation of Disposal or Processing Facility Tipping Fee changes, documentation of changes in Governmental Fees, and any other documentation or evidence determined by the City Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit B.

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

MULTI-INDEX RATE ADJUSTMENT

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

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

CALCULATION

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

Step 1: Calculate the "Operating Component Factor" or "OCF".

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

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

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

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

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

For example, assuming:

1. Proposed labor-related costs are 30% of proposed total annual operating costs.
2. Proposed fuel costs are 9% of proposed total annual operating costs.
3. Proposed other costs are 61% of proposed total annual operating costs.
4. Labor-Related Factor= 3% (calculated in Step 1a)
5. Fuel Factor= 17% (calculated in Step 1b)
6. Other Factor= 1% (calculated in Step 1c)
7. $OCF = (30\% \times 3\%) + (9\% \times 17\%) + (61\% \times 1\%) = 0.0304 = 3.04\%$

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

$\text{Adjusted Operating Component} = \text{Then-current Operating Component} \times (1 + OCF)$ For example, assuming:

1. Then-current Operating Component= \$50.00
2. $OCF = 3.04\%$
3. $\text{Adjusted Operating Component} = \$50.00 \times (1 + 0.0304) = \51.52

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

$\text{Adjusted Disposal Component} = \text{Then-current Disposal Component} \times (\text{Current approved Disposal Facility Tipping Fee} / \text{prior approved Disposal Facility Tipping Fee})$

For example, assuming:

1. Then-current Disposal Component= \$20.00
2. Current approved Disposal Facility Tipping Fee = \$50.00 per Ton
3. Prior approved Disposal Facility Tipping Fee= \$46.25 per Ton
4. $\text{Adjusted Disposal Component} = \$20.00 \times (\$50.00 / \$46.25) = \$21.62$

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

$$\text{Adjusted Processing Component} = \text{Then-current Processing Component} \times (\text{Current approved Processing Facility Tipping Fee} / \text{Prior approved Processing Facility Tipping Fee})$$

For example, assuming:

1. Then-current Processing Component= \$2.00
2. Current approved Processing Facility Tipping Fee= \$16.00 per Ton
3. Prior approved Processing Facility Tipping Fee= \$15.00 per Ton
4. Adjusted Processing Component= \$2.00 x (\$16.00 / \$15.00) = \$2.13

Step 5: Calculate the adjusted Fee Component, rounded to the nearest cent, for each Rate. The adjusted Fee Component of each Rate shall be calculated as follows:

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

For example, assuming:

1. Then-current Fee Component= \$5.00
2. OCF = 3.9%
3. Adjusted Fee Component= \$5.00 x (1 + 0.039) = \$5.20

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

$$\text{Adjusted Rate} = \text{Adjusted Operating Component} + (\text{Adjusted Disposal Component OR Adjusted Processing Component}) + \text{Adjusted Fee Component}$$

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
2. Adjusted Operating Component= \$51.52 (as calculated in Step 2)
3. Adjusted Disposal Component= \$21.62 (as calculated in Step 3)
4. Adjusted Fee Component= \$5.20 (as calculated in Step 5)
5. Adjusted Rate= \$51.52 + \$21.62 + \$5.20 = \$78.17

ADJUSTMENT LIMITATIONS

Notwithstanding the above, the annual Operating Component Factor adjustment may not increase more than six percent (6%) nor decrease (less than zero percent (0%)). In the event the Operating Component Factor formula set forth above would have allowed for a greater than six percent (6%) increase, or a decrease (less than zero percent (0%)) for any given annual Operating Component Factor adjustment, the unused percentage increase or decrease otherwise permitted may be carried over until such time as it may be applied without violating the provisions of this paragraph.

By way of example only, if the formula would provide for an increase of seven percent (7%) in one year, the Operating Component Factor may only be increased by six percent (6%). If, in the next year, the formula would provide for an increase of three percent (3%) the unapplied one percent (1%) increase from the prior year may be applied such that the Operating Component Factor increase would be four percent (4%). However, if the deferred percentage cannot be fully carried over as part of the next adjustment due to the six percent (6%) maximum, any unused increment would carry over to the next annual adjustment until fully utilized. Notwithstanding the above, any unused increment remaining at the expiration or termination of the Agreement shall be extinguished."

**Form 1
General Proposal Information**

General Proposer Information
Proposer Name: _Waste Management_

City of Ridgecrest Proposed

A. Primary Contact Information	
1. Name	Josh Mann
2. Title	Territory Manager
3. Phone	(661) 382-7436
4. Fax	
5. E-mail	jmann2@wm.com
B. Support Facilities	
1. Address of collection vehicle parking, maintenance, washing, and route staff parking facility(ies)	237 San Bernardino Blvd. (County Line Rd.), Ridgecrest, CA 93555
2. Address of administrative office	9081 Tujunga Ave., Sun Valley, CA 91352
3. Address of billing office	13940 Live Oak Blvd., Baldwin Park, CA 91706
4. Address of customer service office	5701 S. Eastern Ave, Ste 300, Commerce, CA 90040
C. Vehicle Manufacturer and Specifications (Body Capacity, GVWR, Load Capacity)	
1. Residential Collection Vehicles	Autocar; 39 Cubic Yard Body Capacity, GVWR 62,000 pounds, 10 tons load capacity
2. Commercial Collection Vehicles	Peterbilt; 39 Cubic Yard Body Capacity, GVWR 62,000 pounds, 10 tons load capacity
3. Drop Box Vehicles	Peterbilt; 40 Cubic Yard Body Capacity, GVWR dependent on load, 13 tons load capacity
D. Container Manufacturer, Sizes Offered, and Specifications	
1. Carts	Rehrig Pacific; 32-, 64- and 96-gallon HDPE collection containers
2. Bins	Confab; 1.5-, 3-, 4- and 6-cubic yard steel containers
3. Drop Boxes	Confab; 10-, 20-, 25, 30- and 40-cubic yard steel containers
E. Recyclable Materials Processing and Handling	
1. Name of processing site	Azusa Transfer Station and MRF
2. Owner's name	Azusa Land Reclamation (WM)
3. Operator's name	Azusa Land Reclamation (WM)
4. Address of processing location	1501 W. Gladstone St, Azusa, CA 91702
5. Hauling method (e.g. direct haul, transfer haul, Pod haul)	transfer haul
6. Name and address of transfer location (if applicable)	Dave Pearsons Recycling Center, 1536 N Mahan St Ste A, Ridgecrest, CA 93555
7. Tip Fee (Inclusive of transfer and disposal costs)	\$139.67 per ton (based on current charges, subject to change based on variability of transfer and processing costs)
8. Recyclable Materials Sales Revenue per Ton	No rebates are received by the hauler and revenues are accounted for within the per ton tip fee.

Form 2
Operating Statistics

Operating Statistics

Proposer Name: Waste Management

Proposer: Please provide the operating basis for your proposed costs (as identified in Form 5) and rates (as identified in Forms 6 and 7). These operating estimates should also be consistent with the Staffing Plan (Form 3) and Equipment Plan (Form 4). Please ONLY complete the yellow shaded cells and do not adjust the formulas in other cells.

REPORT FOR 12-MONTH PERIOD Forecast July 1, 2022 to June 30, 2023	Residential				Commercial / Multi-family			Drop Box				TOTAL
	Solid Waste	Recyclable Materials	Organics	Tree & Illegal Dump	Solid Waste	Recyclable Materials	Organics	Solid Waste	Recyclable Materials	C&D	Organics	
Account Information												
1 # of weekly accounts/customers	4594	4425.5	8250	117.1	484	322.5	405	10	4	4		18,616
Labor Information												
2 # of regular route personnel	1	1	2	0	1	0	0	0	0	0		6
3 Labor hours/day/person	10.00	10.00	10.00	8.00	10.00	10.00	10.00	10.50	10.50	10.50		100
4 Total labor hours/year	2,617	2,472	5,047	459	2,443	843	446	441	166	169		15,102
Route Information												
5 # of routes per weekday	1.01	0.95	1.94	0.22	0.90	0.31	0.17	0.16	0.06	0.06		5.78
6 # of persons/route	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
7 # of route hours/day/route	10.00	10.00	10.00	8.00	10.00	10.00	10.00	10.50	10.50	10.50		
8 # of route hours/year	2,617.49	2,471.69	5,046.98	458.64	2,442.63	843.30	446.33	440.56	166.08	168.63		15,102.31
9 # of 40 hr FTE routes	1.26	1.19	2.43	0.22	1.17	0.41	0.21	0.21	0.08	0.08		7.26
10 # of lifts/pulls per week for all routes	4,594	4,426	8,250	117	785	335	515	12	4	4		
11 # of lifts/pulls per year for all routes	238,888	230,126	429,000	6,089	40,809	17,429	26,780	604	228	231		
12 # of lifts/pulls route hour	91.27	93.10	85.00	13.28	16.71	20.67	60.00	1.37	1.37	1.37		
Tonnage Information (annual)												
13 Solid waste collected	6,827				3,661			1,280				11,768
14 Recyclable materials collected		1,493				684			214			2,391
15 Organics materials collected			3,123				536					3,659
16 C&D materials collected										849		849
17 Total Collected	6,827	1,493	3,123		3,661	684	536	1,280	214	849		18,668
18 Processing residue disposed		620				284			89			994
19 Net Diverted		872	3,123			400	536		125	849		5,906
Projected Diversion Rate											31.6%	

Operating Statistics

Proposer Name: Waste Management

Proposer: Please provide the operating basis for your proposed costs (as identified in Form 5) and rates (as identified in Forms 6 and 7). These operating estimates should also be consistent with the Staffing Plan (Form 3) and Equipment Plan (Form 4). Please ONLY complete the yellow shaded cells and do not adjust the formulas in other cells.

Notes for Form 2:

Line 1 - Should equal the number of customer serviced on a weekly basis. This should tie to the estimates presented in Forms 6 and 7.

Line 2 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Form 5.

Line 3 - Identify number of hours per day each regular route employee will work each day (including breaks, pre- and post-route checks, etc., excludes casual/pool personnel).

Line 4 - Should equal Line 2 * Line 3 * 260 days. **WM: except a blended 272.2 days for COM/MF Solid Waste and blended 271.5 days for COM/MF Recycle**

Line 5 - Information is to be reported for collection routes only and does not include any support (e.g., container delivery routes, cleanup routes, missed pickup routes etc.)

Line 6 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Form 5.

Lines 7 - Identify number of hours per day each route will take to complete (including collection time and hauling time to transfer station, landfill, or processing site).

Line 8 - Should equal Line 5 * Line 6 * Line 7 * 260 days, **WM: except a blended 272.2 days for COM/MF Solid Waste and blended 271.5 days for COM/MF Recycle**

Line 9 - Should equal Line 8/2080 hours per year

Line 10 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Form 5.

Line 11 - Should equal Line 10 * 52 weeks.

Line 12 - Should equal Line 11/ Line 8

Line 13 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Form 5.

Line 14 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Form 5.

Line 15 - Should equal Line 13 + Line 14.

Line 16 - Data to be input by proposer. Processing residue is the material disposed from the recyclable materials processing facility which cannot be marketed.

Line 17 - Should equal Line 14 - Line 16

Pulls = pull and return etc.

Full Time Equivalent (FTE) = 40 hours per week, 2,080 hours per year

**Form 3
Staffing Plan**

Proposed Staffing Requirements
Proposer Name: Waste Management

City of Ridgecrest Proposed

Route Personnel Headcount (Include fractions of employees, as applicable)	# of Regular Personnel	# of Casual/Pool	Total
Residential Solid Waste	1		1
Residential Recyclable Materials	1		0.950648979
Residential Organics	2		1.941145193
Residential Annual Clean-up Program	0		0.2205
Commercial Solid Waste	1		0.897366545
Commercial Recyclable Materials	0		0.310606705
Commercial Organics	0		0.171666667
Drop Box Solid Waste	0		0.161375458
Drop Box Recyclable Materials	0		0.060833333
Drop Box C&D Materials	0		0.061769231
Drop Box Organics	0		0
Subtotal Route Personnel	5.78263726	0	6
Other Personnel Headcount (Include fractions of employees, as applicable.)			# of Employees
Chief Executive Officer/Chief Financial Officer			
General Manager			
Operations Manager			
Route Supervisor			
Dispatcher			
Container Distribution			
Container Maintenance/Welder			
Maintenance Supervisor			
Maintenance Personnel			
Controller			
Staff Accountant			
Office Manager			
Customer Service Supervisor			
Customer Service Representatives			
Recycling Manager			
Recycling/Public Education Coordinator			
Other (specify): _____			
Other (specify): _____			
Other (specify): _____			
Subtotal Other Personnel			0
Total ALL Personnel			6

Collection Vehicles	Quantity									Year 1 Capital Cost , not including Replacements or Growth over Term
	New			Used			Total			
	Actual	Spare	Total	Actual	Spare	Total	Actual	Spare	Total	
Rear Loader(s)			0			0	0	0	0	
Side Loader(s)			0	4.16		4.16	4.16	0	4.16	\$ 572,292
Front Loader(s)			0	1.12		1.12	1.12	0	1.12	\$ -
Roll Off			0	0.28		0.284	0.284	0	0.284	\$ -
Subtotal	0	0	0	5.564	0	5.564	5.564	0	5.564	\$ 572,292
Other Vehicles										
Pickup Trucks			0			0	0	0	0	\$ -
Container Distribution			0	1	0	1	1	0	1	\$ -
Mobile Service Truck			0			0	0	0	0	\$ -
Other (specify): _____			0			0	0	0	0	
Other (specify): _____			0			0	0	0	0	
Subtotal	0	0	0	1	0	1	1	0	1	\$ -
Total Vehicle Cost										\$ 572,292
Containers										
Cart service										
Solid Waste 35-gallon	52		52	371		371	423	0	423	\$ 9,177
Solid Waste 64-gallon	67		67	482		482	549	0	549	\$ 8,837
Solid Waste 96-gallon	1007		1007	7260		7260	8267	0	8267	\$ 135,272
Recyclable Material 35-gallon	5		5	40		40	45	0	45	\$ 945
Recyclable Material 64-gallon	17		17	124		124	141	0	141	\$ 2,262
Recyclable Material 96-gallon	1219		1219	7659		7659	8878	0	8878	\$ 154,387
Residential and MF 2-gal Pails	9556		9556			0	9556	0	9556	\$ 165,223
Organics 35-gallon - Residential	8250		8250			0	8250	0	8250	\$ 478,665
Organics 64-gallon - Commercial	407		407	100		100	507	0	507	\$ 28,323
Organics 96-gallon - Commercial	0		0	8		8	8	0	8	\$ 169
Subtotal	20461	0	20461	15191	0	15191	35652	0	35652	\$ 983,260
Bin service (Trash + Recycling)										
1 cubic yard	0		0	2		2	2	0	2	\$ -
1.5 cubic yard	6		6	109		109	115	0	115	\$ 4,188
2 cubic yards	0		0	4		4	4	0	4	\$ 131
3 cubic yards	29		29	547		547	576	0	576	\$ 35,956
4 cubic yards	0		0	2		2				\$ 419
6 cubic yards	3		3	33		33	36	0	36	\$ 17,816
Subtotal	38	0	38	697	0	695	733	0	733	\$ 58,510
Drop Box service (All)										
10 cubic yards			0	1		1	1	0	1	\$ -
15 cubic yards			0	1		1	1	0	1	\$ -
20 cubic yards			0	0		0	0	0	0	\$ -
25 cubic yards			0	8		8	8	0	8	\$ -
30 cubic yards			0	3		3	3	0	3	\$ 312
35 cubic yards			0	0		0	0	0	0	\$ -
40 cubic yards			0	25		25	25	0	25	\$ 7,147
Other (specify): <u>Black Lids for existing T Carts</u>	9239		9239			0	9239	0	9239	\$ 91,495
Other (specify): _____			0			0	0	0	0	
Subtotal	9239	0	9239	38	0	38	9277	0	9277	\$ 98,954
Total Container Cost										\$ 1,140,724
Other (If Applicable)										
Offices										
Processing Site(s)										
Transfer Station										
Corporation Yard/Maintenance										
Container Storage Yard										
Shop Equipment										
Fueling Equipment										
Computer and Office Equipment										
Procurement-Related Expense										\$ -
Other (specify): _____										
Total Other Cost										\$ -
Total Cost										\$ 1,713,016

Form 5
Annual Operating Cost

Summary of Contractor's Compensation
Proposer Name: Waste Management

City of Ridgecrest Proposed

Proposer: Please provide the cost basis for your proposed rates below for each of the lines of service and each cost category identified. Please ONLY complete the shaded cells and do not adjust the formulas or dollar amounts populated in cells which are not shaded.

RATE PERIOD 1 From July 1, 2022 to June 30, 2023	Single-family						Commercial/ Multi-family			Drop Box				TOTAL
	Solid Waste	Recyclable Materials	Organics	Bulky,Xmas Tree & Illegal Dump	Lamptracker, Sharps, Battery Recy, Bulk Mail of Changes	Route Monitoring	Solid Waste	Recyclable Materials	Organics	Solid Waste	Recyclable Materials	C&D	Organics	
Annual Cost of Operations														
Labor-Related Costs	\$98,636	\$92,987	\$190,156	\$21,079		\$0	\$92,970	\$32,249	\$16,817	\$16,433	\$6,195	\$6,290	\$0	\$573,811
Vehicle and Route Support-Related Costs	\$278,638	\$135,249	\$319,238	\$3,625		\$0	\$143,118	\$46,588	\$28,238	\$18,432	\$10,017	\$10,171	\$0	\$993,314
Fuel Costs	\$ 43,236	\$40,831	\$83,380			\$0	\$37,400	\$12,971	7,373.78	\$8,142	\$3,069	\$3,116	\$0	\$239,520
Other Costs	\$176,414	\$131,364	\$218,242		\$13,105	\$13,000	\$725,549	\$217,258	\$83,253	\$131,750	\$1,534	\$49,381	\$0	\$1,760,850
Direct Depreciation (e.g. Vehicles and Equipment)	\$ 29,912	\$29,563	\$83,638			\$0	\$6,174	\$4,347	7,397	\$620	\$272	\$284	\$0	\$162,207
Total Annual Cost of Operations	\$626,835	\$429,994	\$894,653	\$24,704	\$13,105	\$13,000	\$1,005,211	\$313,413	\$143,078	\$175,377	\$21,087	\$69,243	\$0	\$3,729,701
Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,681)	\$0	\$0	(\$30,681)
Pass-Through Costs														
Disposal Cost	\$0	\$0	\$0			\$0	\$296,354	\$0	\$0	\$85,485	\$0	\$56,713	\$0	\$438,552
Net Recyclable Materials Processing Costs	\$0	\$208,458	\$0			\$0	\$0	\$95,603	\$0	\$0	\$29,923		\$0	\$333,985
Organics Processing Cost (County Com Bin Fee)	\$0	\$0	\$0			\$0	\$0	\$0	\$22,314	\$0	\$0		\$0	\$22,314
Interest Expense	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Costs	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$208,458	\$0	\$0	\$0	\$0	\$296,354	\$95,603	\$22,314	\$85,485	\$29,923	\$56,713	\$0	\$794,851
Total Costs before City Fees*	\$626,835	\$638,453	\$894,653	\$24,704	\$13,105	\$13,000	\$1,301,565	\$409,016	\$165,393	\$260,863	\$20,329	\$125,956	\$0	\$4,493,871
City Fees														
Franchise Fee	---	---	---			---	---	---	---	---	---	---	---	\$521,541
Admin Fee	---	---	---			---	---	---	---	---	---	---	---	\$200,000
Weed Abatement														\$0
Total City Fees	---	---	---			---	---	---	---	---	---	---	---	\$721,541
Total Proposed Annual Costs	---	---	---			---	---	---	---	---	---	---	---	\$5,215,412

Form 6
Cart Bin Rate Proposal

Cart and Bin Rate Proposal

City of Ridgcrest Proposed

Proposer Name: Waste Management

Instructions to Proposer: Enter the estimated number of accounts for all service levels. Rates shall be proposed for the first rate year of the Franchise extension starting July 1, 2022.

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Rate Factor	Total Rate	Estimated Number of Accounts	Estimated Annual Rate Revenues
Regularly Scheduled Residential Solid Waste Cart Services						
Solid Waste	One 32-gallon cart	Every Other Week	0.80	\$20.23	420	\$101,971
Solid Waste	One 64-gallon cart (Senior Rate)	Every Other Week	0.75	\$18.97	0	\$0
Solid Waste	One 64-gallon cart	Every Other Week	0.90	\$22.79	533	\$145,765
Solid Waste	One 96-gallon cart	Every Other Week	1.00	\$25.29	7542	\$2,288,882
Solid Waste	Additional 32-gallon cart	Every Other Week	0.47	\$11.84	1	\$142
Solid Waste	Additional 64-gallon cart	Every Other Week	0.47	\$11.84	7	\$995
Solid Waste	Additional 96-gallon cart	Every Other Week	0.47	\$11.84	403	\$57,258
Regularly Scheduled Residential Recycling Cart Services						
Recyclable Materials	One to Two 96-gallon cart	Every Other Week	0.00	\$0.00	8848	\$0
Recyclable Materials	Additional cart	Every Other Week	0.47	\$11.84	3	\$426
Regularly Scheduled Residential Organics Cart Services						
Organics	One 96-gallon cart	1	0.00	\$0.00	8250	\$0
Organics	Additional 96-gallon cart	1	0.47	\$11.84	0	\$0
Regularly Scheduled Solid Waste Bin Services						
Solid Waste	96-gal commercial cart	1	0.33	\$58.34	51	\$35,705
Solid Waste	1.5 cubic yard container	1	1.00	\$177.36	65	\$138,345
Solid Waste	1.5 cubic yard container	2	1.61	\$285.29	3	\$10,270
Solid Waste	1.5 cubic yard container	3	2.22	\$393.39	1	\$4,721
Solid Waste	1.5 cubic yard container	4	2.83	\$501.20	0	\$0
Solid Waste	1.5 cubic yard container	5	3.44	\$609.31	0	\$0
Solid Waste	3 cubic yard container	1	1.45	\$257.72	169	\$522,654
Solid Waste	3 cubic yard container	2	2.34	\$414.88	36	\$179,228
Solid Waste	3 cubic yard container	3	3.23	\$572.30	50	\$343,380
Solid Waste	3 cubic yard container	4	4.09	\$725.99	4	\$34,848
Solid Waste	3 cubic yard container	5	5.00	\$886.62	7	\$74,476
Solid Waste	4 cubic yard container	1	1.67	\$296.88	0	\$0
Solid Waste	4 cubic yard container	2	2.70	\$478.07	0	\$0
Solid Waste	4 cubic yard container	3	3.72	\$659.54	0	\$0
Solid Waste	4 cubic yard container	4	4.74	\$840.48	1	\$10,086
Solid Waste	4 cubic yard container	5	5.76	\$1,021.95	1	\$12,263
Solid Waste	6 cubic yard container	1	2.33	\$413.41	6	\$29,766
Solid Waste	6 cubic yard container	2	3.75	\$665.92	11	\$87,901
Solid Waste	6 cubic yard container	3	5.18	\$918.69	2	\$22,049
Solid Waste	6 cubic yard container	4	6.60	\$1,170.84	0	\$0
Solid Waste	6 cubic yard container	5	8.03	\$1,423.72	2	\$34,169
Solid Waste	3 cubic yard compactor	1	3.36	\$595.10	1	\$7,141
Solid Waste	6 cubic yard compactor	1	5.39	\$956.61	1	\$11,479
Regularly Scheduled Commercial Recyclable Materials Cart Services						
Recyclable Materials	One 96-gallon cart	Every Other Week	0.00	\$0.00	279	\$0
Recyclable Materials	One 96-gallon cart	1	0.00	\$0.00	8	\$0
Recyclable Materials	Additional 96-gallon cart	Every Other Week	0.47	\$11.84	0	\$0
Recyclable Materials	Additional 96-gallon cart	1	0.94	\$23.69	0	\$0
Regularly Scheduled Commercial Recyclable Materials Bin Services						
Recyclable Materials	1 cubic yard container	1	0.67	\$90.60	2	\$2,174
Recyclable Materials	1.5 cubic yard container	Every Other Week	0.00	\$0.00	34	\$0
Recyclable Materials	1.5 cubic yard container	1	1.00	\$135.89	5	\$8,154
Recyclable Materials	1.5 cubic yard container	2	1.50	\$204.43	1	\$2,453
Recyclable Materials	1.5 cubic yard container	3	2.01	\$273.04	1	\$3,277
Recyclable Materials	1.5 cubic yard container	4	2.51	\$341.39	0	\$0
Recyclable Materials	1.5 cubic yard container	5	3.02	\$410.07	0	\$0
Recyclable Materials	3 cubic yard container	Every Other Week	0.00	\$0.00	134	\$0
Recyclable Materials	3 cubic yard container	1	1.31	\$177.62	54	\$115,097
Recyclable Materials	3 cubic yard container	2	1.90	\$257.53	14	\$43,266
Recyclable Materials	3 cubic yard container	3	2.48	\$337.66	6	\$24,312
Recyclable Materials	3 cubic yard container	4	3.05	\$414.23	0	\$0
Recyclable Materials	3 cubic yard container	5	3.66	\$497.50	0	\$0

**Form 6
Cart Bin Rate Proposal**

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Rate Factor	Total Rate	Estimated Number of Accounts	Estimated Annual Rate Revenues
Recyclable Materials	4 cubic yard container	Every Other Week	0.00	\$0.00	0	\$0
Recyclable Materials	4 cubic yard container	1	1.41	\$191.41	0	\$0
Recyclable Materials	4 cubic yard container	2	1.99	\$270.41	0	\$0
Recyclable Materials	4 cubic yard container	3	2.57	\$349.66	0	\$0
Recyclable Materials	4 cubic yard container	4	3.15	\$428.42	0	\$0
Recyclable Materials	4 cubic yard container	5	3.74	\$507.70	0	\$0
Recyclable Materials	6 cubic yard container	Every Other Week	0.00	\$0.00	8	\$0
Recyclable Materials	6 cubic yard container	1	1.88	\$256.12	2	\$6,147
Recyclable Materials	6 cubic yard container	2	2.62	\$355.83	1	\$4,270
Recyclable Materials	6 cubic yard container	3	3.36	\$455.93	1	\$5,471
Recyclable Materials	6 cubic yard container	4	4.09	\$555.30	0	\$0
Recyclable Materials	6 cubic yard container	5	4.82	\$655.43	0	\$0
Regularly Scheduled Commercial and Multi-Family Organics Cart Services						
Organics - Both	Organics - Up to (2) two 64g Carts, 1x	1	0.00	\$0.00	405	\$0
	Additional Organics 64g Cart, on same pickup, above the two free	1	0.10	\$18.02	0	\$0
Organics - MultiFamily	Additional Organics 64g Cart, on same pickup, above the two free	1	0.13	\$22.92	0	\$0
Organics - Commercial						
Regularly Scheduled Solid Waste Multi-Family Bin Services						
Solid Waste	Duplex 96g cart service (Single Billed)/Unit	Every Other Week	0.79	\$19.98	87	\$20,861
Solid Waste	Duplex 64g cart service (Single Billed)/Unit	Every Other Week	0.74	\$18.64	0	\$0
Solid Waste	Duplex 32g cart service (Single Billed)/Unit	Every Other Week	0.68	\$17.27	2	\$415
Solid Waste	Triplex 96g cart service (Single Billed)/Unit	Every Other Week	0.86	\$21.84	140	\$36,690
Solid Waste	Triplex 64g cart service (Single Billed)/Unit	Every Other Week	0.83	\$20.94	0	\$0
Solid Waste	Triplex 32g cart service (Single Billed)/Unit	Every Other Week	0.79	\$20.02	0	\$0
Solid Waste	Quadplex 96g cart service (Single Billed)/Un	Every Other Week	0.90	\$22.75	44	\$12,013
Solid Waste	Quadplex 64g cart service (Single Billed)/Un	Every Other Week	0.87	\$22.08	9	\$2,384
Solid Waste	Quadplex 32g cart service (Single Billed)/Un	Every Other Week	0.85	\$21.39	0	\$0
Solid Waste	1.5 cubic yard container	1	1.00	\$176.12	6	\$12,680
Solid Waste	1.5 cubic yard container	2	1.55	\$272.39	0	\$0
Solid Waste	1.5 cubic yard container	3	2.09	\$368.81	0	\$0
Solid Waste	1.5 cubic yard container	4	2.64	\$464.88	0	\$0
Solid Waste	1.5 cubic yard container	5	3.19	\$561.34	0	\$0
Solid Waste	3 cubic yard container	1	1.37	\$240.68	31	\$89,533
Solid Waste	3 cubic yard container	2	2.08	\$365.62	18	\$78,973
Solid Waste	3 cubic yard container	3	2.79	\$490.80	14	\$82,455
Solid Waste	3 cubic yard container	4	3.47	\$611.76	0	\$0
Solid Waste	3 cubic yard container	5	4.21	\$740.69	0	\$0
Solid Waste	4 cubic yard container	1	1.52	\$267.10	0	\$0
Solid Waste	4 cubic yard container	2	2.28	\$401.04	0	\$0
Solid Waste	4 cubic yard container	3	3.04	\$535.32	0	\$0
Solid Waste	4 cubic yard container	4	3.80	\$668.94	0	\$0
Solid Waste	4 cubic yard container	5	4.56	\$803.29	0	\$0
Solid Waste	6 cubic yard container	1	2.07	\$363.91	2	\$8,734
Solid Waste	6 cubic yard container	2	3.08	\$542.62	0	\$0
Solid Waste	6 cubic yard container	3	4.10	\$721.76	2	\$17,322
Solid Waste	6 cubic yard container	4	5.11	\$900.07	0	\$0
Solid Waste	6 cubic yard container	5	6.13	\$1,079.28	0	\$0

**Form 6
Cart Bin Rate Proposal**

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Rate Factor	Total Rate	Estimated Number of Accounts	Estimated Annual Rate Revenues
Other Services						
Extra bulky waste collection frequency (beyond 3 per year)	N.A.	Per occurrence	N.A.	\$28.27	0	\$0
Extra Appliance or Bulky Waste Item Collection (beyond 1 per event)	N.A.	Per item	N.A.	\$4.82	0	\$0
Extra bulky waste collection volume (beyond 3 cubic yards per event)	N.A.	Per cubic yard per occurrence	N.A.	\$9.33	0	\$0
3yd On Call Bin Per PU	N.A.	Per occurrence	N.A.	\$176.66	3.25	\$6,890
3yd On Call Extra PU	N.A.	Per occurrence	N.A.	\$88.61	1.916666667	\$2,038
Contamination Fee Proposed On-Property Service	N.A. N.A.	Per occurrence Per Month	N.A. N.A.	\$30.53 \$46.96	7.75 0	\$2,839 \$0
Extra can or bag of Solid Waste collected on customer's regularly scheduled collection day	32-gal can or bag	Per occurrence	N.A.	\$4.82	0	\$0
Extra can or bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	Per occurrence	N.A.	\$9.33	0	\$0
Extra pick-up for on-call service or overage pick-up service for regular container customers	1.5 to 6 cubic yard container	Per cubic yard per occurrence	N.A.	\$32.58	52.72406384	\$20,612
Lock/unlock	N.A.	Per Month	N.A.	\$45.47	0.083333333	\$45
Steam cleaning	N.A.	Per occurrence	N.A.	\$120.71	0	\$0

Other Charges

Does proposer wish to include any other Rates? (circle one: YES / NO)
If the answer to the above question is YES, provide a list of any and all other charges the proposer wishes to include in its proposal
on a separate sheet along with the proposed Rates.

Estimated Annual Revenue

\$4,763,025

**Form 7
Drop Box Rate Proposal**

Drop Box and Compactor Rate Proposal
Proposer Name: Waste Management

City of Ridgecrest Proposed

Instructions to Proposer: Enter Operating and Tipping Fee Component for each regularly scheduled service and on-call service which are shaded below. Rates shall be proposed for the first rate year of the Franchise extension starting July 1, 2022.

Type of Service	Receptacle	Cost/Pull	Cost/Ton	Annual Estimated Number of Pulls	Annual Estimated Tons	Estimated Annual Rate Revenues
Collection Service (Monthly Rate not including rental & delivery fees which are charged separately)						
Solid Waste	10 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Solid Waste	20 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
City Free Pulls	25 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Solid Waste	30 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Solid Waste	40 cubic yard drop box	\$250.13	\$64.45	20	36	\$ 7,323.44
Solid Waste	10 cubic yard compactor	\$250.13	\$64.45	0	0	\$ -
Solid Waste	20 cubic yard compactor	\$250.13	\$64.45	18	145	\$ 13,830.19
Solid Waste	30 cubic yard compactor	\$250.13	\$64.45	4	28	\$ 2,816.72
Solid Waste	40 cubic yard compactor	\$250.13	\$64.45	26	120	\$ 14,268.32
Solid Waste	City Free Pulls	\$0.00	\$0.00	7	6	\$ -
Recyclable Material	10 cubic yard drop box	\$250.13	\$144.51	0	0	\$ -
Recyclable Material	15 cubic yard drop box	\$250.13	\$144.51	4	19	\$ 3,780.91
Recyclable Material	20 cubic yard drop box	\$250.13	\$144.51	0	0	\$ -
Recyclable Material	25 cubic yard drop box	\$250.13	\$144.51	1	1	\$ 387.42
Recyclable Material	30 cubic yard drop box	\$250.13	\$144.51	0	0	\$ -
Recyclable Material	40 cubic yard drop box	\$250.13	\$144.51	37	52	\$ 16,711.58
Recyclable Material	10 cubic yard compactor	\$250.13	\$144.51	0	0	\$ -
Recyclable Material	20 cubic yard compactor	\$250.13	\$144.51	0	0	\$ -
Recyclable Material	City Free Pulls	\$0.00	\$0.00	177	134	\$ -
C&D Material	10 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
C&D Material	20 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
C&D Material	25 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
C&D Material	30 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
C&D Material	40 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
C&D Material	10 cubic yard compactor	\$250.13	\$64.45	0	0	\$ -
C&D Material	20 cubic yard compactor	\$250.13	\$64.45	0	0	\$ -
C&D Material	City Free Pulls	\$250.13	\$64.45	0	0	\$ -
Organic Material	10 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Organic Material	20 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Organic Material	25 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Organic Material	30 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Organic Material	40 cubic yard drop box	\$250.13	\$64.45	0	0	\$ -
Organic Material	10 cubic yard compactor	\$250.13	\$64.45	0	0	\$ -
Organic Material	20 cubic yard compactor	\$250.13	\$64.45	0	0	\$ -
Organic Material	City Free Pulls	\$250.13	\$64.45	0	0	\$ -
Temp Collection Service (Monthly Rate not including rental & delivery fees which are charged separately)						
Chrg for Tons Over						
Solid Waste	10 cubic yard drop box	\$512.37	\$1,085.17	5	32	\$ 3,647.02
Solid Waste	20 cubic yard drop box	\$512.37		0	0	\$ -
Solid Waste	25 cubic yard drop box	\$512.37	\$416.93	8	23	\$ 4,515.89
Solid Waste	30 cubic yard drop box	\$512.37	\$1,209.54	18	36	\$ 10,432.20
Solid Waste	40 cubic yard drop box	\$512.37	\$10,714.44	398	853	\$ 214,637.70
Solid Waste	10 cubic yard compactor	\$512.37		0	0	\$ -
Solid Waste	20 cubic yard compactor	\$512.37		0	0	\$ -
Solid Waste	City Free Pulls	\$0.00		0	0	\$ -
Recyclable Material	10 cubic yard drop box	\$683.66		0	0	\$ -
Recyclable Material	20 cubic yard drop box	\$683.66		0	0	\$ -
Recyclable Material	30 cubic yard drop box	\$683.66	\$0.00	1	0	\$ 683.66
Recyclable Material	40 cubic yard drop box	\$683.66	\$340.24	1	8	\$ 1,023.90
Recyclable Material	10 cubic yard compactor	\$683.66		0	0	\$ -
Recyclable Material	20 cubic yard compactor	\$683.66		0	0	\$ -
Recyclable Material	City Free Pulls	\$0.00		0	0	\$ -
C&D Material	10 cubic yard drop box	\$512.37	\$3,698.86	11	85	\$ 9,334.93
C&D Material	20 cubic yard drop box	\$512.37		0	0	\$ -
C&D Material	25 cubic yard drop box	\$512.37	\$379.55	1	9	\$ 891.92
C&D Material	30 cubic yard drop box	\$512.37	\$3,521.00	49	126	\$ 28,627.13
C&D Material	40 cubic yard drop box	\$512.37	\$13,993.79	170	629	\$ 101,096.69
C&D Material	10 cubic yard compactor	\$512.37		0	0	\$ -
C&D Material	20 cubic yard compactor	\$512.37		0	0	\$ -
C&D Material	City Free Pulls	\$0.00		0	0	\$ -
Organic Material	10 cubic yard drop box	\$512.37		0	0	\$ -
Organic Material	20 cubic yard drop box	\$512.37		0	0	\$ -
Organic Material	30 cubic yard drop box	\$512.37		0	0	\$ -
Organic Material	40 cubic yard drop box	\$512.37		0	0	\$ -
Organic Material	10 cubic yard compactor	\$512.37		0	0	\$ -
Organic Material	20 cubic yard compactor	\$512.37		0	0	\$ -
Organic Material	City Free Pulls	\$512.37		0	0	\$ -
Other Charges						
Trip Charge - PROPOSED		\$195.18		18		\$ 3,513.24
Inactivity		\$71.66		162		\$ 11,608.48
Premium Sunday		\$52.75		2		\$ 105.50
Resume - PROPOSED		\$47.49		6		\$ 284.94
SBX Monthly Rental Rate - Customer Negotiated		\$238.77		12		\$ 2,865.24

Does proposer wish to include any other charges? (circle one: YES / NO)
If the answer to the above question is YES, provide a list of any and all other charges the proposer wishes to include in its proposal on a separate sheet along with the proposed charges.

Estimated Annual Revenue \$452,387

Exhibit C3 Initial Rates for Collection Services

Waste Management

City of Ridgecrest

2022-2023 Rate Schedule [Updated]

	2022-2023 Annual Rate Adjustment Process											2022-2023 Rate Schedule [Updated]				
	A	B	C	D	E	F=B*C*D*E	G=F*10%(1.10%)	H=F+G	I	J=H*I	K=H+J	L=A-H	M	N=L*M	O=L+N	P=K+O
	2021-2022 Rates	Vol	Freq/Wk	Wks	Bin Fee Rate per Collected Yard. OR Disposal Per Ton	Pre-Franchise Fee Disposal Portion of 2021-2022 rate	Franchise Fee	Disposal Portion including FF	Disposal Adjust %	Disposal Adjust \$	Post Franchise Fee Adjusted Disposal Portion	Operating Portion	OCF	Operating Portion Adjust \$	Adjusted Operating Portion	Pre-Restated Agreement 2022 Rate
Residential Service																
35-Gallon Cart Service	\$15.32											\$15.32	5.5%	\$ 0.84	\$ 16.16	\$ 16.16
64-Gallon Cart Service	\$17.25											\$17.25	5.5%	\$ 0.95	\$ 18.20	\$ 18.20
95-Gallon Cart Service	\$19.15											\$19.15	5.5%	\$ 1.05	\$ 20.20	\$ 20.20
Additional 95-Gallon Cart (Resi)	\$8.97											\$8.97	5.5%	\$ 0.49	\$ 9.46	\$ 9.46
Residential Recycling Service (Every Other Wk)																
One or Two 95-Gallon Cart Service	\$0.00											\$0.00	0.0%	\$0.00	\$0.00	\$ -
Additional 95-Gallon Cart (Resi)	\$8.97											\$8.97	5.5%	\$0.49	\$9.46	\$ 9.46
Residential Organics Service (Weekly)																
[NEW] One or 35-Gallon Cart Service	\$0.00											\$0.00	0.0%	\$0.00	\$0.00	\$ -
[NEW] Additional 35-Gallon Cart (Resi)	\$0.00											\$0.00	0.0%	\$0.00	\$0.00	\$ -
Commercial Service																
96g Cart 1x	\$47.79	0.475	1	4.33	\$2.34	\$ 4.81	\$ 0.53	\$ 5.34	28.2%	\$ 1.51	\$ 6.85	\$42.45	5.5%	\$2.33	\$44.78	\$ 51.63
1.5yd x1	\$145.15	1.500	1	4.33	\$2.34	\$ 15.20	\$ 1.69	\$ 16.89	28.2%	\$ 4.76	\$ 21.65	\$128.26	5.5%	\$7.05	\$135.31	\$ 156.96
1.5yd x2	\$232.04	1.500	2	4.33	\$2.34	\$ 30.40	\$ 3.38	\$ 33.78	28.2%	\$ 9.53	\$ 43.31	\$198.26	5.5%	\$10.90	\$209.16	\$ 252.47
1.5yd x3	\$319.08	1.500	3	4.33	\$2.34	\$ 45.59	\$ 5.07	\$ 50.66	28.2%	\$ 14.29	\$ 64.95	\$268.42	5.5%	\$14.76	\$283.18	\$ 348.13
1.5yd x4	\$405.88	1.500	4	4.33	\$2.34	\$ 60.79	\$ 6.75	\$ 67.54	28.2%	\$ 19.05	\$ 86.59	\$338.34	5.5%	\$18.61	\$356.95	\$ 443.54
1.5yd x5	\$492.93	1.500	5	4.33	\$2.34	\$ 75.99	\$ 8.44	\$ 84.43	28.2%	\$ 23.81	\$ 108.24	\$408.50	5.5%	\$22.47	\$430.97	\$ 539.21
3yd x1	\$208.91	3.000	1	4.33	\$2.34	\$ 30.40	\$ 3.38	\$ 33.78	28.2%	\$ 9.53	\$ 43.31	\$175.13	5.5%	\$9.63	\$184.76	\$ 228.07
3yd x2	\$333.47	3.000	2	4.33	\$2.34	\$ 60.79	\$ 6.75	\$ 67.54	28.2%	\$ 19.05	\$ 86.59	\$265.93	5.5%	\$14.63	\$280.56	\$ 367.15
3yd x3	\$458.26	3.000	3	4.33	\$2.34	\$ 91.19	\$ 10.13	\$ 101.32	28.2%	\$ 28.57	\$ 129.89	\$356.94	5.5%	\$19.63	\$376.57	\$ 506.46
3yd x4	\$579.91	3.000	4	4.33	\$2.34	\$ 121.59	\$ 13.51	\$ 135.10	28.2%	\$ 38.10	\$ 173.20	\$444.81	5.5%	\$24.46	\$469.27	\$ 642.47
3yd x5	\$707.38	3.000	5	4.33	\$2.34	\$ 151.98	\$ 16.89	\$ 168.87	28.2%	\$ 47.62	\$ 216.49	\$538.51	5.5%	\$29.62	\$568.13	\$ 784.62
4yd x1	\$239.34	4.000	1	4.33	\$2.34	\$ 40.53	\$ 4.50	\$ 45.03	28.2%	\$ 12.70	\$ 57.73	\$194.31	5.5%	\$10.69	\$205.00	\$ 262.73
4yd x2	\$381.63	4.000	2	4.33	\$2.34	\$ 81.06	\$ 9.01	\$ 90.07	28.2%	\$ 25.40	\$ 115.47	\$291.56	5.5%	\$16.04	\$307.60	\$ 423.07
4yd x3	\$524.16	4.000	3	4.33	\$2.34	\$ 121.59	\$ 13.51	\$ 135.10	28.2%	\$ 38.10	\$ 173.20	\$389.06	5.5%	\$21.40	\$410.46	\$ 583.66
4yd x4	\$666.25	4.000	4	4.33	\$2.34	\$ 162.12	\$ 18.01	\$ 180.13	28.2%	\$ 50.80	\$ 230.93	\$486.12	5.5%	\$26.74	\$512.86	\$ 743.79
4yd x5	\$808.78	4.000	5	4.33	\$2.34	\$ 202.64	\$ 22.52	\$ 225.16	28.2%	\$ 63.50	\$ 288.66	\$583.62	5.5%	\$32.10	\$615.72	\$ 904.38
6yd x1	\$332.24	6.000	1	4.33	\$2.34	\$ 60.79	\$ 6.75	\$ 67.54	28.2%	\$ 19.05	\$ 86.59	\$264.70	5.5%	\$14.56	\$279.26	\$ 365.85
6yd x2	\$529.52	6.000	2	4.33	\$2.34	\$ 121.59	\$ 13.51	\$ 135.10	28.2%	\$ 38.10	\$ 173.20	\$394.42	5.5%	\$21.69	\$416.11	\$ 589.31
6yd x3	\$727.02	6.000	3	4.33	\$2.34	\$ 182.38	\$ 20.26	\$ 202.64	28.2%	\$ 57.14	\$ 259.78	\$524.38	5.5%	\$28.84	\$553.22	\$ 813.00
6yd x4	\$923.99	6.000	4	4.33	\$2.34	\$ 243.17	\$ 27.02	\$ 270.19	28.2%	\$ 76.19	\$ 346.38	\$653.80	5.5%	\$35.96	\$689.76	\$ 1,036.14
6yd x5	\$1,121.58	6.000	5	4.33	\$2.34	\$ 303.97	\$ 33.77	\$ 337.74	28.2%	\$ 95.24	\$ 432.98	\$783.84	5.5%	\$43.11	\$826.95	\$ 1,259.93
3yd Temp Bin Service (two week maximum)	\$146.51	3.000	1	1.00	\$2.34	\$ 7.02	\$ 0.78	\$ 7.80	28.2%	\$ 2.20	\$ 10.00	\$138.71	5.5%	\$7.63	\$146.34	\$ 156.34
3yd Temp Bin Additional Pickup	\$72.65	3.000	1	1.00	\$2.34	\$ 7.02	\$ 0.78	\$ 7.80	28.2%	\$ 2.20	\$ 10.00	\$64.85	5.5%	\$3.57	\$68.42	\$ 78.42
Multi-Family Service																
Duplex 96g cart service (Single Billed)	\$30.26											\$30.26	5.5%	\$ 1.66	\$ 31.92	\$ 31.92
Duplex 64g cart service (Single Billed)	\$28.22											\$28.22	5.5%	\$ 1.55	\$ 29.77	\$ 29.77
Duplex 32g cart service (Single Billed)	\$26.15											\$26.15	5.5%	\$ 1.44	\$ 27.59	\$ 27.59
Triplex 96g cart service (Single Billed)	\$49.60											\$49.60	5.5%	\$ 2.73	\$ 52.33	\$ 52.33
Triplex 64g cart service (Single Billed)	\$47.55											\$47.55	5.5%	\$ 2.62	\$ 50.17	\$ 50.17
Triplex 32g cart service (Single Billed)	\$45.47											\$45.47	5.5%	\$ 2.50	\$ 47.97	\$ 47.97
Quadplex 96g cart service (Single Billed)	\$68.90											\$68.90	5.5%	\$ 3.79	\$ 72.69	\$ 72.69
Quadplex 64g cart service (Single Billed)	\$66.85											\$66.85	5.5%	\$ 3.68	\$ 70.53	\$ 70.53
Quadplex 32g cart service (Single Billed)	\$64.77											\$64.77	5.5%	\$ 3.56	\$ 68.33	\$ 68.33
1.5yd x1	\$141.23											\$141.23	5.5%	\$7.77	\$149.00	\$ 149.00
1.5yd x2	\$218.44											\$218.44	5.5%	\$12.01	\$230.45	\$ 230.45
1.5yd x3	\$295.75											\$295.75	5.5%	\$16.27	\$312.02	\$ 312.02
1.5yd x4	\$372.80											\$372.80	5.5%	\$20.50	\$393.30	\$ 393.30
1.5yd x5	\$450.15											\$450.15	5.5%	\$24.76	\$474.91	\$ 474.91
3yd x1	\$193.00											\$193.00	5.5%	\$10.62	\$203.62	\$ 203.62
3yd x2	\$293.19											\$293.19	5.5%	\$16.13	\$309.32	\$ 309.32
3yd x3	\$393.58											\$393.58	5.5%	\$21.65	\$415.23	\$ 415.23
3yd x4	\$490.58											\$490.58	5.5%	\$26.98	\$517.56	\$ 517.56
3yd x5	\$593.97											\$593.97	5.5%	\$32.67	\$626.64	\$ 626.64
4yd x1	\$214.19											\$214.19	5.5%	\$11.78	\$225.97	\$ 225.97
4yd x2	\$321.60											\$321.60	5.5%	\$17.69	\$339.29	\$ 339.29
4yd x3	\$429.28											\$429.28	5.5%	\$23.61	\$452.89	\$ 452.89
4yd x4	\$536.44											\$536.44	5.5%	\$29.50	\$565.94	\$ 565.94
4yd x5	\$644.17											\$644.17	5.5%	\$35.43	\$679.60	\$ 679.60
6yd x1	\$291.83											\$291.83	5.5%	\$16.05	\$307.88	\$ 307.88
6yd x2	\$435.14											\$435.14	5.5%	\$23.93	\$459.07	\$ 459.07
6yd x3	\$578.80											\$578.80	5.5%	\$31.83	\$610.63	\$ 610.63
6yd x4	\$721.78											\$721.78	5.5%	\$39.70	\$761.48	\$ 761.48
6yd x5	\$865.50											\$865.50	5.5%	\$47.60	\$913.10	\$ 913.10

Restated Agreement - Scope of Service Update			
See Pricing Forms File			
2022-2023 Base Rates	Scope of Service Adjustment	Scope of Service Adjustment	2022-2023 Rate FINAL
\$ 16.16	25.2%	\$ 4.07	\$ 20.23
\$ 18.20	25.2%	\$ 4.59	\$ 22.79
\$ 20.20	25.2%	\$ 5.09	\$ 25.29
\$ 9.46	25.2%	\$ 2.38	\$ 11.84
\$ -	0.00%	\$ -	\$ -
\$ 9.46	25.20%	\$ 2.38	\$ 11.84
\$ -	0.00%	\$ -	\$ -
\$ -	0.00%	\$ -	\$ 11.84
\$ 51.63	13.0%	\$ 6.71	\$ 58.34
\$ 156.96	13.0%	\$ 20.40	\$ 177.36
\$ 252.47	13.0%	\$ 32.82	\$ 285.29
\$ 348.13	13.0%	\$ 45.26	\$ 393.39
\$ 443.54	13.0%	\$ 57.66	\$ 501.20
\$ 539.21	13.0%	\$ 70.10	\$ 609.31
\$ 228.07	13.0%	\$ 29.65	\$ 257.72
\$ 367.15	13.0%	\$ 47.73	\$ 414.88
\$ 506.46	13.0%	\$ 65.84	\$ 572.30
\$ 642.47	13.0%	\$ 83.52	\$ 725.99
\$ 784.62	13.0%	\$ 102.00	\$ 886.62
\$ 262.73	13.0%	\$ 34.15	\$ 296.88
\$ 423.07	13.0%	\$ 55.00	\$ 478.07
\$ 583.66	13.0%	\$ 75.88	\$ 659.54
\$ 743.79	13.0%	\$ 96.69	\$ 840.48
\$ 904.38	13.0%	\$ 117.57	\$ 1,021.95
\$ 365.85	13.0%	\$ 47.56	\$ 413.41
\$ 589.31	13.0%	\$ 76.61	\$ 665.92
\$ 813.00	13.0%	\$ 105.69	\$ 918.69
\$ 1,036.14	13.0%	\$ 134.70	\$ 1,170.84
\$ 1,259.93	13.0%	\$ 163.7	

Exhibit C3 Initial Rates for Collection Services

Waste Management

City of Ridgcrest

2022-2023 Rate Schedule [Updated]

	2022-2023 Annual Rate Adjustment Process																
	A	B	C	D	E	F=B*C*D*E	G=F*10%(1-10%)	H=F+G	I	J=H*I	K=H+J	L=A-H	M	N=L*M	O=L+N	P=K+O	
	2021-2022 Rates	Vol	Freq/Wk	Wks	Bin Fee Rate per Collected Yard. OR Disposal Per Ton	Pre-Franchise Fee Disposal Portion of 2021-2022 rate	Franchise Fee	Disposal Portion including FF	Disposal Adjust %	Disposal Adjust \$	Post Franchise Fee Adjusted Disposal Portion	Operating Portion	OCF	Operating Portion Adjust \$	Adjusted Operating Portion	Pre-Restated Agreement 2022 Rate	
Commercial Recycling Service																	
96g Cart 1x	\$0.00													\$0.00	5.5%	\$0.00	\$ -
[NEW] Additional 95-Gallon Cart (CM), Every Other Week	\$0.00													\$0.00	5.5%	\$0.00	\$ -
[NEW] Additional 95-Gallon Cart (CM), Weekly	\$0.00													\$0.00	5.5%	\$0.00	\$ -
1.5yd Every Other Week	\$0.00													\$0.00	5.5%	\$0.00	\$ -
1.5yd x1	\$108.98													\$108.98	5.5%	\$5.99	\$114.97
1.5yd x2	\$163.93													\$163.93	5.5%	\$9.02	\$172.95
1.5yd x3	\$218.96													\$218.96	5.5%	\$12.04	\$231.00
1.5yd x4	\$273.76													\$273.76	5.5%	\$15.06	\$288.82
1.5yd x5	\$328.84													\$328.84	5.5%	\$18.09	\$346.93
3yd Every Other Week	\$0.00													\$0.00	5.5%	\$0.00	\$ -
3yd x1	\$142.44													\$142.44	5.5%	\$7.83	\$150.27
3yd x2	\$206.52													\$206.52	5.5%	\$11.36	\$217.88
3yd x3	\$270.78													\$270.78	5.5%	\$14.89	\$285.67
3yd x4	\$332.18													\$332.18	5.5%	\$18.27	\$350.45
3yd x5	\$398.96													\$398.96	5.5%	\$21.94	\$420.90
4yd Every Other Week	\$0.00													\$0.00	5.5%	\$0.00	\$ -
4yd x1	\$153.50													\$153.50	5.5%	\$8.44	\$161.94
4yd x2	\$216.84													\$216.84	5.5%	\$11.93	\$228.77
4yd x3	\$280.40													\$280.40	5.5%	\$15.42	\$295.82
4yd x4	\$343.55													\$343.55	5.5%	\$18.90	\$362.45
4yd x5	\$407.14													\$407.14	5.5%	\$22.39	\$429.53
6yd Every Other Week	\$0.00													\$0.00	5.5%	\$0.00	\$ -
6yd x1	\$205.38													\$205.38	5.5%	\$11.30	\$216.68
6yd x2	\$285.35													\$285.35	5.5%	\$15.69	\$301.04
6yd x3	\$365.62													\$365.62	5.5%	\$20.11	\$385.73
6yd x4	\$445.31													\$445.31	5.5%	\$24.49	\$469.80
6yd x5	\$525.60													\$525.60	5.5%	\$28.91	\$554.51
Commercial Organic Cart Service																	
Organics - Up to (2) two 64g Carts, 1x	\$0.00																
[NEW] Additional Organics 64g Cart, on same pickup, above the two free - Multifamily	\$0.00													\$0.00	5.5%	\$0.00	\$ -
[NEW] Additional Organics 64g Cart, on same pickup, above the two free - Commercial	\$0.00	0.317	1	4.33	\$2.34	\$ 3.21	\$ 0.36	\$ -	28.2%	\$ -	\$ -			\$0.00	5.5%	\$0.00	\$ -
Regular Roll Off Service (Monthly Rate)																	
3yd Compactor x1 (Solid Waste), Monthly	\$481.97	7.500	1.0	4.33	\$2.34	\$ 75.99	\$ 8.44	\$ 84.43	28.2%	\$ 23.81	\$ 108.24			\$397.54	5.5%	\$21.86	\$419.40
6yd Compactor x1 (Solid Waste), Monthly	\$766.09	15.000	1.0	4.33	\$2.34	\$ 151.98	\$ 16.89	\$ 168.87	28.2%	\$ 47.62	\$ 216.49			\$597.22	5.5%	\$32.85	\$630.07
10yd Compactor x1 (Solid Waste), per pull	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
20yd Compactor x1 (Solid Waste), per pull	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
Cost Per Ton (Solid Waste) with GU for FF	\$50.00					\$ 63.80	\$ -	\$50.00	28.9%	\$14.45	\$64.45						\$ 64.45
3yd Compactor x1 (Recyclable Material) Monthly	\$163.64													\$163.64	5.5%	\$9.00	\$172.64
6yd Compactor x1 (Recyclable Material), Monthly	\$182.18													\$182.18	5.5%	\$10.02	\$192.20
10yd Compactor x1 (Recyclable Material), per pull	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
20yd Compactor x1 (Recyclable Material), per pull	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
Cost Per Ton (Recyclable Material)	\$0.00					\$0.00	\$0.00	\$0.00	28.9%	\$0.00	\$0.00						\$ -
On Call Roll Off Service (Cost Per Pull)																	
10yd Drop Box (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
20yd Drop Box (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
30yd Drop Box (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
40yd Drop Box (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
3yd Compactor (Solid Waste/Organics)	\$111.31	7.500	1	1.00	\$2.34	\$ 17.55	\$ 1.95	\$ 19.50	28.2%	\$ 5.50	\$ 25.00			\$91.81	5.5%	\$5.05	\$96.86
6yd Compactor (Solid Waste/Organics)	\$176.92	15.000	1	1.00	\$2.34	\$ 35.10	\$ 3.90	\$ 39.00	28.2%	\$ 11.00	\$ 50.00			\$137.92	5.5%	\$7.59	\$145.51
10yd Compactor (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
20yd Compactor (Solid Waste/Organics)	\$237.09													\$237.09	5.5%	\$13.04	\$250.13
Cost Per Ton (Solid Waste/Organics) with GU for FF	\$50.00					\$ 50.00	\$ -	\$50.00	28.9%	\$14.45	\$64.45						\$ 64.45
10yd Drop Box (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
20yd Drop Box (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
30yd Drop Box (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
40yd Drop Box (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
3yd Compactor (Recyclable Material)	\$163.64													\$163.64	5.5%	\$9.00	\$172.64
6yd Compactor (Recyclable Material)	\$182.18													\$182.18	5.5%	\$10.02	\$192.20
10yd Compactor (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
20yd Compactor (Recyclable Material)	\$169.71													\$169.71	5.5%	\$9.33	\$179.04
Cost Per Ton (Recyclable Material)	\$0.00					\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00						\$ -
Other Services																	
Extra Bulky Waste Collection (beyond 3 per yr)	\$21.40													\$21.40	5.5%	\$1.18	\$22.58
Extra Appliance or Bulky Waste Item Collection (beyond 1 per event) - per item	\$3.65													\$3.65	5.5%	\$0.20	\$3.85
Extra Bulky Waste Collection Volume (beyond 3 yds per event)	\$7.06													\$7.06	5.5%	\$0.39	\$7.45
On Property Service (Except Senior/Disabled)	\$35.55													\$35.55	5.5%	\$1.96	\$37.51
Extra Can/Bag on Customer Service Day	\$3.65													\$3.65	5.5%	\$0.20	\$3.85
Extra Can/Bag Not on Regular Service Day	\$7.06													\$7.06	5.5%	\$0.39	\$7.45
Extra Pickup/Overage Charge (Commercial) per yard	\$25.57	1.000		1.00	\$2.34	\$ 2.34	\$ 0.26	\$ 2.60	28.2%	\$ 0.73	\$ 3.33			\$22.97	5.5%	\$1.26	\$24.23
Lock/Unlock	\$38.14													\$38.14	5.5%	\$2.10	\$40.24
Steam Cleaning	\$101.25													\$101.25	5.5%	\$5.57	\$106.82

Restated Agreement - Scope of Service Update			
See Pricing Forms File			
2022-2023 Base Rates	Scope of Service Adjustment	Scope of Service Adjustment	2022-2023 Rate FINAL
\$ -	0.00%	\$ -	\$ -
\$ -	0.00%	\$ -	\$ 11.84
\$ -	0.00%	\$ -	\$ 23.69
\$ -	0.00%	\$ -	\$ -
\$ 114.97	18.20%	\$ 20.92	\$ 135.89
\$ 172.95	18.20%	\$ 31.48	\$ 204.43
\$ 231.00	18.20%	\$ 42.04	\$ 273.04
\$ 288.82	18.20%	\$ 52.57	\$ 341.39
\$ 346.93	18.20%	\$ 63.14	\$ 410.07
\$ -	0.00%	\$ -	\$ -
\$ 150.27	18.20%	\$ 27.35	\$ 177.62
\$ 217.88	18.20%	\$ 39.65	\$ 257.53
\$ 285.67	18.20%	\$ 51.99	\$ 337.66
\$ 350.45	18.20%	\$ 63.78	\$ 414.23
\$ 420.90	18.20%	\$ 76.60	\$ 497.50
\$ -	0.00%	\$ -	\$ -
\$ 161.94	18.20%	\$ 29.47	\$ 191.41
\$ 228.77	18.20%	\$ 41.64	\$ 270.41
\$ 295.82	18.20%	\$ 53.84	\$ 349.66
\$ 362.45	18.20%	\$ 65.97	\$ 428.42
\$ 429.53	18.20%	\$ 78.17	\$ 507.70
\$ -	0.00%	\$ -	\$ -
\$ 216.68	18.20%	\$ 39.44	\$ 256.12
\$ 301.04	18.20%	\$ 54.79	\$ 355.83
\$ 385.73	18.20%	\$ 70.20	\$ 455.93
\$ 469.80	18.20%	\$ 85.50	\$ 555.30
\$ 554.51	18.20%	\$ 100.92	\$ 655.43
\$ -	18.20%	\$ -	\$ 18.02
\$ -	18.20%	\$ -	\$ 22.92
\$ 527.64	13.00%	\$ 68.59	\$ 596.23
\$ 846.56	13.00%	\$ 110.05	\$ 956.61
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 64.45	0.00%	\$ -	\$ 64.45
\$ 172.64	18.20%	\$ 31.42	\$ 204.06
\$ 192.20	18.20%	\$ 34.98	\$ 227.18
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 64.45	0.00%	\$ -	\$ 64.45
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 172.64	18.20%	\$ 31.42	\$ 204.06
\$ 192.20	18.20%	\$ 34.98	\$ 227.18
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 250.13	0.00%	\$ -	\$ 250.13
\$ 144.51	0.00%	\$ -	\$ 144.51
\$ 22.58	25.20%	\$ 5.69	\$ 28.27
\$ 3.85	25.20%	\$ 0.97	\$ 4.82
\$ 7.45	25.20%	\$ 1.88	\$ 9.33
\$ 37.51	25.20%	\$ 9.45	\$ 46.96
\$ 3.85	25.20%	\$ 0.97	\$ 4.82
\$ 7.45	25.20%	\$ 1.88	\$ 9.33
\$ 27.56	18.20%	\$ 5.02	\$ 32

Exhibit C4

3rd Cart (Organic Waste Container) Implementation Plan

In commencing Single-Family Organic Waste Collection service as outlined in Section 4.1 C., residential customer containers will need to be delivered or transitioned in accordance with Section 8.3 E. This plan provides a review the of the existing color scheme, planned changes and a detailed schedule for delivery and implementation.

Existing Color Scheme

The City of Ridgecrest's existing single-family residential collection program utilizes a two-container system for the collection of commingled recyclables and solid waste (trash). Each high-density polyethylene (HDPE) plastic wheeled cart is identified by both color (blue for recyclable materials and green for solid waste) and hot stamp labeling to easily distinguish what materials should be placed in which container.

TABLE 1: Existing Cart Inventory Color Scheme



Container Type:	Recyclable Materials	Solid Waste (Trash)
Available Sizes	95-Gallon (or similar size)	35-, 65- and 96-Gallon (or similar sizes)
Container Lid Color	Blue	Green
Container Body Color	Blue	Green

Planned Transition

As outlined in SB 1383, for new or replacement containers deployed after January 1, 2022, organic waste materials should be collected in containers with a green lid and/or body, recyclable materials in containers with a blue lid and/or body and non-recyclable (solid waste/trash) materials in containers with either a gray or black body and/or a gray or black lid.

Existing Inventory

To maximize the use of existing inventory and eliminate unnecessary waste and cost, the City's recycle cart inventory would be retained with no changes, while the existing inventory of green solid waste cart bodies would be retrofitted with new black lids to differentiate the containers from the new organic waste carts.

TABLE 2: Retained and Retrofitted Existing Cart Inventory Color Scheme



Container Type	Recyclable Materials	Solid Waste (Trash)
Available Sizes	95-Gallon (or similar size)	35-, 65- and 95-Gallon (or similar size)
Container Lid Color	Blue	Black
Container Body Color	Blue	Green
Notes	Carts to be retained until end of useful life	New lid retrofit to start upon receipt of lids and be completed before December 31, 2022; Carts to be retained until end of useful life

3rd Cart and New Inventory

In adding the 3rd cart for organic waste and for any newly purchased cart inventories, the color scheme would transition to a standardized gray body with color-coded lids: green lids for organic waste carts, blue lids for recycle carts, and black lids for trash carts. The organic waste carts would be delivered prior to the start of organic waste collection, while existing inventory of recycle and solid waste carts would be transitioned over time as existing containers reach the end of their useful life and need replacing.

TABLE 3: New Cart Inventory Color Scheme



Container Type	Organic Waste	Recyclable Materials	Solid Waste (Trash)
Available Sizes	35-Gallon	95-Gallon (or similar size)	35-, 65- and 95-Gallon (or similar sizes)
Container Lid Color	Green	Blue	Black
Container Body Color		Charcoal (Dark) Gray	
Deployment Timeline	Prior to January 1, 2023	Upon replacement request or new service start once existing inventories are exhausted	Upon replacement request or new service start once existing inventories are exhausted

Timeline to Implementation of 3rd Cart

Activity / Task / Timeline	Target Completion Date
Q1 2022	
Approval of Amendment	July 2022
Order Organic Waste Carts, Kitchen Pails and Trash Cart Lids	August 2022
Q3/Q4 2022	
Replacement of Trash Cart Lids (to begin upon receipt of lids) ¹	September 2022
Delivery of Organic Waste Carts & Kitchen Pails ²	November 2022
Complete Trash Cart Lid Conversion and Delivery of Organic Waste Carts & Kitchen Pails	December 2022
Q1 2023	
Begin Organic Waste Collection ³	January 2023

¹ The timeline for completion of the trash cart list retrofit is dependent on the availability of operational resources and could be affected by the ongoing pandemic. In the event of any delay, WM will work with city staff to amend the implementation time accordingly.

² The timeline for the delivery of carts and kitchen pails are based on current best estimates from the manufacturer and could be affected by the ongoing pandemic. In the event of any delay, WM will work with city staff to amend the implementation time accordingly.

³ The timeline for beginning organic waste collection is based, in part, on Kern County Public Works anticipated timeline for daily acceptance of organic waste materials at the Ridgecrest Landfill as well as the availability of operational resources for transfer and processing. Any or all could be affected by the ongoing pandemic. In the event of any delay, WM will work with city staff to amend the implementation time accordingly.

Exhibit C5

Public Education and Outreach Plan

Clear, consistent and informative public education has been a key factor in the success of Ridgecrest's waste and recycling programs to date. At WM, we are proud of our proven ability to develop relationships with Ridgecrest residents and businesses to best understand and meet their needs, while supporting the City's regulatory compliance. Our goal is to continue this strategy, adapting existing public education and outreach to meet the City's requirements under Senate Bill (SB 1383).

Public Education Programs

Updated Service Guidelines with SB 1383 Information

In introducing the revised scope of services, WM will develop a starter kit that will be delivered to each customer on a feasible and mutually agreeable timeline following the approval of the agreement. The starter kit will include a letter, kitchen pail¹ (for residential and multifamily customers only) and a service guide that explains how to utilize any new and updated programs as well as the following SB 1383-related information:

- Information on the organic waste generator's requirements to properly separate materials in appropriate containers;
- Information on methods for: the prevention of organic waste generation, recycling organic waste on-site, sending organic waste to community composting, and any other local requirements regarding organic waste;
- Information regarding the methane reduction benefits of reducing the landfill disposal of organic waste, and the methods of organic waste recovery the organic waste collection service uses;
- Information regarding how to recover organic waste through WM's organic waste collection program in Ridgecrest;
- Information related to the public health and safety and environmental impacts associated with the landfill disposal of organic waste;
- Information regarding programs for the donation of edible food.

Additionally, in support of the City of Ridgecrest's Edible Food Recovery program, WM will provide commercial customers with the following information:

- Information about Ridgecrest's edible food recovery program
- Information about SB 1383's commercial edible food generator requirements
- Information about food recovery organizations and food recovery services operating within the Ridgecrest area, and where a list of those food recovery organizations and food recovery services can be found.
- Information about actions that commercial edible food generators can take to prevent the creation of food waste.

¹ Kitchen pails may be delivered separately from service guidelines based on distribution method and timeline.

WM will submit a draft of the starter kit for review and approval by the City at least one month prior to distribution. For successive years, the SB 1383-related information will be incorporated into the quarterly and annual newsletters distributed to residential and commercial customer respectively.

Community Workshops & Presentations

WM will host one or more community workshops and presentations, either in-person or virtual, to introduce the new and updated programs and service offerings. By providing specific answers to questions in real time, we can receive immediate feedback from residents and businesspeople. Sample public education materials will be available during these workshops and presentations for residents to take with them or download from our local websites.

Residential Education & Outreach

WM Digital Experience

In listening to our residential customers, we continue to expand and enhance the digital resources and self-service functionality of our local website, home.wm.com/ridgecrest. In supporting the new and updated programs, the website will include the following:

- Pickup and Holiday Schedules
- Service Alerts and Notifications
- Self-Service Options for scheduling Bulky Item Collection and Cart Replacements
- Downloadable Resources:
 - Service Guide
 - Current and Past Newsletters
 - Rate Sheet
 - Recyclable Items List
- Online Payment Options
- Connect with Customer Service via Phone, Email or Live Chat

Also, as a helpful option, residents who select paperless billing and provide us with an active email address will also receive emails regarding changes to their collection schedule, such as holiday service reminders.

Quarterly Residential Newsletters

We work closely with City staff to produce and distribute a full-color four-page newsletter for residential customers to be distributed four times per year in both print and digital form. Content will include information how to utilize their residential services, including what items go into which container, as well as how to pay invoices and methods for contacting WM's Customer Experience for additional assistance. Newsletters will be prepared in advance of publication to allow for the City's review and approval of content.

Out-Dial and Email Messages

Out-dial and email messaging will be used to communicate holiday schedules, emergencies, or special reminders to those customers who have provided valid and active phone numbers and email addresses.

Container Labeling

All WM-provided residential organic waste, recycling and solid waste containers will include printed usage information. For all new containers purchased after January 1, 2022, this information will specifically include language or graphic images or both that indicate the primary materials accepted and the primary materials prohibited in that container.

Commercial and Multifamily Education & Outreach

WM Digital Experience

In keeping with our enhanced digital resources for residential customers, we've improved our local website for Ridgecrest's commercial and multifamily property customers, business.wm.com/ridgecrest. The website includes the following:

- Pickup and Holiday Schedules
- Service Alerts and Notifications
- Self-Service Options for Cart Repairs and Replacements
- Downloadable Resources:
 - Service Guide
 - Current and Past Newsletters
 - Rate Sheet
 - Recyclable Items List
- Online Payment Options
- Ability to Connect with Customer Service via Phone, Email or Live Chat

Also, as a helpful option, residents who select paperless billing and provide us with an active email address will also receive emails with important information, such as changes to their collection schedule, holiday service reminders and contamination incident notification.

Annual Commercial and Multifamily Newsletters

We work closely with City staff to produce and distribute a full-color two-page newsletter to be distributed once per year in both print and digital form. Content will include information how to properly utilize their services, including what items go into which container, as well as how to pay invoices and methods for contacting WM's Customer Experience for additional assistance. Newsletters will be prepared in advance of publication to allow for the City's review and approval of content.

Out-Dial and Email Messages

Out-dial and email messaging will be used to communicate holiday schedules, emergencies, or special reminders to those customers who have provided valid and active phone numbers and email addresses.

Container Labeling

All WM-provided commercial and multi-family organic waste, recycling and solid waste containers will include labeling with usage information. For all new containers purchased after January 1, 2022, this information will specifically include language or graphic images or both that indicate the primary materials accepted and the primary materials prohibited in that container. Existing recycling and solid waste containers with missing or damaged labels will also be relabeled as identified, inventory and manpower permitting.

Consultation Services

Using our knowledge of the local business community, service offering and options for enhancing diversion programs, WM will continue to provide consultative services to commercial and multifamily customers upon request at no additional charge.

Multifamily Recycling & Organic Waste Program Tools

WM has developed a host of tools to assist Ridgcrest’s multifamily property managers and residents with making their on-site recycling and organic waste collection programs a success. These tools include:

Multi-family Toolkit – Available for PDF download from the wm.com website, the Multi-Family Toolkit includes a step-by-step guide to setting up and managing a recycling program. The toolkit provides a self-evaluation, suggested recycling service levels for various property sizes, sample container labels and signage as well as educational tools for maintenance staff and residents.

Recycle Right Reusable Tote Bags – In providing an easy-to-use and space saving method for multi-family property residents to collect and transport recyclables, WM created the Recycle Right Reusable Tote Bag. Made from laminated recycled material, each bag contains information about what is and is not recyclable as well as clear instructions for use. Tote bags can be requested by property managers at any time and are available in quantities up to the number of units in the complex.



Organic Waste Kitchen Pails – Perfect for the countertop, organic waste kitchen pails allow residents to easily transport their food scraps to organic waste containers for collection.

Additional Educational Resources – Specifically designed for multi-family properties and downloadable from the wm.com website for easy emailing or printing, WM’s education resources include posters, flyers, a sample new tenant welcome letter and door hanger and more! Each resource features the three steps to Recycle Right, making sure Ridgcrest multi-family residents know what materials go into their recycling container.



Resident Workshops – In assisting multifamily property managers with starting or improving their recycling or organic waste programs, WM will continue to offer technical assistance through resident workshops upon request at no charge.

Summary of Outreach Programming and Materials to be Distributed

Program / Materials	Implementation Date / Frequency
Annual Public Education Plan	To be submitted with the December monthly reporting
Updated Service Guidelines with SB 1383 Information	Draft due to the City 30 days prior to distribution based on a mutually agreeable timeline
Community Workshops & Presentations	Ridgcrest Chamber presentation schedule for February 8, 2022; ongoing thereafter based on need and opportunity
Website	Completed with updates made on an ongoing basis
Residential Newsletters	Distributed quarterly
Out-Dial and Email Messages	Ongoing
Commercial Container Labeling	To be completed as identified, label inventory and manpower permitting, with a target completion date of July 1, 2022
Annual Commercial and Multifamily Newsletter	To be distributed annually in Q1 starting in 2023
Commercial and Multifamily Consultation Services	Ongoing
Multifamily Recycling & Organic Waste Program Tools	Ongoing with kitchen pails available following agreement approval

Exhibit C7

Approved Subcontractors

Contractor / Contact Information

Cart Distribution Vendor

Company Name: Rehrig Pacific Company

Subcontractor Role: Cart Distribution Vendor

Contact Person: Steve Richart / Linda Rieger

Phone Number: 323-262-5145

Business Address: 4010 E 26th St, Los Angeles, CA 90058

Recyclables Transfer Location

Dave Pearson's Recycling Center

Subcontractor Role: Recyclables Transfer Location

Contact Person: Dave Pearson

Phone Number: 760-446-0449

Business Address: 1536 N Mahan St, Ridgecrest, CA 93555

Commercial Recycling Outreach Consultant

Marshall "Chip" Holloway / Endeavors Unlimited Consulting

Subcontractor Role: Commercial Recycling Outreach Consultant

Contact Person: Marshall "Chip" Holloway

Phone Number: 760-608-3054

Business Address: P.O. Box 1124, Ridgecrest, CA 93556

Exhibit C8

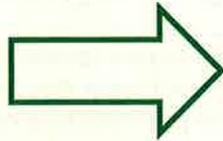
Contamination Monitoring Program

Contractor shall submit proposed changes to Hauler Route review methodology for the coming year to the City no later than January 31 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Contractor's proposed Hauler Route review methodology shall include its plan for conducting Container inspections in compliance with the Section 4.4.P, the Contractor's process for identifying Prohibited Container Contaminants, and its plan for prioritizing the inspection process to reflect any pattern of contamination on specific routes or portions of routes. City shall review, comment on, and approve the proposed methodology. Contractor may commence with the proposed methodology upon approval. If the City notifies the Contractor that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), SB 1383, or this Agreement, Contractor shall, at its sole expense, revise the methodology and, after obtaining City approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Contractor's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by the City, the Contractor shall, at the expense of the City, revise the methodology and implement the necessary changes using the revised procedure.

How Does WM Smart TruckSM Work?

1.

Collection vehicles are equipped with GPS & image capture technology

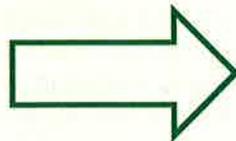


3.

Collection vehicles complete their daily scheduled routes

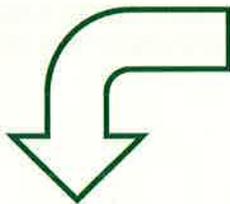
2.

Every stop on every route is linked via GPS to customer account data



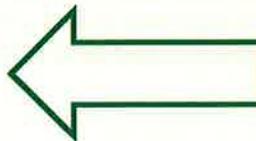
4.

Every container service on every route is captured



5.

Data is transmitted in real time from collection vehicles to database



6.

Images are reviewed for instances of contamination and overfilled containers



7.

Incidents are documented and confirmed



9.

Data is compiled for review, follow up and reporting



8.

Notifications and education are sent to the customer



EXHIBIT D: REPORTING REQUIREMENTS

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

- A. Determine and set Rates and evaluate the financial efficacy of operations.
- B. Evaluate past and expected progress towards achieving the Contractor's Diversion goals and objectives.
- C. Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law.
- D. Determine needs for adjustment to programs.
- E. Evaluate Customer service and complaints.

Monthly Report Content

A. Education and Outreach

- 1. A copy of all education and outreach materials provided to Customers, or otherwise used for education and outreach efforts in accordance with Section 7.2 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- 2. A record of the date and to whom the education information was disseminated or direct contact made, in the form of a list that includes: the Customer's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- 3. For any mass distribution through mailings or bill inserts, provide a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
- 4. A copy of all electronic media, including the dates posted or sent of: social media posts, e-mail communications, or other electronic messages.

B. Contamination Monitoring Report

- 1. The number of Route reviews conducted pursuant to Section 4.4.O of this Agreement.
- 2. Description of the Contractor's process for determining the level of contamination during Route reviews.
- 3. A record of each inspection and contamination incident, which shall include, at a minimum:

- a. Name and address of the Customer;
 - b. The date the contaminated Container was observed;
 - c. The staff who conducted the inspection;
 - d. The total number of violations found and a description of what action was taken for each;
 - e. Copies of all notices to Customers with Prohibited Container Contaminants; and,
 - f. Photographic documentation.
4. Documentation of the total number of Containers with contents Disposed of due to observation of Prohibited Container Contaminants.
 5. Summary report of contamination notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
 6. Results of the hauler route reviews conducted and copies of the required records kept in accordance with Section 4.4.P.
 7. Any other information reasonably requested by the City or specified in contamination monitoring provisions of this Agreement.

C. Record of SB 1383 non-compliance complaints received, including the following information:

1. Total number of SB 1383 non-compliance complaints received in the month;
2. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information: (i) The complaint as received; (ii) The name and contact information of the complainant, if the complaint is not submitted anonymously; (iii) The identity of the alleged violator, if known; (iv) A description of the alleged violation; including location(s) and all other relevant facts known to the complainant; (v) Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and, (vi) The identity of any witnesses, if known; and, (vii) any documentation or education sent to the alleged violator.
3. Copies of the complaint reports submitted to the City and the dates of submittal, pursuant to Section 9.2.C of this Agreement.
4. Documentation of any follow-up inspections and/or outreach, if any, conducted pursuant to Section 4.4.R, and shall include at a minimum: (i) the date the Company investigated the complaint; (ii) documentation of the findings of the investigation; and (iii) any photographic or other evidence collected during the investigation.

Quarterly Report Content

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

A. Tonnage Report

1. Tonnage delivered to each Approved Facility by Customer Type, material type, and Facility name; subtotaling and clearly identifying those Tons that are Disposed and those that are Diverted.
2. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
3. Units of Bulky Items Collected by Customer Type
4. Recyclable Materials Tonnage Marketed (by commodity and including average commodity value for each) and Processing Residue Tonnage Disposed.

B. Customer Report

1. Number of Customers by Customer Type.
2. Number of Containers at each Service Level by Customer Type and program. Summarizing the total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of DropBox and Compactor service by Customer Type. Report should calculate the average volume of service received per Single-Family Customer and Commercial Customer.
3. The type(s) of Collection Service(s) provided, a list of all Routes services, and a record of the addresses served on each Route.
4. Number of Bulky Item Collection events by Customer Type.
5. Participation percentage by program and Customer Type where the participation percentage is calculated as the number of Customers who have subscribed to or requested service under the program relative to the number of Customers of that Customer Type subscribing to Solid Waste service. Contractor shall not be required to submit participant Customer names and addresses as part of the regular reporting; however, such information shall be provided to the City Contract Manager upon request.
6. The number of waivers reviewed and number of reverification inspections performed by the Contractor upon County request, pursuant to Section 4.4.N of this Agreement in the month, if any, including a copy of documentation for each review and reverification inspection.

C. City Services and Events Report

1. City facility Diversion rate report (i.e., volume of service by Service Type received by each County Waste Facility and the percentage of the total Service Levels that are for Diversion services relative to the total).
2. Number of City-sponsored events Discarded Materials Collection service was provided, tonnage of Discarded Materials Collected by material type.

D. Customer Service Report

1. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for Recycling information, Rate information, etc.). For complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damageclaims, etc.).
2. Number of new service requests for each Customer Type and program.
3. Number of events of Discarded Materials being tagged for non-Collection summarized by the reason for tagging (e.g., inclusion of non-Recyclable materials, improper set-out, Hazardous Waste, etc.).
4. Number of hits and unique visitors to the Contractor's website.

E. Education and Outreach Report

1. Provide a status report of Contractor's actual activities completed compared to the annual public education plan. For each completed item, document the results including what date the activity was performed, how many Customers were targeted or participated, and what methods were used to accomplish the task, if different from the plan.
2. Summarize the Recycling opportunity assessments provided to Customers by identifying the number of Recycling opportunity assessments conducted each month in the most-recently completed quarter, and contact information including address, contact names, and telephone number of Persons contacted. Include any Service Level changes resulting from such visits.
3. Dates, times, and group names of meetings and events attended.

F. Residential Diaper Drop off Pilot Program

For each pilot and/or new program, provide activity related and narrative reports on goals, milestones, and accomplishments. Describe problems encountered (e.g illegal dumping), actions taken and any recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.

G. Revenue Report

1. Provide a statement detailing Gross Receipts from all operations conducted or permitted pursuant to this Agreement as required by Section 9.3, at the request of the City.
2. Maintain a list of Customers that are forty five (45) or more calendar days past due and include the following information for each delinquent account: name; service address;

contact information; number of days the account is delinquent; method(s) the Contractor has used to attempt collection of the bad debt including date of such attempt(s); and, identification, if, and when the Contractor plans to or did stop service to a delinquent account.

Annual Report Content

The annual report shall be the twelfth (12) monthly report plus the following additional information.

A. Summary Assessment

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

B. Collection Report

1. A summary of Customer subscription data, including the number of accounts and the total number of Generators enrolled with Contractor for service, listed separately by: Customer type, Discarded material type, Container type (Cart, Bin, and Roll-Off service), and Service Level.
2. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Service Levels, Customer type, Customer name or account number, and Customer service addresses.
3. The total Tonnage amount of Discarded Materials, listed separately by Discarded Material type, removed from illegal disposal sites as part of an abatement activity or as otherwise required by this Agreement, with each Collection event listed separately by date, location, and Tons Collected.
4. A record of Bulky Waste Collection events conducted in accordance with Section 4.4.A, including the event date, location, and Tonnage of Bulky Waste Collected during the event.

B. Processing Report

1. A record of all compliance agreements for quarantined Organic Waste that is Disposed of, including the name of Generator, date issued, location of final disposition, and the amount of quarantined Organic Waste that was required to be Disposed at a Landfill, pursuant to Section 5.2 of the Agreement.

2. Temporary Equipment or Operations Failure Report. If the Contractor is granted a Processing Facility temporary equipment or operational failure waiver, in accordance with Section 5.2 of the Agreement, the Contractor shall include the following documents and information:
 - a. The number of days the Processing Facility temporary equipment waiver or operation failure waiver was in effect;
 - b. Copies of any notifications sent to the City of the Agreement and copies of City notices to Contractor pursuant to Section 5.2 of the Agreement;
 - c. Documentation setting forth the date of issuance of the waiver and the timeframe for the waiver; and,
 - d. A record of the tons of Discarded Materials redirected to an alternative facility or Disposed at the Designated Disposal Facility as a result of the waiver, by material type.

C. Vehicle Inventory

1. Provide a listing of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. The total amount of RNG procured by the Contractor for use in Contractor vehicles, in diesel gallon equivalents (DGE), if any, including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Contractor shall include the total amount actually used in Contractor vehicles in the calendar year, if these values are different.
3. The name, physical location, and contact information of each entity, operation, or facility from whom the Contractor procured RNG for Collection Vehicles, if applicable.

D. Compliance Monitoring and Enforcement

1. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2.C of the Agreement and Exhibit D, Section 4.D.
2. The total number of Hauler Route reviews conducted pursuant to Section 4.4.O of the Agreement.
3. The number of Tier One and Tier Two Commercial Edible Food Generators identified
4. A copy of electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 4.4 of the Agreement.
5. The number of Commercial Businesses that were included in a compliance review performed by the Contractor, and the number of violations found and corrected through compliance reviews, including a list with each Generator's name or account name, address, and Generator type.

6. The total number of Notices of Violation issued, categorized by type of Generator.
7. The number of violations that were resolved, categorized by type of Generator.
8. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

E. Recyclables Markets

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

F. Operational Information

1. Routes by Customer Type:
 - a. Number of routes per day.
 - b. Types of vehicles.
 - c. Crew size per route.
 - d. Number of full time equivalent (FTE) routes.
 - e. Number of accounts and cubic yards scheduled per route.
 - f. Total route hours per Customer Type per year.
 - g. Average cost per route.
2. Personnel
 - a. Organizational chart. Job classifications and number of employees (e.g., administrative, Customer service representatives, drivers, supervisors, educational staff).
 - b. Wages by job classification.
 - c. Number of FTE positions for each job classification.
 - d. Number of hours per job classification per year.
3. Productivity Statistics:
 - a. Average Number of accounts per route per day by Customer Type.
 - b. Average number of setouts per route per day by Customer Type.
 - c. Average Tons per route per day by vehicle type (i.e. side-loader, front-loader, roll-off).
 - d. Average cubic yards of Collection scheduled per route.

4. Vehicles
 - a. List of collection vehicles including year purchased and mileage.
 - b. Average age of mobile equipment with oldest and newest.
5. Operational Changes
 - a. Number of routes.
 - b. Staffing.
 - c. Supervision.
 - d. Collection services.

G. Variance Analysis

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

1. Variance analysis comparing current Rate Period to each of the prior Rate Periods of Agreement
2. Variance analysis comparing current Rate Period to each of the future projected Rate Periods.

Other Reports

A. Upon Incident Reporting

City reserves the right to request additional reports or documents in the case of unforeseen events, additional requirements imposed upon the City, or as otherwise needed for the City's regulatory compliance. The Contractor shall provide the requested reports, documents, or information within five (5) Business Days.

B. AB 901 Reporting

At the City's option, City may require that Contractor provide the City copies of Contractor's AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within ten (10) business days of City request.

C. Customized Reports

The City reserves the right to request Contractor to prepare and provide customized reports from records Contractor is required to maintain; or specify a different format or submission system, such as the use of a web-based software platform.

RIDER

To be attached to and form a part of Bond No. K08768341

executed by USA WASTE OF CALIFORNIA, INC. as Principal

and by WESTCHESTER FIRE INSURANCE COMPANY as Surety,

in favor of CITY OF RIDGECREST,

and effective as of September 1, 2012,

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing the bond amount

FROM: Seven Hundred Twenty Six Thousand, Three Hundred Fifty Six and 09/100 Dollars (\$726,356.09)

TO: Nine Hundred Eight Five Thousand, Seven Hundred Fifty Six and 23/100 Dollars (\$985,756.23)

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated. This rider is effective on the 1st day of July, 2022.

Signed and sealed this 1st day of July, 2022.

USA WASTE OF CALIFORNIA, INC.

BY: Misty Wright Principal
Misty Wright
Attorney-in-Fact

WESTCHESTER FIRE INSURANCE COMPANY

BY: Andrea M. Penaloza Surety
Andrea M. Penaloza
Attorney-in-Fact

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS that Waste Management, Inc. and each of its direct and indirect majority owned subsidiaries (the "WM Entities"), have constituted and appointed and do hereby appoint KD Conrad, Vanessa Dominguez, Melissa Fortier, Michael J. Herrod, Jennifer L. Jakaitis, Terri L. Morrison, Andrea M. Penaloza, Patricia A. Rambo, Lupe Tyler, Susan A. Welsh, Donna Williams, and Misty Wright of Aon Risk Services, Inc., each its true and lawful Attorney-in-fact to execute under such designation in its name, to affix the corporate seal approved by the WM Entities for such purpose, and to deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to wit:

1. Surety bonds to the United States of America or any agency thereof, and lease and miscellaneous surety bonds required or permitted under the laws, ordinances or regulations of any State, City, Town, Village, Board or any other body or organization, public or private.

2. Bonds on behalf of WM Entities in connection with bids, proposals or contracts.

The foregoing powers granted by the WM Entities shall be subject to and conditional upon the written direction of a duly appointed officer of the applicable WM Entity (or any designee of any such officer) to execute and deliver any such bonds.

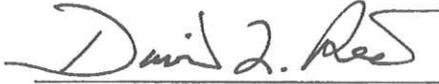
The signatures and attestations of such Attorneys-in-fact and the seal of the WM Entity may be affixed to any such bond, policy or to any certificate relating thereto by facsimile and any such bond, policy or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the applicable WM Entity when so affixed.

IN WITNESS WHEREOF, the WM Entities have caused these presents to be signed by the Vice President and Treasurer and its corporate seal to be hereto affixed. This power of attorney is in effect as of July 1, 2022.

Witness:



On behalf of Waste Management, Inc. and each of the other WM Entities



David Reed
Vice President and Treasurer



Power of Attorney

Federal Insurance Company | Vigilant Insurance Company | Pacific Indemnity Company
Westchester Fire Insurance Company | ACE American Insurance Company

Know All by These Presents, that FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY corporations of the Commonwealth of Pennsylvania, do each hereby constitute and appoint Erin M. Dennison, Vanessa Dominguez, Amanda George, Michael J. Herrod, Terri L. Morrison, Andrea M. Penalozza, Gina A. Rodriguez, Lupe Tyler, Lisa A. Ward, Donna L. Williams and Misty Wright of Houston Texas -----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY have each executed and attested these presents and affixed their corporate seals on this 1st day of April, 2022.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

Stephen M. Haney

Stephen M. Haney, Vice President



STATE OF NEW JERSEY
County of Hunterdon SS.

On this 1st day of April, 2022 before me, a Notary Public of New Jersey, personally came Dawn M. Chloros and Stephen M. Haney, to me known to be Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros and Stephen M. Haney, being by me duly sworn, severally and each for herself and himself did depose and say that they are Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY and know the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that their signatures as such officers were duly affixed and subscribed by like authority.

Notarial Seal



KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2024

[Signature of Katherine J. Adelaar]
Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY on August 30, 2016; WESTCHESTER FIRE INSURANCE COMPANY on December 11, 2006; and ACE AMERICAN INSURANCE COMPANY on March 20, 2009:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
(2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
(3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Dawn M. Chloros, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
(ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this July 1, 2022



Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:
Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

Emergency Collection Service

Whether necessary due to a natural disaster, extreme weather, or other unforeseen events, WM is always prepared to provide additional support to communities requiring urgent solid waste collection assistance.

The WM Green Team is comprised of highly skilled drivers and technicians who can be deployed at any time to support local teams when crisis events occur. This group of professional employees has experience working in a variety of situations, including natural disasters and other situations where additional resources are needed to support local operations. WM also has identified qualified drivers, technicians, and other employees who can be called upon to augment Green Team resources when needed.

During extreme weather or natural disasters, some communities are also faced with massive volumes of debris. In such cases, excess supplies of collection equipment including spare vehicles and steel containers can be quickly accessed, often within hours.

In the event of a disaster in Ridgecrest, WM can work with you to provide any storm debris or other cleanup services that fall outside of our contract agreement in accordance with FEMA and applicable contract terms and conditions.

There for You When You Need Us

WM is always prepared to provide essential services to your community even in the event of an emergency such as a natural disaster, pandemic, extreme weather, or other unforeseen events.

Over the years, we have dealt with many kinds of service disruptions: hurricanes, super storms, floods, fires, earthquakes, and now pandemics - each requiring unique preparations associated with our planning and response to confirm a swift recovery.

In a time of crisis, pandemic, or disaster, collection of trash, debris, and recycling materials are central to the recovery and rebuilding of communities and businesses. To mitigate the impact of emergency events, and to speed up recovery, WM has established national strategies and support systems to assist local operations.

When unforeseen circumstances have occurred, these contingencies have allowed WM to continue to serve our customers with minimal interruption. Additionally, in the event of manmade or natural disasters such as tornados, floods, etc., special collections may be arranged with the City to assist with cleanup efforts or other additional support when needed.

Each year, we review and update our disaster management plans, building on what we learn to improve our response. The COVID-19 pandemic this past year underscored the need for detailed plans for every type of disruption. In this case, deploying a team of drivers and workers to travel to affected areas was not feasible. Our planning efforts allowed for adjusting our services to meet our customers' and communities' needs. We responded quickly and decisively by keeping drivers on the road and customer

service agents answering phones, emails and live chats to ensure we continue to provide safe, essential environmental services to customers.

We are also committed to communicating clearly and consistently with employees and customers before, during, and after a disaster. While we may not be able to predict when or where natural disasters will occur, there is plenty we can do to prepare. Our goal is to remain ready to respond to these events as we always have, thanks to our employees' professionalism and compassion for one another and the communities in which they live.

The City can count on WM to be a nimble and reliable partner in the aftermath of any disaster or emergency. Our breadth of operations throughout Southern California, gives us the ability to readily mobilize drivers and trucks from other areas to provide continuity of service.

Our Response to Natural Disasters

For some natural disasters, weather forecasts provide critical warning time to prepare. Major hurricanes in 2018 and 2019, most notably Hurricane Michael, required dedicated efforts by a team of experts to protect employees, safeguard trucks and facilities, and bring in supplies after storms passed. Our local team is supported by an unmatched set of equipment and resources across North America that are ready and willing to deploy and provide support at a moment's notice.

Examples of how our team has responded to disasters in the past include:

A First Responder to Hurricane Michael

When Michael devastated a large swath of the southern U.S. in October 2018, WM was one of the first responders, delivering roll off containers to essential businesses and utilities, local hospitals, grocery stores, and shelters. We deployed a team of approximately 30 employees who assisted with relief efforts, including driving vehicles, cleaning up debris and preparing meals. Beyond the internal cleanup and recovery process, WM prioritized communicating our operational status to our customers through every available medium.

Continuing Vital Environmental Services during the COVID-19 Pandemic



Despite the many challenges the COVID-19 pandemic has presented, we continue to provide essential services to communities while protecting the health and safety of our employees. In response to the pandemic, we developed a comprehensive response plan that includes:

- Equipping our frontline workers with personal protective equipment and instituting thorough cleaning, sterilizing, and social distancing procedures
- Shifting more than 19,000 employees to work from home without compromising customer service or operations
- Establishing a website detailing our response plan, with information and resources for customers (wm.com/us/en/COVID19)
- Utilizing our vast network of resources where we may have driver shortages or other needs

Call Center Contingencies

In the event of an outage at our regional Customer Service Center, our technology infrastructure allows calls to be routed to other centers throughout North America so there is business continuity for the City until power is restored.

Helping California with the Increasing Frequency of Wildfires

Compared with the tropical storms that affect the eastern and southern U.S., the fires that occur with increasing frequency in the western U.S. and Canada require very different preparation and response. Our fire-related communication plans, response, and recovery efforts are increasingly tested.

In November of 2018, WM's Simi Valley Landfill worked with their employees and the deployed WM Green Team to handle debris from the Woolsey Fire, which burned in California's Los Angeles and Ventura counties. We made upgrades at the facility to accommodate the increased volume, including expanding our staff, adding equipment and renting electronic signage and lights to allow the site to run extended hours while enhancing safety. Over a five-month period, we accepted more than 362,000 tons of fire debris and recycled more than 6,000 tons of scrap metal.

The Camp Fire ignited in Paradise, California, the same day as the Woolsey Fire. While WM does not provide service to the Paradise community, we have extensive operations throughout the surrounding area, so many of our employees, customers, and business units in the region were affected. Because the containment of the fire was uncertain, our procurement staff worked to ensure operating units in the affected areas had the necessary masks, water, and other critical supplies.



Taking Care of Our Customers

As the Camp Fire neared, North Valley Waste Management driver Dane Cummings decided to check on the elderly residents on his route. He found 93-year-old Margaret Newsom and brought her to safety at the home of Brian Harrison, a fellow Waste Management employee.

We Take Care of Our People So They Can Take Care of You

In the wake of the fire, fifteen WM employees were displaced from their homes. We secured relief for them in the form of hotel rooms, rental cars, clothing allowances, and meals as well as grants from the WM Employees Care Fund. We even organized a catered Thanksgiving dinner at a community center so that employees and their families could celebrate together, despite the upheaval.

Once the cleanup process began, WM's Green Team members from across the country assisted with hauling and post collection operations. Our landfill in Anderson, California received nearly 2 million tons of fire debris over nine months. We also helped relief efforts through donations to a local Habitat for Humanity chapter, community center and library as they began the long process of rebuilding. Although both events occurred in 2018, the response and impacts were felt well into 2019 and beyond.

The WM Employees Care Fund

The WM Employees Care Fund, Inc. is a public, nonprofit 501(c)(3) organization that provides short-term financial assistance to Waste Management employees during unexpected financial hardships and emergencies. This fund is intended to assist employees in filling financial gaps that exist following unexpected emergencies. The vast majority of the fund is supported directly by other WM employees and is one example of how we support and take care of each other during times of need.

Power blackouts during "fire season" have become a part of life in California. These outages impact our operations and our ability to communicate with our drivers and customers. Now, we require backup generators and call centers to maintain service continuity across the state.

Ensuring Continuity of Operations in the Wake of Hurricane Harvey

In August 2017, Hurricane Harvey devastated southeast Texas. Some areas of Houston received over 30 inches of rain in 24 hours. Estimates are that the Houston Metro area received between 45 and 55 total inches of rain. To put that amount in perspective, the combined rainfall totals from three previous monster hurricanes that hit the United States - Katrina, Andrew, and Sandy - was 43 inches. For WM, our response was immediate. The first priority was ascertaining the safety of our employees, followed by maintaining operations. Our operations were undoubtedly affected by Harvey, but we did not let that deter our commitments to our customers. As an example, at our Atascocita Landfill, WM usually takes in about 500 truckloads of waste by noon. However, immediately after Harvey hit, we were only able to take in three trucks by that time. Within a short time, our Atascocita Landfill was accepting almost twice its regular daily volume. Using social media, WM kept our customers apprised of service updates and debris management and provided information on safety measures. Via Twitter, WM maintained communication and even joined forces with area competitors to share facilities that were open for disposal.



During Hurricane Harvey, we stayed active on social media, including Twitter as shown in the above screenshot, as one way to communicate with residents.

Hurricanes Harvey

Frequently Asked Questions

Collection Schedule

Q: When will my household trash and/or recycling services resume?

A: We are working hard to ensure everything is picked up in a timely manner. Based on the severity of the storm, this will take more time than usual. Please leave your household trash and recycling at the curb and we will pick it up just as soon as we can. Thank you for your patience.

Based on the magnitude of the storm, collection schedules for regular household trash and recycling are subject to change. For the most up-to-date service information, please visit our alert center at www.wm.com/alerts.

Storm Debris Cleanup

Q: What will Waste Management be picking up?

A: Waste Management will only collect household trash and recycling, the materials you normally place in your trash and recycling carts for weekly collection. It is important that storm debris remain separate from residential trash and recycling so that Waste Management employees can collect your household materials more quickly and safely.

Please do not include storm debris in your household trash. Storm debris includes construction and demolition debris, hazardous household waste, electronics, vegetation, appliances and white goods.

Q: Will Waste Management collect my storm debris?

A: No, Waste Management will not be collecting storm debris. We will ONLY be collecting materials normally placed in your trash and recycling carts for weekly collection. It is important that storm debris remain separate from residential trash so that Waste Management employees can collect your household materials more quickly and safely.

Storm debris collection is managed by your city, county, or area and will be performed by other contractors. Debris pickup schedules will likely vary by city and unincorporated area. Check your county, city, or HOA/MUD/HUD news bulletins. You can also refer to the FEMA Hurricane Harvey resource page at <https://www.fema.gov/hurricane-harvey> and the Hurricane Irma resource page at <https://www.fema.gov/hurricane-irma>. The FEMA website includes detailed instructions for debris collection.

Q: What if I don't want to wait for FEMA collection? Can I get a dumpster or Bagster® bag from you and just pay for it myself?

A: It is standard in disaster storm cleanups to have residents place their storm debris at the curb for the storm debris contractors to collect. So, unfortunately we are unable to provide large metal containers or the Bagster bag for residential storm debris collection at this time.

Helping in the Aftermath of the 2019 Ridgecrest Earthquake

In July 2019, the greater Ridgecrest community was rocked by a series of earthquakes that damaged homes, businesses and personal property. Within hours, WM completed its safety check and determined its local team, facility and equipment were unharmed and could be deployed. Following the safety check completed, our local management began coordinating with city staff, Kern County Public Works (owner/operator of the Ridgecrest Landfill) and customers to begin the cleanup process, assessing needs and delivering containers.

Preparing for Disaster

With the memory of recent disasters still etched in our minds, it is clear that being prepared for disaster response is a critical element of providing world-class customer service and is essential for protecting the

health and safety of the City of Ridgecrest and surrounding communities. WM is prepared to supplement the City's disaster response, coordinating manpower and equipment in accordance with the terms of the franchise agreement and applicable emergency authorizations. By working in concert with Kern County Public Works and other emergency resource providers, WM can assist the City with mitigating the threat to the health, safety, and welfare of the community.

In the Event of an Earthquake

Earthquakes pose a potential threat to California communities, especially those in areas with a history of seismic activity such as Ridgecrest. Should the City of Ridgecrest experience another earthquake event severe enough to be declared a local emergency, WM would respond as follows:

- WM's local team, working in concert with its area leadership and safety resources, would determine the status and utility of its local site, equipment and workforce. The local team will also work to determine the utility of the approved disposal site, the Ridgecrest Landfill (operated by Kern County Public Works), and local recyclables transfer site (operated by approved subcontractor Dave Pearson's Recycling).
- In accordance with Section 4.3 B. of the Agreement and in coordination with the City Contract Manager, WM will respond to City requests for Emergency Services. Examples of emergency support provided by WM may include delivery of containers and collection of solid waste outside of regular collection hours and schedules as well as notifications to customers of changes to collection schedules or other pertinent information.
- WM's Ridgecrest site is a part of its Kern County operations. Should it be determined that it is safe, feasible and reasonable to temporarily reallocate resources from elsewhere within the county to respond to the request for emergency services without adverse impacts to those other areas, WM's local team, working in concert with its area leadership will use good faith best efforts to do so.

Additionally, depending on the location and extent of the emergency, WM has access to the following resources:

National Customer Service Infrastructure – The City of Ridgecrest will have the benefit of WM's customer service infrastructure in connecting its residents and businesses with WM's services. In the event of a local or regional outage, our technology infrastructure allows calls to be routed to WM's Customer Experience teams located throughout North America so there is business continuity for the City until service is restored.

Regional Disposal and Processing Network – Should the emergency render the Ridgecrest Landfill temporarily or permanently unusable, WM may also be of assistance to the City with making alternative transfer and disposal arrangements for Ridgecrest's waste streams at one of our regional disposal or processing facilities.

WM Green Team – The WM Green Team is comprised of highly skilled drivers and technicians who can be deployed at any time to support local teams when crisis events occur. This group of professional employees has experience working in a variety of situations, including natural disasters and other situations where additional resources are needed to support local operations.

Exhibit G

City Service Locations

Location / Address	Service Level
Kerr McGee Community Center 100 W California Ave	(5) – 3CY Trash Bins x 3/week (2) – 3CY Recycle Bins x 2/week
Kerr McGee Youth Sports Complex 117 S Down St	(2) – 6CY Trash Bins x 2/week (1) – 64-Gallon Organics Cart x 1/week
Leroy Jackson Park Sports Complex 302 E French St	(2) – 3CY Trash x 2/week
Animal Shelter 411 S San Bernardino Blvd	(1) – 3CY Trash Bin x 2/week
Parks Maintenance 602 W Ridgecrest Blvd	(1) – 3CY Trash Bin x 2/week
Senior Center 126 S Warner St	(2) – 3CY Trash Bins x 3/week (1) – 3CY Recycle Bin x 1/week (2) – 64-Gallon Organics Carts x 1/week
Maintenance 231 W Station St	(1) – 96-Gallon Trash Cart x 1/week (1) – 96-gallon Recycle Cart x EOW
Upjohn Park Upjohn/Sunland Intersection	(1) – 3CY Trash Bin x 1
Hayfield/Reclamation Facility 950 E Upjohn Ave	(1) – 3CY Trash Bin x 1